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BUSINESS

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GuocoLand looks to rise in private home prices

It cuts number of units put up for sale at latest condo; other developers also holding back

Wong Siew Ying

Developer GuocoLand has trimmed the number of units put up for sale at its latest condominium, Martin Modern, in what is seen as a bet on private residential prices reversing course after years of decline.

Other developers also appear to share the same sentiments.

Earlier this week, Chinese developer Qingjian Realty said it is holding back the second phase of sales launch at its Le Quest project in anticipation of possible upturn in the property market.

Lendlease had also put off placing new units at Park Place Residences at PLQ on the market after launching 217 apartments for sale in March – in the hope of pricing the remaining units at a higher price subsequently.

GuocoLand told The Straits Times that it sold 110 of the 450 units at luxury condo Martin Modern in Martin Place within about two weeks of its launch last month. The developer said there is potential to raise the selling price next year.

“We have already started to mod-



GuocoLand (Singapore) group managing director Cheng Hsing Yao acknowledged that there will be “pressure for prices to go up” in view of recent aggressive land bids and fewer condo completions. It is seeking opportunities to acquire plots but will “keep a level head” on land bids. ST PHOTO: NG SOR LUAN

erate the releases... You want to achieve a good start so there is confidence in the project. I think we have already achieved that. We should not be selling too much too fast,” said Mr Cheng Hsing Yao, group managing director of GuocoLand (Singapore).

Average selling prices at Martin Modern, the first major launch in the Robertson Quay neighbourhood in eight years, range from \$2,009 psf to over \$2,500 psf.

Mr Cheng declined to speculate by how much the prices might rise next year but he acknowledged there will be “pressure for prices to go up” in view of recent aggressive land bids and fewer condo completions.

“The margin is already quite thin among developers, and land constitutes 60 per cent to 70 per cent of total cost, so when the land cost goes up so much, it is not a choice for the developers not to sell higher.”

GuocoLand is seeking opportunities to acquire plots, with a focus on mixed development as well as good-quality sites for homes. However, Mr Cheng said the firm will “keep a level head” on land bids.

The developer has three other projects with unsold units: the ultra luxe Wallich Residence at Tanjong Pagar Centre, Leedon Residence off Farrer Road and Sims Urban Oasis in Aljunied.

The 99-year leasehold Wallich

Residence, which will be ready in the fourth quarter, is spread across levels 39 to 64 in Singapore’s tallest building. The project caught the public eye recently after news broke of its \$108 million super penthouse.

Mr Cheng said 19 apartments at the 181-unit luxury condo project have been sold at an average price of \$3,100 psf. The 21,108 sq ft super penthouse is not ready for sale.

The Straits Times understands that the super penthouse, spanning three floors, will have a dedicated lift and is highly customisable.

Below the Wallich Residence sits 890,000 sq ft of Grade A office space, Guoco Tower, of which 93 per cent has been leased. The firm

is in talks to lease the remaining office space, including 27,000 sq ft on level 37, at higher rents.

Property consultants have been forecasting a bottoming out of rents in the commercial property market this year as sentiment improves.

“A lot of the tenants at Guoco Tower are MNCs with regional headquarters here, and they are growing. Less than a year into moving here, five tenants are already expanding,” said Mr Cheng.

About 40 per cent of tenants at Guoco Tower are in the technology, media and telecoms sectors, and they include Uber and Agoda.

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GuocoLand sold that many units out of 450 at its luxury condo Martin Modern within about two weeks of its launch.