

Fortnightly News Summary

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

Property Market Activities

Resale prices for condos up for 4th month in a row: SRX report

(BT, 15 Mar, 2017)

Resale prices of non-landed private homes in Singapore rose 0.9 per cent month on month in February 2017, based on SRX Property's latest flash estimate. This marks the fourth consecutive month-on-month gain in the index. In January 2017, the index posted a one per cent m-o-m appreciation. The report also estimates 694 private apartments and condos were resold last month - reflecting increases of 31.2 per cent month on month and 77.9 per cent year on year.

No immediate surge in new home sales despite easing of some curbs

(ST, 14 Mar, 2017)

The easing of some property cooling measures, particularly the seller's stamp duty (SSD), had a relatively muted impact on new home sales at the weekend. Property agents told The Straits Times there was no buying frenzy and that it was largely business as usual at many show-flats. The sales at the two new projects out this year - The Clement Canopy in Clementi and Grandeur Park Residences in Tanah Merah - stuck to the general market trend, where units tend to move more slowly after their first weekend launch. Analysts said the tweaks to the SSD and total debt servicing ratio (TDSR), which took effect last Saturday, did not offer sufficient impetus to drive demand for homes.

CapitaLand officially launching Marine Parade condo (BT, 14 Mar, 2017)

CapitaLand is officially launching a residential project in Marine Parade on 18 Mar at an average of S\$1,700 psf, more than two years after its soft launch in January 2015. A total of 38 units have been sold as of last month. The official launch of the 124-unit Marine Blue comes after the government's move last Friday to ease property market cooling measures that have been in place since 2013. Marine Blue received its temporary occupation permit (TOP) in October last year. Under Qualifying Certificate (QC) rules, CapitaLand is due to sell all units by October 2018.

Singapore property market finally sees slight easing - and a new stamp duty (BT, 11 Mar, 2017)

The release by government agencies said that Singapore will lower the SSD by four percentage points for each tier and shorten its holding period. The TDSR will also no longer apply to mortgage equity withdrawal loans with loan-to-value ratios of 50 per cent and below. But even as the government eased these measures, a new stamp duty called the Additional Conveyance Duties was introduced to plug a loophole in residential property transactions undertaken via transfer of shares in property-holding entities. These changes take effect on March 11. However, industry players say that the impact on the property market will be limited, as the Additional Buyers' Stamp Duties (ABSD), loan-to-value (LTV) and TDSR will still curb demand.

Lendlease to launch first condo project in S'pore at Paya Lebar

(BT, 10 Mar, 2017)

Australia-listed property developer Lendlease is set to launch its first residential development in Singapore at the upcoming mixed-use Paya Lebar Quarter on March 25, 2017. Park Place Residences at PLQ, which sits on 98,520 sq ft of land, will comprise 429 units that will be released in phases. The project is expected to receive its TOP by 31 Dec 2020. Showflats will be opened to the public from 11 Mar.

Singapore property still a top draw for Asia's ultra-rich (BT, 2 Mar, 2017)

Singapore's property market remains high on the agenda of Asia's ultra-rich, notwithstanding the cooling measures still in place. Its commercial properties are a top consideration for Asian ultra high net worth individuals keen on this asset class. Singapore's residential market is the second most likely place for Asian UHNWIs to own an overseas home, after the UK, according to the Attitudes Survey, based on responses from almost 900 of the world's leading private bankers and wealth advisers.

DC rates rise to play catch-up with land prices (BT, 1 Mar, 2017)

Amid strong developer appetite for condo development sites which has buoyed land prices, the government has upped the average development charge rate for non-landed residential use by 4 per cent for the March 1-Aug 31, 2017 period. On average, DC rates have been raised by 1.3 per cent for commercial use, and 2.6 per cent for the hotel/hospital use group. However, rates for industrial use have been clipped by 3.7 per cent on average.

Public Housing

HDB resale prices dip 0.3% in Feb, volume falls (BT, 10 Mar, 2017)

HDB resale prices were down 0.3 per cent in February compared to January, according to the SRX Property Price Index for HDB Resale. And resale transactions fell 8.5 per cent to about 1,074 HDB resale flats sold in February, down from 1,174 transacted units in January. But property consultants remain confident that HDB prices have reached a price equilibrium and continue to be stabilising.

More schemes to help elderly home buyers (ST, 8 Mar, 2017)

A new deferred down payment scheme will be available from the Build-To-Order launch in May. It allows eligible buyers aged 55 and above to make a down payment only when they collect the keys. With the DDS, elderly buyers need to pay only the stamp and legal fees when they sign the lease. A new temporary loan scheme will also allow buyers to finance their purchases without taking out a mortgage, National Development Minister Lawrence Wong said in Parliament.

Shorter waiting time for BTO flats, easier resale transaction process

(BT, 8 Mar, 2017)

HDB aims to trim waiting time for BTO flats to around 2.5 years, from the current three to four years. There will be about 1,000 units in non-mature estates in the first batch of BTO flats with such shorter waiting times, to be launched next year. The HDB also aims to leverage on technology to shorten and streamline the resale transaction process. To enable those with more urgent housing needs to gain quicker access to a flat, HDB will also introduce a new sales mode for unsold flats.

Government Land Sales

Tampines plot tipped for a good turnout (BT, 15 Mar, 2017)

Mediocre location notwithstanding, a private housing site in Tampines Avenue 10 is expected to draw strong interest with as many as 15 bids - due to developers' ravenous appetite for land. The 2.2-hectare, 99-year leasehold site, may potentially yield about 715 units. Property consultants expect the top bid to come in the S\$480-\$530 psf ppr range.

Deferred Upper Serangoon site back on the public tender trail

(BT, 7 Mar, 2017)

HDB on 6 Mar put up the mixed commercial and residential site at Upper Serangoon Road for sale under the confirmed list of the GLS programme. Consultants have called this a "choice" site, given its location next to Woodleigh MRT Station and buyers' attraction to Bidadari as a residential locality. The plot can yield a maximum gross floor area of 958,450 sq ft and about 825 housing units.

Toh Tuck site expected to be hotly contested (BT, 1 Mar, 2017)

Property consultants expect the first site launched by the government in 2017 to be "hotly contested" due to its location in an established residential precinct and its manageable size. The site is also within walking distance to Beauty World MRT station on the Downtown Line, as well as Beauty World Plaza and Bukit Timah Shopping Centre. The 18,721.4 square metre site can potentially yield about 325 units. The tender closes at noon on April 11. Market experts expect the site to draw between 8 to 16 bidders, with the winning bid in the range of \$560 to \$750 per square foot per plot ratio.

Investment Sales

Bulk sales race to the finish line (BT, 14 Mar, 2017)

Besides Sing Holdings' Robin Residences, at least two other bulk transactions were done late on Friday night to avoid a new stamp duty that took effect the following day. Sources tipped the two projects as TwentyOne Angullia Park and The Lumos in Leonie Hill - both freehold district 9 projects. A bulk sale is also believed to have been done at The Line @ Tanjong Rhu.

Bungalow at Dunearn Close up for sale (ST, 8 Mar, 2017)

An old three-storey bungalow at 11 Dunearn Close will go on sale via an auction on March 29. The indicative price of the property at Dunearn Close is S\$17 million, or about S\$1,205 per sq ft of land area. The freehold property in District 11 is situated within the prestigious Chee Hoon Good Class Bungalow Area (GCBA). While 37 deals involving good class bungalows were struck in 2016 - the best showing in the past four years - analysts expect investors to remain cautious in the coming year.

2 Temple St shophouses being sold for S\$18.5m (BT, 8 Mar, 2017)

The price works out to around S\$2,125 per square foot based on the estimated floor area of 8,700 sq ft. Standing on 2,658 sq ft of land, the shophouses span three storeys and an attic. The two shophouses are being bought by a partnership between Singapore-incorporated Clifton Partners and a Hong Kong institutional investor. The buyer is expected to pump in about S\$2 million to renovate the property once all the tenants have vacated it.

Good Class Bungalow at Garlick Ave to be sold for S\$23.88 million

(BT, 3 Mar, 2017)

The S\$23.88 million price translates to S\$858 psf based on the freehold land area of 27,829 sq ft. Market watchers consider the psf price to be on the low side, even if the transaction is seen as reflecting purely the land value. The buyer is property developer Sustained Land's boss and will most likely redevelop the property.

4-storey building near Beauty World Centre up for sale (ST, 1 Mar, 2017)

Goh & Goh Building, a freehold mixed-use project in Upper Bukit Timah Road, has been put up for collective sale with an asking price of at least \$120 million. The site is next to Beauty World MRT station and near Beauty World Centre and Bukit Timah Shopping Centre. The developer which outbids others will also have to pay a state development charge estimated at \$15 million. This translates into a land rate of about \$1,460 per sq ft per plot ratio on the potential gross floor area, before factoring in the 10 per cent bonus balcony gross floor area for the residential component.

Separately, CBRE announced the sale of a portfolio of three commercial shophouses in Holland Village, Chinatown and Kampong Glam. The property at 22/22A, Lorong Mambong, is priced at \$20 million; 54 and 56, Pagoda Street, at \$28 million; and 780, North Bridge Road, at \$6 million. Buyers are given the flexibility to bundle up all three shophouses into a single purchase or (go for) individual properties.