

Government Land Sales Programme

Confirmed List adjusted to meet improving sentiments

8 June 2016

A gentle uptick sighted in the Confirmed List

A total of 3 residential sites and 1 mixed development (residential and commercial) site will be released in the Confirmed List. An additional 11 sites are listed on the Reserve List. In total, 2H16 GLS programme could potentially yield a total of 7,545 residential units, compared to 1H16 numbers of 7,415 units. Unlike previous GLS programmes, there is no site zoned for Executive Condominium (EC). This is the first time since the 2H09 GLS programme where there were no EC sites released on the Confirmed List.

The Confirmed List for 2H16, will yield an estimated total of 2,170 residential units, which is 39% higher compared to 1H16 tally of 1,560 residential units. This is the first increase in the number of units released since the government started tapering the GLS Programme in 2H13.

The move to increase the number of units in the Confirmed List may indicate that the government is wary of any possibility of a surge in prices, given seemingly rising sentiments. The increase in sentiments is evidenced by the performances of recent launches such as Gem Residences, Cairnhill Nine and The Wisteria. However, the government remains cognizant of market challenges given that the absolute size of the increase was small. On a whole, the number of units supplied in both the Confirmed and Reserve list remains consistent with that of 1H16.

Perumal Road site likely to be hotly contested

Out of the 4 sites listed on the confirmed list, we expect the Perumal Road site to be well received due to its relatively petite size, relatively central location as well as proximity to a MRT station. The total number of bids are expected to come in at around 10 to 20 bids with the winning bid ranging from \$830 - \$890 psf ppr.

Dearth of EC launches in 2017

The lack of EC sites in the Confirmed List, indicates concern over the number of unsold EC units in the market. As of end April 16, there are 4,010 unsold EC units have been launched by unsold. Assuming that the Sumang Walk EC site is not activated and the 15 month waiting period for developers remains unchanged, the tapering of Ec land supply could lead to a dearth of EC launches in 2017 and 1H2018. Only 2 projects (Choa Chu Kang Ave 5 & Yio Chu Kang Road) are expected to launch in 2017 and only 1 project (Anchorvale Lane) is expected to be launched in 1H2018.

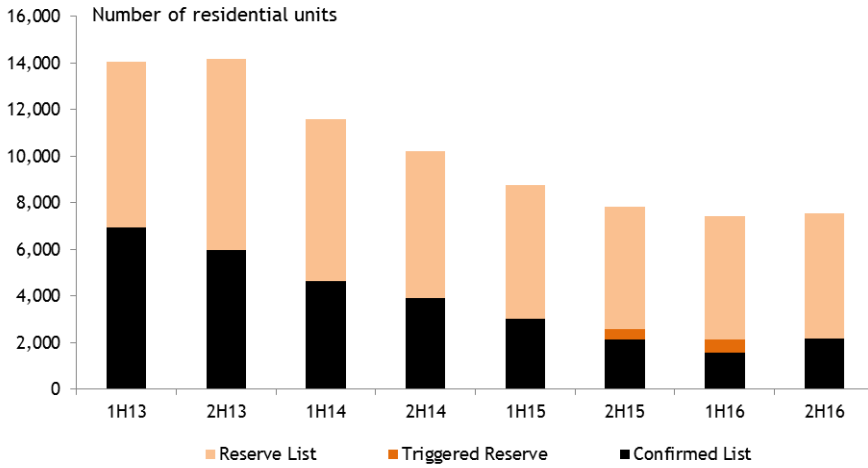
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Exhibit 1: Units available in Confirmed List

GLS	Confirmed List	EC	Percentage of sites for EC in the Confirmed List
2H13	5,960	2,785	47%
1H14	4,630	2,165	47%
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%

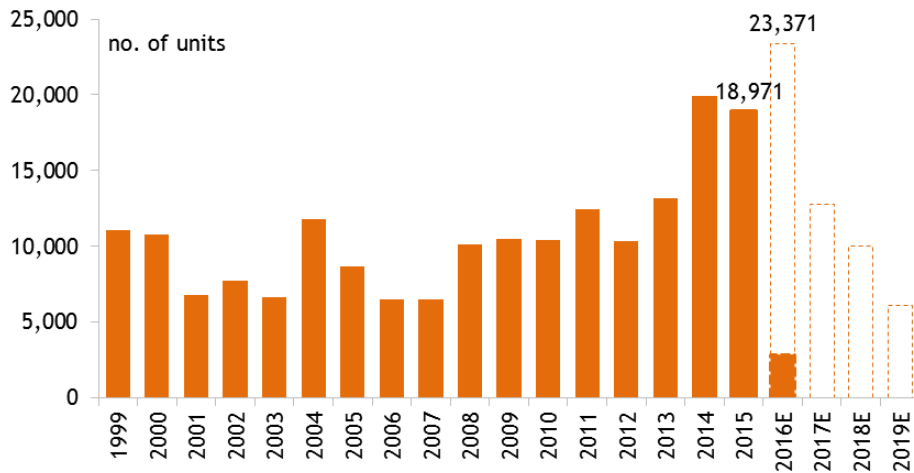
Source: URA, OrangeTee Research

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



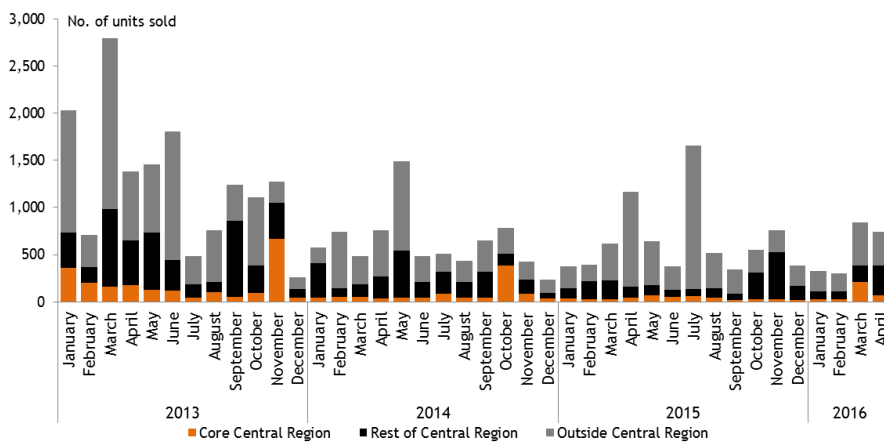
Source: URA, OrangeTee Research

Exhibit 3: Expected completions of private residential units (excluding ECs) as at 1Q16



Source: URA, OrangeTee Research

Exhibit 4: Primary home sales (exclude ECs)



Source: URA, OrangeTee Research

Exhibit 5: List of sites on 2nd Half Government Land Sales Programme 2016

S/N	Location	Site Area (ha)	Proposed GPR	Estimated No. of Residential Units	Estimated Commercial space (m2)	Estimated Launch Date	Sales Agent
Confirmed List							
Residential Sites							
1	Fernvale Road	1.72	3.0	605	0	Aug-16	URA
2	Perumal Road	0.39	4.2	200	500	Nov-16	URA
3	West Coast Vale	1.64	2.8	540	0	Dec-16	URA
Commercial & Residential Sites							
4	Upper Serangoon Road	2.55	3.5	825	15,000	Dec-16	HDB
Total (Confirmed List)				2,170	15,500		

S/N	Location	Site Area (ha)	Proposed GPR	Estimated No. of Residential Units	Estimated Commercial space (m2)	Estimated Launch Date	Sales Agent
Reserve List							
Residential Sites							
1	Stirling Road	2.11	4.2	1,110	0	Available	URA
2	Tampines Avenue 10 (Parcel C)	2.17	2.8	715	0	Available	URA
3	Margaret Drive	0.48	4.6	275	0	Available	URA
4	Bartley Road/ Jalan Bunga Rampai	0.47	2.1	115	0	Available	URA
5	Sumang Walk (EC)	2.73	3.0	780	0	Available	HDB
6	Serangoon North Avenue 1	2.81	2.5	825	0	Oct-16	URA
7	Toh Tuck Road	1.87	1.4	325	0	Nov-16	URA
Commercial & Residential Sites							
8	Holland Road	2.30	2.6	570	13,500	Available	URA
Commercial Sites							
9	Beach Road	2.10	4.2	0	88,200	Available	URA
10	Woodlands Square	2.24	3.5	275	54,880	Available	URA
White Sites							
11	Central Boulevard	1.09	13.0	385	105,000	Available	URA
Total (Reserve List)				5,375	261,580		
Total (Confirmed List & Reserve)				7,545	277,080		

Source: URA, OrangeTee Research