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Residential

Private home prices accelerate in Q1, rising 3.2% on low volume

Prices of private homes in Singapore accelerated in the first quarter of 2023, growing 3.2 per cent over the previous three months on lower sales volume, according to the Urban Redevelopment Authority's (URA) flash estimates on Apr 3.

This follows a marginal 0.4 per cent increase in Q4 of last year. It also comes after several major launches in the past quarter and a subsequent surge in sales for new private homes at fresh benchmark prices, despite mounting economic headwinds, analysts said.

Huttons senior research director Lee Sze Teck pointed out that home prices were also likely boosted by a return of foreign buyers, with many luxury units in the CCR picked up by mainland Chinese buyers in January and February as border restrictions eased.

Based on caveats lodged as at Mar 31, around 127 new homes were purchased by foreign buyers – 16.5 per cent more than the previous quarter's 109 units.

Projects favoured by these buyers were high-end condos in prime districts – Riviere at Jiak Kim Street, with 21 units sold; Klimt Cairnhill in the Orchard vicinity, with 20 units sold; and Perfect Ten along Bukit Timah Road, with 10 units sold.

Analysts expect prices to continue rising, albeit at a slower pace, especially with more launches on the horizon.

Links to the story:

<https://www.businesstimes.com.sg/property/private-home-prices-accelerate-q1-rising-32-low-volume>

<https://www.straitstimes.com/business/private-home-prices-up-32-per-cent-in-q1-driven-by-surge-in-landed-prices-and-more-new-launches>

GuocoLand-Hong Leong Holdings tie-up is sole bidder for Lentor Gardens site at URA tender

At this year's maiden state land tender for a 99-year leasehold private housing site, a plot along Lentor Gardens in the Yio Chu Kang area has drawn just one bid.

Mainboard-listed GuocoLand teamed up with Hong Leong Holdings' Intrepid Investments to place the bid of S\$486.8 million, or nearly S\$985 per sq ft per plot ratio (psf ppr).

Market watchers attribute the muted outcome for the tender, which closed on Apr 4, primarily to a potential oversupply in the area, the new Lentor Hills Estate. The Urban Redevelopment Authority (URA) has released a slew of sites in the past couple of years, and with more to come.

Link to the story:

<https://www.businesstimes.com.sg/property/guocoland-hong-leong-holdings-tie-sole-bidder-lentor-gardens-site-ura-tender>

All quiet on the collective sale front as deals stall over price gap

A “gulf” in expectations has opened up in the en bloc sale market, with a price gap of up to 15 per cent showing between what developers will pay and what owners are asking.

There is now a price gap of up to 15 per cent from what developers are prepared to pay, because current en bloc prices were probably valued last year before interest rates and construction-related costs continued to rise.

Homeowners’ price expectations have gone up as prices of private residential homes shot up by 20 per cent to 30 per cent over the year.

Developers, on their part, will continue to be “very, very cautious” for this quarter and the next, even though their inventories may be low and they remain on the lookout for land to bank. High interest rates and rising construction costs are holding them back.

Link to the story:

<https://www.businesstimes.com.sg/property/all-quiet-collective-sale-front-deals-stall-over-price-gap>

Three freehold bungalows in Chancery area sold for S\$61.1 million

Three adjoining freehold bungalows at 10/10A Chancery Hill Road, 12 Chancery Hill Road and 14/14A Dyson Road were sold for S\$61.1 million.

The buyer is a subsidiary company of Sustained Land, a property developer founded and owned by Douglas Ong.

All proceeds of the sale will go to registered charities, which were not disclosed.

Links to the story:

<https://www.businesstimes.com.sg/property/three-freehold-bungalows-chancery-area-sold-s611-million>

<https://www.straitstimes.com/business/dick-lee-family-s-bungalows-sold-for-611-million-with-proceeds-going-to-charity>

Values tumble for high-end condos sold during 2013 property peak; analysts warn about buying high

Values of the 10 most expensive condominiums bought during the last residential property peak of 2013 have all fallen over the past decade, with one unit sold at nearly half of what it first went for.

That prices per square foot (psf) for these units have all tumbled from 2013’s high, despite rising prices for new properties in recent years, is a clear warning about the dangers of buying into markets that are spiking, said experts.

But market watchers say the depreciation of 2013's heavyweights is no indication of a lack of demand for luxury residences.

Link to the story:

<https://www.straitstimes.com/business/property/values-tumble-for-high-end-condominiums-sold-during-2013-property-peak-analysts-warn-about-buying-high>

The hunt for rental yields

Private residential rentals surged in Singapore at a much faster pace than private home prices last year, resulting in an increase in rental yields.

For freehold properties, the yield has appreciated 0.5 percentage point year on year and 0.6 percentage point since Q2 2020 to reach 3.4 per cent in Q4 2022, for the first time since Q4 2014.

Link to the story:

<https://www.businesstimes.com.sg/opinion-features/hunt-rental-yields>

Singapore's steep rentals not be-all, end-all issue for expats

While recent steep hikes in rents for private housing might drive some expatriates and companies away from Singapore, they are but one consideration in the Republic's attractiveness as a business hub, say analysts.

Skyrocketing rents have alarmed the expat community, with many expressing shock and unhappiness over how their housing costs have shot up.

The average rental for condos in Singapore today is comparable to – and even surpasses – rents at some of the most desirable cosmopolitan cities.

Some consultants also pointed out that before the recent spike, rent in Singapore has remained fairly flat for the past decade.

Link to the story:

<https://www.businesstimes.com.sg/property/singapores-steep-rentals-not-be-all-end-all-issue-expats-analysts>

HDB resale prices flatten in Q1; up 0.9% in slowest quarterly growth since 2020

Housing and Development Board (HDB) resale prices climbed 0.9 per cent in the first quarter of 2023, compared to the 2.3 per cent growth of the previous quarter.

According to HDB flash estimates released on Apr 3, it was the smallest quarterly increase since Q2 2020, when prices rose by 0.3 per cent.

HDB resale volume in Q1 (as at Mar 30) stands at 6,880 cases, 1 per cent higher than the same period last year, which saw 6,810 cases.

In the August BTO launch, HDB will offer between 5,200 and 6,200 flats in estates such as Bukit Merah, Choa Chu Kang, Kallang Whampoa, Queenstown and Tengah.

Huttons senior research director Lee Sze Teck said that the flats available in the May and August BTO launches may have a shorter waiting time and attract some buyers away from the resale market.

Based on data downloaded on Mar 31, there is an increase in the number of HDB towns with quarterly price declines, said Lee.

In Q2 2022, there were three HDB towns which saw a decline in quarterly prices. This increased to seven HDB towns in Q3 2022, 10 in Q4 2022 and 12 in Q1 2023.

The HDB towns with two quarters of price declines were Bukit Panjang, Kallang/Whampoa and Tampines.

However, based on caveats downloaded on Mar 31, there were 101 million-dollar flat transactions in Q1, despite the overall trend of HDB resale prices flattening.

Lee said: “The cooling measures on private property owners did not appear to have reduced the number of million-dollar flat transactions.”

He noted how the number of estimated million-dollar flat transactions in Q1 2023 is 9.8 per cent higher than Q4 2022, and 21.6 per cent higher than a year ago.

Links to the story:

<https://www.businesstimes.com.sg/property/hdb-resale-prices-flatten-q1-09-slowest-quarterly-growth-2020>

<https://www.straitstimes.com/singapore/housing/hdb-resale-prices-rise-09-in-q1-smallest-increase-in-last-10-quarters>

Big jump in HDB resale flats that sold for \$800k to \$999k during the pandemic

Resale flat transactions of between \$800,000 and \$999,999 saw the fastest growth in the past two years as well as over the past decade, jumping 190 per cent to 2,201 in 2022 from 757 in 2020, and up a whopping 646.1 per cent between 2012 and 2022.

In comparison, resale transactions of between \$600,000 and \$799,999 rose 108 per cent to 5,972 in 2022, from 2,871 in 2020. These were up 131.6 per cent in the 2012 to 2022 period.

Transactions of between \$400,000 and \$599,999 – the sweet-spot pricing for the majority of resale buyers – saw a 31.1 per cent rise to 13,214 in 2022 from 10,078 in 2020, but rose just 2.3 per cent in the 2012 to 2022 period. This category accounted for 49.4 per cent of overall resale transactions in 2022.

Link to the story:

<https://www.straitstimes.com/business/big-jump-in-hdb-resale-flats-that-sold-for-800k-to-999k-during-the-pandemic>

Retail

China's Luckin Coffee makes Singapore debut at Marina Square, Ngee Ann City

China's giant coffee chain Luckin Coffee makes its debut in Singapore with a double shot: Two stores – at Marina Square and Ngee Ann City – opened on Mar 31, with more in the works. Singapore is the first market in its overseas expansion.

Link to the story:

<https://www.straitstimes.com/life/food/china-s-luckin-coffee-makes-singapore-debut-at-marina-square-ngee-ann-city>

Commercial

Golden Mile Tower set for en bloc relaunch at S\$600 million reserve price

Golden Mile Tower will be relaunched for collective sale on Apr 7 at a reserve price of S\$600 million.

This follows its first en bloc attempt at an indicative price of S\$650 million, which closed on Jan 9 without a deal.

It has a plot size of 8,727 sq m and a gross floor area of 38,953.72 sq m. With a plot ratio of 4.46, the asking price for the property translates to S\$1,550 per square foot per plot ratio.

The second tender for Golden Mile Tower will close on May 8.

Link to the story:

<https://www.businesstimes.com.sg/property/golden-mile-tower-set-en-bloc-relaunch-s600-million-reserve-price>

Government

Singapore, China agree to restore flights, people exchanges to pre-pandemic levels

Prime Minister Lee Hsien Loong and Chinese president Xi Jinping have agreed to work towards restoring flight connectivity and people-to-people exchanges between Singapore and China back to pre-pandemic levels.

This was one of several points both leaders discussed as they met on Mar 31, the Ministry of Foreign Affairs (MFA) said in a statement. PM Lee is on an official visit to China, his first to the country in four years.

Meeting at the Great Hall of the People in Beijing, PM Lee and Xi agreed to upgrade bilateral relations to be all-rounded, of high quality and future-oriented.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economy-policy/singapore-china-agree-restore-flights-people-exchanges-pre-pandemic-levels>

<https://www.straitstimes.com/asia/east-asia/singapore-china-relations-is-a-model-for-countries-in-the-region-xi-jinping>

Iras probes home buyers who used '99-to-1' loophole to avoid paying ABSD

The taxman has launched an audit of private property purchases involving a "99-to-1" sales contract that could be used to dodge paying the additional buyer's stamp duty (ABSD).

The Straits Times has learnt that letters are being sent to some first-time buyers of private real estate asking them to explain why they sold just 1 per cent of the same property to a relative barely a week after exercising the purchase option.

Such a deal allows the relative, who already owns other properties, to avoid paying the ABSD while still becoming a co-owner of the new property. It also allows the relative to become a co-applicant for bank loans for the property.

Links to the story:

<https://www.straitstimes.com/business/invest/iras-probes-home-buyers-who-used-99-to-1-loophole-to-avoid-paying-absd>

<https://www.straitstimes.com/business/invest/only-first-time-buyers-can-own-homes-in-99-to-1-shares-from-the-start>

<https://www.straitstimes.com/business/invest/why-99-to-1-property-deals-to-avoid-absd-have-zero-chance-of-success>

Home Improvement Programme completed for 95% of eligible, pre-1986 HDB flats

Upgrading works for about 305,000 Housing Board flats – or 95 per cent of the units that were built up to 1986 and eligible for the Home Improvement Programme (HIP) – have been completed as at last Friday.

Another 11,000 flats – or 4 per cent – are being upgraded, with HIP voting yet to take place for the remaining 1 per cent.

Next in line are the 230,000 flats completed between 1987 and 1997. So far, 1,200 have been upgraded while works are ongoing for 55,000.

Link to the story:

<https://www.straitstimes.com/singapore/home-improvement-programme-completed-for-95-of-eligible-pre-1986-hdb-flats>

Economy

Applicants for Employment Pass to get bonus points for 27 ‘shortage’ roles

Roles in financial advisory, carbon trading and artificial intelligence (AI) are among 27 “shortage occupations” for which Employment Pass (EP) applicants can get bonus points under Singapore’s upcoming Compass framework, on a list released by the Manpower Ministry (MOM) on Mar 31. Also released were details of the previously-announced strategic economic priorities (SEP) bonus, which also grants bonus points. Firms do not need to apply for this bonus; those that qualify will be notified by MOM from end-July 2023.

There are four foundational criteria: the applicant’s salary, his or her qualifications, the diversity in the employer’s talent pool, and the employer’s support for local employment. Applicants can score 0, 10 or 20 points in each area.

In addition to the above four, there are two bonus criteria: the skills bonus for shortage occupations, and the SEP bonus.

Links to the story:

<https://www.businesstimes.com.sg/singapore/applicants-employment-pass-get-bonus-points-27-shortage-roles>

<https://www.straitstimes.com/business/27-job-types-get-bonus-points-for-employment-pass-approvals>

Singapore PMI back in contraction mode in March, echoes region’s softer factory activity

Singapore’s factory activity dipped a notch last month, mirroring a region-wide softening as uncertainty continues to cloud the near-term outlook.

The Purchasing Managers' Index (PMI) fell a marginal 0.1 point to 49.9 in a swift return to contraction territory in March, data from the Singapore Institute of Purchasing and Materials Management (SIPMM) showed on Apr 3. A reading above 50 indicates expansion. Separately, electronics PMI inched up 0.1 to 49.4 point in March, continuing its eight-month run in contraction mode.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-pmi-back-contraction-mode-march-echoes-regions-softer-factory-activity>

<https://www.straitstimes.com/business/slight-dip-in-manufacturing-activity-in-march-forecast-of-contraction-remains>

Singapore retail sales in February rebound to 12.7% after brief dip

Singapore's total retail sales in February jumped 12.7 per cent year on year, more than reversing the brief dip in the previous month, data from the Department of Statistics Singapore (SingStat) showed on Apr 5.

This brought total retail sales value in February to S\$3.6 billion, of which 12.4 per cent was derived from online sales.

SingStat noted that the increase was due in part to a lower base, as some shops were not open during the Chinese New Year festive season in early February last year.

Excluding motor vehicles, retail sales rose 11.7 per cent in February, extending the 2.1 per cent increase in the preceding month.

On a month-on-month seasonally adjusted basis, total retail sales grew 3.9 per cent, an improvement over the 9.5 per cent contraction in January.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-retail-sales-february-rebound-127-after-brief-dip>

<https://www.straitstimes.com/business/economy/singapore-retail-sales-rebound-in-february-with-127-rise>

Singapore seen tightening monetary policy as inflation remains elevated

Singapore is likely to tighten monetary policy this month for the sixth time in a row, amid persistent price pressures in the Asian financial hub due to global supply chain disruptions.

Eleven out of the 17 analysts polled by Reuters expect the Monetary Authority of Singapore (MAS) to tighten its policy, perhaps for the last time in the current cycle in April, citing the need to tame the persistent elevated inflation.

Among the 11 analysts who see tightening, five think the MAS would only steepen the slope, while six think that it would only upwardly re-centre the midpoint of the band.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-seen-tightening-monetary-policy-inflation-remains-elevated>

<https://www.straitstimes.com/business/singapore-seen-tightening-monetary-policy-in-april-with-inflation-still-high-reuters-poll>

Singapore is top Asian city in Smart City Index, ranks 7th worldwide

Singapore is the smartest Asian city and the seventh-smartest in the world, according to the 2023 Smart City Index.

Published by Swiss business school Institute for Management Development (IMD) on Apr 4, the index ranks 141 cities by how they use technology to address the challenges they face to achieve a higher quality of life.

In 2020 and 2021, Singapore was also ranked seventh in the world, three places up from its rank of 10th in 2019. It had been ranked first from 2019 to 2021, but these past rankings have been adjusted according to a new methodology used for the 2023 index.

Link to the story:

<https://www.straitstimes.com/singapore/singapore-is-top-asian-city-in-smart-city-index-ranks-7th-worldwide>

Singapore adds more billionaires to Forbes' 2023 richest list, but tech fortunes take a hit

Mr Li Xiting, founder and chairman of Shenzhen Mindray Bio-Medical Electronics, a global provider of medical devices based in China, has again topped Forbes' list of billionaires in Singapore.

Mr Li was among 35 billionaires from the Republic – up from 26 in 2022. Their collective net worth came to US\$118.9 billion (S\$157.6 billion), compared with US\$106.7 billion in 2022.

This year saw several additions to the rarefied list, including Mr Kwek Leng Keow (with US\$1.4 billion) of Hong Realty, the private property company within the Hong Leong Group in Singapore; hotel tycoon Michael Kum (with US\$1 billion), whose properties include brands such as Hilton and Hyatt; and Dr Loo Choon Yong (with US\$1 billion), co-founder of Raffles Medical Group.

Mr Li's net worth stood at US\$16.3 billion, making him the 103rd richest billionaire in the world, according to Forbes' annual ranking.

Link to the story:

<https://www.straitstimes.com/business/singapore-adds-more-billionaires-but-gaming-fortunes-take-a-hit-in-forbes-2023-richest-list>

Hospitality

Media fund, Orchard Road rejuvenation, sustainability road maps to boost Singapore tourism

A new S\$10 million fund for media featuring Singapore and rejuvenation plans for Orchard Road are among the Singapore Tourism Board's (STB) efforts to strengthen the country's appeal and make it top-of-mind for potential visitors.

The board will also support the Global Sustainable Tourism Council (GSTC) to develop international sustainability criteria for meetings, incentives, conferences and exhibitions (Mice) and attractions.

Minister of State for Trade and Industry Alvin Tan announced these plans at the Tourism Industry Conference at Suntec Singapore Convention and Exhibition Centre on Apr 5.

Links to the story:

<https://www.businesstimes.com.sg/singapore/media-fund-orchard-road-rejuvenation-sustainability-road-maps-boost-singapore-tourism>

<https://www.straitstimes.com/singapore/consumer/s-pore-welcomed-29-million-visitors-in-q1-2023-about-two-thirds-of-pre-covid-19-numbers>

Industrial

Oracle launches second cluster of data centres in S'pore, will train several hundred poly students

Rising cloud provider Oracle is doubling down on its infrastructure investment in Singapore with a second cluster of data centres, which it calls a cloud region.

The cluster is one of 10 more planned on top of the 41 that the firm has built in recent years, reflecting a huge and growing appetite for cloud computing services as firms accelerate their digitalisation journey and adoption of artificial intelligence (AI).

Oracle's second cluster of data centres comes less than 18 months after it opened its first in Singapore, the only South-east Asian country to have the company's cloud region. Its other Asia-Pacific cloud regions are located in Japan, South Korea, Australia and India.

Link to the story:

<https://www.straitstimes.com/business/oracle-launches-second-cluster-of-data-centres-in-s-pore-will-also-train-several-hundred-poly-students>

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