

Fortnightly News Summary

Synopsis of News from 1st August - 15th August 201715th August 2017

Property Market Activities

Tanjong Pagar Terminal cleared ahead of schedule (ST, 14 Aug, 2017)

Port operator PSA Singapore has moved all its 500 staff from Tanjong Pagar Terminal to the newer Pasir Panjang Terminal and is dismantling the cranes. The relocation means PSA might be ready to hand the 80ha site back to the URA far earlier than expected. This, in turn, has raised the possibility that plans for the Greater Southern Waterfront project - a sprawling 1,000ha development three times the size of Marina Bay - could kick off faster than expected.

MTI narrows GDP forecast for 2017; MAS keeps policy stance neutral

(BT, 12 Aug, 2017)

Singapore's MTI narrowed its full-year GDP forecast upwards, reflecting a more confident stride amid an improving global and domestic environment and backed by a better-than-expected growth in the second quarter of 2017, led mainly by manufacturing. However, the MAS kept its neutral monetary policy stance announced in April, saying that it remains appropriate in view of the stable growth and inflation prospects for this year. MTI noted that the outlook for the global economy has been stable in recent months, but downside risks such as increased protectionism, a quicker-than-expected monetary policy normalisation and steeper-than-intended pullback of credit in China, remain.

All new homes to have smoke alarms from June (ST, 11 Aug, 2017)

All newly built homes - Housing Board flats as well as private residences - will have to be installed with smoke detectors from next June, when an updated Fire Code is released. The costs will likely be borne by home buyers, though the authorities are working with grassroots leaders to identify elderly and needy households that need financial help in doing so.

Roxy to build River Valley block with more than 100 units (BT, 8 Aug, 2017)

Roxy-Pacific Holdings plans to redevelop a freehold plot in River Valley Road, which it bought for S\$110 million, into an apartment block of at least 18 storeys and housing more than 100 units. The price of the 28,798 sq ft site opposite the Yong An Park condo works out to about S\$1,582 psf ppr, inclusive of an estimated development charge of S\$17.6 million. The transaction is an estate sale.

Private condo resale prices fall 0.5% in July on 10% drop in volume:

SRX (BT, 8 Aug, 2017)

Resale prices of private condominiums and apartments fell 0.5 per cent in July, after rising 0.7 per cent in June, SRX Property data showed. Year on year, prices in July were up by 2 per cent from a year ago. Year to date, prices have increased 2.2 per cent. Transactions wise, the resale volume fell by 9.7 per cent to an estimated 952 units resold in July. Year on year, July's resale volume was 20.1 per cent higher compared to 793 units resold in July 2016.

Le Quest sells all units launched on first day (BT, 7 Aug, 2017)

Le Quest, a Qingjian Realty (South Pacific) Group mixed development project in Bukit Batok, sold 280 units on its first day of sales on 5 Aug. The developers said studio to three-bedroom units were the more popular units. Comprising 516 studio and one- to four-bedroom units and over 6,000 sq m of commercial space, Le Quest is the first new private development in Bukit Batok in over a decade. Details on the next phase of sales will be announced later. TOP is expected by end-2021.

Public Housing

'Retirement kampung' set to open in Woodlands (ST, 9 Aug, 2017)

Singapore's first Housing Board "retirement kampung" is partially open, with its building slated to be ready for residents by next month. The complex next to Admiralty MRT station is the first of 10 such HDB BTO projects that co-locate childcare and senior centres to encourage inter-generational bonding. They will be built over a decade from 2015, as part of a \$3 billion plan to help Singaporeans "age in place".

First Re-Offer of Balance Flats exercise oversubscribed by almost 4 times (CNA, 7 Aug, 2017)

The HDB's first ROF exercise has been oversubscribed by about four times, with more than 5,500 applications received for the 1,394 flats on offer as of 5pm on 7 Aug. Of the total number of applicants so far, 2,647 are applying for an HDB flat for the first time, while another 2,175 are second-timers. About 71 per cent of flats offered under the ROF exercise are already completed.

HDB resale prices continue to dip but volumes are up (BT, 4 Aug, 2017)

Prices of HDB resale flats fell 0.6 per cent in July from the preceding month, based on SRX Property's flash estimate for last month. This follows a month-on-month decline of 0.2 per cent in June 2017. SRX Property's overall resale price index for HDB flats is down 1.6 per cent year on year, and is also 12.2 per cent below its peak in April 2013. An estimated 1,785 HDB flats were resold in July, up 1.8 per cent from the 1,753 in June. The figure is also up year on year - 12.2 per cent higher from 1,591. That said, last month's resale volume was 51.1 per cent below the peak of 3,649 in May 2010.

HDB puts up 5,291 BTO, re-offer flats for sale (BT, 2 Aug, 2017)

The HDB has put up 5,291 flats for sale under the August 2017 BTO and its first ROF exercise. HDB has launched a total of 18,095 flats so far this year. Under ROF, HDB said it will pool together all flats that remain unsold at the conclusion of the previous SBF exercise to help those with more urgent housing needs and/or are less particular about location and attributes to have quicker access to a flat.

Two DBSS units at The Peak @ Toa Payoh resold for over S\$1m (TODAY, 1 Aug, 2017)

The five-room units were sold at S\$1.12 million and S\$1.01 million respectively, and are located on higher floors. At 117 sq m, the price works out to S\$890 psf at the upper end of the range. Since meeting the minimum occupation period in May, at least 19 units at The Peak have been sold on the resale market, including 15 five-room flats at prices ranging from S\$825,000 to S\$1.12 million.

Some non-DBSS blocks at the Clementi Town Centre, such as 441A and 441B Clementi Avenue 3, have also reached their minimum occupation period. A total of three units at Block 441A, Clementi Avenue 3, crossed the million-dollar mark in the last 12 months. The first was an 18th floor five-roomer which was transacted for S\$1.005 million last August. In April this year, two more units were sold for S\$1.02 million and S\$1.04 million.

Investment Sales

Normanton Park to be put up for en bloc sale at a minimum S\$800m (BT, 10 Aug, 2017)

Normanton Park condominium is slated to be launched for collective sale on Aug 22 at a minimum price of S\$800 million. The estimated differential premium for intensification of the site is S\$225.3 million, while the lease top-up is estimated to cost another S\$220.64 million. This will translate to a land rate of S\$898 psf ppr. The 99-year leasehold project has 59 years left on its tenure. Under the URA's Master Plan 2014, the 660,999 square foot site is zoned for residential use with a 2.1 plot ratio.

Elsewhere, privatised HUDC estate Florence Regency in Hougang and freehold Amber Park condominium have also crossed the 80 per cent consensus for their collective sales agreements. Sutton Place and Faber Garden are in the midst of appointing their marketing agents. Hawaii Towers, a 135-unit freehold development at Meyer Road, is said to be trying its luck again at a collective sale. Those already put up for en bloc tender include Villa D'Este condominium in prime District 10 where owners are asking for S\$96 million, as well as Dunearn Court in the prime District 11 where owners are asking for S\$38.8 million. At 560-unit Tampines Court, owners of the privatised HUDC property are asking for S\$960 million.

MLT to sell Toh Tuck warehouse for S\$14.5m to Venus Beauty

(BT, 3 Aug, 2017)

The property has a gross floor area of 8,641 sq m on a land site of approximately 5,761 sq m. It is currently 60 per cent occupied following the expiry of a master lease in August 2016. The proposed divestment is expected to be completed by September.

More ex-HUDC estates trying to sell en bloc (ST, 2 Aug, 2017)

Privatised HUDC estate Florence Regency in Hougang is likely to be put up for collective sale soon. It has a land area of 389,236 sq ft, with a remaining lease term of 71 years. Three other former HUDC developments - Laguna Park, Pine Grove and Ivory Heights - have also started the collective sale process. Three privatised HUDC estates - Rio Casa, Eunoville and Serangoon Ville - have been sold en bloc since May in a resurgent market. A tender for the 560-unit Tampines Court closing in two weeks will offer the latest indication of the market for the collective sale of former HUDC estates.

Chevron House up for sale for over S\$700m (BT, 2 Aug, 2017)

Chevron House is a 32-storey commercial building comprising a five-storey retail podium and a 27-storey office tower. Completed in 1993, it has direct access to Raffles Place MRT station via its basement floor. The 29,891 sq ft site has a tenure of 99 years, with 71 years remaining. The price of more than S\$700 million reflects a blended price of S\$2,700 psf on the total net lettable area of about 261,280 square feet. The expressions of interest exercise will be launched on 3 Aug. Bids are due on 14 Sep.

Super penthouse at Sculptura Ardmere sold for over S\$60m (BT, 1 Aug, 2017)

Prices in the Core Central Region may be relatively soft compared to peak levels but the super penthouse at Sculptura Ardmere is has been sold at an eye-popping price of over S\$6,000 per square foot. Going by the strata area of about 10,300 square feet, the absolute price works out to more than S\$60 million. The price of more than S\$6,000 psf is the highest ever achieved in the Ardmere Park locale.

Perennial-led consortium may put AXA Tower on the market

(BT, 1 Aug, 2017)

A consortium led by Perennial Real Estate Holdings Limited is considering an en bloc sale of AXA Tower at no less than S\$1.65 billion. This translates to S\$2,150 psf based on the total strata area of about 767,358 sq ft after an asset enhancement initiative. The AEI includes expanding the retail podium to about 60,000 sq ft and building a new 32,000 sq ft two-storey annexe block fronting Maxwell Road to house medical suites.

Datapulse to sell Tai Seng premises for S\$53.5m (BT, 1 Aug, 2017)

The company had on July 26 granted an option to purchase to an unnamed independent third party purchaser for the sale of its property at 15A Tai Seng Drive. The option will remain valid up to 4pm on Aug 9. The property is a leasehold property granted by state industrial landlord JTC, with a 30-year tenure starting from August 1993, with a further term of 30 years. The six-storey industrial building comprises production and warehouse areas as well as ancillary offices, and has a gross floor area of about 15,174 sq m.