

Fortnightly News Summary

Synopsis of News from 17th March - 2nd April 20182nd April 2018

OrangeTee in the News

OrangeTee & Tie teams up with Carousell on property listings (BT, 24 Mar, 2018)

OrangeTee & Tie, Singapore's third-largest property agency by sales force, has tied up with Carousell to add the property listings and reviews of its more than 4,000 agents to the online marketplace. According to Carousell's co-founder and CEO Quek Siu Rui, about 30 per cent of its agent clients managed to close a deal successfully within 60 days of listing on Carousell.

OrangeTee & Tie managing director Steven Tan said this success rate is among reasons why the property agency is tapping Carousell. "Consumer consumption habits continue to evolve, and even for big ticket items such as property, they are turning to digital tools first," he said, adding that it is timely for OrangeTee & Tie to engage younger consumers who are moving into the next stage of owning a property.

Property Market Activities

Farrer Park to make way for redevelopment (ST, 31 Mar, 2018)

By the end of next month, the Singapore Amateur Boxing Association will vacate the gym at Farrer Park to move into a space at the Bedok Sports Hall. The move is the first step in the eventual transformation of the Farrer Park fields - a hallowed ground for sports from the 1930s through to the 1980s - into a residential area.

Developers send Q1 property investment sales to new high (BT, 31 Mar, 2018)

Investors snagged some 26 residential land parcels (excluding sites yielding more than 20 per cent of gross floor area in other uses) worth S\$7.27 billion in the first three months of this year. The top residential deals in the first quarter include Pacific Mansion, which was acquired for S\$980 million; and Park West, which was snagged for S\$840.89 million.

Amber Park, Royalville en bloc sales pushing up prices in vicinity (BT, 30 Mar, 2018)

Resale prices of existing condos and private apartments in District 15, which includes the Katong and Amber Road areas, as well as District 10 have risen significantly following news of the Amber Park and Royalville collective sales last year. Analysts say resale prices of existing homes are being driven up by strong demand for replacement homes by cash-flush individuals and families who have sold their homes through collective sales in the nearby areas, among other factors.

SPH, Kajima break ground on landmark Bidadari project (BT, 29 Mar, 2018)

The first private residential-cum-retail project in the new Bidadari estate will offer some 680 residential units and close to 28,000 sq m of retail gross floor area. OrangeTee & Tie is one of the appointed marketing agents for the two to four-bedroom condos in The Woodleigh Residences.

Cluster housing is hot again (BT, 29 Mar, 2018)

The limited supply of cluster houses will preserve the value of such properties, making them even more exclusive and rare. With their attractive price tag and good capital yield, demand for cluster houses will likely rise in the coming months. As demand is likely to pick up further, we can expect prices to climb by 3 to 5 per cent this year, barring any unforeseen events.

New condos can cost up to 13% more than existing neighbours (BT, 29 Mar, 2018)

Based on the prices paid for residential sites in the OCR, it is estimated that the prices of new condominiums to be launched in 2018 and 2019 could potentially be 7 per cent to 13 per cent higher than the condominiums that are currently offered for sale in the vicinity of the land parcels sold.

Proptech - the emerging disruption in real estate (BT, 29 Mar, 2018)

The real estate industry ITM will leverage technology to address complaints from buyers and developers about the long transaction processes and regulatory hurdles. It is certain that there will be an impact on traditional business models. Whether this impact turns out to be positive or negative depends largely on how real estate players will use proptech to their advantage.

Return of foreign buyers to S'pore property scene (BT, 29 Mar, 2018)

An industry player anticipates more foreign buyers with varied profiles returning to Singapore's housing market. They could be professionals who have worked in Singapore for some years and are willing to purchase homes outside the prime districts or younger professionals working in the IT and banking sectors, who have built their wealth in the new economy.

Singapore factory output beats expectations; grows 8.9% in Feb (BT, 27 Mar, 2018)

Singapore's factory output continued to put up a laudable performance in February. But despite the surprise upside in manufacturing numbers, the outlook over the next few months still appears clouded as talk about an impending US-China trade war escalates.

315 units of The Tapestry in Tampines snapped up (BT, 26 Mar, 2018)

Some 315 units, or 70 per cent, of the 450 units released of The Tapestry were snapped up over the weekend. The average price per square foot is S\$1,310. The project's developer CDL said all unit types had a "good take-up rate", particularly the one-bedder and two-bedroom units.

Non-oil exports shrink 5.9% in Feb, far below economists' expectations of 4.8% expansion

(BT, 17 Mar, 2018)

An unexpected decline in Singapore's exports last month surprised economists who were hoping for another month of growth amid the ongoing global economic upturn. But it is too soon to tell if the contraction points to slowing export momentum. Still, most economists were already expecting exports to grow at a more sedate pace this year.

Land Sales

JTC launches 2 sites under Industrial Government Land Sales Programme (BT, 27 Mar, 2018)

The 0.88 hectare site at Woodlands Industrial Park E7/E8 is zoned for Business-2 development and has a 20-year tenure with a maximum permissible gross plot ratio of 2.5. The 0.45 hectare site at Tuas South Link 3 (Plot 19) is zoned for Business-2 development and has a 20-year tenure with a maximum permissible gross plot ratio of 1.4.

Far East-led consortium places 3 of total 15 bids for Holland site (BT, 21 Mar, 2018)

The URA's first dual-envelope tender in eight years drew a strong turnout on Tuesday. In all, 15 bids were received from 10 consortiums. According to an expert, the huge capital outlay with a land price possibly exceeding S\$1 billion and the necessary experience in developing and managing the non-residential component would have led to the tie-ups.

Tenders launched for parcels at Mattar Road, Silat Avenue (BT, 17 Mar, 2018)

The land parcel at Mattar Road, which is under a 99-year lease, has a site area of 6,230.2 square metres with a maximum gross floor area (GFA) of 18,691 sq m. It can yield an estimated 250 units. The site at Silat Avenue, also under a 99-year lease, occupies an area of 22,851.6 sq m and with a GFA of 84,551 sq m. It can yield a maximum of 1,125 housing units. The site is zoned for residential and residential with commercial at the first storey.

Investment Sales

Tiong Seng, Ocean Sky snag Cairnhill Heights for S\$73m, below initial asking price (BT, 2 Apr, 2018)

A joint venture between Tiong Seng Holdings and Ocean Sky International, both Singapore-listed companies, has agreed to buy the Cairnhill Heights condominium for S\$72.6 million, less than the sellers' initial asking price of more than S\$80 million. The project may be redeveloped into a residential development of about 42 units based on an average size of 95 sq m.

Singapore property auction sales in Q1 up 31% (BT, 30 Mar, 2018)

The number of properties sold in auction sales rose to 11 units in the first quarter of 2018, from eight in the corresponding quarter a year ago. This was despite the number of new properties put up for sale staying unchanged year-on-year at 63 units in both periods.

8M buys shophouses, commercial building for S\$82.5m (BT, 28 Mar, 2018)

Homegrown investment property company 8M Real Estate has bagged a portfolio of nine conservation shophouses and a commercial building in District 1 near the Singapore River for a total of S\$82.5 million. Based on the S\$45.5 million caveat lodged for the Boat Quay/Circular Road cluster, the blended price works out to about S\$3,150 psf on GFA.

Oxley Holdings snaps up freehold Ampas Apartment for S\$95m (BT, 27 Mar, 2018)

Located at 5 Jalan Ampas, the property consists of a land area of around 2,809.3 square metres (sq m). Factoring in the development charge, the acquisition cost will amount to some S\$1,073 per square foot per plot ratio, inclusive of balcony area.

Mandarin Gardens condominium approves asking price of S\$2.48b (BT, 25 Mar, 2018)

In addition to the asking price, potential buyers would have to pay an estimated S\$325.4 million as a top-up for a fresh lease, as well as an estimated S\$1.28 billion for development charges. This could bring the total tab to close to S\$4.09 billion, which translates to S\$1,236 psf ppr.

Far East Group to sell Lavender Street property for S\$27m (BT, 25 Mar, 2018)

The four-storey building situated at 112 Lavender Street is a freehold estate and serves as the regional headquarters of the group's operations. Far East said that it has issued a conditional option to purchase agreement to Chang Hua Construction, an independent and unrelated third party.

Makeway View sold to Bukit Sembawang Estates unit for S\$168m (BT, 23 Mar, 2018)

The sale price reflects a land rate of S\$1,626 per square foot per plot ratio (psf ppr), including an estimated development charge of about S\$21.26 million. Owners of the estate's 28 apartments and four penthouses are expected to receive gross sale proceeds of between S\$3.86 million and S\$10.74 million per unit.

Good Class Bungalow deals start to rev up (BT, 22 Mar, 2018)

A few big ticket deals in GCB Areas were sealed recently. Year to date, seven deals totalling S\$181.6 million have been sealed in GCB Areas; this is higher than the five deals totalling S\$116 million in Q1 2017. An expert said that he is confident that the total value of sales in GCB Areas in 2018 will surpass last year's figure.

Olina Lodge, Verdun House up for collective sale for S\$220m, S\$60m respectively (BT, 21 Mar, 2018)

Olina Lodge's reserve price translates to a land rate of S\$1,631 psf ppr. There is potentially no development charge payable due to a high development baseline for the 7,830.7 sq m freehold site. Separately, Verdun House's asking price of S\$60 million translates to S\$2,100 psf ppr.

More commercial sites hop onto collective sale train (BT, 22 Mar, 2018)

Among them is Singapore Shopping Centre at Clemenceau Avenue, which has only 29 years left on its tenure. Elsewhere in Tanjong Pagar, owners of freehold Realty Centre have also appointed their marketing agent. But so far this year, there has been no commercial collective sale sites sold, with all 14 collective sale sites sold being residential developments. The public tenders of ICB Shopping Centre, Jalan Besar Plaza and Chinatown Plaza have closed without a sale being concluded.

Peak Court up for en bloc sale with asking price of S\$106m (BT, 20 Mar, 2018)

The District 11 condominium with 20 maisonette units can be redeveloped into "an upscale resort-like boutique condominium project with about 106 units." With a gross plot ratio of 1.4, the asking price translates to a land rate of \$1,398 psf ppr.

Kwek and Quek entities secure Pacific Mansion for S\$980m (BT, 20 Mar, 2018)

The acquisition of Pacific Mansion marks the biggest collective sale in a more than a decade and the second-highest on record. Their winning bid represents a 4.5 per cent premium to the apartment owners' reserve price of S\$938 million. It works out to S\$1,987 psf ppr, based on the verified existing GFA of 493,222 sq ft.

En-bloc fever may be cooling (BT, 17 Mar, 2018)

The pace of redevelopment sales has started to show signs of slowing, with recent government measures helping dampen the euphoria, including an increase in stamp duty for home purchases of more than S\$1 million. Traffic impact studies are now required to ensure redevelopment will not trigger congestion. The development levy for enhancing sites or building bigger projects on them was raised by an average of 22.8 per cent - the biggest increase in a decade.

Bukit Sembawang Estates secures Katong Park Towers for S\$345m (BT, 17 Mar, 2018)

Bukit Sembawang Estates has successfully tendered for the en bloc sale of Katong Park Towers at a price tag of S\$345 million -20 per cent above its reserve price of S\$288 million. This translates to a land rate of S\$1,280 per sq ft per plot ratio up to the development baseline, taking into account an estimated S\$60 million for the lease upgrading premium.