

December 2021



HIGHLIGHTS

In the Last 2 weeks of December, a new set of cooling measures have been announced, targeted at two sections of our market; Developers and Lower-Income home buyers.

A day after cooling measures were announced, 10 new residential sites were released, as well as 2 EC sites and 1 hotel site. With an estimated total of 2,290 Residential units in the confirmed list and 3,015 Residential units in the reserved list, the supply for 1H 2022 might be able to keep up with our strong demand in the short-term.

HDB announced its plans to launch more than 40,000 units for the next two years to keep up with our Housing demand.

November's Sales took 2021's New Launch units to a record breaking 12,467 units sold.

Peace Centre & Peace Mansion has been finally sold for \$650m. While Golden Mile Complex and Mandrin Gardens has been re-launched again for the 2nd and 4th attempt.

Cooling Measures

Built-to-Order

Government Land Sale

New Developments

Collective Sale

2021 Launch Recap



Cooling Measures

1 Higher Additional Buyer's Stamp Duty (ABSD) Rates

Type of Buyers	Property Count	From 6 Jul 2018 to 15 Dec 2021	On/After 16 Dec 2021	Change
SC	1st	0%	0%	-
SC	2nd	12%	17%	+5%
SC	3rd	15%	25%	+10%
PR	1st	5%	5%	-
PR	2nd	15%	25%	+10%
PR	3rd	15%	30%	+15%
Foreigner	All	20%	30%	+10%
Entities	All	25%	35%	+10%

2 Tightened Total Debt Servicing Ratio (TDSR) threshold



3 Reduced Loan-to-Value (LTV) limit for HDB Loan



ADDITIONAL BUYER STAMP DUTY (ABSD)

ABSD increased for all categories of buyers except for Singapore citizen and permanent residents with one property count. The policy change takes effect for transactions on or after 16 Dec 2021.

Returns on Investment is reduced and may no longer be as appealing to speculators. The **increase in ABSD is targeted mainly at Foreign buyers, Investors and Developers.**

TOTAL-DEBT SERVICING RATIO (TDSR)

TDSR will be tightened from 60% to 55% for all residential properties. This applies to transactions with Option to Purchase (OTP) granted on or after 16 Dec 2021.

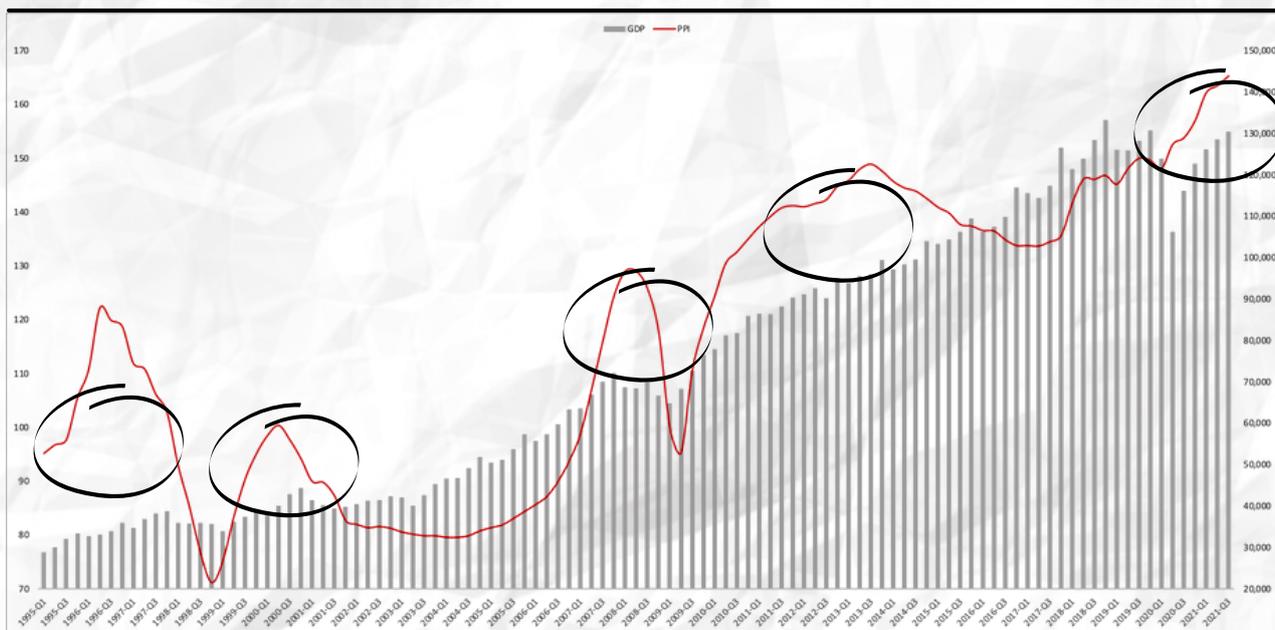
Based on a monthly income of \$10,000 and a loan tenure of 30 years, maximum loan will be slightly reduced from \$1.33 million to \$1.24 million. The **tightening of TDSR is targeted at lower-income buyers.**

LOAN-TO-VALUE (LTV) FOR HDB

LTV limit for HDB housing loans will be reduced from 90% to 85% and applies to completed resale applications received by HDB from 16 Dec 2021 onwards. Loans taken from financial institutions continues to remain unaffected at 75%.

Based on a \$500,000 HDB, a 5% decrease in LTV translates to an additional \$25,000 in CPF or Cash downpayment. The **reduction of LTV is targeted at younger First-time HDB buyers.**

Cooling Measures



PROPERTY PRICES

Our property market has slightly gone off the rails with regards to our GDP (because our GDP fell this year). Following Covid-19, construction delays have caused a shake up in buying decisions for First-Time Buyers. The objective of tightening the TDSR and reduction in LTV is to slow down the short-term demand.

INTEREST RATES

The Global markets are anticipating an increase in Interest Rates for the upcoming quarters. Singapore Government is preventing an over-leveraged situation by tightening the TDSR. This measure impacts all types of purchases and is not only targeted at the property segment only.

FOREIGN CAPITAL

Singapore is one of the countries with the highest Homeownership at 85% as compared to HK 50% and the US 65%. As more foreign capital flows into Singapore from HK, China, US and the UK, the government is also cautious to allow property prices to be inflated and a prevent a possible dilution of homeownership.

MARKET SUPPLY

Market supply of Unsold New Private Residential Properties are at all-time-lows. Amidst the crisis, many homeowners are attempting to offload their properties via collective sales. The increase of ABSD for entities sends a big warning to desperate developers to take more precaution with regards to prices. Also, government recently released 13 new sites for sale as well as to built 22,000 new BTOs for each year for the next 2 years. Replenishing the supply to meet demand.

BTO & GLS

Built-to-Order (BTO)

The Housing and Development Board (HDB) plans to launch up to 23,000 new BTO flats each year over the next two years, as it ramps up supply to meet “strong” housing demand from Singaporeans (35% increase). These new BTO launches will be located across a good mix of mature and non-mature towns

The increased supply of flats will provide more housing options for young couples planning to start their marriage and parenthood journey, as well as for second-timer families, multi-generation families, the elderly, and singles. Demand for public housing has increased “significantly” in recent years, with the overall number of applications received per BTO flat up from 3.7 times in 2019 to 5.5 times in 2021.

S/N	List	Location	Site Area (ha)	Proposed GPR	Estimated Residential Units	Estimated Hotel Rooms	Estimated Commercial Space (m2)	Estimated Launch Date
1	Confirmed	Pine Grove (Parcel A)	2.25	2.1	520			Feb-22
2	Confirmed	Dunman Road	2.52	3.5	1,035			Mar-22
3	Confirmed	Lentor Central	1.34	3	470			May-22
4	Confirmed	Lentor Hills Road (Parcel B)	1.08	2.1	265			May-22
5	Confirmed	Bukit Batok West Ave 5 (EC)	1.66	3	495			Jun-22
6	Reserved	Hillview Rise	1.03	2.8	335			Available
7	Reserved	Pine Grove (Parcel B)	2.5	2.1	565			Available
8	Reserved	Tampines Street 62 (Parcel B) (EC)	2.8	2.5	700			Available
9	Reserved	Lentor Gardens	2.18	2.1	535			May-22
10	Reserved	Bukit Timah Link	0.41	3	140			Jun-22
11	Reserved	Kampong Bugis	8.29	-	1,000		10,000	Available
12	Reserved	Woodlands Ave 2	2.75	4.2	440		78,000	Available
13	Reserved	River Valley Road	1.02	2.8	0	530		Available

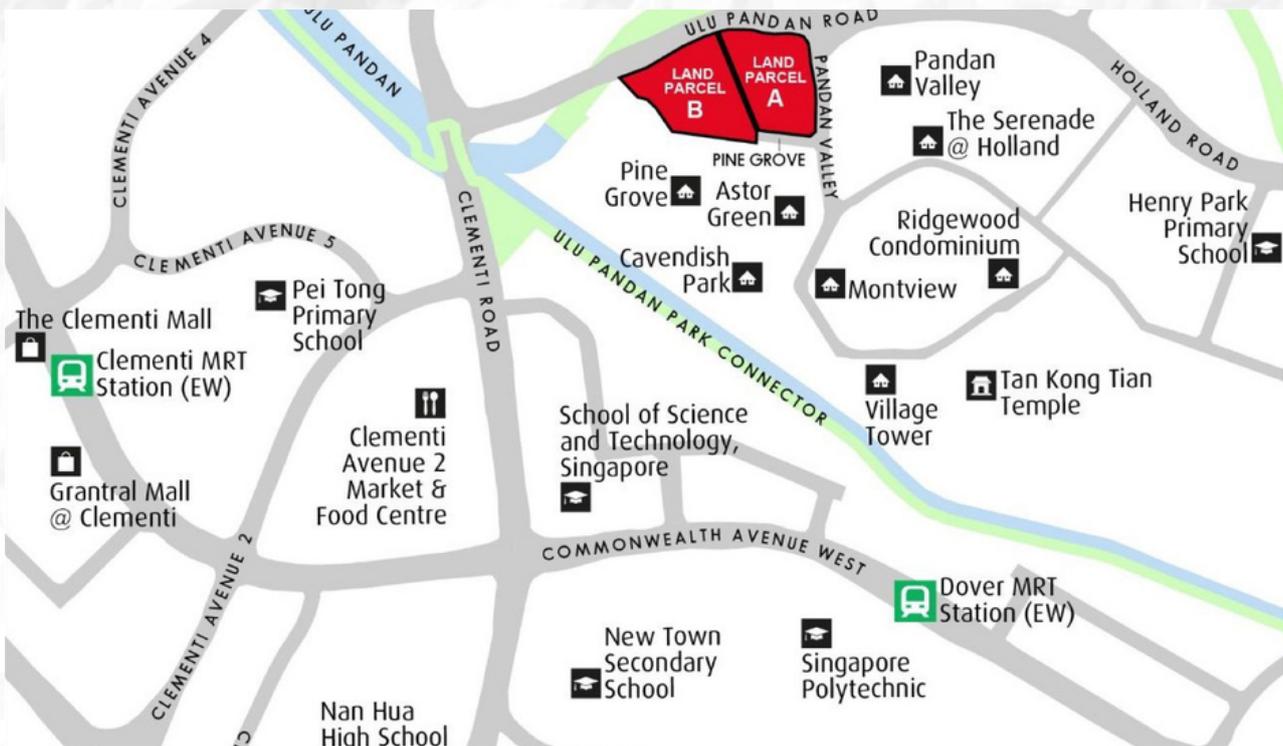
Government Land Sale (GLS)

13 sites have been added into the 1H2022 GLS programme. This comes right after the announcement of a new round of cooling measures near midnight of Dec 15.

Four of the five sites on the Confirmed list are private residential sites, yielding **2,290 Private residential units** and **495 EC units**. The eight sites on the Reserve List comprises four private residential sites, one EC site, two White sites and a Hotel site, yielding a total of **3,015 private residential units**, **700 EC units** and 530 Hotel rooms. Given the increase in Additional Buyer’s Stamp Duty to 35% for developers, smaller sized sites on the reserve list are expected to receive more bids.

[GLS] Lentor (District 26)

Following the opening of Lentor MRT station earlier this year, the 1H2022 GLS includes two Confirmed sites at Lentor Central and Lentor Hills Road (Parcel B), as well as one Reserved site at Lentor Gardens.



[GLS] Pine Grove (District 5)

Two residential sites at Pine Grove will also be added into the 1H2022 GLS programme. Parcel A which will be on the confirmed list, comes with a maximum gross floor area (GFA) of 47,323 sq m and can yield 520 units. Parcel B, on the other hand, will be on the reserved list, has a maximum GFA of 52,582 sqm yields 565 units. Both sites come with a **99-year leasehold** tenure and can jointly yield up to **1,085 units in total**.

Either of the sites is launched for tender, developers may be looking at a land rate of \$1,000 to \$1,100 with a **selling price of 1,900 to \$2,000 psf**. On top of that, the land plots are adjacent to condos that had been put up for collective sales before.

Pine Grove condo is at the south of the land plots. It was last launched for en bloc sale in early 2019 for S\$1.86 billion. The tender had later ended without any bidders. To the west of the land plots is Pandan Valley, which made headlines in September 2018 for putting up a record reserve price of S\$2.6 billion for its en bloc sale. This was after the en bloc fever died down due to cooling measures implemented in July that year.

Under the reserve list system, a site will only be released for sale once it receives an offer of a minimum price which is acceptable to the government. Confirmed list sites, on the other hand, are launched according to schedule regardless of demand.

New Developments



The Commodore (District 27)

New Non-Landed Private Residential Developments

New private home sales surged by 70% month-on-month to 1,547 units (ex. ECs) in November 2021 on healthy take-up at two new launches – CanningHill Piers and The Commodore – which collectively accounted for about 48% of the month's total sales.

The Rest of Central Region (RCR) or city fringe led sales in November 2021, selling 910 new units – mainly driven by the successful launch of CanningHill Piers which sold 576 units at a median price of \$2,887 psf. This was followed by the Outside Central Region (OCR) which shifted 459 new homes, supported by the 164 units sold (median price \$1,513 psf) at The Commodore in the Sembawang Canberra area. This translates into a take-up of 74% at the 219-unit, private condominium located at Canberra Drive.

Attributing to the strong sales is due to the transformative plans taking shape in the northern region. All the growth opportunities in the North draw both investors and owner occupiers, with about 93% of the buyers were Singaporeans. Many of the buyers are young, first-time homebuyers or HDB upgraders, who are looking to buy their first private home or investment property.

November's sales took the number of new homes transacted in the **first eleven months of 2021 to 12,467 units** – already surpassing the annual figures in each of the last seven years.

Collective Sale



[SOLD] La Ville (District 15)

Hong Kong listed ZACD Group successfully acquired La Ville at S\$152 million. The land price works out to be around \$1,477 psf ppr after adding an additional 7% bonus GFA. Located at Tanjong Rhu, the freehold development of 40 units will be redeveloped into a new 107-unit condominium project with an average size of 85 square metres with a **breakeven price of ~\$2,362 psf**.

[SOLD] Peace Centre & Peace Mansion (District 9)

Singhaiyi Group, Chip Eng Seng Corporation and KSH Holdings successfully concluded the purchase of Peace Centre and Peace Mansion at a price of S\$650 million. Based on the sale price, the land rate translates to about \$1,388 psf ppr after including additional 7% bonus GFA and lease top up premium.

Peace Centre and Peace Mansion are two properties sitting on a single commercial site at 1 Sophia Road. With a total land area of 7,118 sqm, the land will be redeveloped into a mixed-use development. The residential component will take up 40% of the total GFA, which translates to about 240 units with an average size of 1,000sqft



Collective Sale



[LAUNCHED] Golden Mile Complex (District 7)

Golden Mile Complex, which was gazetted as a conserved building in October 2021, has once again been put up for collective sale with a reserve price of \$800 million. Including the lease upgrading premium and the differential premium payable, the indicative land rate will translate to around \$1,350 psf ppr, depending on the proposed use mix. The last enbloc attempt ended in July 2019 with no bids.

Golden Mile Complex is located along Beach Road with city and sea views, just outside the city centre's electronic road pricing (ERP) zone with its terraced facade facing Nicoll Highway. It is also only a five-minute drive to the CBD, Raffles Place and Marina Bay and 400m from the Nicoll Highway MRT station on the Circle Line.



[LAUNCHED]

Mandarin Gardens (District 15)

The mega development, near East Coast Park, formed a collective sale committee (CSC) on Sunday (Dec 5), and will soon select the committee key positions. In its last attempt in 2018, the CSC failed to obtain enough signatures to launch the tender despite the committee having increased the reserve price twice.

The previous price tag of S\$2.93 billion would have been Singapore's biggest Enbloc transaction by quantum. Each owner is expected to receive between S\$1.9 million to S\$6 million depending on unit sizes.

Collective Sale



[LAUNCHED] Tanglin Shopping Centre (District 9)

The second oldest Shopping Centre in Singapore is going for its fourth attempt in a collective sale with a guide price of S\$828 million. Based on its existing GFA of 313,435 sqft, the land rate works out to \$2,642 psf ppr. Sitting on a freehold commercial site, the future project could be developed to 20-storeys with 40% used for residential and serviced apartment or hotel use.

[LAUNCHED]

The Beaumont (District 9)

The Beaumont will be launched for collective sales via public tender with a guide price of S\$478 million. The land rate works out to be S\$2,410 psf ppr after adding 7% bonus GFA and development charges. The freehold residential plot can be redeveloped to 36-storeys comprising 227 units, averaging 70 square metres per unit.

Located at 145 & 147 Devonshire Road, The Beaumont is situated in a cul-de-sac, just a 2-minute walk to Somerset MRT. Malls along Orchard Road such as 313@Somerset, Mandarin Gallery, Ngee Ann City and Paragon are going to be a huge attraction for future buyers.



2021 Recap (Launch Overview)

PROJECT NAME	DISTRICT	REGION	TYPE OF SALE	TENURE	% SOLD
Amber Sea	15	RCR	Former Amber Glades	FH	-
Bartley Vue	19	OCR	GLS	99	25%
Cairnhill 16	9	CCR	Former Cairnhill Heights	FH	0%
CanningHill Piers	6	CCR	Former Liang Court	99	84%
Grange 1866	10	CCR	Former iLiv@Grange	FH	13%
Irwell Hill Residences	9	CCR	GLS	99	75%
J@63	15	RCR	-	FH	-
Jervois Mansion	10	CCR	Former Jervois Mansions	FH	100%
Klimt Cairnhill	9	CCR	Former Cairnhill Mansions	FH	2%
Les Maisons Nassim	10	CCR	Former bungalow	FH	-
Liv @ MB	15	RCR	Former Katong Park Towers	99	-
M Suites	14	RCR	Former semi-detached houses	FH	-
The Antares	14	RCR	-	99	99%
Midtown Modern	7	CCR	GLS	99	72%
Mori	14	RCR	Former terrace houses	FH	51%
Normanton Park	5	RCR	Former Normanton Park	99	79%
One Bernam	2	CCR	GLS	99	25%
One-North Eden	5	RCR	GLS	99	98%
Parc Central Residences EC	18	OCR	GLS	99	99%
Parc Greenwich EC	28	OCR	GLS	99	87%
Park Nova	10	CCR	Former Park House	FH	60%
Pasir Ris 8	18	OCR	GLS	99	88%
Peak Residence	11	CCR	Former Peak Court	FH	11%
Perfect Ten	10	CCR	Former City Towers	FH	10%
Provence Residence EC	27	OCR	GLS	99	86%
Rymden 77	15	RCR	Former bungalows	FH	-
The Atelier	9	CCR	Former Makeway View	FH	8%
The Commodore	27	OCR	GLS	99	80%
The Reef At King's Dock	4	CCR	Keppel Shipyard	99	90%
The Watergardens At Canberra	25	OCR	GLS	99	73%
Zyanya	14	RCR	Former Advance Apartment	FH	-