

2023 4th Qtr

SG PROPERTY NEWSLETTER

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KWP
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Hello!

Hope your 2023 has been great!

The year is quickly coming to an end. Some might have had a better year than others but I feel it is important for everyone to continue to help one another out and be there for each other.

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

Thank you for taking the time to read it.

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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2023 PropNex Millionaire Within 7 months

2023 Top 5 Producers In PropNex

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PROPnex RESEARCH
Q2 2023



RESIDENTIAL PROPERTY REPORT



Private Residential Property Q2 2023

Overview

Signs point towards a more sustainable growth in the residential property market in Q2 2023, following the strong price increase in the past two years, after three rounds of cooling measures since December 2021, and the high interest rate environment has exerted some downward pressure on prices. According to flash estimates, private home prices have moderated across all segments in Q2 2023.

Prices

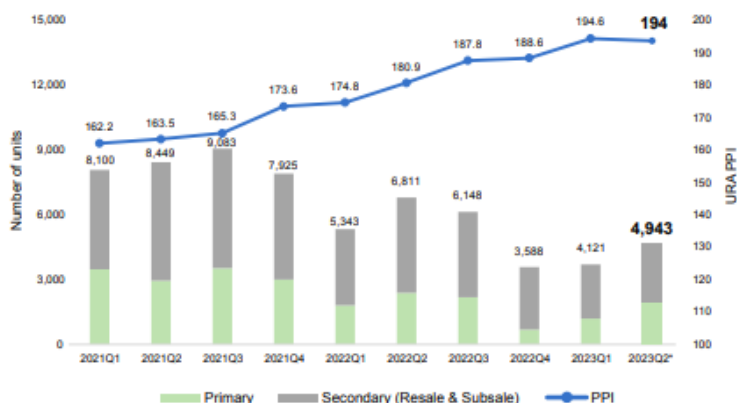
- URA's flash estimates showed that overall private home prices declined for the first time in three years in Q2 2023, snapping the 12-quarter long growth streak; prices fell by 0.4% QOQ –reversing the 3.3% QOQ increase in Q1. Private home prices were up by 2.9% from end-2022.
- The price increase in Q2 2023 was led by the landed homes segment, where values inched up by 0.1% QOQ, decelerating from the 5.9% increase in the previous quarter. Based on URA Realis caveat data, the average transacted unit price for semi-detached houses declined by 12% QOQ in Q2, while that of detached and terrace homes fell by 7.6% and 2.1% QOQ respectively.
- Prices of non-landed private homes fell by 0.5% QOQ in Q2 2023, mainly driven by the Rest of Central Region (RCR), where prices sank by 2.6% QOQ, reversing the 4.4% growth in Q1 2023. The decline comes after four consecutive quarters of healthy price gains in the RCR, and in spite of a number of new launches in the region – likely as a result of developers adopting more sensitive pricing strategies for new launches.

- In Q2 2023, there were four major new launches in the city fringe – Tembusu Grand, Blossoms by the Park, The Continuum, and The Reserve Residences – which helped to spur sales.
- Prices of non-landed homes in the Outside Central Region (OCR) rose by 1.2% QOQ in Q2 – easing from the 1.9% increase in Q1. The lack of new project launches in the OCR during the quarter, as well as limited unsold stock of new homes contributed to lower transaction volume, which put a drag on price growth.
- Core Central Region (CCR) non-landed home prices rose at a slower pace of 0.3% QOQ in Q2, compared to the 0.8% QOQ growth in Q1. There were no major new launches in the CCR in Q2, as developers continued to pare down on existing inventory, with prices generally holding steady amidst expectations that the hike in additional buyer's stamp duty (ABSD) rates could weigh on CCR home sales.

Transactions

- The new home sales segment grew after a muted performance in Q1. Preliminary figures showed that developers sold 2,096 new private homes (ex. EC) in Q2 – representing a 67% increase from the 1,256 units shifted in Q1 2023.
- The top selling project in Q2 was The Reserve Residences which sold 596 of its 732 units at an average unit price of \$2,492 psf (see Table 1).
- The RCR sub-market drove new home sales in Q2, making up about 75% of new homes sold, with four major launches during the quarter. The CCR and OCR sub-markets accounted for 20% and 5% of new sales, respectively. There were 2,619 private homes sold on the resale market in Q2 2023 (till 27 June) – down by 0.1% QOQ from Q1 2023, where 2,622 units were resold. The OCR sub-market led resale activity – 1,355 OCR resale homes were sold in Q2, representing 52% of the quarter's resale volume. Meanwhile, the portion of CCR resale transactions fell in Q2 (18%), compared to Q1 where CCR homes accounted for slightly over 21% of resales. The decline is likely due to the latest ABSD rate hikes which cooled foreigner and investor demand.
- Sub-sales, meanwhile, remained relatively low at 228 units, taking total private homes transactions to 4,943 units (including new sale and resale) in Q2 2023, based on caveat data.

Total Private Home Sales & Property Price Index



Source: PropNex Research, URA (based on flash estimates in 3 July 2023), URA Realis (*Data up to 27 June 2023)

Table 1: Top selling projects in Q2 2023*

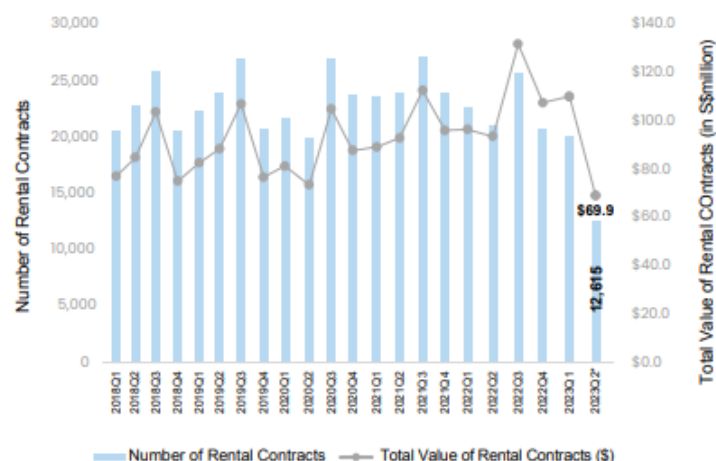
Project Name	Region	Units Sold in Q2 2023	Average Unit Price (\$PSF) in Q2 2023
THE RESERVE RESIDENCES	RCR	596	\$2,492
TEMBUSU GRAND	RCR	362	\$2,474
THE CONTINUUM	RCR	227	\$2,728
BLOSSOMS BY THE PARK	RCR	214	\$2,439
THE ATELIER	CCR	71	\$2,670

Source: PropNex Research, URA Realis (*Data up to 27 June 2023)

Private Home Leasing

- According to the URA rental index for all private residential properties (including ECs), home rentals had grown by 7.2% QOQ in Q1 2023, up by 33.4% YOY.
- The strong rental growth witnessed in 2022 up till the first quarter of 2023 appeared to have lost some momentum in Q2 2023.
- In May 2023, the median rentals of private homes eased to \$5.05 psf per month – after peaking in April 2023 at \$5.16 psf per month. That said, May’s figures were still up by 27.8% YOY from the median rental of \$3.95 psf per month in May 2022.
- Rentals of private residential homes continued to slow in Q2 2023 owing to price resistance amongst tenants, with more occupants possibly seeking cheaper alternatives, including in the HDB leasing market amidst high rentals.
- 12,615 rental contracts, amounting to nearly \$70 million were signed in April and May this year, as compared to the same period last year where 13,938 contracts valued at \$60.9 million were signed.

Private Home Leasing Volume & Total Value (by quarter)



Source: PropNex Research, URA Realis (*Q2 2023 data up to May 2023 figures)

- A bumper crop of new private homes (over 17,000 units) is slated to be completed in 2023. With more upcoming supply completions, the leasing market could gradually tilt in favour of tenants – with rentals potentially plateauing in the second half of 2023.

Private Residential Market Outlook

The moderation in overall private home prices in Q2 2023 to -0.4% from 3.3% in Q1 should be met with some relief in the market, following much discussion on rising home prices. Given the muted economic growth – and some economists have flagged possible technical recession risk – a slower increase in home prices is also beneficial for the market, ensuring that prices do not run ahead of economic fundamentals.

The tightening of the ABSD measure from 27th April 2023, following two rounds of cooling measures earlier (Dec 2021 and Sep 2022), and the elevated interest rates are working through the market. Investment demand from foreigners appeared to have fallen as observed in caveat data, and the high interest rates are seen to be putting a drag on the resale private homes segment.

Buyers remain largely price sensitive, particularly after the cooling measures and as mortgage rates stayed high. Developers are mindful of these factors and are pricing units in tune with market sentiments.

Looking into Q3 2023, the new launch market will be more active, with several new launches lined up, including in the RCR and OCR which should be relatively well-received by buyers, especially in the OCR where the unsold stock is low. Projects lined up in Q3 include: The Myst, Lantor Hills Residences, Grand Dunman, Pinetree Hill, Lake Garden Residences, and TMW Maxwell. Buyers who have held back from purchasing due to the lack of suitable options, may find buying opportunities in the launches to come.

Given the boost in the supply of new launches this year, PropNex projects developers to sell 7,000 to 7,500 new units (ex. EC) in 2023 – higher than the 7,099 units shifted in 2022. Meanwhile, private resale volume could come in at 12,000 to 13,000 units – down from 14,026 units in 2022 – as the high interest rates and tight resale stock continue to weigh on sales. In view of the moderation in prices in Q2, PropNex expects private home prices to rise by 4% to 5% in 2023, barring any unforeseen events in the market.

HDB Resale Q2 2023

Overview

Following two years of double-digit price growth, the pace of increase in HDB resale prices have eased considerably in 2023, as price resistance sets in amongst buyers, and as the September 2022 cooling measures continue to impact the market. Q2's figures possibly indicate that the slower price increase in Q1 2023 was not a blip and that HDB resale prices are embarking on a more sustainable growth path, after the robust price growth in 2021 and 2022.

Transactions and Prices

- The flash estimates released by the HDB showed that resale prices rose by 1.4% QOQ in Q2, with an index reading of 176.0. Prices are up by 7.4% YOY from Q2 2022.
- It is the second consecutive quarter where the HDB resale price index grew at a rate below the 2% mark, following nine previous quarters where prices rose by more than 2% to 3% per quarter.
- Based on figures from HDB, 6,409 flats (data up till 29 June 2023) were resold in Q2 – down by about 8.2% from the 6,979 units sold in Q1. The transaction volume recorded in Q2 2023 is the lowest quarterly sales tally since Q2 2020 (3,426 resale flats), where sales were affected by the COVID-19 restrictions.
- Despite the cooling measures, the number of flats resold for at least \$1 million remained elevated. In Q2 2023, 105 resale HDB flats were sold for at least \$1 million, comparable to the 103 units transacted in the previous quarter.
- Of the 105 “million-dollar” HDB flats resold, 32 units were 4-room HDB flats, accounting for about 30.5% of Q2's million-dollar deals – markedly higher than the 12 4-room million-dollar resale transactions recorded in Q2 2022 (+167% YOY) and the 21 4-room million-dollar flats resold in Q1 2023 (+52.4% QOQ).
- Including the 103 units of “million-dollar” resale flats sold in Q1 2023, there were 208 such deals done in the first half of 2023, up from 166 units in the corresponding period in 2022.

HDB Resale Volume & HDB Resale Price Index



Source: PropNex Research, HDB, Data.gov.sg (*Price Index data based on flash estimate released on 3 July 2023, resale volume figures up to 29 June 2023)

HDB Resale Market Outlook

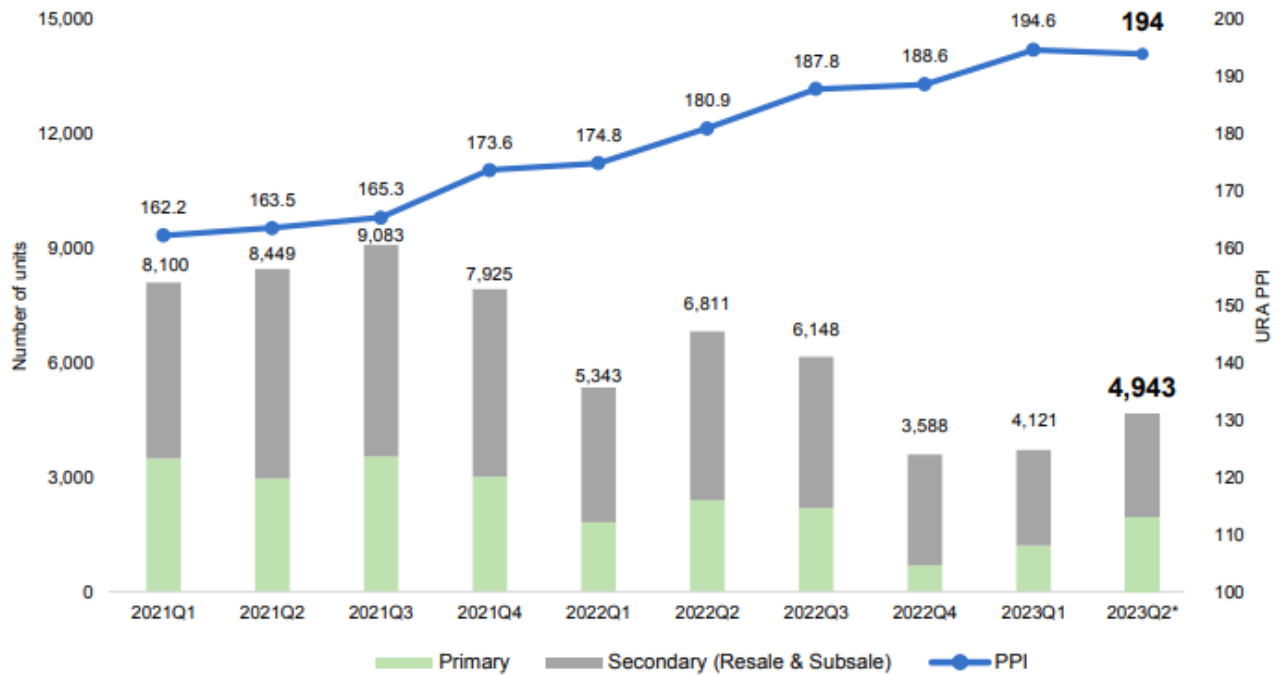
For the first half of 2023, PropNex estimates that more than 13,300 HDB resale flats have been sold. PropNex expects the overall demand for HDB resale flats to remain healthy in 2023, with the full year resale volume potentially exceeding 27,000 units.

Resale flat prices rose by 12.7% in 2021 and 10.4% in 2022, fuelled by healthy demand from buyers who sought larger homes and those who were concerned about completion delays in the construction of new flats amidst the Covid-19 pandemic.

The government's consistent efforts to ramp up BTO (build-to-order) new flat supply along with the price resistance on the part of prospective buyers, and the implementation cooling measures – including stricter HDB home loan requirements, and a 15-month wait out period for private home owners who wish to purchase an HDB resale flat after they have sold their private home – have led to a moderation in HDB resale prices. Meanwhile, some flat owners may be more flexible on asking prices as they are looking to sell their flat expeditiously after receiving keys to their new home. HDB flat upgraders may obtain a refund on the ABSD paid on their new home, if they sell their flat within 6 months of getting keys to their new residential property.

PropNex maintains its forecast for HDB resale prices, which are projected to grow by between 5% and 6% in 2023 – slowing substantially from the double-digit growth in the past two years.

Total Private Home Sales & Property Price Index



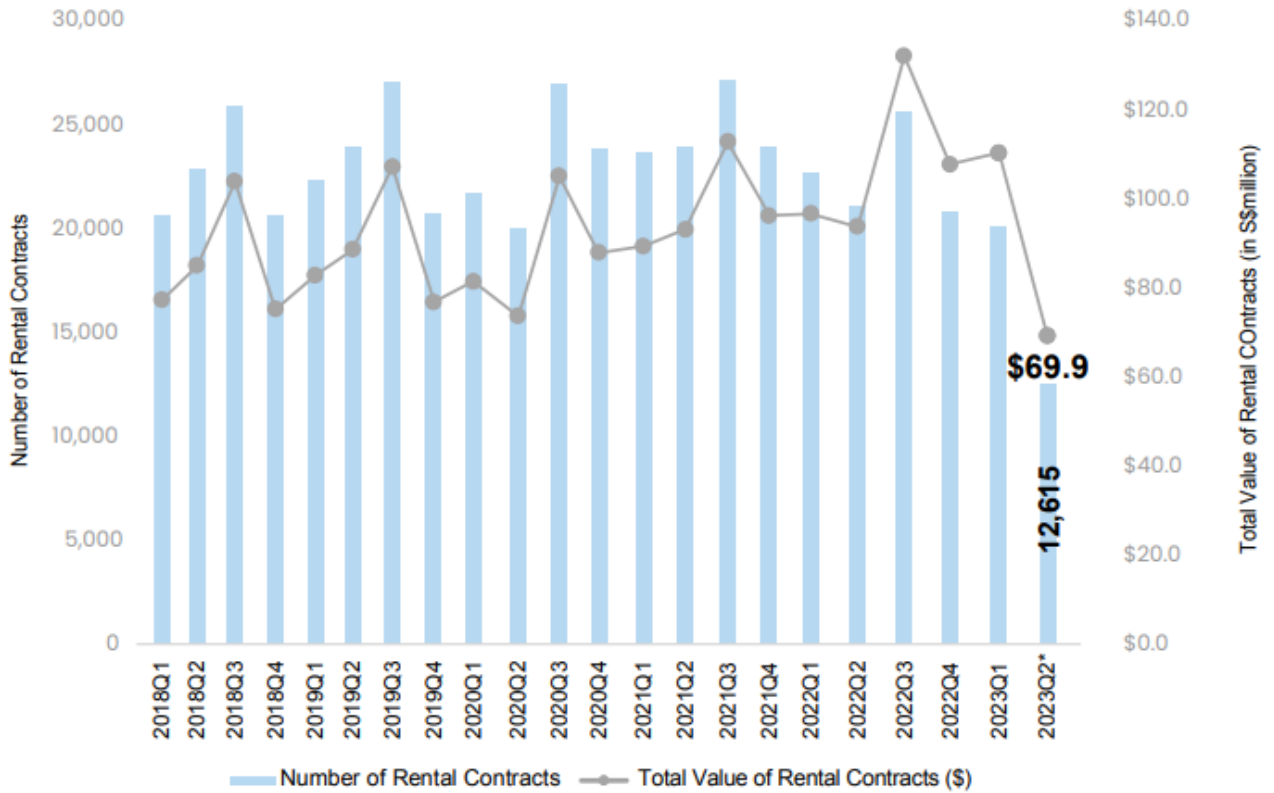
Source: PropNex Research, URA (*Price Index data based on flash estimate released on 3 Jul 2023), URA Realis (*data up to 27 June 2023)

Table 1: Top selling projects in Q2 2023*

Project Name	Region	Units Sold in Q2 2023	Average Unit Price (\$PSF) in Q2 2023
THE RESERVE RESIDENCES	RCR	596	\$2,492
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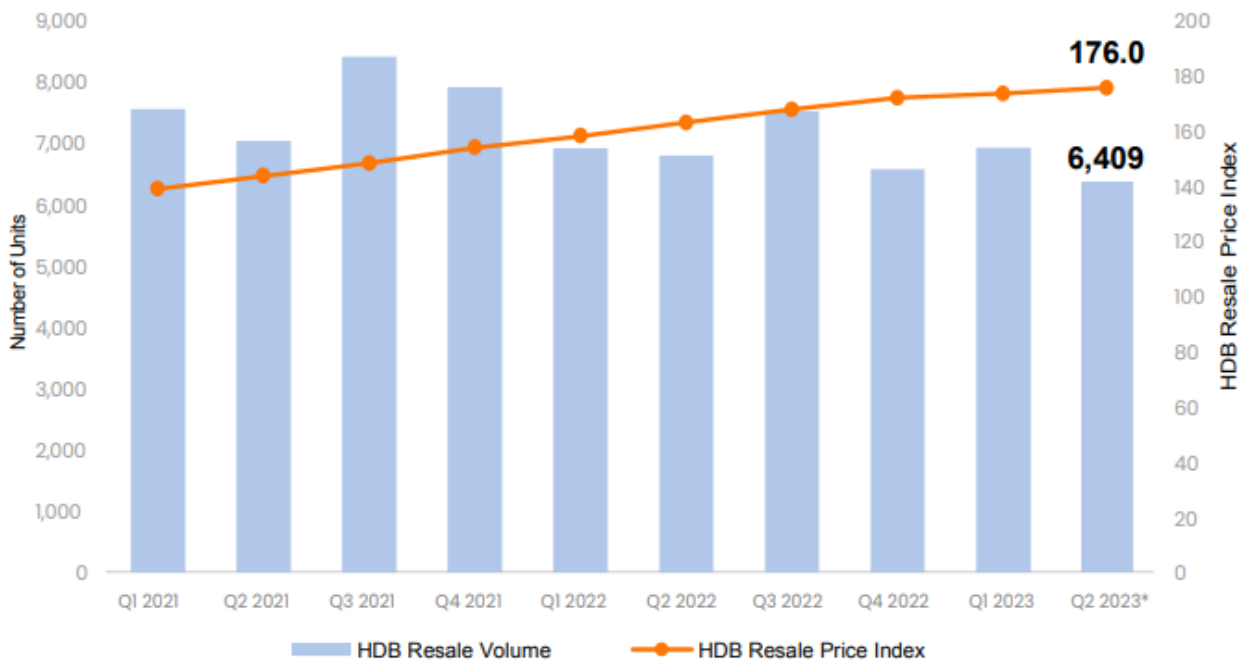
Source: PropNex Research, URA Realis (*Data up to 27 June 2023)

Private Home Leasing Volume & Total Value (by quarter)



Source: PropNex Research, URA Realis (*Q2 2023 data up to May 2023 figures)

HDB Resale Volume & HDB Resale Price Index



Source: PropNex Research, HDB, Data.gov.sg (*Price Index data based on flash estimate released on 3 July 2023, resale volume figures up to 29 June 2023)

PRIVATE NEW HOME SALES

PROPnex RESEARCH MONTHLY REPORT

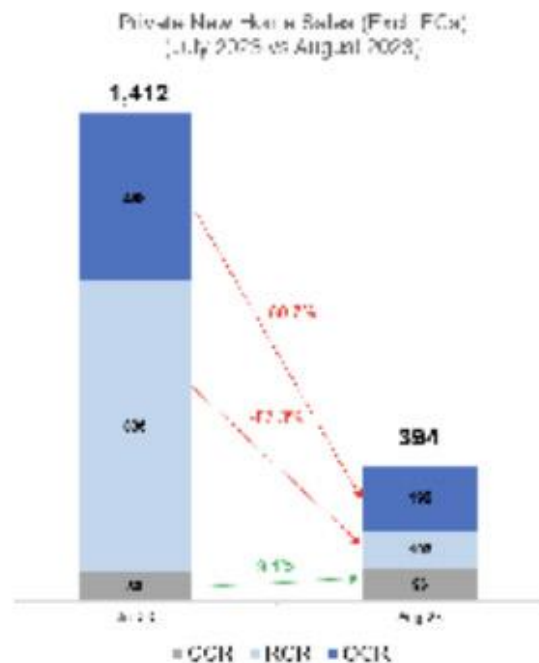
**AUG
2023**

Developers' sales fell in August due to muted market sentiment and buyer fatigue amidst a flurry of launches

- Developers' sales fell sharply in August after achieving a near 2-year high in July. Sales were down by 72% from the previous month to 394 units (ex. EC); while sales were down by 10% year-on-year from August 2022.
- Sales in August 2023 were led by the Outside of Central Region (OCR) where 192 units were sold, accounting for nearly half of total developers' sales in the month.

MONTHLY PRIVATE NEW HOME SALES

AUGUST 2023



Source: PropNex Research, URA

Private new home sales (ex. executive condos) fell sharply from July to August owing to the muted market sentiment and as buyer fatigue set in amidst a flurry of new launches in recent months. Developers sold 394 new homes (ex. EC) in total in August – down by about 72% from a near 2-year high of 1,412 units transacted in July. On a year-on-year basis, sales were down by 10% from the 438 units shifted in August 2022.

There were five new project launches in August, including an EC project Altura in Bukit Batok, which was very well-received. The other four private residential projects that were put on the market comprised The Lakegarden Residences, TMW Maxwell, Orchard Sophia, and The Arden which collectively sold 133 units during the month – accounting for about 34% of August's monthly sales. This takes the total number of new private homes sold in the first eight months of 2023 to 5,189 units (ex. EC) – on track to reaching PropNex's new home sales forecast of 7,000 to 7,500 units for 2023.

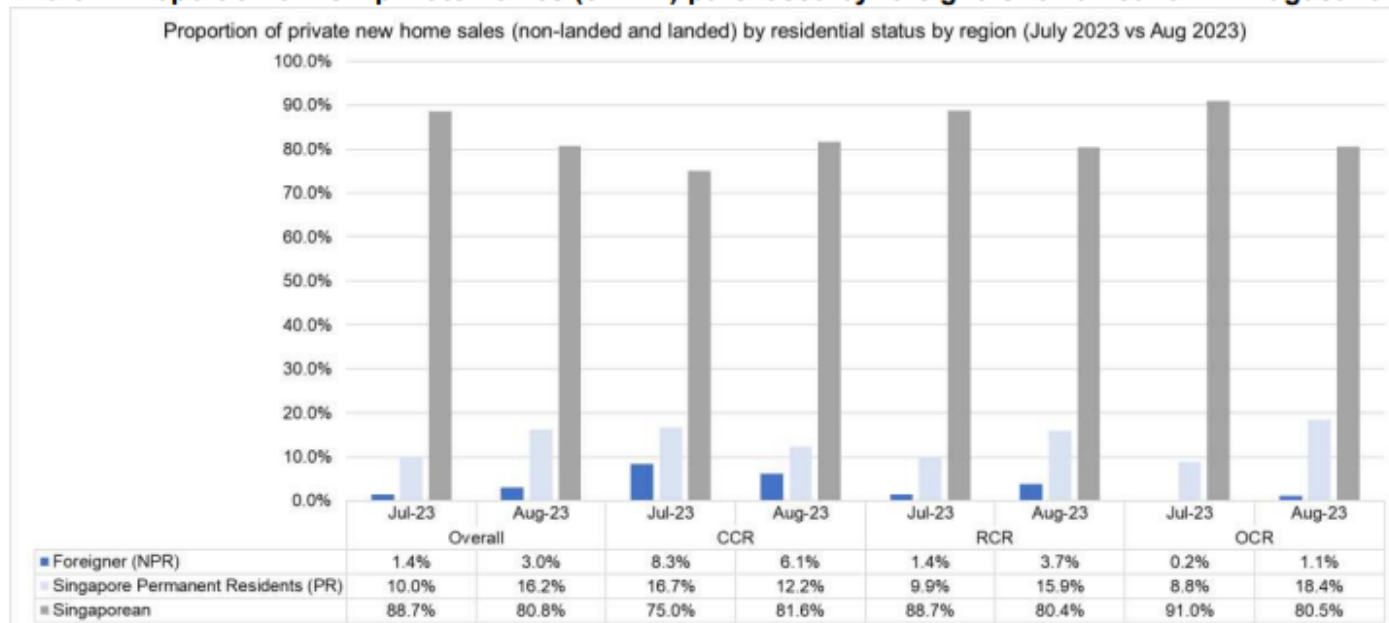
New home sales in August were led by the **Outside Central Region (OCR)** which saw 192 new homes (ex. EC) change hands – down by 61% from 488 units in the previous month where The Myst and Lentor Hills Residences had spurred July's sales. The top three best-selling projects in August were all in the OCR: The Lakegarden Residences which sold 73 units at a median price of \$2,101 psf; Lentor Hills Residences which moved 46 units at a median price of \$2,090 psf; and The Arden which transacted 30 units at a median price of \$1,777 psf (see Table 2).

Developers sold 106 new private homes in the **Rest of Central Region (RCR)**, representing a steep decline of about 87% from the high base of 836 units shifted in July, mainly supported by Grand Dunman and Pinetree Hill then. The top-selling RCR projects in August included Grand Dunman which sold 26 units at a median price of \$2,558 psf, One Pearl Bank which moved 21 units at a median price of \$2,851 psf, and Liv @ MB which sold 12 units at a median price of \$2,437 psf. TMW Maxwell which was launched during the month sold 6 units at a median price of \$3,338 psf.

Meanwhile, new private home sales in the **Core Central Region (CCR)** rose by about 9% from 88 units in July to 96 units in August. The most popular CCR project in August was new launch project Orchard Sophia which sold 24 units at a median price of \$2,808 psf. The other CCR project that made the top 10 list was One Bernam where 13 units changed hands at a median price of \$2,630 psf. This is one of the better monthly sales for One Bernam since the project was launched in May 2021. The launch of nearby TMW Maxwell in the RCR at a much higher price-point could have reinvigorated interest for One Bernam.

Developers placed a total of 590 new units (ex. ECs) for sale in August - mostly from the four new projects – marking a sharp decline from the 2,156 units launched in the previous month.

Chart 1: Proportion of new private homes (ex. EC) purchased by foreigners remained low in August 2023



Source: PropNex Research, URA Realis (data retrieved on 15 September 2023)

With the punitive ABSD measure in place, the proportion of new private home sales (non-landed and landed) to foreigners (non-PR) remained relatively low in August, at 3% of the total monthly sales (see chart 1), based on caveats lodged. Meanwhile, about 16% of the non-landed and landed new private home sales were by Singapore PRs and about 81% by Singaporean buyers.

Based on the URA Realis caveat data, the median transacted unit price of non-landed new private homes dipped by 1.7% MOM to \$2,852 psf in August (see Table 1), as limited new project launches and the additional buyer's stamp duty (ABSD) hike from end-April likely cap further price growth upside. The median unit price also slipped in the OCR, falling slightly by 0.8% MOM to \$2,068 psf in August, partly due to the lower prices transacted at The Arden, where its developer likely had more flexibility in pricing the units given that it has purchased

the site at a lower land rate in 2019. The RCR bucked the trend as its median price rose by 4.4% MOM to \$2,613 psf in August – likely on the influence of firm prices at projects such as TMW Maxwell, Grand Dunman, One Pearl Bank, Pinetree Hill, and The Continuum.

Table 1: Median transacted unit price (\$PSF) of non-landed new private homes (ex. EC) by month by region

Date	Median unit price (\$PSF)		
	CCR	RCR	OCR
Jan-23	\$2,884	\$2,589	\$2,083
Feb-23	\$2,943	\$2,687	\$2,104
Mar-23	\$2,912	\$2,614	\$2,065
Apr-23	\$2,890	\$2,461	\$1,993
May-23	\$2,918	\$2,526	\$2,154
Jun-23	\$2,902	\$2,615	\$2,006
Jul-23	\$2,902	\$2,502	\$2,085
Aug 23	\$2,852	\$2,613	\$2,068

Source: PropNex Research, URA Realis (retrieved on 15 Sep 2023)

Outlook

The stellar sales in July was a tough act to follow in August, which coincided with the start of the Hungry Ghost month – a period where market activity tends to slow due to fewer launches. On top of that, there are other factors which have combined to create a more complex and uncertain environment for home sales. They include signs of moderation in the housing market, where prices are seen to be peaking after three rounds of property cooling measures from December 2021.

Meanwhile, buyers could also be experiencing some fatigue following a spate of new launches in the last few months, which presented them with a wider variety of choices that require more time to evaluate before entering into a purchase. In addition, with interest rates still high and the Singapore economic growth forecast being narrowed to 0.5% to 1.5% for 2023, market sentiment seems to be shifting, with buyers becoming more cautious and increasingly selective.

Based on the URA monthly data, there were 3,659 launched units (ex. EC) that remain unsold, which represented about nearly 14% of the units launched as at end-August (26,337 units ex. EC). Given the ample unsold stock, many buyers seem to be in no hurry to enter the market – preferring to take more time to compare projects and observe the price trends, especially since previous launches had set benchmark pricing in various locales. As a few more new projects come on in the rest of the year, we should expect buyers to return to some of the previously-launched projects to pick up properties should they perceive those units as offering more value and/or meeting most of their key priorities. According to the [PropNex Home Buyers' Sentiment Survey 2023](#), the top 5 most important attributes that homebuyers seek are proximity to transport nodes, reasonably-priced units, right amount of space, as well as proximity to primary schools and the workplace – in that order.

As the Hungry Ghost month straddles August and September, developers' sales in September could remain muted given the lack of fresh launches and foot-dragging on buyers' part amid a more plentiful selection on the market. However, transactions should pick up in October and November with some new projects potentially hitting the market. While exact launch dates have yet to be firmed up, some projects that buyers could look forward to include Hillock Green in Lentor Central, and J'Den, a redevelopment project from the former JCube in Jurong East.

Table 2: Top 10 Best-Selling Private Residential Projects (Ex. ECs) in August 2023

S/N	Project	Region	Units Sold in August 2023	Median Price in August 2023 (\$PSF)
1	THE LAKEGARDEN RESIDENCES	OCR	73	\$2,101
2	LENTOR HILLS RESIDENCES	OCR	46	\$2,090
3	THE ARDEN	OCR	30	\$1,777
4	GRAND DUNMAN	RCR	26	\$2,558
5	ORCHARD SOPHIA	CCR	24	\$2,808
6	ONE PEARL BANK	RCR	21	\$2,851
7	THE MYST	OCR	20	\$2,096
8	ONE BERNAM	CCR	13	\$2,630
9	LIV @ MB	RCR	12	\$2,437
10	LENTOR MODERN	OCR	10	\$2,092
	PINETREE HILL	RCR	10	\$2,434

Source: PropNex Research, URA

Tuesday Aug 29, 2023

HPL gets nod to redevelop Forum mall, voco Orchard and HPL House

It hopes proposed mixed-use development will be 'gateway destination' in Orchard Road

Rosalind Ang

The Forum mall, voco Orchard Singapore and HPL House will be redeveloped into a mixed-use development in Orchard with hotel, retail, office and residential spaces.

Hotel Properties Limited (HPL) Group announced on Monday that it had received approval for the development from the Urban Redevelopment Authority (URA) under the Strategic Development Incentive (SDI) Scheme, subject to terms and conditions.

The development, which will have a floor area of approximately 14,153 sq m, includes two tower buildings of 64 and 43 storeys on a six-storey podium with a rooftop garden, a performance theatre and a basement carpark. It will also have a separate 29-storey tower.

"If and when it is implemented and completed, the proposed redevelopment will transform this part of Orchard Road into a vibrant, energetic, significant and promi-

nent precinct," said HPL in a statement on Monday.

HPL hopes the development will be a "gateway destination" in Orchard Road.

The timeline for the proposed redevelopment has not been determined at this stage, said HPL. The company and its professional advisers are working on further detailed plans, it added.

The development is sited on freehold land as well as a 999-year leasehold plot, with a total land area of more than 14,000 sq m.

"To date, we have received seven applications under the SDI Scheme, out of which six have been supported," said a spokesman for URA.

URA introduced the scheme in 2019 to encourage the redevelopment of older buildings in strategic areas into new and innovative developments for the surrounding urban environment. Under it, such developments may be able to increase their gross plot ratio or attain flexibility on other development controls.

Past reports indicated that City Developments Limited's development involving Central Mall and Central Square and UOL's redevelopment of Faber House were among the projects supported un-



The Forum mall, voco Orchard Singapore (left) and HPL House will be redeveloped into a mixed-use property with hotel, retail, office and residential space. It will have two tower buildings of 64 and 43 storeys on a six-storey podium with a rooftop garden, a performance theatre and a basement carpark. It will also have a separate 29-storey tower. PHOTO: VOCO ORCHARD SINGAPORE

der the SDI Scheme.

According to URA's eligibility criteria for the scheme, redevelopment proposals should include a minimum of two adjacent sites, such that the combined redevelopment can have "a strong transformational impact on the surrounding environment that will enhance and rejuvenate the area". Exemptions can be considered where redevelopment has a positive impact beyond the confines of a single site.

Since April 2022, proposed projects also have to meet specific outcomes in the areas of digitalisation, productivity and sustainability under the Construction Industry Transformation Map, and provide electric vehicle charging points.

Mr Ong Beng Seng, the managing director, co-founder and controlling shareholder of HPL, has been embroiled in a corruption probe since July, when he was arrested by the Corrupt Practices In-

vestigation Bureau.

HPL owns Four Seasons Hotels and Resorts in Singapore, among other properties in Canada, Australia, Britain and the United States. It led consortium Cuscaden Peak, which included Temasek units CLA and Mapletree, to acquire the real estate assets of Singapore Press Holdings in May 2022.

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Monday Sep 18, 2023

BT   
businessstimes.com.sg

Over 3,500 new private homes set to be launched in Q4

Analysts expect new launch prices to hold at current levels; projects to be pegged above S\$2,000 psf

By Ry-Anne Lim
limin@sph.com.sg

MORE than 10 private residential projects offering over 3,500 housing units are slated to be launched in the fourth quarter of this year. Prices are likely to hold at current levels, despite signs of homebuyers' waning appetite, with financing and land costs still high in the wake of market cooling measures, analysts say.

Five projects said to be lined up for a Q4 launch will yield around 2,370 units. These will add to an existing stock of uncompleted properties that is steadily accumulating as take-up at new projects slows.

Against a background of slowing sales, latest caveats data from the Urban Redevelopment Authority's (URA) Realis platform indicates that in the year so far, the median price for the mass-market segment is around S\$2,074 per square foot. This includes new suburban private homes, excluding executive condominiums (ECs), in the Outside Central Region (OCR).

In the city fringe or Rest of Central Region (RCR), the median price of new home sales is S\$2,511 psf; in the prime Core Central Region (CCR), it is S\$2,903 psf.

According to CBRE, developers launched 15 new private residential projects with 4,528 units (excluding ECs) for sale in 2022. CBRE further estimates that developers have launched in the year to date 17 private non-landed projects with a total of 6,773 units.

Immediate pipeline

One of the first projects expected to come to market in the coming weeks will be Hilllock Green, a 474-unit condo being developed by Yanlord Land Group, China Communications Construction Company and Soilbuild Group Holdings.

Another project in the immediate pipeline is freehold condo Watten House at Shelford Road in the city centre, or Core Central Region

Condos set to launch in Q4 2023

PROJECT NAME	DEVELOPER	LOCATION	DISTRICT	REGION	TENURE	ESTIMATED NO OF UNITS
181 Haig Road	Nanshan Group	Haig Road	15	RCR	Freehold	35
Hillhaven	Far East Organization, Sekisui House	Hillview Rise	23	OCR	99 years	341
Hillock Green	Yanlord Land Group, China Communications Construction Company, Soilbuild Group Holdings	Lentor Central	26	OCR	99 years	474
Lentoria	Hong Leong Holdings, Mitsui Fudosan	Lentor Hills Road	26	OCR	99 years	265
Marina View Residences	IOI Properties	Marina View	1	CCR	99 years	748
Mattar Residences	L. K. Ang Construction	Mattar Road	14	RCR	Freehold	26
J'den	CapitaLand Development	Jurong East Central 1	22	OCR	99 years	368
Parq Bella	Yi Kai Development	Tembeling Road	15	RCR	Freehold	20
Sky Botania	KSH Holdings, H10 Holdings, SLB Development	Serangoon Road	12	RCR	99 years	172
Skywaters Residences	Perennial Holdings, Alibaba Singapore, Chip Eng Seng, Sing-Haiyi Emerald, Wilmar International	Shenton Way	1	CCR	99 years	215
Sora	Chip Eng Seng, KSH Holdings, Sing-Haiyi Group	Yuan Ching Road	22	OCR	99 years	440
The Hill @ One-North	Kingsford Development	Slim Barracks Rise	5	RCR	99 years	144
The Hillshore	Fraxtor Capital, Hong How Group	Pasir Panjang Road	5	RCR	Freehold	59
The Shorefront	165@Loyang (linked to Wharf Capital)	Jalan Loyang Besar	17	OCR	999 years	23
Watten House	UOL Group, Singapore Land Group	Shelford Road	11	CCR	Freehold	205

SOURCE: URA, HUTTONS DATA ANALYTICS, ERA RESEARCH AND MARKET INTELLIGENCE. GRAPHIC: BTVISUAL

(CCR), from UOL and Singapore Land. Both are likely to launch in late September or early October, at prices of around S\$2,150 to S\$2,250 psf for Hilllock Green and S\$3,300 to S\$3,400 psf for Watten House, said ERA key executive officer Eugene Lim.

Three launches of mixed-use developments are also in the works: The massive 748-unit Marina View Residences condo on the Marina View Government Land Sale (GLS) site, developed by IOI Properties; CapitaLand's redevelopment of J'Cube mall into the 368-unit J'Den condo; and the 215-unit Skywaters Residences at the former AXA Tower site on 8 Shenton Way, developed by a Perennial Holdings-led consortium.

More than half of the new launches expected within the last three months of the year can be found in the suburbs, or OCR – one being located in District 23 (Upper Bukit Timah), one in District 17 (Changi), two in District 22 (Jurong), and two in District 26 (Lentor and Upper Thomson).

In District 23, homebuyers can expect to see the launch of the 341-unit Hillhaven at Hillview Rise, de-

veloped by Far East Organization and Sekisui House. The site was acquired at a state tender in November 2022 for S\$320.8 million or nearly S\$1,024 psf per plot ratio. Analysts previously pegged launch prices at S\$1,800 to S\$1,900 psf.

In District 22, CapitaLand's J'Den condo is expected to be pitched at S\$2,000 to S\$2,100 psf. The Jurong area will also see the 440-unit Sora from Chip Eng Seng, KSH Holdings and Sing-Haiyi Group. The 99-year leasehold condo is sited at the former Park View Mansions, which was sold en bloc for S\$260 million or S\$1,023 psf ppr in July 2022.

At the new Lentor Hills estate in District 26, Hilllock Green and Lentoria will join two new condos already on the market. The consortium building Hilllock Green had won the site at a GLS tender for S\$481 million or S\$1,108 psf ppr in September 2022. The 265-unit Lentoria, meanwhile, sits on land acquired by Hong Leong Holdings and Mitsui Fudosan at the same tender, for S\$276.4 million or S\$1,130 psf ppr.

In the CCR, eyes are on the

launch of Marina View Residences. The 748-unit project is coming up on a sprawling site for which IOI Properties bid S\$1.51 billion or S\$1,379 psf ppr in a state tender two years ago.

For the freehold Watten House, UOL Group and Singapore Land Group had acquired the site, the former Watten Estate Condominium, in a collective sale tender in October 2021 for S\$550.8 million or S\$1,786 psf ppr.

Rising benchmark prices

New launches this year have mostly commanded psf prices of above S\$2,100. Market watchers believe pricing will hold in the coming months.

ERA's Lim predicts that launch prices of OCR projects such as Sora, Lentoria and J'Den will range from S\$2,000 to S\$2,500 psf.

Prices of RCR projects, such as the 172-unit Sky Botania along Serangoon Road and 144-unit The Hill @ One-North, are projected to be around S\$2,400 to S\$2,600 psf, Lim said. In the CCR, Watten House is likely to see launch prices of S\$3,300 to S\$3,400 psf.

This is primarily due to still-

high financing and construction costs, said PropNex chief executive officer Ismail Gafoor. "Developers (also) do not have much room to adjust pricing due to their fixed land cost."

Nicholas Mak, chief research officer at Mogul.sg, noted that land prices have slipped since 2022, when most developers acquired their sites for projects launched or to be launched this year.

The two top bids for the GLS tenders that closed last week, for example, came in at under S\$1,000 psf ppr. "The developers of each of the sites could potentially launch the new projects at between S\$1,850 psf and just below S\$2,000 psf" when they come onto the market in the future, said Mak.

Developers may keep their launch prices high today to have the flexibility of lowering them in the future, depending on the market or the project's performance, said Sing Tien Foo, provost's chair professor of real estate at the National University of Singapore.

"This is especially as (the projects) approach their Additional Buyer's Stamp Duty (ABSD) deadline," he said. For residential pro-

jects with five or more units, developers are subject to an ABSD of 40 per cent on the land price, of which 35 per cent is remissible if the developer sells all units within five years. Otherwise, that portion of the ABSD has to be paid with interest.

The ABSD payable is 25 per cent, with a non-remissible component of 5 per cent, for sites acquired between July 2018 and December 2021.

Still, Christine Sun, OrangeTee & Tie senior vice-president of research and analytics, emphasised that developers will be careful when pricing new launches. "Buyers are still price-sensitive, and prices need to be attractive to keep sales momentum going."

Easing cost pressures

Dr Lee Nai Jia, PropertyGuru's head of real estate intelligence, data and software solutions, also pointed out that most cost pressures, including construction costs, appear to be easing.

Data from the Department of Statistics Singapore showed that the price of steel reinforcement bars – an essential material in building works – dropped by 27.7 per cent year on year in July.

There is also a "discernable decline in the appetite for homes", said Dr Lee. "This is mainly attributed to the volatile economic environment and heightened interest rate."

While developers' immediate cost pressures have waned, rising holding costs and interest rates may deter them from lowering prices. And higher prices will be difficult for the market to stomach, with this year's higher stamp duty rates already holding investors and foreign buyers at bay.

"With geopolitical uncertainties... costs could potentially climb, necessitating developers to account for such unpredictabilities," said Dr Lee. "Given these dynamics, a significant increase in new launch prices seems unlikely. We foresee a more stable pricing landscape in the near future."

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SINGAPORE PROPERTY

More buzz on investment scene for office buildings, malls and hotels

The Seletar Mall is expected to be put on market at a guide price of about S\$500m; TE Capital is in exclusive due diligence for VisionCrest Commercial

By Kalpana Rashiwala
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THERE seems to be a growing wave of excitement in Singapore's property investment scene for office buildings and malls; the fervour also appears to have extended to hospitality assets.

With borrowing costs seen to be peaking, some investors are eyeing pockets of opportunities, including potential for exits via strata sales, asset repositioning, or simply taking a longer-term view.

In the suburban retail sector, Cuscaden Peak Investments and United Engineers are expected to put The Seletar Mall on the market, at a guide price of about S\$500 million.

Potential buyer

Near the Orchard shopping belt, a potential buyer – understood to be an entity linked to TE Capital Partners – is in exclusive due diligence for a potential purchase of VisionCrest Commercial, *The Business Times* (BT) understands.

Hong Kong-based Gaw Capital Partners is said to be evaluating an offer of about S\$240 million that it has received for its Hotel G Singapore in the bustling Bras Basah/Bugis area.

In the financial district, CBRE and Cushman & Wakefield have been quietly marketing AEW's 27 office floors at 30 Raffles Place, formerly known as Chevron House. BT understands that the guide price is S\$725 million, reflecting a per square foot (psf) price of S\$2,883 on a net lettable area (NLA) of 251,465 sq ft.

The space covers the sixth to



The Seletar Mall (left), owned by Cuscaden Peak Investments and United Engineers, is at full occupancy. PHOTO: BT FILE



A quiet marketing process has begun for the 27 office floors owned by AEW at 30 Raffles Place (left). The guide price of S\$725 million reflects S\$2,883 psf on the net lettable area of 251,465 sq ft. PHOTO: GOOGLE MAPS

32nd floors of 30 Raffles Place, which is located next to Raffles Place MRT station. The building sits on a site with a 99-year leasehold tenure that started in December 1989; this leaves a balance term of about 65 years.

AEW's office space is said to be about 75 per cent leased; WeWork is a major tenant.

Saudi Arabia-based Olayan Group owns the retail podium and the three lowest office floors (levels three to five) of 30 Raffles Place.

The price that TE Capital is looking at for the freehold VisionCrest Commercial in Penang Road is about S\$3,000 psf on strata area; this would amount to roughly S\$460 million.

The 11-storey building has a strata area of 154,711 sq ft, comprising 149,652 sq ft of offices and 5,059 sq ft of retail space. The office space is on levels two to 11,

with one strata title per floor. The retail space, on the first floor, comprises 11 strata units. With the building already strata titled, TE Capital is likely to look at sprucing up the asset before embarking on strata sales as an exit strategy, say market watchers.

TE Capital Partners is a real estate investment management firm founded by siblings Terence and Emilia Teo, children of Teo Tong Lim, the managing director of Tong Eng Group.

VisionCrest Commercial is owned by the property unit of German asset manager Union Investment. Its exclusive joint advisers, CBRE and JLL, conducted an expression of interest (EOI) exercise for the asset that closed in August.

Cushman & Wakefield and JLL have been appointed as joint marketing agents to conduct an EOI exercise for The Seletar Mall, located

next to the Fernvale LRT station site in the Sengkang West area.

The guide price for the property works out to about S\$2,640 psf on the NLA of some 189,500 sq ft. Market observers say the net yield is in the low-4 per cent region.

The mall is on a site with a balance leasehold tenure of about 87.5 years. Tenants include Fair-Price Finest, Shaw Theatres, Popular Bookstore and Harvey Norman.

The Seletar Mall, which opened in November 2014, is at full occupancy. It has six levels of retail space, including two basement floors. Another three lower basement floors are for car parking spaces.

Negative carry

Market observers noted that borrowing costs for the purchase of commercial properties these days are in the 4 per cent to 5 per cent

range, compared with around 1 per cent to 2 per cent in early 2022.

For retail property, net property yields reflected in transacted and asking prices range from sub-3 per cent to low-4 per cent, depending on the location, size and land tenure of the mall. For offices, yields range from 2-plus per cent to 3-plus per cent.

Compared with offices, retail looks more attractive, as the gap between net yield and borrowing costs is narrower – or even non-existent. With retail rents and capital values having eased amid the Covid-19 pandemic, potential investors see value in buying into choice malls to tap a recovering market.

"Prospects are even brighter in the hospitality segment," said a senior executive of a private equity real estate group.

Gaw Capital's freehold Hotel G Singapore in Middle Road has 308

rooms, the majority of which are about 12 square metres each. The 16-storey property's gross floor area (GFA) is about 94,600 sq ft; the property's development potential has been maximised. However, there is potential to add value to the asset by converting some of the car park space on the fourth floor into additional hotel rooms.

Commenting on the pick-up in interest for Singapore malls and office buildings, a seasoned investment sales agent said: "We are seeing the presence of institutional investors (including private equity firms), but as they have hurdle rates to fulfil, they cannot bid as aggressively as the family offices."

Despite still-high borrowing costs, some buyers are keen as they are eyeing capital-gains play, rather than yield play. An example is VisionCrest Commercial, where there is a very clear option for the buyer to do strata sales since the building is already strata titled. In other cases, assets may be bought at entry yields below borrowing costs, as the intending buyer sees potential for refurbishing the asset, providing rental upside.

"There are investors prepared to take a longer-term view on the Singapore property market. Some are also able to buy with low or even no gearing; for them, high borrowing costs would not come into the equation," said the private equity firm executive.

Wednesday Oct 04, 2023



Second Minister for National Development Indraneel Rajah said the Singapore Land Authority received 88 applications from foreigners to buy landed properties in Sentosa Cove in the past three years. "All but two have been approved," she said in Parliament on Tuesday. ST FILE PHOTO

Giving an update on the case, Ms Indraneel said 94 residential properties have been issued with prohibition orders to date, including eight landed homes in Sentosa Cove. Of these, 60 were completed resale units and 34 were uncompleted units sold by developers. Fifty-three commercial properties and five industrial properties have also been issued with prohibition orders.

Property deals in case likely had minimal impact on prices: Indraneel

Transactions made up insignificant share of residential, commercial, industrial sales

Isabelle Liew

The property transactions involved in Singapore's biggest money laundering case are likely to have had minimal impact on prices, said Second Minister for National Development Indraneel Rajah.

She told Parliament on Tuesday that while it is hard to pinpoint the exact effect on the property market, the transactions made up an insignificant share of residential, commercial and industrial sales.

The authorities have issued prohibition of disposal orders against 152 properties and 62 vehicles, totalling an estimated value of more than \$1.24 billion. The orders mean

they cannot be sold. In all, the total value of assets linked to the case has risen to more than \$2.8 billion.

Giving an update on the case, Ms Indraneel said 94 residential properties have been issued with prohibition orders to date, including eight landed homes in Sentosa Cove. Of these, 60 were completed resale units and 34 were uncompleted units sold by developers.

Fifty-three commercial properties and five industrial properties have also been issued with prohibition orders.

Investigations are ongoing into the property agencies and agents who facilitated the transactions involved in the money laundering probe, Ms Indraneel added.

"We will fully investigate the in-

cident and, if any breaches are found, take the necessary regulatory action."

On Workers' Party MP He Ting Ru's (Sengkang GRC) question on the Government's considerations in allowing foreigners to buy landed homes in Singapore, Ms Indraneel said the number of approvals granted under the Residential Property Act remains low.

In 2022, 34 approvals were granted to permanent residents (PRs) to own landed residential property on the mainland. In 2021, 51 approvals were granted, and 24 in 2020.

In contrast, an average of 2,700 landed property transactions were recorded annually on the mainland over the same period, she added. There are more than 73,000 landed homes in Singapore.

Ms He had also asked about the "exceptional economic contribu-

tion" criteria that foreign nationals have to fulfil.

The Government takes a very strict approach when granting such approvals, said Ms Indraneel. Applicants must have been a Singapore PR for at least five years and made exceptional economic contributions to Singapore, such as through income tax contributions.

Another consideration is whether applicants have a "strong Singapore nexus", she added. For example, this would include PRs with children who have served national service and those who have demonstrated strong commitment to Singapore.

Ms Indraneel said the Singapore Land Authority received 88 applications from foreigners to buy landed properties in Sentosa Cove in the past three years. "All but two have been approved," she said in response to Nominated MP Neil Parekh. Approvals are generally granted to foreigners who are not PRs as the island's development was aimed at an international clientele, she added.

She noted that there are no restrictions on foreign ownership of non-landed residential homes, since landed residential properties on the mainland have been set aside primarily for Singaporeans.

Overall, the proportion of foreign property purchases remains low at about 2 per cent, she said.

Ms Indraneel also outlined the measures in place in the property sector to tackle money laundering, noting that they have been progressively strengthened.

For instance, the prescribed duties of property agents were legislated in 2021, and anti-money laundering requirements were extended to developers of residential, commercial and industrial proper-

ties in 2023.

Property agents, agencies and developers are the first line of defence against money laundering in the real estate sector and, as gatekeepers, they have a duty to perform customer due diligence checks on clients, she said.

These include verifying the identity of the client or the beneficial owner, screening these parties, assessing their level of risk and maintaining records.

Any person who knows or has reasonable grounds to suspect any property's connection to criminal conduct is required to file a suspicious transaction report, she said.

Developers are not allowed to accept cash payment for sales of uncompleted properties, she said.

Ms Indraneel noted that there are several layers of defence in the real estate sector to mitigate risks of money laundering and protect the system from abuse.

The vast majority of transactions are subject to checks of some form and at various stages, she said. Gatekeepers who fall short of their duties will face penalties.

In terms of enforcement, the Council for Estate Agencies (CEA) oversees property agents and agencies, while the Urban Redevelopment Authority regulates developers, Ms Indraneel said.

The agencies play an important role in ensuring that gatekeepers carry out their responsibilities properly, she added.

Ms He asked how many property agents, developers and owners have been investigated in the last three years for failing to exercise customer due diligence checks.

Ms Indraneel said that since 2021, the CEA has taken action against two property agents who were found guilty of breaching the Estate Agents Act and prevention of money laundering and financing of terrorism rules.

They had failed to comply with regulations relating to obtaining, documenting and verifying the accuracy of their clients' identity information. They also failed to assess the risk of clients engaging in money laundering or terrorism financing, she added.

In the latest case in July 2023 - unrelated to the money laundering scandal - the agent was fined \$4,000 and suspended for four months.

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SINGAPORE PROPERTY

Thousands of new homes could be built in one-north, Bayshore and Tengah

URA is eyeing the rezoning of a one-north land parcel to residential, and intensification of land use in several sites elsewhere

By Jessie Lim
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A LAND parcel bounded by Media Circle and one-north Avenue, currently zoned for business-park use, is being proposed for a high-density residential development. Elsewhere, land use in five other sites already earmarked for residential use will be intensified for this purpose.

On Friday (Oct 6), the Urban Redevelopment Authority (URA) said that the residential development in Media Circle will support the demand for housing in one-north and enhance the district as a vibrant, mixed-use business park.

More information on the development plans for the site will be announced when ready, said URA.

Christine Sun, senior vice-president of research and analytics for OrangeTee & Tie, said: "Given that many companies have set up businesses that span from healthcare and media to bio-medical science, providing more residential homes to support employees in one-north is timely."

She suggested that with private housing units such as One Rochester and One-North Residences in the area, it would be a good move to add some public housing there.

Mogul.sg chief research officer Nicholas Mak said the Media Circle site is likely to be developed into a private residential property with shops, restaurants and cafes on the ground floor. It could yield 280 to 310 condominium units and where residents can "work, live and play".

He said: "Having a larger live-in population could also bring more life to this location after working hours and over weekends."

Meanwhile, the gross plot ratio of land parcels along Bayshore Road, currently zoned residential, will be raised from 3.5 to 4.2.

URA said last June that the future residential estate in Bayshore will be a mix of public and private housing, and be supported by amenities and recreational options.

The Bayshore precinct has been considered a possible location for Plus flats, given its proximity to MRT stations and East Coast Park.

Plus flats, a new category of public housing, will be located in choicer locations. They come with more subsidies, but have strict curbs on resale, such as a



With private housing units such as One Rochester and One-North Residences in the area, it would be a good move to add some public housing in one-north, an analyst says. PHOTO: CAPITALAND ASCENDAS REIT

10-year minimum occupation period and a clawback of the subsidy at the first resale.

Lee Sze Teck, senior director of data analytics at real estate agency Huttons Asia, said that at a plot ratio of 4.2, the Bayshore site will be one of the most densely built plots along the East Coast.

"The site is estimated to yield more than 1,000 units. It will be directly connected to Bayshore MRT station and will likely be private housing."

Over in Tengah Garden Avenue, a land parcel is being proposed to be rezoned residential with commercial use, with a gross plot ratio of 3.0.

URA said: "The proposed amendment is to facilitate the implementation of a mixed-use development next to the upcoming Hong Kah station on the Jurong Region Line, to meet the housing needs of Singaporeans and to provide Tengah residents with amenities."

Mak said: With an estimated land area of more than 83,200 square metres, the site could yield either 1,950 to 2,000 Housing and Development Board flats, or 2,850 to 2,900 private apartments."

Lee noted that Tengah Town Centre

site has a "sizeable" retail component.

"The demand for mixed-use development has been strong in the past few years, and this site should see healthy demand when it is launched for sale."

Many Build-to-Order projects in Ten-

Lee Sze Teck, senior director of data analytics at real estate agency Huttons Asia, said that at a plot ratio of 4.2, the Bayshore site will be one of the most densely built plots along the East Coast.

gah have been launched in recent years, among them Plantation Village, Plantation Grange and Garden Vines@Tengah. The units range from two-room flexi to five-room flats, but larger three-generation flats are also available in Plantation Grange.

An executive condominium site in Plantation Close in Tengah was awarded to Hoi Hup Realty and Sunway Developments for S\$348.5 million in September, at a record land rate of S\$703 psf per plot ratio.

The plot can yield an estimated 495 units, and analysts expect the estimated launch price to range between S\$1,450 and S\$1,550 psf.

A land parcel along Margaret Drive, next to Queenstown Primary School and Skyville@Dawson, is set for a step-up in its gross plot ratio to 4.2. This could mean that the residential development coming up there may be taller than the 47-storey Skyville@Dawson, with its 3.5 gross plot ratio.

Land parcels in Canberra Crescent and Dairy Farm Walk, zoned as residential, have also been proposed for intensification. This will "allow for optimal use of land for future residential developments", said URA.

Lee said: "As long as the capacity of roads and the MRT network can support a higher traffic intensity, there is little reason why the plot ratio of sites in Singapore cannot be increased."



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