

# Midtown Modern sells 90% of 1- and 2-bedder units at weekend launch

Around 340 units, or 61 per cent, of GuocoLand's 558-unit condo in Bugis sold

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## Singapore

ABOUT 340 units or 61 per cent of GuocoLand's 558-unit Midtown Modern condominium in Bugis were sold during its launch weekend.

The majority of the units moved on Saturday and Sunday were one-bedders and two-bedders. The project also featured more large units to appeal to a wider-than-usual pool of owner-occupiers.

Some 90 per cent or about 273 of these smaller apartments were transacted over the weekend.

Among the more spacious offerings, almost half of the three-bedroom units were sold. But just eight of the four-bedders, out of more than 110 available, were transacted.

The average selling price was close to S\$2,800 per square foot (psf), GuocoLand said on Monday. Transaction prices ranged from S\$2,401 psf to S\$3,501 psf, or about S\$1.17 million for a one-bedroom unit to S\$5.63 million for a four-bedroom unit.

The five-bedroom penthouse, spanning 3,520 square feet (sq ft), fetched S\$14.83 million or S\$4,213 psf. The other penthouse, which has

not been sold, is a four-bedroom unit sized at 3,272 sq ft.

Situated along Tan Quee Lan Street, the 99-year leasehold luxury condominium is expected to be completed in 2024 and will comprise two 30-storey towers and a retail podium.

One-bedders, sized at 409-474 sq ft each, make up 30 per cent of the project, while the two-bedroom units, each 592-721 sq ft, account for another 25 per cent.

Almost half or 249 of Midtown Modern's residential units are three or four-bedroom apartments. Three-bedders, at 904-1,066 sq ft each, make up 25 per cent of the project, while 20 per cent are four-bedders spanning 1,432-1,808 sq ft.

The bigger apartments could appeal to larger families as well as other owner-occupiers such as affluent individuals or households, GuocoLand Singapore group managing director Cheng Hsing Yao told *The Business Times* (BT) in a recent interview.

Asked why the bigger apartments appeared slower to move, Dora Chng, general manager for residential at GuocoLand Singapore, told BT that "it is normal for buyers of the largest units in a development to take a little

more time to decide to buy".

This is especially considering that the four-bedroom units are priced from almost S\$4 million to over S\$6 million. "There's also a shortage of good-sized and well-designed four-bedroom apartments in the high-end market," she added.

There was a "relatively high proportion" of owner-occupiers, and some of the investors were also purchasing units with the intention to eventually move into Midtown Modern when they are older, Ms Chng said.

Most of the buyers of the larger two-bedroom units and the three-bedroom units are planning to live there, as they are younger or from smaller households and thus found those sizes and layouts "thoughtfully designed for liveability", Ms Chng said.

"We are expecting larger families to come as they get better acquainted with the development," she noted.

Singaporeans made up 85 per cent of the total buyers over the weekend, and permanent residents and foreigners accounted for the rest.

Citi estimated that the average selling price of S\$2,700-2,800 psf translates to a profit-before-tax margin of 12-15 per cent. This is based on



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breakeven of S\$2,370 psf and land cost of S\$1,535 psf given gross floor area of about 521,000 sq ft.

DBS Group Research analysts estimated that the total project cost is close to S\$1.15 billion, implying breakeven of S\$2,300-2,350 psf. The strong sales at the launch will hopefully kick-start a steady momentum for the project, they said. "Our estimated gross margin of up to 12-17 per cent is very decent, given the current climate," the analysts wrote.

Midtown Modern is being developed by a 60:30:10 joint venture

between GuocoLand, Hong Leong Holdings and Hong Realty.

Nearby, Wing Tai Holdings' 522-unit The M likewise recorded a take-up rate of 69 per cent or over 360 units at its launch a year ago. The 99-year leasehold project recorded an average price of S\$2,450 psf at its launch in February 2020.

Citi analyst Brandon Lee said the initial performances of both Midtown Modern and The M underlined the attractiveness of the Ophir-Rochor precinct as well as buyers' continued preference for units that go for S\$1 mil-

lion to S\$1.5 million.

"Notably, this augurs well for upcoming major high-end launches such as the 540-unit Irwell Hill Residences, the 696-unit former Liang Court, the 351-unit One Bernam, and the 230-unit Perfect Ten, after subdued demand for most high-end projects in 2020," Mr Lee wrote.

Midtown Modern is part of GuocoLand's mega Guoco Midtown integrated development. The other residential project within Guoco Midtown is the 33-storey, 219-unit Midtown Bay, launched in October 2019.

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