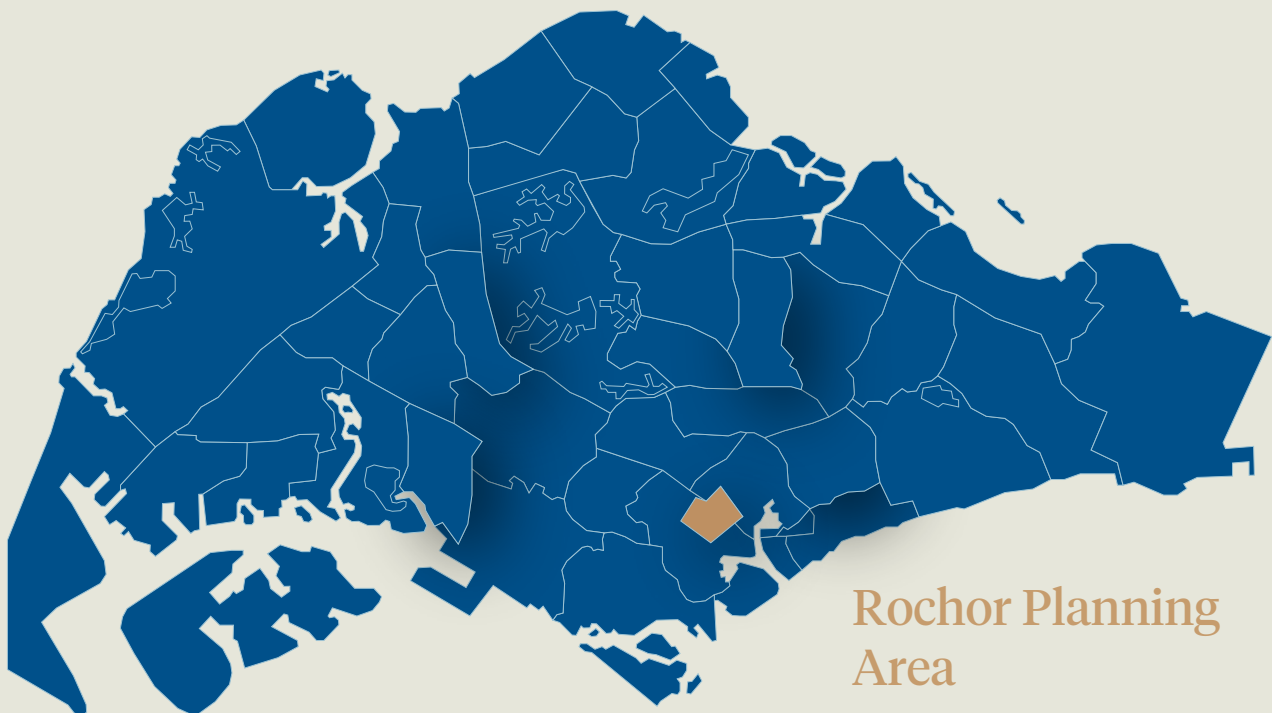


Finding hidden gems in Singapore's private housing market - Rochor

A Home in Rochor, at the Cross-roads of History and Cultures



Singaporean homebuyers love integrated developments. And what is there not to love? Having as many things within easy reach is important for a lot of homebuyers. In our introduction to the Hidden Gems Series¹, homebuyers placed much importance on being within walking distance to an MRT station, to a bus-stop, to a supermarket, to facilities... the list goes on...

From pre-pandemic to post-pandemic, many mixed-use developments typically garnered strong interest at launch. This included Lentor Modern (about 84% out of 608 units sold), Sky Eden@Bedok (about 75% out of 158 units sold), Sceneca Residences (about 60% out of 268 units sold) and J'den (about 88% out of 368 units sold). And integrated developments in Singapore had evolved to include other elements such as hospitality, workspace and recreation areas, even before work and living patterns changed during the pandemic. An example is Guoco Tower featuring residential, office, retail spaces and a hospitality component.

This is why integrated developments are generally more popular, priced higher, sell out faster and appreciate in price in a more compelling manner than a single use residential development in the same location, based on this article from The Straits Times². But what if it were not just a development that is integrated with multiple uses but an entire planning area? Right in the middle of the civic district is the Rochor Planning Area, and it could just be one of the few planning areas in Singapore with a mix of the most diverse uses as a result of historical development from the colonial years combined with evolution from the modern post-independence era.

¹<https://edm.knightfrank.com.sg/landing/KFhiddengemsoverview>

²Lim, J., 2024, Singapore home buyers take a shine to mixed-use developments, The Straits Times, 10 July

The Rochor Planning Area is right at the heart of Singapore without being in the Central Business District (CBD), without being in the premier shopping belt of Orchard Road, without being in the civic City Hall area... BUT at the same time close enough to benefit from the work, live and play activities from all these locations, together with an eclectic mix of cultural diversity from the heritage areas of Little India and Kampong Glam.

An Integrated Planning Area, An Up-sized Version of the Integrated Development

Unlike the previous two instalments of the hidden gems series where the Planning Areas of Bukit Panjang and Bedok are predominantly residential, Rochor is a commercial enclave filled with offices, retail shops and eateries that reside together with an array of conserved shophouses as well as private homes. This mix of uses will soon include the redevelopment of the former Peace Centre as a new mixed commercial (One Sophia) and residential (The Collective at One Sophia) development.

And although not located in the planning area itself, homeowners and residential tenants living in Rochor can easily access Bugis Junction and Intercontinental Singapore, Guoco Midtown and



Midtown Bay, and DUO Tower and DUO Residences in the Downtown Core on foot, by bus or by mass rapid transit trains, typically not more than two stations away.

The same convenience and ease of commute can apply to museums around City Hall, the office skyscrapers in Raffles Place, Marina Bay and Shenton Way, and the shopping malls in Orchard Road. The

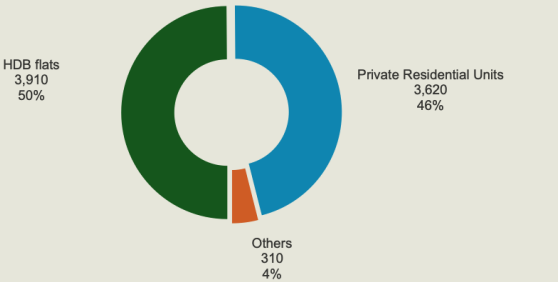
three MRT stations of Little India, Rochor and Bencoolen link residents living in the Rochor Planning Area not only to the immediate centres of human and commercial activity in the adjacent planning areas but also to the fringe and suburban areas.



So what makes Rochor Special as a Place to Live?

According to the Department of Statistics (Singstat), as at end June 2024, the Rochor Planning Area consisted of 12,920 residents, with the majority residing in an almost balanced proportion of 3,620 private residences (non-landed and landed) and 3,910 Housing Development Board (HDB) public housing flats (Exhibit 1).

Exhibit 1: Breakdown of Housing Stock in Rochor Planning Area as at end June 2024



Source: Singstat, Knight Frank Research

Due to its mixed composition of new and old varied uses and activities, Rochor might seem like a location that would be more suitable for the lifestyles of single professionals, or else Dual Income, No Kids (DINK) households. However, the area can provide a unique living environment that is suitable for families with children of various ages. After all, there are schools, public and private educational institutions that range from pre-school to tertiary level, all located within the pockets of space in an area that is predominantly commercial.



Where can homebuyers consider?

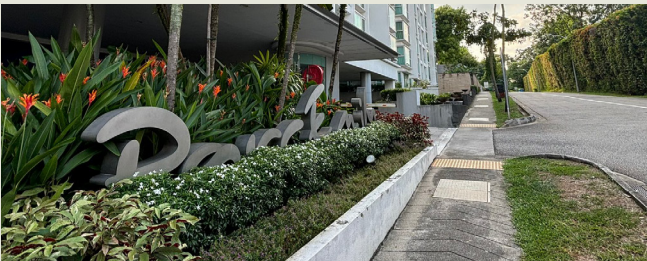
There are 61 non-landed residential projects in the Rochor Planning Area, featuring 3,573 apartments and condominiums as at Q2 2024. The top three selling projects based on secondary transactions between 2019 and 2023 were The Bencoolen with 76 units, Sophia Hills with 61 units and both 8 @ Mount Sophia and Parc Emily with 54 units each. In 2023 alone, The Bencoolen recorded 58 sales, with prices ranging between S\$1.3 million and S\$1.9 million (S\$1,250 psf and S\$1,711 psf). In comparison nearby developments in the Downtown Core Planning Area, both Concourse Skyline and Duo Residences had 19 units each that were sold in the secondary market during the same period. The units transacted in Concourse Skyline were between S\$1.4 million and S\$5.7 million (S\$1,626 psf and S\$2,674 psf) while apartments at Duo Residences transacted from S\$1.2 million to S\$2.5 million (S\$1,900 psf to S\$2,978 psf). Projects in the Rochor Planning Area appeared to be more affordable than their counterparts in the nearby Downtown Core Planning Area in recent years, while at the same time enjoying similar locational benefits.

From January to September 2024, there were 39 transactions that made a profit when resold in the secondary market against 10 residential properties that made a loss. The 39 sales that registered a gain had an average overall return of 16.9% over an average holding period of just under nine years, while the 10 loss making homes recorded an average loss of 6.4% with a corresponding holding period of little over eight years. The transaction with the biggest gain in profit was a non-landed residence at Mackenzie 138 which was held for 14.4 years, achieving an overall return of 56.3% from the last transactional price of S\$838,000 (Exhibit 2).

Exhibit 2: Top Five Property Gains of Private Non-Landed Homes in Rochor Planning Area Transacted From January to September 2024

Development Name	Street	Sales Price (\$ million)	Date of Sale	Floor Area (sq)	Return	Estimated No. Years Held
MACKENZIE 138	MACKENZIE ROAD	\$1.3	Jun 2024	840	56.3%	14
BURLINGTON SQUARE	BENCOOLEN STREET	\$1.9	Jun 2024	1,119	42.3%	14
SOPHIA RESIDENCE	SOPHIA ROAD	\$4.1	Aug 2024	2,045	39.5%	15
PARC MACKENZIE	MACKENZIE ROAD	\$2.1	May 2024	1,335	37.4%	14
WILKIE STUDIO	WILKIE ROAD	\$2.3	Jul 2024	1,163	31.6%	6

Source: URA Realis (based on data as at 1 October 2024), Knight Frank Research





In the less assuming Rochor Planning Area, potential homebuyers can find homes that range from boutique to larger non-landed residential developments located along Sophia Road, Wilkie Road and Mount Emily Road. These are located in the northwestern section of Rochor, walking distance to Dhoby Ghaut and Orchard Road.

An Area with Enbloc Potential?

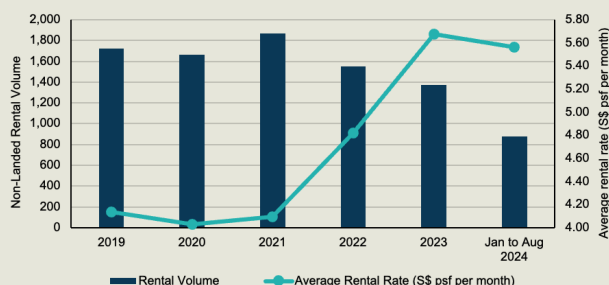
With the announcement of the start of interest rate cuts in the next few years, Rochor will be an interesting area to keep in view, with several residential as well as commercial sites with collective sales potential. These commercial and residential developments completed from 1998 to 2001, have around 70 years of land tenure remaining, sufficient for another two generations where owners could collectively sell the sites with buildings that are primed for redevelopment or modernisation.

Also A Place for Renters

The volume of rental contracts in Rochor for non-landed residential homes was stable between 2019 and 2023, with an annual average of 1,635 rental contracts signed each year. The highest volume was in 2021 when 1,866 units were leased, and the lowest in 2023 with 1,372. In the first eight months of 2024, there were 879 non-landed rental contracts with leasing volume likely to exceed 1,000 by year end.

The average non-landed monthly rental rate was steady between 2019 and 2021 in Rochor, hovering between S\$4.03 psf per month and S\$4.14 psf per month. However, this shot up 17.7% per annum over the next two years. The spike in home rental demand was due to the city-state reopening its borders in April 2022, construction delays for those who had bought new homes off plan, and the hike of the Additional Buyer's Stamp Duty (ABSD) from 30% to 60% for foreign home buyers that resulted in foreign professionals leaning towards renting instead of making a purchase. Nevertheless, rents began to stabilise in 2024 as some 20,000 homes were completed islandwide the previous year, leading to rents declining 2.0% to S\$5.56 psf per month (Exhibit 3) in Rochor.

Exhibit 3: Non-landed Rental Market Performance in Rochor



Source: URA Realis, Knight Frank Research

Rochor Planning Area...Where History Finds Modernity

The appeal of living right at the heart of a growth area where there is a mix of both the old (conservation shophouses with craft and dining options, places of worship, historical buildings etc), and the new (office towers such as Guoco Midtown, Duo and the former Shaw Towers that is currently being redeveloped, art schools, and shopping malls, etc) can attract Singaporeans and foreign professionals who like to live in the middle of this melting pot of human diversity.

In the market for a new home or looking to grow your investment portfolio? Reach out to our Prime Sales and Leasing team at <https://www.knightfrank.com.sg/residential/prime-sales>

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