

Parkway Parade Redevelopment Suburban Retail Mall Singapore



Project

Redevelopment of a 52,218sqm
suburban retail mall

Client

Asia Pacific Investment Company II
(APIC II)

Value

S\$ 35million

Assignment

Due Diligence, Master Planning,
Retail Planning, Project Management,
turnkey Design & Construction

Completion date

Nov 2003



Parkway Parade is one of Singapore's oldest shopping centres. BLL's relationship with Parkway Parade started in 2000 when the Asia Pacific Investment Company (APIC) was interested in purchasing the East Coast Shopping Centre. BLL was engaged by APIC to undertake some pre-acquisition work. This involved (i) pre-purchase property due-diligence and (ii) preparing a set of asset enhancement plans for the centre.

Based on BLL's pre-acquisition work, APIC was confident to proceed with the S\$460 million purchase and the sale was completed in June 2000. APIC's plan was to buy the asset and instigate the value enhancement plans to provide superior returns for APIC investors.

After the purchase, BLL was commissioned to interpret market research and further develop the asset enhancement plans and consider a number of alternate development options.

BLL has extensive expertise on such undertakings having successfully completed over 500 retail projects around the world. Importantly many of these projects are regarded as world's best practise. BLL was able to call on its international best practice together with its vast experience in the Singapore market to prepare the redevelopment plans for Parkway.

This work concluded with a redevelopment master plan that showed a phased redevelopment of the centre.

If the redevelopment master plan was executed well, it would produce a very favourable return to the APIC investors.

Executing a redevelopment of a shopping centre whilst the centre continues to trade is a challenging undertaking. Existing tenants need their businesses to continue to trade with minimal disruption. Shoppers need to be respected so that they do not abandon the centre and begin to shop elsewhere. The owner (in this case APIC) needs to ensure that their income levels are not significantly reduced during the redevelopment works.

BLL carefully prepared a project delivery plan to execute the redevelopment works.

BLL completed the Phase 1 works in 2002 within a seven-month window with minimal disruption to the ongoing shopper's experience or the existing tenants trading performance.

The Phase 1 works were completed prior to the peak trading period over

the '02 Christmas and Chinese New Year holidays.

APIC reported a 30% increase in sales activity after the Phase 1 works. The execution of the Phase 1 works produced a very favourable financial result for APIC and they were keen to pursue the Phase 2 works. BLL were then commissioned to complete the planning for Phase 2 which comprised upgrading the main food court and upgrading the outside recreation area.

Again a short window was available for BLL to execute these works prior to the major Christmas 03 and Chinese New Year period. And again these works were delivered with minimal trading disruption and to the complete satisfaction of the owner.

After the completion of Phase 2 Parkway was attracting visitation of over 1.5 Million people per month, an annualised visitation of 18 Million, making it Singapore's busiest shopping centre.

Having successfully completed the Phase 1 & 2 works, BLL is now working on the planning for the next phase to add value to this asset.