

# Sentosa Cove bungalow fetches S\$2,775 psf

Price of the Lakeshore View property is the highest in 2 years on the Cove but below what two nearby villas fetched in May/June 2013

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## Singapore

A BUNGALOW in Sentosa Cove fronting the Serapong Golf Course and overlooking the sea, has changed hands for S\$23.8 million or S\$2,775 per square foot (psf) on the land area of 8,576 square feet.

Located along Lakeshore View, the property is on a site with a balance lease term of 89 years.

The psf price is the highest for a bungalow transaction in Sentosa Cove in the past two years. However, it is shy of the S\$2,922 psf and S\$2,952 psf that two nearby villas on the same road fetched in June and May 2013 – both prior to the introduc-

tion of the total debt servicing ratio (TDSR) framework in late-June that year.

The latest bungalow transacted at Lakeshore View has three and a half levels, including a roof terrace with a jacuzzi. In all, the property has four bedrooms, a theatre room and a swimming pool; the total built-up area is around 10,000 sq ft.

The buyer, a Chinese businessman, has lodged a caveat for the property – having been granted an option to purchase the bungalow and exercised it, both last month. The sellers are three siblings from a Hong Kong family, two of whom are British citizens and the third, a Singapore citizen.

Over the past two years, from October 2013 to October 2015, villas on Sentosa Cove have sold at between S\$1,386 psf and S\$2,612 psf, going by URA Realis data.

Steve Tay, vice-president (resale) of CBRE Realty Associates, said that the relatively high pricing of S\$2,775 psf achieved for the property “confirms that buyers are prepared to pay more for a villa with a premium view”.

“Buyers still have confidence in the lifestyle that Sentosa Cove offers and its potential as a property investment destination,” he said when contacted.

That said, he highlighted that the discount between the latest transaction and the S\$2,900-plus psf for the two nearby villas is a reflection of sellers lowering their price expectations in the face of softening demand due to the property cooling measures.

Mr Tay said that he was confident that there would be a couple more deals by year end. BT understands that, including last month’s Lakeshore View deal, he has brokered the sales of three villas on Cove this year.

The other two are a property at Treasure Island that was sold for S\$14.3 million or S\$1,706 psf to a Chinese citizen who is a Singapore permanent resident, and a bungalow on Pearl Island sold by the developer, Ximeng Land. The price for the second property, which spans three storeys and basement, with about 8,000 sq ft built-up area, is believed to be S\$14-plus million or over S\$1,900 psf. The Pearl Island villa purchase was not caveated.

Foreign buyers eyeing villas on Sentosa Cove are mostly Asians, noted Mr Tay. Some Singaporeans are also keen on investing in a villa in the waterfront housing district. “Ultimately, Sentosa Cove is an enclave with only 360-plus bungalows. There is no more land that is to be released on Sentosa Cove for villas.”

While viewing activity by potential buyers in the Cove is higher compared to a year ago, transaction volumes are nowhere near pre-TDSR levels. Inclusive of the Lakeshore View



View from the roof top (with a jacuzzi) of the bungalow along Lakeshore View. The property (right) has four bedrooms, a theatre room and a swimming pool; the total built-up area is around 10,000 sq ft.



transaction, six bungalows would have changed hands year to date. This is double the three deals for the whole of last year. In 2013, the figure was 18 transactions while that for 2012 was 23.

Back in 2009, there were 36 deals, followed by a record 54 transactions in 2010 before activity began slowing to just 24 deals in 2011 – due to the onset of property cooling measures.

Looking at the brighter side of things, Mr Tay said: “This is a buyer’s market, an opportunity for them to come in (at an attractive price) now – rather than when the market is moving . . . when owners’ expectations will also be different.”

Lionel Loo, associate team director at PropNex, said that while sales of bungalows on Sentosa Cove have been slow, the leasing market has

been more active. “Tenants are foreigners, typically from the Western countries, taking a two to three-year lease. Rentals range from about S\$20,000 to S\$30,000 a month depending on the location, size and facing of the bungalow.”

Tenants are mostly top-ranking executives.

“On the whole, bungalow rents on

Cove have softened in the past two years, especially for properties that have not been well maintained,” said Mr Loo. One mitigating factor, however, is the limited supply of rental bungalows on Sentosa Cove as a foreigner or Singapore permanent resident (PR) granted permission by the authorities to own a landed home on Sentosa Cove is not allowed to lease it out, he added.