

Fortnightly News Summary

Synopsis of News from 16th January - 31st January 20181st February 2018

Property Market Activities

Condo price increase eases to 0.6% in Dec: NUS index (BT, 30 Jan, 2018)

The price increase eased from the 1.6 per cent rise seen in November, based on the revised index value for that month. Compared to a year ago, prices were up 5.5 per cent in 2017. This is a reversal from the year-on-year price decline of 2.3 per cent in 2016.

Property market sentiment hits a high in Q4 (BT, 25 Jan, 2018)

Overall property market sentiment hit a high in the fourth quarter of last year, amid rising confidence in the market recovery in the coming six months. An NUS associate professor said that the exuberance in the market is buoyed by the en bloc sales and also the upturn of demand in the private residential property market. The market recovery seems to have picked up momentum, which may persist into 2018.

'Long winter' in Singapore home prices seen ending: survey (BT, 24 Jan, 2018)

After a four-year slide in private residential prices, analysts are now forecasting an end to the property downturn. Singapore home prices have risen for two consecutive quarters and they are expected to increase by about 5.5 per cent this year, according to a survey by Bloomberg. An analyst pointed out that while the turnaround has been accompanied by a surge in collective sale deals - which has fuelled concern of a potential oversupply - it is "far too early to be worried" as the redeveloped properties won't resurface until 2020 at the earliest.

Foreign interest seen returning to Singapore residential market (BT, 22 Jan, 2018)

Foreign demand is expected to return to the Singapore residential property market this year, Bank of Singapore believes. This is backed by the prospects of a price recovery and better leasing environment, as well as the fact that home prices have fallen to a sweet spot after four years of decline to render the market more affordable compared to other global cities. An expert says he expects foreign buyers seeking relative value to return and kick the upturn into higher gear, particularly in the prime residential segment.

Punggol Digital District: Singapore's first tech-driven enterprise district (BT, 22 Jan, 2018)

The Punggol Digital District, a new 50-hectare development in Punggol North, is set to become Singapore's first Enterprise District driven by technology and innovation. It will comprise a JTC business park for digital economy-type companies, the Singapore Institute of Technology (SIT), and community facilities including a hawker centre, community club and heritage trail. The JTC business park, scheduled to commence development this year, will house companies that are in the key growth sectors of the digital economy. Locating these sectors in PDD is believed to bring roughly 28,000 jobs closer to residents in Punggol and the north-east region.

Singapore office rents to rise the most in Asia (TODAY, 22 Jan, 2018)

Office rents in all major Asian cities, with the exception of Tokyo, are set to rise over the next two years, according to an industry expert. Singapore will lead the pack, with rents forecast to surge 25 per cent, more than double the 12 per cent growth forecast in Hong Kong's central business district. In Singapore, the rent recovery is set to gain traction as supply begins to moderate this year.

UOB Kay Hian bullish on S'pore residential, office segments

(BT, 20 Jan, 2018)

They noted the strong pick-up in sales momentum and pricing in the residential sector in 2017. This was led by the luxury segment (transactions above S\$3,000 per square foot), which first showed signs of recovery in early 2016. The residential recovery was also driven by "pent-up" demand arising from the implementation of the Total Debt Servicing Ratio in 2013, they added. Strong performance of technology, real estate, and co-working buoyed the office segment in 2017.

2017 developers' sales hit 4-year high; momentum expected to continue

(BT, 16 Jan, 2018)

Reflecting the upbeat sentiment in the property market, developers' sales of private homes and ECs were the highest in four years in 2017. This momentum is expected to gain traction this year, given a healthy pipeline of new property launches. Another sign of the strong momentum can be seen in how developers' sales outpaced their launches last year. An expert added that developers' sales performance this year will not only hinge on their launch supply, but also on pricing, a major determinant in sales take-up in new project launches.

Public Housing

HDB resale flat transactions up 6.1% in 2017

(BT, 26 Jan, 2018)

The HDB said there were 22,077 resale transactions in 2017, compared to 20,813 in 2016. There was also a 5.6 per cent increase in the number of approved rental applications in the fourth quarter of last year, compared to the same period in 2016. February's Build-To-Order exercise will also have 3,600 flats on offer in Choa Chu Kang, Geylang, Tampines and Woodlands. There will be about 17,000 new flats for sale this year.

Government Land Sales

Multiple tender closings, but bids still bullish

(BT, 31 Jan, 2018)

The URA's batched tender exercise, or simultaneous tender closings, for three 99-year private housing sites does not seem to have tempered bullish bids by developers. For a plot in Handy Road, CDL bid S\$212.2 million, which works out to S\$1,722 psf ppr; for a land parcel in West Coast Vale, it bid S\$472.4 million or S\$800 psf ppr. The top bid for a site along Chong Kuo Road was by a partnership between Lian Soon Holdings and OKP Land, at S\$43.95 million or S\$681 psf ppr.

JTC launches sale of two industrial sites in Tuas

(BT, 30 Jan, 2018)

JTC has launched one confirmed list site at Tuas South Link 3 and one reserve list site at Tuas Bay Close under the first half 2018 IGLS Programme. The launch of the sites is part of the government's efforts to offer more choices for industrial development, JTC said.

Soilbuild wins tender for Tuas South Link site with S\$2.6m bid

(ST, 25 Jan, 2018)

JTC Corporation awarded the tender for an industrial site in Tuas South Link 3 (Plot 16) to Soilbuild Construction at a tendered price of S\$2.634 million. Only one bid was submitted.

Investment Sales

Bungalow at Leedon/Belmont road junction fetches S\$57.5m

(BT, 30 Jan, 2018)

The price for the property, which is located in the Leedon Park GCB Area, works out to S\$1,309 per square foot on the freehold land area of 43,926 sq ft. The site is large enough to be subdivided into two plots based on the minimum plot size of 1,400 square metres stipulated for any newly-created bungalows within Singapore's 39 GCB Areas.

More projects hopping on collective sale train (BT, 26 Jan, 2018)

There appears to be no lack of new projects looking to jump onto the collective-sale train, even as more public tenders have closed without concluding a sale. Since December, six collective sale tenders have closed without concluding a sale. Another two tenders closed on Thursday and their outcome is not revealed yet. Goodluck Garden, a condominium along Toh Tuck Road, has launched a collective-sale tender with a reserve price of S\$550 million. This marks the fourth collective sale launch this week, following that of Eunost Mansion and Makeway View, as well as commercial property ICB Shopping Centre.

TA Realty puts 12onShan in Novena up for sale (BT, 25 Jan, 2018)

TA Realty, an indirect subsidiary of TA Corporation, is putting up its freehold serviced apartment project in Novena for sale by tender. The development is valued at S\$107 million.

Makeway View put up for collective sale at S\$168m (BT, 24 Jan, 2018)

The asking price, together with about S\$17 million in development charge payable, represents a land rate of S\$1,589 psf ppr. Separately, Macly Capital Pte Ltd exercised an option on Monday to acquire nine single-storey shophouses located at Telok Kurau for a total of S\$35.5 million. This reflects a land rate of S\$733.8 psf ppr.

Juggernaut sites take en bloc game to new level (BT, 24 Jan, 2018)

Owners of Mandarin Gardens have given the green light to kickstart its collective sale process. In the same league, Braddell View, Cashew Heights and Pine Grove are in various stages of the collective sale process. While these big projects are in attractive locations, they face the same hurdle - their size and resulting quantum.

Roxy-Pacific partners Tong Eng group MD to buy Kismis View for S\$102.75m (BT, 20 Jan, 2018)

Under the 2014 Master Plan, the 90,863 sq ft site has a gross plot ratio of 1.4. The site may be redeveloped into a low-rise apartment development of up to five storeys, with a total gross floor area of about 139,929 sq ft. The sale price of S\$102.75 million reflects a land rate of about S\$941 psf per plot ratio, including an estimated premium of S\$17 million to top up the lease to a fresh 99-year term.

Hollandia in District 10 up for en bloc sale (BT, 18 Jan, 2018)

Based on the allowable GFA of 10,004.56 square metres (or equivalent gross plot ratio of 2.013), the collective sale has an indicative price of S\$163.15 million, which translates to a land rate of S\$1,515 psf ppr. Built in the mid-1980s, Hollandia occupies 4,970.8 square metres. Due to the high development baseline, no development charge is payable.

Balmoral Gardens to be launched for collective sale; owners expect more than S\$92m (BT, 17 Jan, 2018)

Owners of the freehold residential land expect offers above S\$92 million, with the land rate estimated to be at S\$1,872 per sq ft per plot ratio inclusive of development charge. The development charge payable is estimated to be in the region of S\$18.1 million. Situated at 11B Balmoral Road, the development has a site area of 3,414.3 sqm and a height limit of up to 12 storeys. All owners in Balmoral gardens have given their approval for the sale.

Freehold Dunearn Gardens up for en bloc sale (BT, 16 Jan, 2018)

The owners of the 114-unit estate are expecting offers above their reserve price of S\$488.8 million. Including an additional development charge of S\$35.7 million payable to the state to intensify the use of the site to the maximum permissible GFA, the land rate is estimated to be S\$1,962 psf ppr. Last year, some 27 collective sales brought the total value of such transactions above S\$8 billion, compared to S\$1 billion in 2016.