

Fortnightly News Summary

Synopsis of News from 15th July - 31st July 201731st July 2017

Property Market Activities

S'pore economy on track to pick up pace: IMF (ST, 30 Jul, 2017)

Singapore's economy is on track to pick up pace into next year as the improved global outlook along with rising public spending spill over into private consumption, the IMF said. But its small, open economy is also facing mounting global geopolitical risks and rising uncertainty. It expects the economy to expand 2.3 per cent this year and 2.5 per cent next year, up from 2 per cent last year.

Private home sales in primary, secondary markets surge (BT, 29 Jul, 2017)

Data from the URA released on 28 Jul showed smaller quarter-on-quarter declines in prices and rentals of private homes, offices and retail space. Vacancies continued to rise for office and retail space, however, but held steady for the residential segment. The total number of private homes sold in both the primary and secondary markets reached 6,905 units in Q2 this year; this was the highest quarterly sales figure since Q2 2013. An expert opined that the broad-based moderation in price and rental declines for private residential property, coupled with improvement in transaction volume and falling unsold inventory, could signal an imminent bottoming out, possibly by the next one or two quarters.

Hundred Palms EC sells out in a day; over 80 units sold at Martin

Modern (BT, 24 Jul, 2017)

The sell-out of EC project Hundred Palms Residences in a single day and a credible showing at high-end project Martin Modern have become the latest indications of an earlier than expected property uptrend. All 531 units at the Hundred Palms Residences by Hoi Hup Realty were sold out within seven hours on the first day of launch on Saturday, at an average S\$836 psf. Over at 450-unit Martin Modern in the upscale River Valley/Robertson Quay locale, more than 80 units were sold since Friday in the range of S\$2,000 psf to above S\$2,500 psf.

NUS-Redas property sentiment index at its highest since Q1 2010

(BT, 21 Jul, 2017)

The current sentiment index improved to 6.1 in the second quarter from 5.2 in the first quarter. The future sentiment index also climbed, to 6.2 from 5.2 previously. A score under five indicates deteriorating market conditions, while a score above five indicates improving market conditions. Redas observed that market sentiment runs high this year despite uncertainty over the long-term sustainability of economic fundamentals.

Qingjian Realty to launch condo in Bukit Batok (BT, 20 Jul, 2017)

Le Quest offers 516 apartments and 6,000 sq m of retail space. The 99-year-leasehold site is near Jurong Lake District and the upcoming Jurong Innovation District. The average price for the homes is S\$1,280 per square foot. The developer has yet to confirm estimated average rental price for its retail space.

Farms, graves to make way for Tengah Air Base (BT, 19 Jul, 2017)

The relocation of Paya Lebar Air Base, which was announced in Prime Minister Lee Hsien Loong's 2013 National Day Rally, will free up 800 hectares (ha) of prime land - a space larger than the current Bishan town - for residences, offices, factories and parks. The relocation of the air base is expected to take place after 2030. This will remove height restrictions around Paya Lebar, and over an even bigger area stretching all the way down to Marina South, which means that taller developments can be built there in the future.

Public Housing

1,000 new BTO flats in Sembawang, Sengkang and Yishun to be made available faster (ST, 19 Jul, 2017)

A total of 1,000 BTO flats in Sembawang, Sengkang and Yishun will be made available to homebuyers faster, with a shorter wait time of 2.5 years compared with the three to four years currently, said the Housing Board in a statement on 19 July. They will be launched for sale in the second half of 2018, and the first of these flats will be completed by between the fourth quarter of 2020 and the first quarter of 2021. Besides BTO flats, HDB will also introduce a new sales mode, known as the Re-Offer of Balance Flats (ROF), to pool all unsold units from previous sale of balance flats exercises. The first ROF will take place in August 2017, and will be held twice every year after that, in February and August.

Government Land Sales

16 bids for URA tender for 99-year private housing site in Serangoon North Ave 1 (BT, 27 Jul, 2017)

The top bid, from a partnership between a unit of Keppel Land and a unit of Wing Tai, was S\$446.28 million, or S\$964.81 psf ppr. The 1.72-ha site can yield an estimated 505 housing units. The top bid of S\$964.81 psf ppr is higher than the nearly S\$835 psf ppr which an Oxley Holdings-led consortium is paying for the nearby 2.76-ha Serangoon Ville collective sale site, based on the S\$499 million purchase price for Serangoon Ville and an estimated S\$195 million that the consortium will have to pay to the state to top up the site's lease to 99 years and for the rights to redevelop the site to 2.8 gross plot ratio.

Investment Sales

Oxley-led consortium acquires Serangoon Ville for S\$499m in collective sale (BT, 27 Jul, 2017)

The purchase price for Serangoon Ville works out to a land rate of close to S\$835 psf ppr, given the estimated differential premium of S\$195 million payable to the state for a top-up to a fresh 99-year lease and for the intensification of the 296,913 sq ft site to a gross plot ratio of 2.8.

This collective sale brings the year's number so far to seven, in deals worth S\$2.5 billion; for the whole of last year, only three deals worth S\$1 billion were closed. The rest of the year is likely to yield another few billions more as the collective sales market roars back to life, amid a transactions-led property recovery and limited land up for grabs in state tenders. Speculation is now rife that the Oxley-led consortium will take part in the public tender for the Serangoon North Avenue 1 site offered under the confirmed list of the GLS programme.

City Plaza unit owners looking to sell en bloc (ST, 27 Jul, 2017)

Collective sales fever is spilling into the commercial sector as many City Plaza unit owners prepare for their first annual general meeting in years to discuss a sale with a possible price tag of as high as \$1 billion. The 18-storey freehold building near Paya Lebar MRT station was completed in 1972. An expert opined that there will be keen interest for City Plaza as the Paya Lebar area is likely to become a new growth cluster, though the asking price range of \$800 million to \$1 billion is "on the high side".

Dunearn Court latest offered for en bloc sale, asking for \$38.8m (ST, 26 Jul, 2017)

The asking price works out to a land rate of about S\$1,443 psf per plot ratio, and no development charges will be payable. Dunearn Court, in prime District 11, has a site area of 1,784 square metres (19,203 square feet) and comprises 12 apartments. The plot is zoned for residential use under the URA Master Plan 2014. It has a gross plot ratio of 1.4.

Foreign buyer forking out S\$430.1m for Citimac in en bloc sale

(BT, 25 Jul, 2017)

Citimac, a freehold industrial complex near Tai Seng MRT Station, is being sold for S\$430.1 million, or S\$1,047 per square foot of potential GFA. The unit land price is inclusive of an estimated S\$82 million development charge. The 139,789 sq ft site can be redeveloped into a new project with 489,262 sq ft GFA. The site is zoned for Business 1-White use with a 3.5 maximum gross plot ratio.

Cambodian picks up S\$17m penthouse in Gramercy Park

(BT, 22 Jul, 2017)

CDL has sold a penthouse at the completed Gramercy Park condo in Grange Road to a Cambodian buyer for S\$17 million. The price works out to S\$3,073 psf based on the 5,533 sq ft strata area spanning the top two levels of the 24-storey freehold project. To date, CDL has found buyers for 67 per cent, or 116 of Gramercy Park's 174 units. CDL has until May 2018 to finish selling the project to avoid paying extension charges to the government under Qualifying Certificate rules.

Albracca condo at East Coast sold for S\$69.1m

(BT, 21 Jul, 2017)

The latest to join a recent spate of successful collective sales is The Albracca, a 10-storey residential development along Meyer Road at East Coast. It was sold on 20 Jul to Sustained Land for S\$69.1 million. This works out to S\$1,409 psf ppr, inclusive of development charges of S\$115,000 for intensifying the gross plot ratio to 2.1 from 2.09. The owners' guide price during the tender was S\$62 million to S\$65 million. The company plans to develop a 65-unit apartment on the site with units of the completed development fetching S\$2,300 to S\$2,500 psf.

Dalvey Road freehold condo put up for collective sale at \$96m

(ST, 19 Jul, 2017)

Home owners at Villa D'Este condominium in Dalvey Road are the latest to leap into the resurgent collective sale market. Owners of the condo in the prime District 10 area have put it on the market for \$96 million. The asking price works out to about \$1,730 psf on the land area of 55,480 sq ft. There is no development charge. The freehold property comprises 12 apartments ranging in size from 3,465 sq ft to 3,939 sq ft. Based on the Urban Redevelopment Authority's Masterplan 2014, the site is zoned for residential use and sits within a good class bungalow area.

Property-bound Singapore capital now prefers home turf

(BT, 20 Jul, 2017)

The number of outbound investment deals dwindled to 34 in the first half of 2017. The figure was 144 for last year, and 503 in 2015. The transaction value of deals done in the first half of the year also slid - to S\$6.7 billion, from S\$14.6 billion last year and S\$37.7 billion in 2015. In many major cities, protection and stamp duties against foreigners have been introduced, whilst the change in investment sentiment in Singapore's property market has caused other countries to sit up.

HLH to sell D'Kranji Farm Resort after receiving offer

(BT, 18 Jul, 2017)

HLH Group has agreed to dispose of the D'Kranji Farm Resort. HLH said its subsidiary had received an offer of S\$12 million and a one per cent cheque from a high net worth individual, Mohamad Eskanda Bin Mohamed Sookor, to purchase the D'Kranji Farm Resort at 10 Neo Tiew Lane 2.

Tiong Seng in JV to develop Jervois Road residential sites

(BT, 17 Jul, 2017)

Tiong Seng Holdings said on 17 Jul that its subsidiary has entered into a JV with civil engineering firm Ocean Sky International to develop two freehold sites on Jervois Road, which have a combined area of 1,246.3 square metres with a residential-zoned gross plot ratio of 1.4. The option to purchase the sites for S\$21 million was exercised by TSky (Jervois) Pte Ltd, a newly incorporated company owned by newly incorporated Tiong Seng subsidiary, TSky Development Pte Ltd.