

# Fortnightly News Summary

Synopsis of News from 16<sup>th</sup> November - 30<sup>th</sup> November 201730<sup>th</sup> November 2017

## Property Market Activities

### Singapore interest rates spike on liquidity crunch, likely to go higher

(BT, 30 Nov, 2017)

Singapore's short-term key interest rates spiked on Wednesday due to a liquidity crunch on seasonal factors and ahead of an expected hike in US interest rates next month. The benchmark three-month Sibor rose six points to 1.183 per cent, the highest it has reached since March 2016. An expert estimates the three-month Sibor will hit 1.40 per cent by end-2017.

### Completed condo prices up 0.6% in October from September: NUS

index (BT, 29 Nov, 2017)

Prices of completed private apartments and condos in Singapore rose 0.6 per cent in October compared to the previous month. The m-o-m increase is faster than the 0.2 per cent rise seen in September, based on the revised index value for that month.

### Singapore economy beats expectations with 5.2% growth in Q3, 2017

forecast raised to 3-3.5% (BT, 23 Nov, 2017)

Due mostly to a strong showing in electronics, MTI's forecast for full-year GDP growth is now 3-3.5 per cent. The upgraded forecast dovetails with Prime Minister Lee Hsien Loong's earlier remarks on 19 Nov that the Singapore economy could expand by more than 3 per cent in 2017. As for 2018, the Singapore economy is forecast to grow by 1.5-3.5 per cent, with GDP growth likely to come in around the middle of the forecast range.

### Investors drawn again to real estate rebound

(BT, 22 Nov, 2017)

Singapore's property market has improved drastically in its investment prospect rankings, going from near the bottom of the table in 2017 to third place in 2018. The Emerging Trends in Real Estate Asia Pacific 2018 report noted that office rents in Singapore have firmed earlier than expected, while the completion of CapitaLand Commercial Trust's mega S\$2.09 billion acquisition of Asia Square Tower 2 from BlackRock has galvanised the local market and set a new benchmark for valuations. The residential sector is also showing signs of recovery with rising transactions and a slight uptick in pricing for the first time in four years.

### Smoke detectors mandatory for new homes from June

(ST, 17 Nov, 2017)

It will be mandatory to install smoke detectors in all new homes, including Housing Board flats, that start getting built from June next year. All new single-storey homes will need only one device, whilst multi-storey homes will need at least one device on each floor, and floors with combined living and dining room spaces of more than 70 sq m will require at least two. Existing homes that undergo fire safety works after June will also have to follow the latest fire code and have smoke detectors installed.

### Property optimism unfazed by govt caution: analysts

(BT, 16 Nov, 2017)

Most market watchers are not too concerned about recent attempts by the government to douse market exuberance, which they see as having little impact on residential buying demand for now. Their optimism stems from another month of strong sales by developers in October, where buyers were seen picking up units mostly in already launched projects. Consultants are expecting a strong closure to 2017, with primary new home sales by developers for the full year reaching 11,000-12,000 units excluding ECs.

## Public Housing

### Eunos Court is top draw in BTO exercise (ST, 21 Nov, 2017)

Home buyers continued to exercise their preference for mature estates, with four-room flats in Eunos Court the most oversubscribed - by 3.4 times. An expert opined that new BTO flats in Geylang are attractive to new home buyers due to their close proximity to the Eunos MRT station and lack of supply of new flats in the area. The next BTO exercise will be in February next year, when the HDB will offer about 3,600 flats in Choa Chu Kang, Geylang, Tampines and Woodlands.

## Government Land Sales

### JTC launches 2 sites each from confirmed, reserve lists (BT, 28 Nov, 2017)

JTC has launched two sites from the confirmed list at Tampines North Drive 3 (Plot 2) and Tuas South Link 3 (Plot 27), and two reserve list sites at Woodlands Height and Woodlands Industrial Park E7/E8 under the second half 2017 IGLS programme. The 1.61 ha site at Woodlands Height on the reserve list is zoned for Business-1 development with a 30-year tenure and a maximum gross plot ratio of 2.5, while the 0.88 ha site at Woodlands Industrial Park E7/E8 is zoned for Business-2 development with a 20-year tenure and a maximum gross plot ratio of 2.5.

## Investment Sales

### 3rd time's a charm for How Sun Park en bloc (BT, 29 Nov, 2017)

A subsidiary of SingHaiyi Group Ltd has been awarded the How Sun Park site for S\$81.09 million through a collective sale. The price works out to S\$1,092 psf ppr, inclusive of an estimated development charge of S\$2.92 million. How Sun Park is a freehold three-storey development on a land area of 54,942.7 sq ft. It is zoned for residential use with a 1.4 plot ratio and an allowable height of up to five storeys.

### Infosys co-founder's family office buys its first Singapore hotel

(BT, 28 Nov, 2017)

New Cape Inn, a 76-room freehold hotel in Seng Poh Road in Tiong Bahru, is being sold for S\$67 million to a unit of Nadathur Far East, a part of the Nadathur Group. The price works out to about S\$881,579 per room. The transacted price reflects about 2 per cent gross yield on the assumption of an average room rate of S\$70 per night and 85 per cent occupancy.

### Lodge 77 sold for S\$29m to KTC (BT, 28 Nov, 2017)

The freehold residential-commercial mixed development at 77 Upper East Coast Road has a land area of 13,123 sq ft. The site is zoned "residential with commercial at first storey" with a 3.0 plot ratio. The price works out to S\$902 psf ppr inclusive of an estimated development charge of S\$6.52 million, assuming the developer maximises the 3.0 plot ratio, with a 20:80 commercial:residential split.

### Oxley close to buying Chevron House (BT, 24 Nov, 2017)

The price is believed to be around S\$660 million or S\$2,526 per square foot on the property's existing NLA of 261,280 sq ft. The 32-storey office and retail development is on a 29,891 sq ft site with a 99-year tenure with 71 years left.

### Kismis View launched for en bloc sale for S\$102m (BT, 23 Nov, 2017)

Built in the early 1980s, Kismis View comprises 43 units on a 99-year leasehold site with a balance lease term of about 64 years. The 90,863 square foot site has a gross plot ratio of 1.4. At the minimum price and with an estimated differential premium of about S\$23 million, Kismis View's land cost reflects about S\$983 psf ppr.

## No bids for Jalan Besar Plaza en bloc tender but it receives one expression of interest (BT, 20 Nov, 2017)

The CSC for Jalan Besar Plaza has confirmed that no bids were received at the close of its tender exercise. While no sale has been concluded at the close of the tender, the law prescribes that the committee can still enter into a private contract with a purchaser within 10 weeks.

## Mayfair Gardens sold en bloc for S\$311 million (BT, 20 Nov, 2017)

Oxley Holdings' subsidiary, Citrine Property, clinched Mayfair Gardens for S\$311 million. The sale price, with an additional lease top-up premium estimated at S\$52 million, translates to a land price of approximately S\$1,244 psf ppr.

## Gaw Capital fund to acquire PoMo for S\$342m (BT, 18 Nov, 2017)

A fund managed by Gaw Capital Partners has agreed to pay Enviro-Hub Holdings and BS Capital S\$342 million for PoMo, a nine-storey office and retail development in Selegie Road. PoMo sits on a 99-year lease site with a land area of 43,027 sq ft. PoMo now has a net lettable area of about 180,000 sq ft comprising 110,000 sq ft of offices and 70,000 sq ft of retail space.

## Pair of Craig Road shophouses sold for S\$18m (BT, 18 Nov, 2017)

Adjoining conservation shophouses at 38 and 39 Craig Road were bought for S\$18 million by an entity affiliated with Clifton Partners, a property investment management firm. The price translates to S\$1,834 per square foot on built-up area for the property; the site's 99-year lease still has 701/2 years left on it. Separately, Far East Organization recently picked up 23 Ann Siang Road for S\$10.38 million from a group of investors. The price for the 999-year leasehold property works out to about S\$3,300 psf on built-up area.

## Tai Wah Building draws top bid of S\$84.89m (BT, 17 Nov, 2017)

Lucrum Capital, a private equity investment firm focused on real estate mainly in the Asia-Pacific, has placed a top bid of about S\$84.89 million for the mixed-use development. The price translates to about S\$2,209 per sq ft per plot ratio. Lucrum Capital plans to redevelop the property into a serviced apartment with commercial use on the first storey.

## Vista Park seeking minimum S\$350m in collective sale tender

(BT, 17 Nov, 2017)

The 209-unit Vista Park, including 22 townhouses, spanning 319,250 sq ft, has some 61 years left on its lease. The site has a plot ratio of 1.4 and allowable height of up to five storeys, translating to potential GFA of about 446,951 sq ft. Including the estimated lease top-up premium of about S\$66 million, the land rate is estimated to be S\$932 per sq ft per plot ratio. Separately, owners of freehold Spanish Village and Central Green have formed their CSCs, and Tulip Garden is garnering signatures. Brookvale Park and Kismis View have achieved the 80 per cent requisite approval from owners, and may launch their collective sale tender soon.

## Pearlbank among four condos to sell en bloc (ST, 16 Nov, 2017)

Pearlbank Apartments was put up for collective sale at a reserve price of \$728 million. The land cost amounts to about \$1,505 psf ppr, after factoring in about \$195 million for the lease top-up. Its gross plot ratio is 7.4479. Parkway Mansion, a 32-unit condominium, has an indicative price of \$138 million and has an estimated development charge of \$21 million. Together, the combined sum translates to a land rate of \$1,454 psf ppr. Derby Court, a 20-unit block near Novena, has a reserve price of \$62 million, while Riviera Point, with 33 homes, has set its reserve price at \$75 million.