

# Naraindas brothers buying Asia Radio Building for \$23m

By LEE HAN SHIH, Property Correspondent

KNOWN for their snap purchases of retail properties, the high-flying Naraindas brothers have taken their biggest property gamble so far.

In a deal signed last Thursday, they have agreed to buy the Asia Radio Building at Bencoolen Street for \$23 million, a price considered a hefty premium for properties in that area.

The seller is Asia Radio Singapore Pte Ltd (ARS), an established local company best known as the sole agent for a number of European consumer goods manufacturers.

Asia Radio, which built the property for about \$4 million in the mid-1970s, will move to larger premises outside of the Central Business District once the deal goes through next May.

The building is a 14-storey office-showroom and residential building, known for the eye-catching displays in its courtyard.

According to consultant Richard Ellis, which acted for the owner, the Naraindas brothers are buying through their Royal Brothers Pte Ltd.

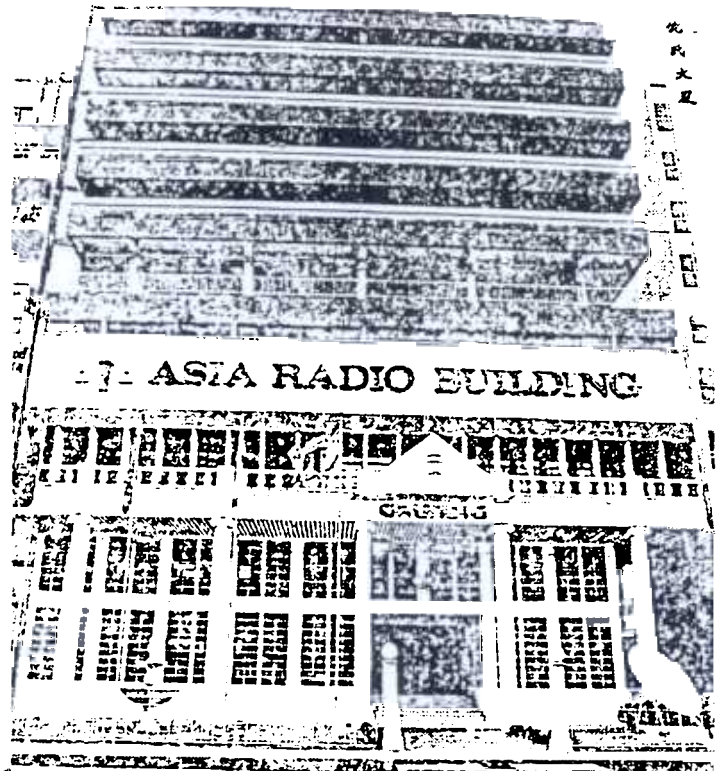
Royal Brothers was also the vehicle used for purchases of large retail space, mostly in the basements of the Far East Plaza, Lucky Plaza and Peninsula Plaza shopping centres.

The brothers, Raj and Ashok, are Sindh merchant who have gone into major property deals in the last two years.

So far, their strategy has been to secure under-performing retail properties and increase the rental yield by switching to higher-paying tenants.

The rentals would be used to service their borrowings, while the brothers scout the market to sell the properties, now enhanced in value, at extremely healthy profits.

This is the first time that they have been known to buy an entire building. It is also the first



## The brothers are to invest another \$12 million to refurbish their acquisition

time that instead of enjoying an almost immediate increase in rental, they are pumping more money into a property.

A Richard Ellis official said the brothers would invest another \$12 million to refurbish the property, which comprises a five-storey commercial block topped off by a nine-storey block of apartments.

Pending official approval, part of the \$12 million will be used to convert the apartments into either upmarket service apartments or hotels.

The property stands on a 1,223 sq m site with a 999-year lease. It has more than 2,004 sq m (22,535 sq ft) of commercial

space, and 2,534 sq m (27,264 sq ft) of residential space.

Some one-third of the commercial space is used for warehousing, and the Naraindas brothers intend to apply to convert them into offices. At \$23 million, they will be paying \$7,725 per sq m (\$718 psf) for the commercial space, and \$2,690 psm (\$250 psf) for the residential space. A development charge would also have to be paid for the warehouse conversion.

Sources said the brothers were betting that the building would enjoy a spillover boom from demand along Bras Basah Road, a stone's throw away.