

Fortnightly News Summary

Synopsis of News from 16th February - 28th February 201728th February 2017

Property Market Activities

195 units of Clementi Canopy sold in first weekend (BT, 27 Feb, 2017)

The Clementi Canopy, a new condominium project in Clementi Avenue 1, has sold 195 units (38.6 per cent) of the 505-unit development during its first weekend launch. Some 250 units were released over the recent weekend, according to property developer UOL Group. A 2-bedroom unit (which spans 635 - 657 sq ft) is selling for between S\$850,000 and S\$1.1 million, according to The Clementi Canopy's website. A 3-bedroom unit (990 - 1,163 sq ft) goes for between S\$1.28 million and S\$1.4 million, while a 4-bedroom unit sells from S\$1.62 million to S\$1.82 million.

Housing curbs may stay for some time: Lawrence Wong (BT, 22 Feb, 2017)

Singapore's residential property curbs are expected to stay for some time as the city-state's economy remains stable and demand is still "very resilient", National Development Minister Lawrence Wong said. Singapore home prices fell 3 per cent in 2016, with prices declining for the 13th straight quarter in the last three months of the year for the longest streak since data was first published in 1975. Still, Singapore's house sales last year topped 2015's tally as a third straight year of price declines stoked pent-up demand from home buyers.

Broadening tax base seen as likely revenue boost (BT, 22 Feb, 2017)

The government's need to collect more taxes is likely to fall on traditional sources such as personal income and property taxes, GST and possibly sin taxes such as betting. The impact when they hit - such as GST or the goods & services tax going into double-digit territory - is not expected to last beyond a one-off temporary pullback in consumption, say observers. Higher personal income and property taxes could be neutral in impact as Singapore offers a safe and clean environment sought by many.

Govt reviewing land-use policies and planning guidelines (BT, 16 Feb, 2017)

A number of Singapore government agencies are working together to review land-use policies and planning guidelines to facilitate flexibility in land use, the MND said. The brief comments came in response to queries following the call by the CFE for greater land-use flexibility. An expert opined that the government may create a new combination of education-industrial mixed use, or education-office mixed use, such as having an industrial building within a university campus.

Rents rise for condos, but ease for HDB flats in January: SRX

(BT, 16 Feb, 2017)

The latest flash estimates released by SRX Property showed its rental index for private apartments and condos climbed 1.3 per cent month on month in January. The index has contracted 5.0 per cent y-o-y from January 2016 and is also 18.9 per cent below its peak in January 2013. An expert opined that pressure on private residential rents is expected to persist, given the weak economy, constrained growth in the foreign workforce, and considerable incoming completions. In the HDB segment, SRX Property's rental index eased 0.6 per cent month on month in January 2017. The index has shed 4.8 per cent y-o-y from January 2016 and is also 12.7 per cent below its August 2013 peak.

Developers in Singapore off to good start in housing sales (BT, 16 Feb, 2017)

URA data shows that developers moved 381 private homes (excluding ECs) in January - up 3.8 per cent from December's 367 and 17.6 per cent higher than the 324 in January 2016. The pick-up in sales last month was all the more noteworthy because there was just one fresh launch - 12 on Shan, a 78-unit project where 30 units were released but none sold. On the whole, the uncertain external environment as well as a slower economy at home will put a lid on housing demand and prices - despite cautious optimism among buyers in the market.

Not a concrete jungle: Singapore beats 16 cities in green urban areas

(ST, 23 Feb, 2017)

When it comes to urban tree density, Singapore outshone 16 cities from all around the world. Indeed, the amount of skysrise greenery in the Republic, which includes gardens on roofs and building facades, is a good indicator. This has grown from 61ha in 2013 to 72ha in 2015, which far exceeded the target of 50ha the Government had hoped to hit by 2030. The most recent figures from the authorities show 100ha. The new target is now 200ha of building greenery by the same deadline. Other than providing shade, urban greenery can also improve air quality and promote well-being, said an arborist.

Qingjian Realty ropes in Singtel for its Internet-ready EC (ST, 23 Feb, 2017)

Qingjian Realty (South Pacific) Group laid the foundation for what it touts as Singapore's first Internet-ready EC, with the signing of a memorandum of understanding with telco Singtel and lifestyle app hiLife on 22 Feb. iNz Residence units will be equipped with fibre broadband and the hiLife mobile application, allowing home-owners to use their smart homes' capabilities from the moment they obtain their keys. Market experts largely agree that there will be good interest in the provided pricing is realistic.

Public Housing

Higher grants: No rush to cancel earlier HDB resale transactions

(BT, 24 Feb, 2017)

The two largest property realtors in Singapore have yet to receive any cancelled prior sale submissions for resale flats following the announcement of bigger housing grants for first-time HDB buyers in the Budget reading on 20 Feb. Market experts agree that demand for BTO flats among first timers will continue to be resilient as BTO flats are still the more economical option even with the new grant amounts for resale flats. Also, the surplus BTO flats can always be relaunched as Sales of Balance flat with a shorter completion period, and these will always have a stronger demand.

Enhanced grants expected to lift resale HDB market (BT, 21 Feb, 2017)

While most market watchers were not surprised that the government chose against tweaking any property cooling measure, the move to enhance the CPF Housing Grant for first-time buyers of resale HDB flats caught many off guard. Minister for National Development Lawrence Wong said in his Facebook post on Monday that this would help those who wish to live near their parents in mature estates where there are fewer BTO projects, or those who wish to move into their own home quickly to start a family.

Resale flat prices 'unlikely to rise' despite higher CPF grants

(ST, 22 Feb, 2017)

The CPF housing grants, which are effective for resale flat applications from 20 Feb, were raised by \$10,000 to \$20,000 for first-timer families, and \$5,000 to \$10,000 for first-timer singles, Finance Minister Heng Swee Keat announced in his Budget speech. These grant enhancements are meant to help new couples looking for a home, Parliament heard on 20 Feb. According to market experts, the resale market is and has always been a buyer's one, and the impact on resale prices will be minor, with a possible rise of 0.3 per cent this year.

Government Land Sales

China Construction tops bids for West Coast Vale site (BT, 10 Feb, 2017)

China Construction (South Pacific) Development Co has pipped compatriot MCC Land to place the top bid for a 1.64-hectare private housing site along West Coast Vale. China Construction's bid of S\$291.99 million, or S\$591.51 psf ppr, was just 0.7 per cent more than the S\$289.9 million or S\$587.28 psf ppr from MCC Land (Singapore). The top bid was not only at the upper end of market expectations, but 7.3 per cent more than the S\$551.15 psf ppr that EL Development paid for the next-door site in August 2015 and which it is now developing into the Parc Riviera condo.

Investment Sales

182 Clemenceau Ave up for sale at S\$90m (BT, 28 Feb, 2017)

A six-storey office building in District 9 has been put on the market. The indicative price is at S\$90 million, which works out to S\$1,936 per square foot based on the building's existing net lettable area of 46,490 square feet. On the 55,493 sq ft existing gross floor area, the indicative price translates to S\$1,622 psf. The building is on a site with 99-year leasehold tenure starting from Sept 24, 1993. The existing GFA of 182 Clemenceau Avenue is already the maximum allowed for the 12,007 sq ft site under Master Plan 2014. While there is no immediate redevelopment potential for the asset, it is ripe for asset enhancement.

TripleOne Somerset office space up for sale (ST, 23 Feb, 2017)

All of the seventh floor of Somerset Tower in TripleOne Somerset has been put up for sale for about \$41.56 million via an expression of interest closing 7 Apr. The indicative price translates to about \$2,650 psf for the 15,683 sq ft space. A \$120 million renovation is under way to enhance the retail offerings, incorporate medical suites, and spruce up the office lobby and common areas. The refurbishment work for the office space on the seventh floor will be completed in May. TripleOne Somerset has a lease of 99 years, starting from Feb 19, 1975.

NTUC co-op tipped as front runner for Jurong Point (BT, 22 Feb, 2017)

Mercatus Co-operative - an NTUC social enterprise that owns and manages suburban malls - is now the front runner for Jurong Point. Its bid is understood to be about S\$2.2 billion, which would translate to S\$3,343 per square foot based on the 658,000 square feet of commercial net lettable area owned by an equal joint venture between Lee Kim Tah Holdings and Guthrie GTS in Jurong Point.

GCB in Jalan Kampong Chantek sold for S\$27.6m (BT, 18 Feb, 2017)

The currently vacant bungalow along Jalan Kampong Chantek off Dunearn Road in the Swiss Club Road GCB Area, is changing hands for S\$27.59 million, or about S\$1,003 per square foot based on the freehold land area of 27,504 sq ft. The Jalan Kampong Chantek property that Mr Te is buying is ripe for redevelopment. Market watchers describe the slightly over S\$1,000 psf pricing as being within expectations - as it reflects purely the land value.