

### Top News for the Week

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### Residential

#### **New private home sales remained strong in prime district amid slowing demand in 2023**

Private homes in the prime district have been snapped up faster than those in the city fringe and suburbs in 2023, due in part to a lack of new private residential launches in that region.

From January to September 2023, there were 505 private homes launched in the core central region (CCR), but 1,182 new homes were sold, according to data from the Urban Redevelopment Authority (URA). New homes from projects already launched accounted for the additional homes sold.

In comparison, there were 2,747 new private homes sold in the city fringe, with 4,183 units launched. In the suburbs, developers launched 1,803 new homes and sold 1,230 units.

Overall, demand has slowed in 2023, which is expected to record the lowest yearly new home sales since 2008, when 4,264 units were sold.

Analysts attributed the slump to factors such as high interest rates and another round of property cooling measures in April.

Link to the story:

<https://www.straitstimes.com/business/property/new-private-home-sales-remained-strong-in-prime-district-amid-slowing-demand-in-2023>

#### **Condo resale prices continue uptrend, volumes flat in November**

Condominium resale prices continued to climb for the fourth consecutive month in November, although volumes were muted after showing signs of recovery in October.

Flash data released on 26 Dec showed that overall resale prices rose 0.4 per cent from the month before, and were 7.4 per cent higher year on year.

Resale volumes, meanwhile, were muted, with 848 units changing hands in November, compared with 847 units resold in October. Year on year, volumes were 6.3 per cent higher, but 4.1 per cent lower than the five-year average for the month of November.

The launch of three major non-landed launches in November – J'den, Watten House and Hillock Green – had a spillover effect on the resale market, said Huttons Asia chief executive Mark Yip. “Buyers who were priced out or didn’t manage to secure their ideal unit went to the resale market and pushed up volume slightly,” he added.

Link to the story:

<https://www.businesstimes.com.sg/property/condo-resale-prices-continue-uptrend-volumes-flat-november-srx-99co>

### **Private leasing market slides further in November, HDB rents rebound**

Condominium rental prices and volumes continued to fall in November, marking the fourth consecutive month of decline. The Housing and Development Board (HDB) rental market, however, showed signs of a slight recovery.

Based on flash data released on 27 Dec, condo rental prices dropped 1.4 per cent from the previous month, led by a fall in rents in both the Core Central Region (CCR) and Rest of Central Region (RCR).

Outside Central Region (OCR) rents remained unchanged.

Year on year, overall rents were still 6.3 per cent higher than November 2022 levels, with rents in the CCR growing 5 per cent, and 6.4 per cent in the RCR. OCR rents were up 7.7 per cent.

Mark Yip, chief executive of Huttons Asia, noted that condo rental prices for November represented the steepest decline since May 2020. He attributed this to landlords who adjusted their expectations for rents in the face of increased supply and waning demand.

“Rents of private condos in December 2023 will remain soft, making it the first year since the pandemic that rents will stay flat.”

Links to the story:

<https://www.businesstimes.com.sg/property/private-leasing-market-slides-further-november-hdb-rents-rebound-srx-99co>

<https://www.straitstimes.com/singapore/housing/condo-rents-slide-for-4th-straight-month-in-november-but-hdb-rents-rebound>

### **Stable outlook for HDB resale market with 3-5% price growth forecast for 2024**

Housing and Development Board (HDB) resale prices are expected to stay on an even keel in the coming year, with 3 to 5 per cent growth forecast for 2024.

The “moderate” price growth estimates would be on a par with the 4 to 5.5 per cent the HDB resale market is tipped to show for 2023, but much slower than the 10.4 per cent increase in 2022 and 12.7 per cent spurt in 2021. Prices are up by 3.8 per cent in the first nine months of 2023.

While the HDB resale price index has yet to see a dip in overall prices, transaction volume shrank during the year. Huttons Asia estimates the total volume of resale flat transactions at 26,500 in 2023, 5 per cent lower than 27,896 units the year before.

HDB has said it will launch 23,000 new Build-To-Order (BTO) flats in 2023, and provide a total of 100,000 flats from 2021 to 2025 to meet demand.

Several policy changes came into effect during the year, said Lee Sze Teck, Huttons Asia’s senior director for data analytics.

These included the doubling in grants given to buyers of resale flats; a new HDB Flat Eligibility (HFE) letter required before purchase; penalties for non-selection of BTO flats; and a revised

framework for BTO flats designed to keep a lid on public housing prices – factors which pulled the resale market in different directions.

Link to the story:

<https://www.businesstimes.com.sg/property/stable-outlook-hdb-resale-market-3-5-price-growth-forecast-2024>

## Commercial

### **Pent-up leasing demand for new offices may be unleashed in H2 2024**

Most property consultants are expecting Singapore Central Business District (CBD) Grade A office rents to post another year of modest growth in 2024, amid substantial islandwide completion of nearly 3 million square feet (sq ft) of new office space and cautious business sentiment.

“In the near term, market power may shift away from landlords as more options are at hand for tenants. Vacancy and rents may come under further pressure from the increasing amount of available space”.

“In an uncertain environment, tenants are more likely to consider consolidation and renewals than expansion or relocation,” she added.

Company is predicting up to a 2 per cent rise in average rental for its basket of CBD Grade A office space in 2024 following a 3 per cent increase in 2023, a slowdown from the 6.5 per cent growth in 2022. Another firm, too, expects rents to grow more moderately between 1 and 3 per cent next year, following a 4.1 per cent rise in 2023.

Link to the story:

<https://www.businesstimes.com.sg/property/pent-leasing-demand-new-offices-may-be-unleashed-h2-2024>

### **En blocked: Collective sales at standstill while commercial deals stir interest**

The collective sales market had a fairly quiet year in 2023, with just eight successful deals out of 32 properties put on the market, as high land acquisition costs kept developers at bay.

Residential collective sales totalled S\$574.3 million, down 69 per cent, while sales of mixed-use and commercial deals slipped 15 per cent to S\$1.53 billion.

Market players told The Business Times that this impasse is likely to remain in the coming year, with challenges ranging from a mismatch of price expectations between buyers and sellers to overall uncertainty and inflation.

Still, spots of activity are expected, particularly in the commercial sector. Developers may also turn their eyes towards small to medium-sized residential developments, or those with greater redevelopment potential.

This year, the market had a dismal success rate of 25 per cent. In 2022, about 33 per cent of deals were completed, with 12 en bloc sale sites sold out of 36 put on the market.

Of the eight successful deals this year, three were for residential sites and three, commercial. The remaining two were industrial sites.

Link to the story:

<https://www.businesstimes.com.sg/property/en-blocked-collective-sales-standstill-while-commercial-deals-stir-interest>

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## Retail

### **Property group JBE said to buy Mercatus assets in HDB estates in low-S\$80 million deal**

Singapore-based property group JBE is understood to have inked a deal to buy one of the three bundles of commercial properties in Housing and Development Board (HDB) estates that NTUC Enterprise unit Mercatus put on the market a few months ago.

The pricing is in the low-S\$80 million range, The Business Times understands.

Word in the market is that Evia Real Estate is in exclusive due diligence with a view to acquiring the other two bundles from Mercatus. It is said to be looking at a price slightly north of S\$175 million.

In both cases, the respective price is said to reflect a net yield of about 4.5 per cent.

Balance tenures for the 18 properties in the three bundles vary, but average around 57 years.

Both transactions will be subject to HDB's approval.

In September, BT reported that Mercatus had put the portfolio of 18 properties up for sale, split into three bundles. They add up to about 170,000 square feet (sq ft) of space in HDB shops, shophouses and low-rise commercial blocks.

The portfolio has full occupancy, with about 80 per cent of the space leased to NTUC FairPrice, which is set to retain its long-term tenancies in the properties. CBRE conducted an expression of interest exercise for the portfolio.

Link to the story:

<https://www.businesstimes.com.sg/property/property-group-jbe-said-buy-mercatus-assets-hdb-estates-low-s80-million-deal>

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## Government

### **People's Park Complex being studied for conservation, may impact collective sale**

People's Park Complex, built in the 1970s as South-east Asia's first multi-use complex, may be proposed for conservation in view of its high heritage significance, said the urban planning authorities.

The move was welcomed by heritage groups, which have urged that the building be saved, but it may impact a second attempt at a collective sale launched by its owners in March 2023.

A spokesperson for the Urban Redevelopment Authority (URA) told The Straits Times on 21 Dec that it has informed the property's management corporation strata title and collective sales committee's representatives that URA had assessed the building to be of high heritage significance.

The collective sale effort should take into account the ongoing conservation study and its findings, which have yet to be concluded, said URA.

Link to the story:

<https://www.straitstimes.com/singapore/people-s-park-complex-being-studied-for-conservation-may-impact-collective-sale>

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## **Collaborative contracting the way forward as BCA seeks to build alliances, streamline processes**

A new digital platform has been launched, which will streamline the regulatory approval process for construction projects and strengthen coordination within the built environment industry.

Called CoreNet X, the platform was soft-launched on Dec 18, and is expected to result in a reduction of around 20 per cent in the time taken for projects to obtain approval from government agencies.

Prior to this, project parties such as developers and architects prepared and submitted their plans separately to different agencies concurrently. Plans approved by one government agency may conflict with requirements of another agency, or result in conflicts between project parties that would need to be resolved.

Link to the story:

<https://www.businesstimes.com.sg/property/collaborative-contracting-way-forward-bca-seeks-build-alliances-streamline-processes?login=true>

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## **Economy**

### **Surge in outbound travel, slowing wage growth hurting small retailers' festive sales**

Singapore's small retailers are seeing lower festive sales this year as consumers head overseas instead, industry players told The Business Times.

Typically, retailers in malls see their sales rise from October to December, in the lead-up to year-end festivities, said Ian Cheong, director of payments service provider EPOS.

The company, which provides point-of-sale solutions, has instead seen a fall in fourth-quarter revenue for such retailers.

On average, EPOS clients' sales were down 16.3 per cent in October from the year-ago period, and dropped a steeper 22.1 per cent in November, according to data provided to BT.

As at Dec 20, preliminary data suggested that revenue for EPOS' discretionary retail clients – those excluding grocers and minimarts – could see a year-on-year fall of between 17.6 and 26 per cent for December.

EPOS looked at anonymised sales data from 55 local retailers in malls, not including sales from digital channels such as e-commerce

Link to the story:

<https://www.businesstimes.com.sg/singapore/smes/surge-outbound-travel-slowing-wage-growth-hurting-small-retailers-festive-sales>

### **Economists expect MAS to stand pat in January review amid easing headline, core inflation**

Private-sector economists expect the Monetary Authority of Singapore (MAS) to keep monetary policy settings unchanged in January, after Singapore's headline and core inflation both eased in November.

Headline inflation for the month fell to 3.6 per cent on the year, from the 4.7 per cent recorded in October, on account of a fall in private transport prices, data from MAS and the Ministry of

Trade and Industry (MTI) showed on 26 Dec. November's print was also lower than the 3.9 per cent median forecast by private-sector economists polled by Bloomberg.

Core inflation, which excludes accommodation and private transport, also inched down to 3.2 per cent, a tick lower than the 3.3 per cent rise recorded the previous month, and in line with economists' median estimate of 3.2 per cent. This was due to lower inflation for retail and other goods, food as well as electricity and gas, said MTI and MAS.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economists-expect-mas-stand-pat-january-review-amid-easing-headline-core-inflation>

<https://www.straitstimes.com/business/economy/s-pore-core-inflation-edges-up-to-33-in-october-breaking-streak-of-prices-rising-at-slower-pace>

### **Singapore's November factory output marks two straight months of growth, up lower-than-expected 1%**

Singapore's manufacturing output gained 1 per cent on year in November, extending October's surprise 7.6 per cent growth after a year-long slump.

The reading, however, underperformed against economists' median expectations of a 2.2 per cent growth in a Bloomberg poll.

This came as the key electronics sector grew at a slower pace than in the preceding month, data from the Singapore Economic Development Board (EDB) showed on 26 Dec.

Excluding the typically volatile biomedical cluster, factory output climbed 1.9 per cent, following the 7.4 per cent year-on-year increase in October.

These figures came as the majority of clusters recorded growth. Singapore's purchasing managers' index in November had also remained in positive territory, ticking up 0.1 point from the preceding month to 50.3.

In November, the lynchpin electronics cluster posted a weaker showing than in October, though it marked the highest growth among clusters. Electronics production grew 7.3 per cent year on year, down from the 15.1 per cent expansion the month before.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapores-november-factory-output-marks-two-straight-months-growth-lower-expected-1>

<https://www.straitstimes.com/business/economy/singapore-factory-output-rises-1-in-november-missing-forecasts>

### **Expectations mixed on Singapore's monetary moves in 2024, even as core inflation is set to cool**

Singapore is set to enter a phase of disinflation in 2024, after two years of rapid price increases in the wake of the Covid-19 pandemic. Economists are divided over how monetary policy will shape up, though, even as the central bank shifts to quarterly rather than half-yearly decisions.

Core inflation, which excludes private transport and accommodation costs, is expected to cool to about 3 per cent in 2024 – the average estimate by analysts in a straw poll by The Business Times.

All those surveyed had estimates within the central bank's official forecast range of 2.5 to 3.5 per cent. Maybank had the lowest forecast at 2.8 per cent, while Moody's was at the other end with 3.2 per cent.

This is down from the elevated 4.1 per cent rate that analysts expected for 2023, comparable with the central bank's forecast of 4 per cent. Core inflation in 2022 was also 4.1 per cent. As for headline inflation, analysts expect it to ease to 3.4 per cent – around the middle of the official forecast range of 3 to 4 per cent – from an estimated 4.8 per cent in 2023.

Link to the story:

<https://www.businesstimes.com.sg/singapore/expectations-mixed-singapores-monetary-moves-2024-even-core-inflation-set-cool>

## **Prices in S'pore seen moderating but likely to remain above pandemic levels in 2024**

While inflation in Singapore has moderated over 2023, prices are still above pre-pandemic levels and expected to remain elevated in 2024, when the impact of a 7 per cent rise in public transport fares, a second round of goods and services tax (GST) hike and carbon tax adjustments kick in. Headline inflation at 3.6 per cent is still well above the 2010 to 2019 average of 1.7 per cent, while core inflation, which excludes food and energy, is at 3.2 per cent compared with the 1.5 per cent average over the nine-year period.

Headline inflation reached 6.6 per cent while core inflation hit 5.5 per cent at their peak in January.

On the surface, the average price increases of the main components in the basket of goods making up the consumer price index appear rather well contained.

These averages range between 2 per cent or so for household durables and services, and just over 6 per cent for food, transport, recreation and culture in 2023.

Link to the story:

<https://www.straitstimes.com/business/prices-in-s-pore-seen-moderating-but-likely-to-remain-above-pandemic-levels-in-2024>

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## **Hospitality**

### **Changi Airport fifth-busiest international airport in 2023; S'pore-KL is busiest flight route**

Changi Airport has been ranked the fifth-busiest international airport in the world in 2023 by airline seat capacity, with the one-hour flight between Singapore and Kuala Lumpur topping the list for the world's busiest international route.

The Jakarta-Singapore and Bangkok-Singapore routes were also among the world's busiest, coming in at seventh and ninth, respectively, on the list of the top 10 international routes.

These rankings were released by global travel data provider OAG Aviation on Dec 21 and compiled using information on scheduled airline seats.

In all, seven of the world's top 10 busiest international routes were in the Asia-Pacific, a sign of the rapid recovery that the region has made over the past year, after lagging behind the rest of the world due to its delayed reopening after the Covid-19 pandemic.

According to OAG, Changi Airport had a total international seat capacity of 36.1 million in 2023.

Link to the story:

<https://www.straitstimes.com/singapore/transport/changi-airport-fifth-busiest-international-airport-in-2023-s-pore-kl-the-busiest-flight-route>

## Industrial

### **Warehouses shine on strong logistics demand; high rents to face resistance in 2024**

Landlords holding modern warehouse assets had another standout year in 2023. But deteriorating business sentiment will weigh on high rents, and business parks could suffer from a flood of new supply.

Singapore's manufacturing sector has been weighed down by weaker external demand from major economies, and its 2023 full-year non-oil domestic exports (NODX) is expected to shrink by 12 to 12.5 per cent year on year (yoy).

But a "modest recovery" is expected in 2024, with NODX projected to grow by between 2 and 4 per cent, said Enterprise Singapore in its quarterly review of trade performance on Nov 22.

JTC's price and rental indices of all industrial space for the third quarter of 2023 rose by 1.4 per cent and 2 per cent, respectively, compared with the previous quarter; and by 6.2 per cent and 9.3 per cent compared with the previous year.

Link to the story:

<https://www.businesstimes.com.sg/property/warehouses-shine-strong-logistics-demand-high-rents-face-resistance-2024>

### **JTC to reclaim 172ha of land in Tuas for industrial use, improved connections to Tuas Port**

New reclamation works are planned for Tuas, which will yield about 172ha of land for industrial use and to improve road connections to Tuas Port.

JTC Corporation, the government agency overseeing Singapore's industrial spaces, told The Straits Times that reclamation works at Northern Tuas Basin are slated to begin in 2025 and end around 2029.

The project will "meet land demand for future industrial uses as part of ongoing plans to rejuvenate the older parts of Jurong and Tuas Industrial Estates, which were developed in the 1960s and 1970s", the agency said in response to queries.

JTC added that newly reclaimed land is also necessary for infrastructure and road network connections to Tuas South and Tuas Port, which is being developed in four phases and will be fully completed in the 2040s.

The 172ha of new land will be nearly double the size of the 93ha Bidadari estate, and will add to the roughly 2,200ha meant for industrial use in Tuas and Tuas South.

As part of the upcoming reclamation, JTC and the National Environment Agency (NEA) will pilot the use of incineration bottom ash – a solid residue from the burning of waste in incineration plants – as reclamation fill.

Link to the story:

<https://www.straitstimes.com/singapore/jtc-to-reclaim-172ha-of-land-in-tuas-for-industrial-use-improved-connections-to-tuas-port>



## **Industrial GLS for H1 2024 launched with 5 confirmed sites, 4 on reserve**

The Ministry of Trade and Industry (MTI) is launching a total of 13.75 ha of industrial land across nine sites through the Industrial Government Land Sales (IGLS) programme for the first half of 2024.

On 27 Dec, MTI said the government will continue to release sufficient land through the IGLS programme to ensure an adequate supply of industrial space in Singapore.

There will be five sites on the confirmed list which amount to a total of 8.29 ha of land, and four sites amounting to 5.46 ha on the reserve list.

JTC Corporation will be the sales agent for all sites.

Conditions of sale and tender submissions are estimated to be available as early as January 2024, namely for one of the sites on the confirmed list: a 0.9 ha plot at Jalan Papan with a gross plot ratio (GPR) of 1.4 and 20-year tenure.

Two sites on the latest reserve list are currently also on the H2 2023 reserve list of the IGLS programme. One is a 2.18 ha site at Tuas Road with a tenure of 30 years, while another plot spans 0.72 ha at Jalan Papan and comes with a 20-year tenure. Both have a GPR of 1.4

Link to the story:

<https://www.businesstimes.com.sg/property/industrial-gls-h1-2024-launched-5-confirmed-sites-4-reserve>

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