

Fortnightly News Summary

Synopsis of News from 16th August - 31st August 201731st August 2017

Property Market Activities

Plans for underground road network around CBD scrapped

(TODAY, 30 Aug, 2017)

The Government has scrapped plans to build a multi-billion-dollar underground road network that would span 30km around the fringe of the city centre and cut across swathes of prime land. Property analysts interviewed said the Government's decision would give urban planners greater leeway in the longer term, but they do not expect any immediate impact, particularly for the areas which are densely built-up.

Second agency merger in two months fans talk of further consolidation

(BT, 29 Aug, 2017)

The associate agency divisions of OrangeTee and Edmund Tie & Company announced that they will merge to form a joint venture company, named OrangeTee & Tie, and have just over 4,000 property agents in this stable, leapfrogging Huttons Asia to become the third largest agency here. With the combined portfolio of the two firms, OrangeTee & Tie will have more than 50 existing residential projects, and at least six upcoming launches. An industry expert believes that more consolidations will take place in the sector, although no one can guess who the next candidates might be.

Singapore private home sales surging on local, not foreign, demand, data shows

(ST, 29 Aug, 2017)

After years of declines, Singapore's home sales are on a roll, even as purchases by foreign buyers have remained muted. Stringent stamp duties levied by the government have had the intended effect of damping speculative foreign demand, with foreign buyers accounting for just 6 per cent of purchases in the 1H 2017. Among foreign buyers, the biggest pullback was by Malaysian and Indonesian buyers, while Chinese demand held steady.

Resale condo prices up 0.5% in July: NUS index

(ST, 29 Aug, 2017)

Resale condominium prices continued to tick higher last month, though at a slower pace than in June. Prices of non-landed private homes climbed 0.5 per cent over the month before, a dip from June when prices were up 0.9 per cent over May. The uptick was thanks largely to gains in values within the non-central region. Resale condo prices in the central region were flat, after advancing by a solid 1.1 per cent in June. An expert expects prices to remain largely stable this year, possibly appreciating by 0.5 per cent.

Government Land Sales

Govt studying plan to sell large land plots in Jurong Lake District

(BT, 26 Aug, 2017)

The government is considering the sale of large land parcels, within the next few years, in Jurong Lake District (JLD) where it aims to create 100,000 new jobs and add 20,000 new homes. The development of the JLD, which will take at least 15 to 20 years, will start with the area around the terminus for the Singapore-Kuala Lumpur HSR, Minister for National Development Lawrence Wong said. With the HSR terminus "a major game-changer" that will spur new economic activities, Mr Wong envisaged that the JLD can be a catalyst for Singapore's next stage of economic transformation in the same way Jurong Industrial Estate kick-started Singapore's manufacturing sector more than 50 years ago.

Investment Sales

Sentosa condo sold at loss of \$3.8m (ST, 31 Aug, 2017)

A waterway-facing luxury apartment at Seascap in Sentosa Cove has been sold at a loss of nearly \$4 million. Owned by Dyna-Mac Holdings chairman and chief executive Lim Tze Jong, the 4,069 sq ft unit was bought for about \$12.8 million in 2010, but the market for high-end homes on Sentosa has been in the doldrums for years. The downturn meant that the apartment could command only \$9 million when it was sold last month, price data from the URA showed. The unit had been on the market for about six months before it was sold to a foreigner..

Two GCBs in Peirce Road up for sale for combined \$65m (ST, 31 Aug, 2017)

Good Class Bungalows rarely come on the market but two of the posh houses in a prime hilltop location are up for sale with a total price tag of around \$65 million. The homes in Peirce Road, which are being sold together, are owned by high-profile developer Simon Cheong. The freehold homes have a total land area of about 32,478 sq ft and an existing gross floor area of about 8,400 sq ft each. They are suitable for immediate occupation as the tenants have moved out, or the sites can be redeveloped.

Oxley unit to buy Yio Chu Kang property for \$8.4m for redevelopment (ST, 31 Aug, 2017)

Oxley Garnet, a subsidiary unit of Oxley Holdings, is buying a 99-year leasehold property in Yio Chu Kang Road for \$8.4 million with plans to develop it. The property at 208, Yio Chu Kang Road has a land area of about 1,313.3 sq m and is zoned for residential use. Analysts have noted in recent weeks that more people are likely to jump on the collective sale bandwagon in the next three to six months, and this is a huge draw for developers looking to replenish their land banks.

Amber Park, Jervois Gardens join en bloc fever (BT, 29 Aug, 2017)

En bloc fever in Singapore just got hotter with two more freehold condos joining in the fray this week. Amber Park, a 200-unit freehold condominium in the East Coast, has been launched for en bloc or collective sale on 28 August at a minimum price of S\$768 million or about S\$1,284 psf ppr. Under the 2014 Master Plan, the 213,670 sq ft site was zoned "residential" with a gross plot ratio of 2.8. It may be redeveloped into a high-rise block of around 24 to 26 storeys.

Jervois Gardens, a smaller 17-unit freehold condo off River Valley Road, is launching its tender on 29 August at an asking price of about S\$68 million, which works out to S\$1,297 psf ppr, inclusive of the additional 10 per cent Gross Floor Area (GFA) for balcony and assuming no development charge payable. The en bloc launch of both Amber Park and Jervois Gardens make it a total of 15 residential estates going or have gone up for collective sale this year, Out of the 15, seven were successful.

Sloane Court hotel site to be redeveloped into 12-storey, 80-unit condo (ST, 28 Aug, 2017)

Singapore-listed Tiong Seng Holdings and Ocean Sky International have come together to buy Sloane Court Hotel and a small adjoining plot for S\$80.5 million for redevelopment. The price excludes development charges for intensifying usage of the land. Located in prime district 10, the hotel with the small adjoining plot has a combined site area of approximately 38,943 square feet and is zoned "Residential" with a gross plot ratio of 1.6.

Owners of Sun Rosier condo seeking S\$235m in en-bloc sale

(BT, 25 Aug, 2017)

Owners of Sun Rosier condominium have launched a tender for collective sale and are asking S\$235 million for the freehold site along How Sun Drive. The asking price translates to about S\$1,149 per square foot per plot for the 146,045.67 sq ft residential site, which has a plot ratio of 1.4 and a height limit of up to five storeys.

Sim Lian plans over 2,000 units at Tampines site (BT, 24 Aug, 2017)

Sim Lian plans to develop a condo with more than 2,000 units on the Tampines Court site which has been awarded to it for S\$970 million. Inclusive of Tampines Court, eight collective sales totalling S\$3.48 billion have been inked so far this year, surpassing the three deals worth a tad over S\$1 billion for the whole of 2016. A market watcher estimated that after factoring in an anticipated hike in DC rates come Sept 1, 2017 and other costs, Sim Lian's breakeven cost could be around S\$1,200 psf.

Ex-HUDC estate Florence Regency could fetch over \$650m (ST, 23 Aug, 2017)

Florence Regency is up for collective sale at a minimum price of \$600 million, the latest offering as en bloc fever heats up in Singapore. Under the Urban Redevelopment Authority's Master Plan 2014, the site is zoned for residential use with a gross plot ratio of 2.8. With a balance lease term of 71 years, the 389,236 sq ft site could support a total gross floor area of over 1.1 million sq ft or about 1,100 to 1,300 apartment units. With a minimum bid price set at \$600 million and with current estimated differential premiums of about \$249 million, the land cost reflects about \$779 psf ppr.

Normanton Park on sale with S\$800m reserve price (BT, 22 Aug, 2017)

The tender for the collective sale of Normanton Park, near Science Park and Kent Ridge Park, has been launched with a reserve price of S\$800 million, which translates to S\$898 psf ppr. This is inclusive of two payments that the developer of the 660,999 square foot site will have to make to the state. Under the Urban Redevelopment Authority's Master Plan 2014, the site is zoned for "residential" use with a gross plot ratio of 2.1. This is the eleventh tender for a collective sale to be launched this year. The new high-rise development on the site could potentially have close to 1,290 homes of an average size of 100 sqm gross floor area.

Park West condo owners eye S\$750m in third try at collective sale

(BT, 21 Aug, 2017)

Owners of condominium project Park West are hoping that third time's the charm in their collective sale attempt, this time at an expected selling price of S\$750 million. Including an estimated S\$339 million in differential premiums for site intensification and lease top-up, the land rate for Park West site is estimated to be S\$818 psf ppr. Located near Clementi MRT Station and Nan Hua Primary School, Park West condominium has 432 apartments and four shop units. The site spans 633,644 square feet, with 64 years left on the lease and a gross plot ratio of 2.1.

Bungalow market keeping up with last year's momentum (BT, 18 Aug, 2017)

The bungalow market in Singapore is humming along nicely, with transactions likely to equal if not surpass 2016's volume. Based on caveats data, 23 transactions have been made in Good Class Bungalow Areas totalling S\$480.6 million so far this year. In 2016, 37 bungalows in GCB Areas changed hands for a total of S\$788.5 million. Meanwhile, 10 Sentosa Cove bungalows have been transacted so far this year for a total of around S\$143 million based on caveats. For the whole of last year, caveats were lodged for four deals worth S\$64.5 million.

Katong property up for sale, expects offers of S\$57-61m (BT, 16 Aug, 2017)

The vendors of a freehold site located along Amber Road have put it up for sale by expressions of interest. This divestment exercise comes shortly following the recent sale of the nearby The Albracca, a 10-storey residential development along Meyer Road by collective sale to Sustained Land for S\$69.119 million in July. Under the 2014 Master Plan, the 22,800 sq ft site is zoned "residential" with an allowable gross plot ratio of 2.8. Development charges are estimated to be about S\$20 million. A developer may potentially configure the allowable gross floor area of 63,820 sq ft into a maximum of 84 apartments with an average size of 70 square metres.