

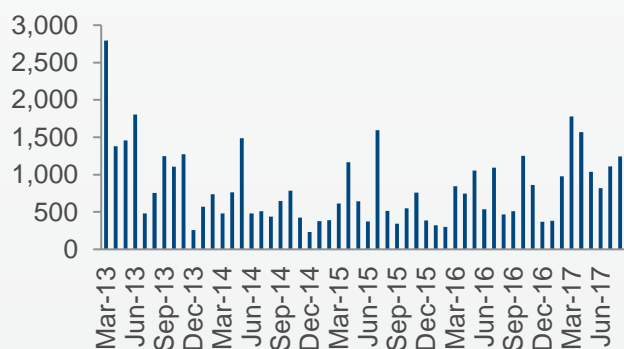
Positive momentum

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Excluding ECs, private home sales by property developers in August 2017 rose 12% MOM and 165% YOY to 1,241 units, on two new launches and progressive sales in earlier-launched projects. This brings YTD August developer sales to 8,391 units, 60% above the 5,235 units sold over the same period in 2016. Going forward, we believe a marked improvement in private home sales and the overall positive sentiment in the property market will continue to fuel developers' appetite for land. Collective land sales continue to be buoyant, with seven sites worth SGD3 billion already sold to date.

Developers sold 340 Executive Condominiums (ECs) in August 2017, down 65% MOM after a sell-out EC launch in July. Excluding ECs, developer sales increased 12% MOM to 1,241 units on two new launches. We expect weaker developer sales in September during the traditionally quiet Hungry Ghost Month that ends on 19 September. For the whole of 2017, we forecast developer take-up of 10,000-11,000 units (excluding ECs), 25-38% above last year's 7,972 units.

Monthly developer units sold (excluding ECs) in August: +12% MOM, +165% YOY



Source: URA, Colliers International Singapore Research



OCR sales jumped on new launch

The Outside Central Region (OCR) continued to make up most of the developer sales with 62% of total take-up in August. OCR sales rose 35% MOM to 767 units, on the good sales at **Le Quest**. However, sales at the Rest of Central Region (RCR) fell 1% MOM to 334 units.

Core Central Region (CCR) sales fell 31% MOM to 140 units, as July's sales were boosted by the launch of **Martin Modern**. Nonetheless, this still reflects a very positive momentum compared to the monthly sales of 18-70 units since Jan 2015 when there is no major launch. In August, CCR sales were supported by progressive sales at **Sophia Hills** (54 units), **Martin Modern** (30 units), **Victoria Park Villas** (26 units) and **Goodwood Grand** (12 units).

Launch and take-up by market segment (excluding ECs)

Market segment	Launch			Sold		
	Aug-17	Jul-17	Chg MOM	Aug-17	Jul-17	Chg MOM
CCR	62	245	-75%	140	204	-31%
RCR	213	204	4%	334	337	-1%
OCR	499	153	226%	767	570	35%
	774	602	29%	1,241	1,111	12%

CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region

Source: URA, Colliers International Singapore Research

Positive momentum in projects launched earlier

One of the two new launches in August, 24-unit **24 One Residences**, sold 17 units at a median price of SGD 1,761 (USD1,304) psf.

Le Quest, a mixed residential and retail project at Bukit Batok West Avenue 6 launched 300 and sold 286 residential units at a median price of SGD1,309 (USD970) psf. Comprising 516 studio and one- to four-bedroom units and over 6,000 sq m of commercial space, **Le Quest** is the first mixed-use development in Bukit Batok West, and the first new private development in Bukit Batok in over a decade.

New launches in August 2017

Project Name	Street Name	Developer	Property Type	Market segment	Total No of Units
24 One Residences	Pasir Panjang Road	Tee Vista Pte Ltd	Non-Landed	RCR	24
Le Quest	Bukit Batok Street 41	Qingjian Realty (Bbc) Pte Ltd/Qingjian Realty (Bbr) Pte Ltd	Non-Landed	OCR	516

CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region

Source: URA, Colliers International Singapore Research

Progressive sales continued at the mass market projects such as **Symphony Suites**, **The Santorini** and **Kingsford Waterbay**, bringing their take-up to 64-99%.

In the CCR, **Sophia Hills**, a 493-unit 99-year leasehold project in Mount Sophia, sold 54 units in August, at a median price of SGD1,992 (USD1,476) psf. This is the highest monthly sales since it was launched in November 2014 at a median price of SGD2,292 (USD1,698) psf. This brings the total take-up to 73%. This government land sale (GLS) site was awarded in September 2013.

Top 10 selling projects in August 2017

Project Name	Address	Type	Market segment	Units sold in month	Median price (SGD psf)	Total % sold
Le Quest	Bukit Batok Street 41	Non-Landed	OCR	286	1,309	55%
Sol Acres	Choa Chu Kang Grove	EC	OCR	66	812	100%
Symphony Suites	Yishun Close	Non-Landed	OCR	59	1,071	83%
Commonwealth Towers	Commonwealth Avenue	Non-Landed	RCR	56	1,662	97%
Inz Residence	Choa Chu Kang Avenue 5	EC	OCR	55	814	75%
Sophia Hills	Mount Sophia	Non-Landed	CCR	54	1,992	73%
The Santorini	Tampines Street 86	Non-Landed	OCR	48	1,025	99%
Kingsford Waterbay	Upper Serangoon View	Strata-Landed / Non-Landed	OCR	47	1,291	73%
Parc Life	Sembawang Crescent	EC	OCR	47	799	64%
Signature At Yishun	Yishun Street 51	EC	OCR	42	776	64%

EC: Executive Condominiums: a hybrid of public and private housing. CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region
Source: URA, Colliers International Singapore Research

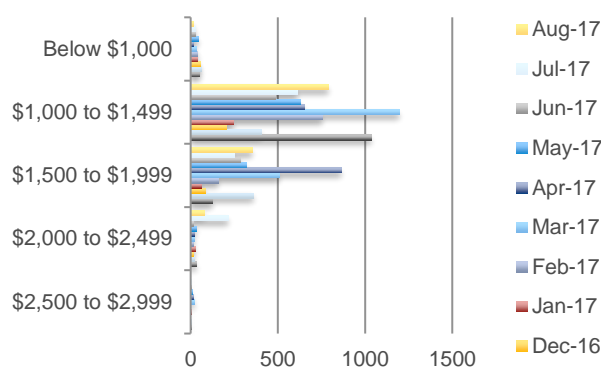
After the sell-out of **Hundred Palms EC** in July, ECs had regained their shine and continued to sell well into August. Four ECs were among the top 10 selling projects in August, including **Sol Acres**, **iNz Residence**, **Parc Life** and **Signature at Yishun**. They moved 42-66

units in August compared to the typical 10-40 units per month. Median prices ranged from SGD776-812 (USD575-601) psf.

Sweet spot remains SGD1,000-1,499 psf price range

Excluding ECs, 792 units or 64% of the developer sales were done at median price points of SGD1,000-1,499 (USD735-1,102) psf in August. 352 units or 28% of the sales were at SGD1,500-1,999 (USD1,071-1,428) psf. There was a sharp drop in sales for the price range of SGD2,000-2,499 (USD1,470-1,837) psf to 78 units, from July's 217 units due to the **Martin Modern** launch. In August, **Martin Modern** sold 30 units at a median price of SGD2,202 (USD1,631) psf (vs 109 units at SGD2,152 psf in July). **Alex Residences** sold 17 units at SGD2,020 psf, while **Goodwood Grand** sold 12 units at SGD2,434 psf.

Price range: sweet spot of SGD1,000-1,499 psf



Source: URA, Colliers International Singapore Research

Potential new launches in Q4

In Q4 2017, a few major launches could be expected. **Parc Botannia** in Sengkang, reported to comprise 735 units across one to five bedroom-apartments could be launched in November. The GLS site was awarded to Wee Hur and Sing Developments in September 2016.

Kandis Residence, a 130-unit low rise development at Sembawang, is also ready for launch. The GLS site was awarded to Tuan Sing in April 2016.

MCL Land may also launch the Margaret Drive site which it won in December 2016 and could yield over 300 units.

Depending on market conditions, potential high-end launches in Q4 2017 could include **8 Saint Thomas** by Bukit Sembawang (250 units), **New Futura** by City

Developments (124 units), and **South Beach Residences** (190 units).

Collective Sales fever continues

Singapore developers have started to bid for land aggressively since May 2017. Developers with a construction background such as Sim Lian and Oxley-KSH-Lian Beng are the frontrunners in the collective sales this year so far.

In late August, Sim Lian snapped up Tampines Court for SGD970 million, making it the biggest collective sale for an ex-HUDC estate since 2007. This brings the tally to seven successful collective sales of over SGD3 billion year to date in 2017. There were only three collective sales of just over SGD1.0 billion in 2016.

According to Colliers International's research, another eight sites have been launched for tender with an aggregate asking price of over SGD2.8 billion. Another 50 to 60 sites are said to be in various stages of the en bloc process.

Going forward, we believe a marked improvement in private home sales and the overall positive sentiment in the property market will continue to fuel developers' appetite for land. Properties in well-connected locations with attractive redevelopment potential, committed sellers and a reasonable asking price will be key selection criteria for developers.

Development Charge (DC) rates rose sharply in latest review

On 31 August, the Ministry of National Development has revised the development charge (DC) rates for the period 1 September 2017 to 28 February 2018. DC is a tax payable to the state as a result of the state approving a development proposal that will increase the land value of a site, for instance, when it increases the intensity or plot ratio.

The review is carried out on a half-yearly basis in consultation with the Chief Valuer.

In particular, the DC rates for Use Group B2 {Residential, (non-landed)} have increased by 13.8% on average. 116 out of 118 sectors have increases in DC rates ranging from 6% to 29%. This is the highest average increase since September 2007, when the average increase was 57.8%.

> The largest increase of 29% applies to sector 100 (Tampines Road / Hougang / Punggol / Sengkang area) which rose from SGD3,360 psm to SGD4,340 psm, after Rio Casa sold for SGD706 psf ppr.

- > Sector 101 rose 28.1% to SGD5,110 psm from SGD3,990 psm after Eunoville sold for SGD910 psf ppr in June 2017.
- > Sector 104 rose 22.5% to SGD6860 psm from SGD5600 psm after Serangoon Ville and Serangoon North Ave 1 GLS site sold for SGD835 psf ppr and SGD965 psf ppr.
- > Sector 103 also saw non-landed residential DC rates increase 25% from SGD5,600 psm to SGD7,000 psm, after two GLS Bidadari sites sold for SGD1,181 psf and SGD1,110 psf ppr.
- > Sector 111's non-landed residential DC rates increase 25% from SGD5,600 psm to SGD7,000 psm, after Stirling Road GLS site also received bullish bid of SGD1,051 psf ppr.
- > Tampines Court Collective Sale and Tampines Ave 10 GLS land sales also moved the DC rates up 20% for Sector 98 to SGD4,200 psm from SGD3,500 psm.