

# Shaping up to be a desirable residential enclave

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psf. A major player in the Balestier neighbourhood, Soilbuild also launched the 127-unit The Mezzo (the former Ruby Plaza) in March last year, and to date, all the units in the 28-storey tower have been sold.

Nearby on Mandalay Road is The Axis by Novelty Group, a 52-unit project that was recently completed and is fully sold. Prices may have started in the \$800 psf range in 2007, when units were first released, but the most recent resale of units for April and May have been at \$1,034 to \$1,141 psf.

Another project that was completed last year is the 180-unit twin tower Pavilion 11 by UOL Group. In the resale market, the high-floor units are commanding \$1,300 to \$1,350 psf, while low- to mid-level units have changed hands at \$1,151 to \$1,292 psf. Pavilion 11 is closer to the Novena area near the medical cluster, and is considered to be in prime District 11.

Boutique developer Roxy-Pacific Holdings is another major player in the Balestier area. Construction is underway at two of its projects, Nova 48 and Nova 88, which are one street apart from each other. The former is on Promenade Road and the latter, launched early last year and fully sold, is on Bhamo Road, next to the Balestier Market. The company's project in the Balestier neighbourhood that was recently completed is Marque@Irrawaddy, where all units except the penthouse have been sold.

Launched in mid-2007, units were sold at an average of \$1,000 psf. The most recent transaction was the sub-sale of a 16th floor, 1,690 sq ft unit that was sold for \$1.6 million, or \$947 psf.

Keith Yip, a specialist real estate agent in the Balestier neighbourhood, says demand for resale apartments in the area in recent months has come mainly from beneficiaries of the old projects in the en bloc sales. "While there's interest, transaction volume has been thin as even sellers of the older projects are asking for prices of \$1,000 psf, and buyers are holding back," Yip observes. Most of these people have lived in the Balestier area for many years and want to continue to live in the same neighbourhood. "So, they tend to look for older projects where units are larger than the new developments," he adds.

## 'Spillover demand' from Thomson Road and Novena area

There is spillover demand from the Thomson Road area, where the most recent transaction at the recently completed Sky@Eleven hit a high of \$1,530 psf, notes Yip. At the other end of Balestier in the Novena enclave near the MRT, units at Frasers Centrepoint's 417-unit Soleil@Sinaran recently sold at a median price of \$1,750 psf. "In comparison, most of the new projects in the Balestier area are \$1,000 to \$1,200 psf," he says.

In the Newton area, directly across from Novena Square and the MRT station, is Newton Suites by UOL Group, which was completed in 2007. The owners are already asking for \$2,000 psf for their units, with most recent transactions in May at \$1,842 to \$1,850 psf. At the 175-unit Lincoln Suites, located just next door to Newton Suites, which was launched last year, the most recent transactions ranged from \$1,833 to a high of \$2,627 psf, according to caveats lodged in June.

Recently, there has also been a rise in rental inquiries in the Balestier area, notes Yip. Most are from tenants in the Newton-Novena area who are looking at new units in the relatively cheaper Balestier area. For instance, a two-bedroom apartment in Balestier can com-



Soilbuild Group's recently completed 151-unit Montebieu was launched in March 2007 at an average of \$980 psf. Most recently, sub-sales in June and July have ranged from \$1,290 to \$1,380 psf.



UOL Group sold the 180-unit Pavilion 11 within three weeks of its launch in March 2007. The project was completed late last year.

mand monthly rental rates of \$3,000, compared with \$4,000 to \$5,000 in the Novena area, he says.

Yip is also seeing an increase in new enquiries about rental apartments from those in the medical field as the medical hub in the Novena area develops. The only drawback of the Balestier Road area is that the MRT stations at Novena and Toa Payoh are not within walking distance of any project, unless it is at the Novena end. For those who drive, however, it offers easy access to both the Central and Pan Island Expressways, he says.

The close of the tender for the collective sale of Melrose Court on Aug 12 has also drawn keen interest. Located on Lorong Limau, the four-storey, 32-unit apartment block was put up for sale at \$48 million, or \$688 psf ppr. Colliers' Ho who is marketing the project, says interest has mainly been from small- to medium-sized developers and contractors-turned-developers.

Based on recent deals, the owners of collective or even industrial sites put up for sale today are looking at prices of \$600 to \$700 psf ppr, notes Tan Hong Boon, deputy managing director of Credo Real Estate. "Pricing of projects in Balestier has already surpassed the previous peaks," he says. A fortnight ago, the 50-unit Pastoral View and an adjoining land parcel at Bassein Road owned by OCBC in the Novena area were offered for sale by tender. The indicative price for the site is \$130 million to \$150 million, or \$904 to \$1,043 psf ppr, says Tan, the marketing agent for the site.

"The site is located just 400m away from the Novena MRT station," says Tan. "It is also next to the cluster of developments in the Novena area such as Novena Square, Velocity@Novena, the Novena Medical Centre, the upcoming Parkway Health Hospital and Tan Teck Seng Hospital, as well as the shopping and commercial area across the street like United Square, Goldhill Plaza and Goldhill Centre." The tender for the site closes on Aug 23.



The first phase of the 65-unit D'Mira was launched in May, with 21 of 32 units released sold at an average of \$1,100 psf

Given the location of the sites and their combined land area of 51,395 sq ft, it is said to have attracted the interest of the medium-sized to large listed developers as well. The combined site can be redeveloped into a high-rise tower of 140 apartments, assuming an average size of 1,000 sq ft each.

In May, MCL Land launched D'Mira, a 65-unit, 17-storey boutique development along Boon Teck Road, off Balestier Road. In the first



Artist's impression of BS Capital's upcoming residential project, a redevelopment of the Colourscan Building at Lorong Ampas-Kim Keat Road

phase of 32 units released, 21 were sold at an average price of \$1,100 psf, says the developer. MCL Land plans to release the second phase after the Hungry Ghost Month, which ends in early September.

With the new residential towers springing up as the Balestier neighbourhood is renewed, perhaps District 12 in Balestier will one day become as desirable a residential neighbourhood as the prime District 11 neighbourhoods that flank either end of the area — Thomson Road on one side, and the Novena-Newton area on the other.

PICTURES BY SAMUEL SIAK CHHANG FOR THEEDGE SINGAPORE

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