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DEVELOPER EXPECTS BUILDING TO BE OPERATIONAL BY FEBRUARY

# South Beach offices snapped up in good sign for property sector

*Close to 90% taken up by tenants across financial services, e-commerce, business consultancy segments*

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**SINGAPORE** — Close to 90 per cent of the office space at the S\$3 billion mega-integrated development South Beach has been taken up, underlining the strong demand and positive outlook for the sector.

“There has been a lack of office space, so this is meeting some of the pent-up demand. Going forward, I think office space will still be in de-

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**Mr Chris Koh**  
DIRECTOR OF  
PROPERTY FIRM  
CHRIS INTERNATIONAL

mand because new companies are being set up and current businesses have plans to expand. All these will require additional space,” said Mr Chris Koh, director of property firm Chris International.

The 34-storey Grade A office building, known as the North Tower, has a net lettable area of 500,000sqf and will be the first component within the development — situated on a 376,296sqf site between Suntec City and Raffles Hotel — to open its doors. It is expected to be operational in February, the chief executive of the developer consortium, Mr Alcysius Lee, said yesterday.

“We have leased between 80 and 90 per cent and we believe we will hit 90 per cent by the end of this year. We are aiming for the Temporary Occupa-

tion Permit to come in at the end of this year. Our first tenant’s commencement date is February, so we will be functional by then,” said Mr Lee, who heads the South Beach Consortium, a joint venture between Singapore’s City Developments and Malaysia’s IOI Group.

He added that the consortium had achieved office rents of S\$9 to S\$12 per square foot per month from tenants across the financial services, e-commerce, business consultancy and consumer goods segments. This compares with the average rents for Grade A offices of between S\$7.67 and S\$10.27 in the third quarter, according to a report released in October by property consultancy Savills.

The mixed-use development also incorporates four historic buildings — the former Non-Commissioned Officers Club and three former military

buildings — and will house a 29,000sqf private club and a hotel with facilities such as a ballroom with a capacity for 500 guests.

The 654-room hotel, named The South Beach, will occupy the first 21 floors of the 45-storey South Tower. A soft opening is expected next April, with the official opening planned for September. The remainder of the South Tower will comprise 190 luxury residences, which the consortium has no plans to launch for sale yet, amid the current subdued residential market.

The units, which range in size from 950sqf for a two-bedroom to more than 6,500sqf for a five-bedroom penthouse, could go on sale for around S\$4,000 psf, media reports have said. However, Mr Lee said his team was still monitoring the market.

“It doesn’t seem to be the right time to launch any luxury product in the Singapore market. The market pricing for (equivalent projects) is still holding at S\$3,800 to S\$4,200 psf, but there are no transactions. We don’t want to set a price that is not going to move units, so we are still waiting for the right time to launch,” he said. “Renting the apartments could also be an option; we are not ruling out any possibilities.”