

For immediate release

Pearlbank Apartments in Outram sold to CapitaLand for SGD728 million

Rare redevelopment site poised to be a centerpiece in the transformation of Outram district

Singapore, 13 February 2018 – Leading global commercial real estate services firm, Colliers International (NASDAQ and TSX: CIGI) is pleased to announce that the residential development in Outram, Pearlbank Apartments, has been sold for SGD728 million to CapitaLand which has successfully acquired the site through a private treaty collective sale.

The sale price, which met the owners' reserve price, translates to a land cost of approximately SGD1,515 per square foot per plot ratio (psf ppr), after factoring in an upgrading premium of approximately SGD201 million for the lease top-up. There is no development charge payable for Pearlbank Apartments.

Pearlbank Apartments, a 37-storey development, was sold through private treaty following the close of its collective sale tender on December 19, 2017. The building comprises a total of 288 units (280 apartments and eight commercial units), and has a 99-year leasehold tenure with effect from June 1970.

Ms. Tang Wei Leng (邓慧玲), Managing Director at Colliers International, says, "Pearlbank Apartments, with easy access to key transport nodes and near varying healthcare, lifestyle and commercial hubs, is set to be a centerpiece in the transformation of Outram. It presents a great opportunity for the developer to help mastermind the future of Outram which has all the necessary ingredients to become a vibrant and attractive neighbourhood, anchored by a growing and diverse community."

The apartment owners, whose unit sizes range from 123 sq m to 371 sq m (approximately 1,323 sq ft to 3,993 sq ft), stand to receive between SGD1.8 million and SGD4.9 million from the successful sale of the property. Meanwhile, owners of commercial units with sizes ranging from 65 sq m to 523 sq m (approximately 700 sq ft to 5,630 sq ft), will potentially receive between SGD1.2 million and SGD6.9 million.

The Pearlbank Apartments site is subjected to the Pre-Application Feasibility Study (PAFS) which was announced by the Urban Redevelopment Authority on November 13, 2017.

Mr. Alex Poh (傅幸金), Chairman of Pearlbank Apartments collective sale committee, says, "The introduction of the PAFS - just weeks before the close of the public tender - was a setback for the collective sale as interested parties needed more time to assess its impact. Despite the challenges, we are pleased that Colliers, with its extensive network of investors and real estate expertise, managed to secure a deal through private treaty. This is a very good result for the owners amid a red-hot collective sale market.

"While residents of Pearlbank Apartments had previously explored the idea to conserve Pearlbank Apartments due to its history and design, recent sentiment has strongly shifted to redevelopment. A deeper analysis of the building structure and the required enhancement work show that conservation would be a costly undertaking and a huge burden for the owners. It is not a viable nor favourable option for the residents. In addition, the redevelopment of the ageing building will also be in line with the ongoing renewal of Outram. The future development will enhance the architectural transformation of the area and the owners strongly support the redevelopment of Pearlbank Apartments," adds Mr. Poh.

Mr. Poh says the owners look forward to a modern development by CapitaLand which will embody the "work, live, play" concept. CapitaLand is a leading developer that has played an important role in shaping and revitalising prime areas in Singapore through the decades.

Ms. Tang adds, "Such a prominent site at the fringe of the Central Business District, with excellent connectivity via the Outram MRT interchange station, is hard to come by. I believe that the future development will be well-received by investors as well as home buyers who aspire to live in an exciting and historic locale in the city. I envisage that future apartments in the development could be sold at an average price of SGD2,600 psf or around SGD2.5 million – which is relatively affordable for such a choice location."

The site is well-served by the Outram Park MRT station, which is linked to the East-West Line and North-East Line. It will also be connected to the upcoming Thomson-East Coast Line (TEL) which will open in phases starting from 2019. The TEL will connect Outram Park to numerous lifestyle and recreational attractions, such as Orchard Road, Marina Bay and Gardens by the Bay.

Pearlbank Apartments sits on elevated grounds with a land area of 7,653 sq m (approximately 82,376 sq ft). It is surrounded by a range of entertainment and lifestyle options in the bustling Chinatown and is near one of Singapore's largest healthcare hubs, the Singapore General Hospital campus which is currently being revamped in phases.

While the development has a Gross Plot Ratio of 7.2 under the 2014 Master Plan, it has an existing Gross Plot Ratio of 7.4479. As such, the site has the potential to be re-developed into a residential development with a total Gross Floor Area of 56,998.8 sq m (approximately 613,530 sq ft).

The tender for Pearlbank Apartments was launched on November 16, and closed on December 19 at 3pm. According to laws governing collective sales, the owners may enter into a private treaty contract with a buyer within 10 weeks from the close of the public tender.

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