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Residential

Five-party consortium places 2 bids for Jurong Lake District site

A consortium comprising CapitaLand Development, City Developments, Frasers Property, Mitsubishi Estate and Mitsui Fudosan (Asia) has submitted two bids, with different concept proposals, for the master-developer site in Jurong Lake District (JLD).

The first three parties are taking a 25 per cent stake each in the consortium, with the two Japanese companies holding a 12.5 per cent stake each.

The 6.5-hectare (nearly 700,000 sq ft) site, zoned white, can be developed to a maximum gross floor area (GFA) of 365,000 sq m (nearly 3.93 million sq ft).

Of this, at least 1.57 million sq ft has to be for office use. Up to 1.79 million sq ft GFA is to be for residential use, of which a maximum of 1.57 million sq ft – estimated to yield about 1,700 housing units – shall be for private apartments and condo units, and a maximum of 215,278 sq ft can be for serviced apartments.

There will also be about 786,000 sq ft for complementary uses such as shop, restaurant, entertainment, hotel, community, or more offices. “The proposed integrated development will be progressively completed over the next 10-15 years and provide the critical mass to propel the development of this future business district,” URA said when it launched the tender for the site in June 2023.

As part of the first phase of the development, the successful tenderer will be required to build at least 753,473 sq ft office GFA and about 549,000 sq ft residential GFA (translating to about 600 private housing units). However, the successful bidder will have flexibility to phase out the remaining supply according to market demand through an option scheme drawn up by URA.

Huttons Asia CEO Mark Yip noted that Plot 1 of the master-developer site, next to Genting Hotel Jurong, is the nearest land parcel to the former Jurong Country Club site, which was previously designated as the Singapore terminus for the proposed Kuala Lumpur-Singapore high-speed rail (HSR) project. “If the project is restarted, there may be opportunities to build service apartments to tap on the potential transient demand at a major transit node,” he added.

Links to the story:

<https://www.businesstimes.com.sg/property/five-party-consortium-places-2-bids-jurong-lake-district-site>

<https://www.straitstimes.com/business/two-bids-submitted-by-consortium-for-mega-site-at-jurong-lake-district-slated-to-be-singapore-s-2nd-cbd>

<https://www.zaobao.com.sg/finance/singapore/story20240327-3219516?ref=today-news-section-card-7>

How long-stay serviced apartments may change the housing landscape

In late November last year, the government unveiled a new category of serviced apartments following a boom in the rental market, with a longer minimum-stay requirement of three months to better meet demand.

At first glance, the new rental housing option appears late to the party as private residential rents have started to soften amid an easing in the housing shortage.

Yet, there may still be a place in the Singapore residential accommodation spectrum for long-stay serviced apartments.

Market watchers say they serve a niche segment that sits between the minimum seven-day stay for the prevailing serviced apartment type and the private residential rental market, where most landlords would issue leases of one to two years (although the minimum period stipulated by the Urban Redevelopment Authority, or URA, is three months).

Link to the story:

<https://www.businesstimes.com.sg/opinion-features/stay-awhile-how-long-stay-serviced-apartments-may-change-housing-landscape>

\$S\$15.5 million St Regis penthouse sale in Singapore flops after three auctions

In the past, a luxury penthouse for sale in Singapore would be one of the hottest properties in town. Not anymore, after a condo with an asking price of S\$15.5 million failed to attract any bidders this week.

The five-bedroom suite at the St Regis Residences, with a private pool and a 180-degree panoramic view, received no offers during its third auction on Mar 21. That is even after the price was lowered by 14 per cent from earlier this year.

The property, owned by the son of Indonesian billionaire Tahir, is one of many luxury homes struggling to sell in a Singapore market slammed by a 60 per cent stamp duty on foreign buyers, along with a crackdown on money laundering. The moves have slowed purchases by the super rich to a trickle.

This was the last chance for the property to sell at auction, and it will now need to be sold privately. It attracted two offers before the auction, both below the guide price.

Links to the story:

<https://www.businesstimes.com.sg/property/s-15.5-million-st-regis-penthouse-sale-singapore-flops-after-three-auctions>

<https://www.straitstimes.com/business/155-million-singapore-penthouse-sale-flops-after-three-auctions>

Private-home sub-sales continue to hit new highs in 2023

Sub-sale volumes in Singapore's private housing market rose yet again in 2023 to their highest level since 2013 with 1,294 transactions, a 69.2 per cent jump from the previous year. This is the second straight year of strong growth in the sub-sales market, which is typically seen as a proxy for speculative buying behaviour. Volumes had hit a decade-long high in 2022 with 765 transactions, up 34.7 per cent from 2021.

Still, current levels are a fraction of the 4,863 sub-sale deals recorded during the housing market's peak in 2007. And the rise in sub-sales is likely a result of the recent strong run-up in home values.

Link to the story:

<https://www.businesstimes.com.sg/property/private-home-sub-sales-continue-hit-new-highs-2023>

Prices of Singapore GCBs, luxury apartments remain stable as sales volume declines

Although transaction volumes for luxury apartments and Good Class Bungalows (GCBs) were lower in the second half of 2023, prices for these segments remained stable. There were nine GCB transactions worth S\$202.05 million in H2 2023, down 64.9 per cent versus the S\$575.27 million from 14 GCB transactions in the previous six-month period. The latest sales figure was also about a third of the S\$613.45 million transacted in H2 2022. For 2023, a total of 23 GCBs were sold, the lowest since 1996. Total transaction value for the year stood at S\$777.32 million. This was about half of the S\$1.37 billion achieved in 2022, when 47 GCBs were sold, and the lowest since 2015's S\$714.78 million across 33 GCBs. The slowdown in sales was due to rising interest rates, global economic uncertainties, and the ongoing money laundering crackdown since August 2023.

Links to the story:

<https://www.businesstimes.com.sg/property/prices-singapore-gcbs-luxury-apartments-remain-stable-sales-volume-declines>

<https://www.straitstimes.com/business/fewer-good-class-bungalows-luxury-apartments-in-singapore-sold-but-prices-stayed-stable-cbre>

<https://www.zaobao.com.sg/finance/singapore/story20240326-3218052>

Condo resale volumes post slight improvement in February amid CNY lull

Resale prices and volumes recorded a slight improvement in February, but continued to be muted against the backdrop of Chinese New Year festivities. Flash data from a property portal released on Mar 26 showed that resale volumes inched up 1.2 per cent month on month to 760 units resold after falling in January. Year on year, volumes were up 0.9 per cent and were 5 per cent higher than the five-year average volumes for the month of February. Sub-sale transactions accounted for 11.1 per cent of all secondary sales, down 1.2 percentage points from December 2023. Mark Yip, Huttons Asia chief executive, said: "Demand shifted to resale condos, which were cheaper than sub-sale condos. That may have capped prices in February 2024."

Links to the story:

<https://www.businesstimes.com.sg/property/condo-resale-volumes-post-slight-improvement-february-amid-cny-lull-srx-99.co>

<https://www.straitstimes.com/singapore/slight-uptick-in-resale-condo-prices-and-sales-in-february-despite-sluggish-start-to-2024>

<https://www.zaobao.com.sg/finance/singapore/story20240326-3217977>

HDB rental market to sustain growth momentum; private condo rents may face more headwinds in H2 2024

Good times may continue for landlords of Housing and Development Board (HDB) flats, but not those of private homes. The recent increase in the completion of new private homes and affordability issues are behind the subdued outlook for private home rentals. For HDB flats, an estimated 11,952 units will reach the five-year minimum occupation period (MOP) mark this year, 23.1 per cent lower than 2023, said Lee Sze Teck, senior director of data analytics at Huttons Asia. Lee expects rents of HDB flats could rise by up to 8 per cent this year with lower new supply, and tenants looking for affordable options as private housing rents are still high for some.

According to estimates provided by Huttons Asia, about 90 per cent of the foreign workforce in Singapore do not receive any housing allowance from their employers, said Lee. When these tenants are looking for places, “they will look for accommodation which costs less than 30 per cent to not more than 50 per cent of their monthly income”, he added.

Link to the story:

<https://www.businesstimes.com.sg/property/hdb-rental-market-sustain-growth-momentum-private-condo-rents-may-face-more-headwinds-h2-2024>

Commercial

Prime office rents grow in Q1 on renewals but may plateau in H2 2024

Office rents in the Raffles Place/Marina Bay area rose in the first quarter of 2024, supported by renewals from businesses occupying quality spaces and demand from multinational corporations.

In Q1, prime grade office rents rose 0.6 per cent quarter on quarter, averaging S\$11.20 per sq ft (psf) per month. On a yearly basis, rents were up 3.4 per cent, slowing from the 5.7 per cent increase in the year-ago period.

Occupancy levels in Raffles Place/Marina Bay remained tight at 95.6 per cent, broadly unchanged compared with the previous quarter. In the overall Central Business District (CBD), occupancy stood at 94.7 per cent in Q1.

The tight occupancy levels in the quarter were supported mainly by renewals at slightly higher levels, as most businesses that already occupy quality spaces resisted relocation or expansion, and instead, continued to operate in existing premises.

Links to the story:

<https://www.businesstimes.com.sg/property/prime-office-rents-grow-q1-renewals-may-plateau-h2-2024-knight-frank>

<https://www.straitstimes.com/business/singapore-prime-office-rents-jump-to-highest-since-2008>

<https://www.zaobao.com.sg/finance/singapore/story20240327-3214226>

Economy

Share of newly created job vacancies in Singapore at six-year high

The share of job vacancies in Singapore that were newly created – as opposed to positions vacated by former employees – reached 47.3 per cent in 2023, the highest since this data series began in 2018.

This was up from 38.7 per cent in 2022, according to the latest Job Vacancies report released by the Ministry of Manpower (MOM) on Mar 25.

MOM said: “The majority of these newly created positions arose due to business expansion into existing and new functions. This reflects the evolving nature of our economy and the accompanying changes in manpower demand.”

Employees must continue to upskill and reskill to fill these new positions, and the government will support this process, it added.

Links to the story:

<https://www.businesstimes.com.sg/singapore/share-newly-created-job-vacancies-singapore-six-year-high>

<https://www.straitstimes.com/singapore/jobs/nearly-half-of-s-pore-vacancies-are-for-new-roles-tech-business-development-workers-in-hot-demand>

<https://www.zaobao.com.sg/news/singapore/story20240325-3212089>

<https://www.zaobao.com.sg/news/singapore/story20240325-3212963>

MAS expected to stand pat in April review despite surprise bump in February's core inflation

Private-sector economists expect the Monetary Authority of Singapore (MAS) to leave its policy parameters unchanged at the next meeting in April, even as Singapore's core inflation rose a surprising 3.6 per cent in February.

The latest core inflation reading, which excludes accommodation and private transport, was higher than the 3.1 per cent recorded in January, data from MAS and the Ministry of Trade and Industry (MTI) showed on Mar 25. It was also above the 3.4 per cent median forecast by private-sector economists polled by Bloomberg.

Headline inflation rose to 3.4 per cent year on year, higher than the 2.9 per cent recorded the previous month and exceeding economists' median estimate of 3.2 per cent.

Links to the story:

<https://www.businesstimes.com.sg/singapore/mas-expected-stand-pat-april-review-despite-surprise-bump-february-s-core-inflation>

<https://www.straitstimes.com/business/singapore-core-inflation-rises-to-36-in-february-partly-on-cny-effect>

<https://www.zaobao.com.sg/finance/singapore/story20240325-3213911>

Singapore climbs to sixth place in global resilient cities index

Singapore climbed six notches to become the world's sixth most resilient city, from 12th place in 2021.

This is according to an annual global index tracking the resilience of 490 cities across the world.

New York claimed the top spot for the second time in a row.

It was followed by Tokyo, London, Seoul and Los Angeles.

The Resilient Cities Index, published on Mar 25, measures the resilience of a city based on its ability to support the well-being and success of its residents and workers against the backdrop of economic, social, environmental and technological changes.

This makes these cities attractive to investors and occupiers.

Link to the story:

<https://www.businesstimes.com.sg/property/singapore-climbs-sixth-place-global-resilient-cities-index>

Singapore's factory output extends growth in February with 3.8% rise, beating estimates of 0.5%

Singapore's factory output grew 3.8 per cent on year in February, extending gains from January's revised figure of 0.6 per cent growth, data from the Economic Development Board (EDB) showed on Mar 26.

February's performance was better than expected by private-sector economists, who predicted a muted 0.5 per cent expansion in a Bloomberg poll.

Excluding the volatile biomedical manufacturing cluster, output grew by 1.4 per cent year on year in February, easing from the 4.7 per cent growth posted in January.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economy-policy/singapore-s-factory-output-extends-growth-february-3.8-rise-beating-estimates-0.5>

<https://www.straitstimes.com/business/economy/singapore-factory-output-beats-forecasts-with-38-rise-in-february>

<https://www.zaobao.com.sg/finance/singapore/story20240326-3218114>

Hospitality

S'pore still 'attractive' to Chinese travellers, says STB, noting embassy's concern over gambling

Singapore remains an “attractive destination” for leisure and business travellers from China, said the Singapore Tourism Board (STB) in a statement on March 22. This was in response to queries from The Straits Times on a circular by China’s embassy here reminding its citizens to steer clear of gambling.

In response to media queries, STB’s Greater China executive director Andrew Phua said the agency was aware of the embassy’s statement and respected its concerns.

Singapore is a trusted and vibrant destination for both leisure and business, and Chinese travellers visit Singapore for many reasons, he added.

“In addition to Singapore’s reputation as a family-friendly, bilingual and safe destination, our diverse range of tourism offerings, including our slew of wide-ranging attractions and a robust events calendar, makes Singapore an attractive destination choice to Chinese visitors,” said Mr Phua.

Link to the story:

<https://www.straitstimes.com/singapore/s-pore-still-attractive-to-chinese-travellers-says-stb-acknowledging-embassy-s-gambling-concern>

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