Top News for the Week

- New private home sales more than treble in November to highest in four months
- Higher supply in softening market to keep private home prices in check in 2024
- Rental occupancy cap raised to 8 unrelated people for HDB, private properties
- Singapore exports up 1% in November after 13 months of contractions
- Muted outlook for Singapore consumer sector as inflation prompts belt-tightening
- November visitor arrivals slip again to 1.1 million as slow China recovery continues
- Singapore travel and hospitality players upbeat on full return of visitors in 2024

Residential

New private home sales more than treble in November to highest in four months

Sales of new private homes surged in November as developers moved 784 units, mostly from three launches – J'Den, Hillock Green and Watten House.
Developers' sales were up by 286.2 per cent from the 203 units in October and 201.5 per cent year on year, according to data released by the Urban Redevelopment Authority (URA) on 15 Dec.
Demand showed up strongly after a dearth of launches in September and October. Some 970 units were launched in November, the highest since July and higher than the 319 units launched in the year-ago period.
CapitaLand's J'Den in Jurong East sold 89 per cent of its 368 units at launch. "With no new launches in Jurong East in the last 10 years since 2013, the established infrastructure of malls and healthcare facilities, as well as the growth narrative of Jurong Lake District and the government's resolve to create a decentralised commercial employment node outside the CBD, this created flash demand for this highly anticipated project.

Links to the story:
https://www.businesstimes.com.sg/property/new-private-home-sales-more-treble-november-highest-four-months
https://www.straitstimes.com/business/new-condo-launches-j-den-hillock-green-and-watten-house-supercharged-november-private-homes-sales

Higher supply in softening market to keep private home prices in check in 2024

A Slew of new launches to come into a softening market will keep Singapore's private home prices in check, although talk of interest rate cuts has sparked some optimism for the second half of the year.
And where residential prices have risen the fastest in the last few years, in suburban Outside Central Region (OCR) locations, househunters will be watching if prices might ease.
Overall, private home prices have risen 3.9 per cent in the first three quarters of the year, and are expected to close out 2023 with growth of between 4 and 5 per cent. Forecasts for 2024 are pitched around 3 per cent. Prices rose 8.6 per cent in 2022 and 10.6 per cent in 2021.
Homebuyers contended with tighter lending limits and higher interest rates this year, along with hikes in stamp duties and property taxes.
Based on Huttons Asia's estimate, the supply of new condos could pick up to around 11,600 units in 38 launches next year.

Huttons sees up to 5,583 units being launched in the suburbs, the highest for the region in 11 years. This includes a 1,190-unit integrated mixed-use project along Tampines Avenue 11 by UOL Group and CapitaLand, as well as three more projects in the Lentor area.

Link to the story:
https://www.businesstimes.com.sg/property/higher-supply-softening-market-keep-private-home-prices-check-2024

GCB deals and prices expected to rise in 2024 on pent-up demand, motivated sellers

After a relatively quiet year, the volume of transactions for Good Class Bungalow (GCB) Areas is expected to pick up in 2024.
This is likely to be fuelled by pent-up demand and more realistic price expectations from the segment of owners who are motivated to sell.
Expectations of lower borrowing costs are also likely to help improve the buying mood, said observers.
Generally, agents are projecting prices to be firm, with room for upside, probably later in the year.
Bungalows in the 39 gazetted GCB Areas are the most prestigious form of landed housing in Singapore, with strict planning conditions stipulated to preserve their exclusivity and low-rise character.

Link to the story:
https://www.businesstimes.com.sg/property/gcb-deals-and-prices-expected-rise-2024-pent-demand-motivated-sellers

Sophia Road en bloc site sells for S$33.59 million, below guide price

A residential redevelopment site at 132 Sophia Road was sold for S$33.59 million to boutique property developer and investor Sin Thai Hin Development, following a tender exercise that closed on Nov 29.
This translated to a land rate of about S$1,172 per square foot per plot ratio (psf ppr) inclusive of a nominal land betterment charge, said exclusive marketing agent Knight Frank Singapore on 21 Dec.
The tender for 132 Sophia Road was launched on Nov 2 at a guide price exceeding S$35 million, which would have translated to a land rate of at least S$1,221 psf ppr.
The S$33.59 million price tag at which it was sold to Sin Thai Hin represented a 4 per cent discount to this minimum amount.
Situated within walking distance to Dhoby Ghaut MRT station, Plaza Singapura, Wilkie Edge and Parklane Shopping Mall, 132 Sophia Road has a land area of 13,783 square feet and was sold on a 103-year leasehold tenure.
It is zoned "residential" with a gross plot ratio of 2.1 under the Urban Redevelopment Authority's Master Plan 2019.

Link to the story:
https://www.businesstimes.com.sg/property/sophia-road-en-bloc-site-sells-s3359-million-below-guide-price

Assisted-living flats in Bukit Batok delayed after HDB axes contractor over poor progress

Buyers of Singapore's first assisted living public housing flats in Bukit Batok will face a delay of three to four months after the Housing Board terminated the services of the project's main contractor.

The completion date of Harmony Village @ Bukit Batok, which consists of 169 community care apartments in a 15-storey block, will be pushed back to between September and October 2024. It was initially slated to be completed in the second quarter of 2024.

In response to queries from The Straits Times, HDB said it had appointed Qingjian International (South Pacific) Group Development Co. to take over the project from main contractor JSM Construction Group on Feb 14.

HDB terminated the services of JSM on Jan 9 due to "unsatisfactory site progress".

The Board said that despite the delay due to the change in contractor, it had initially assessed that it could meet the completion timeline of the second quarter of 2024 by working closely with the new contractor and implementing measures to expedite construction.

Such measures include using more machinery, hiring additional subcontractors, and carrying out quieter works such as plastering and painting after office hours and on weekends within the permissible noise limits set by the National Environment Agency.

Links to the story:
https://www.businesstimes.com.sg/property/assisted-living-flats-bukit-batok-delayed-after-hdb-axes-contractor-over-poor-progress
https://www.straitstimes.com/singapore/housing/assisted-living-flats-in-bukit-batok-delayed-after-hdb-axes-contractor-over-poor-progress

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Commercial

Over 75% of Turf City tenants find new homes as deadline to vacate site looms

More than 75 per cent of Turf City tenants have found new places for their businesses ahead of a Dec 31 deadline to leave the Bukit Timah site, which is slated to make way for private and public homes.

However, the authorities have given one business a little more time to move out – despite having made clear previously that there will be no more tenancy extensions after 2023.

Blue Dolphin Gallery, which runs horse-riding business Gallop Stable, has been given a grace period of three months to get its new premises ready, which means it can continue to keep about 150 of its horses at Turf City until March 31, 2024.

Blue Dolphin Gallery's slated move to a state-owned property at 8 Admiralty Road East in Sembawang in February has been delayed due to "extenuating and unforeseen circumstances", said the Singapore Land Authority (SLA), Sport Singapore and Urban Redevelopment Authority (URA) in a joint statement on Dec 21.

A letter dated Oct 31 – seen by The Straits Times – said the area where the new property is located was closed because a building had collapsed.

Link to the story:
https://www.straitstimes.com/singapore/over-75-of-turf-city-tenants-find-new-homes-as-dec-31-deadline-to-vacate-bukit-timah-site-looms

Retail

Retailers and F&B operators must adapt for bumpy road ahead in 2024

Retailers and food and beverage operators here are facing a challenging 2024, with cost of living issues and an uncertain outlook for tourism and the economy, but some firms are still willing to take a chance.
While there have been closures in both sectors in 2023, there are still others who see plenty of opportunities in the new year.
Take cosmetics chain Sa Sa, which closed its local stores in 2019. The firm has returned after four years, joining other retail outlets that have opened in 2023 despite the economic uncertainty. Sa Sa opened its first store in Jurong Point in December.
Mr Danny Ho, executive director and chief financial officer of Sa Sa International Holdings, told The Straits Times: "We received feedback from customers and brands encouraging our return to Singapore to fill demand and provide a channel for brands looking for a retail partner."
Sa Sa's decision to reopen here comes at a time when retailers and analysts are expecting a more difficult business landscape given rising costs, more cautious consumers due to inflation and lower expenditure at brick-and-mortar stores due to online discounts and promotions.

Link to the story:
https://www.straitstimes.com/business/retailers-and-fb-operators-must-adapt-for-bumpy-road-ahead-in-2024

Government

Rental occupancy cap raised to 8 unrelated people for HDB, private properties

Larger Housing and Development Board (HDB) flats and private residential properties will be allowed to house eight unrelated persons, up from the current cap of six.
The rental occupancy cap will be relaxed temporarily between Jan 22, 2024, and Dec 31, 2026, to better meet rental demand, said HDB and the Urban Redevelopment Authority (URA) on 20 Dec.
It will apply to four-room and larger HDB flats, living quarters of HDB commercial properties where the living space is at least equivalent to a four-room flat, and private residential properties of at least 90 square metres.
HDB and URA noted that any extension of the relaxed occupancy cap beyond 2026 will be subject to review, based on the open market situation then.
Minister for National Development Desmond Lee said in a Facebook post that the sharp increase in residential rents was largely led by strong demand amid Covid-19 construction delays.
He noted that the government "(anticipates) the need to maintain a healthy rental supply to support those looking to rent".

Links to the story:
https://www.businesstimes.com.sg/property/rental-occupancy-cap-raised-8-unrelated-people-hdb-private-properties
https://www.straitstimes.com/business/relaxed-rental-occupancy-cap-likely-to-benefit-landlords-tenant-groups-like-students-workers

Economy

Singapore F&B scene remains festive despite surge in outbound travel

A year-end rise in outbound travel has not weakened demand for festive dining and takeaways, with hotels and food and beverage (F&B) operators anticipating a further pick-up near Christmas. As of mid-December, several hospitality and F&B players are nearly or already at full capacity for Christmas and New Year dining.
Demand has been mostly driven by locals, as tourist numbers are not yet back to pre-Covid levels, they added.
Christmas Eve and New Year's Eve dinners. Locals make up 50 to 75 per cent of reservations for both occasions, said chef-owner Emmanuel Stroobant.
Hilton Singapore Orchard's three dining outlets – Estate, Ginger Lily and Osteria Mozza – are almost fully booked on Christmas Eve and Christmas Day. "While the number of tourist visits has had a positive impact, most of the festive diners are still Singapore-based residents," said a spokesperson.

Link to the story:
https://www.businesstimes.com.sg/singapore/smes/singapore-fb-scene-remains-festive-despite-surge-outbound-travel

Singapore exports up 1% in November after 13 months of contractions

Singapore's key exports grew for the first time in November after 13 straight months of contractions. This followed a surge in the shipping of pharmaceutical products, data from Enterprise Singapore (EnterpriseSG) showed on 18 Dec.
Non-oil domestic exports (NODX) rose by 1 per cent year on year (yoy) in November, improving from the upwardly revised 3.5 per cent contraction in the previous month.
This came shy of private-sector economists' expectations of a 1.5 per cent yoy growth, a Bloomberg poll indicated.
Favourable base effects likely played a role in improving NODX for the first time this year, said economists, and any recovery ahead is likely to be fragile.
"The question now is whether this represents a temporary or extended pause in the external sector's recent better trend. We suspect it will be the latter," said Alex Holmes, lead Asia economist at Oxford Economics.
"Exporters will struggle for momentum over the coming quarters," he added.

Links to the story:
https://www.businesstimes.com.sg/singapore/singapore-exports-1-november-after-13-months-contractions
https://www.straitstimes.com/business/economy/year-of-the-dragon-brings-new-hope-for-singapore-economy-but-outlook-remains-clouded

Muted outlook for Singapore consumer sector as inflation prompts belt-tightening

Singapore's consumer spending growth may stay slow in 2024 as inflationary pressures prompt belt-tightening. Some might also spend overseas instead, said economists and industry players.

The increase in outbound travel could be partly offset by increased visitor arrivals, which may, however, be limited by the strength of the Singapore dollar.
Mastercard Economics Institute, for instance, expects Singapore's real consumer spending to grow 2.8 per cent in 2024, down from 3.5 per cent in 2023.
The gloomy outlook for 2024 follows a weak 2023. Retail sales disappointed in the second half with sluggish growth – or worse. In October, retail sales contracted a marginal 0.1 per cent year on year, ending an eight-month streak of expansion.
More broadly, consumer spending growth may slow as post-Covid exuberance dies out.
Spending on hospitality, dining and entertainment may see more moderate growth in 2024 "as pent-up revenge spending and travel cools off", he added.

Links to the story:
https://www.businesstimes.com.sg/singapore/economy-policy/muted-outlook-singapore-consumer-sector-inflation-prompts-belt-tightening
https://www.straitstimes.com/business/economy/year-of-the-dragon-brings-new-hope-for-singapore-economy-but-outlook-remains-clouded

Hospitality

November visitor arrivals slip again to 1.1 million as slow China recovery continues

Singapore's international visitor arrivals marked the fourth straight month of declines to come in at 1,100,459 in November, based on the latest figures from the Singapore Tourism Board (STB) on 15 Dec.
This was 2.3 per cent lower than the 1,125,954 visitors posted in October – but still 34.8 per cent higher than the 816,340 visitors recorded in November 2022.
"Seasonal trends, persistently high airfares and accommodation costs and a slower-than-expected recovery in China outbound continue to weigh on arrivals," said Govinda Singh, Colliers' executive director for hotels and leisure in Asia.
Business travel has not fully recovered amid economic uncertainty, so any bump in tourist numbers will be in December as the leisure market returns, he added.
Indonesia again clinched the top spot as a source of visitors, with 184,280 tourists hailing from the country last month, though this was down from 180,881 in October.
The next-largest source country was China, from which 104,347 visitors came in November. This was also a decline, from 122,764 a month earlier.

Link to the story:
https://www.businesstimes.com.sg/singapore/november-visitor-arrivals-slip-again-11-million-slow-china-recovery-continues

Business-leisure travel, long-stay services next growth opportunity for hoteliers

Hotel owners and operators are investing in new facilities as they hope to take advantage of shifts in travel behaviour that are bringing new opportunities.
Hotel investment volume in the Asia-Pacific (Apac) region has been suppressed this year due to escalating borrowing costs, inflationary pressures and uncertainties stemming from volatile geopolitical environments.

That trend could reverse, however, as the hospitality sector is pushed to change. Ramzy Fenianos, Apac chief development officer for Radisson Hotel Group, said travellers are "increasingly seeking experiential travel while staying at full-service hotels".
Radisson offers a "local experience package" to its guests that includes event tickets or unique activities.
India led the way with 481 projects, followed by Vietnam with 243 projects, and Indonesia with 212. The construction pipeline in China reached a record high of 3,720 projects, up 3 per cent.
Luxury, upper upscale, and upscale chains accounted for over half (53 per cent) of the projects in Apac's hotel construction pipeline, signalling a trend towards high-end consumption behaviour.

Links to the story:
https://www.businesstimes.com.sg/international/global/business-leisure-travel-long-stay-services-next-growth-opportunity-hoteliers
https://www.straitstimes.com/business/economy/singapore-hotel-industry-making-room-for-more-bleisure-travellers-in-2024

Singapore travel and hospitality players upbeat on full return of visitors in 2024

The post-Covid-19 travel bug is proving to be tenacious, especially among those in the Asia-Pacific region, and this should help see Singapore's tourism and travel sector through 2023 and beyond.
There is optimism, too, that visitors from the United States and China may make a full return to the Republic, with some hoteliers already feeling the positive effects from those who have come here.
"Asia-Pacific is still in the period of revenge travel, whereas it's already kind of played out in North America and Europe. If you look at 2024, even though we're still climbing out of the Covid-19 hole, the demand for and travelling by air are very strong," said Mr Tim Bacchus, senior research analyst of Asia-Pacific aviation at Bloomberg Intelligence.
The numbers for Changi Airport seem to bear this out – Changi Airport Group spokesman Ivan Tan said passenger traffic at the airport has grown steadily through 2023, recording 48 million passenger movements as at end-October.
The figure, while still a distance from the pre-Covid-19 tally of 68.3 million passengers in 2019, has already surpassed the 32.2 million for the whole of 2022.

Link to the story:
https://www.straitstimes.com/business/economy/singapore-travel-and-hospitality-players-upbeat-on-full-return-of-visitors-in-2024

New hotel with at least 220 rooms to be built at Changi Airport T2 by 2027

A new hotel with at least 220 rooms will be built at Changi Airport Terminal 2 by 2027 to cater to an expected growth in passenger traffic.
This will be the third landside hotel at the airport, and it will be built above the coach stand at the southern end of the newly reopened T2.
Landside refers to the areas of the airport that are before immigration clearance and accessible to the public.

The two current landside hotels at Changi are the 130-room Yotelair Singapore Changi Airport in Jewel, which opened in 2019, and Crowne Plaza Changi Airport, which is next to T3 and has 563 rooms. It opened in 2008.

There are four airside hotels catering to transit passengers at T1, T2, T3 and the JetQuay terminal, which serves commercially important passengers.

Airport operator Changi Airport Group (CAG) had called a tender in August to develop the new landside hotel at T2, and the contract is slated to be awarded by April 2024.

Links to the story:
https://www.businesstimes.com.sg/singapore/new-hotel-least-220-rooms-be-built-changi-airport-t2-2027
https://www.straitstimes.com/singapore/new-hotel-with-at-least-220-rooms-to-be-built-at-changi-airport-t2-by-2027

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