

## Sun Venture-LKH tie-up buying Westgate Tower

Consortium to pay \$579.4m or \$1,900 psf for 99-year office block  
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A JURONG GATEWAY LANDMARK Westgate Tower is the office component of the Westgate integrated development which also includes the Westgate shopping mall. The latter opened early last month

Singapore

A CONSORTIUM comprising Sun Venture Homes and Low Keng Huat (Singapore) has been granted an option to buy the Westgate Tower in Jurong Gateway from CapitaLand, CapitaMalls Asia and CapitaMall Trust for \$579.4 million. This works out to about \$1,900 per square foot based on the 99-year leasehold office tower's net saleable area of 304,963 sq ft.

Alvin Teo, managing director of the Sun Venture Group, which will be taking a 60 per cent stake in the consortium making the purchase, told

BT last night that the plan is to hold the asset long term for rental income. A marketing agent will be appointed in the coming weeks to help find tenants for the 20-storey office tower, which is slated to receive Temporary Occupation Permit by year end.

The 60:40 tie-up between Sun Venture Homes and Low Keng Huat has up to Jan 24 to exercise the purchase option. The consortium is making the purchase through two special purpose vehicles, Westgate Commercial Pte Ltd and Westgate Tower Pte Ltd. A 5 per cent option deposit has been paid.

Located next to Jurong East MRT Station, Westgate Tower is the office component of the Westgate integrated development which also includes the Westgate shopping mall.

The seven-storey mall opened on Dec 2 last year, with more than 250 stores from Basement 2 to Level 5, over a net lettable area of about 410,000 sq ft.

CapitaLand owns a 20 per cent stake in Westgate, while CapitaMalls Asia holds 50 per cent and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CapitaMall Trust) owns the remaining 30 per cent.

Initially, CapitaLand was to have occupied about half of Westgate Tower, but that plan was aborted last year. In August, the property giant announced that it will retain its corporate headquarters at Capital Tower in Singapore's Central Business District.

"CapitaLand adopts an active portfolio management strategy to enhance value for its shareholders. The sale of Westgate Tower is in

line with this strategy," said a spokesman for the group yesterday.

Sun Venture and Low Keng Huat are two of three partners in another consortium - the third partner being Guthrie - that is developing Paya Lebar Square next to Paya Lebar MRT Station. This development includes 556 strata office units, the bulk of which have already been sold. Only about 20-plus office units are still available, which have an average asking price of around \$2,300 psf.

Over at Samsung Hub in Church Street (near Raffles Place), Sun Venture itself owns four office floors. It also developed 50 Scotts Road near Newton MRT Station on a 15-year leasehold transitional office site.