

Novelty buys Henley building for \$37m

Sale is still subject to approval by the Strata Titles Board

By **ANNABETH LEOW**

HENLEY Industrial Building has been sold at its reserve price of \$37 million, or \$545 per square foot per plot ratio.

CBRE, which handled the sale, announced yesterday that the four-storey freehold industrial property was bought by a Novelty Group subsidiary.

The sale is still subject to approval by the Strata Titles Board.

The Henley Industrial Building was up for sale by public tender in May, and the exercise closed on July 5. The current development, which is zoned Business 1, and has 17 existing units, sits on a regularly

shaped and elevated site of 27,161 square feet off Upper Paya Lebar Road, with a plot ratio of 2.5.

CBRE's associate director of investment properties Galven Tan said: "We received good response at the public tender from a handful of business occupiers wanting a standalone building with naming rights and developers, which is a testament to the excellent attributes of Henley Industrial Building."

The buyer has naming rights to the development and can either build a standalone industrial building for a single user, or develop a strata-titled industrial building.

Noting similar recent acquisitions such as OC Land's purchase of 100H Pasir Panjang in April,



'We received good response at the public tender from a handful of business occupiers wanting a standalone building with naming rights and developers ...'

- CBRE's Mr Tan

Mr Tan added: "The price is in line with recent transactions of similar freehold industrial properties."

When the tender exercise was first announced, CBRE had forecast that more companies would seek to own their own premises because of low interest rates.

According to CBRE, the breakeven cost for the Henley Industrial Building site is about \$792 per square foot. Other developments in the vicinity, such as Primex and AZ@Paya Lebar, have been sold at between \$850 and \$1,300 per square foot.

The sale of the site follows a second-quarter growth of 22 per cent in property investment sales. The strata market, in particular, has been booming, with \$966 million in strata-titled transactions completed last quarter, up by 66 per cent from last year.