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**CENTRIUM SQ**  
All retail space sold  
for S\$135m | 15



THE RAFFLES CONVERSATION  
**MYER FOUNDATION'S  
RUPERT MYER** | 8-9



**MOTORING**  
Infiniti  
Q30 | L14



THE BUSINESS TIMES WEEKEND SATURDAY/SUNDAY, JULY 9-10, 2016

REAL ESTATE | 15

## Bangladeshi group pays S\$135m for Centrium Square's retail space

Singapore vehicle of tycoon Mohd Saiful Alam paying S\$4,967 psf for the freehold asset

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ALL the retail space of Centrium Square, which will come up on the current Serangoon Plaza site in Little India, is understood to have been sold to a foreign investor for S\$135 million.

This works out to S\$4,967 per square foot based on the freehold strata area of 27,179 sq ft – all on the first two levels.

The purchase is being made made by Canali Logistics, a Singapore-incorporated vehicle of Mohammed Saiful Alam, who controls Bangladeshi conglomerate S Alam Group, which is involved in a range of activities, including agrobusiness, consumer products, cement, steel, power, energy, transportation, shipping, manufacturing, trading and property.

Through Canali Logistics, Mr. Saiful Alam also acquired Hotel Grand Chancellor on Belilios Road, also in Little India, for S\$248 million in 2014. The hotel has since been renamed Grand Imperial Hotel Singapore and word on the street is that it will soon undergo a revamp and thereafter be rebranded as a Hilton Garden Inn.

Canali Logistics has also been reported by Malaysian media as having made an offer a few months ago to IGB Corp Bhd for its Renaissance Kuala Lumpur Hotel.

At Centrium Square in Singapore's Little India district, Mr Saiful Alam has picked up all 49 retail units – all on the first two levels – in the 19-storey proposed development. It will also have offices and medical suites, and is expected to be completed in 2020. Demolition works on the existing five-storey Serangoon

Plaza on the site are expected to begin early next year.

Centrium Square will be developed by Feature Development, a unit of Tong Eng Group.

When contacted by BTWeekend, a spokeswoman for Feature Development said: "Our original plan was to retain all the retail space in this project for long-term investment. But when we received an unsolicited offer from a buyer through an agent, to take up all the retail units, we agreed to sell. What we didn't want was to do individual strata unit sales of the retail space; however we did not mind selling the space on an en-bloc basis to a single purchaser."

She did not comment on the buyer's identity but confirmed the price, which she described as "fair".

In the Lavender Street area, Trend Developments, which has some common shareholders as

Tong Eng Group, is developing Arc 380; in early 2014 it sold eight street-level retail units on a piecemeal basis at an average price of S\$5,900 psf. It has also found buyers for 52 office units designated for sale at an average price of S\$2,450 psf. The 16-storey freehold project is slated for completion next year.

At Centrium Square, Feature Development has earmarked six office floors (levels 9 to 14) for strata sale. Since late-March, it has found buyers for 27 of the 78 office units on these six levels at an average price of S\$2,500 psf.

Commenting on the nearly S\$5,000 psf achieved for all the retail units at Centrium Square, Knight Frank executive director Mary Sai said the pricing reflects the buyer's confidence in the retail trade in that locale despite the challenges created by the rise of online retailing.

"The transaction will give the



### CENTRIUM SQUARE

Mr Saiful Alam has picked up all 49 retail units in the proposed development, which is expected to be completed in 2020, in Little India

buyer full control of the tenant mix and allows him to come up with a strong concept. He could do an electronics mall for example; a lot of visitors go to the 24-hour Mustafa Centre nearby to buy electronic goods. Or he could do a hypermarket or a wholesale retail venue."

Ms Sai hoped that news of the sale of Centrium Square's retail space will inject some confidence in the flagging retail property market.