



OFFICE HUB: Artist's impression of ERC's \$5-million plans for the River Valley Primary School building.

From a school to downtown offices

River Valley location is big plus for new tenant ERC

LEONG WEE KEAT
weekeat@mediacorp.com.sg

THE former River Valley Primary School looks set to be transformed into a hub for temporary offices, providing much-needed relief in the face of the office space crunch in the Central Business District (CBD).

Tenancy for the site, a stone's throw from Great World City, was awarded to ERC Holdings by the Singapore Land Authority (SLA).

ERC, a local company that trains and funds business start-ups, beat out three others when it submitted the highest monthly rent of \$75,555. The lease is for an initial term of three years, renewable up to 2013.

With a land area of about 17,600 sq m, ERC plans to convert the school's former classrooms into a cosy office building – with well-furnished offices, designed to meet tenants' different spatial needs.

Amenities such as F&B outlets, meeting and training rooms will dot the compound. Ample parking space will also be provided.

Chief executive Andy Ong said response to ERC's plans has been "immediate and pretty intense" – even though news of the winning tender was announced only yesterday.

Already, ERC has received four enquiries, including one from an established bank which, according to Mr Ong, is keen

to move its back-offices to River Valley.

"The site has everything," he told TODAY. "It is in a convenient location – two minutes away from the city area, yet outside the CBD and ERP areas."

ERC wants to invest up to \$5 million to refurbish the property and put in air-conditioning, with plans to occupy half of the site and sub-let the rest.

It expects to draw rentals of between \$4 and \$5 per square foot (psf), and aims to have the first tenant move in by the end of September.

Analysts say tendering out state buildings will give companies a cheaper option outside the CBD, where rentals have hit record levels of more than \$10 psf.

The SLA is also evaluating bids received for three other buildings, and has launched three more for tender, to alleviate the acute office space shortage in the city.

The SLA said there was strong bidding for office space in the latest exercise. For example, the former CPIB Building at Cantonment Road attracted 15 bids – the most ever for a SLA public tender for the rental of state property.

The bid amounts ranged between \$27,000 and \$91,731, with the highest from Bravo Building Construction – 68.6 per cent above the guide rent.

Chesterton International Property Consultants' research director Colin Tan said the temporary office space released would provide relief for small and medium enterprises "forced out" of the city area by rising rentals.