

Government Land Sales Programme

Land supply maintained amidst government concerns of supply glut

18th December 2017**1H18 GLS supply maintained at around 2H17 level**

The 6 residential sites on the Confirmed List for 1H18 Government Land Sales Programme (GLS) can yield an estimated total of 2,775 residential units. This represents a negligible decrease of 2% relative to 2H17's tally of 2,840 residential units. Of the 2,775 residential units released, 450 units are Executive Condos (ECs), which represents about 16% of 1H18 Confirmed List supply.

The 1H18 Reserve List will provide another 9 sites, bringing the total tally of potential residential units to 8,045, similar to 2H17 numbers of 8,125 units.

Mattar Road and Canberra Link (EC) sites likely to pique developers' interest

The Mattar road site is at an affordable quantum (250 units) and is located within walking distance to the Mattar MRT station. Additionally, the site is likely to benefit from the development of Paya Lebar Central, which is envisioned to be a commercial cluster by 2030, as part of the government's decentralisation strategy.

The Canberra Link (EC) site's appeal stems from its rarity; there were only 2 such sites in 2015 and 1 site each in 2016 and 2017 on the confirmed list. Given that unsold EC inventories are running low, and demand for ECs remains strong, keen interest for EC sites is expected. The last EC site tender (Anchorvale Lane in Sengkang) saw a significant turnout of 16 participants.

Government concerned about future supply glut

The Government appears to be concerned that the substantial incoming supply from the enbloc market over the medium term could potentially lead to a supply glut. However, the decision to maintain current levels of land supply on the confirmed list, whilst keeping the bulk of land supply in the reserve list, suggests that the Government is adopting a wait-and-watch approach, allowing market forces to dictate land supply.

As the recovery in the residential private property market is still nascent and cooling measures such as TDSR and ABSD remain in place, it may still be too early for government intervention. However, should prices start rising in an unsustainable fashion, the Government may pull other levers to temper rising land prices, such as increasing DC rates or even reducing the maximum number of units for new launches.

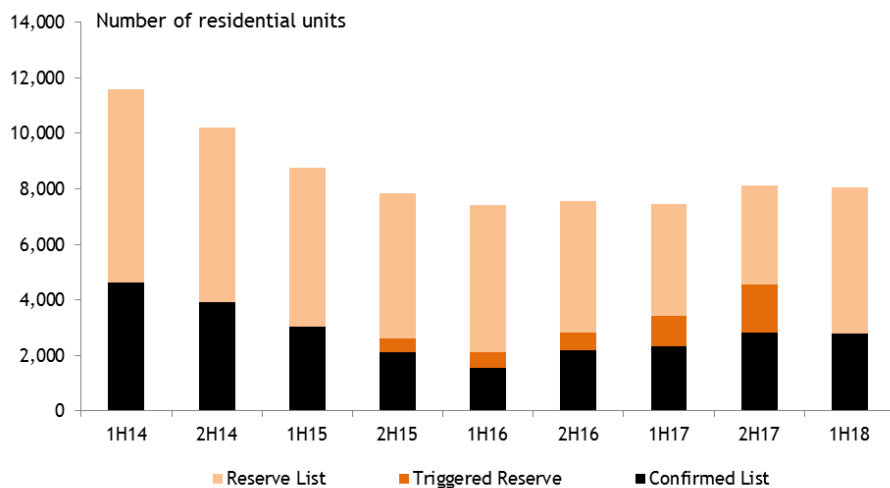
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Exhibit 1: Units available in Confirmed List

| GLS | Confirmed List | EC | Percentage of sites for EC in the Confirmed List |
|------|----------------|-------|--|
| 2H14 | 3,915 | 1,520 | 39% |
| 1H15 | 3,020 | 490 | 16% |
| 2H15 | 2,130 | 520 | 24% |
| 1H16 | 1,560 | 635 | 41% |
| 2H16 | 2,170 | 0 | 0% |
| 1H17 | 2,330 | 0 | 0% |
| 2H17 | 2,840 | 815 | 29% |
| 1H18 | 2,775 | 450 | 16% |

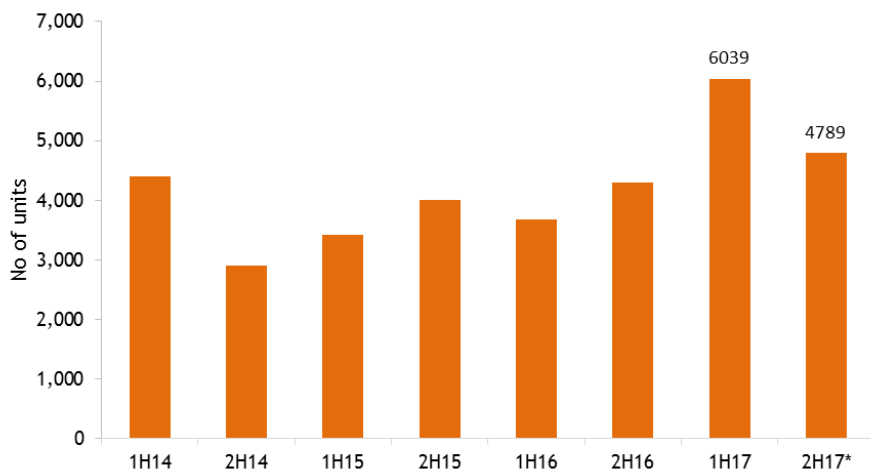
Source: URA, OrangeTee Research

Exhibit 2: Supply of residential units from Government Land Sales Programme (including ECs)



Source: URA, OrangeTee Research

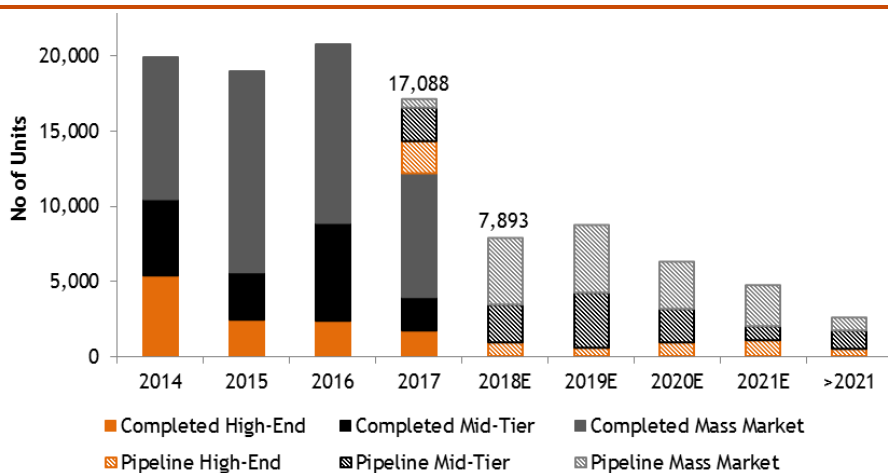
Exhibit 3: Primary Home Sales (Excluding ECs)



* Estimate

Source: URA, OrangeTee Research

Exhibit 4: Expected completions of private residential units (Excl ECs) as at 3Q17



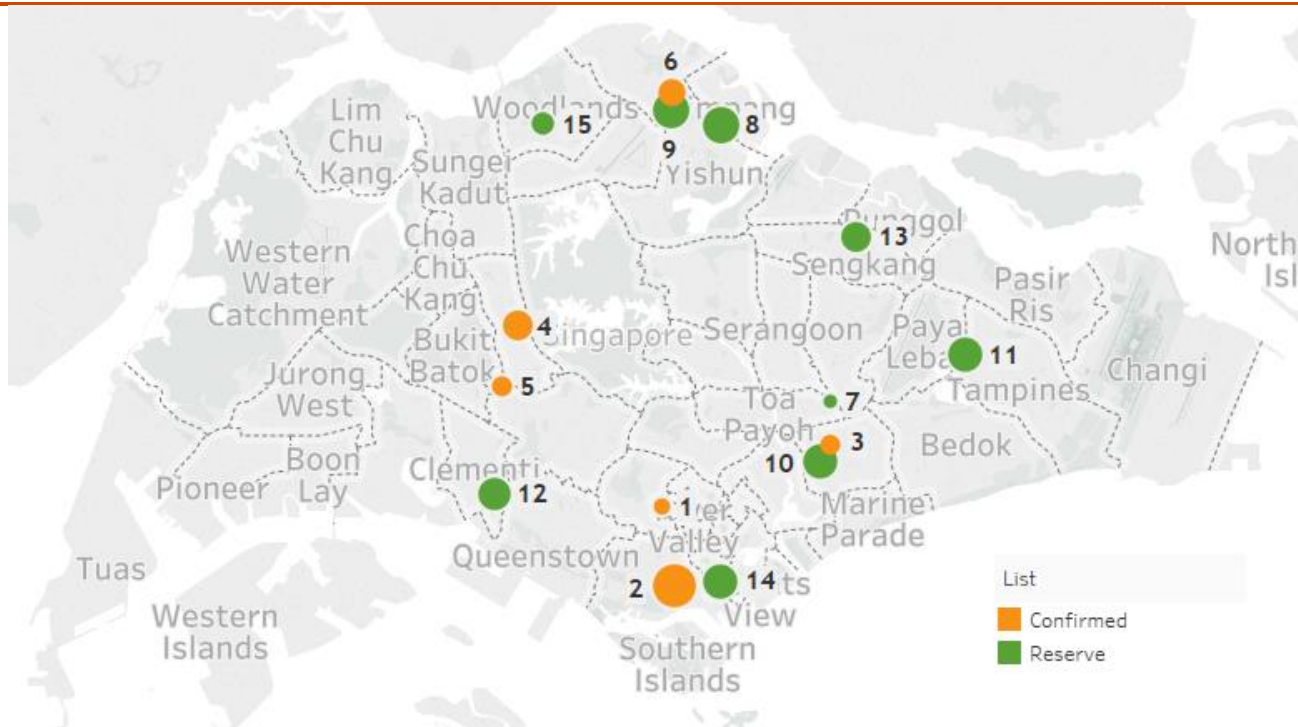
Source: URA, OrangeTee Research

Exhibit 5: List of sites on 1st Half Government Land Sales Programme 2018

| S/N | Location | Site Area (ha) | Proposed GPR | Estimated No. of Residential Units | Estimated No. of Hotel Rooms | Estimated Commercial Space (m2) | Estimated Launch Date | Sales Agent |
|---|-----------------------------------|----------------|--------------|------------------------------------|------------------------------|---------------------------------|--------------------------|-------------|
| Confirmed List | | | | | | | | |
| Residential Sites | | | | | | | | |
| 1 | Cuscaden Road | 0.57 | 2.8 | 170 | 0 | 0 | Feb-18 | URA |
| 2 | Silat Avenue | 2.50 | 3.5 | 1,125 | 0 | 450 | Mar-18 | URA |
| 3 | Mattar Road | 0.62 | 3.0 | 250 | 0 | 0 | Mar-18 | URA |
| 4 | Dairy Farm Road | 1.97 | 2.1 | 500 | 0 | 4,000 | May-18 | URA |
| 5 | Jalan Jurong Kechil | 1.49 | 1.4 | 280 | 0 | 0 | Jun-18 | URA |
| 6 | Canberra Link (EC) | 1.80 | 2.5 | 450 | 0 | 0 | Jun-18 | HDB |
| Total (Confirmed List) | | | | 2,775 | 0 | 4,450 | | |
| S/N | Location | Site Area (ha) | Proposed GPR | Estimated No. of Residential Units | Estimated No. of Hotel Rooms | Estimated Commercial Space (m2) | Estimated Available Date | Sales Agent |
| Reserve List | | | | | | | | |
| Residential Sites | | | | | | | | |
| 7 | Bartley Road / Jalan Bunga Rampai | 0.47 | 2.1 | 115 | 0 | 0 | Available | URA |
| 8 | Yishun Avenue 9 | 2.15 | 2.8 | 805 | 0 | 0 | Available | URA |
| 9 | Canberra Drive | 4.09 | 1.4 | 765 | 0 | 0 | Available | URA |
| 10 | Sims Drive | 1.70 | 3.0 | 680 | 0 | 0 | May-18 | URA |
| 11 | Tampines Avenue 10 (EC) | 2.56 | 2.8 | 715 | 0 | 0 | May-18 | HDB |
| 12 | Clementi Avenue 1 | 1.88 | 3.5 | 640 | 0 | 0 | Jun-18 | URA |
| 13 | Anchorvale Crescent (EC) | 1.80 | 3.0 | 540 | 0 | 0 | Jun-18 | HDB |
| 14 | Peck Seah Street | 0.72 | 8.4 | 700 | 0 | 4,500 | Jun-18 | URA |
| Commercial Sites | | | | | | | | |
| 15 | Woodlands Square | 2.24 | 3.5 | 310 | 0 | 55,010 | Available | URA |
| Total (Reserve List) | | | | 5,270 | 0 | 59,510 | | |
| Total (Confirmed List & Reserve) | | | | 8,045 | 0 | 63,960 | | |

Source: URA, OrangeTee Research

Exhibit 6: Location of 1H2018 GLS Sites



*Size of circles corresponds to estimated number of residential units at respective sites

Source: URA, OrangeTee Research