

# Fortnightly News Summary

Synopsis of News from 1<sup>st</sup> June - 15<sup>th</sup> June 201715<sup>th</sup> June 2017

## Property Market Activities

### May suburban condo rents down 4.8%: SRX (BT, 15 Jun, 2017)

Private apartment and condo rents in the suburbs have fallen at a faster clip between May 2016 and May 2017 compared to units in the prime areas and city-fringe locations. An expert pointed out that about 58 per cent of the record volume of 20,803 private homes (including landed properties but excluding executive condos) completed last year were in the OCR. With the majority of incoming completions also expected to be located in the OCR, the pressure on OCR rents is expected to continue. Going by URA's figures, 34,911 private residential units are slated for completion from Q2 2017 to Q4 2020. Of this figure, around 51 per cent would be located in the OCR.

### Analysts laud IOI Properties' pick of Central Boulevard co-developer (BT, 15 Jun, 2017)

IOI Properties' roping in of Hongkong Land to co-develop Central Boulevard in Singapore has many positives, analysts say, as it would ease its cash flow burden and at the same time enhance the value of the development as direct underground and overhead links can be built to adjoining buildings held and managed by the latter. A memorandum of agreement was signed on 12 Jun under which HKL's wholly-owned subsidiary Hongkong Land International Holdings would acquire 33 per cent of the joint-venture company for the development of the white site.

### Resale condo prices up 0.4% in May: SRX (BT, 14 Jun, 2017)

Resale prices of private non-landed homes in Singapore rose 0.4 per cent in May, led by improvements in the prime and city-fringe regions, flash estimates from SRX Property show. But some analysts are reluctant to call it a bottoming out of the market just yet, noting that other market indices such as the NUS Singapore Residential Price Index and the Urban Redevelopment Authority's private residential price index are still showing a downtrend. An expert opined that the market is still in the midst of bottoming out and may stabilise by the end of the year.

### Logan Property eyeing more after winning Stirling Rd project (BT, 12 Jun, 2017)

Hong Kong-listed Chinese developer Logan Property, which recently jointly placed a record bid of over S\$1 billion for a Stirling Road residential plot, is eyeing more commercial and residential projects in Singapore amid tightening measures against developers in the mainland. According to a director of the company, China developers are all facing difficulties in the China market due to measures including controls over government land auctions and developer financing to address concerns over an emerging property bubble.

### Singapore property prices expected to move up, fuelled by en bloc market (BT, 10 Jun, 2017)

Property prices are expected to move up in the coming months and now may be a good time to start looking if you have not bought your property according to an expert from OCBC. The rosier outlook for the Singapore property market could be fuelled by the collective sale market, which has seen three major en bloc sales within a week, which would take about 800 to 900 units off the market. The expert also notes that the heavy sort of (cooling) measures are not going to be lifted anytime soon, but the signalling is very positive.

## Public Housing

### HDB resale flat prices dip in May, volume climbs 8.1%: SRX (BT, 9 Jun, 2017)

The transaction volume of HDB resale flats climbed 8.1 per cent month-on-month in May 2017 amid a 0.1 per cent price dip. The slight easing in SRX Property's price index for HDB resale flats last month over April 2017 follows a 0.3 per cent month-on-month drop in April 2017. Year on year, the price index has shed 0.7 per cent from May 2016. From the peak in April 2013, the index has declined 11.6 per cent.

## Government Land Sales

### SPH, Kajima in top bid for maiden Bidadari site (BT, 14 Jun, 2017)

The highest bid translates to S\$1,181 per square foot plot ratio based on the maximum gross floor area of 958,450 sq ft allowed for the 99-year leasehold commercial and residential site next to Woodleigh MRT Station. Some property consultants consider the top bid to be bullish, as they noted that it was about 50 per cent higher than the S\$775 psf ppr that MCC Land paid back in August 2014 for The Poiz Residences and The Poiz Centre site next to Potong Pasir MRT Station.

### JTC awards industrial site at Tampines (BT, 2 Jun, 2017)

JTC has awarded the tender for the industrial site at Tampines North Drive 3 (Plot 3) to BHCC Construction for S\$7 million. The company submitted the highest bid in the tender for the 5,804 square metre site, which has a 20-year tenure and a gross plot ratio of 2.5.

### Lorong 1 Realty Park landed housing site draws top bid of S\$75.8 million (ST, 1 Jun, 2017)

A private landed housing site in Lorong 1 Realty Park in Hougang has drawn bullish bids from 11 developers. The top bid for the 99-year leasehold site came from a consortium of Fantasia Investment (Singapore), Sun Renwang and Yang Xinping at S\$75.8 million or about S\$525.58 psf ppr. It was S\$13.8 million or about 22 per cent more than the second-highest bid of S\$62 million tabled jointly by Singhaiyi Investments and Haiyi Wealth.

## Investment Sales

### Cambridge Industrial Trust selling industrial property in Woodlands for S\$17.2m (BT, 14 Jun, 2017)

Cambridge Industrial Trust Management Limited said that an option for the proposed sale was signed on June 14, without identifying the buyer. The book value of the property is S\$17.2 million. The four-storey industrial building is located within the JTC Woodlands East Industrial Estate. It has a gross floor area of about 124,425 sq ft with a remaining land tenure of about 39 years.

### The Albracca up for collective sale with S\$62-65m asking price (BT, 14 Jun, 2017)

The collective sale attempt for the 10-storey, 11-unit residential development along Meyer Road in Marine Parade comes on the heels of four collective sales this year. If DC is not payable, the guide price range works out to S\$1,262 to S\$1,323 per square foot per plot ratio. Subject to URA approval, a developer may configure the allowable GFA of 49,130 sq ft into a maximum of 65 apartments with an average size of 70 sq m.

### Selangor Dredging buys freehold site in Draycott Park for S\$72m (BT, 9 Jun, 2017)

The purchase of 1 Draycott Park in District 10 from a Singaporean couple reflects a land rate of about S\$1,787 psf ppr, inclusive of an estimated development charge of about S\$15.3 million. In a filing with Bursa Malaysia, Selangor Dredging said it planned to develop exclusive mid-rise apartments on the land, which measures 17,442 square feet.

## Hind Group sells Keong Saik Road hotel amid buzz in shophouse

**market** (BT, 9 Jun, 2017)

Hind Group is selling Naumi Liora, a 79-room boutique hotel housed in 10 adjoining freehold conservation shophouses in Chinatown for S\$75-S\$76 million, which works out to about S\$2,800 per square foot on a GFA of just over 27,000 sq ft.

## Lian Beng-led consortium might be nearing exit from Prudential

**Tower** (BT, 7 Jun, 2017)

A consortium led by Lian Beng Group which bought Keppel Reit's space in Prudential Tower near Raffles Place MRT Station in 2014, has just put up for sale the sole retail unit in the 30-storey office building - a space of 5,715 square feet at street level - for sale through a tender. The guide price is S\$20.8 million, which works out to S\$3,639 per sq ft (psf). Assuming the proposed transaction to dispose of eight strata office units in the tower that was announced in April materialises, the retail unit put on the market on 6 Jun would be the consortium's last remaining space at Prudential Tower.

## Charles & Keith family buys another GCB; total of 15 sold from Jan-

**May** (BT, 6 Jun, 2017)

Low Lay Eng, a shareholder of Charles & Keith and believed to be the mother of the eponymous group's founders, paid S\$20 million for a bungalow along Chatsworth Road. The price works out to S\$1,503 per square foot based on the freehold land area of over 13,300 sq ft. Early last year, Charles and Keith as well as younger brother Kelvin teamed up to buy a bungalow in Mount Echo Park for S\$22.25 million or S\$1,322 psf on land area of 16,826 sq ft.

Other recent deals in GCB Areas include a property in Gentle Road in District 11 that went for S\$22.5 million or S\$1,211 psf on land area of over 18,570 sq ft. Separately, an old property in Gallop Park is also being transacted, according to the grapevine. In addition to the six Sentosa bungalows for which caveats have been lodged so far this year, a property along Cove Drive has been sold for S\$16.25 million or S\$2,016 psf on land area of 8,060 sq ft. Deals are also ongoing for another two properties along Cove Grove, one of which will be changing hands for more than S\$16 million.

## 2 more HUDC estates aim to sell en bloc

(ST, 3 Jun, 2017)

The 560-unit Tampines Court will likely launch its tender in July, while 336-unit Florence Regency in Hougang is in the early stages of the sales process. Tampines Court owners are seeking at least \$960 million for the large Tampines Street 11 site, spanning over 702,000 sq ft. Analysts say the recent bumper deals may tempt home owners to push up their asking prices for future en bloc tenders.

## Citimac Industrial Complex selling en bloc

(ST, 1 Jun, 2017)

The freehold 110-unit industrial property in MacPherson Road, Citimac Industrial Complex, has been put up for collective sale with a price tag of at least \$430 million. The eventual buyer would have to pay an additional \$99 million in development charge for intensifying land use. Taken together, the owners' minimum asking price and the DC payment translate to a cost of \$1,081 psf per plot ratio.

## Former HUDC estate Eunoville sold for S\$765 million in en-bloc deal

(ST, 1 Jun, 2017)

Privatised HUDC estate Eunoville, near the Eunov MRT Station, has been sold for S\$765 million to MCL Land in what is the fourth en-bloc deal here this year. The sale price for Eunoville, with the addition of an estimated differential premium of \$194 million, works out to a land cost of S\$909 psf ppr. The differential premium is payable to the State to enhance the intensity of the site to a gross plot ratio of 2.8 as well as to top up the remaining lease term to 99 years.