

Fortnightly News Summary

Synopsis of News from 1st November - 15th November 2017

15th November 2017

Property Market Activities

Resale prices of city-fringe condos hit record high in October: SRX

(BT, 15 Nov, 2017)

The index for RCR reached a new peak at 184.6 last month, exceeding the previous high of 182.1 back in August 2013. Overall resale price index for private apartments and condo units rose 1.3 per cent in October 2017 over September 2017. SRX Property said that the private resale non-landed volume for the first 10 months of the year is 46 per cent higher than that for the whole of 2016. It predicts the volume for the whole of this year will be around 12,600 units - up 65 per cent from last year's 7,633 units.

Value of land deals 'set to hit record in 2017'

(BT, 15 Nov, 2017)

With still a month and a half left to 2017, land transactions in Singapore, including collective sales, GLS and private sales, have hit a six-year high of S\$12.6 billion. If all the pipeline deals, both public and private, materialise, the figure will be bumped up by another S\$3.4 billion, bringing the total value of land transactions this year to S\$16 billion - a historical record. A market expert opined that residential and office markets have crossed their inflection points and are headed for an upturn, due to brighter economic prospects.

Lawrence Wong cautions home buyers, developers amid property rebound

(BT, 15 Nov, 2017)

Homebuyers should do their homework before making their purchases, given the large supply of private residential units for sale - more than double from the current supply - over the next one to two years, amid elevated vacancy rates. And developers have been warned against cutting corners on construction quality if their profit margins come under pressure as a result of their higher land bids, and their need to finish building and selling their projects within five years to avoid paying the ABSD with interest.

Blockbuster land deals signal Singapore property set to sizzle in 2018

(BT, 14 Nov, 2017)

A series of blockbuster land deals in Singapore this year signal the city-state's property market is set to break out of its prolonged slump in 2018. More than S\$3.3 billion of land deals set to be completed by the end of the year, pushing the annual total to S\$14 billion, the highest since 2011. Home prices could rise as much as 10 per cent next year, according to analysts from Morgan Stanley, BNP Paribas and UOB Kay Hian. Brokers including Cushman and CBRE Group predict office rents will climb 7 per cent to 9 per cent as an oversupply of space eases.

Some 230 units of Parc Botannia sold at launch

(BT, 13 Nov, 2017)

230 units of the Sengkang 99-year leasehold condominium were snapped up during its weekend launch. The average selling price was S\$1,270 per square foot. The most popular units were one-bedroom, two-bedroom and four-bedroom units. More than half of the 193 one-bedders and about half of the 63 four-bedroom units in the entire development have been sold.

En bloc, the unblockable frenzy: What's behind the hype?

(BT, 12 Nov, 2017)

Analysts predict that this year's frenzy will spark another cycle similar to the 2005-2008 one, which saw many large sites in prime districts sold collectively. About 2,700 private homes have been sold en bloc this year - more than four times the 600 units sold last year. The total value of the deals has already exceeded \$6 billion, with the possibility of even more deals closing by the end of the year.

Recent en bloc sales do not mean higher prices: Lawrence Wong

(BT, 7 Nov, 2017)

The recent spate of en-bloc sales will not necessarily translate to higher prices, National Development Minister Lawrence Wong said in parliament on Monday. Developers are subject to the ABSD, which ensures that developers price their projects reasonably. En bloc sites taken off the market now will eventually be put up for sale in the next one to two years, which Mr Wong said would increase supply in the market and put some "moderating pressure on prices down the road".

Landed home sales headed for best showing in 5 years

(BT, 3 Nov, 2017)

Prices of landed properties have fallen to attractive levels from their peak in the third quarter 2013 to Q2 this year. This unleashed pent-up demand, with the strong buying activity leading to prices beginning to firm in Q3. The number of landed homes sold between January and October reached 1,513 units, up 50 per cent from the 1,009 units sold in the year-ago period.

Public Housing

Majority of BTO flats being launched to use new pre-fabricated method

(BT, 15 Nov, 2017)

Of the 4,829 BTO flats launched across five projects in the latest HDB sales exercise, 3,880 flats, or 80 per cent, will be built using the PPVC method. The three PPVC projects in this exercise are the 1,300-unit Fernvale Glades in Sengkang, the 388-unit Northshore Edge in Punggol and the 2,192-unit Tampines GreenCourt. Another 3,401 Sale of Balance Flats units are also on offer, bringing the total in this exercise to 8,230 flats.

Three HDB resale flats breach \$1 million mark

(ST, 11 Nov, 2017)

At least three Housing Board flats have broken the \$1 million mark so far this year, hitting some of the highest prices on record even amid a resale market that has seen steadily declining prices. Two of the units are at Block 50, Commonwealth Drive, and the third is a 36th-floor unit at Block 18D, Holland Drive. All three are regular HDB flats. This brings the total number of BTO flats launched this year to 17,584 units, and the number of all flats, including those in the SBF and Re-Offer of Balance Flats exercises, to 26,325.

HDB resale prices slip 0.3% in Oct: SRX

(BT, 10 Nov, 2017)

HDB resale prices dipped by 0.3 per cent in October from a month ago, the same decline seen in September, but sales volume recovered to post a 5.9 per cent increase. From a year ago, resale prices in October were 1.9 per cent lower, and 12.5 per cent below the peak in April 2013. Year-on-year, resale volume increased by 5 per cent compared to the 1,696 units resold in October 2016. But sales are down by 51.2 per cent compared to the peak of 3,649 units in May 2010.

Government Land Sales

Fourth Avenue residential site triggered for sale with minimum bid of S\$448.8m

(BT, 2 Nov, 2017)

The leasehold plot is nestled in a mature private residential estate in Bukit Timah. The site can build an estimated 455 housing units and has a land area of about 1.9 hectares with a maximum permissible gross floor area of 33,358 square metres.

Sembawang site for sale by public tender under GLS Confirmed List

(BT, 1 Nov, 2017)

The government has launched the public tender for the sale of a site at Chong Kuo Road under the Confirmed List of the second-half 2017 GLS programme. It will also be launching the tender for a site at Fourth Avenue under the Reserve List soon. Separately, another land parcel under the Reserve List along the upscale Cuscaden Road in prime district 9 is now open for application.

Investment Sales

En bloc sales may run into new road-block (BT, 15 Nov, 2017)

For developers of projects yet to have obtained their outline planning permission, provisional permission or LTA's clearance for transport impact assessment before Nov 13, their profit margins may be affected if they fail to get approval for the number of units they had originally planned to build. Analysts believe that it may temper en bloc fervour slightly and cause developers to exercise more caution in their bids.

En bloc sales: Pearlbank aims for S\$728m, Parkway Mansion targets S\$138m (BT, 15 Nov, 2017)

Condominium projects Pearlbank Apartments and Parkway Mansion will launch separate tenders for collective sale on Nov 16. Pearlbank, a 37-storey development in the Outram neighbourhood, has a reserve price of S\$728 million, which translates to a land cost of about S\$1,505 psf ppr, after factoring in an upgrading premium of approximately S\$195 million for the lease top-up. There is no development charge payable. Parkway, a 32-unit condominium near the Katong district, has an indicative price of S\$138 million, which excludes an estimated development charge of approximately S\$21 million payable to the state for the intensification of land use. Taken together, the indicative price and the development charge translate to a land rate of S\$1,454 psf ppr.

Tee Land paying S\$72m for Casa Contendere (BT, 8 Nov, 2017)

The price works out to S\$1,638 psf ppr inclusive of an estimated development charge of S\$15.1 million payable to the state. The District 11 property has a land area of 37,972 sq ft. The site is zoned for residential use and has a 1.4 plot ratio.

Jervois Green up for sale by tender for S\$48m (BT, 7 Nov, 2017)

The asking price of S\$48 million works out to S\$1,373 per sq ft (psf) per plot ratio (ppr), inclusive of the 10 per cent additional gross floor area for balconies. That price tag matches, on a unit basis, what Jervois Gardens - also a freehold project of low-rise homes - went for.

Jervois Road site buys: Tiong Seng unit backs out (BT, 2 Nov, 2017)

Tiong Seng Holdings said its subsidiary TSky (Jervois) exercised its right to rescind the option to buy two freehold sites in Jervois Road after the necessary redevelopment approval for the sites was not granted to TSky (Jervois) "due to restriction of redevelopment plans for the remaining left-behind plots".

Owners of 11 Balmoral Road asking for S\$75m (BT, 1 Nov, 2017)

All owners of the 17-unit freehold development in prime district 10 have given their approval for the sale. Owners are asking for S\$75 million, which translates to an estimated land rate of about S\$1,761 psf ppr inclusive of a development charge estimated to be in the region of S\$10 million, subject to confirmation.

Two office buildings in city get into en bloc mode (BT, 1 Nov, 2017)

Shenton House, located in the older Robinson-Shenton-Cecil section of the CBD, and Golden Wall Centre, a freehold commercial property on the fringe of the city, have formed their respective CSCs. neither development has set a reserve or asking price.

More buzz in big-ticket industrial property deals (BT, 1 Nov, 2017)

Credit Suisse is selling its building at 1 Serangoon North Avenue 6 to US-based Iron Mountain, for S\$80.5 million. The deal is expected to be completed in the first quarter of next year. 13 Tai Seng Drive could potentially be transacted. StarHub has entered into a put and call option deal to buy the six-storey building for nearly S\$30.9 million from high-end cosmetics and fragrance distributor Luxasia.