Introduction

As though they had planned this for a long time, in October 2007 the Singapore government, not once but twice, 'flexed its muscle' against property purchasers purportedly to keep property prices in check against a backdrop of a comprehensive inflation, global financial market uncertainties, dwindling supply of office space and prime residential homes, and a large inflow of foreign companies into Singapore along with their huge war chest.

In two swift and surprising moves, the government made into law the proposed new *en bloc* sale rules which aimed to make *en bloc* sales tougher; and later in the same month, it withdrew Deferred Payment Scheme for uncompleted properties – a move seen as preventing a property bubble and a prelude to more things to come.

Below describes the 'nerves of the market' after the respective government initiatives had been announced.

(A) Uncertainties reigns in October market

- **(A.1.) 2208 may not be as good – projected 4-6% growth**

The Monetary Authority of Singapore (MAS) said that for the first time in four years, Singapore faces a very uncertain outlook for 2008 due to high oil prices and the chances of further turmoil in the global financial market.

The economic sectors that powered Singapore ahead this year – property, wealth advisory and capital markets – are likely to be subdued due to the above-mentioned negative factors.

Among the domestic asset market-related activities, financial services are expected to continue to perform well in the last quarter of the year. But equity trading activities may slow down in 2008. Domestic debt market could also be dragged down by a more tentative mood amid lingering concerns over the credit market. Demand for wealth management services may be affected as a result.

Prospects for the construction sector are very promising, as many projects will reach completion stages and payments will be forthcoming.

However, the Asian region will continued to be spooked by the uncertainties in the US. Exports and growth will be affected by the situation in the US.

- **(A.2.) Oil spike threaten to shave off Singapore's GDP growth**

Crude oil surpassed US$90 a barrel in late October. This will push up business costs in Singapore, noticeably in wages, rents and daily essentials.

One of the vital counter measures taken by Monetary Authority of Singapore (MAS) was to gradually strengthen Sing dollar to avoid importing inflation from outside. However, if oil prices continue to increase unabated, MAS will have to tighten the measure further.

Every US$10 increase in oil prices from the current levels would shave Singapore's GDP growth by about 0.5 to 1 percentage point. Singapore's GDP growth this year is estimated to be between 7% and 8%. (22 Oct)

- **(A.3.) US may go into recession next year**

Although sub-prime mortgage assets account for only 14% of all securitised assets in the US, the crisis has become the largest economic problem in three decades. If it drags on, Asian economies will be similarly hard hit like in 2001.

In the first half of 2007 and before the sub-prime mortgage crisis reared its head, US consumption accounted for a record 72% of GDP, or about US$9.5 trillion.

Now that the economy is hit by the mortgage crisis, consumer spending may drop drastically. If the US consumers start to save, nobody on the demand side can fill the big shoe.

The root of the problem is that the high consumption in the past few years were not supported by rising income but by a wealth effect which was caused by a property bubble that has now burst.

The ballooning effect has all but disappeared and it is now unlikely for US consumers to extract equity from their home with prices still going through a free fall. (18 Oct)

- **(A.4.) With s strong Sing dollar more liquidity is expected**

However, the mixed signal comes from a strong Sing dollar. Interest rates in Singapore are going to stay cheap for some time. This is because the Monetary Authority of Singapore (MAS) has announced that it will raise the pace of Singapore dollar appreciation to counter imported inflation. The move will lead to higher money inflows and will benefit home buyers, consumers and corporate borrowers.

Instead of a higher interest rate to combat volatility of the financial markets and the increased chance of a recession in the United States, borrowers will now enjoy lower interest rate as foreign funds began to flow back to take advantage of a strong Singapore dollar.

There will be higher liquidity in the local market which will continue to keep interest rates and cost of borrowing low.

A stronger Sing dollar will make people want to invest in local equity markets as they will get both capital and asset returns. (12 Oct)

(B) Government passed new *en bloc* rules to dampen collective sales

- **(B.1.) New collective sale rules took effect on 4 October**

The Land Titles (Strata) (Amendment) Act, enacted by Parliament on 20 September 2007, took effect from 4 October 2007.

The new rules aimed at making the sale process more regulated and transparent. More stringent conditions would have to be met, such as setting up of a Sale Committee at an extraordinary general meeting (EOGM) and be endorsed by at least 50% of the residents. A new five-day cooling-off period after signing the collective sale agreement was also introduced.

The changes will apply to all developments that have not obtained the mandatory majority consent from at least 80% of owners by share value, or 90% for estates less than 10 years old.

Full details in attachment – **Annex A**

- **(B.2.) *En bloc* sale volume dwarfed in third quarter**

Having been primed, *en bloc* sale volume had already nosedived in the third quarter even before the new *en bloc* laws were made official. From July to September of 2007, only 24 sites worth a total of $1.96 billion were sold compared with 51 sites worth $6.92 billion in the second quarter.

The cautious mood in the collective sales market was due to the global credit tightening, the higher price tags and the two hikes in DC rates in July and September 2007. (The July revision was *ad hoc* and aimed to douse the *en bloc* sale fever)

For the first time since 2006, the residential investment sales only accounted for $2.9 billion or 21.4% of the total investment sales in the third quarter.

The cautious mood in the third quarter had caused the residential investment sales to nosedive 68.3% from the previous quarter. (16 Oct)

- **(B.3.) Mad rush to meet new collective sale rules**

As there was earlier no mention of the actual start date for the new *en bloc* rules, the sudden announcement caught many real estate agents by surprise. And what ensued was a mad rush for signatures. They had to knock on doors and cajole owners right up to the last minute.

Some of the projects got their go-ahead at the eleventh hours, such as the Newton Lodge when the last signature was faxed from Shanghai a few minutes before midnight. Chestnut Ville in Upper Bukit Timah had the last signature appended at 10pm.

Three prospective *en bloc* projects which barely made it were Amber Park, Thomson View and Villa delle Rose.

For those who have missed out the deadline, such as Clementi Park, Pine Grove and Botanic Gardens View, they would have to restart the process all over again under the new rules. (7 Oct)

- **(B.4.) Only one collective sale site sold – District 19 Toho Garden**

District 19 Toho Garden, a condominium on Yio Chu Kang Road near the junction of Ang Mo Kio Avenue 3 and Hougang Avenue 2, has been sold *en bloc* to GuocoLand for $62.5 million or $594 psf ppr, inclusive of a development charge of $9.8 million.

The site has an area of 86,900 sq ft and a plot ratio of 1.4, which gives a maximum height of five storeys.

However, the other 17 collective sale projects in other parts of Singapore are not as fortunate. See details of other *en bloc* project in Annex B. (22 Oct)

Details of other *en bloc* projects – **Annex B**

(C) URA launched more land to meet increasing demand

In fact, more individual plots of vacant land were officially launched for tender in October than any other months this year. Below outlines the information:

- **(C.1.) Simon Road plot near Kovan Melody attracted fierce bidding**

The URA land sale of Simon Road was awarded to Duke Development, a new property development company set up by former UOB Kay Hian brokers, amidst a fierce tender which included property bigwigs such as Far East Organization, Hong Leong Holdings, Frasers Centrepoint and Allgreen Properties.

The 190,000 sq ft site near Kovan Melody went to the top bid of $290 million or $437 psf per plot ratio. The breakeven point will be about $800 psf. To be profitable, the developer must sell above $900 psf. (3 Oct)

- **(C.2.) Jurong East land parcel for tender**

URA has launched the tender for a 2.2-hectare site flanked by Lakeside MRT Station and LakeHolmz condo. The site can be developed into around 680 apartments averaging 1,200 sq ft.

The site is estimated to be worth about $300 psf ppr. The breakeven cost for a new condo should be about $650 psf and the average selling price should be around $700-750 psf.

A vacant plot of land near to Lakeshore has been earmarked for an International School. That may prompt more developers to bid for the land. (18 Oct)

- **(C.3.) State resumed sale of in-fill sites to meet rising demands**

For the second time in history, the Singapore Land Authority (SLA) released in-fill sites at popular residential areas for private individuals to build their own dream home.

Two GCB sites in District 11 Eng Neo Avenue Good Class Bungalow (GCB) area had been auctioned off, along with Moonbeam Walk off Holland area, Bedok Close, Jalan Insaf at Bishan vicinity, and Somm Road off Petain Road. All the sites, including the pair in the GCB areas, will be granted a 99-year leasehold tenure.

In-fill sites are essentially disused state land within popular areas which have been put to economic use. They could be parks, gardens, sub-stations, or even septic tanks previously. At least four of the above sites are at a cul-de-sac (end of a no-through road).

The benefits of re-using this land within the popular and matured estates include saving resources since these sites are nearby or already connected to infrastructure and they are cheaper. (26 Oct)

- **(C.4.) URA auction of Sembawang land fully taken up**

12 sub-divided landed housing plots near Sembawang Beach were sold at a competitive bidding held by URA for a total $37.09 million or an average of about $285 psf. The plots can be developed into a total of 57 landed homes. (31 Oct)

Response to the auction reflected the current bullish market mood as small-time developers, contractors/engineering firms and individual investors thronged the auction venue.

Here are some facts on the winning bids.

- The only bungalow plot of 4,477 sq ft was won by an individual investor for $940,000.
- The biggest plot of land measuring 43,687 sq ft and is designated for 23 terrace houses was won by an engineering firm at $14.3 million or $327.33 psf.
- Two plots of land - one designated for 14 terrace houses and another for three terrace houses were won by Fragrance Group for $9.2 million and $1.76 million respectively. The bid prices work out to be $294 psf and $270 psf respectively.
- Another single semi-detached plot was sold to the boss of Fragrance Group for $289 psf.

(D) Price trend in October 2007

Despite a general slowdown in new home market, a few benchmark home prices were created at some areas, giving testimony that the underlying strength of the market is still strong. However, having said that, it must be pointed out that the benchmark was made before the announcement of the withdrawal of Deferred Payment Scheme.

- **(D.1.) Prices of private properties rose in third quarter**

According to the Urban Redevelopment Authority (URA), prices of all properties have increased from end-2006 to the end of the third quarter 2007. Below are the details:

Types	From 2nd to 3rd Quarter	From end 2006
Private residential	8.3%	22.9%
Office	8.1%	22.7%
Shop	3.0%	9.5%
industrial	3.2%	15.8%

Likewise, rentals of all properties have also increased. The details are as follows:

Types	From 2nd to 3rd Quarter	From end 2006
Private residential	11.4%	32.2%
Office	14.8%	40.7%
Shop	8.1%	17.5%
industrial	8.7%	22.4%

About 65,400 private residential units are in the pipeline, comprising the supply from projects that are already under construction and those that have been granted planning approval and will be constructed within 6 months to 2 years. (26 Oct)

- **(D.2.) New benchmark prices before DPS was scrapped**

All the following sales had registered a new benchmark price for the respective areas including:

- $2,772 psf for Turquoise at Sentosa Cove
- $2,888 psf for Three Buckley in Newton area
- $1,577 psf for The Rochester in the one-north vicinity
- $1,449 psf for Gardenvista on Dunearn Road in the Upper Bukit Timah area
- $1,327 psf for The Beacon Edge at Tembeling Road
- $1,044 psf for Vetro at Mar Thoma Road
- $1,080 psf for The Lakeshore in Boon Lay Way (16 Oct)

- **(D.3.) New record sale price for Orchard penthouse**

The new sale record for penthouse is $28 million or $5,600 psf for a 53rd storey penthouse at the Orchard Residences. The buyer of the 5,048 sq ft unit is believed to be a foreigner.

The 175-unit condo right in the heart of Orchard Road has been 73% sold, with all four penthouses already snapped up. The project sits on a 99-year leasehold land. (12 Oct)

- **(D.4.) Average capital value of luxury apartment surpassed 1997 peak**

In the first three quarters of 2007, the average capital value of luxury apartments in Singapore has risen 43.5% since the last quarter of 2006.

The average value of luxury apartments achieved in the third quarter this year has surpassed the 1997's peak. At $2,827 psf, it is 59% higher than the $1,778 psf achieved in 1997 before the market suddenly ground to a halt in the aftermath of the Asian currency crisis. (13 Oct)

- **(D.5.) Private home prices rise unevenly**

While property prices rose averagely across the board in the third quarter of 2007, the quantum of increases are uneven and the price gap between different projects at different locations and with different attributes can be quite wide. Quite a number of uncompleted private residential projects in the suburban areas are still very affordable. (See table below for information)

Project	District	Lowest psf	Highest psf	Time period
Lakeshore	22	$590	$866	Aug – Sept 07

The Centris	22	$486	$661	Aug – Sept 07
The Raintree	21	$487	$1,039	Aug – Sept 07
Yew Tee Res	23	$453	$558	Aug – Sept 07
Ferraria Pk	17	$521	$750	Aug – Sept 07
Northwood	27	$493	$635	Jun – July 07
Sensoria	27	$556	$642	Jun – Jully 07

The number of vacant units has gone up from 11,506 units in the second quarter this year to 12,550 units. In percentage term, vacancy rate has gone up from 4.9% to 5.4%.

In the meantime, another 9,224 new units have been added into the supply line to be ready by 2011. In total, the potential new supply of condos and apartment has increased from 56,182 to 65,406 units. (26 Oct)

- **(D.6.) Rents for private home continue upward trend**

According to URA's statistics, rents for private homes have risen in the July-September period. Rents for private home are expected to go up by another 40%. The percentage increase across the island is as follows:

- Rents rose 12.2% in the core central region, which covers Orchard, Holland, River Valley, Bukit Timah, Marina Bay and Sentosa.
- Rents rose 11.9% in the rest of the central region, which covers Marine Parade, Queenstown, Geylang and Bishan.
- Rents rose 11.8% in the Outside Central Region. (27 Oct)

See *"Why rents for private homes will continue to go up?"* – **Annex C**

- **(D.7.) Office rents continue to go up**

Office rentals went up 14.8% in the July-September period. In the April-June period, office rents went up by 11%. From the end of 2006, office rents have gone up by 40.7%.

URA figures also showed that occupied office space rose by 645,840 sq ft in the July-September period. This was almost 54% higher than the 419,796 sq ft recorded in the April-June period.

Median rents for prime offices reached $11.89 per sq ft (psf) per month in the July-September period compared with the increase from $10.33 psf per month in the April-June period.

Median rent for general offices was up from $4.60 psf a month in the April-June period.

Vacancy rate for prime office space fell to 2.8% from 5% in previous quarter. (27 Oct)

(E) October 2007 price trend in HDB resale flats

- **(E.1.) Prices for new and resale flats to go up**

HDB has managed to sell a huge portion of its stock of unsold new flats. For example, 1,269 new HDB flats were offered in the North and West zones in the April bi-monthly sale exercise. Out of these, 92% or 1,172 flats were sold. Then in June, 992 new flats in the North-east zone were offered and 97% or 892 flats were snapped up.

HDB has stated in general that the pricing policy takes into consideration the affordability factor for the public, changes in the market value of resale flats, individual attributes of the flats and the general demand and supply condition in the resale market.

So far, resale prices have been rising steadily with the latest resale price index registering an increase of 6.6% in the third quarter of 2007 quarter-on-quarter. (11 Oct)

- **(E.2.) Number of unsold new HDB flats drop to 3,500**

The stock of unsold HDB flats has dropped to 3,500 units. It may be further reduced to about 2,200 units by year end.

In the recent HDB's bi-monthly walk-in sale exercise, 4,800 people filed in online applications for 489 units available for sale. This means that the flats were almost 10-time oversubscribed.

The projected completion programme of HDB flats in the next few years is as follows: (18 Oct)

Financial Year 2006-2007	1,764 flats
Financial Year 2007-2008	6,300 flats
Financial Year 2008-2009	1,700 flats
Financial Year 2009-2010	4,000 flats
Financial Year 2010-2011	13,000 flats

- **(E.3.) Higher cash over valuation (COV) for HDB flats**

According to data released by the Housing Board on 26 October 2007, five-room flats in popular areas like Queenstown, Tiong Bahru and Toa Payoh are being sold for more than $100,000 above valuation.

Since July this year, COV has become a norm and about 80% of HDB resale transactions attracted cash above valuation. This may be due to middle-income buyers, who had been priced out of the private home market, buying cheaper public flats.

According to HDB figures, buyers of executive flats are forking out the highest median cash-over-valuation amounts. For example, the median price is $155,000 in Clementi. Overall, the median amount for this flat type was $25,000.

The median price for four- and five-room flats, are $18,000 above valuation. For two- and three-room flats, the median amount was $15,000.

The highest amount paid above valuation for a five-room flat was $91,500. The figures were $57,500 for a four-room flat and $40,000 for a three-room flat.

In general, the areas requiring the least cash-over-valuation were Woodlands, Yishun and Bukit Panjang. The Central area, Queenstown and Marine Parade were the locations where buyers have to fork out more cash in order to stand a chance to own a flat there.

However, total HDB resale transactions in the third quarter were 8,700 units - a fall of 11% after rising 38% in the second quarter. (27 Oct)

See *"Why HDB resale prices will continue to rise?"* – **Annex D**

- **(E.4.) Median HDB rent went up**

The overall median rental for HDB five-room flats went up by 21.2% in the July-September period.

For HDB resale flats, median rents crossed the $2,000 mark for five-room flats in Bukit Merah and the Central area, as well as executive flats in Bishan, Kallang/ Whampoa, Clementi and Queenstown.

Overall, median rents were $1,200 for three-room units, $1,400 for four-room units, $1,600 for five-room flats and $1,700 for executive flats. (27 Oct)

(F) Deferred payment scheme withdrawn

The government on 26 Oct 2007 made a surprise withdrawal of the Deferred Payment Scheme (DPS) for property purchases with immediate effect - in view of the strong economic and property market conditions.

The rationale for DPS is no longer valid with the current robust economy. In fact, with no requirement to prove repayment abilities, many speculators have taken advantage of the DPS to engage in sub-sale activities, causing a property bubble to form recently.

From now on, buyers will have to ensure that they have sufficient funds or are able to secure adequate loans from banks before they commit to buying a property. (26 Oct)

The withdrawal of DPS immediate brought about the following responses:

- **(F.1.)Stock exchange in tailspin**

Except for CapitaLand which has extensive overseas operations, major local developers have become poorer in stocks. The table below gives a gist of their losses in share prices.

Developers	Share price as at 27 Oct	Losses
CapitaLand	$8.10	+ 5 cents
City Developments	$15.80	- 50 cents or 3.1%
Allgreen Properties	$1.69	- 9 cents or 5.1%
Wing Tai	$3.44	- 18 cents or 5%

Many believe the sell-down was just a knee-jerk reaction to the Government's surprise move on 26 Oct 2007.

Many bankers were of the view that the change would only affect only a small group of HDB upgraders who cannot afford two mortgages. Most property analysts were of the view that the run-up in the residential property market has been buttressed by strong economic fundaments such as high economic growth, rising rents, and a tight supply of new properties. (30 Oct)

- **(F.2.) Investors buy into bank shares**

However, bank stocks rose after the announcement of the withdrawal of Deferred Payment Scheme (DPS).

The exit of DPS was seen as positive for banks whose risks have been considerably reduced as more genuine buyers will come forward. The buyers will be compelled to take up home loans which will be drawn down progressively. The net result, the property market will be backed by the correct fundamentals.

The second reason for the bank to cheer the government's initiative is that the risks of default by corporate borrowers are always higher than individual households in a downward market.

The removal of the scheme will restore some balance, and the banks should have their exposure to households raised while lessening their exposure to developers.

The removal of DPS will definitely cool the property market somewhat and buyers will become more cautious in the near term. For the time being, newly launched projects may suffer from a slower take-up rate.

But in the longer term, property prices will be rising more realistically or falling in line with economic fundamentals.

- **(F.3.) All is not lost with DPS withdrawal – real economy is still red-hot**

A report by Goldman Sachs Global Investment Research said that those who are likely to be affected by the withdrawal of the Deferred Payment Scheme (DPS) are speculators, foreign buyers and buyers who are stretching their affordability to buy a property.

While the high-end residential market will also be affected by the withdrawal, it is the mid to mass market which will take the full brunt of the government's move. This is because such projects saw more buyers using the DPS. With the new rule, there will be a need for buyers in these two categories to secure financing before they could commit to the purchase.

As such, in the short run, the pace of new launches and take-up of new launches are expected to slow as property prices are likely to come under some downward pressure. This may lead the developers to offer lower discounts on price.

However, all is not lost as there are also positive factors to support the growth of the property market. Such factors include strong job creation and economic growth.

*Compiled by **Sam Gian** – Independent Real Estate Sales Trainer*

Latest amendments to *En bloc* Sale rules Annex A

The Ministry of Law has announced that the Land Titles (Strata) (Amendment) Act, enacted by Parliament on 20 September 2007, will take effect from 4 October 2007. It will affect en bloc sale projects in the following ways:

- *En bloc* sale projects where the required 80% or 90% majority consent of owners (based on share value) has not been obtained as at 4 October 2007 will have to comply with the new rules.

- *En bloc* sale projects where the required 80% or 90% majority of owners (based on share value) have signed the Collective Sale Agreement (CSA) will not be affected by the new ruling.

The new amendments are summarised as follows:

(I) Additional Consent Requirement – by building's GFA

In the past, an application for an *en bloc* sale can be made if there is consent from the owners holding at least 80% of share value if the development is more than 10 years old, and 90% if the development is less than 10 years old.

(1) The new rule of majority consent requires approval from owners representing at least 80% of the building's gross floor area (GFA) if the development is more than 10 years old, or 90% if it is younger than 10 years old.

(II) Formation and Proceedings of an *En Bloc* Sale Committee

Previously, the law did not contain rules to govern the formation and the proceedings of an *en bloc* sale committee.

The new rules regulate the formation of the sale committee and the sale committee's proceedings. These rules have been adapted from the provisions in the Building Maintenance and Strata Management Act (BMSMA) 2004 in respect of the council of the management corporation. Other details include the following:

(a) Formation of Sale Committee

- (2) A decision to form an *en bloc* sale committee will have to be made by ordinary resolution passed at a general meeting. There can only be one sale committee per development at any time.
- (3) Members of the sale committee will have to be elected at the meeting. Similarly, a sale committee may be dissolved by ordinary resolution at a general meeting.
- (4) A person standing for election to the sale committee must meet certain eligibility criteria. For example, such a person has to be an owner of a unit in the development; or be nominated by an owner which is a company; or be a member of the immediate family of the owner who is nominating him.
- (5) A person standing for election to the sale committee must declare his interest or relationship, if any, with a property developer, property consultant, marketing agent or legal firm.

(b) Proceedings of Sale Committee

(6) The sale committee shall convene general meetings to consider key issues including the following:

- the appointment of any lawyer;
- the appointment of property consultant;
- the appointment of marketing agent;

- the apportionment of sale proceeds;
- the terms and conditions of the Collective Sale Agreement (CSA); and,
- the terms and conditions of the Sale and Purchase (S&P) agreement.

These changes will ensure that owners will have the opportunity to discuss such key issues before consenting to them.

- (7) The sale committee shall keep minutes of its proceedings and must, within 7 days after each meeting, either display the minutes on the management corporation's notice board or pass the minutes to all owners.

(III) Collective Sale Agreement

Previously, the law did not regulate drafting and signing of the CSA. There are three changes made to the rules, including:

- (8) The *en bloc* sale committee must provide a preface to the CSA listing the clause numbers and page numbers where important information such as reserve price, apportionment method, etc. may be found.
- (9) When an owner signs the CSA in Singapore, the lawyer appointed for the *en bloc* sale will have to be present to explain the legal terms and liabilities and address any doubts that the owner may have.
- (10) An owner can rescind his agreement to be a party to the CSA within a 5-day cooling-off period after signing the CSA for the first time.
- (11) The Sale Committee must provide updates of the consent level every 4 weeks. The updates on the consent level must also be certified by a lawyer.
- As it is, the CSA will lapse after one year from the first signature. When no buyer is forthcoming after that one year, the Sale Committee ceases to exist.

(IV) Mode of Sale: By Public Tender or Public Auction

Previously, the mode of sale was not regulated. Now the new rules require the mode of sale to be as follows:

- (12) Every launch of an *en bloc* sale must be by public tender or auction.
- (13) Following a tender or auction, especially one which fails to achieve the price acceptable to the sale committee, the sale committee can engage in follow-up negotiations for sale by private treaty with any bidder to get the best deal for the owners. But any sale by private treaty must be concluded within 10 weeks from the close of the tender or auction.
- (14) The sale committee must obtain from an independent valuer a valuation report on the value of the *en bloc* sale site as at the date of the close of the tender or auction on the same date.
- (15) The sale committee will be required to provide the owners with information on the bids received as soon as practicable after the close of the tender or auction or, where applicable, after the sale committee has entered into a sale by private treaty.

(V) Return of Moneys in Management Fund and Sinking Fund

Previously, the buyer-developer was entitled to the moneys remaining in the management fund and sinking fund upon the termination of the strata scheme following an *en bloc* sale.

(16) The new rules provide that upon the legal completion of an *en bloc* sale, the moneys in the management fund and sinking fund of a management corporation shall be returned to the *en bloc* sellers according to their shares value allotments.

En bloc projects still in the market Annex B

(1) Hertford Mansion

District 8 Hertford Mansion at Hertford Road/Bristol Road near Farrer Park has been put on the en bloc sale market with an indicative price of $12 million or $744 per sq foot per plot ratio (psf ppr). The 11,527 sq ft plot is not too far away from Kandang Kerbau (KK) Women's and Children's hospital

The break-even cost for Hertford Mansion is about $1,100 to $1,200 psf.

It could be rebuilt into a small 5-strorey apartment block with 20 units of 900 sq ft each. There is no development charge payable for this site. (4 Oct)

(2) Holland Hill Lodge

District 10 Holland Hill Lodge is asking for $16 million or $1,108 psf ppr. Situated behind Hollandia, the site area is very small at 9,033 sq ft.

There is 100% consent from all the owners and there is no need for Strata Titles Board's approval. As such, when a buyer is found the legal completion can be done within three months.

The break-even price for Holland Hill Lodge is approximately $1,500-$1,600 psf. There is no development charge payable for this site. (4 Oct)

(3) Spanish Village

District 10 Spanish Village on Farrer Road has been put on the collective sale market for $878 million or about $1,700 psf ppr.

It has a land area of 331,457 sq ft and a plot ratio of 1.6 which allows a storey height of up to 12. There is an estimated $23 million in development charge (DC) payable. (9 Oct)

(4) Royalville

District 9 Royalville, off Sixth Avenue has been put on the collective sale market for $330 million to $350 million or about $1,235 to $1,305 psf ppr

The 19-year old freehold project has a site area of 174,176 sq ft and a plot ratio of 1.4 which gives a maximum height of 5 storeys. (9 Oct)

(5) Welkin Mansions

District 9 Welkin Mansions at 17 River Valley Close is up for en bloc sale for for $130 million or $1,800 psf ppr.

The project is diagonally opposite Pacific Mansion which is also on the en bloc sale market. The site can be built up to 36-storey apartment block with about 48 units of around 1,500 sq ft. (11 Oct)

(6) Westwood Apartments

District 10 Westwood Apartments at 15 Orchard Boulevard has been put on the en bloc sale market for $488 million or $2,800 psf ppr.

The freehold 62,179 sq ft site is the first luxury collective sale site to be launched under the new en bloc sale rules and during the current market lull.

Currently, the project has 48 units but it can be redeveloped in a 20-storey condominium project with 69 units of around 2,500 sq ft each.

The site is near to Orchard Road and the surrounding luxury residences such as the St Regis Residences, Parkview Eclat, and Orchard Residences. (11 Oct)

(7) Northshore Bungalows

In Punggol, Northshore Bungalows is on the en bloc market for $92.4 million, excluding development charges of $14 million.

Currently, the development comprises 20 units of bungalows and two plots of bungalow land with swimming pool and a clubhouse. The 129,585 sq ft site has a plot ratio of 2.1 and is zoned for 2-storey bungalows. (11 Oct)

(8) The Estoril

District 10 The Estoril on Holland Road has been put up for collective sale for $208 million or $1,536 psf ppr.

The 44-unit project has a land size of 84,600 sq ft and will be able to accommodate 75 new units of around the size of 1,800 sq ft. The estimated breakeven is around $2,000 to $2,050 psf.

In July, nearby 162-unit Tulip Garden was sold for $516 million or about $1,018 psf ppr. (16 Oct)

(9) Elizabeth Towers

District 9 Elizabeth Towers at No 12 Mount Elizabeth is being put up on the en bloc sale market. The owners are asking for $673 million or $2,666 psf ppr. No development charge is payable.

The en bloc sale site has an area of 54,318 sq ft site. URA has already given the planning approval for the site to be built up to a plot ratio of 4.647.

Currently, the freehold project has 80 apartment units comprising 3-bedroom units, maisonette and penthouses. (18 Oct)

(10) Villa delle Rose

District 10 Villa delle Rose at No 2 Taman Nakhoda in Holland Road area is being put on the en bloc sale market with a price tag of $700 million or $1,758 psf ppr. There is an estimated $31 million in development charge payable.

The freehold site has a land area of 297,132 sq ft and a plot ratio of 1.4 which allows a maximum height of 5-storey.

Villa delle Rose, developed by Pontiac Land and Keck Seng, comprises 104 units ranging from 2,800 sq ft to 3,200 sq ft. (18 Oct)

(11)Novena Hill

Novena Hill at No 33 Jalan Novena is put up on the en bloc sale market for $56 million to $60 million, or up to $1,777 per sq ft of potential gross floor area.

The freehold site opposite the Ministry of Home Affairs is within District 11 and surrounded by smallish apartment developments. (20 Oct)

(12) Cavenagh Gardens

District 9 Cavenagh Gardens on Cavenagh Road, near the Istana has been put up on the en bloc sale market for $619 million or $2,308 per sq ft of potential gross floor area.

The freehold site has an area of 130,000 sq ft and if approval is granted by the State, the new owner will be able to acquire an adjacent State land to form a bigger parcel.

However, if no approval is granted, the new buyer may resort to refurbishment or doing an addition and alteration (A&A) instead of redeveloping the entire project so as to keep the current 13-storey form. (20 Oct)

(13) Willyn Ville at Holland Village

District 10 Willyn Ville at No 1 Holland Avenue is put on the en bloc sale market for $120 million or $2,153 psf ppr.

The freehold site has a land area of 39,802 sq ft and a plot ratio of 1.4 which gives a maximum storey height of five. No development charge is payable for this project. (23 Oct)

(14) Rich East Garden

District 16 Rich East Garden at No 300 Upper East Coast Road is up for collective sale for $90 to $95 million or $619 to $653 psf ppr (including development charge).

The freehold site has a land area of 105,000 sq ft site and a plot ratio of 1.4 which gives a maximum storey height of five.

Behind Bayshore Park, the site may be redeveloped into about 100 apartments with an average size of 1,400 sq ft each. Currently, there are only 40 units in the project. (23 Oct)

(15) Amber Glades

District 15 Amber Glades, off Amber Road, has been put up for collective sale for $145 million or $1,345 psf ppr, excluding a development charge of about $9 million.

The redevelopment site has a land area of 40,917 sq ft and a plot ratio of 2.8 which gives a maximum storey height of 36.

The site can be redeveloped into 88 new apartments of 1,300 sq ft each. The breakeven price is about $1,700 to $1,800 psf. The launch price could be over $2,000 psf.

In August, a smaller site off Meyer Road was sold for $58 million or an estimated unit land price of $882 psf per plot ratio including a development charge. (24 Oct)

(16) Thomson View Condo

District 20 Thomson View Condo, along Upper Thomson Road, has been put up for en bloc sale for $550 million or $652 psf per plot ratio. The asking price is inclusive of development charge estimated at $110 million and a differential premium of about $80 million for topping up of remaining lease period to full term of 99 years.

New owner of the 540,314 sq ft site may be able to acquire an adjacent state land of about 39,000 sq ft along Bright Hill Drive subject to approval by the authorities.

The site is zoned residential with a plot ratio of 2.1 which gives a maximum storey height of 24. (31 Oct)

(17) Chancery Court

District 11 Chancery Court a privatised HUDC estate along Dunearn Road has been put up for collective sale for $468 million or about $1,614 psf per plot ratio.

The asking price is inclusive of a development charge of $65.5 million and a differential premium of $52 million for topping up of the site's lease to full-term 99 years. The former HUDC estate was completed in 1993.

The 136-unit project has a site area of 259,137 sq ft land and can be redeveloped into a new condo with about 242 units with an average size of 1,500 sq ft. The site has a plot ratio of 1.4 which gives a maximum storey height of five. (31 Oct)

"Why rents for private homes will continue to go up?" Annex C

Quarter-to-quarter, rents for private homes were up by 11.4% over the 10.4% increase in the second quarter of the year. Altogether, in the past three quarters, rents for private homes have gone up by 32.2%. In 2006, rents went up by 14.1% for the whole year.

- **More than 2,000 apartments sold in en bloc sales**

The severe constraint in demand and supply of private homes has been the main culprit for pushing up private home rentals. Altogether, more than 100 residential projects have been sold en bloc and soon construction works will take over and more than 2,000 apartment units would be taken out of the supply line within this one to one-and-a-half year.

- **Few units will be completed in 2008**

On the other hand, few units will be completed in 2008 and as such there is no respite for the shortage. According to URA's data, only 5,541 homes will be completed in 2008. Taken into consideration the 2,000-odd units that will be withdrawn from the market, the net supply will be even lesser.

Why HDB resale prices will continue to rise? Annex D

Unemployment rate dropped to the lowest in a decade and a robust service industry awaiting one of the most lucrative trades to come to fruition in two years time, Singapore really have reasons to believe that all things will become dearer, especially real estate. Below outlines a couple of strong reasons why HDB resale prices will soar.

Jobless rate at the lowest in ten years (31 Oct 2007)

According to the Manpower Ministry (MOM), Singapore's jobless rate fell to 1.7% for the first time in ten years.

57,600 more new jobs were created in the third quarter of 2007, compared to the increase of 43,000 in the same quarter last year.

In all, the total employment for the first three quarters of 2007 was 171,500, which is close to the 176,000 posted for the whole of 2006.

The services sector continued to contribute to the employment gains, creating 34,500 more jobs in the third quarter. Manufacturing added 11,800 jobs. The red-hot construction sector created 10,800 jobs.

The Integrated Resorts (IRs) will groom more affluent people (11 Oct 2007)

The prospect of the two integrated resorts which will incorporate a casino each and the robust financial services industry will continue to fuel the economic expansion in Singapore.

With a possible economic contraction in the US and Europe, Singapore is likely to benefit from greater inflows of wealth from risk averse foreign investors looking safer havens.

Figures from Standard Chartered's wealth management business put the annual increase in inflow of foreign based private funds into Singapore at over 16% annually.

The number of Singaporeans holding at least US$1 million (S$1.48 million) in liquid assets can hit 29,000 by 2011.

That will be an increase of 7,000 or about 7% a year while their combined assets is expected to snowball from the current US$64 billion to US$85 billion (S$125.4 billion) in four years.

Singapore will have the highest number of people with more than US$600,000 in liquid assets to their name. The number of affluent people residing in Singapore will grow from 410,000 in 2006 to more than 600,000 by 2011, with the value of their assets increasing from almost US$140 billion to US$210 billion. (11 Oct)