Government Land Sales Programme

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Land supply increases but land prices expected to remain elevated

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Confirmed List supply increases 22%

4 residential sites and 2 mixed development sites will be released under the Confirmed List for 2H17 Government Land Sales Programme (GLS), yielding an estimated total of 2,840 residential units. This represents an increase of 22% relative to the 1H17 tally of 2,330 residential units. Of the 2,840 residential units released, 815 units are Executive Condos (EC), which represents about 29% of 2H17 Confirmed List supply.

The 2H17 Reserve List will provide another 10 sites, bringing the total tally of potential residential units to 8,125, compared to 1H17 numbers of 7,465 units.

Interest in the Enbloc market to continue

Including the triggered and sold reserve site in 1H17(Stirling Road Site), the total residential supply released in the 1H17 GLS comes up to 3,440 units, which would be 21% higher than the 2H17 Confirmed List supply of 2,840 units. This suggests that demand for GLS land may outstrip the current supply in the Confirmed List over the next 6 months. Given the increase of primary sales in 1H17, developers' strong appetite for land is expected to continue.

As such, land supply from the collective sale market will continue to attract developers' attention subject to reasonable owners' expectations.

Mild increase in land supply within expectations

The increase in land supply is relatively mild and reflects the governments' cautious stance on the property market outlook. Releasing too much land at one go may jeopardise the current stability in the property market, in view of persistent headwinds such as rising interest rates, cooling measures and uncertainties in the global economy.

Slightly raising supply in the Confirmed List, while keeping ample supply in the reserve list would allow demand for land to be decided by market forces. Furthermore, given heightened interest in the collective sales market, more land could potentially be released via the enbloc market.

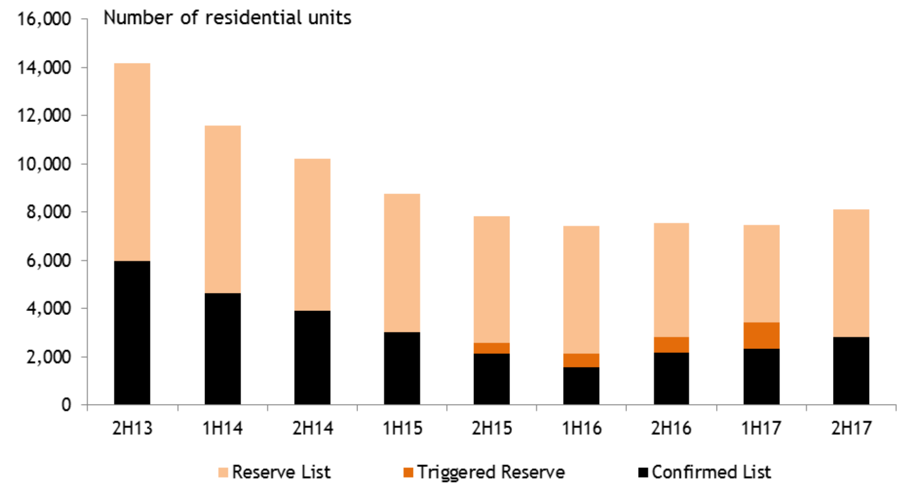
Given that private residential prices are still in the midst of bottoming out and persistent headwinds remain, the government has decided to not "rock the boat", and adopt a slow and steady strategy in regard to land supply.

Exhibit 1: Units available in Confirmed List

GLS	Confirmed List	EC	Percentage of sites for EC in the Confirmed List
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%
1H17	2,330	0	0%
2H17	2,840	815	29%

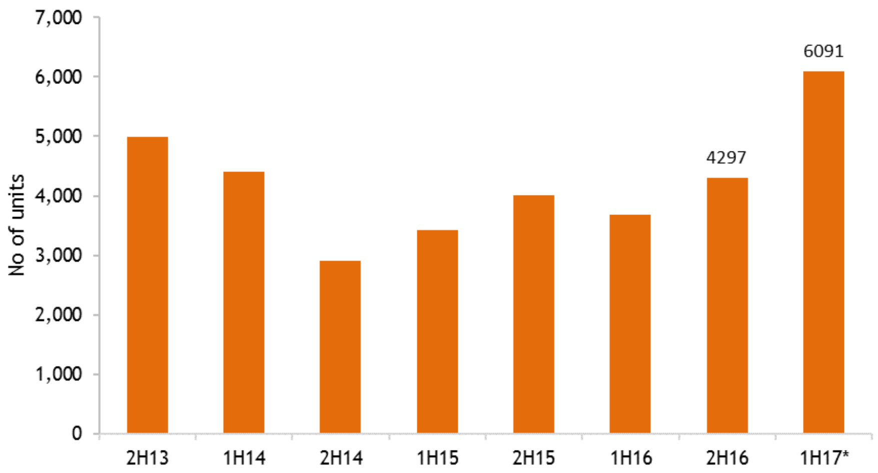
Source: URA, OrangeTee Research

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



Source: URA, OrangeTee Research

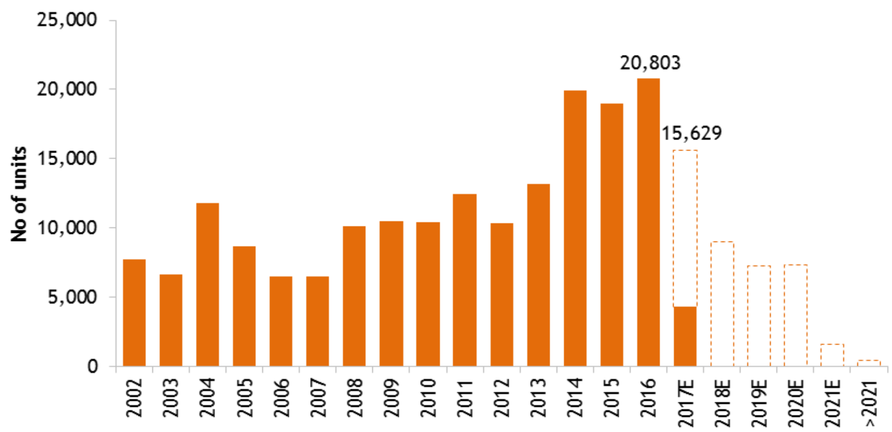
Exhibit 3: Primary Home Sales (Excluding ECs)



* Estimate

Source: URA, OrangeTee Research

Exhibit 4: Expected completions of private residential units (Excl ECs) as at 1Q17



Source: URA, OrangeTee Research

Exhibit 5: List of sites on 2nd Half Government Land Sales Programme 2017

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	Chong Kuo Road	0.48	1.4	90	0	0	Oct-17	URA
2	Handy Road	0.52	2.8/1.4	130	0	0	Nov-17	URA
3	Sumang Walk (EC)	2.71	3.0	815	0	0	Dec-17	HDB
4	Hillview Rise	1.43	2.8	535	0	0	Dec-17	URA
Commercial & Residential Sites								
5	Holland Road	2.30	2.6	570	0	13,500	Nov-17	URA
6	Sengkang Central	3.63	2.1	700	0	13,300	Dec-17	URA
	Total (Confirmed List)			**2,840**	**0**	**26,800**		

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
Reserve List								
Residential Sites								
1	Bartley Road / Jalan Bunga Rampai	0.47	2.1	115	0	0	Available	URA
2	Yishun Avenue 9	2.15	2.8	805	0	0	Available	URA
3	Jiak Kim Street	1.35	3.8	525	0	1,500	Jun-17	URA
4	Fourth Avenue	1.85	1.8	445	0	0	Jun-17	URA
5	West Coast Vale	1.95	2.8	730	0	0	Sep-17	URA
6	Cuscaden Road	0.57	2.8	170	0	0	Oct-17	URA
7	Canberra Drive	4.11	1.4	765	0	0	Nov-17	URA
8	Mattar Road	0.64	3.0	255	0	0	Nov-17	URA
9	Silat Avenue	2.50	3.5	1,160	0	450	Dec-17	URA
Commercial Sites								
10	Woodlands Square	2.24	3.5	315	0	54,840	Available	URA
	Total (Reserve List)			**5,285**	**0**	**56,790**		
	Total (Confirmed List & Reserve)			**8,125**	**0**	**83,590**		

Source: URA, OrangeTee Research