

21st June – 4th July

Statutory Board News Release!

Tampines DBSS site up for tender (23/06 – BT) Ref:BT10-2306-01

The Housing and Development Board (HDB) is putting a public housing site in Tampines up for tender today and market watchers expect developers to show a fair bit of interest in it. The plot at Tampines Avenue 5/Central 8 comes under the Design, Build and Sell Scheme (DBSS), which gives private developers a chance to undertake the design, pricing and sale of flats. DBSS flats come with a 99-year lease and buyers have to meet criteria set by HDB. The 103-year land parcel measures 227,460 sq ft and has a maximum allowable gross floor area of 682,379 sq ft. It can accommodate an estimated 580 units. The site is near the Tampines town centre, MRT station and bus interchange. It is also near amenities such as Tampines Mall, a sports hall and a swimming complex. The tender for the plot will close on Aug 3 at 12 noon.

HDB concession loans used for downsizing (23/06 – BT) Ref:BT10-2306-03

More than 1,200 public flat owners have made use of a recent rule relaxation to obtain a second concessionary loan from the Housing & Development Board, hoping to move to a smaller or similar-size flat. But although more have turned to the government to borrow, some private financial institutions say that this has had little effect on their HDB loan business. Before the policy change, only households moving to larger flats could apply for a second concessionary loan. But HDB found that this may have inadvertently led some to upgrade at the risk of straining their finances. To encourage greater financial prudence, HDB revised its policy on March 5 and made the second concessionary loan available to all eligible households, regardless of whether they upgrade, down-size or move to a flat of the same size. HDB told The Business Times that up to May 31, it had received 5,494 applications for second concessionary loans, and approved 2,439 of them.

HDB to launch at least 12,000 new BTO flats by Sep 2010 (30/06 – BT) Ref:BT10-3006-01

The Housing and Development Board (HDB) said on Wednesday that to ensure an adequate supply of new flats, it is planning to launch at least 12,000 new build-to-order (BTO) flats by September 2010. The HDB added that more could be launched if there is demand. The upcoming projects will have a good geographical spread, covering areas such as Bukit Panjang, Jurong West, Yishun and Woodlands. In July 2010, flat buyers can look forward to the launch of about 1,000 BTO flats in Bukit Panjang and Jurong West, HDB said. On Wednesday, HDB launched its largest batch of BTO flats -- Waterway Terraces in Punggol, Fernvale Foliage and Rivervale Arc in Sengkang. With the launch, HDB would have offered a total of 8,828 new BTO flats for sale in the first six months of this year, an equivalent to the BTO supply for the whole of 2009.

Biggest-ever launch of new HDB flats (01/07 – BT) Ref:BT10-0107-02

The Housing and Development Board launched close to 2,700 new build-to-order (BTO) flats at Punggol and Sengkang yesterday - the largest number of such flats ever offered at one go. A total of 2,696 flats are being offered at Waterway Terraces in Punggol, and Fernvale Foliage and Rivervale Arc in Sengkang. The move comes as the flash estimate for the HDB resale price index is due to be released today. The index will show how much resale prices of HDB flats rose or fell in the second quarter of this year. 'By releasing such a huge supply of new flats a day before the HDB resale price index flash estimate, HDB is sending a clear message of its commitment to keep housing available and affordable for first-time home-buyers,' said Eugene Lim, associate director of ERA Asia-Pacific. With yesterday's launch, HDB has now launched a total of 8,828 new BTO flats for sale in the first six months of this year. This is equivalent to the BTO supply for the whole of last year.

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Property News Summary

Big demand for Punggol flats (02/07 - ST) Ref:ST10-0207-02

The Housing Board received a deluge of applications just one day after the launch of BTO project Waterway Terraces in Punggol, which will feature waterfront units. As of yesterday, five-room flats had been almost six times oversubscribed, with 1,755 applications received for the 306 flats available. Demand was also high for four-roomers, with 2,461 applications received - more than four times the 588 available units.

HDB resale prices rising faster (02/07 - ST) Ref:ST10-0207-03

The rise in Housing Board resale flat prices is accelerating again - after taking a slight breather early this year. Preliminary estimates released by the HDB yesterday show resale HDB flat prices rose 3.8 per cent to a fresh record in the second quarter compared to the first quarter. This is the eighth straight quarter that resale flat prices have broken records since 2008 when they surpassed the levels of the 1996 property peak. Property analysts are now dramatically revising their full-year estimates for resale flat price rises - from 5 to 8 per cent previously, to 12 to 15 per cent. Earlier this year, analysts had expected resale flat price increases to moderate when HDB figures showed prices rising 2.8 per cent in the first quarter over the previous quarter. This rate of increase was slower than the 3.9 per cent in the fourth quarter of last year, and led industry observers to predict a moderation in price growth. But the economic environment has changed. ERA Asia-Pacific associate director Eugene Lim said the outlook for the local economy 'is strong and the jobs market has picked up significantly'. This has sustained the high level of demand for resale flats, and as supply is still tight for resale flats, prices have continued to grow, said Mr Lim.

Three land plots put up for sale (02/07 - BT) Ref:BT10-0207-02

The government yesterday rolled out for sale three plots of land across the island, potentially adding some 1,300 units to the residential supply pipeline. The blitz of sites followed the release of new data showing public and private home prices continuing their ascent in the second quarter. The three sites at Bedok, Yishun and Jurong West are from the confirmed list under the government land sales (GLS) programme in the second half of the year. The Housing & Development Board (HDB) is handling the tenders. Of these sites, the 99-year-lease one at New Upper Changi Road/Bedok North Drive attracted the most attention because it can house a commercial-residential development which will be integrated with a bus interchange. The 2.49 hectare site is at Bedok Town Centre, next to Bedok MRT Station, and is surrounded by amenities such as supermarkets and a library. It has a maximum permissible gross floor area (GFA) of 938,157 square feet and can yield an estimated 475 dwelling units.

Main Property News Release!

Downtown retail rents ease in Q2: DTZ (23/06 - BT) Ref:BT10-2306-02

Landlords of retail space located in the city had little to cheer about in the second quarter. According to a DTZ report yesterday, retail rents at Orchard Road and Scotts Road stayed flat, while those in other areas downtown fell slightly as more space came onstream. The property consultancy found gross rents of prime first-storey space in the city outside Orchard Road and Scotts Road dipping 0.4 per cent quarter-on-quarter to \$24.30 per sq ft per month (psf pm). Upper-storey rents in the same areas slipped 0.7 per cent to \$13.90 psf pm. The emergence of more retail space contributed to this. Over 815,000 sq ft of space was completed in the city outside Orchard Road and Scotts Road in Q2, DTZ said. The Shoppes at Marina Bay Sands accounted for most of this. At Orchard Road and Scotts Road, prime first-storey rents remained at \$39.70 psf pm in Q2, unchanged from the previous quarter. Upper-storey rents also stayed at \$20.50 psf pm.

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Property News Summary

Ogilvy Centre expected to be highly sought after (23/06 – BT) Ref:BT10-2306-04

Ogilvy Centre, a landmark conservation building opposite Lau Pa Sat, is now open for application under the reserve list. Prospective bidders will be allowed to bid for the site, which is designated for hotel use, on either a 30- or 60-year lease term, the Urban Redevelopment Authority (URA) said yesterday. BT understands that Ogilvy, which has until the end of this year to move out from the state-owned property, has already inked a lease for about 60,000 sq ft at 71 Robinson Road. Cushman & Wakefield Singapore managing director Donald Han said the Ogilvy Centre site, at the corner of Robinson Road and Boon Tat Street, will be highly sought after, given that there are few hotel investment opportunities in prime locations in Singapore involving under 150 rooms.

Office rents pick up after sliding for six quarters (25/06 – ST) Ref:ST10-2506-1

Rents for office space are finally on the way up after six consecutive quarters of decline.

The economic recovery and pent-up demand have boosted monthly prime office rents from about \$6.70 per sq ft in the first quarter to \$6.90 for this quarter, a rise of 3 per cent, said property consultancy CB Richard Ellis (CBRE) yesterday. Grade A rents rose 5.6 per cent quarter-on-quarter to \$8.45 per sq ft a month. Rents outside the Central Business District (CBD) in areas such as Novena, Alexandra and Tampines have held steady in the past two to three quarters, giving tenants options of cheaper alternatives, CBRE said. Rents for core and fringe CBD space have risen despite lingering concerns over an impending glut of supply and the hollowing-out of existing buildings within the CBD. Leasing momentum stayed strong, in part due to pent-up demand from multinationals, which were finally in a position to act on their space needs, said Mr Moray Armstrong, CBRE's executive director of office services.

Australian firm top bidder for Jurong site (25/06 – ST) Ref:ST10-2506-2

Australia-based Lend Lease has topped a tender for a large mixed commercial, residential and hotel development site which is set to kick-start Jurong Lake District's planned transformation. It lodged a higher-than-expected bid of \$748.89 million, which works out to \$649.6 per sq ft of gross floor area. This is more than double the minimum expected bid of \$350 million for the 99-year leasehold site, next to Jurong East MRT station. The top bid came in just 2.8 per cent above the second bid of \$728.8 million or \$632 psf of gross floor area from CapitaLand Retail RECM's Energy Trustee. Far East Organization and Frasers Centrepoint were third with a price of \$677 million or \$587.3 psf of gross floor area. China-based Qingdao Construction was the lowest of the six bids with \$418 million or \$362.6 psf of gross floor area. 'Today's tender result shows that although the momentum in the land sales market appears to be decelerating, developers are still looking to acquire attractive development sites,' said Ngee Ann Polytechnic real estate lecturer Nicholas Mak.

High-end property prices could appreciate: UBS (25/06 – ST) Ref:ST10-2506-3

The buoyant economy and low interest rates mean property prices are not heading south anytime soon, according to Swiss bank UBS. While prices of mid-range and lower-end units could stay at current levels for at least the next 12 months, high-end homes could even go higher. 'Luxury properties such as those at Sentosa, Nassim Road and Ardmore Park, where condominiums go for above \$3,000 per sq ft, could see further upsides,' said Mr Kelvin Tay, chief investment strategist at UBS Wealth Management Singapore. 'From now until the end of the year, a 5 to 8 per cent price appreciation is not difficult. The lower luxury segment, at districts 9, 10 and 11, might see some positive flows because of the luxury end moving up but I think that will be muted.' The luxury-end is 'not a sector that the Government is keen to control', said Mr Tay, who added that the rest of the market is likely to be flat. Late last month, flash estimates from the National University of Singapore showed that its price index for non-landed private homes rose 2.5 per cent in April over March, meaning a rise of about 6 per cent since the end of last year.

Property News Summary

Lend Lease plans mall, office block on Jurong site (26/06 - ST) Ref:ST10-2606-1

Australian property giant Lend Lease wants to build a mall and an office block on the Jurong Lake District site that it is tipped to secure after lodging the highest bid. The firm said in a statement yesterday: 'The site has capacity for (about) 108,000 sq m of development, including a regional suburban shopping centre and commercial tower.' 'Lend Lease will utilise its integrated property capabilities to create and deliver a prime suburban shopping mall and commercial tower in Singapore,' said its chief executive, Asia, Mr Ooi Eng-Peng. Lend Lease said it made the bid jointly with one of its managed funds, the Asian Retail Investment Fund. They offered \$748.89 million, which works out to \$649.6 per sq ft of gross floor area, more than twice the minimum required amount.

Home prices 'set for healthy gains' (29/06 - ST) Ref:ST10-2906-1

Prices of mass market homes, especially Housing Board flats, are set for healthy gains this year, according to a Citigroup report. But it is far more pessimistic about the high-end market. Citi is bucking an upbeat trend among property consultants by expressing fears of an oversupply of upscale homes. It said, for example, that one-third of prime District 9 units due for completion in the next 12 to 15 months remain unsold. However, HDB resale prices, which provide a strong base for the mass private market, are likely to stay firm due largely to the generally low supply since 2003, it said. Citi expects both HDB resale prices and rents, as well as mass market private home prices, to rise 5 per cent to 10 per cent by the end of the year. 'With capital gains from existing Housing Board flats at a seven-year high, coupled with low mortgage rates, we believe new sales are likely to remain strong in the mass market,' it said.

Price index for non-landed private homes up 2.6% (30/06 - BT) Ref:BT10-3006-1

Latest flash estimates from the National University of Singapore show that its overall price index for non-landed private homes rose 2.6 per cent in May over the preceding month. Since the end of last year, the index has appreciated 8.6 per cent. The Singapore Residential Price Index (SRPI), compiled by the NUS Institute of Real Estate Studies, covers only completed properties. The sub-index for the central region, which covers a basket of properties in postal districts 1-4 and 9-11, grew 2.5 per cent in May over the preceding month, and 7.9 per cent year to date. The sub-index for non-Central region rose at a slightly faster clip, of 2.6 per cent month-on-month in May and 9.1 per cent year to date. Developers' sales have slowed since May as Europe's economic crisis affected financial markets, causing home buyers to withdraw to the sidelines, even ahead of the June school holidays and World Cup season. The market is expected to enter a consolidation phase, marked by slower sales as developers try their best to maintain prices and potential buyers hold back their purchases, hoping for price cuts.

Mapletree to list 2 new Reits (01/07 - ST) Ref:ST10-0107-02

Mapletree Investments said yesterday it will soon launch two new real estate investment trusts (Reits). One new Reit will contain the industrial assets it took over from JTC Corporation; the other will be anchored by megamall VivoCity. Its chief executive officer, Mr Hiew Yoon Khong, said he hopes to list Mapletree Industrial Trust this year and to raise between \$500 million and \$1 billion from it, with a likely target of about \$750 million. This Reit will comprise \$1.73 billion worth of ex-JTC assets, such as flatted factories and business parks. But its portfolio could expand to some \$2 billion if it injects the Singapore assets under its pan-Asia Mapletree Industrial Fund into the Reit, said Mapletree's chief investment officer, Mr Chua Tiow Chye. This is a long-awaited Reit. In April 2008, JTC decided to sell part of its industrial assets to Mapletree Investments, after scrapping plans to list them in a property trust owing to volatile market conditions. Mapletree, wholly owned by Temasek Holdings, said then it would explore the listing of the portfolio in due course.

Property News Summary

Rents at ex-JTC factories could rise (01/07 - ST) Ref:ST10-0107-03

Rents at industrial properties formerly owned by JTC Corp are likely to go up from June next year once a rental rise cap is lifted and a real estate investment trust (Reit) manager takes over. The properties are held under the Mapletree Industrial Trust, which is headed for an initial public offering, possibly by the end of the year. Reits collect rent from tenants of the properties they own and pay most of it as dividends to unit holders. Mapletree Investments, which bought the properties in 2008, had to face unhappy tenants struggling with soaring rents last year. Many had petitioned Mapletree for hefty rent cuts to cope with the tough market conditions then. Most of all, they were upset at having missed out on a 15 per cent rental rebate granted by JTC as part of the Government's Resilience Package. Many are small and medium-sized enterprises occupying the cheapest of the ex-JTC factories. And JTC rents are generally below market rates.

Scotts Tower design undergoes revamp (01/07 - BT) Ref:BT10-0107-01

Far East Organization has changed the architect and the design for Scotts Tower, located at the junction of Scotts and Cairnhill roads. The eye-catching 153m, 31-storey tower was originally designed with 67 luxury apartments with panoramic views and had a built-up floor area of about 20,000 sq m. In late 2009 it was reported that Far East was shrinking the units to make them more affordable. The original design was commissioned in 2006 and was planned to be launched in late 2007. Architect Ole Scheeren, formerly a partner at Office of Metropolitan Architecture (OMA) will be replaced by Ben van Berkel of UNStudio. The number of units is now expected to increase, and the new design is currently being planned.

Prices of private homes hit new peak (02/07 - ST) Ref:ST10-0207-1

Private home prices in Singapore are now at their highest level ever, eclipsing even the previous 1996 peak. Official estimates show prices rose a higher-than-expected 5.2 per cent in the second quarter after a 5.6 per cent jump in the first. That means private home prices have risen 11.1 per cent so far this year. Prices, now 1.5 per cent above the 1996 high, are expected to continue to edge up this year given the positive economic outlook, property experts forecast. But the rises should moderate as the market is no longer feverish, having slowed to a more sustainable level with many more sites on the way, they said.

Admiral Hill developer dropped (02/07 - ST) Ref:ST10-0207-04

Admiral Hill was to have been the Dempsey Hill of northern Singapore, a lifestyle hub with a country club, rock-climbing facilities, a golf driving range and beauty and health businesses, among other attractions. But the future of the project is in doubt: The landlord of the site, the Singapore Land Authority (SLA), has terminated the contract of developer Yess Resorts & Country Club (Yess) for failing to pay the rent. The SLA will shop for a new developer, and Yess' sub-tenants have until early next year to clear out. The jury is out, however, on whether there will be new takers for this 4ha site in far-flung Sembawang. Admiral Hill was to have come up around Old Admiralty House, which was built in 1939 to accommodate Royal Navy officers and declared a national monument in 2002. The project was dogged by problems from the get-go. Yess clinched the SLA tender to develop the place in 2007 by offering to pay \$40,000 a month in rent and on the strength of its proposed plans. But instead of a 'lifestyle hub', an illegal school and a workers' dormitory came up. Both were ordered shut last year.

Mover and Shakers!

Just \$15.8m for Sentosa house with grim past (30/06 - ST) Ref:ST10-3006-1

The three-storey Sentosa Cove bungalow where Chinese national Li Hong Yan's naked body was found floating in a pool has been put up for sale or rental. An agent from real estate company HSR has placed a small A4-sized sign advertising its availability on one of front windows of the house. The Straits Times understands that the asking monthly rental for the property of approximately 8,000 sq ft is \$28,000, while the asking sale price is \$15.8 million - some way below its estimated valuation of \$17 million. Such a price values the property at less than \$2,000 per sq ft (psf), thought to be something of a steal considering that a record resale market price for a Sentosa Cove property in Paradise Island was set last month at \$36 million - or \$2,403 psf. The bungalow, said to be slightly more than a year old, is believed to be priced for quick sale - below its valuation - because its owner is currently based in Tokyo. An open house for the prime-sited house was held last weekend and attended by about 20 people, with a number requesting further viewing. It is believed that an offer of \$15 million has already been made on the property, but has been rejected by its owner, Mr Adrian Chua Boon Chye, 39, chief executive and founder of real estate investment management company Roundhill Capital.

Guthrie sells Amoy St properties for S\$24.5 mln (02/07 - BT) Ref:BT10-0207-1

Guthrie GTS Limited said on Friday that its unit, Guthrie PMS (S) Pte Ltd, has agreed to sell its properties at 112 to 116 Amoy Street in Singapore to Sun Venture Invesco Pte Ltd for S\$24.50 million. It expects to record a net surplus of S\$1.85 million from the sale. Guthrie said the properties 'are not core assets and the transaction will allow the Company to realise and unlock the value of the Amoy Properties'. It is intended that the net proceeds for working capital purposes and to fund any future capital investment.