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Residential

Slow start to year for developers with lowest January new home sales in 15 years

New private home sales in Singapore doubled last month following the year-end holiday lull. However, analysts noted that volume was low, with sales at their weakest level in 15 years as buyers held back.

According to data released by the Urban Redevelopment Authority (URA) on Feb 15, developers sold a total of 281 private homes in January, up 108.1 per cent from the 135 units moved in the month before.

The latest January sales figure, which excludes executive condominiums (ECs), is 28.5 per cent less than the 393 units sold in the same month in 2023.

It is also the lowest January sales since 2009, when developers sold 108 units, reflecting the tentative sentiment among buyers, said Lee Sze Teck, Huttons senior director of data analytics.

Including ECs, 588 units were sold in January with 929 units launched. In comparison, just 152 units were sold and 36 units launched in December.

Links to the story:

<https://www.businesstimes.com.sg/property/slow-start-year-developers-lowest-january-new-home-sales-15-years>

<https://www.straitstimes.com/business/new-private-home-sales-rebound-but-still-weakest-january-showing-since-2009-financial-crisis>

<https://www.zaobao.com.sg/finance/singapore/story20240215-1468354>

Government

Singapore's growth 'ought to be stronger' in 2024; more support for parenthood to come: PM Lee

Despite uncertainties, it still looks like Singapore's economic growth in 2024 "ought to be stronger than last year", Prime Minister Lee Hsien Loong told reporters on Feb 9, at his annual Chinese New Year visit to workers.

After “a steady year” in 2023, Singapore’s growth is hoped to be stronger this year – but this depends on whether the United States can cool its inflation and avoid a recession, and whether China’s economy will revive strongly, said PM Lee.

Another factor is the electronics sector, “which is showing signs of revival – and we are experiencing it”, he added.

“So there are positive signs but there are also uncertainties,” he concluded, noting that the Ministry of Trade and Industry will eventually update its estimate of full-year growth, which is currently 1 to 3 per cent.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapores-growth-ought-be-stronger-2024-more-support-parenthood-come-pm-lee>

<https://www.straitstimes.com/singapore/politics/pm-lee-says-signs-are-good-for-stronger-economy-in-2024>

<https://www.zaobao.com.sg/news/singapore/story20240211-1467542>

\$4.5 billion in housing grants given out from 2020 to 2023

The Housing Board gave out more than \$4.5 billion in housing grants to buyers of new or resale flats from 2020 to 2023.

In those four years, around 63,700 households received the Enhanced Central Provident Fund (CPF) Housing Grant, which gives up to \$80,000 to families buying their first new or resale flat.

Providing updates on other grants on Feb 12, HDB said 41,600 households also tapped the CPF Housing Grant, which gives first-time buyers of two- to four-room HDB resale flats \$80,000 in grants, while those who buy five-room or larger resale units can get \$50,000.

Around 44,700 households received up to \$30,000 under the Proximity Housing Grant, for buyers of resale flats who choose to live with or near their parents or children.

Links to the story:

<https://www.straitstimes.com/singapore/housing/45-billion-in-housing-grants-given-out-from-2020-to-2023-hdb>

<https://www.zaobao.com.sg/news/singapore/story20240213-1467709>

<https://www.zaobao.com.sg/news/singapore/story20240213-1467674>

State land sale proceeds in FY2023 at S\$8.15 billion so far, highest in 6 years

Proceeds of state land sales have amounted to about S\$8.15 billion so far for the government’s fiscal year ending Mar 31, 2024.

The value of state land sold so far in FY2023 is up from the S\$3.6 billion transacted in FY2022. It is also higher than the average seen annually between FY2017 and FY2021, which Minister for Law and Home Affairs K Shanmugam put at S\$5.5 billion in a parliamentary reply in January 2023.

FY2023 saw significantly more sites tendered in the year. Some 17 plots have been awarded so far, up from the 12 sites sold in FY2022. Meanwhile, land prices have risen and are only now beginning to ease off.

For the upcoming fiscal year, a tender closing in March 2024 for a massive 6.5 hectare white site in the Jurong Lake District will be keenly watched.

Lee Sze Teck, senior director of data analytics at Huttons Asia, estimates that sales proceeds from GLS sites could exceed S\$15 billion in FY2024.

He said: “The Jurong Lake District tender could be more than S\$5 billion. Huttons Data Analytics estimates that the rest of the land parcels under H1 2024 could be sold for S\$8.6 billion to S\$9.5 billion.”

Link to the story:

<https://www.businesstimes.com.sg/property/state-land-sale-proceeds-fy2023-s815-billion-so-far-highest-6-years>

Property stamp duty collection up 1.7% to S\$4.51 billion in first 9 months of FY2023

Property stamp duty collected in the first nine months of the government's current fiscal year rose 1.7 per cent from the previous year to S\$4.51 billion.

The slightly higher revenue – coming in a year of lower transaction volume and higher duty rates – was a reversal of the previous nine-month period, when stamp duty revenue fell 15.7 per cent.

Property tax takings, meanwhile, grew 12.6 per cent to almost S\$3.4 billion, after both tax rates and property annual values (AVs) were hiked upwards in 2022. Based on a property's rental value, AVs have jumped, reflecting a 30 per cent surge in both private and public residential rents in 2022.

Link to the story:

<https://www.businesstimes.com.sg/property/property-stamp-duty-collection-17-s451-billion-first-9-months-fy2023>

Six government agencies to refund at least S\$7.5 million in GST wrongly charged on regulatory fees

Six government agencies will refund the goods and services tax (GST) they mistakenly charged on 18 fees for regulatory services, ranging from administrative fees for renting out public flats to application fees for estate agent licences.

The amount of GST wrongly charged to individuals and non-GST registered businesses was about S\$1.5 million a year, with the “vast majority” of such charges at S\$5 or less, said the Ministry of Finance (MOF) on Feb 14.

For the 18 fees, there are about 200,000 transactions a year, of which about 90 per cent are with individuals. The total figure includes transactions with GST-registered entities, which are not affected and thus do not need refunds, because they would have claimed the GST paid as input tax, from the Inland Revenue Authority of Singapore.

All six agencies had stopped charging GST on the relevant fees as of Feb 14. From March, they will refund the GST charged to affected taxpayers, with interest of 5.5 per cent per annum, based on available records.

Links to the story:

<https://www.businesstimes.com.sg/singapore/six-government-agencies-refund-least-s75-million-gst-wrongly-charged-regulatory-fees>

<https://www.straitstimes.com/singapore/75m-in-gst-wrongly-charged-by-govt-agencies-over-five-years-to-be-refunded-to-public-from-march-2024>

<https://www.zaobao.com.sg/news/singapore/story20240214-1468143>

<https://www.zaobao.com.sg/news/singapore/story20240214-1468147>

Economy

Singapore's 2023 GDP growth revised down marginally to 1.1%; 2024 forecast kept at 1 to 3%

Singapore's economy grew 1.1 per cent in 2023, revised down marginally from the January advance estimate of 1.2 per cent, data from the Ministry of Trade and Industry (MTI) showed on Feb 15. It moderated from the 2022 full-year growth figure of 3.8 per cent.

The downward revision came as fourth-quarter gross domestic product (GDP) growth was revised down to 2.2 per cent year on year, lower than the advance estimate of 2.8 per cent, but still marking an acceleration from the third quarter's 1 per cent expansion.

On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.2 per cent in Q4, picking up slightly from 1 per cent in Q3. This was also down from the advance estimate of 1.7 per cent.

MTI kept its 2024 growth forecast range unchanged at 1 to 3 per cent, noting that the external demand outlook has remained mostly unchanged since its last economic survey in November last year.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapores-2023-gdp-growth-revised-down-marginally-11-2024-forecast-kept-1-3>

<https://www.straitstimes.com/business/economy/singapore-economy-grew-22-in-q4-mti-keeps-2024-growth-forecast-at-1-to-3>

<https://www.zaobao.com.sg/finance/singapore/story20240215-1468350>

Singapore upgrades 2024 NODX forecast to growth of 4 to 6%

Singapore has upgraded its 2024 full-year forecast for non-oil domestic exports (NODX), with "modest growth" projected in the year ahead and an expected recovery in electronics. NODX is now tipped to grow by 4 to 6 per cent year on year in 2024, compared with November's forecast of a 2 to 4 per cent growth, Enterprise Singapore (EnterpriseSG) said in its quarterly review of trade performance on Feb 15.

Meanwhile, it maintained its forecast for total merchandise trade of between 4 and 6 per cent growth in 2024.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-upgrades-2024-nodx-forecast-growth-4-6>

<https://www.straitstimes.com/business/singapore-domestic-exports-decline-131-in-2023-on-weak-electronics>

<https://www.zaobao.com.sg/finance/singapore/story20240215-1468312>

Singapore is third-best country to relocate to and build family wealth, says report

The best country in which to build multi-generational wealth is Switzerland.

The Alpine nation offers the best opportunities in the world for families looking to relocate and access the highest earnings and best career prospects for themselves and their children, according to a new index by citizenship advisory firm Henley & Partners.

The United States came in second, while Singapore was third.

Meanwhile, Singapore is at the heart of a growing economic region, with plenty of opportunities in banking and engineering as well as easy-to-navigate visas.

The study examined education, earning potential, career advancement, livability, economic mobility and job prospects across 27 countries to establish "opportunity scores" for families looking to move and earn more.

Links to the story:

<https://www.straitstimes.com/business/singapore-is-3rd-best-country-to-relocate-to-and-build-family-wealth-report-says>
<https://www.zaobao.com.sg/finance/singapore/story20240214-1468047>

Singapore firms see silver lining as Q4 performance downturn eases

Singapore firms are feeling less pessimistic as declines in performance grow less dire, the latest Business Times-Singapore University of Social Sciences (BT-SUSS) Business Climate Survey has found.

Business performance continued to decline, with net balances of all three of the survey's indicators – sales, profits, and orders or new business – staying in negative territory in the fourth quarter of 2023. But these were far milder than in the previous quarter, with double-digit improvements.

The BT-SUSS findings of improved sentiments for the first half of 2024 were generally aligned with recent business expectations surveys by the government.

Link to the story:

<https://www.businesstimes.com.sg/singapore/singapore-firms-see-silver-lining-q4-performance-downturn-eases-bt-suss-poll?login=true>

Singapore unit labour cost climbs at slower pace in 2023, may ease further in 2024

Singapore's unit labour cost for the overall economy rose at a slower pace in 2023, and could moderate further in 2024, the Ministry of Trade and Industry (MTI) said on Feb 15.

Unit labour cost is a measure of how much it costs a business to pay its workers to produce each unit of a product or service.

The unit labour cost for the key manufacturing sector dipped 0.1 per cent in the fourth quarter, a reversal from the 10.4 per cent increase in the third quarter, said MTI, which released the data in its latest Economic Survey of Singapore.

For the services sector, the unit labour cost rose 3.6 per cent in the fourth quarter, slowing from the 6.6 per cent increase in the previous quarter.

The economy's overall unit labour cost rose at a slower pace of 7.5 per cent in 2023, compared with the 9.1 per cent increase in 2022.

Links to the story:

<https://www.straitstimes.com/business/singapore-unit-labour-cost-climbs-at-slower-pace-in-2023-could-ease-further-in-2024-mti>
<https://www.zaobao.com.sg/finance/singapore/story20240215-1468322>

CDC voucher schemes in 2021 and 2022 could generate up to \$312.8m for S'pore economy

The Community Development Council (CDC) voucher schemes of 2021 and 2022 have supported heartland merchants and hawkers while helping to alleviate the cost-of-living pressures faced by households.

A study published in the latest Economic Survey of Singapore found that the first two tranches of vouchers could generate up to \$312.8 million for the Singapore economy over time, after about \$237.9 million was claimed by households.

The \$312.8 million is equivalent to 0.05 per cent of Singapore's nominal gross domestic product (GDP), meaning GDP without adjustment for inflation, which stood at \$673 billion in 2023.

Links to the story:

<https://www.straitstimes.com/business/cdc-vouchers-could-add-3128-million-to-singapore-economy>

<https://www.zaobao.com.sg/finance/singapore/story20240215-1468349>

Hospitality

Singapore Airshow 2024 to feature largest number of foreign flying teams

Aviation enthusiasts will be able to catch a slew of aerial displays involving military aircraft from six air forces – five of them foreign – during the Singapore Airshow 2024, which will run from Feb 20 to 25.

There will also be two commercial companies participating in aerial displays at the biennial event, which will be held at Changi Exhibition Centre.

One of them is Chinese aircraft manufacturer Comac, with its C919 making its debut here, while the other is Airbus with its A350-1000.

This year's iteration features the largest number of foreign flying teams at a Singapore Airshow, said organiser Experia on Feb 9.

Link to the story:

<https://straitstimes.com/singapore/singapore-airshow-2024-to-feature-largest-number-of-foreign-flying-teams>

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