2022 Mid Year

SG PROPERTY NEWSLETTER

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KWP
KEN WEE PROPERTY

Hello!

Hope 2022 has been going great!

Glad we can finally take a slight breather from dealing with covid the past 2 years or so.

Travels, bigger gatherings, no mask outdoors, etc.
Things are heading back to the new normal.

However there are still many cases, so we should still take care and continue to stay safe.

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This newsletter contains market updates and other information which I hope you will find helpful.

Thank you for taking the time to read it :)

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A special thanks to all my clients, family & friends who have placed their trust in me & my real estate journey.

I value & appreciate everything. And will continue to do my best.

I dedicate all of my achievements so far to every single one of you.

- Ken Wee -

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Q2 2022 QUARTERLY REPORT

RESIDENTIAL PROPERTY REPORT

Private Residential Property Q2 2022

Overview

Private home prices continued to rise in Q2 2022, at a faster pace compared to the first quarter, according to flash estimates released by the Urban Redevelopment Authority (URA). This was despite the many uncertainties in the market which surfaced during the quarter, ranging from rising inflation, stock market turmoil and monetary tightening as central banks around the world raise interest rates to temper soaring inflation.

Prices

- URA's flash estimates showed that overall private home prices rose for the ninth straight quarter in Q2 2022, growing at a faster clip of 3.2% QOQ – following a 0.7% growth in the previous quarter.
- The price increase in Q2 2022 was led by the non-landed private home segment, where values rose by 3.3% in Q2 2022 – sharply reversing the 0.3% decline in Q1 2022.
- Prices of non-landed homes in the Core Central Region (CCR) grew by a modest 1.6% QOQ in Q2 2022. This comes despite the ample stock of unsold new units in this sub-market and the December 2021 cooling measures – aimed at reining in investment demand - which managed to quell price growth in the Q1 2022.
- In the Rest of Central Region (RCR), home values rebounded by 6% QOQ in Q2 2022, reversing the fall of 2.7% in Q1 2022. New projects Piccadilly Grand and Liv @ MB – which were launched in May 2022 - helped to prop up prices in the RCR sub-market, with robust sales at average prices of $2,183 psf and $2,409 psf respectively.

Total Private Home Sales & Property Price Index

Source: PropNex Research, URA (based on flash estimates in 1 July 2022), URA Realis (*data up to 30 June 2022)

- Prices of non-landed homes in the Outside Central Region (OCR) rose by 1.7% QOQ in Q2 2022, slowing from the 2.2% QOQ growth in Q1. The dearth of fresh launches and dwindling unsold stock in the region have exerted some upward pressure on OCR home prices.
- Landed home values rose by 2.9% QOQ in Q2 2022, following the 4.2% increase in the previous quarter. The slower pace of growth came amid more sluggish landed home sales during the quarter as rising interest rates, volatility in stock markets, and concerns over a potential recession likely cooled buying demand.

Transactions

- Based on Realis caveat data, developers sold 2,504 new private homes (ex. Executive Condos) during the quarter – representing a 37% increase from 1,825 units shifted in Q1 2022.
- Projects in the RCR dominated new home sales in Q2 2022, accounting for 54.1% of new homes sold in the quarter. Of note, the top 4 selling projects during the quarter were from the RCR (see Table 1). It was followed by CCR at 23.3% and OCR at 22.6% of the transactions. The top-selling project in the quarter was Piccadily Grand in Northumberland Road which sold 325 units.
- PropNex expects healthy buying interest for upcoming launches in Q3 2022 – including AMO Residence, Lentor Modern, and Sceneca Residence – which will play a part in keeping home values firm in the subsequent quarters.
- Meanwhile, 3,829 private homes were sold on the resale market in Q2 2022 – growing slightly after a muted first quarter, where 3,377 resale units were sold.
- Sub-sales remained relatively low at 138 units, taking total private homes transactions to 6,471 units (including new sale and resale) in Q2 2022

Top 5 selling projects in Q2 2022*

Project Name	Region	Units Sold in Q2 2022	Average Unit Price ($PSF) in Q2 2022
PICCADILLY GRAND	RCR	325	$2,183
LIV @ MB	RCR	231	$2,411
NORMANTON PARK	RCR	112	$1,865
RIVIERE	RCR	80	$2,806
THE FLORENCE RESIDENCE	OCR	73	$1,771

Source: PropNex Research, URA Realis (*Data up to 30 June 2022)

Private Residential Market Outlook

PropNex remains cautiously optimistic about the private residential market this year with several major new launches to come. Singapore remains an attractive and safe investment destination for investors and foreigners, and economic conditions also remained relatively healthy.

However, downside risks persist - mainly the higher interest rates. As home loan rates climb, the higher financing cost may affect some buyers, particularly against a backdrop of rising cost of living. Genuine homebuyers will continue to transact, but the rising home loan rates may test the affordability threshold, especially in the mass market segment.

With interest rates expected to rise further, there is a possibility of a review of the medium-term "stress-test" interest rate of 3.5% that is currently applied to home loan applications when calculating the total debt servicing ratio (TDSR).

For 2022, PropNex projects that private home prices could rise by 5% to 6% - slowing from the 10.6% growth in 2021. Meanwhile, new home sales (ex. ECs) could range from 8,000 to 9,000 units and resale volume may cross 15,000 units.

Private Home Leasing

- In Q2 2022, a landlord's market continued to take hold, amid robust leasing demand from foreigners and locals. This pool of ready tenant demand has seen landlords staying firm on asking rents, with little room for negotiation.
- Owing to the limited stock of homes available for rent, transaction activity seemed to have thinned. Close to 14,000 rental contracts amounting to $59.9 million were signed in April and May.
- Rents and demand are expected to stay elevated in 2022, supported by a return of foreign employment, tight rental stock, and tenants who are waiting for new homes to be completed.

Private Home Leasing Volume & Total Value (by quarter)

Source: PropNex Research, URA Realis (*Data includes up to May 2022 figures)

HDB Resale Q2 2022

Overview

HDB resale price growth quickened in Q2 2022 despite the slightly lower resale volume. A combination of factors likely crimped sales, including the limited resale flat stock, a mismatch in price expectations between buyers and sellers creeping in, as well as demand having been met to some extent following the robust sales last year.

Transactions and Prices

- The flash estimate released by the Housing and Development Board showed that resale prices rose by 2.6% QOQ in Q2 2022, with an index reading of 163.7 in Q2 2022.
- Based on transaction data, 6,568 HDB flats were resold in Q2 2022 – down by about 5.3% from 6,934 units sold in Q1 2022.
- The HDB's Build-to-Order (BTO) exercise in May could also have siphoned off some demand from the resale market. May's BTO exercise featured several projects in attractive locations such as Jurong West, Toa Payoh, Bukit Merah and Queenstown – the latter two being under the Prime Location Public Housing model

HDB Resale Volume & HDB Resale Price Index

Source: PropNex Research, HDB, Data.Gov (*Price Index data based on flash estimate released on 1 July 2022)

HDB Resale Market Outlook

In 2022, PropNex expects the HDB resale market to continue to perform well, though prices will likely climb at a slower pace of 7% to 9%, as opposed to the 12.7% increase in 2021. Some of the demand drivers of resale flats will include the preference for more spacious homes, desire for a move-in ready flat to avoid the delays of new builds, and generally still affordable resale prices, compared to private homes.

PropNex projects resale volumes for 2022 to hit more than 27,000 transactions, supported by the healthy underlying home-occupier demand.

Source: PropNex Research, URA (based on flash estimates in 1 July 2022), URA Realis (*data up to 30 June 2022)

Top 5 selling projects in Q2 2022*

Project Name	Region	Units Sold in Q2 2022	Average Unit Price ($PSF) in Q2 2022
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Source: PropNex Research, URA Realis (*Data up to 30 June 2022)

Private Home Leasing Volume & Total Value (by quarter)

Source: PropNex Research, URA Realis (*Data includes up to May 2022 figures)

HDB Resale Volume & HDB Resale Price Index

Source: PropNex Research, HDB, Data.Gov (*Price Index data based on flash estimate released on 1 July 2022)

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PRIVATE NEW HOME SALES

PROPNEX RESEARCH
MONTHLY REPORT - JULY 2022

Private new home jumped by 71% MOM in July, driven by strong sales at AMO Residence

- Overall new home sales in July climbed to 834 units, up sharply by 71% from the previous month on the back of the new launch AMO Residence during the month.
- Private new home sales were led by the Outside Central Region (OCR) where 485 units were sold at a median price $1.85 million – this was the highest monthly sales in the region since August last year where 721 units were sold.
- In July, more than 85% of private new home sales buyers were Singaporeans, driven mostly by sales of suburban (OCR) homes

MONTHLY PRIVATE NEW HOME SALES

JULY 2022

Source: PropNex Research, URA

Private new home sales rebounded in July as the launch of AMO Residence in Ang Mo Kio helped to lift sales during the month. Developers sold 834 new private homes (ex. Executive Condos) in July, of which 366 units (or 44%) were transacted at AMO Residence. July's sales were about 71% higher than the 488 units sold in June, while on a year-on-year basis, new home sales were down by 48% from the high base of 1,602 in July 2021.

Taking in July's sales, developers have sold 5,056 new private homes (ex. ECs) in the first seven months of 2022, representing a 37% drop from the 8,061 units shifted in the January to July period in 2021. The decline in sales volume was mainly due to the fewer project launches this year.

The pent-up demand for mass market homes in Ang Mo Kio from HDB upgraders and owner occupiers has helped to drive the strong 98% take-up at AMO Residence (selling 366 out of 372 units) over its launch weekend on 23 July. Buyers were also attracted to AMO Residence's convenient location within a mature estate, its proximity to an MRT station and numerous amenities, greenery as well as several good schools. The robust sales at AMO Residence has in turn bumped up overall new home sales in July.

The **Outside Central Region (OCR)** led monthly home sales in July, with 485 transactions, up sharply by more than 4 times from 111 units sold in June. AMO Residence was the top-seller in the OCR in July, accounting for about 75% of the sub-market's transactions – selling 366 units at a median price of $2,110 psf. Previously launched projects, The Florence Residences, Parc Clematis, and Ki Residences At Brookvale each sold 17 units during the month, adding to the OCR total.

Meanwhile, new home sales in the **Core Central Region (CCR)** and **Rest of Central Region (RCR)** witnessed a month-on-month decline owing to the dearth of new launches in July. Developers sold 185 new units in the CCR, down by 10.2% from June. The best-selling CCR projects in July were Hyll On Holland which sold 28 units at a median price of $2,638 psf, the Perfect Ten which moved 17 units at a median price of $2,932 psf, and Leedon Green where 16 units were transacted at a median price of $2,749 psf.

Over in the RCR, 164 new private homes were sold in July, slightly lower than the 171 units shifted in the previous month. The most popular RCR project was Riviere which sold 27 units at a median price of $2,907 psf. This is followed by Forett At Bukit Timah where 15 units changed hands at a median price of $2,230 psf.

Developers placed 402 new units (ex. ECs) for sale in July, compared with 397 units that was put on the market in the previous month. Most of the units put on the market during the month were from AMO Residence (372 units). In the first seven months of 2022, 2,971 new units (ex. ECs) were launched for sale, representing a 59% decline from the same period a year ago.

Chart 1: Proportion of new homes purchased by Singaporeans rose in July

	CCR		RCR		OCR	
	Jul-22	Jun-22	Jul-22	Jun-22	Jul-22	Jun-22
Foreigner (NPR)	10.3%	17.9%	9.1%	12.8%	2.3%	1.9%
Singapore Permanent Residents (PR)	10.9%	11.1%	12.1%	14.0%	8.1%	8.4%
Singaporean	78.8%	71.1%	78.8%	72.6%	89.7%	89.7%

Source: PropNex Research, URA Realis (data retrieved on 15 August 2022)

The proportion of Singaporean buyers of overall private new home sales have risen substantially to 85.1% in July from 76% in June. An analysis of the caveat data by region (see Chart 1) showed that the take-up of new units by Singaporeans in the CCR and RCR has increased from June to July, while that in the OCR stood firm at about 90%. PropNex expects the proportion of Singaporean buyers to rise in the months to come as more mass-market projects are launched.

Meanwhile, the proportion of foreign buyers for overall private new home sales dropped to 5.4% in July from 12.4% in June – as foreign buyer proportions decreased in the CCR and RCR. In particular, foreign buyers made up 10.3% of the purchases in CCR in July, down from 17.9% in June.

Chart 2: Average Transacted Unit Price of Private New Home Sales (CCR vs OCR)

	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
CCR-OCR Unit Price Gap	81.4%	60.6%	63.6%	60.0%	51.8%	59.4%	37.0%
CCR Average $PSF	$2,798	$2,785	$2,851	$2,801	$2,785	$2,777	$2,799
OCR Average $PSF	$1,542	$1,734	$1,743	$1,750	$1,834	$1,742	$2,043

Source: PropNex Research, URA Realis (data retrieved on 15 August 2022)

With more upcoming launches in the OCR at higher benchmark prices, the average transacted unit price gap continued to narrow between new home sales in the CCR and the OCR to 37% in July, compared to 59.4% in the previous month (see Chart 2).

In July, the median unit price of new private homes (ex. ECs) sold in the OCR was $2,088 psf, jumping nearly 19% from June where OCR median new launch unit price stood at $1,758 psf. The median transacted unit price in the CCR and RCR came in at $2,741 psf and $2,323 psf respectively - down by 0.5% and 2.6% from June 2022 (see Table 1).

Table 1: Median Transacted Unit Price ($PSF) of New Private Homes Sales (Ex. ECs)

Market Segment	Jun-22	Jul-22	MOM % Change
Core Central Region	$2,755 psf	$2,741 psf	-0.5%
Rest of Central Region	$2,384 psf	$2,323 psf	-2.6%
Outside Central Region	$1,758 psf	$2,088 psf	+18.8%

Source: PropNex Research, URA Realis (data retrieved on 15 August 2022)

Outlook

PropNex expects the volume of new home sales to be muted in August due to a lack of major new launches amid the Hungry Ghost month, before picking up in September. In addition, the number of unsold units from launched projects has run low. Based on the cumulative number of units (ex. ECs) sold at launched projects as reflected in URA's data, about 89% of the total units in developments that have been put on the market have been sold as at July 2022.

Given the low unsold new private home inventory in the market, upcoming launches in September – such as Sky Eden At Bedok and Lentor Modern - should see healthy buying interest. The two projects will feature commercial components and are located close to the MRT station, with Lentor Modern in particular, being connected to the Lentor MRT station. Meanwhile, Sky Eden At Bedok is situated in an amenity-rich area with plenty of retail and F&B options in Bedok Central.

Table 2: Top 10 Best-Selling Private Residential Projects (Ex. ECs) in July 2022

S/N	Project	Region	Units Sold in July	Median Price in July ($PSF)
1	AMO RESIDENCE	OCR	366	2,110
2	HYLL ON HOLLAND	CCR	28	2,638
3	RIVIERE	RCR	27	2,907
4	KI RESIDENCES AT BROOKVALE	OCR	17	2,091
	PARC CLEMATIS	OCR	17	1,808
	PERFECT TEN	CCR	17	2,932
	THE FLORENCE RESIDENCES	OCR	17	1,743
5	LEEDON GREEN	CCR	16	2,749
6	FORETT AT BUKIT TIMAH	RCR	15	2,230
	THE HYDE	CCR	15	2,922
7	BARTLEY VUE	RCR	11	1,876
	HAUS ON HANDY	CCR	11	2,683
	MIDTOWN MODERN	CCR	11	2,773
	PHOENIX RESIDENCES	OCR	11	1,631
	THE GAZANIA	OCR	11	2,235
	URBAN TREASURES	OCR	11	2,064
8	KENT RIDGE HILL RESIDENCES	RCR	10	1,906
	MEYER MANSION	RCR	10	2,697
	ONE BERNAM	CCR	10	2,483
	ONE PEARL BANK	RCR	10	2,537
	PEAK RESIDENCE	CCR	10	2,545
	THE AVENIR	CCR	10	3,183
	THE WATERGARDENS AT CANBERRA	OCR	10	1,464
9	IRWELL HILL RESIDENCES	CCR	9	2,939
10	AVENUE SOUTH RESIDENCE	RCR	8	2,393
	CANNINGHILL PIERS	RCR	8	3,099
	NORMANTON PARK	RCR	8	1,871
	THE WOODLEIGH RESIDENCES	RCR	8	2,207

Source: PropNex Research, URA

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Compiled on 15 August 2022

Two govt residential sites in Bt Timah, Hillview up for sale

Healthy interest foreseen amid limited supply of private homes in both areas, strong demand

Grace Leong
Senior Property Correspondent

Two 99-year leasehold government land sites in the Bukit Timah and Hillview areas, where new private home supply is limited amid strong demand, have been released for sale via public tender.

Developers' interest is expected to be healthy for these sites in the city fringe and suburbs in view of their palatable size and the robust take-up of new launches in these sub-markets – Piccadilly Grand, Liv@MB and AMO Residence.

The two land parcels, which can yield a total of 495 homes, are on the confirmed list of the Government Land Sales (GLS) programme for the second half of this year, the Urban Redevelopment Authority announced on Wednesday.

Located next to Beauty World MRT station, the 4,611.1 sq m Bukit Timah Link site can yield 160 units, while the 10,395.2 sq m Hillview Rise site can yield 335 units.

JLL senior director for research and consultancy Ong Teck Hui said the land parcels should draw strong demand from developers that need to replenish their land banks due to low unsold new home stock.

"There are also limited residential sites available under the confirmed list of the GLS programme, and it is a challenge to secure collective sale sites due to a mismatch in price expectations between sellers and buyers," he said.

OrangeTee & Tie chief executive Steven Tan said the two small plots could attract more interest because of the lower development risks and costs.

For bigger upcoming sites in Tampines Avenue 11 (an estimated 1,190 units) and Marina Garden Lane (an estimated 795 units), developers may need to enter into joint venture partnerships to pool resources and share costs, he said.

Strong sales at The Linq @ Beauty World nearby, with 96 per cent of its units transacted at an average of $2,200 per sq ft (psf) in its November 2020 launch, could raise developers' confidence about the Bukit Timah Link site, said Ms Wong Siew Ying, head of research and content at PropNex Realty.

ERA Realty's head of research and consultancy Nicholas Mak believes that although the Bukit Timah Link site is expected to draw developers, an upcoming mixed-use project in nearby Jalan Anak Bukit (an estimated 700 homes) may pose strong competition for future developments on the site.

Most analysts expect the Bukit Timah Link site to attract top bids of between $1,200 and $1,300 psf per plot ratio (ppr), or a total quantum of below $200 million.

The Hillview Rise site is also expected to see healthy bidding, as "the lack of suburban new home supply is unlikely to be resolved any time soon", Mr Tan said. "Further, nearby projects such as Dairy Farm Residences, Mont Botanik Residence and Verdale have sold all or almost all of their units."

Huttons Asia's senior research director Lee Sze Teck said there is little competition in the Hillview area as the nearest project, Midwood, which was launched for sale in October 2019, is fully sold.

Ms Wong estimated that the Hillview Rise site could attract top bids of $313 million to $345 million, reflecting a land rate of $1,000 to $1,100 psf ppr.

Bukit Timah Link is near malls like Beauty World Centre and Bukit Timah Shopping Centre, and schools like Pei Hwa Presbyterian Primary and Methodist Girls'.

Hillview Rise, which is within walking distance of Hillview MRT station, is near The Rail Mall, Dairy Farm Nature Park and Bukit Timah Nature Reserve.

The tenders for both sites will close at noon on Nov 3.

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First public housing site in Dover Forest to be launched in November

Dover Forest, with MRT tracks leading to Dover MRT station. About 11ha in the eastern half will be developed for public housing projects. The development of the area will be done sensitively and also feature 5ha of greenery, including a park with a natural stream. ST PHOTO: ONG WEE JIN

BTO site in Dover Forest

The public housing site is located in the eastern half of the 33ha forest. The western half of the forest is set aside for now to preserve its biodiversity.

Source: HDB STRAITS TIMES GRAPHICS

1,330 flats will be up for sale in BTO exercise; site within walking distance of Dover MRT station

Michelle Ng
Housing Correspondent

The first public housing site in Dover Forest will be launched in the next Build-To-Order (BTO) sales exercise in November, with around 1,330 three-room and four-room flats up for sale.

The upcoming BTO project, which is within walking distance of Dover MRT station on the East-West Line, sits in the eastern half of the forest. The western half is set aside for the time being to preserve its biodiversity.

Plans for the 33ha Dover Forest – almost eight times the size of the Padang – in the mature estate of Queenstown were revised last year, following an outcry from nature groups.

The Housing Board had originally intended to launch the entire land parcel for public housing, citing pressing needs for public housing in the near term.

However, the plan was reviewed and revised after feedback from members of the public and the findings of two scientific studies.

About 11ha in the eastern half will be developed for public housing projects. The development of the area will be done sensitively and also feature 5ha of greenery, including a park with a natural stream.

HDB said the western half will be relooked in about a decade.

The last BTO project in the area was in November 2012.

Then, 1,179 studio apartments, three-room and four-room flats across five blocks were launched on a site along Ghim Moh Link.

At least one four-room flat in the project has changed hands above the $1 million price tag.

Analysts interviewed are split on whether the BTO site in Dover Forest will fall under the prime location public housing (PLH) model, which comes with a subsidy claw-back clause and a longer 10-year minimum occupation period.

Mr Mohan Sandrasegeran, senior analyst for research and content creation at One Global Group, said that the six PLH projects launched so far appear to have taken into consideration the site's proximity to an MRT station and are within estates that have million-dollar HDB resale transactions.

"The advantageous location of the site being near Dover MRT station and being in Queenstown might have checked these boxes to be considered under the PLH model," he said.

But OrangeTee & Tie senior vice-president of research and analytics Christine Sun noted that the Dover Forest site is more than double the distance away from Raffles Place, compared with previous PLH projects. This makes it unlikely for it to be considered under the PLH model, unless HDB decides to push the boundaries even further from the city centre.

HDB typically announces only on the launch day whether a BTO project falls under the PLH model.

In the ongoing BTO sales exercise, two projects in Bukit Merah near Redhill and Tiong Bahru MRT stations fall under the PLH model.

If the flats fall under the PLH model, prices for a four-room flat could range from around $550,000 to $700,000, similar to the PLH projects in Bukit Merah and Queenstown, said Ms Sun.

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Tuesday Sep 06, 2022 THE STRAITS TIMES

BTO flats •

High demand for larger AMK, Tampines units

Larger flats in the mature estates of Ang Mo Kio and Tampines were the most popular in the Build-To-Order (BTO) sales exercise last month.

There were close to eight first-time applicants vying for each of the 398 four-room flats and 372 five-room and three-generation flats at the Central Weave @ AMK project. Prices there range from $535,000 to $676,000 for a four-room flat, and $713,000 to $877,000 for a five-room flat.

At the Sun Plaza Spring project in Tampines, 17.2 first-time applicants were vying for each of the 117 five-room flats, which are priced from $520,000.

Meanwhile, two projects under the prime location public housing model – Alexandra Vale and Havelock Hillside in Bukit Merah – had a first-time application rate of below one for the 353 three-room flats. This means that all first-timers are likely to get a chance to select a flat.

SEE THE BIG STORY • A2

Thursday Sep 08, 2022 THE BUSINESS TIMES BT businesstimes.com.sg

TE Capital, LaSalle Investment Management JV eyes forward sale of new office project on Cecil St

Price expectation seen as S$4,000 psf on NLA of slightly over 190,000 sq ft, amounting to over S$760m; 31st floor of Suntec Tower 2 sets record for entire floor in building, at S$3,350 psf

By Kalpana Rashiwala
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THE TE Capital Partners and LaSalle Investment Management tie-up that owns the PIL Building along Cecil Street is considering a forward sale of the new 20-storey freehold office project to be built on the site.

Word on the street is that the joint venture is eyeing a price of S$4,000 per square foot on the new project's total net lettable area (NLA) of slightly over 190,000 sq ft, which would translate to more than S$760 million.

The idea is to sell the entire asset rather than individual strata-titled units. The Urban Redevelopment Authority's (URA) written permission for the proposed project granted in July indicates that the development may be strata subdivided.

When completed in 2026, Solitaire On Cecil will rise to 127 metres, up from the existing PIL Building's height of 73 metres, and comprise predominantly office space, which will be on 15 levels ranging from 11,000 sq ft to 13,000 sq ft. All the office floors will have a floor-to-floor height of 4.9 metres (16 feet), higher than the typical 3-3.5 metres for newer office buildings in Singapore's central business district.

On Level 1 will be a few food and beverage outlets. There will be 25 car parking lots in the 2 basement levels.

The DP Architects-designed project will incorporate about 120 bicycle-parking lots and end-of-trip showering and changing facilities on Level 3. On level 4 will be a sky garden with quiet areas as well as a gym and other facilities. The project will also have a rooftop sky lounge for collaborative use.

The project's approved gross floor area (GFA) is 218,796.50 sq ft, a nearly 50 per cent or 71,500 sq ft increase from the existing 147,315 sq ft. Solitaire On Cecil's approved GFA reflects the 11.2 plot ratio stipulated for this commercial-zoned site under the URA's latest Master Plan. The property has a total land area of 19,535 sq ft comprising 3 plots, the biggest of which is about 14,985 sq ft and freehold. It is flanked by 2 smaller plots with 99-year leasehold land tenures that started from May 1977; the authorities have given the nod to upgrade the land tenure of these 2 plots to freehold.

When completed in 2026, Solitaire On Cecil will rise to 127 metres and comprise predominantly office space, which will be on 15 levels ranging from 11,000 sq ft to 13,000 sq ft. PHOTO: SOLITAIRE CECIL PTE LTD

Solitaire Cecil Pte Ltd, the joint-venture held by funds managed by TE Capital Partners and LaSalle Investment Management, completed its purchase of PIL Building for S$323.8 million earlier this year. It will also have to make payments to the state for the rights to develop the additional GFA and to extend the leases for the 2 smaller plots.

TE Capital Partners, which will be the operating partner for the joint venture, is a real estate investment management firm founded by siblings Terence and Emilia Teo, children of Teo Tong Lim, managing director of Tong Eng Group.

PIL Building was sold by Pacific International Lines, majority owned by Heliconia Capital Management, a wholly owned subsidiary of Temasek Holdings. The sale was to help PIL focus on its core business of container shipping, logistics and container manufacturing.

The existing 17-storey building is expected to be demolished in the second quarter of 2023. It was completed in 1981 and refurbished in 2011.

On the S$4,000 psf pricing expectation for the potential forward sale of Solitaire On Cecil, Alan Cheong, executive director of research at Savills Singapore, commented: "In a period of great angst and uncertainty on multiple fronts, yields may not matter that much to some investors who may wish to have peace of mind by switching their asset holdings into freehold real estate in a safe-haven."

In terms of psf of existing NLA, the highest price fetched for an entire office building in Singapore is S$3,721 psf, for the S$500 million sale of the freehold Robinson Point by Tuan Sing to Viva Land. The deal was entered into in 2020 and completed in 2021. However, market watchers have suggested the record price probably took into account the property's redevelopment potential. This year, Viva Land also acquired the next-door SO/ Singapore hotel; there is scope to rejuvenate the 2 properties by tapping the URA's CBD Incentive Scheme.

For a more recent example of a reasonably large sized office space with similar tenure in the CBD, observers point to the 8th floor of Samsung Hub, with a strata area of about 13,111 sq ft; this was transacted in July this year at S$4,050 psf, amounting to nearly S$53.1 million, going by URA Realis caveats data. This remains the highest psf price for a whole-floor transaction in the 999-year leasehold building, matching that paid for Level 9 last year.

Samsung Hub is one of the very few 999-year leasehold/freehold buildings in Singapore's CBD offering strata office play to investors. The 30-storey development in Church Street, which received Temporary Occupation Permit in November 2005, has offices from level 8 to the top floor.

Separately, the 31st floor of Suntec Tower 2 is changing hands at S$41.15 million or S$3,350 psf on the strata area of about 12,282 sq ft. This sets a new record psf price for an entire floor in the tower, toppling the roughly S$3,300 psf that a Singapore permanent resident (PR) of Chinese descent paid for the 30th floor, with a strata area of 11,743.52 sq ft, in the same tower in June.

In the latest deal, a company controlled by Arcc Holdings boss Tony Chen and a family member sold the 31st floor to a company whose shareholders are citizens of China or Cambodia; none of them is a Singapore PR.

Suntec Tower 2 has 44 storeys and is on land with a balance lease term of about 65.5 years.

HOCK LOCK SIEW

Strong take-up at recent launches could whet developers' appetite for suburban sites

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CONDOMINIUM projects such as Sky Eden@Bedok and Lentor Modern are setting new benchmarks in Singapore's property market, amid elevated land and construction costs, yet buyers appear unfazed.

Despite steeper interest rates, high inflation and macroeconomic headwinds, recent suburban launches have seen blistering sales – thanks to demand from HDB upgraders and owner-occupiers, as well as limited unsold supply to choose from. As at Q2 2022, unsold inventory stood at 17,506 units.

After a lull owing to the Hungry Ghost Festival, Frasers Property launched 158-unit Sky Eden@Bedok. It sold 118 units – or 75 per cent of its units – last week at an average price of S$2,100 per sq ft (psf). The 99-year-leasehold mixed-use development is the second major new launch in the Outside Central Region (OCR) this year, following on the heels of AMO Residence in Ang Mo Kio. A joint venture between UOL Group, Singapore Land Group and Kheng Leong Company, the 99-year AMO sold 366 of its 372 units in July at a median price of S$2,110 psf.

Other factors adding to the appeal of these projects are a lack of new launches in the vicinity, and being close to an MRT station and schools.

GuocoLand's 99-year, 605-unit Lentor Modern, which is part of an integrated development and linked to Lentor MRT station, is also expected to garner strong sales when it launches on Saturday (Sep 17). Units are priced from S$1,880 psf.

As part of a consortium with Hong Leong Holdings and TID, GuocoLand is also due to launch another project, Lentor Hills Residences at Lentor Hills Road, likely next year. The trio acquired the parcel in January for S$586.6 million, or about S$1,060 psf per plot ratio (psf ppr). The Lentor Modern site was acquired for S$784.1 million or S$1,204 psf ppr in July last year.

DBS Group analysts reckon robust sales for Sky Eden and Lentor Modern will cause supply to shrink further and push average pricing upwards in H2 2022, although at a modest clip.

DBS Group analysts reckon robust sales for Sky Eden and Lentor Modern will cause supply to shrink further and push average pricing upwards in H2 2022, although at a modest clip.

Developers with mass-market projects in the pipeline are, therefore, in good stead. The sales performance and pricing of Sky Eden and Lentor Modern would give developers a sense of how to position their own upcoming launches.

Other OCR projects in the pipeline include City Developments (CDL) and MCL Land's 639-unit executive condominium (EC) Copen Grand at Tengah Garden Walk in Q4 2022, and UOL and Singapore Land Group's 99-year, 520-unit residential project at Pine Grove in Q1 2023.

DBS has listed CDL and GuocoLand as its top picks. It noted that while GuocoLand has a larger percentage of unsold inventory among the listed developers, a strong showing when Lentor Modern commences sales should help close the gap.

Meanwhile, keen buyer interest for suburban projects could prompt developers to bid strongly on OCR land parcels under state tenders.

Citi analyst Brandon Lee expects demand for Sky Eden could further whet developers' appetite for mass market projects, prompting competition for certain sites under the Government Land Sales (GLS) programme.

Against the backdrop of rising interest rates and an increasingly uncertain macroeconomic environment, selecting the right sites for their landbank will help safeguard developers in the event of a slowdown in the market.

Upcoming launches in the Outside Central Region (OCR)

PROJECT	DEVELOPER	ESTIMATED UNITS	ESTIMATED LAUNCH
Lentor Modern	GuocoLand	605	Sep 2022
K Suites	EG Property	19	Oct/Nov 2022
The Arden	Qingjian Realty	105	Q4 2022
Copen Grand EC	CDL and MCL Land	639	Q4 2022
Tenet EC	Qingjian Realty and Santarli Construction	618	Q4 2022
Sceneca Residence (subject to COH sale licence approval)	MCC Land	268	Q4 2022
Kovan Jewel	Soon Lian Realty	34	Dec 2022
Lentor Hills Residences	Hong Leong Holdings, GuocoLand and TID	598	Q1 2023
Site at Pine Grove (Project name TBC)	UOL and Singapore Land Group	520	Q1 2023
Site at Dairy Farm Walk (Project name TBC)	Sim Lian Group	385	Q1 2023

Source: PropNex Research, ERA Research & Consultancy, Huttons Asia

THE STRAITS TIMES

Wednesday Sep 14, 2022

3 sites in Lentor, Bukit Batok draw tepid bids

Grace Leong
Senior Property Correspondent

Tenders for three state-owned plots in Lentor and Bukit Batok that closed on Tuesday attracted fewer bids than expected, though top bid prices generally held up.

Analysts cited steeper interest rates, rising construction costs, heightened macroeconomic uncertainties, a build-up of new home supply in the Lentor area and upcoming executive condominiums (ECs) near the Bukit Batok area.

Despite the need to replenish their land banks, some developers may be concerned that the Lentor Modern and Lentor Hills Road (Parcel A) sites, which were sold in earlier tenders in July last year and January this year, respectively, have first-mover advantage.

Together with Lentor Central and Lentor Hills Road (Parcel B), whose tenders closed on Tuesday, they can generate about 1,935 private homes, which is a significant supply in one location, JLL noted.

The Lentor Central site drew three bids, while Lentor Hills Road (Parcel B) drew just two.

"Compared with the Lentor Modern site, which was sold at $1,204 psf ppr (per sq ft per plot ratio) in July 2021, prices of the Lentor Central and Lentor Hills sites represent an 8 per cent and 6.1 per cent discount respectively," said Colliers Singapore head of research Catherine He.

A consortium comprising China Communications Construction, Soilbuild Group and United Engineers submitted the top bid of $481 million, or $ 1,108 psf ppr, for Lentor Central, said CBRE.

Lentor Hills Road (Parcel B) attracted a top bid of $276.36 million, or $1,130 psf ppr, from TID Residential, a joint venture between Hong Leong Holdings and Mitsui Fudosan, CBRE said.

Some analysts believe developers' interest in future sites in Lentor may be ignited if Lentor Modern sees good sales this month.

Four bids were submitted for the EC site in Bukit Batok West Avenue 5, with the top bid from a City Developments entity of $336.07 million, or $626 psf ppr.

City Developments group chief executive Sherman Kwek said: "Given the site's proximity to the upcoming Tengah new town and Jurong Lake District, it will benefit from easy access to a wide range of amenities as well as good connectivity to a key business, lifestyle and tourism hub."

However, JLL senior director for research and consultancy Ong Teck Hui said the number of bidders and the top bid for the Bukit Batok West Avenue 5 site "were below expectations".

In comparison, he pointed to the keen contest among nine bidders for an adjacent Bukit Batok West Avenue 8 site and a robust top bid of $662 psf ppr in March.

ERA Realty head of research and consultancy Nicholas Mak said three more EC projects could be launched in the next 18 months.

"Tuesday's tender results of only four bids show that developers are cautious as the prices of new EC projects are near the top end of the price envelope. If developers were to launch a new project at above $1,300 psf, it will likely face buyers' resistance."

OrangeTee & Tie senior vice-president of research and analytics Christine Sun attributed the lukewarm bids to a number of ECs launching in the area, including Copen Grand, a plot in Bukit Batok West Avenue 8 and the Tengah Plantation Loop site.

"Moreover, rising interest rates and higher construction costs may have deterred some developers... Margins are not huge for exec condo developments," she added.

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THE STRAITS TIMES

Thursday Sep 15, 2022

HDB rents climbed by 2.4 per cent in August, while condominium rents went up 3.2 per cent. The figures mark the 26th straight month of expansion for HDB rents and 20th for condo rents. ST PHOTO: CHONG JUN LIANG

Condo and HDB rents continue upward trend

Rental volumes also up amid higher demand from foreign students, expatriates last month

Isabelle Liew

Rentals for Housing Board flats and private apartments rose last month, with analysts noting that the trend shows no signs of letting up.

HDB rents climbed by 2.4 per cent in August, compared with July's 1.5 per cent, with rents across all flat types in both mature and non-mature estates rising, according to flash figures released on Wednesday by property portals 99.co and SRX.

Condominium rents went up 3.2 per cent last month, compared with 1.7 per cent the month before, with those in central Singapore growing at the fastest pace at 3.7 per cent.

The figures mark the 26th consecutive month of expansion for HDB rents and 20th for condo rents.

OrangeTee & Tie senior vice-president of research and analytics Christine Sun said: "As the tight housing situation is not expected to be alleviated soon, rental prices may continue to rise or be propped up at current levels in the coming months."

Year on year, condo rents have surged by 27.5 per cent from August last year, with rents in the suburbs up 28.2 per cent.

HDB rents are 21.6 per cent higher compared with August last year, with five-room flats notching a 22.9 per cent jump.

Describing the year-on-year rise as "astonishing", ERA Realty's head of research and consultancy Nicholas Mak said it could be attributed to more foreigners arriving in Singapore after Covid-19 restrictions were relaxed in April.

Last month, there was a rise in demand from foreign students and expatriates in information technology, banking and healthcare as hiring was ramped up, said Huttons Asia chief executive Mark Yip.

Tenants displaced by successful collective sales added to the rental demand, driving up rents across all housing types, he added.

Condo rental volume rose by 0.4 per cent to an estimated 4,524 units last month, reversing the drop from the month before.

But the number of units leased declined by 6.3 per cent year on year and was 8 per cent lower than the five-year average for the month of August.

More HDB flats were also leased last month – up 3.8 per cent to an estimated 1,765 units, compared with 1,700 in July.

Rental volumes in the HDB market dropped by 1.3 per cent year on year and were 3 per cent lower than the five-year average for the month of August.

Mr Mak said the slight month-on-month increase indicated that rental volumes are stabilising.

"Although the number of foreigners coming to Singapore to work, live and study continued to rise in the past few months, the number of local residents who rent flats and condominiums is not increasing," he added.

"Rising rental rates are also putting a financial burden on many young locals who are thinking of renting their own places."

Ms Sun said some tenants, especially locals who do not need to rent urgently, may have moved back to live with their families amid rising rents.

Analysts said that as Singapore moves to attract top foreign talent, it could spur leasing demand for high-end properties.

Mr Mak added: "Although these highly paid foreigners will be in the minority... the signs are pointing to upward pressure on rental rates in both the HDB and private housing markets in the short term."

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Rents continue to rise

NOTE: Figures for Aug 2022 are flash estimates. Sources: 99.CO, SRX, URA STRAITS TIMES GRAPHICS

Friday Sep 09, 2022 THE STRAITS TIMES

75 per cent of Sky Eden@Bedok condo units sold on first day of launch

The Sky Eden@Bedok condominium units were sold at an average price of $2,100 per sq ft during their launch. All two-bedroom units were sold. PHOTO: FRASERS PROPERTY

Isabelle Liew

About three-quarters of all units at Sky Eden@Bedok condominium were sold at an average price of $2,100 per sq ft (psf) during the launch on Wednesday.

A total of 118 units of the 158-unit mixed-use development, the first residential launch in Bedok Town Centre in 10 years, were sold.

All two-bedroom units were sold, developer Frasers Property said on Thursday morning.

Ms Lorraine Shiow, acting chief operating officer of Singapore residential at Frasers Property, said the development's accessible location in a mature estate proved to be a huge draw for buyers.

"Moreover, home buyers appreciate the property's proximity to thriving economic hubs in Changi and Paya Lebar, which are set to undergo further rejuvenation and add more vibrancy to Singapore's East," she added.

The 99-year leasehold development comprises two- to four-bedroom units ranging from 657 sq ft to 1,302 sq ft. There will be 12 shops on the ground floor.

Units are priced from $1,937 psf, with a two-bedroom unit starting from $1.31 million.

Schools such as Red Swastika School, Yu Neng Primary School and Temasek Junior College are located within 1km of the condominium.

PropNex Realty chief executive Ismail Gafoor said pent-up demand drove sales at the project as it was the second major new launch in the outside central region (OCR) this year.

He added that the limited unsold stock in the mass market should continue to support demand for new homes in the OCR, including Lentor Modern in Ang Mo Kio, which opened for previews last week.

Sky Eden@Bedok is a redevelopment of the former Bedok Point shopping mall that opened in 2010.

Frasers Property purchased Bedok Point from real estate investment trust Frasers Centrepoint Trust for $108 million in 2020.

Other new condos this year have sold well at launch.

At AMO Residence, the first major private residential project in Ang Mo Kio in more than eight years, 98 per cent of units were sold during its launch in July.

In May, Piccadilly Grand in Farrer Park saw 77 per cent of its units sold on its launch weekend, while at Liv@MB in the Mountbatten area, more than 75 per cent of its units were sold on the launch weekend.

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Wednesday Sep 14, 2022 THE BUSINESS TIMES BT businesstimes.com.sg

Fewer condo deals in Aug as rising interest rates, Hungry Ghost bite: SRX, 99.co

Prices, however, have continued to rise for the 25th straight month, advancing 1.2 per cent month on month and 10.5 per cent year on year

By Vivienne Tay
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A bulk of resale transactions in August took place in the OCR (61.7 per cent), followed by the RCR (21.4 per cent) and the CCR (16.9 per cent). PHOTO: JASON QUAH, ST

THE number of condominiums changing hands in the resale market continued to fall for the fourth consecutive month, with 1,135 units resold in August, according to flash figures from SRX and 99.co published on Tuesday (Sep 13).

This comes as rising interest rates and demand for new condo launches weighed on resale deals. Sales also tend to slow down during this time of the year, when some buyers avoid big-ticket purchases during the Hungry Ghost month, property analysts noted.

Resale volumes were 14.5 per cent lower than the 1,327 units resold in July 2022, 38.6 per cent lower than the year before and 8.2 per cent lower than the 5-year average volumes for the month of August.

Prices, however, continued to rise for the 25th straight month, advancing 1.2 per cent month on month and 10.5 per cent year on year.

Nicholas Mak, ERA Realty's head of research and consultancy, noted that the fast-growing prices of private homes may be funnelling some demand towards the HDB resale market. Buyers who are waiting for their preferred condo launch or waiting for prices or interest rates to soften may also be delaying their home purchases.

Condo owners may also be holding on to their properties for rental income as home leasing and rentals are "still going strong", noted PropNex Realty head of research and content Wong Siew Ying.

According to SRX and 99.co, all regions saw price increases, with the Core Central Region (CCR), Rest of Central Region (RCR) and Outside Central Region (OCR) rising 1 per cent, 0.8 per cent and 1.5 per cent respectively. Year on year, resale prices in the CCR was up 7.6 per cent, the RCR increased 10 per cent while the OCR rose by 11.5 per cent.

"Resale condo sellers are anticipating higher prices for new condo launches in the months ahead and are pricing them in their selling prices," said Huttons Asia chief executive Mark Yip.

A bulk of resale transactions in August took place in the OCR (61.7 per cent), followed by the RCR (21.4 per cent) and the CCR (16.9 per cent).

The highest transacted price for a condo resale unit in August was S$15.2 million for a unit at Sage, a condo development at Nassim Road.

In the RCR, the most expensive condo resold was S$7.7 million for a Reflections at Keppel Bay unit, while the OCR's most expensive resale condo deal was S$3.8 million for a unit at Fernwood Towers.

The overall median capital gain for resale condos stood at S$282,201, down S$8,943 from July. District 10 (Tanglin and Holland), posted the highest median capital gain at S$619,400, while District 4 (Harbourfront and Telok Blangah), posted the lowest median capital gain at S$116,760.

District 1 (Boat Quay and Raffles Place) posted a median capital loss of S$92,520.

SRX and 99.co calculate the capital gain of a condo resale unit by comparing the current transacted price with the previous transacted price of the same unit. Districts with fewer than 10 matching transactions are excluded from the ranking.

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