

Top News for the Week

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Residential

Qingjian Realty joint venture tops bids for Media Circle site with S\$395 million or S\$1,191 psf ppr offer

Qingjian Realty and Forsea Residence topped bids in a government land sale tender for a residential plot in one-north with a S\$395 million bid, beating two other groups. The Media Circle site, in the Rest of Central Region, can yield an estimated 355 residential units, with commercial units on the first floor. Located near the one-north office clusters, the 99-year leasehold site is 10,632.1 sq m in size, with a maximum permissible gross floor area (GFA) of 30,834 sq m. The top bid for the Media Circle site reflects developers' confidence in demand for homes in one-north, said Lee Sze Teck, Huttons' senior director of data analytics. Despite being launched right after the latest hike in Additional Buyer's Stamp Duty (ABSD) rates last April, Blossoms By The Park sold 74.5 per cent or 205 units of its 275 units at a median price of S\$2,427 psf. It has so far sold more than 85 per cent of all units, said Huttons' Lee.

Links to the story:

<https://www.businesstimes.com.sg/property/qingjian-realty-joint-venture-tops-bids-media-circle-site-s395-million-or-s1191-psf-ppr>

<https://www.straitstimes.com/business/state-land-plots-in-marina-gardens-crescent-media-circle-draw-tepid-bids>

<https://www.zaobao.com.sg/finance/singapore/story20240119-1462996>

Sole bid for Marina South site falls way below expectations, raising doubts it will be awarded

At A closely watched state tender closing on Jan 18, a white site in Marina South designated for residential and commercial development fetched just one bid, and that too significantly below market expectations.

The sole bid – from a consortium comprising GuocoLand, Intrepid Investments and TID Residential – for the 99-year leasehold plot in Marina Gardens Crescent was nearly S\$770.5 million or S\$984 per square foot per plot ratio (psf ppr).

The land rate was nearly 30 per cent lower than the S\$1,402 psf ppr that Kingsford Group paid for a neighbouring plot in Marina Gardens Lane at a state tender that closed in June last year. Most market watchers told BT on an anonymous basis on Jan 18 that they do not expect the government to award the Marina Gardens Crescent site. “The Chief Valuer has a clear comparable transaction in the site sold to Kingsford. Moreover, only one bid was received for the latest site,” said a seasoned property consultant who declined to be named.

Link to the story:

<https://www.businesstimes.com.sg/property/sole-bid-marina-south-site-falls-way-below-expectations-raising-doubts-it-will-be-awarded>

Number of property agents in Singapore continues to rise amid slower private home sales

Despite a challenging year that saw the property market dampened by several rounds of cooling measures and high interest rates, the overall number of agents across real estate agencies here continued to rise, albeit at a more tempered rate.

The latest figures from the Council for Estate Agencies (CEA) showed there were a total of 35,251 property agents in the industry as at Jan 1, 2024. This is up from 34,427 agents at the start of 2023, and 32,414 at the beginning of 2022.

Huttons recorded the highest growth of close to 9 per cent.

Huttons Asia chief executive Mark Yip said: “The role of property agents is ever-evolving. “For 2024, the use of digital tools for customer relationship management, data analytics and marketing channels may become more prevalent. Agents will need to rely more on data to gain insights into market trends, buyer and seller preferences, to provide valuable advice to clients and help them make more informed decisions.”

He added that Huttons has been actively tapping technology to empower its agents.

In August 2023, the agency added a feature on Huttons Analyzer, a property analytics app for agents.

The feature allows agents to locate landed properties on a map without having to physically visit the site. The app will show essential information on landed properties in the area, including past transacted prices of the properties.

Agents could also find themselves involved in more international transactions as clients seek to diversify their portfolios and assets. Hence, understanding cross-border regulations, cultural nuances and market dynamics is vital for their success in this changing landscape, said Mr Yip. He noted that Huttons has so far marketed properties in eight countries, including Australia, Cambodia, Indonesia, Vietnam and Japan.

Link to the story:

<https://www.straitstimes.com/singapore/number-of-property-agents-in-singapore-continues-to-rise-amid-slower-private-home-sales>

December downtime brings developers' 2023 new home sales to weakest in 15 years

New private home sales in December fell to their lowest monthly level in 15 years, taking the year's total to their weakest since 2008.

The slump in sales was not unexpected as developers held back on new project launches last year in the aftermath of successive market cooling measures and weak buying sentiment.

Data from the Urban Redevelopment Authority (URA) on Jan 15 showed developers sold 135 units in December 2023, excluding executive condominiums (ECs).

Lee Sze Teck, Huttons Asia's senior director for data analytics, saw the year's tally as "an encouraging set of numbers", considering that stamp duties were raised in April 2023 for all buyers except for Singaporeans making their first home purchase.

Foreign buying demand remained subdued. Huttons' Lee said there were four properties bought by foreigners during the month, making up 3 per cent of the monthly sales, but higher than the 1.8 per cent or 14 caveats in November.

From January to May 2023, there were an estimated 235 purchases by foreigners. This plunged to 80 transactions from June to December 2023, said Lee. "The higher ABSD on foreigners did take away a substantial chunk of demand from the market," he said.

About 3,300 units across 13 projects may be launched for sale in the first quarter, said Huttons' Lee.

Links to the story:

<https://www.businesstimes.com.sg/property/december-downtime-brings-developers-2023-new-home-sales-weakest-15-years>

<https://www.straitstimes.com/business/new-private-home-sales-in-december-fall-to-lowest-level-since-january-2009>

<https://www.zaobao.com.sg/finance/singapore/story20240115-1462302>

Condo rental softens further, HDB leasing market gains momentum in December

Condominium rental prices marked the fifth consecutive month of decline last December, wiping out the growth seen in the first half of 2023. The Housing and Development Board (HDB) rental market, however, continued to register growth in both rents and leasing volumes.

Condo rental prices declined 0.5 per cent from the previous month, led by rental falls across all the regions, flash data from a property portal released on Jan 18 indicated.

Mark Yip, chief executive of Huttons Asia, noted that the decline in private rentals in December is milder than the previous month, which was likely caused by a slight uptick in demand from new hires starting work in the new year.

Analysts expect private rentals to ease further in 2024.

The HDB rental market continued reviving with 1 per cent increase in overall rents. Rental prices in mature estates edged up 1.2 per cent while those in non-mature estates gained 1 per cent.

Hutton's Yip noted that the temporary relaxation in occupancy cap is unlikely to offer a sizeable supply of large flats for rent, and expects HDB rents to increase by up to 8 per cent in 2024.

Links to the story:

<https://www.businesstimes.com.sg/property/condo-rental-softens-further-hdb-leasing-market-gains-momentum-december-srx-99co>

<https://www.straitstimes.com/singapore/condo-rents-down-05-but-hdb-rents-climbed-1-in-december-2023>

<https://www.zaobao.com.sg/finance/singapore/story20240118-1462901>

Retail

Allgreen Properties in exclusive due diligence to buy Seletar Mall

Allgreen Properties, part of the Kuok Group, is in exclusive due diligence to buy The Seletar Mall, The Business Times understands.

Word in the market is that the price could be about S\$520 million. Located next to Fernvale LRT station in the Sengkang West area, The Seletar Mall is on a site with 99-year leasehold tenure from April 2012; this leaves a balance of about 87 years.

Allgreen's Singapore retail property portfolio includes Great World in Kim Seng Road, Tanglin Mall and Tanglin Place – all close to the prime Orchard Road shopping belt.

Links to the story:

<https://www.businesstimes.com.sg/property/allgreen-properties-exclusive-due-diligence-buy-seletar-mall>

<https://www.zaobao.com.sg/realtime/singapore/story20240115-1462176>

Retail rents rebound on spending recovery, expected to rise further in 2024

Singapore retail landlords saw rents rebound in 2023 from their pandemic lows, as tourists returned and domestic spending recovered.

While inflationary pressures and the higher Goods and Services Tax (GST) may have a short-term impact, they are unlikely to dampen retail spending and push rents downwards, said market watchers.

Prime retail rents are expected to rise between 1.5 and 4.1 per cent for the whole of 2023, driven by strong performance in the Orchard Road and Downtown sub-markets, they noted.

Link to the story:

<https://www.businesstimes.com.sg/property/retail-rents-rebound-spending-recovery-expected-rise-further-2024>

Government

\$32b to \$38b in construction contracts expected to be awarded in 2024

Between \$32 billion and \$38 billion in construction contracts are expected to be awarded in 2024, the Building and Construction Authority (BCA) said on Jan 15.

An estimated \$33.8 billion worth of contracts were awarded in 2023, higher than the initial construction demand forecast of between \$27 billion and \$32 billion.

BCA attributed this to higher tender prices, expediting of contract awards for several private residential projects and ramping up of public housing projects.

In 2024, the public sector is expected to contribute about 55 per cent of total demand, with \$18 billion to \$21 billion worth of contracts likely to be awarded, BCA said. These include several upcoming major public sector projects such as new Build-To-Order flats, contracts for phase two of the Cross Island MRT Line, infrastructure works for Changi Airport Terminal 5, Tuas Port developments, and major road and drainage improvement works.

Private sector demand is expected to contribute between \$14 billion and \$17 billion in 2024, National Development Minister Desmond Lee said at the Built Environment and Property Prospects seminar organised by BCA and the Real Estate Developers' Association of Singapore.

Links to the story:

<https://www.straitstimes.com/singapore/between-32-billion-to-38-billion-in-construction-contracts-to-be-awarded-in-2024-bca>

<https://www.businesstimes.com.sg/property/fair-and-timely-remuneration-more-risk-sharing-cut-exposure-consultants-public-sector>

<https://www.zaobao.com.sg/news/singapore/story20240115-1462312>

Fewer buyers paid COV for resale HDB flats in 2023, property market expected to moderate further

Fewer buyers paid cash over valuation (COV) for their resale Housing Board flats in 2023, with about 15 per cent of buyers forking out COV for their units in the last three months of the year. This is down from almost 30 per cent of resale HDB flat buyers paying COV for their units in the same period in 2022, National Development Minister Desmond Lee said on Jan 15.

Links to the story:

<https://www.straitstimes.com/singapore/fewer-buyers-paid-cov-for-resale-hdb-flats-in-2023-property-prices-expected-to-moderate-further>

<https://www.zaobao.com.sg/news/singapore/story20240115-1462291>

Economy

Singapore ports set records in shipping arrivals, container handling and bunker sales in 2023

Singapore's ports had a bumper year in 2023 despite global trade disruptions, setting records for annual vessel arrival tonnage, container throughput and bunker sales, according to Maritime and Port Authority of Singapore (MPA) data released on Jan 12.

In 2023, annual vessel arrival tonnage rose to 3.1 billion gross tonnage (GT), up 9.2 per cent from 2.8 billion GT in 2022 and exceeding the previous record of 2.9 million GT in 2020.

This reflects growth in all segments, including container ships, dry bulk carriers, liquid bulk and chemical tankers, ferries and specialised vessels, said MPA.

Container throughput increased 4.6 per cent to a high of 39 million twenty-foot equivalent units (TEUs), up from 37.3 million TEUs in 2022 and eclipsing the previous record of 37.6 million TEUs in 2021.

A total of 591.7 million tonnes of cargo was handled by the ports, up 2.3 per cent from 578.2 million tonnes in 2022, but short of the previous record of 630.1 million tonnes in 2018.

There were also record bunker sales of fuel for marine vessels. Bunker sales increased 8.2 per cent to 51.8 million tonnes, up from 47.9 million tonnes in 2022 and exceeding the previous record of 50.6 million tonnes in 2017.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/transport-logistics/singapore-ports-set-records-shipping-arrivals-container>

<https://www.straitstimes.com/singapore/transport/s-pore-port-handled-record-3901-million-shipping-containers-in-2023>

<https://www.zaobao.com.sg/finance/singapore/story20240113-1461799>

Google Singapore hit by layoffs, employees brace for more

Employees in Google's Singapore office have been laid off as part of a global retrenchment exercise that impacted hundreds of workers across several divisions, sources close to the matter told The Business Times on Jan 12.

The sources were unable to determine how deep the cuts were locally. Details have been scant, the people said, and no companywide notice of the exercise has been sent by management.

A Google spokesperson told BT that organisational changes have been ongoing since the second half of last year to allow the company to invest in the biggest opportunities.

Link to the story:

<https://www.businesstimes.com.sg/startups-tech/google-singapore-hit-layoffs-employees-brace-more>

Blackstone to expand private equity headcount in Singapore in South-east Asia push

Blackstone, the world's largest alternative asset manager, will double its private equity business headcount in Singapore within the next two years, a top executive said, as it looks to tap into a growing number of deals in South-east Asia.

The expansion in Singapore will also bring the asset manager closer to its investor base, which includes sovereign wealth funds, family offices and individual investors, said Blackstone's Asia private equity (PE) business head Amit Dixit.

Blackstone's Singapore PE team will grow to six or seven people within two years.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/blackstone-expand-private-equity-headcount-singapore-south-east-asia-push>

<https://www.straitstimes.com/business/blackstone-to-expand-private-equity-headcount-in-singapore-in-south-east-asia-push>

Singapore's key exports down 1.5% in December, reversing previous month's growth

Singapore's non-oil domestic exports (NODX) shrank 1.5 per cent year on year (yoy) in December, following a continued decline in electronics exports, data from Enterprise Singapore (EnterpriseSG) showed on Jan 17.

The December figure was a reversal of the previous month's 1 per cent rise, and in contrast with the 3 per cent growth that private-sector economists polled by Bloomberg were expecting.

The contraction was unexpected, said private-sector economists, who had generally been expecting NODX to post positive growth for December due to the low year-ago base.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapores-key-exports-down-15-december-reversing-previous-months-growth>

<https://www.straitstimes.com/business/economy/singapore-s-exports-fall-15-in-december-as-electronics-slump-continues>

<https://www.zaobao.com.sg/finance/singapore/story20240117-1462721>

Hospitality

Marina Bay Sands to invest US\$750 million in Phase 2 of reinvestment programme

Marina Bay Sands (MBS) announced on Jan 18 that it will invest US\$750 million in the second phase of its ongoing reinvestment programme, with a focus on enhancements to its third hotel tower, the hotel lobby, as well as the rooftop Sands SkyPark.

This comes on top of the US\$1 billion committed for the first phase, which is now in its final stages and has entailed a complete refurbishment of the other two hotel towers.

Under the second phase, the third tower will have 550 rooms, including 380 suites. There will also be a renewed focus on wellness experiences for guests.

Works will be completed in phases through 2025, the integrated resort (IR) said in a statement. When all is said and done, MBS will have 1,850 refurbished rooms, 770 of which will be suites. Before the renovations, there were some 2,560 rooms and suites.

Links to the story:

<https://www.businesstimes.com.sg/singapore/marina-bay-sands-invest-us750-million-phase-2-reinvestment-programme>

<https://www.straitstimes.com/singapore/mbs-to-inject-1-billion-for-next-phase-of-hotel-transformation-works-to-be-completed-in-2025>

<https://www.zaobao.com.sg/news/singapore/story20240118-1462751>

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