



Centrium Square

Artist's Impression

## Tong Eng: Singaporean developers going global

**The Tong Eng Group** ('Tong Eng') is a Singaporean real estate company that has grown leaps and bounds with the Singapore growth story while contributing to the city state's stellar growth. The company branched into real estate during the post-war rebuilding efforts of the 1950s when Teo Thye Chor, a migrant to Singapore from Hui Ann District of Fujian in China, saw the potential of the Paya Lebar District, an undeveloped precinct, and developed it into the first industrial estate in that area.

Thye Chor and his brother Teo Thye Hong, who accompanied him from Fujian, continued to buy more greenfield land in the city's suburbs. Tapping into Tong Eng's already existing tin can business, the brothers sold the land to major oil refining companies such as Shell and Mobil to build petrol stations.

In 1968, Thye Chor's eldest son Teo Tong Wah, together with his uncle Thye Hong, took over the company's reins and developed the company's land while pursuing Thye Chor's legacy of land banking. A visionary, Tong Wah acquired the 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 and built a 26-storey office building known as Tong Eng Building, where the company's headquarters is now located. The group has developed real estate across the residential and commercial sectors, including condominiums, landed housing, apartments, offices, and retail projects. Although the third generation of the family is now running the day-to-day operations, the strong mentoring of the second generation ensures that the group is able to maintain its stellar track record over 60 years. With careful financial planning and prudence, the group has come on top of each

→ With the third generation now running the day-to-day operations, Tong Eng Group has uniquely come on top of all boom and bust real estate cycles

boom and bust cycle that the Singapore property sector has witnessed. The group cushions the impact of property downturns by cleverly using a mix of investment and development properties in its portfolio and using the cashflow from the investment portfolio to weather downturns. Tong Eng Group is today known for ensuring the utilitarian layout of all living and commercial spaces through creative and spatial planning. It is also the first to embrace new design concepts and construction technologies, while following a diligent material selection process and robust project management to ensure all construction is done with excellent quality and finishes. By being on top of market trends and demand patterns, the group stays ahead of competition. In an exclusive interview with **International Finance**, Tong Eng Group's Group Managing Director Teo Tong Lim tells us more about its unique approach to business, its marquee projects, and expansion plans outside Singapore, especially Australia.

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**International Finance: Tong Eng Group has used innovative ways to build spaces while delivering value to buyers. Could you please tell us how you achieve this?**

**Teo Tong Lim:** For all its residential projects, Tong Eng Group pays careful attention to spatial planning by ensuring that the spaces provided are functional,

efficient, and utilitarian. In some of our past residential developments, we chose to erect a loft in selected units with higher floor-to-ceiling heights for creating a dual use as a living space. In addition, in many of our previous residential projects, we adopted bay windows for aesthetic appeal, versatility in space usage, as well as ventilation. In one of our two new commercial developments in Singapore, we have creatively adopted the use of bay windows. This garnered positive feedback from office workers who have found that the extended space can be used functionally as an additional sitting area, for low shelving, display cabinets, and for plants and green pottery.

Furthermore, in both commercial projects we mentioned, we have magnificent floor-to-floor heights of close to 5 metres and the effect of the bay window not only allows more natural light and ventilation to be brought in but it also enhances the already impressive view experience.

**Can you tell us more about your marquee projects so far and what are the features that distinguish Tong Eng Group as a developer of such niche projects?**

We single out two marquee projects. ARC 380 is a 16-storey office building that has

garnered several design awards in Singapore and overseas. Fully clad in light green curtain wall and adopting a stunning curved form, the building users benefit from sweeping panoramic views across the heritage Jalan Besar District as well as Singapore's Kallang river.

Other special features include a roof top swimming pool, gym, and clubhouse that offers a panoramic view of the surroundings and a covered terrace garden of 9.8 metres height on each level of office floor. Located on the city fringe, ARC 380 provides qualities akin to a Grade A office with an open column-free internal layout. Each office floor features 4.9 metre floor height and is designed with individual toilets and air-condition (AC) ledges that enable occupants to install their own AC units after normal office hours. Utilising the principle of 'form follows function', the AC ledges are designed to articulate the stunning façade, creating juxtaposing punctures through the glazing. Communal facilities such as the infinity pool, indoor gym, and clubhouse were introduced to create opportunities for social interaction and encounters. The concept of designing spaces for work-life balance continues on the alternating cantilevered sky terraces that act as private relaxation spaces.

The other marquee project by the group is the three phases, Belgravia Villa, Belgravia Green, and a remaining housing phase. This currently constitutes the largest cluster of freehold strata landed housing in Singapore totalling 306 units. The three phases are freehold strata housing developments that have a multitude of communal condominium-like facilities, with each unit still retaining all the features of a landed house. Private lift access in each home allows smooth access to all levels in each home and all homes also come complete with two designated basement covered car park spaces. In the developments, there are a range of amenities such as a clubhouse, gym, barbeque decks, playgrounds, a tantalising number of infinity edge swimming pools, water features, landscapes, themed gardens and nature pathways and even hydrotherapy equipment to create a complete landed lifestyle. With particular emphasis shown in the facade treatment, the



Wilshire Residences

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design ethos are homes that are contemporary and distinctive, with indoor spaces connected seamlessly to outdoor greenery. At the same time, we focus on internal living spaces to deliver airy, contemporary homes that offer an optimal level of shelter, privacy, and shade.

**With the limited space available in Singapore, Tong Eng group has developed close to 200 acres of land. Could you please tell us more about your land bank strategy?**

In the past, the company's first-generation founders amassed large tracks of greenfield land whose values rose in tandem with Singapore's economic growth attributed to a good, strong, business friendly Singapore government. This was also possible due to the freehold nature of the land acquired. Today, land banking for residential developments has become difficult and expensive due to the additional land tax associated with the buyers stamp duty. However, we still look out for land banking opportunities in Singapore and overseas.

**What is your outlook for the Singapore premium residential property market in the next 5 to 10 years and what are your plans for the time period?**

Despite the latest residential cooling measures, we believe that there will always be demand for residential premium housing as Singapore continues

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Belgravia Green

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to rank highly in liveability polls and the country is seen as a safe haven by foreign investors with no restriction on ownership of residential property except landed property. Moreover, Singapore ranks top in the world for education with renowned educational institutions attracting families from all over the world. Furthermore, there is a strong demand from locals who aspire to own premium residential property. Tong Eng Group has successfully completed several premium residential properties recently. The company is currently developing Wilshire Residences, View at Kismis, and Belgravia Green.

**We believe Singapore will continue growing as an Asian financial business hub and thus, we remain positive on the premium office property market**

**What is your outlook for Singapore's premium retail and office property markets in the next 5 to 10 years and what are your plans in that space for the timeframe?**

The Asia Pacific region is the fastest growing economy in this era. Foreigners looking to invest in this region will always look to Singapore to set up their headquarters or base due to Singapore's political

stability, transparent governance, state-of-the-art infrastructure, low corporate tax environment, highly educated and skilled work force, and pro-business environment. Furthermore, we believe Singapore will continue growing as an Asian financial business hub and thus, we remain positive on the premium office property market.

The retail sector in Singapore faces challenges and downside risks amidst an uncertain trade environment, and global uncertainty. Moreover, with the impending increase in goods and services tax in 2020, the premium retail property market will face downward pressure. However, Singapore's reputation as a place for good food options ranging from hawker food to Michelin star restaurants will help sustain demand for food and beverage spaces.

**There seems to be an increased interest in Singapore office real estate from foreign investors and entrepreneurs who seek a competitive first world business environment with political and economic stability. How will Singapore meet this demand for office real estate and what role will companies like Tong Eng Group play?**

The supply of office space is provided by government land sales and rejuvenation of old office buildings. Tong Eng Group is currently developing Centrium Square, a 19-storey mixed use commercial development in the city fringe that comprises a retail podium with food and beverages, a multi-storey car park, and a tower comprising medical suites and offices. Our other completed building ARC 380, a 16-storey retail, food and beverage, and office building, is substantially leased to multi-national corporations which includes technology and professional firms and co-working space providers.

**Similarly, in Singapore, there seems to be an increasing demand for premium residential property set in sylvan and lush green surroundings from local and foreign investors. How will Singapore meet this demand and what role will Tong Eng Group play to meet this demand?**

Transforming our modern cityscape from a garden in a city to a city in a garden, the Singapore government's commitment to enhance the



Arc 380

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quality of our living environment through greenery and recreation is still as strong as ever today. The Urban Redevelopment Authority of Singapore plans and facilitates Singapore's physical development, in partnership with other government bodies and Tong Eng participates in URA's initiatives through the provision of high rise green communal spaces.

**What is Tong Eng Group's real estate development strategy outside Singapore, especially Australia?**

We are committed to growing our existing presence in Australia where we currently own four office buildings in Sydney and Melbourne. We are still sanguine about the commercial market in Australia and continuously look to increase our portfolio. We are taking a measured approach to the Australian residential market at the moment, but keeping our finger on the pulse.

**Does Tong Eng Group see further value in real estate development projects outside Singapore and which are the key areas and markets that**

**interest Tong Eng Group and why?**

We see value in offices and hotels in Asia Pacific where the office sector will see continued growth momentum in Asian economies, while the hospitality sector in Asia will benefit from a robust growth in tourism activity. In addition, we are focused on other key capital cities such as London, and cities in Japan, and are exploring opportunities in these global cities where we can continue to explore commercial opportunities as well as residential opportunities.

**Joint ventures and partnerships have been a feature of Tong Eng Group's operational strategy. Will you continue this strategy into the future and what are the typical terms under which you enter into such JVs and partnerships?**

Joint ventures and partnerships will continue being a feature of Tong Eng Group's operational strategy – we believe in collaborating with joint venture partners with the same vision, core values, and alignment of interest as us. And we continuously manage each asset with integrity and excellence. ■



Goodwood Grand