

Fortnightly News Summary

Synopsis of News from 3rd April - 13th April 201813th April 2018

OrangeTee & Tie in the News

Chancery Court at Dunearn Road up for en bloc sale at S\$390m (BT, ST | 2 Apr 2018)

Chancery Court at Dunearn Road has launched its collective sale by tender with an asking price of S\$390 million. A redevelopment could potentially yield a maximum 480 units, averaging 70 sq m in size, said its sole marketing agent OrangeTee Advisory Pte Ltd.

The firm's managing director Marcus Oh added: "To give more certainty to developers, we took the initiative to undertake the PAFS and would expect the advisory on the maximum dwelling units from the authority before the tender closes. With this, developers will be able to conduct the redevelopment feasibility with peace of mind." The asking price works out to a land rate of S\$1,572 psf ppr, which OrangeTee executive director Alex Oh said "is comparatively attractive in relation to recent land sales nearby".

Private apartment, HDB rents down in March: SRX (ST, ZB | 12 Apr 2018)

Rents for non-landed private homes fell by 0.2 per cent against the previous month, even amid a pick-up in the number of units leased out. Rents for HDB flats fell by 0.8 per cent last month from February although HDB rental volume was up 45.3 per cent. The jump in rental volume could be attributed to a rise in transactions following a seasonal dip, said Ms Christine Sun, head of research and consultancy at real estate agency OrangeTee & Tie. "Leasing activity usually picks up after the Chinese New Year festivities, which are traditionally a lull period for all property transactions," she said.

Private home resale prices hit fresh highs in March: SRX flash (BT, ST, ZB, TNP, TODAY | 11 Apr 2018)

Prices for condominiums and private apartments rose by 1.5 per cent against February's peak. These gains were seen across the island, with home prices in the central core region up by 2.2 per cent on the previous month to record levels. Christine Sun, OrangeTee & Tie's head of research and consultancy, said on Tuesday that core central region resale prices may have risen on pent-up demand from "savvy investors who are in search of value buys in the luxury segment".

Property Market Activities

Singapore economy grew 4.3% in Q1 of 2018, boosted by strong manufacturing growth

(BT, ST | 13 Apr 2018)

This year-on-year rise was in line with economists' expectations of 4.3 per cent growth, and beat the 3.6 per cent expansion in the final quarter of 2017. The manufacturing sector continued to be the key growth driver in the first quarter, expanding 10.1 per cent, faster than the 4.8 per cent growth in the preceding three months.

Further home price spikes may spell risk of renewed cooling measures (BT | 11 Apr 2018)

Several more quarters of private home price increases of the magnitude seen in the first quarter could leave the property market here staring at the possibility of fresh cooling measures, industry players say. Looking historically, the authorities will start to do something when they see double-digit growth in the price index, an expert opined.

Two weekend property launches see keen take-up rates (BT, ST | 10 Apr 2018)

Lendlease sold another 149 units in the Phase 2 launch of Park Place Residences in Paya Lebar. Including the 210 units sold by Lendlease in a day in Phase 1 last year, 84 per cent of the 429-unit residential component has been sold. Sources note that the S\$2,000 psf average pricing for units sold in the Phase 2 launch of Park Place Residences reflects an 11 per cent rise from the average S\$1,800 psf for units sold in Phase 1.

Additionally, Oxley Holdings sold 129 units or 76 per cent of the 170-unit The Verandah Residences in Pasir Panjang at an average S\$1,815 psf over the two days. The strong showing at the two launches comes on the heels of the strong take-up at City Developments Ltd's The Tapestry in Tampines, where buyers snapped up 315 of the units released at the 861-unit project during the launch weekend.

Rate hike fears pushing home buyers to fixed-rate loans (BT | 5 Apr 2018)

Home buyers are catching on that interest rates are rising and more are taking up fixed rate loans, say banks. Amid the home buying frenzy which has sent prices soaring, borrowers are locking in the interest rates for their mortgages although they cost more than the current floating rate loans.

Woman charged over housing 21 workers in one apartment (ST | 4 Apr 2018)

A 53-year-old woman was yesterday charged in the State Courts by the MOM for abetting an employer to house foreign workers in overcrowded private residential premises. URA also charged Zhou and Sino Star with three counts each of unauthorised change of use of private residential units under the Planning Act, and two counts of abetting the unauthorised change of use of private residential units.

Couple to pay tax on \$16m profit from selling bungalows (ST | 4 Apr 2018)

A wealthy couple who made some \$16 million from buying and selling three GCBs within six years will have the profits taxed as income earned. While capital gains are generally not taxable, the Iras will also determine if the sellers are in fact trading in properties by considering factors such as frequency of transactions and the holding period of the properties.

Singapore Airbnb hosts fined S\$60,000 each over illegal rentals (BT, ST | 4 Apr 2018)

The two men who ran a business providing unauthorised short-term stays in a condominium in the Holland Village area were fined S\$60,000 each. Rules making home sharing illegal kicked in on May 15 last year. The government has said that a long-awaited consultation paper, that sets out a regulatory framework for short-term accommodation, will be released soon.

Singapore factory activity expands for 19th straight month (BT, ST, CNA | 3 Apr 2018)

Manufacturing saw its 19th straight month of expansion in March, with the Purchasing Managers' Index (PMI) edging up to 53 from an earlier 52.7. This was a notch higher than economists' expectations of 52.8, according to a poll by Bloomberg. The higher PMI reading was broad-based across most manufacturing sectors, indicating the resilience of the sectors.

Full-year forecasts double after 3.1% jump in Q1 home prices (BT, ST, TODAY | 3 Apr 2018)

The 3.1 per cent quarter-on-quarter increase in the Urban Redevelopment Authority's private home price index based on its first quarter flash estimate has shocked most property consultants, who were expecting a rise of 1 to 2 per cent. The rise is the steepest quarter-on-quarter hike since Q2 2010, when the index rose 5.3 per cent.

Public Housing

HDB resale prices up 0.8% in March from February but down 1.9% y-o-y: SRX (BT, ST | 5 Apr 2018)

Resale prices of Housing Board flats rose 0.8 per cent in March from February, the month of Chinese New Year, but dropped by 1.9 per cent from a year ago. For the first quarter of 2018, resale prices are down by 0.6 per cent from the previous three months. Prices have also declined by 12.8 per cent since their peak in April 2013.

Investment Sales

Yanlord, MCL bag Tulip Garden for S\$907m, 20% above reserve price (BT, ST, CNA | 13 Apr 2018)

A Yanlord Land Group and MCL Land joint venture has successfully bagged the freehold Tulip Garden for S\$906.889 million, the nation's second largest collective sales deal so far in 2018. The sale price is 20.4 per cent higher than the reserve price of S\$753 million for the 316,708 sq ft freehold estate when the tender was launched on Feb 28. The sale price works out to a land rate of S\$1,790 psf ppr.

Sliding premiums could point to cooling in en bloc fever (BT, ST | 11 Apr 2018)

A year after en-bloc fever gripped Singapore again, one property analyst thinks that it will hit its peak around the middle of this year. Developers are paying smaller premiums on average, and are likely to snap up smaller sites as they turn more selective, according to the analyst.

United Mansion, Landmark Tower up for collective sale (BT, ST | 10 Apr 2018)

Owners of United Mansion have put up the freehold walk-up project for public tender with a reserve price of S\$98 million, or S\$1,485 psf ppr. Landmark Tower, an apartment complex along Chin Swee Road, was also put up for collective sale by tender, with a reserve price of S\$285 million, but owners are expecting in excess of S\$300 million for the site.

Casa Meyfort in Meyer Road relaunches sale en bloc, with asking price of \$340m (ST | 10 Apr 2018)

The owners of the Casa Meyfort condominium in the Meyer Road neighbourhood are relaunching a public tender for a collective sale after the earlier December 2017 offering at a reserve price of S\$340 million failed to draw a successful bid. The owners have now set S\$340 million as the asking price; the reserve price, which could be lower, was not disclosed. Including the increased development charge, the land rate at the asking price is S\$1,664 psf ppr. The previous land rate was S\$1,616 psf ppr.

Le Meridien Sentosa hotel put up for sale again (ST | 10 Apr 2018)

Le Meridien Singapore on Sentosa, formerly known as Movenpick Heritage Hotel Sentosa, has been put on the market for the second time in two years. The property comprises a three-storey heritage building and a six-storey new block. Located next to the Merlion Tower on Sentosa, the 191-room property is on a site with a balance lease term of about 57 years.

Collective sales push up private home resale prices (ST | 9 Apr 2018)

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. Another factor causing resale prices to go up is that most sellers have upped their asking prices - benchmarking them against bullish land bids in the vicinity, an expert noted.

Rebuilt house in Bin Tong Park sold for S\$48m (BT | 7 Apr 2018)

A plush house in the Bin Tong Park GCB Area completed just a few years ago has changed hands for S\$48 million, translating to S\$2,063 per square foot on the freehold land area of 23,269 sq ft. Another recent GCB deal is that of a two-storey house in Binjai Park for S\$20.5 million or S\$1,040 psf on the land area. The value of deals in GCB Areas in the first quarter of this year has reached S\$250 million going by caveats lodged so far - more than double the S\$115 million in the same period last year.

Global Dragon buying Katong Omega Apartments for S\$46.3m in en bloc deal (BT, ST | 7 Apr 2018)

The 18-unit freehold development in District 15 has a land area of about 27,902.2 sq ft, zoned "residential" with a plot ratio of 1.4 and allowable height of up to five storeys. The overall land rate works out to S\$1,192.9 per square foot. Each unit owner is slated to pocket between S\$2.52 million and S\$2.6 million.

Dairy Farm joins billion-dollar en bloc list with asking price of over S\$1.68b (BT, ST | 6 Apr 2018)

The development charge (DC) for intensification of land use at The Dairy Farm site, based on the current DC rates, is estimated to be about S\$61 million. Inclusive of the DC, the land rate for the site is estimated to be at least S\$1,100 psf. Property consultants note that the location of The Dairy Farm site is attractive, but its size poses risks to developers, who are likely to mitigate this by forming consortiums to bid for the site.

Four adjoining Jalan Besar shophouses up for sale (BT | 5 Apr 2018)

Four adjoining freehold shophouses at the corner of Jalan Besar and Upper Weld Road have been put on the market. The guide price for 71, 73 ,73A and 73B Jalan Besar is understood to be S\$20-24 million. The two-storey conservation shophouses in the Little India Historic District have a total land area of 3,495 sq ft and a floor area of about 6,407 sq ft.

Far East Consortium bags Estoril for S\$224m (BT, ST | 5 Apr 2018)

Hong Kong-listed Far East Consortium International (FEC), which has just been awarded the collective sale of The Estoril on Holland Road at S\$223.938 million, plans to amalgamate the site with that of the adjacent Hollandia that it clinched last month. It intends to redevelop the combined site into a 12-storey condo project with about 350 units.

Ascendas Reit sells Old Toh Tuck Road building for S\$24m (BT | 4 Apr 2018)

The five-storey ramp-up logistics building, at 19 years old, has 39 years remaining on its land lease tenure; its gross floor area measures 16,353 square metres and its occupancy stood at 86.1 per cent as at Dec 31, 2017. The selling price is 22.4 per cent higher than the S\$19.6 million original purchase price.

Tiong Seng-Ocean Sky JV bags Cairnhill Heights in S\$72.6m en bloc deal (BT, ST | 3 Apr 2018)

A Joint venture between Tiong Seng Holdings and Ocean Sky International has agreed to acquire Cairnhill Heights condominium for S\$72.6 million, less than the sellers' initial asking price of more than S\$80 million. An expert estimated that the purchase price of S\$72.6 million would translate to an estimated breakeven price of about S\$2,680-2,760 psf.