

Fortnightly News Summary

Synopsis of News from 1st July - 14th July 201714th July 2017

Property Market Activities

Condo rents rise 0.5% in June, HDB rents fall 0.6%: SRX Property

(ST, 12 Jul, 2017)

Rents of condominiums and apartments rose 0.5 per cent month-on-month in June, swinging from a revised 0.6 per cent decline in May, though the number of units leased fell 8.8 per cent to 4,250 from 4,661 in May. HDB rents meanwhile, dropped 0.6 per cent, after rising a revised 0.8 per cent in May and the number of flats rented out fell 5.5 per cent m-o-m to 1,704.

Condo resale prices rise 0.9% in June to 3-year high: SRX Property

(ST, 11 Jul, 2017)

Resale prices of non-landed private homes in Singapore rose by 0.9 per cent month-on-month in June to a three-year high, according to flash estimates from SRX Property on 11 Jul. Compared to a year ago, condo resale prices are up 2.2 per cent from June 2016, though they are still down by 4.4 per cent from their last peak in January 2014. The price growth was driven mainly by the CCR, which saw resale values rise by 1.3 per cent from May, and the OCR which recorded a 1.1 per cent increase. RCR figures remained unchanged.

Too soon to call property market recovery despite optimistic

sentiment: Redas (BT, 7 Jul, 2017)

The slight tweaking of the government's cooling measures and the active participation by developers in GLS tenders are reasons for optimism in the market, but Singapore's weak macroeconomic fundamentals, anaemic global growth, geopolitical risks and rising US interest rates remain as risks. The president of Redas said that if the prevailing 'bullish' appetite for residential land persists amid pending rising interest rates and weak employment prospects, demand will weaken over time and hasten the compounding effects of increasing supply and high vacancy. At the same time, the commercial, retail and industrial sectors are also continuing to face lacklustre demand. Against this backdrop, business and consumer confidence could be weakened, which would further dampen investment and consumption.

GuocoLand to launch luxury condominium Martin Modern on July 22

(BT, 6 Jul, 2017)

The sales gallery and show suites for the luxury condominium at 8 Martin Place will be open on July 8. Martin Modern is touted to be the first large-scale launch in Robertson Quay in eight years. Martin Modern will comprise 450 residential units set within a botanic garden. It will offer a range of two, two plus study, three and four-bedroom apartments with sizes spanning 764 sq ft to 1,798 sq ft. Prices start from S\$1.8 million.

Singapore private home prices dip 0.3% in Q2, extending losing streak to 15 quarters

(ST, 3 Jul, 2017)

Private home prices in Singapore declined 0.3 per cent in the second quarter of 2017, easing slightly from the 0.4 per cent drop in the first quarter, according to flash figures released on 3 Jul by the URA. This means that overall private housing prices have fallen for 15 straight quarters, or since the fourth quarter of 2013. However, property experts noted that the 0.3 per cent price dip is the smallest drop in prices since their decline. With aggressive land bids and the positive sentiment, prices are expected to grow positively by next year.

Public Housing

HDB resale volume slips 11.6% in June: SRX (BT, 7 Jul, 2017)

According to flash data issued by SRX Property on 6 July, 1,753 HDB resale flats were sold in June, an 11.6 per cent decrease from 1,984 transacted units in May, and down by 52 per cent compared with the peak of 3,649 units in May 2010. As for HDB resale prices, there was a headline decrease of 0.1 per cent in June compared with that of May, and prices have declined by 11.7 per cent since the peak in April 2013.

HDB resale prices dip 0.1% in Q2; market seen stabilising (BT, 4 Jul, 2017)

Resale prices for public housing dipped 0.1 per cent in the second quarter, moderating from a 0.5-per-cent decline in the first quarter of the year. Analysts continue to see a stabilising trend in the resale housing market, with increased transactions as well as a steady supply of BTO flats moderating price movements. They also anticipate a flattish price trend for the full year. HDB added that in August this year, it will offer about 3,850 BTO flats in Bukit Batok and Sengkang for application.

Government Land Sales

Woodleigh site also draws robust bidding (BT, 12 Jul, 2017)

A residential site at Woodleigh Lane near Bidadari housing estate is the latest to draw aggressive bidding. This time, 15 bidders took part, with CEL Unique Development putting in the highest bid of S\$700.7 million, which translates to about S\$1,110 psf ppr. A total of five bids came in at above S\$1,000 psf ppr. Analysts say the tender price works out to a breakeven price of S\$1,500-1,600 psf, and an eventual sale price of about S\$1,800 psf. Currently, units at nearby new developments are selling at far below that.

URA launches Beach Road commercial site for minimum bid price of S\$1.138b (BT, 6 Jul, 2017)

The 99-year lease site is located next to Shaw Tower. The site is intended for a predominantly office development with complementary uses such as residential, hotel and/or serviced apartments. The site consists of a 21,026.9 sq m land lot and a subterranean stratum of 1,175 sq m. It includes a conserved building known as the former Beach Road police station. The maximum permissible gross floor area is at 88,313 sq m, with office space taking up a minimum of 61,820 sq m.

Former Zouk site, Fourth Ave plot now available on reserve list

(BT, 1 Jul, 2017)

Most industry observers consider the choicer plot to be the one in Jiak Kim Street along the Singapore River - as first-storey commercial use is allowed, albeit only within three conserved warehouse buildings that once used to house Zouk. The other plot, next to the Sixth Avenue MRT Station in Bukit Timah, is surrounded by Good Class Bungalow Areas. It is expected to yield about 445 housing units. If the Jiak Kim site is triggered, property consultants expect 8-15 bids, with the highest offer coming in anywhere from S\$1,200 to S\$1,500 psf ppr.

Investment Sales

Singapore penthouse on sale for over \$100m seen as test of luxury property market's recovery (ST, 13 Jul, 2017)

The asking price for a new three-storey Singapore penthouse due to be formally unveiled later this year has reached more than \$100 million. The "bungalow in the sky" unit at Tanjong Pagar Centre is likely to become Singapore's most expensive apartment. Prices for luxury homes in Singapore have fallen 15-20 per cent from a 2013 peak, but a consultancy firm is forecasting a 3-5 per cent increase in luxury prices this year, citing demand from both locals and foreigners who feel the market is bottoming out.

Oxley to acquire residential property in Pasir Panjang for S\$121m

(BT, 12 Jul, 2017)

Oxley Holdings is buying a freehold property in the southern part of Singapore for S\$121 million. It plans to redevelop the property known as 231 Pasir Panjang Road, subject to obtaining all the necessary approvals from the relevant authorities.

Hotel off Keong Saik Road sold for S\$31m; buzz over high of S\$4,000 psf set in Amoy Street

(BT, 12 Jul, 2017)

Three adjoining freehold shophouses along Teck Lim Road off Keong Saik Road are being sold for S\$31 million. The price works out to about S\$2,770 per square foot based on an estimated GFA of 11,200 sq ft. This is similar to the approximately S\$2,800 psf on GFA achieved in the recent sale of Naumi Liora, a 79-room boutique hotel.

Meanwhile, 52 Amoy Street fetched S\$7.1 million for the 999-year property, which has a land area of just 952 sq ft and a built-up area of about 1,800 sq ft. The S\$4,000 psf on built-up area is one of the highest prices achieved for the Singapore shophouse market. Also, Spanish tycoon Ricardo Peralta continues his shophouse buying spree, acquiring 11 Ann Siang Road for S\$9.1 million. He bought the next-door property last year from a Clifton-related entity for S\$10.8 million. Mr Peralta is also buying 39 Pagoda Street for S\$12.2 million or S\$3,697 psf on built-up area.

Pearl Bank Apartments making 4th attempt for collective sale

(ST, 10 Jul, 2017)

Owners of Pearl Bank Apartments, an iconic building in Outram, have formed a collective sale committee and are asking for a reserve price of \$728 million for the 288-unit building. The 38-storey building was completed in 1976 and sits on 82,376 sq ft of land, with 52 years left on its lease. But the question of whether the distinctive tower will be conserved is still up in the air.

Chevron House at Raffles Place put up for sale at around \$700 million: Report

(ST, 7 Jul, 2017)

Deka Immobilien GmbH, a unit of Germany's DekaBank Group, is putting Chevron House, an office building in Singapore's central business district up for sale. The tower, Chevron House, could fetch about \$700 million according to a person familiar with the matter. The 262,650 square foot building comprises a four-story retail podium with a basement that links directly to the Raffles Place train station and a 29-story office tower.

CCT to sell Wilkie Edge to Lian Beng JV for S\$280m

(BT, 4 Jul, 2017)

Capitaland Commercial Trust said on 3 Jul that it would sell Wilkie Edge to Lian Beng Group and the private investment firm of Super Group's Teo family for S\$280 million. Wilkie Edge is a 12-storey integrated development comprising office and retail units as well as a serviced residence, Citadines Mount Sophia. The development has a balance lease of 88 years. The sale price is 39.3 per cent above the valuation of Wilkie Edge as at Dec 31, 2016. Based on the total net lettable area of 154,528 sq ft, the purchase price works out to S\$1,812 psf.

Tampines Court eyeing \$960m in collective sale bid

(ST, 1 Jul, 2017)

Home owners at Tampines Court have jumped on the collective sale bandwagon, with plans to put the privatised property up for sale for \$960 million. The buyer of the sprawling 560-unit development will have to pay additional charges, estimated at \$348 million, for intensifying the land use and to top up the lease to a fresh 99 years. All in, the asking price and the extra charges work out to a land rate of \$665 per square foot per plot ratio. The 560-unit Tampines Court, in Tampines Street 11, sits on a 702,000 sq ft site, and has about 69 years left on its lease.