

23rd November – 6th December

Statutory Board News Release!

Timing of HDB tax hike 'avoids bigger increases later' (23/11 – ST) *Ref:ST09-2311-01*

The property tax of HDB flats is being raised next year partly to avoid having to introduce a bigger increase later should home prices continue to rise, said Acting Minister for Information, Communications and the Arts Lui Tuck Yew. He gave the reason yesterday, after being asked at a dialogue with Aljunied-Hougang residents whether the Government could delay it, as the recession has just started to ease. Noting that the adjustment had been delayed once, Rear-Admiral (NS) Lui said: 'The problem is, the longer you defer it, the larger the increase will be...if HDB prices continue to go up.' He also pointed out that the Government is taking steps to soften the impact of the tax rise early next year. It is giving HDB homeowners a one-off rebate, set at 50 per cent of the property tax payable and capped at \$120. This means low-income families with homes whose property tax is \$50 and less will not have to pay any such tax next year.

Be realistic, Mah tells home buyers (24/11 – ST) *Ref:ST09-2411-01*

The Housing Board cannot meet all expectations of home buyers even though the standard of housing has increased over the years, said National Development Minister Mah Bow Tan. Addressing Parliament yesterday, he said some buyers seemed to have unrealistic expectations. HDB cannot build flats only in mature estates, or flats that are only on high floors, he pointed out. 'So I think our commitment is that we will build and make available flats to young couples at affordable prices.' The minister was responding to Nominated MP Viswa Sadasivan, who had wondered why - despite the measures for adequate and affordable housing - 'there appears to be a groundswell of discontent that first-time buyers are not able to buy the flats'.

Under 5% of HDB flats owned by PRs (24/11 – ST) *Ref:ST09-2411-02*

Permanent residents occupy less than 5 per cent of all Housing Board flats, and are living in estates across the island. Nevertheless, the Government will keep an eye on the situation to ensure that no PR and foreigner enclaves develop. National Development Minister Mah Bow Tan said this when responding to Dr Lim Wee Kiak (Sembawang GRC). Dr Lim wanted to know the distribution of PRs across Housing Board estates, as well as whether the Government would consider expanding the current ethnic quota scheme to include PRs. Mr Mah said PRs were already subjected to the same rules as Singaporeans, and that includes the Ethnic Integration Policy (EIP). 'The EIP was introduced to achieve a healthy racial mix in HDB estates and prevent the formation of ethnic enclaves, regardless of whether they are citizens or PRs,' he said. While public housing policies are for the benefit of Singaporeans, Mr Mah stressed that PRs also needed a place to live: 'PR families are not eligible for housing subsidies that Singaporeans enjoy. They are not allowed to buy a new flat from HDB or enjoy any housing grant. However, PRs need to have a home in Singapore. Therefore, they are allowed to buy properties from the open market, including HDB resale flats.'

Property News Summary

'Ease rental rules' for divorced mums (24/11 - ST) *Ref:ST09-2411-03*

The Housing Board needs to be more flexible when renting flats to divorced women with children, said Madam Halimah Yacob (Jurong GRC) yesterday. She was speaking to The Straits Times after statistics released yesterday showed the HDB waived the eligibility criteria for renting flats for only a handful of divorced women with children last year. In all, 649 had registered for homes but only 28 among them had the eligibility criteria waived. Eventually, 200 were allocated rental flats, said National Development Minister Mah Bow Tan in a written reply to Parliament. However, owing to the limited supply of rental flats, not all of them are due for allocation yet, said Mr Mah. In a divorce, the jointly owned flat is usually sold when the man and woman go their separate ways, a move that disqualifies them from applying for a rental home. At the same time, these women often cannot afford to buy another flat. They can stay with family members, like a married brother or sister, but living in crowded conditions often causes conflict.

Up to 12,000 flats yearly to meet growing demand (24/11 - ST) *Ref:ST09-2411-04*

The Housing Board expects to offer between 10,000 and 12,000 flats every year over the next five years to meet growing demand, National Development Minister Mah Bow Tan said yesterday. That will serve as a guide for HDB's build-to-order (BTO) scheme, with the actual number made available depending on market conditions. 'What actually happens a few years down the road is unknown. Also, demand is not constant - it varies from year to year, depending on economic and other factors,' he told Parliament. Taking questions from members on housing issues, he noted that HDB had responded swiftly to this year's spike in demand, by raising its planned supply of 6,000 flats for the year to 13,500. 'If the take-up of BTO flats remains strong, we will continue to push out more flats under BTO next year - at least one (project) every month if necessary,' said Mr Mah.

Govt aims to cool property market, not crash it (24/11 - ST) *Ref:ST09-2411-05*

Measures to cool the property market appear to have been successful in tempering market exuberance for private homes. Addressing Parliament yesterday, National Development Minister Mah Bow Tan said that the latest figures from the Urban Redevelopment Authority (URA) showed sales of private homes by developers falling month-on-month by 37 per cent in September and 29 per cent last month. In response to a query from MP Cynthia Phua (Aljunied GRC) on sub-sales figures, Mr Mah also highlighted that the number of sub-sales had fallen. The minister said that the government's intention had been to 'cool the market, not crash it'. The interest absorption scheme and interest-only loans scheme - which had allowed home buyers to defer the bulk of the cost of their home purchases - were both stopped with immediate effect in September. The Government also recently added to supply by resuming its land sales programme.

Two properties on tap for investment players (26/11 - BT) *Ref:BT09-2611-02*

Players in the property investment sales market have just been offered two properties - an industrial plot at Kaki Bukit Avenue 4, made available for application through the government's reserve list, and Boon Building, a six-storey commercial property at 61 South Bridge Road. The Kaki Bukit site is 323,133 sq ft and has a 2.5 plot ratio, which means the maximum gross floor area works out to a whopping 807,833 sq ft. It is zoned Business 2 - suitable for a range of uses such as clean/light industry, general industry and warehousing - and offered with a 60-year lease.

Property News Summary

Cool response to smaller HDB flats (27/11 - ST) *Ref:ST09-2711-01*

Almost a year ago, the Government pledged to ramp up the supply of smaller flats to meet demand from downgraders amid Singapore's deepest recession. But 12 months on, new Housing Board figures obtained by The Straits Times show that the take-up rate of these smaller flats has not been as strong as expected. Smaller flats are defined as studio apartments, two-room and three-room units. HDB's numbers show the application rates for smaller flat types ranged from about 40 per cent to three times the number of flats offered - less than the typical four to five times seen for four- and five-room units. However, when it came to sales of smaller flats, studio apartments and three-roomers did relatively well compared to two-roomers, with take-up rates of about 96 to 100 per cent. Analysts say the less-than-hot demand could be due to the turnaround in the property market in the second quarter of this year, which came sooner than expected.

17,300 Punggol units completed so far (27/11 - ST) *Ref:ST09-2711-02*

Close to two-thirds of Punggol flats launched in the last decade have been completed so far, as the Government focuses its efforts on building up Singapore's north-east neighbourhood. There have been 27,000 Punggol flats launched since 1998, out of which 17,300 have been completed. The updated figures were announced last night by Deputy Prime Minister Teo Chee Hean, at an exhibition showcasing the winning entries of the Punggol Waterfront Housing Design Competition. This housing project of 1,200 units fronting an upcoming waterway is due to be launched by the middle of next year. It will be part of a cluster of an additional 21,000 flats and private homes. Punggol has become a focal point again for the Government in recent years, as it is slated to evolve into a vibrant waterfront town.

Eunos HDB lift woes unresolved (30/11 - ST) *Ref:ST09-3011-01*

The offer was laid on the negotiation tables by the HDB. But a group of Eunos residents who have been unhappy for years over external lift shafts which block their homes are refusing to budge. Some of the 42 affected flat owners in Blocks 411, 415 and 417 in Eunos Road 5 refused to accept any of the four options offered over the weekend by the HDB in its latest bid to solve the problem. Some of them crossed out all the options with marker pens and wrote on the form that they were still not happy with the olive branches offered. Some want the offending lift shafts totally torn down instead. These Eunos residents face a rather unique problem because of the way the three blocks were constructed. Each block is in a U-shape and the two staircases are located at both ends of the U while existing lifts are located in the middle.

Residential site at Bartley Road put on Reserve List (30/11 - ST) *Ref:ST09-3011-02*

The Urban Redevelopment Authority (URA) yesterday said that a residential site along Bartley Road is now open for applications from interested developers. The 99-year leasehold plot is located within an established residential estate next to the Bartley MRT. It has a site area of about 2.21 ha and can generate a maximum gross floor area of 61,865 square metres. The site is being offered under the Government's Reserve List system. Sites on the Reserve List are only put up for tender if a developer indicates a minimum bid price in an application, and that bid price is deemed to be acceptable.

Main Property News Release!

Subsales in past 2 quarters among highest since 1995 (23/11 - BT) *Ref:BT09-2311-01*

The number of subsales in the second and third quarters of this year were among the six highest quarterly figures since 1995 - reflecting the build-up in subsale activity that led to the government announcing measures on Sept 14 to cool property prices. The completion of several condos this year - many of them large projects, close to MRT stations or near new projects launched this year - helped to boost their demand in the subsale market. As well, the rise in private home prices this year has given sellers an incentive to let go units bought earlier.

Upgraders sidelined as home prices soar: DTZ (24/11 - BT) *Ref:BT09-2411-02*

HDB upgraders account for a shrinking share of private home transactions as property prices rise and mass-market launches taper off. In contrast, private housing dwellers are buying more property as economic sentiment improves, keeping the real estate market afloat. According to property consultancy DTZ, buyers with HDB addresses picked up 4,065 private homes in the third quarter. This was 73 units or 1.8 per cent more than in the preceding quarter. Though still rising in number, these deals are making up a smaller proportion of all sales. They accounted for 37 per cent of private home transactions in Q3, down from 44 per cent in Q2 and the recent peak of 56 per cent in Q1.

Pine Grove residents keen to sell en bloc again (25/11 - ST) *Ref:ST09-2511-01*

Pine Grove residents are looking to sell their sprawling Ulu Pandan estate en bloc, after failing to do so in previous attempts during the 2007 boom. The collection of signatures at Pine Grove, a 660-unit former HUDC estate on 893,178 sq ft of land, started on Nov 15. If successful, this latest attempt will net each unit owner at least \$1.6 million to \$2.05 million, depending on unit size. Many units are about 1,754 sq ft and will achieve a price of about \$1.95 million each, according to an owner who declined to be named. Prices are based on a reserve level of \$1.246 billion, he added. The total price works out to at least \$740 per sq ft per plot ratio, estimated a property expert. This is because the buyer of the site will have to pay an upgrading premium, plus a differential premium on top of the asking price to cover the cost of bringing the land tenure up to 99 years and site redevelopment.

Kwek: Govt can play downpayment card (25/11 - BT) *Ref:BT09-2511-01*

Property tycoon Kwek Leng Beng feels that the authorities could raise the downpayment on the purchase of private homes if there is a risk of resurgence in speculative activity. Currently, home buyers make a 5 per cent minimum cash downpayment. 'The downpayment payable . . . can be increased to reduce the amount of speculation. This amount can be increased further should the speculation go unabated,' Mr Kwek said this week in an e-mail response to BT's questions.

Strong sales at Marina Bay Suites preview (26/11 - ST) *Ref:ST09-2611-01*

A one-day preview at the upmarket Marina Bay Suites development saw invited buyers snap up most of the 90 units released for sale at average prices ranging from \$2,200 to \$2,500 per sq ft (psf). At least 81 units were bought yesterday at the 99-year leasehold, 221-unit condominium in Marina Bay, whose launch had been delayed by almost two years, said a spokesman for Raffles Quay Asset Management, which manages Marina Bay Financial Centre. The centre has two residential towers - Marina Bay Residences, which sold out in late 2006, and Marina Bay Suites.

Property News Summary

New homes near former tomb of Raffles' 'mistress' (26/11 - ST) Ref:ST09-2611-02

Developer Tang City Homes is building a 20 unit residential block at 52, Stevens Road, next to the former resting place of Tan Chwee Neo, alleged to be the lover of Singapore's founder. Her remains were left there for nearly 100 years before they were exhumed in 2003 and moved to a temple. The new freehold Fifty-Two Stevens project, which is located opposite Stevens Close and near the Metropolitan YMCA and The Pines Club, is likely to be launched during the first quarter of next year, after Chinese New Year. It comprises mainly one-bedroom apartments and is expected to be priced just below \$2,000 per sq ft.

Median resale prices for exec condos soar 63% (24/11 - BT) Ref:BT09-2411-05

Caveats lodged for ECs in the resale market in October 2009 showed prices at \$519 per sq ft (psf), says CB Richard Ellis (CBRE). This is 63 per cent higher than at the bottom of the market in Q3 2006, when resale ECs were sold at \$319 psf. CBRE's analysis of caveats lodged between 2004 and early 2007 shows median EC prices in the resale market fluctuated within the \$300-400 psf band, bottoming out at \$319 psf in Q3 2006. ECs are a hybrid of private and public housing. They are similar to private condominiums in terms of facilities and amenities, but eligibility requirements are almost similar to those for new HDB flats.

S'pore retail rents rank 18th highest (01/12 - BT) Ref:BT09-0112-01

Singapore has moved up a notch in property firm CB Richard Ellis' latest survey of the most expensive retail markets. Prime retail rents here were the 18th most expensive in the world in the third quarter of this year, up from 19th spot in Q2. Knight Frank managing director and Singapore retail property veteran Danny Yeo noted that over the past six months, average rents for prime retail space in suburban malls have been more resilient, still managing to post low single-digit per cent increases as supply remains tight. Along Orchard Road, however, the opening of four new malls this year has put pressure on rentals.

S'pore office rents tumble more than half (02/12 - ST) Ref:ST09-0212-02

Great news for office tenants in Singapore but far leaner times for landlords: Office rents have plummeted by more than half in the past 12 months. The occupancy cost here - rent plus local taxes and service charges - is now US\$63.89 (S\$88.25) per square foot (psf) a year, down 23 per cent from six months ago when it was in 15th place. That is down more than half from US\$135.13 psf a year ago. 'We've seen a dramatic correction in rents but in a way, it is helping businesses secure far more competitive business costs,' said CBRE's executive director, office services, Mr Moray Armstrong.

6 whole floors sold at Marina Bay Suites preview (03/12 - BT) Ref:BT09-0312-01

About half a dozen floors at Marina Bay Suites changed hands at last week's preview of the project, BT understands. The buyers of the whole floors are understood to be Indonesians, Singaporeans and other Asians. In absolute terms, the biggest transaction was close to \$45 million, involving at least two floors. The buyer is understood to be an Indonesian party. Market watchers estimate that it could have cost buyers between \$17 million and \$18 million to purchase a whole floor at the 99-year leasehold condo based on prices at last week's preview. Each floor has four apartments - two three-bedroom units and two four bedders. The total saleable area per floor is slightly under 8,000 square feet.

Mover and Shakers!

TripleOne Somerset to open after \$50m face-lift (26/11 - BT) *Ref:BT09-2611-01*

The former Singapore Power Building in Somerset Road will re-open in January 2010 as TripleOne Somerset - after a \$50 million make-over. The office building - acquired by Singapore-based Pacific Star Group in February 2008 for more than \$1 billion - has been refurbished to include two floors of retail and food and beverage (F&B) space with a total area of 60,000 sq ft. Pacific Star converted some of the net lettable area (NLA) into retail space, which has been leased out at better rents. Rents for office space in TripleOne Somerset are now \$6-\$8 per sq ft on average, while retail rents are at \$15-\$20 psf.

\$100m for first collective sale this year (02/12 - ST) *Ref:ST09-0212-01*

Owners at the Dragon Mansion have completed the first collective sale of the year with a \$100.8 million deal to sell their 72-unit condominium. The price for the Spottiswoode Park estate near Outram was below the reserve price but the deal with boutique developer Roxy-Pacific was sealed anyway yesterday. Owners of each of the 1,399 sq ft units will pick up \$1.4 million - well above the estate's highest transacted price of \$880,000 achieved in May last year, according to the deal's broker.