

# Pavilion Square retail units snapped up

**Prices go as high as \$10,879 psf – a record for outside CBD, Orchard Rd**

By KALPANA RASHIWALA

[SINGAPORE] In tandem with the continued strong demand for small strata retail units, all 93 units at Pavilion Square in Geylang Road were snapped up on Saturday.

BT understands that the prices achieved range from \$2,000 per square foot for third-floor units with open terraces and some “flat roof” space above to a whopping \$10,879 psf. The top price, for a 118sq ft street-fronting food-and-beverage unit on the ground floor, is a record price for a retail unit outside the city and the Orchard Road shopping belt, analysts say. The retail units in Pavilion Square, a mixed development by Pollux Properties, garnered strong interest. Cheques were collected on Friday and the units sold through balloting the next day;

some ground floor units are touted to have drawn more than 100 cheques each.

Market watchers said that the buyers are predominantly investors.

The \$10,879 psf top price in the development surpassed the \$8,000 psf achieved in January for Alexandra Central. Retail units in the 99-year leasehold project being developed next to Ikea sold at between \$4,000 and \$8,000 psf.

However, BT understands that island-wide, the highest psf price achieved for a retail unit is probably \$18,000 psf for a prime Level 1 unit in the freehold Lucky Plaza in Orchard Road. This was sold early last year. No caveat was lodged by the buyer.

Besides the \$10,879 psf deal, six other ground-floor F&B units in Pavilion Square sold at above \$10,000 psf.

The remaining units on that level are all said to have fetched above \$8,000 psf.

F&B units on the third floor were sold in the \$2,000-\$2,400 psf band, as their strata areas include open terraces for

alfresco dining in addition to a “flat roof” on the fourth level, which can be used for maintenance.

Pavilion Square’s 93 retail units, comprising shops and F&B units, have sizes of between 86 sq ft and 926 sq ft. The majority of the units are between 108 sq ft and 129 sq ft.

The basement and first level will have a mix of shops and F&B units; all units on level 2 will be shops, while the third floor will have only F&B units.

Absolute price quantums achieved for the 93 retail units varied from \$558,000 (for a 108 sq ft unit in the basement, reflecting \$5,184 psf), to nearly \$2 million for a 377 sq ft unit on level 2 (\$5,304 psf).

On Tuesday, the Urban Redevelopment Authority rolled out a minimum average size of 50 sq m (538 sq ft) for retail units, citing planning reasons.

Some analysts reckon that by slowing down the creation of new small strata retail units, the move could put a lid on their transaction volumes.

Savills Singapore research head Alan Cheong argued, however, that by lim-



**Pavilion Square in Geylang:** Food and beverage units on the third floor were sold in the \$2,000-\$2,400 psf band as they come with open terraces and a ‘flat roof’

iting the existing stock of these small units, the new policy could raise prices. “Low interest rates being kept in place for a prolonged period of time means there’s so much liquidity now that it’s very difficult to use traditional measures to curb property demand,” he said.

“Asia will continue to suffer asset-price inflation while quantitative easing is still in place elsewhere in the world.”

While Pavilion Square’s retail units have sold fast, demand has been slower for its apartments. Only 15 of the 42 apartments are said to have found buyers, with prices ranging from \$1,400 to \$1,600 psf.

Apartment sizes in the development start from 398 sq ft for a one-bedder; the biggest unit is an 818 sq ft, two bedroom-plus-study unit.