

THE BUSINESS TIMES

Wealth

DECEMBER 2015

SPOTLIGHT

SOO K CHAN

Connecting the dots:
Architecture and beyond

ROUNDTABLE

Mega-Investment themes

PRE-NUPTIAL AGREEMENTS

Enforceable in Singapore?

REAL ESTATE

Future trends in capital markets

Editor's note

SOO K Chan, founding principal of SCDA Architects, did not let the downturn in Singapore's property market stunt his firm's growth. He looked to the West, a market which might intimidate other firms.

He is making waves in the Big Apple where he has five projects under his belt, three of which are under construction. Last year he was dubbed the "It" architect by a US publication, thanks to his luxury project Soori High Line in the prestigious and trendy Chelsea district.

Says Mr Chan: "Singapore is a small market and there are not many projects going on. Developers have to externalise. To add to the problem, our neighbours' currencies are weakening... we are priced out of the (Asean) market. China is slowing.

"We realise we have to be in the developed markets. There is light in the US; it's booming. We're one of the few that have said – we're going to go and do it. There is risk, but we're there."

In two New York City projects, he is an investor himself. This is so that he has creative control. His development track record began around 2007 in the 48-villa Alila Villas Soori luxury resort in Bali, where he is sole investor and where his flair is evident in virtually all things, from lampshades to landscaping.

In his luxury projects, he designs for a global high net worth clientele, where clever use of space and perspective and the provision of lifestyle amenities are a must.

Eventually his creative and development vision may well culminate in a real estate fund investing in projects with a development-cum-design model that is replicable. Watch this space.

In this edition we strive to offer you a wealth of insights. Suzanne Kingston of Withers Worldwide and Sharanjit Kaur of Withers KhattarWong,

for instance, discuss the enforceability of pre-nuptial agreements in Singapore. While there is an international trend towards pre-nuptial agreements, they say, Singapore courts have been slow to rubber stamp such agreements to ensure that existing laws and parties' rights are not compromised by ignorance or emotion. Still, as the authors write, an awareness among wealthy families of pre and post-nuptial agreements internationally can be crucial.

On investments, we offer insights on Asian equities and high yield fixed income, among others. Reginald Tan of Amundi Singapore writes that equity valuations in Asia are currently attractive at levels close to the Global Financial Crisis lows of 2008. This, he says, is not justified as credit and economic conditions are nowhere as severe as during the crisis. He suggests themes worth exploring, such as Chinese insurers and regional consumer names.

In the high yield space, Mary Pieterse-Bloem of ABN Amro Private Bank highlights attractive valuations. High yield credit spreads, she says, are the highest they have been in the past 2.5 years. At a yield of 7.85 per cent for four-and-a-quarter years' duration as at mid-November, the spread is 6.2 percentage points more than US Treasuries, offering investors an attractive coupon. She believes there is value in Asian corporates. She advocates an overweight in high yields, but cautions that it is not for the fainthearted.

Elsewhere Leonardo Drago of AL Wealth Partners advises a contrarian stance. Sentiment towards China may be deeply negative, he says, but markets move in cycles. Those who invest in periods of extreme pessimism are typically eventually richly rewarded when the market re-rates. And, in our Roundtable, experts proffer investment themes that they believe will have legs in the near to mid-term.

In real estate, Knight Frank's Nicholas Holt



highlights four trends that he expects to unleash investment opportunities. One of these is the emerging popularity of mixed-use developments that integrate the ways people live, work and play. Another is the outbound flow of capital, as seen in US investments in Europe, for instance, and Asian corporates looking to real estate in the US, the UK, Europe and Australia.

Meanwhile in our Philanthropy column, we feature an event in support of the National Heritage Board. An auction of three dome clocks, specially crafted by Patek Philippe for the Singapore 50th-year celebration, raised a total of S\$2.4 million. This is the first such effort by Patek Philippe in Asia. Proceeds were matched by the Cultural Matching Fund to encourage giving to the arts.

We wish you a rewarding investment journey.

By Genevieve Cua



COVER ARTWORK
JENNIFER CHUA

PHOTO
SCDA ARCHITECTS

Spotlight:
Soo K Chan

Managing editor **Alvin Tay**
Editor **Genevieve Cua**
Creative editor **Yvonne Poh**
Art director **Jennifer Chua**
Designer **Elenita Sarah Loyola**

Writers **Genevieve Cua, Mark Haynes Daniell, Leonardo Drago, Rahita Elias, Nicholas Holt, Sharanjit Kaur, Ulrich Keller, Suzanne Kingston, Stefan Kreuzkamp, Mary Pieterse-Bloem, Reginald Tan, Marie Owens Thomsen, Tara Loader Wilkinson**

WEALTH is published by The Business Times, under Singapore Press Holdings. All rights reserved. Nothing herein shall be reproduced in whole or in part without the express permission of The Business Times.

Printed by Times Printers Pte Ltd
© The Business Times, 2015

THE BUSINESS TIMES

A publication of **sph**