

Singapore's property market boasts some varied clusters of charming and iconic dwellings scattered around the island state. Known as shophouses, these two- or three-storey colonial-era buildings were largely neglected in the past as they became old and run down, but in recent years they've increasingly been gaining new-found appeal with buyers.

According to [Colliers International](#), total shophouse transactions in the first half of 2018 came to approximately \$576.2 million, surpassing full-year shophouse investment sales from 2014 to 2017. Noting how shophouses are scarce in supply and often can be used for either commercial or hospitality purposes, the real estate advisory says that they will likely continue to attract interest from local and foreign high net worth individuals as well as property funds and investment companies.

Ashish Manchharam is one such investor. Besides growing up in a shophouse, he has been buying into the shophouse strategy in a big way since founding his property investment company, 8M Real Estate in 2014.



Ashish Manchharam, founder of 8M Real Estate (8MRE). ASHISH MANCHHARAM

To date, 8M Real Estate has acquired 43 shophouses with an estimated market value of \$400 million in key areas like Singapore's Chinatown and the Central Business District. Their most recently acquired property is Ann Siang House, a hotel which has 20 guest rooms for both short- and long-term accommodation along with 6 F&B concepts.

Manchharam notes that while the trend of F&B businesses establishing themselves in shophouses started about 10 years ago, there has been an uptick in recent years with an expansion to other key areas in Singapore, instead of the typical watering holes. It was this very trend that drew Manchharam to "repositioning older properties for F&B and office use."

"The key reason for this trend lies in the increased autonomy and greater control that shophouses offer," Manchharam explains. "This enables operators to have their own street frontage, select their operating hours, have more flexibility in terms of layouts and ultimately create clusters which in turn drive footfall."

Other benefits of opening up in a shophouse is the ability to stand out aesthetically as compared to cookie-cutter retail mall shopfronts. Jac Teo, Head of the Business Unit in KF Property Network explained, "we are no longer satisfied by chain restaurants in malls. We want to visit Instagram-worthy restaurants that are different from the mainstream."

However, while the benefits are evident, it's still not as straightforward for a F&B business to move into a conservation shophouse. As Manchharam outlines, there are certain limitations or restrictions on what can be done to both the internal and external structure, resulting in a long and tedious refurbishment process. Due to these strict guidelines from the authorities, oftentimes, there are numerous delays and unforeseen complications.

Similarly, Teo shares that unlike retail malls where a single owner or landlord would be concerned with attaining the right tenant mix, for shophouses there are multiple owners with their own objectives. Hence F&B operators in a shophouse will not know who their future neighbors would be until they move in -- it could even be a funeral parlor opening up next door for all you know.

Nonetheless, those who've persevered for a chance at being in one of these iconic shophouses have created an incredible space for themselves, making a mark in the local F&B scene, some of which include bars like New York City's Employees Only and Ding Dong.

The process of looking for the right operator to take up one of 8M Real Estate's units is also not a simple one. "Prior to signing a lease with a new operator, we review brand decks, design, menus and pricing meticulously, as we believe in creating properties with staying power," said Manchharam.

Looking forward, Manchharam has set his sights on expanding his current accommodation portfolio with unique F&B concepts. One such project is a shophouse property that'll boast 8 F&B concepts, including a trendy speakeasy bar and a Spanish restaurant on the ground floor along with 60 rooms on the upper floors.

*With over 5 years of experience writing for the online digital world, I've covered luxury lifestyle, fashion, beauty, culture and travel, unearthing the next big thing in the luxury industry. Previously I've been tasked with running the Singapore-based French magazine, Marie... MORE*