

Tong Eng Group's Roots, Heritage and Milestones

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Teo Tong Lim, Group Managing Director

Today, Singapore has become one of the most dynamic and cosmopolitan cities in the world by the sheer determination and great resilience of its founding fathers. The city-state has become a shining example of urban life. The Tong Eng Group (“Tong Eng”) is privileged to have witnessed and contributed to Singapore’s growth.

In the 1940s, Mr Teo Thye Chor and his younger brother, Mr Teo Thye Hong, migrated from the Hui Ann District of Fujian, China to Singapore in search of new challenges and a brighter future. Life was challenging in the initial years. But, after the Second World War, the brothers started a business of trading in electrolytic tins used in the production of cans and bottle caps and formed Tong Eng Brothers.

Responding to post-war rebuilding demand in the 1950s, the brothers had the foresight to anticipate a surge in demand for accommodation and decided to diversify into property development. A true visionary, Thye Chor saw the potential of the Paya Lebar District, an undeveloped precinct, and bought land in the area – where Tong Eng went on to develop the land into the first industrial estate in that area.

Following this, the brothers continued to acquire more greenfield land in the city’s suburbs such as Changi, Paya Lebar, Upper Serangoon Road, Yio Chu Kang and Pasir Panjang, amassing more than 100 acres of freehold land.

Some of these lands were developed into houses for lease to the British forces who were in Singapore at that time. Notable projects developed in that era include, Changi Grove, West Sea Garden in Pasir Panjang, Tong Kong Gardens in Upper Paya Lebar and Tong Eng Heights (now known as Changi Heights).

Tapping on Tong Eng's tin can business dealings with the major oil refining companies such as Shell, Esso, Mobil, the brothers displayed their sharp sense of business acumen by selling pieces of land to these oil majors for use as petrol stations. These land parcels were carved out from the tracts that Tong Eng had previously acquired and was a novel way to offset most of the land costs.

In 1968, Thye Chor's eldest son Mr Teo Tong Wah, together with his uncle Thye Hong, took over the company's reins and continued to develop the company's land bank and at the same time pursued the legacy of land banking started by Thye Chor. Tong Wah was a man of vision and one of his first priorities was to acquire the many pre-war rent control shop houses adjoining Tong Eng's own three units at Cecil Street in the heart of Singapore's Central Business District. He then amalgamated them to build a 26-storey office building known as Tong Eng Building, where the company's headquarters is located.

Over the years, the Group has continued to develop real estate across different sectors comprising landed housing, condominiums, apartments, offices and retail. Some of these projects are Greenbank Park, Green Meadows, Trendale Tower, Stratton Park, Belgravia Park, Serenade Garden, Kew Cottages, Treasure Place, Eminent Plaza, Serangoon Plaza and Poshgrove East, to name a few.

Tong Eng's Business Philosophy

The family owned business has been able to sustain a successful real estate business with a long track record of 60 years. Despite the boom and bust property cycles, the Group has managed to come out from each cycle even better than the last. Just as Singapore had accumulated large reserves with low debt in growing the economy, Tong Eng's enduring success lies in its prudence in not over leveraging and careful financial planning.

The Group believes in holding a mix of investment and development properties in its portfolio.

"Investment properties gives a steady rental income and cash flow. During periods of property downturn when there is a slowdown of sales of development properties, the cash flow generated from investment properties will help to cushion the impact of the slowdown." says Mr Teo Tong Lim, the Group Managing Director who has been in the Group for the past 39 years.

This strategy has enabled the Group to weather the down cycles. Moreover, its success also lies in establishing a stellar reputation over the years in delivering quality products.

"With each project, we pay careful attention to every detail every step of the way. We pride ourselves in delivering projects over the years that have enduring value, blending form and functionality. Our purchasers are assured that they own a piece of real estate that is well designed and aesthetically outstanding." explains Teo.

Indeed, the Tong Eng Group leaves no stone unturned in the development process. The creative planning of each project and effective spatial planning, ensures the utilitarian layout of every living and commercial space. By embracing new design concepts and construction technologies, pursuing a meticulous building material selection process and stringent project management, the Group delivers a high standard of construction quality and finishes in every successful project.

Furthermore, the Group has the ability to respond to market trends and demand patterns, and this allows it to stay up to date and ahead of the competition.

Growth of Tong Eng

The Group has grown from a single outfit to a conglomerate of companies today, comprising its subsidiaries, associates, related entities and joint venture companies with third parties. Many of the projects are undertaken by these entities either jointly or independently and separately from Tong Eng.

One of its current projects Three Balmoral, a joint venture project undertaken by an associate company of Tong Eng and a local prominent family, is located at the heart of the city. It is a 12-storey building with 40 exclusive units along the high end residential enclave of Balmoral Road in the Prime District 10 locale and is a stone's throw from Orchard Road, the bustling high end fashion, hospitality and entertainment street in Singapore. Moreover, it is located in the epicentre of prestigious private schools, country clubs, hotels and world class medical facilities.

Three Balmoral is an integration of natural elements with cutting edge design allowing the striking single tower block to blend effortlessly into the urban environment. Maximising its vantage point across the lush greenery of Goodwood Hill, all the apartment units are arranged in a linear fashion allowing all units to enjoy panoramic unobstructed views over the resplendent greenery of Goodwood Hill and the dynamic city view of Orchard Road.

Each apartment is accessed from a private lift lobby to provide exclusivity and privacy to residents. Imported marble flooring, joinery and high quality fittings and appliances from Miele, Smeg and Kohler were chosen to add a touch of luxury. Ample Car parking is provided in the basement floor for every resident.

Goodwood Grand, another joint venture project with two local prominent business partners, is also nestled along a similar stretch of Balmoral Road. Goodwood Grand consists of 65 exquisite residences in a stunning tower and 8 thoughtfully designed strata bungalows. The twelve-storey tower purposefully arranged in a North-South orientation sits on an elevated environmental deck ensuring all apartments also savour clear and pristine views of the lush foliage and old world charm of Goodwood Hill.

Additionally, Goodwood Grand offers the luxuries of generous open spaces, tastefully manicured landscaping and all the comforts of a modern tropical lifestyle in an idyllic setting, with amenities such as an infinity lap pool on the 1st floor and an illuminated observatory, gym and function and dining room on the spacious 10th floor sky terrace.

Apartments are intricately designed with a premium selection of appliances from Miele and De Dietrich and sanitary fittings from prestigious brands such as Villeroy and Boch and Grohe. Each Strata Bungalow features five levels of living spaces, a private pool and adjoining outdoor terrace, a private lift, two basement private parking lots and a private roof terrace.

To showcase both Three Balmoral and Goodwood Grand's unique selling points to the fullest, Tong Eng developed an interactive three-dimensional visualisation tool to give life to the projects. Viewers can have a virtual walkthrough of the properties as well as visualize the view lines from any floor.

"It allows purchasers to see what they are buying even before it is built. They can see the actual 360 degree views of the development skyline from any floor which enables them to choose the view line of the unit that suits them. At the same time, the visual walkthrough enables purchasers to have a feel of the spatial planning, layout and finishes of the apartment." says Teo.

Future challenges in Singapore's real estate market

Tong Eng develops mainly freehold land. However, it is becoming more challenging to buy freehold land.

"In the past, it was easy to acquire large tracts of freehold land for land banking, but these days acquiring freehold land is very challenging because Singapore is very developed. Moreover, land banking is a very expensive exercise because land price in Singapore today is very high especially for freehold land." explains Teo.

The company has hence turned to and bought many freehold residential land through collective purchase of strata units, also termed en-bloc purchase, to replenish its land supply. Some of its completed projects like Treasure Place, Prosper Gardens, Balcon East, Wembly Residences, Hertford Collection, Tropika East and Goodwood Grand were built on land purchased en-bloc.

The Group have identified another source of supply of freehold land as coming from its existing investment commercial buildings which are either fully owned or majority owned such as Eminent Plaza and Serangoon Plaza. After being held for investment for more than 30 years, these two buildings are now ripe and ready to be redeveloped all over again into more intensified brand new commercial buildings.

"While Eminent Plaza is fully owned, in the case of Serangoon Plaza, we only had majority control and had to purchase the remaining strata units through an en-bloc exercise. The two buildings have therefore come full circle in that they have served their useful economic life and are ready for a second round of re-development and a new lease of life" says Teo.

The former Eminent Plaza, owned by a related company of the Group, is being re-developed into a 16-storey commercial building of shops, food and beverage outlets and offices to be re-named ARC380. It is located at the strategic junction of Jalan Besar and Lavender Street, and is mere minutes away from the Central Business District (CBD) and Marina Bay Financial District, the new Downtown. It is accessible via major expressways and arterial roads and is a mere 3 minute walk to the upcoming Bendemeer MRT station.

"The location is superb on the fringe of the CBD and is literally on the gateway to the city. It is ideal for medium and large sized companies who do not want to pay CBD rental but still require proximity to the main financial district or looking for a trendy locale on the CBD fringe." says Teo.

The building is elegantly designed curved like an arc and clad in an impressive light green curtain wall façade which is double glazed to reduce thermal and acoustic transmission. The curtain wall facade is juxtaposed with communal lush sky terraces on every office floor that lends a stunning deviation from conventional curtain wall design. The expansive 5 metre floor to floor height on each office floor offers panoramic views whilst allowing for extra storage space and a feeling of grandeur in the office units.

Besides this, every office unit is equipped with full toilet facilities for convenience. In addition, individual self-contained air conditioning units can be installed in every office space to enable a round-the-clock operation for the convenience of every commercial occupant.

ARC380 aims to inspire work-life balance through its range of facilities. The communal cantilevered landscaped sky terraces on all office floors provide a relaxing venue for office occupants to take respite from work. In addition, the 4th level and the building roof top are dedicated to the provision of facilities for a landscaped roof top garden with barbecue facilities, a swimming pool and an indoor gym. While the company has sold a few floors of offices, it is retaining the bulk of the office floors for long-term investment holding believing in the quality of this commercial development.

ARC380's architectural design and efficient ideal work environment has been recognised by the international community, being awarded the prestigious Asia Pacific Property Awards 2015-2016 for the Best High Rise Commercial Development in Singapore.

The project is slated for completion in the early 2017.

The current Serangoon Plaza is located along Serangoon Road on the fringe of the city and plans are currently in place to redevelop the existing site into an integrated development comprising retail, office and medical suites. The Group is targeting to bring this development to the market in the first quarter of 2016 and believes that this new development will be a game changer to the already rejuvenated and vibrant Serangoon Road precinct.

Beyond Singapore

With its extensive years of experience in Singapore, Tong Eng plans to continue with its investment holding and developing activities in real estate in Singapore, while at the same time, bringing its expertise outside of Singapore. The Group is mindful of delivering good design in these new overseas ventures while serving the ever-changing needs of their people. It eyes mature markets in Asia, and has identified Australia, in particular the main capital cities of Melbourne and Sydney as launch pads for their first ventures abroad.

In early 2015, it made its first foray into Australia purchasing a site in the Melbourne CBD, for the development of a residential and commercial building. The site is centrally located, near landmarks such as the Melbourne Central Station, Royal Melbourne Institute of Technology (RMIT) and the famous Queen Victoria Market.

The Group works with local Australian consultants to gain further insight and understanding of the market and integrates its Singapore design experience in a foreign market.

Future of Tong Eng

The Group has a firm belief that any piece of real estate is the synthesis of science and art and takes pride in consistently and continuously delivering excellent standards of design and quality in its projects.

Having developed a core management team together with its 60 years of experience in the industry, the Group has sharpened its core competencies in the areas of planning, construction, project management, asset management, facilities management and sales and marketing.

As a result, projects such as ARC380, Goodwood Grand, Belgravia Villas and Poets Villas have clinched several awards for design excellence.

The Group is still active in real estate investment and development in Singapore. Currently, the projects under development, has an estimated Gross Development Value of \$2 Billion Singapore

dollars. The Group is constantly looking for new investment and development opportunities in Singapore and will continue to explore opportunities abroad with the intent of entering stable markets that afford attractive yields and growth prospects such as Australia and London.

“We are still positive and confident in the long term prospects of Singapore. We bring a lot of experience and know-how and will continue sourcing for investment and development opportunities, while developing our land bank.” explains Teo.

Today, the family business continues into its third generation. With its long heritage and proven track record, Tong Eng and its group of companies, looks poised to grow from strength to strength, in tandem with the continuous growth of Singapore.