

Royal Bros buys DBS Sec Bldg for \$51m

BT exclusive

By Kalpana Rashiwala

ROYAL Brothers Pte Ltd has bought the DBS Securities Building in Malacca Street for \$51 million or \$863 psf of net lettable space.

Market watchers said it was an attractive price for the buyer, considering that the nearby Cosco Building in Robinson Road changed hands late last year for \$1,175 psf.

Both properties have 999-year leasehold tenures.

According to an earlier report, the DBS Securities Building was valued at \$95 million at end-1998.

Market watchers noted that whereas Cosco Building had been done up tastefully, the 16-storey DBS Securities Building looks run down, although the property, completed in 1975, has been refurbished at least once.

Royal Brothers is expected to refurbish the property to spruce it up and is likely to market untenanted space in the building as boutique offices.

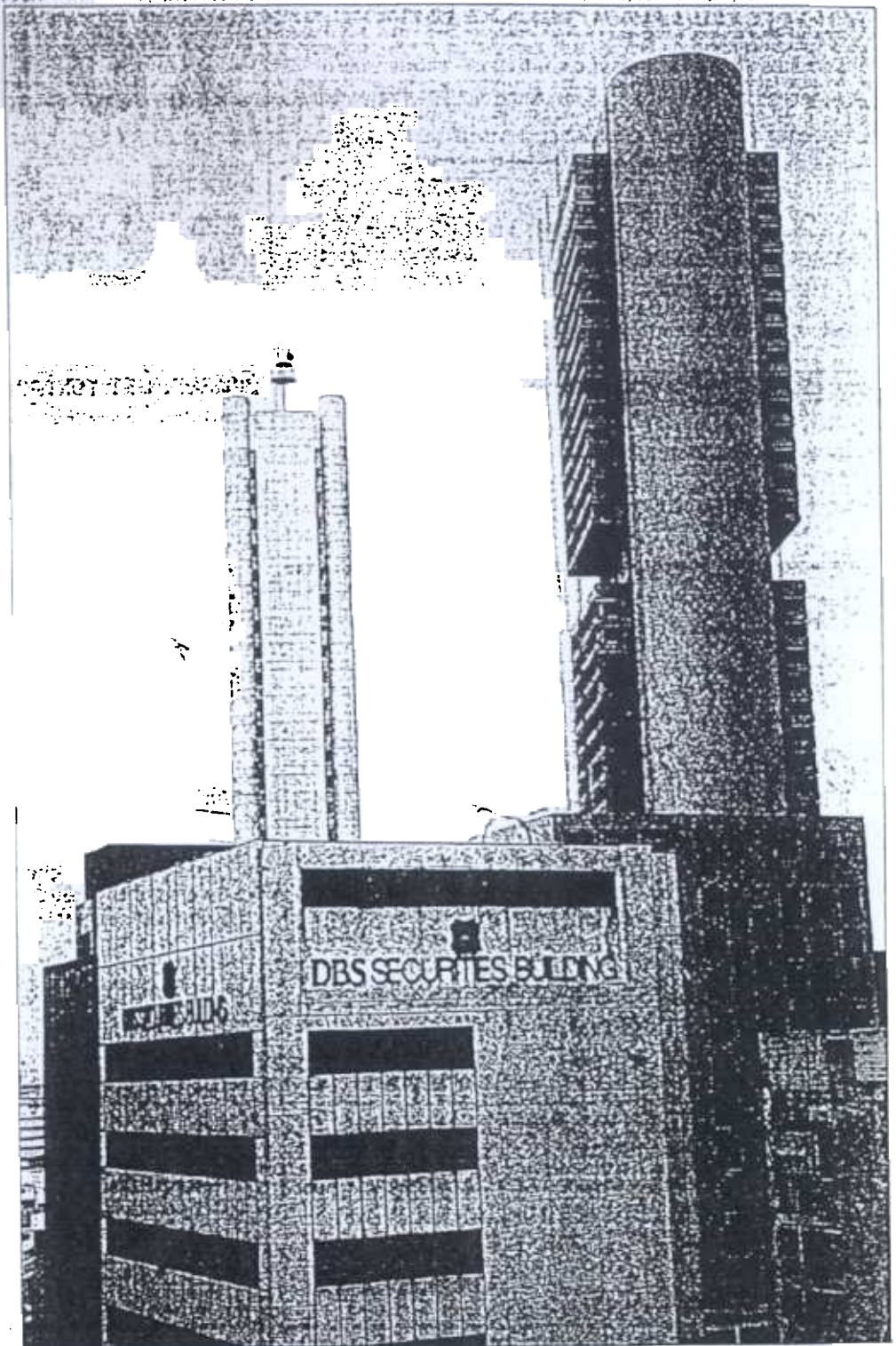
The new owner will rename the building and move its headquarters to the top floor from its current premises at the Scotts Road hotel, Royal Plaza on Scotts, which is owned by the Brunei Sultan.

Seller DBS Bank, which occupies the basement, first and second levels of the building, is expected to stay on.

For the bank, the disposal of the property is part of a strategy to divest non-core assets.

The building's 10th and 14th floors are also tenanted while the rest of the property is vacant.

The DBS Securities Build-



FILE PHOTO

DBS Securities Building: The new owner is likely to refurbish the property, and will rename it and move its headquarters to the top floor

ing sits on an area of 7,382 sq ft and has a gross floor area of about 84,077 sq ft. Total lettable space comes to 59,083 sq ft.

The site is zoned for commercial use and can be built up to 13.86 times its land area, higher than the 11.39 plot ratio used up so far. This means a further 18,234 sq ft of gross floor area can be added, subject to approval from the relevant authorities.

CB Richard Ellis brokered the sale of DBS Securities Building. Rival agent Jones Lang LaSalle, which launched the tender for the property last August jointly with DBS Property Services, represented the bank in the deal.

Commercial property deals have been picking up lately. Earlier this month, The Ascott sold Orchard

Point mall for \$91 million to retailer OG.