

REAL ESTATE

GuocoLand places top bid of S\$627.8m for River Valley plot next to Great World MRT station

This works out to S\$1,420 per square foot per plot ratio; state tender draws four other bids for the site

By Kalpana Rashiwala
kalpana@sph.com.sg

THE tender for a plum 99-year leasehold private housing site in the River Valley area next to Great World MRT station has drawn a better than forecast result.

GuocoLand's top bid of S\$627.8 million for River Valley Green (Parcel B) works out to S\$1,420 per square foot per plot ratio (psf ppr). This is higher than the S\$1,150 psf ppr to S\$1,350 psf ppr that property consultants polled by *The Business Times* earlier this week had forecast. The total of five bids received for the plot is also higher than expectations of up to three bids.

Market watchers pointed to the site's attractions, including its proximity to the Great World station on the Thomson-East Coast Line and the retail offerings at the Great World City mall. The site also has a long frontage along Kim Seng Park and faces the Singapore River.

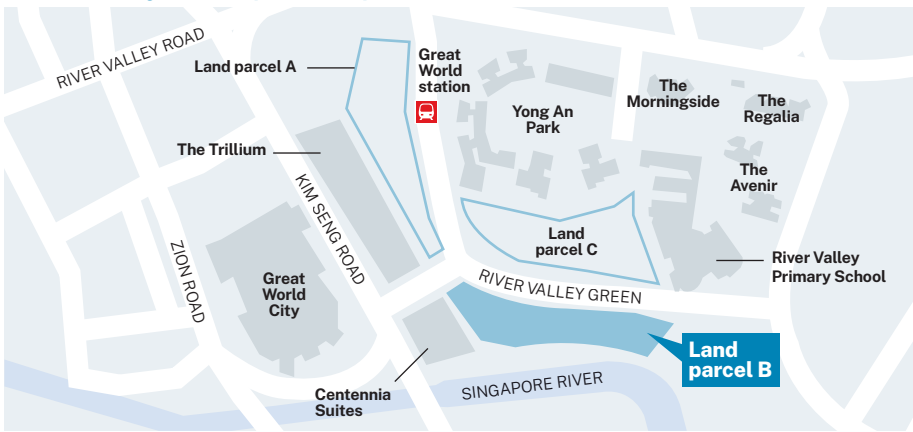
"There are also several schools in the area including River Valley Primary School, Alexandra Primary School, Zhangde Primary, Outram Secondary School and Gan Eng Seng School," said Wong Siew Ying, head of research and content at PropNex.

OrangeTee & Tie chief executive officer, Justin Quek, said: "It is relatively rare to find a prime riverside land parcel along the park connector with immediate access to the MRT."

GuocoLand's top bid for River Valley Green (Parcel B) was about 9 per cent higher than second highest bid of about S1,303.5 psf ppr from Sing Holdings.

However, Tricia Song, head of research for Singapore and South-east Asia at CBRE, noted that GuocoLand's bid is still 18 per cent below the Jiak Kim Street plot (Riviere) that drew 10 bids and a top bid of S\$1,733 psf ppr in De-

River Valley Green (Parcel B)



SOURCE: URA GRAPHIC: TEOH YI CHIE, BT

Hungry again

Provisional tender results for River Valley Green (Parcel B)

BIDDERS	BID PRICE (S\$M)	S\$PSF PPR
GLL B (<i>GuocoLand</i>)	627.84	1,420.00
Sing Holdings Residential (<i>Sing Holdings</i>)	576.33	1,303.51
Sing-Haiyi Garnet (<i>SingHaiyi Group and Haiyi Holdings</i>)	566.00	1,280.14
Garden Estates (<i>Hong Realty</i>)	553.56	1,252.01
Kingsford Huray Development (<i>Kingsford Group</i>)	553.12	1,251.01

Note: Names of holding companies/parent companies in italics

SOURCE: URA, ACRA GRAPHIC: GARETH, BT

cember 2017. Moreover, Song noted that the other four bids at Friday's tender closing were between S\$1,251 psf ppr and S\$1,303 psf ppr – well within market expectations. "Hence, we will hesitate to say sentiment has revived," she added.

Nevertheless, market players said, the participation rate at the latest state tender is healthier after months of generally muted interest.

Nicholas Mak, chief research officer of Mogul.sg, said the higher participation by developers in the tender shows that the major developers are looking to replenish their land bank in light of the recent spike in new home sales since last November.

GuocoLand's residential director Dora Chng said that if awarded the River Valley Green (Parcel B), the group plans to build a high-end waterfront residential development with two towers. "There will be some commercial shops that will form part of the common property owned by the residents, that will provide additional income to the MCST (Management Corporation Strata Title) in the long run," she added. Residents of the future development will have Kim Seng Park and the Singapore River promenade at their doorstep, said Chng.

Property consultants generally expect the new homes on the site to sell for around S\$3,000 psf.

The 126,325 square foot site, zoned

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residential with commercial at first storey, can yield about 475 private homes. Serviced apartment and long-stay serviced apartment uses are permitted for the site, subject to approval from technical agencies. Long-stay serviced apartments, with a minimum stay duration of three months, are a rental concept unveiled by the government in November 2023. They differ from regular serviced apartments, which have a seven-day minimum stay.

GuocoLand's bid price is about 7 per cent higher than the S\$1,325 psf ppr that Wing Tai paid for a neighbouring site, River Valley Green (Parcel A), at a state tender that closed in June last year. It fetched two bids. In the following month, Zion Road (Parcel B) – further away across the Singapore River – also received two bids, with the top bid from Allgreen Properties at S\$1,304 psf ppr. Both these plots are zoned for residential use.

Last April, Zion Road (Parcel A), zoned residential with commercial at first storey and which includes a mandatory long-stay serviced apartment component, drew just one bid – which worked out to S\$1,202 psf ppr – from a City Developments Limited and Mitsui Fudosan (Asia) tie-up. The site was awarded.