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SUNGEI KADUT AUTO HUB BECKONS

[STRAITS TIMES]



A major new auto hub in far-flung Sungei Kadut is set to test demand for car-related industries there, given its remoteness from the heart of the automotive industry. Eight-storey Carros Centre in Sungei Kadut is being touted as an integrated facility housing car-related activities and services, Knight Frank Singapore said yesterday. It is marketing the lease and sale of strata units at the project built by boutique developer BS Capital. The project marked its topping up yesterday and is due to be completed in the first quarter of next year. So far, BS Capital has sold 46 units and leased out 118 units to car-related trades. It has 383 units in all.

The building, with more than 2.3 million sq ft of built-up area, is designed to house car service centres, auto repair facilities, body works and servicing workshops, parts and supplies dealerships, storage for second-hand car dealerships and many more car-related trades, said Knight Frank. Units are priced at about \$850 per sq ft on average, which works out to \$1.4 million to \$1.6 million for a typical 1,700 sq ft unit. The largest units are up to some 10,764 sq ft.



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Observers say that while it is a good concept to house all these firms together, it could be a challenge to bring in the crowds. Most auto workshops are clustered in Ubi and Kaki Bukit, including at Autobay and Autohub, said Mr Alan Cheong, Savills Singapore research head. Many second-hand car dealers are at Turf City. But customers may travel to areas that specialise in cars, said Mr Ong Yuan Sheng, owner of second-hand car dealership Carnex Auto in Sin Ming. For example, Automobile Megamart in Ubi has proven successful.

"The hub could be somewhat attractive if enough companies move there," said Mr Ricky Tan, owner of Racing Technik Exhaust Specialist, a workshop in Ubi. The new place benefits from its rare freehold tenure, said Knight Frank research head Alice Tan. Total sales volume for strata industrial units with leases of more than 99 years rose 1.1 per cent year-on-year to 88 in the first half, compared with a 20.6 per cent drop to 359 for units with leases of less than 99 years, Ms Tan said.

"Industrial freehold strata-titled units have generally seen stable price movements over the last five years to the second quarter of this year." Even so, the industrial property market is a challenging one. Industrial rents and prices fell for a fifth straight quarter in the second quarter of this year, while vacancy rates rose by 0.7 percentage point to 10.6 per cent, according to JTC data. "The islandwide oversupply situation is still persistent. Those who can't sell are also hard-pressed for tenants as rental market demand is similarly weak and rates are extremely competitive," said Mr Lim Kien Kim, executive director of industrial services at Colliers International.