

Fortnightly News Summary

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

Property Market Activities

Property agents roped in to fight money laundering, terror funding

(BT, 15 Dec, 2017)

CEA has set out checklists to better guide real estate agencies and salespersons in carrying out their know-your-customer procedures to guard against cases of money laundering and financing of terrorism in big-ticket property transactions. With this, it will be mandatory for salespersons to complete a checklist on customer due diligence for every property transaction, both sales and leases, and submit it to their agencies.

Condo resale prices continue to rise in November (BT, 13 Dec, 2017)

Resale prices of private condominiums in Singapore continued their climb, posting a 0.5 per cent increase in November from a month ago. This was boosted by transaction prices in every region - the city centre, city fringe, and suburbs - and came after a 1.3 per cent price increase in October, too. From a year ago, condo resale prices in November were 6.2 per cent higher, but were down by 2.4 per cent from the peak in January 2014.

Home prices 'could rise by 8% next year' (BT, 11 Dec, 2017)

An "up cycle" for Singapore property may last into 2020, Morgan Stanley said, with estimates that home prices will climb by as much as 8 per cent next year. Signs of a revival in Singapore's property market include record prices paid for land deals, the first increase in home prices in four years, and the first gain in office rents in 2 1/2 years. The buoyant sentiment has been tempered by the MAS, which recently flagged the risk of rising vacancies amid slowing population growth.

Another warning on property market puts developers on the defensive (BT, 1 Dec, 2017)

Flagging how recent developments have posed risks to market stability, the MAS pointed to the possibility of a supply-occupation mis-match. It cited a looming surge in private housing stock and higher land prices in the current en bloc fever, which may not be accompanied by an improvement in occupation demand. Market watchers believe the government would not intervene in the market for now, until conditions prove to be unsustainable.

Public Housing

17,000 BTO flats to be launched in 2018, keeping supply steady

(ST, 14 Dec, 2017)

These new flats will be spread around mature and non-mature towns. These include the upcoming Tengah town, the first time that Housing Board flats will be launched there. Sembawang, Yishun and Sengkang will also see flat launches in the second half of the year that feature a shorter wait time of 2½ years, compared with the typical three to four years.

HDB resale prices dip 0.1% but volume up 11.2% (BT, 8 Dec, 2017)

HDB resale prices continued to weaken, edging down 0.1 per cent in November from a month ago, while sales volume continued to strengthen with a 11.2 per cent increase. The price dip last month was smaller than the 0.2 per cent month-on-month decline in October. From a year ago, HDB resale prices in November were 2.3 per cent lower, and 12.6 per cent below their peak in April 2013.

Government Land Sales

Government opts for balanced approach to state land sales for H1 2018 (BT, 14 Dec, 2017)

The MND's decision to maintain state land sales for private residential development for the next half year at around the same levels as the current half's slate is seen as a balanced approach between having, currently, a strong land demand and avoiding a potential oversupply in future. For the first half of 2018, MND is offering land that can potentially yield about 8,045 private homes, including ECs, and 63,960 square metres GFA of commercial space via the confirmed and reserve lists.

Two tender closings signal developers' unabating land appetite (BT, 6 Dec, 2017)

Frasers Centrepoint Limited set a new price benchmark for the Jiak Kim Street site. The S\$955.41 million tender or S\$1,733 psf ppr price marks a stark 39.9 per cent jump from the last high of S\$1,239 psf ppr that GuocoLand paid for the site at Martin Place last June. Allgreen Properties zeroed in on the site at Fourth Avenue with a top bid of S\$552.96 million. Its tender reflects a bullish land rate of S\$1,540 psf ppr.

URA to launch tender for West Coast Vale reserve list site (BT, 5 Dec, 2017)

URA said on 4 Dec that it received an application from a developer for the site to be put up for public tender. The developer committed to bid at a price of not less than S\$379.988 million in the tender for the land parcel. This works out to about S\$643.53 per square foot per plot ratio. URA will launch the public tender for the site in about two weeks' time. The tender period for the land parcel will be about six weeks.

Plum Holland Road land site put up for tender (ST, 1 Dec, 2017)

The commercial and residential site in Holland Road can have a maximum gross floor area of 59,715 sq m, of which up to 13,500 sq m can be for retail use. The URA has set a cap of 570 residential units for the project. A private housing site in Handy Road that can yield about 130 residential units was also launched for tender in October. The tender for this site will close on Jan 30, together with those for a private residential site in Chong Kuo Road and an EC site in Sumang Walk under a batched-tender exercise.

Investment Sales

Oxley buys Chevron House, Vista Park, stake in Vietnam project in deals totalling over S\$1b (BT, 15 Dec, 2017)

Oxley Holdings has entered into sale and purchase agreements to buy Raffles Place office building Chevron House for S\$660 million, which works out to about S\$2,526 per sq ft on an existing net lettable floor area of 261,280 sq ft. Oxley intends to renovate the property, which sits on a land area of 29,891 sq ft.

Oxley continues to expand its Singapore residential landbank; it has been awarded the collective sale of Vista Park at S\$418 million, which works out to about S\$1,096 per square foot per plot ratio, inclusive of an estimated S\$72 million payable to the state to top up the site's lease to 99 years. The site is zoned for residential use with a 1.4 plot ratio and allowable height of up to five storeys.

Derby Court, Parkway Mansion finally sold - above reserve price (BT, 14 Dec, 2017)

RH Developments Pte Ltd, a subsidiary of Roxy-Pacific Holdings, won the tender for Derby Court with a bid of S\$73.88 million. This works out to a land rate of about S\$1,390 psf ppr based on the "as-built" GPR of 2.872. Separately, Parkway Mansion has been sold for S\$146.99 million to SL Capital (3) Pte Ltd, a consortium led by Sustained Land Pte Ltd. The sale price and an estimated development charge of about S\$21 million translate to a land rate of S\$1,536 psf ppr.

Another Cairnhill site joins en bloc fray (BT, 13 Dec, 2017)

Another Cairnhill development is launching for en bloc tender in the prime district 9, barely two months after Cairnhill Mansions and an adjacent freehold site launched for collective sale in October for a combined price tag of S\$477 million. The owners are asking for a sale price of more than S\$80 million, which reflects a land rate of about S\$2,045 per square foot per plot ratio (psf ppr), inclusive of a development charge of S\$8.2 million payable for a plot ratio of 2.8.

Oxley buys freehold Apartment 8 at Potong Pasir for S\$21.53m

(BT, 12 Dec, 2017)

Property developer Oxley Holdings has exercised options to purchase all eight units of the Apartment 8 freehold development in the Potong Pasir neighbourhood for S\$21.53 million in total. Oxley says it intends to redevelop the property, which sits on a 898.1 square metre site that is zoned for residential use.

Brookvale Park in Sunset Way up for en bloc sale (BT, 7 Dec, 2017)

Brookvale Park, located along Sunset Way in Clementi, has been launched for sale by tender for a minimum price of S\$530 million. Built in 1983, the 373,008 square feet (sq ft) site is zoned "Residential" with a gross plot ratio of 1.6. The 999-year leasehold site could be potentially redeveloped from its current 160 units into a residential development of 550 units across 12 storeys, with an average unit size of 1,100 sq ft.

Spring Court restaurant owner pays S\$52.9m for Jervois Green

(BT, 6 Dec, 2017)

Jervois Green, a four-storey freehold development at 100A Jervois Road in District 10, has been sold for S\$52.9 million. The price works out to a land rate of S\$1,601 per square foot per plot ratio inclusive of an estimated S\$6.95 million development charge. The sale price was 10 per cent higher than the owner's asking price of S\$48 million. Jervois Green has a site area of around 26,700 sq ft.

Rare prime-area shophouse portfolio for sale (BT, 5 Dec, 2017)

A portfolio of nine conservation shophouses and a commercial building in District 1 near the Singapore River are being put up for sale by tender. The total guide price of the 10 properties is S\$91.6 million. All the properties in this cluster are on sites with 999-year leasehold tenure and are fully tenanted. Their respective guide prices reflect gross yields ranging from 2 to 2.5 per cent.

Allgreen scoops up 2 Singapore land parcels after 6-year hiatus

(BT, 2 Dec, 2017)

Allgreen Properties acquired Royalville for S\$477.94 million and Crystal Tower for S\$180.65 million, or land rates of S\$1,960 psf ppr and S\$1,840 psf ppr for the freehold sites in the upscale Bukit Timah area respectively. Allgreen's bullish bids this time are seen to be translated to an estimated breakeven price of S\$2,500-S\$2,600 psf for the Royalville site and S\$2,400-S\$2,500 psf for the Crystal Tower site. These could mean selling prices of S\$2,800-S\$2,900 psf for new units on the Royalville site and S\$2,650-S\$2,800 psf for new units at Crystal Tower.

Yio Chu Kang freehold site The Stradia up for en bloc sale with S\$22m reserve price (BT, 30 Nov, 2017)

A mixed development site along Yio Chu Kang Road has been launched for tender on Nov 28 with a reserve price of around S\$22 million. The Stradia, a mixed development site built in the 1990s and located at 78 Yio Chu Kang Road, consists of eight residential units and three retail shops. The 8,241 square feet site has a gross plot ratio of 3.0, denoting S\$889 psf ppr.