

Top News for the Week

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Residential

Two units at The Ritz-Carlton Residences sold for S\$16.5 million each, or S\$5,397 psf

Two adjacent units in luxury development The Ritz-Carlton Residences Singapore, Cairnhill were recently sold for S\$16.5 million each or S\$5,397 per sq ft (psf) – making it the first time since June 2023 that prices in the prime residential market have crossed the S\$5,000 psf mark.

Based on caveats data from URA Realis, the two units are each 3,057 sq ft in size and sit on the 33rd floor of the 58-unit freehold development in District 9. They were transacted on Jan 9 for a total of S\$33 million.

Still, some analysts cautioned that this is unlikely to signal a recovery in the prime sector, where foreign buying has evaporated since the hike in Additional Buyer's Stamp Duty (ABSD) last April.

Nonetheless, Huttons' senior director of data analytics Lee Sze Teck pointed out that there has been a pickup in interest in large, prime luxury homes among China buyers since the start of 2024. "Many of them have made arrangements to view properties during the Chinese New Year period," he said.

Link to the story:

<https://www.businesstimes.com.sg/property/two-units-ritz-carlton-residences-sold-s165-million-each-or-s5397-psf>

Hillhaven and Arcady, the first condo launches of 2024, off to slow start

Hillhaven in District 23, and freehold development The Arcady at Boon Keng in District 12 – kicked off the year's private home launches over the weekend, with both off to a slow start, although analysts described the sales as "encouraging".

Far East Organization and joint-venture partner Sekisui House sold 59 out of 179 units – about 33 per cent – as part of their Phase 1 launch of Hillhaven on Jan 20, with prices starting from S\$1,903 per sq ft.

Meanwhile, 51 out of The Arcady at Boon Keng's 172 freehold units – just under 30 per cent. Huttons Asia chief executive Mark Yip said that the market has got off to a "good start to the year" with both launches.

In particular, he noted that smaller family sizes appear to have led to a preference for The Arcady at Boon Keng's two-bedroom units.

"Investors like The Arcady at Boon Keng as it is within 1 km of St Andrews Junior School, Hong Wen School and Bendemeer Primary School," he added.

Links to the story:

<https://www.business-times.com.sg/property/hillhaven-and-arcady-first-condo-launches-2024-slow-start>

<https://www.straitstimes.com/business/property/new-condo-launches-arcady-and-hillhaven-sell-over-50-units-each-on-launch-day>

<https://www.zaobao.com.sg/finance/singapore/story20240121-1463532>

Suburban properties chalk up biggest resale gains in Q4 as prices outperform

Suburban and city fringe residential properties proved most profitable on resale during the fourth quarter of 2023, outperforming prime property deals that typically show large gains. A Clementi Park condominium unit sold in November made the most money by quantum in Q4. The seller walked away with a profit of nearly S\$2 million after just over six years.

Three of the five biggest money-making sales by quantum were transacted in the city-fringe Rest of Central Region (RCR), with one in the OCR and another in the prime Core Central Region (CCR). Sellers raked in profits ranging from 38 to 71 per cent.

In percentage terms, four out of the five most profitable transactions were done in the OCR, with one located in the RCR. Gains ranged from 102 to 121 per cent.

Link to the story:

<https://www.business-times.com.sg/property/suburban-properties-chalk-biggest-resale-gains-q4-prices-outperform>

Mandate sought from Pine Grove owners to relaunch collective sale at lower price of \$1.78b

The collective sale committee of Pine Grove condominium is trying to get the requisite 80 per cent mandate from owners to relaunch a collective sale at a lower reserve price of \$1.78 billion, after the tender closed in November 2023 without any bids at the \$1.95 billion price. In September 2023, the former HUDC estate in Ulu Pandan, which has 59 years left on a 99-year lease, launched its fourth collective sale attempt since 2018 via public tender at \$1.95 billion.

If successful, owners of 1,163 sq ft units in the project stand to get gross proceeds of about \$2.19 million, while those who own 1,690 sq ft units could get \$2.69 million, and those that own 1,938 sq ft homes could get \$2.9 million.

Link to the story:

<https://www.straitstimes.com/business/mandate-sought-from-pine-grove-collective-sale-owners-to-relaunch-at-lower-price-of-178b>

Singapore condo resale volumes down again in December, prices up

Condominium resale volumes continued to decline for the second straight month in December 2023, falling 10.4 per cent month on month.

Flash data from a property portal released on Jan 25 showed that 743 units changed hands during the month, down from the 829 units resold in November 2023.

Volume dropped with the seasonal lull and absence of major launches, which muted demand in the secondary market.

Sub-sale transactions accounted for 13 per cent of all secondary sales, up 1 percentage point from the prior month.

The slight uptick in demand was attributed to the price gap between new sales and sub-sale units, estimated at around 25 per cent, said Huttons Asia chief executive Mark Yip.

Overall resale prices, meanwhile, continued to rise, clocking a fifth consecutive month of increase. Prices rose 0.5 per cent on the month and were up 7.5 per cent on the year.

Links to the story:

<https://www.businesstimes.com.sg/property/singapore-condo-resale-volumes-down-again-december-prices-srx-99co>

<https://www.straitstimes.com/singapore/housing/condo-resale-prices-up-75-in-2023-rise-for-5th-straight-month-in-december>

<https://www.zaobao.com.sg/finance/singapore/story20240125-1464358>

Singapore property agencies condemn misrepresentation, but acknowledge grey areas

Misrepresentation claims have surfaced in Singapore courts recently, with buyers taking legal action against property agents for allegedly making claims about the properties they purchased, which later turned out to be untrue.

While agency leaders have condemned misrepresentation, lawyers said that there can be many grey areas when it comes to distinguishing between sales talk and false representations of fact.

In response to queries from The Business Times (BT) on Huttons' view on misrepresentation in the real estate industry, Huttons Asia's chief executive Mark Yip said that salespersons have always been advised to rely on official sources like government plans and press releases.

Link to the story:

<https://www.businesstimes.com.sg/property/singapore-property-agencies-condemn-misrepresentation-acknowledge-grey-areas>

Commercial

High Street Centre owners in private talks after close of S\$748 million en bloc tender

The owners of High Street Centre have entered into a 10-week private treaty negotiation period with interested parties after its en bloc sale tender closed on Jan 25.

The Business Times understands that the conditions set under the tender terms had not been met.

The S\$748 million price tag works out to S\$2,164 per sq ft per plot ratio (psf ppr), should the buyer use the 40 per cent quantum for residential use. Should it be used for hotel purposes, the land rate then translates to S\$2,290 psf ppr. This sum includes the payment of a land betterment charge as well as a premium to top up the lease to a fresh 99 years.

Located at 1 North Bridge Road in the Civic District, High Street Centre sits on a site spanning some 60,299 sq ft with an allowable gross plot ratio of 7.72. The 30-storey mixed-use development houses about 430 strata-titled units, including offices, retail units and residential apartments.

Link to the story:

<https://www.businesstimes.com.sg/property/high-street-centre-owners-private-talks-after-close-s748-million-en-bloc-tender>

Retail

31 Midpoint Orchard units up for sale at S\$281 million guide price

Thirty-one freehold commercial units at Midpoint Orchard are up for sale, at a guide price of S\$281 million.

The strata-titled units are being sold collectively by individual owners and companies, Huttons Asia, which has been appointed for the sale, said on Jan 23.

The total estimated floor area of the units spans 22,614.95 sq ft, which translates to a per sq ft (psf) pricing of around S\$12,425. The units are located on various levels of the mall and are approved for retail use.

Aric Lim, a district director at Huttons Asia, said the units at Midpoint Orchard are regular in shape and adjoining units may be combined for maximum efficiency.

He added: "The new owner can explore different food and beverage possibilities such as a buffet restaurant, a food court, or fast food outlets, subject to approval by the Midpoint Orchard Management Corporation Strata Title and relevant authorities."

Lee Sze Teck, senior director of data analytics at Huttons Asia, said that no Additional Buyer's Stamp Duty will apply as the units are for commercial use.

"Investors who want to capitalise on the transformation of Orchard Road can consider this freehold portfolio which is seldom available," he noted.

The expression of interest exercise for Midpoint Orchard's units will close on Feb 28.

Link to the story:

<https://www.businesstimes.com.sg/property/31-midpoint-orchard-units-sale-s281-million-guide-price>

FCT to buy 24.5% stake in Nex from Frasers Property, to raise S\$200 million in placement

Frasers Property is selling its stake in retail mall Nex for an estimated price of S\$523.1 million to Frasers Centrepoint Trust (FCT), said the manager Frasers Centrepoint Asset Management on Jan 25.

The trustee of FCT, HSBC Institutional Trust Services, has entered into the share purchase agreement on behalf of FCT with the sponsor of FCT, Frasers Property.

The acquisition of Nex will be done via buying the total issued share capital of the sponsor's unit FCL Emerald, which holds a 49 per cent interest in Nex Partners (NP) Trust. FCL Emerald also holds a 49 per cent stake in Frasers Property Coral, the trustee-manager of NP Trust.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/fct-buy-245-stake-nex-frasers-property-raise-s200-million-placement>

<https://www.straitstimes.com/business/frasers-centrepoint-trust-to-buy-additional-245-stake-in-nex-for-5231-million>

<https://www.zaobao.com.sg/finance/singapore/story20240125-1464363>

Government

New partnerships office launched to broaden and deepen Government-citizen partnership

A new office was launched on Jan 19 for those who have ideas and want to work together with the Government, amid a push to broaden and deepen partnerships between the Government and the people.

The Singapore Government Partnerships Office (SGPO), which will serve as a first stop for such partnerships, will help connect people and groups, direct them to funding sources, and work with government agencies to identify more opportunities for collaboration.

The aim of the office is to make partnering the Government more seamless and accessible, as Singapore confronts the new reality of a more troubled world and girds itself against the impact of this on social cohesion and solidarity.

Links to the story:

<https://www.straitstimes.com/singapore/politics/new-partnerships-office-launched-to-broaden-and-deepen-government-citizen-partnership>

<https://www.zaobao.com.sg/news/singapore/story20240119-1463147>

Land parcels in Ang Mo Kio, Kembangan earmarked for residential use

More homes are expected to be built in Ang Mo Kio and Kembangan as the Urban Redevelopment Authority (URA) plans to rezone land parcels there for residential use. One plot along Ang Mo Kio Avenue 2 is to be rezoned from educational to residential use, with a gross plot ratio of 3.5.

Currently, the former Kebun Baru Primary School sits on the 18,203.6 sq m plot of land. The site is slated for “future high-density residential developments”, URA said on Jan 19.

The Ang Mo Kio site is very near to CHIJ St Nicholas Girls’ School, with the Mayflower MRT station a short walk away, said Lee Sze Teck, Huttons’ senior director of data analytics. Analysts expect that it could yield between 600 and 750 condominium units, should the site be set aside for private housing.

Links to the story:

<https://www.businessstimes.com.sg/property/land-parcels-ang-mo-kio-kembangan-earmarked-residential-use>

<https://www.straitstimes.com/singapore/housing/new-homes-and-park-set-to-be-built-near-kembangan-mrt-station-community-club-to-be-redeveloped>

<https://www.straitstimes.com/singapore/housing/former-site-of-kebum-baru-primary-school-in-ang-mo-kio-earmarked-for-high-rise-housing-developments>

<https://www.zaobao.com.sg/news/singapore/story20240119-1463196>

More than 400 rental households in Toa Payoh relocated, two blocks to be redeveloped

More than 400 rental households have moved out of two blocks in Toa Payoh as part of broader plans to redevelop older estates to provide new homes and amenities.

The relocation exercise for the 414 rental households in blocks 29 and 31 Lorong 5 Toa Payoh started in 2021 and took two years, with the last tenant moving out in May 2023, said the Housing Board on Jan 21.

About half of the households opted to move to rental flats within Toa Payoh, while 22 per cent shifted to new rental flats in nearby Bidadari – a new public housing estate with 12 Build-To-Order projects.

Another 20 per cent moved to rental flats in other towns, while the remaining households either bought a flat or no longer required a rental flat from HDB, the board said.

Links to the story:

<https://www.straitstimes.com/singapore/housing/more-than-400-rental-households-in-toa-payoh-relocated-two-blocks-to-be-redeveloped>

<https://www.zaobao.com.sg/news/singapore/story20240122-1463512>

Economy

Economists expect unchanged monetary policy in January as December core inflation edges up to 3.3%

Economists continue to expect the Monetary of Singapore (MAS) to maintain its monetary policy settings at its January review, even as December 2023's inflation came in higher than predicted, based on MAS and Ministry of Trade and Industry (MTI) data on Jan 23. Headline inflation in 2023 was 4.8 per cent year on year, against MAS and MTI's forecast of "around 5 per cent". Full-year core inflation – which excludes accommodation and private transport – at 4.2 per cent was slightly above the official forecast of "around 4 per cent". Headline inflation in 2022 averaged 6.1 per cent, while core inflation was 4.1 per cent. These came as December's inflation – 3.3 per cent for core, and 3.7 per cent for headline – accelerated and exceeded economists' median estimates. Core inflation was higher than the preceding month's 3.2 per cent, Bloomberg's median economist forecast of 3 per cent, and MAS' expected 2023 year-end range of 2.5 to 3 per cent.

MAS maintained its 2024 core inflation forecast range at 2.5 to 3.5 per cent. It will update its headline inflation forecast range – previously predicted at 3 to 4 per cent – in the upcoming January Monetary Policy Statement.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economists-expect-unchanged-monetary-policy-january-december-core-inflation-edges-33>

<https://www.straitstimes.com/business/singapore-inflation-eases-to-48-in-2023-from-61-in-2022-december-prices-rise-at-faster-pace>

<https://www.zaobao.com.sg/finance/singapore/story20240123-1463905>

Individual bankruptcy applications at 18-year high in 2023; more applying for corporate insolvency

Individual bankruptcy applications stood at an 18-year high of nearly 4,000 in Singapore in 2023, while applications for companies to be compulsorily liquidated also climbed. The number of individual bankruptcy applications made either by the individuals themselves or by their creditors over unpaid debt of more than S\$15,000 reached 3,986 last year – the highest since 2005, when 4,078 applications were filed. The latest figure is 9.3 per cent higher than the 3,648 individual bankruptcy applications made in 2022.

Link to the story:

<https://www.businesstimes.com.sg/singapore/individual-bankruptcy-applications-18-year-high-2023-more-applying-corporate-insolvency>

Hospitality

China's travellers seen to head overseas more in 2024; S'pore expected to gain

China may have surpassed its growth target in 2023, but weaker-than-expected consumer sentiment has raised questions about whether Chinese travellers – and their tourist dollars – will make a return this year.

There is likely to be a 50 per cent rise in international travel by Chinese tourists this year, bringing outbound travel to 62 per cent of its pre-pandemic level, according to a forecast by Singapore-based digital marketing firm China Trading Desk.

Singapore, for which mainland China was the largest source of visitor arrivals prior to the pandemic, stands to gain from the impending tourism recovery.

The Republic was the most popular travel destination among survey respondents, with 13.9 per cent of those polled picking it as one of their intended travel destinations. South Korea came in second, and Europe, third.

Link to the story:

<https://www.straitstimes.com/business/china-s-travellers-to-head-overseas-more-in-2024-says-forecast-with-s-pore-expected-to-gain>

Hotels, serviced apartments gain favour with investors amid return of travel

With the return of travel, hospitality seems to be flavour of the month in the Singapore investment property sales scene.

The Business Times understands that Capri by Fraser, Changi City and Citadines Mount Sophia are among the assets for which potential buyers are undertaking exclusive due diligence.

An expression of interest is also said to have closed in the fourth quarter of 2023 for the 299-apartment Citadines Raffles Place, though a buyer has yet to be identified.

The 285-room Dorsett Singapore, connected to Outram Park MRT interchange station, is also being quietly marketed for sale. Its owner, Far East Consortium International (FEC), is understood to be seeking about S\$1.1 million per room

The price for the 154-unit Citadines Mount Sophia serviced residence is expected to be around S\$150 million.

The pricing for Capri by Fraser, Changi City – a stone's throw from the Expo MRT station and the Singapore Expo – is expected to be about S\$170 million.

Link to the story:

<https://www.businesstimes.com.sg/property/hotels-serviced-apartments-gain-favour-investors-amid-return-travel>

Changi Airport's Q4 passenger traffic reaches 90% of pre-pandemic level

Singapore Changi Airport's passenger traffic has recovered to near pre-Covid levels, with growth registered across all markets in 2023.

For the fourth quarter of 2023, Changi handled 16.1 million passenger movements, surpassing 90 per cent of the level recorded in 2019, said Changi Airport Group (CAG) on Jan 24.

December was the busiest month for Changi in 2023, with 5.8 million passenger movements or 91 per cent of traffic in December 2019.

Strong traffic growth in Q4 boosted the airport's full-year performance, which came to 58.9 million passenger movements, representing 86 per cent of the 2019 full-year figure.

Changi's top five passenger markets for the year were Indonesia, Malaysia, Australia, Thailand and India.

Among its top 10 markets, China, Japan and South Korea were the fastest-growing compared to 2022 levels. China ranked sixth in 2023, with four million passenger movements.

Links to the story:

<https://www.businesstimes.com.sg/singapore/changi-airports-q4-passenger-traffic-reaches-90-pre-pandemic-level>

<https://www.straitstimes.com/singapore/transport/changi-airport-s-2023-passenger-traffic-rebounds-to-86-of-pre-covid-19-levels>

<https://www.zaobao.com.sg/news/singapore/story20240124-1464175>

Shophouse

Shophouse market slows amid money laundering scandal; sellers more open to negotiation

Sales of commercial shophouses fell to their lowest quarter in 13 years in the final three months of 2023, as the market turned cautious after a billion-dollar case of money laundering in Singapore came to light in August.

Caveats were filed for just 15 transactions that quarter, compared with 37 deals between July and September.

In terms of transaction value, the deals valued at \$95 million from October to December 2023 represented a 70 per cent plunge from nearly \$321 million recorded in the same period in 2022.

Link to the story:

<https://www.straitstimes.com/singapore/shophouse-market-slows-amid-money-laundering-bust-sellers-more-open-to-negotiation>

Industrial

Industrial rents up 1.7% in Q4, prices climb 0.6%

Rents and prices of Singapore industrial space continued to rise for the 13th straight quarter in Q4 2023, but momentum is slowing, JTC data released on Jan 25 showed.

Industrial rents rose 1.7 per cent quarter on quarter and 8.9 per cent year on year (yoy). The increase in rentals was led by the multiple-user factory segment, which rose 10.7 per cent yoy.

Rents for warehouses climbed 8.5 per cent in 2023, while single-user factories were up 7 per cent and business parks rose 3.4 per cent.

The price index of all industrial spaces increased 0.6 per cent compared with Q3, and 5.1 per cent from the previous year.

Multiple-user and single-user factory prices climbed on a yearly basis, with multiple-user factory prices gaining 6.3 per cent and single-user factory prices increasing 3.8 per cent in 2023.

The overall occupancy rate stood at 89 per cent, a 0.1 percentage point increase from the previous quarter, and 0.4 percentage point lower than the previous year. The drop comes as new completions continued to be strong over the last few quarters, JTC said.

Links to the story:

<https://www.businesstimes.com.sg/property/industrial-rents-17-q4-prices-climb-06-jtc>

<https://www.zaobao.com.sg/finance/singapore/story20240125-1464380>

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