HD **City & Country: Property Briefs**

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Kyoto project launch in Singapore

The Urbanex (above) is a newly completed, 90-unit **apartment** block located in the prime area of Sakyo-ku, Kyoto, which is popular among visitors to the city. The area is bordered by mountains on the east, north and west, while to the south, it overlooks the Kamo and Katsura rivers. This should appeal to those who want a location with good feng shui.

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The project is situated between the Matsugasaki and Shugakuin stations, and is within one of the most exclusive **residential** areas of Kyoto. The **property** is also within walking distance of cafés, restaurants and shops. Nearby are several tertiary institutions such as Kyoto University, Doushisha University, Kyoto Institute of Technology and Notre Dame Women's College.

The freehold development was completed in March and comprises one- to four-bedroom apartments in four low-rise blocks. Apartments have internal areas sized from 804 to 1,195 sq ft. The project was jointly developed by leading Japanese developer Osaka Gas Urban Development Co Ltd and Mitsubishi Jisho Residence Co Ltd. The designer of the development is Toyo Sekkei Co Ltd, an established player in the market.

The project should attract Singapore buyers, given its prime location in the heart of the city, and the prospect of capital appreciation, says Doris Tan, JLL's regional director for international **property** services, the appointed marketing agent for the project. The project will be launched over the weekend of July 26 and 27 at the Conrad Singapore. Prices of units range from $725,598 to $1.32 million.

In Japan, buyers are subjected to a capital gains tax of 30% if they sell the **property** within five years of **purchase**, and 15% for the next five years. As the project is newly completed, it can be rented out immediately, with **purchasers** having the option to obtain a guaranteed lease for five years at an average gross rental yield of about 2.6%.

Spring Grove for collective **sale** at $1.39 bil

The owners of Spring Grove (top, right) have collectively put up their condominium block along Grange Road for **sale** with Knight Frank as the exclusive marketing agent. Spring Grove sits on a **site** area of 263,513 sq ft and the existing development contains three 20-storey **apartment** blocks with a total of 325 units. There is also a conservation **property**, the Spring Grove House, which was built in the late 19th century, and was previously an ambassadorial residence, as well as the former residence of several renowned businessmen in Singapore. It is currently used as a clubhouse.

Under the Master Plan 2014, the **site** is designated for **residential** use with a gross plot ratio (GPR) of 2.1, which means it can be redeveloped into a new project with a maximum gross floor area (GFA) of approximately 553,377 sq ft. The owners of Spring Grove are expecting offers of more than $1.39 billion, and the price is inclusive of the lease top-up premium for a fresh 103-year lease. This translates into a land price of $2,512 psf ppr, based on the maximum permissible GFA.

The estimated breakeven cost for the developer is $3,400 to $3,500 psf, according to Ian Loh, Knight Frank's director and head of investment and capital markets. This means the selling price of the luxury apartments in the new development will be between $3,800 and $4,200 psf if it is launched for **sale** within the next few years. According to Loh, the newly completed freehold TwentyOne Angullia **Park** in the vicinity has seen sales achieve prices ranging from $4,704 to $5,560 psf since 2013, while at the 99-year leasehold The Orchard Residences, which sits on top of ION Orchard mall, have seen units transacted at $3,416 to $4,312 psf over the same period. If successful, the en bloc **sale** would be the largest in Singapore, he says. The tender for Spring Grove closes on Sept 10.

City Gate launches for **sale** on July 19

The 99-year leasehold City Gate (right) will be launched for **sale** on July 19. The project previewed on June 28. Developed jointly by World Class Land and Fragrance **Group**, the mixed-use development contains a 30-storey **residential** tower with 311 units and a three-storey podium with 188 **commercial** units, including a supermarket and food court, which are also up for **sale**. The new development is located along Beach Road and on the **site** of the former Keypoint **commercial** tower.

The sizes of the **commercial** units range from 280 to 4,693 sq ft, with prices starting from $2,900 psf. Meanwhile, the **residential** units contain a mix of one- to three-bedroom apartments, dual-key two- and three-bedroom units, as well as four-bedroom penthouses. Unit sizes are from 431 to 1,819 sq ft, and prices start from $798,000 for a one-bedder and $998,000 for a two-bedder.

Real **estate** investment volume falls in 2Q2014

Real **estate** investments fell around 11% q-o-q to $4.4 billion in 2Q2014, according to DTZ in a research report. This brings total investment volume for 1H2014 to $9.4 billion, which is 17% lower than the $11.3 billion over the same period last year. While overall **transaction** volume was lower in 2Q2014, there were a large number of deals of between $500 million and $1 billion, says the **property** consultant. Four such deals were concluded, namely the **sale** of Equity Plaza ($550 million), a 92.8% stake in Prudential Tower ($512 million) as well as two government land sites at Woodlands Avenue 5/Woodlands Square and Sims Drive.

Non-**residential** deals, especially office deals, dominated investment activity in 2Q2014, which is in line with the results from DTZ's annual "Global Investors Survey 2014" released in June, where investors indicated that they expect to put more money into the office and industrial sectors this year, with about 40% expecting to increase their allocation to offices. "Non-**residential** deals will continue to drive investment activity for the rest of this year, given the tepid private **residential** market," says Lee Lay Keng, regional head (SEA) of research at DTZ. Despite an expected increase in REIT and investor activity in 2H2014, Lee still expects investment sales volume for 2014 to come in at the lower end of its previous forecast of $20 billion to $25 billion.

M&L Hospitality expands with **hotel** investment at Manchester Business School

Singapore-based **hotel** investment **group** M&L Hospitality is expanding its portfolio with a new **hotel** complex on the University of Manchester campus adjacent to Manchester Business School (MBS) in the UK. The **group** is taking a 125-year lease on university land for a 326-key **hotel** complex, comprising 16 storeys of rooms above three levels of **hotel** facilities, including restaurant, bar, conference facilities and gym. This will be the only **hotel** on the main University of Manchester campus. The development forms part of the university's £1 billion ($2.1 billion) campus masterplan to provide some of the most modern campus facilities in the world.

This new investment increases M&L's portfolio to 14 hotels in key gateway cities in Singapore, Australia, Japan, New Zealand and the UK, following its acquisition of two hotels in Stratford City, London in 2012. This brings the **group**'s assets under management to approximately $1.5 billion. UK **property company** Bruntwood will be developing the **hotel** on behalf of M&L. Cycas Hospitality, which is M&L's operator for its Stratford City hotels, will manage the **hotel**.

Centurion Corp ventures into student accommodation in the UK

SGX-listed Centurion Corp is making its first foray into the UK with the proposed acquisition of three student accommodation assets in Manchester and one in Liverpool with a total of 1,906 beds. With a total **purchase** consideration of £77 million ($163.64 million), this **transaction**, when completed, will be Centurion's largest acquisition to date.

The properties are located in the education precincts of Manchester and Liverpool. The former boasts the largest regional student population in the UK. The properties to be acquired are Manchester Student Village, Manchester Student Village South, The Grafton in Manchester and Cathedral Campus in Liverpool. All the properties provide easy access to the main university campuses and city centres. The three properties in Manchester are freehold while Cathedral Campus in Liverpool has 243 years remaining on its lease.

All assets are fully operational and have a strong track record of achieving high occupancy rates over the last three years. The assets also offer redevelopment and asset-enhancement opportunities to increase bed capacity but these will be further evaluated after the acquisition is completed in September, says Centurion. The four properties are owned and managed by MCR **Property Group**. On completion of the acquisition, Centurion will take over the relevant staff and continue to use the platform that has been operating the assets.

LaSalle Investment raises US$1 bil equity to invest in Asian real **estate**

LaSalle Investment Management announced on July 16 that it had raised US$1 billion ($1.24 billion) of equity since the beginning of the year for its Asia investment strategies. The amount raised will allow it to gear up to **purchase** up to US$3 billion worth of assets of the final close for the LaSalle Asia Opportunity Fund IV (LAOF IV) and two separate funds. The final close of the opportunity fund IV secured total commitments of US$485 million plus US$100 million of co-investment capital for **China** logistics deals.

The investment strategies for the two other funds will focus on income-producing assets in Japan and Australia that require active asset management. These funds are targeting total gross returns in the mid-teens with a significant portion of the returns coming from current, in-place cash flow. LaSalle sees attractive investment opportunities in income-producing assets in Japan, logistics assets and special situations in South Korea, retail and urban for-**sale residential** developments in Australia, and the development of logistics assets in Tier 1 and Tier 2 cities in mainland **China**.

Holiday Inn Express to open in Brisbane

InterContinental Hotels **Group** (IHG) and international investment **group** Pro-Invest have signed a franchise agreement for a 226-room Holiday Inn Express (left) **hotel** in Brisbane's Spring Hill. The **hotel** will be the first Holiday Inn Express **property** in the city and marks the **company**'s return to Brisbane. It is located near the "Golden Triangle" of Brisbane's CBD.

This is the second **site** in the portfolio of 15 Holiday Inn Express hotels Pro-Invest is developing under a A$150 million ($174.4 million) fund. The first **hotel** will open at Macquarie **Park** in North Ryde, Sydney, next year.

GuocoLeisure launches 'every' hotels

The London-based **hotel group**, glh, a subsidiary of Singapore-listed GuocoLeisure **Group** announced the launch of a new four-star **hotel** brand called "every" hotels on July 15. The new brand intends to maximise the yield for owners of new build hotels and properties ripe for conversion. It will do this by eliminating the space taken up by restaurants, ballrooms, meeting spaces, spa and swimming pools, says glh. The new brand will focus on offering bedrooms with the same up-market comfort and quality as other four-star hotels.

The first "every" **hotel** will open in Piccadilly, followed by Hyde **Park**, Leicester Square and Bloomsbury. The intention is to have up to 50 hotels globally by the end of the decade.

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