

Top News for the Week

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Residential

Singapore's private home price growth slows to 1.5% in Q1 as sales fall 20%

Private home prices in Singapore continued to rise in the first three months of 2024, chalking up 1.5 per cent growth following a 2.8 per cent advance in the last quarter of 2023, according to government data on Apr 1.

Islandwide, the prices of non-landed homes rose 1 per cent overall in Q1, moderating from the 2.3 per cent increase in the previous quarter.

The rise in price was mainly driven by the Core Central Region (CCR). Prices were up by 3.1 per cent, after a 3.9 per cent gain in the fourth quarter.

In the suburban Outside Central Region (OCR), prices of non-landed homes increased at a slower pace of 0.4 per cent in Q1, after having jumped 4.5 per cent in Q4.

Lee Sze Teck, senior director of data analytics at Huttons Asia, pointed to strong sales at Lentor Mansion being likely to push up prices in the OCR.

Non-landed property prices in the city-fringe or Rest of Central Region (RCR), meanwhile, recovered from a 0.8 per cent decline in Q4 of 2023, edging up by 0.2 per cent in Q1.

In Q1 2024, Singaporeans and PRs accounted for 98.6 per cent of private home buyers; foreigners made up 1.1 per cent. There were 35 purchases of residential homes by foreigners in Q1, down from 66 in Q4, Huttons' Lee noted.

Links to the story:

<https://www.businesstimes.com.sg/property/singapore-s-private-home-price-growth-slows-1.5-q1-sales-fall-20-ura>

<https://www.straitstimes.com/business/rising-retrenchments-high-interest-rates-slow-private-home-price-growth-to-1.5-in-q1>

<https://www.zaobao.com.sg/finance/singapore/story20240401-3240939>

CDL joint venture bids \$1.1 billion for Zion Road GLS site, but analysts say it is below expectations

A City Developments (CDL) joint venture has put in a bid of \$1.1 billion for a plum plot in Zion Road – the first Government Land Sales (GLS) site to pilot a new class of long-stay serviced apartments.

But analysts say this lone bid for Zion Road parcel A, which reflects a land rate of \$1,202 per sq ft per plot ratio (psf ppr), is below market expectations and shows CDL's cautious stance, despite the opportunity to expand its portfolio of rental properties.

Another GLS site, in Upper Thomson Road in the Springleaf precinct, drew a bid from GuocoLand and Hong Leong Holdings unit Intrepid Investments of \$779.6 million – again, the only one – which is a land rate of \$905 psf ppr. Analysts say this may be a defensive strategy by GuocoLand, which is developing 2,211 units in the nearby Lentor district, to maintain its strong foothold in the area.

Links to the story:

<https://www.straitstimes.com/business/cdl-joint-venture-bids-1106-billion-for-zion-road-gls-site-but-analysts-say-it-is-below-expectations>

<https://www.businesstimes.com.sg/property/clinching-upper-thomson-site-could-cement-guocoland-hong-leong-hold-over-area>

<https://www.businesstimes.com.sg/property/sole-low-bids-large-plots-river-valley-thomson-show-developers-turning-frosty-and-defensive>

<https://www.zaobao.com.sg/finance/singapore/story20240404-3274279>

Freehold GCB site housing two bungalows in Caldecott Hill for sale at S\$62.8 million

A Good Class Bungalow (GCB) site with two freehold bungalows in Caldecott Hill is on the market at a guide price of S\$62.8 million.

Located on a quiet cul-de-sac shared with only one other GCB along the road, the two bungalows occupy a regular-shaped plot with a land area of about 39,276 sq ft.

The S\$62.8 million guide price translates to a land rate of about S\$1,599 per sq ft (psf).

The expression of interest exercise for the property will close on May 15.

Link to the story:

<https://www.businesstimes.com.sg/property/freehold-gcb-site-housing-two-bungalows-caldecott-hill-sale-s-62.8-million>

Scion of UOB's Wee family buys mansion for S\$39.5 million

A scion of the Wee family, Singapore's richest banking dynasty, is buying a S\$39.5 million mansion, taking advantage of a lull in the high-end real estate market.

Grant Wee, the youngest child of UOB chief executive officer Wee Ee Cheong, is buying the Good Class Bungalow (GCB) at Ford Avenue, according to property filings lodged at end-March seen by Bloomberg News.

The house is co-owned by Choo Chiau Beng, whose former roles include being chief executive officer of the infrastructure giant now known as Keppel and Singapore's non-resident ambassador in Brazil. He acquired the house, which spans more than 19,500 square feet, in 2007, the records show.

Links to the story:

<https://www.businesstimes.com.sg/property/scion-uob-s-wee-family-buys-mansion-s-39-5-million>

<https://www.zaobao.com.sg/realtime/singapore/story20240403-3251357?ref=today-news-section-card-7>

HDB resale prices rise at a faster 1.7% pace in Q1

Housing and Development Board (HDB) resale prices rose at a quicker pace in the first quarter of 2024, increasing 1.7 per cent versus the 1.1 per cent recorded in Q4 2023.

Resale prices were up for the 16th consecutive quarter and higher than the 1 per cent rise recorded in the same period last year, flash data from HDB indicated on Apr 1.

HDB resale volumes, as at Mar 27, 2024, were up 5.5 per cent on the year to 6,928 from 6,567 cases.

Property analysts attributed the price growth to a surge in first-time buyer demand for resale flats, coupled with a rise in HDB resale flat supply during the period.

Lee Sze Teck, senior director of data analytics at Huttons Asia, attributed the climb in resale flat supply to an increase in units that reached their five-year minimum occupation period in 2022 and 2023. "Buyers had more choices and that resulted in higher sales," he added.

Links to the story:

<https://www.businesstimes.com.sg/property/hdb-resale-prices-rise-faster-1.7-pace-q1-flash-data>

<https://www.straitstimes.com/singapore/housing/hdb-resale-prices-up-17-in-q1-higher-than-11-rise-in-previous-quarter>

<https://www.zaobao.com.sg/news/singapore/story20240401-3243648>

Commercial

OCBC exploring redevelopment of Chulia Street property

OCBC is exploring the redevelopment of its iconic Chulia Street property, the bank said in a statement on Apr 3, confirming an earlier Business Times report.

In a filing with the Singapore Exchange on Apr 3 evening, OCBC added that there was no certainty that the plans being explored would result in a redevelopment, a transaction or other options.

Links to the story:

<https://www.businesstimes.com.sg/property/ocbc-exploring-redevelopment-chulia-street-property>

<https://www.businesstimes.com.sg/property/ocbc-said-be-exploring-redevelopment-iconic-chulia-street-property>

<https://www.zaobao.com.sg/finance/singapore/story20240403-3256188>

BNP Paribas to cut space in Keppel Reit's Singapore tower as high rents bite

BNP Paribas is set to give up space in a prime office tower in Singapore amid rising commercial rent in the financial hub, according to sources familiar with the matter.

The French bank, which currently occupies six floors at Ocean Financial Centre, plans to not renew some of the space in the Central Business District (CBD) when the lease expires at the end of the year, the sources said, requesting not to be named because the matter is private.

The move will help curb costs, they added.

From the fourth quarter, the bank will also move at least 300 mostly back-end staff at 20 Collyer Quay to Mapletree Business City – a business park located in the country's south – to free up the location for those affected by the cut in floor space, the sources said. The plans are not final and could change, the sources added.

Link to the story:

<https://www.businesstimes.com.sg/companies-markets/banking-finance/bnp-paribas-cut-space-keppel-reit-singapore-tower-high-rents-bite>

Government

HDB flat rents rose 10% in 2023, stabilising from 35% surge in 2022

Rents for public housing flats stabilised in 2023 after spiking 35 per cent in 2022, Parliament heard on Apr 2.

In 2021, the average year-on-year increase in open market rents for Housing and Development Board (HDB) three-room, four-room and five-room flats was 5 per cent. This

increased to 35 per cent in 2022, but dropped to 10 per cent in 2023, said Indranee Rajah, Second Minister for National Development.

Links to the story:

<https://www.businesstimes.com.sg/property/hdb-flat-rents-rose-10-2023-stabilising-35-surge-2022-indranee>

<https://www.straitstimes.com/singapore/politics/no-plan-to-up-rental-voucher-sum-income-cap-under-scheme-for-families-awaiting-bto-flats-indranee>

<https://www.zaobao.com.sg/news/singapore/story20240402-3247672>

Singapore must not view residents and foreigners as ‘zero-sum game’ for jobs

Singapore must not view residents and foreigners as a “zero-sum game and continue to draw divides”, said Manpower Minister Tan See Leng in Parliament on Apr 2, stressing that locals will have better job opportunities and wages if businesses have access to “complementary foreign talent”.

Between 2013 and 2023, the number of resident professionals, managers, executives, and technicians (PMETs) grew by 380,000, while the number of Employment Pass (EP) and S Pass holders went up by 50,000.

Similarly, in growth sectors such as finance, infocomm and professional services, resident PMETs increased by 190,000, while the number of EP and S Pass holders grew by just 20,000.

Singaporeans’ wage outcomes have also improved. Over the decade, resident incomes have also gone up in real terms, by 21.6 per cent, noted Dr Tan.

He noted that a large share of the increase in non-resident employment growth – about 64,800 or 77.6 per cent – was from work permit and work pass holders in sectors such as construction, which are typically not the type of jobs that Singaporeans want to do.

The remaining – about 18,700 or 22.4 per cent – was from higher-skilled EP and S Pass holders, where there is a global shortage. The total number of EP and S Pass holders is also still below pre-Covid levels, said Dr Tan.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-must-not-view-residents-and-foreigners-zero-sum-game-jobs-tan-see-leng>

<https://www.straitstimes.com/singapore/politics/bigger-rise-in-local-pmet-employment-and-wage-growth-despite-foreign-pmets-tan>

<https://www.zaobao.com.sg/news/singapore/story20240402-3247105>

44 residential projects granted ABSD deadline extension to clear unsold units

Forty-four residential projects, or 12 per cent of projects with a sale deadline within the 2021 to 2023 period, were granted more time to clear all unsold units, aside from the extensions provided under Covid-19 temporary relief measures, Deputy Prime Minister Lawrence Wong said on April 2.

On April 2, DPM Wong, who is also Finance Minister, said the appeals by developers of the 44 projects were approved “as they involved extenuating circumstances, such as the developer facing site-specific delays that were unforeseen and beyond its control”.

“Requests for extensions to the specified timelines are considered by the Government on a case-by-case basis. I would not comment on individual cases, as the details include confidential taxpayer-specific information,” he said.

Links to the story:

<https://www.straitstimes.com/singapore/politics/44-residential-projects-granted-absd-deadline-extension-to-clear-unsold-units-dpm-wong>

<https://www.zaobao.com.sg/finance/singapore/story20240403-3254865>

Economy

Singapore's PMI up a tad in March as region-wide factory activity improves

Singapore's manufacturing sentiment inched up in March, as region-wide factory activity continued making modest improvement.

The purchasing managers' index (PMI) edged up to 50.7 during the month, posting slightly faster growth than February's 50.6 reading, according to data from the Singapore Institute of Purchasing and Materials Management (SIPMM) released on Apr 2.

March's data marked the seventh straight month of expansion for the index, and is on par with January's PMI reading of 50.7 – the highest reading since December 2021.

The linchpin electronics sector improved by 0.4 point, posting a faster expansion at 50.8 and staying in expansion territory for the fifth consecutive month.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economy-policy/singapore-s-pmi-tad-march-region-wide-factory-activity-improves>

<https://www.straitstimes.com/business/s-pore-factory-activity-regains-footing-in-march-aided-by-electronics-sector-s-solid-showing>

<https://www.zaobao.com.sg/finance/singapore/story20240402-3248044>

Sons of late banker Wee Cho Yaw among world's new billionaires on Forbes list

The three sons of the late banking tycoon Wee Cho Yaw are newly minted billionaires, according to a Forbes' list of global billionaires released on April 2.

UOB chief executive Wee Ee Cheong and his brothers, Mr Wee Ee Chao and Mr Wee Ee Lim, are among 39 billionaires from the Republic – a number that rose slightly from 35 in 2023.

Singapore billionaires' collective net worth came to an estimated US\$115.5 billion (S\$156 billion) in 2024, compared with US\$118.9 billion in 2023.

Globally, the list featured a record 2,781 billionaires – 141 more than in 2023 and 26 more than the previous record set in 2021.

Their collective net worth hit US\$14.2 trillion, up US\$2 trillion from the magazine's 2023 list and US\$1.1 trillion from 2021.

Links to the story:

<https://www.straitstimes.com/business/sons-of-late-banker-wee-cho-yaw-among-world-s-new-billionaires-forbes-list>

<https://www.zaobao.com.sg/finance/singapore/story20240403-3258613?ref=today-news-section-card-4>

Hospitality

Singapore hotels' average room rate rises in February as tourist arrivals inch higher

Singapore hotels' average room rate (ARR) gained month on month in February, amid an increase in international visitor arrivals, Singapore Tourism Board (STB) data showed on Apr 2.

ARR in February climbed to S\$298.47, up 6.7 per cent from the preceding month's S\$279.78. On the year, it was up 9 per cent. Other indicators – overall hotel room revenue, revenue per available room (RevPAR) and average occupancy rate – also registered increases in the second month of 2024.

These came as tourist arrivals edged up to 1,436,571, from January's 1,436,411. China overtook Indonesia to become the top source of visitors in February, while India dropped out of the top five.

Singapore hotels' overall room revenue in February grew to S\$453.8 million, up 7.3 per cent from January's S\$423.1 million and up 29.8 per cent from the year-ago period. Also higher than the previous month was RevPAR, rising 14.2 per cent to S\$247.70 from S\$216.98. Year on year, RevPAR was up 7.9 per cent.

At 83 per cent, February's average occupancy rate grew from January's 77.6 per cent. This was marginally lower than the year-ago occupancy rate, though it matches the pre-pandemic rate of 83 per cent in January 2020.

Links to the story:

<https://www.businesstimes.com.sg/singapore/singapore-hotels-average-room-rate-rises-february-tourist-arrivals-inch-higher>

<https://www.zaobao.com.sg/finance/singapore/story20240402-3191689>

Shophouse

Fewer transactions, but firmer prices as CBD shophouses hold sway among investors

Sales volumes are down but prices are firm in what is the creme de la creme of the commercial shophouse market – Central Business District (CBD) shophouses.

The average transacted unit price on land area of CBD shophouses climbed by nearly 18 per cent to S\$11,098 per sq ft (psf) in 2023 from S\$9,434 psf in 2022.

There are currently about 6,500 shophouses islandwide.

For the first two months of 2024, there were only two deals inked so far, Urban Redevelopment Authority's Realis data as at Mar 19 showed.

Link to the story:

<https://www.businesstimes.com.sg/property/fewer-transactions-firmer-prices-cbd-shophouses-hold-sway-among-investors>

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