

Property Sector



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Lentor Hills Residence – living amidst nature

2 July 2023

Singapore | Real Estate | Site Visit Note

We conducted a site visit to Lentor Hills Residence, a JV project between Intrepid Investments Pte. Ltd (a wholly owned subsidiary of Hong Leong Holdings Limited) (50%), GuocoLand Pte. Ltd (30%), and TID Residential Pte. Ltd (20%).

Project Background

The Lentor Hills Residence is situated on a land area of 17,136.9 square meters, prominently positioned at the junction of Lentor Central and Lentor Hills Road. Around 59% of the units are 1 to 2 bedders. Prices of the one- bedroom units (450 sft) start from around S\$945k while the two-bedrooms (from 665 sft) are priced from S\$1.36m. The development consists of 598 residential units. Its strategic location offers convenient access to Lentor MRT station, a short walk away, which is part of the Thomson-East Coast line connecting to Shenton Way.

Site Visit Highlights

- The selling price (psf) of Lentor Hills Residence start from c.S\$1850 compared with the sister project Lentor Modern of S\$2100 (launched in Sep22, the 604 unit project was 84% sold over the launch weekend). We attribute the price difference to the higher construction cost of the latter project and its direct access to the shopping mall and the MRT. July is usually a busy month for new launches as May is known to be the exam month and school holidays are in June. We believe this month is critical for the development given several concurrent projects launches such as Myst by CDL, Lake Garden Residence by Wing Tai Holdings Limited and Pinetree Hill by UOL.
- The combined potential supply from the seven plots the in Lentor Hill estate exceed 3,400 housing units. We expect the demand to come from HDB upgraders from the nearby North-East and North. Leveraging on the convenient Lentor MRT station on the Thomson-East Coast Line (TEL), future greenery of Lentor Hillock Park and accessibility to educational institutions. GuocoLand enjoys competitive advantage as the biggest developer in this area. The project is also able to price a premium over the typical suburban mass-market condo as it surrounded by private residences and lush greenery.
- With the expected TOP in 2027 of Lentor Hill Residence, 2028 of Lentor Hill Garden, the relatively fast completion of new projects will also prevent the area from becoming a perpetual construction site.
- To cope with the surging demand in the rental market, the dual key concept for 3 or 4 bedder is available in Lentor Hills Residence. However, we still expect the 2 bedder dumbbell designed condo to receive the most demand.

Comments

GuocoLand is entering its third project in the Lentor Hill area. GuocoLand (60%) together with Interprid Investments (40%) were awarded Lentor Gardens land parcel in April 2023. It is a planned 530 unit development with 8-storey blocks and 16-storey towers. The development is expected to launch in 1H24.

Overweight (Maintained)

City Development

BUY (Maintained)

BLOOMBERG CODE	CIT SP
LAST TRADED PRICE	SGD 6.72
FORECAST DIV	SGD 0.20
TARGET PRICE	SGD 8.33
DIVIDEND YIELD	2.98%
TOTAL RETURN	26.93%

CapitaLand Investment Limited

BUY (Maintained)

BLOOMBERG CODE	CLI SP
LAST TRADED PRICE	SGD 3.32
FORECAST DIV	SGD 0.12
TARGET PRICE	SGD 4.12
DIVIDEND YIELD	3.61%
TOTAL RETURN	27.71%

PropNex

BUY (Maintained)

BLOOMBERG CODE	PROP SP
LAST TRADED PRICE	SGD 1.01
FORECAST DIV	SGD 0.15
TARGET PRICE	SGD 2.40
DIVIDEND YIELD	14.36%
TOTAL RETURN	151.98%

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Image from the site visit

Figure 1: Master bedroom of the 3 Bedroom + Yard



Source: PSR

Figure 2: Living Room of the 3 Bedroom + Yard



Source: PSR

Figure 3: Living Room of the 4 Bedroom



Source: PSR

Figure 4: Bathroom of the 4 Bedroom



Figure 4: Project Model Overview



Source: PSR

Figure 5: Set Plan



Source: PSR

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