



## HIGHLIGHTS

Singapore government has closed an existing loophole on transfer of Residential Property into Living Trust. 35% ABSD will now be payable UPFRONT, and the difference refunded within 6 months.

Find out why more people are buying into OCR & RCR instead of properties in CCR region and why the GAP is closing up.

Landed property prices surged by 13.3% in 2021, the fastest price increase over the past decade.

Piccadilly Grand & Liv@MB sees more than 77% and 79% sold on launch day. Golden Mile Complex concluded at \$700m, while Kensington Park launched for collective sale at a reserve price of \$1.28 billion.

Henderson HDB sold for \$1.4 million, 2 BTOs in MAY-2022 BTO Launch to be under PLH.

ABSD on Trust

Narrowing Price Gap

Market Outlook

New Launches

Land Sales

Public Housing







## **ABSD OF 35% to apply on Transfer of Residential Property into Living Trust**

The government has closed an existing loophole “arising from its periodic policy review.” With effect on May 9, Additional Buyer’s Stamp Duty (ABSD) of 35% will apply on any transfer of residential property into a living trust.

**[BEFORE]** Where the living trust is structured such that there is no identifiable beneficial owner at the time when the residential property is transferred into the trust, only Buyer’s Stamp Duty (BSD) is payable. Additional Buyer’s Stamp Duty (ABSD) may also be payable, depending on the profile of the beneficial owner(s) of the residential property transferred into the trust.

**[NOW]** ABSD will be payable even if there is no identifiable beneficial owner at the time the residential property is transferred into a trust. Under the new rules, this ABSD (Trust) is to be paid UPFRONT, when the residential property is transferred into any living trust.

A trustee may apply to IRAS for a refund of ABSD (Trust), provided that the following conditions are met:

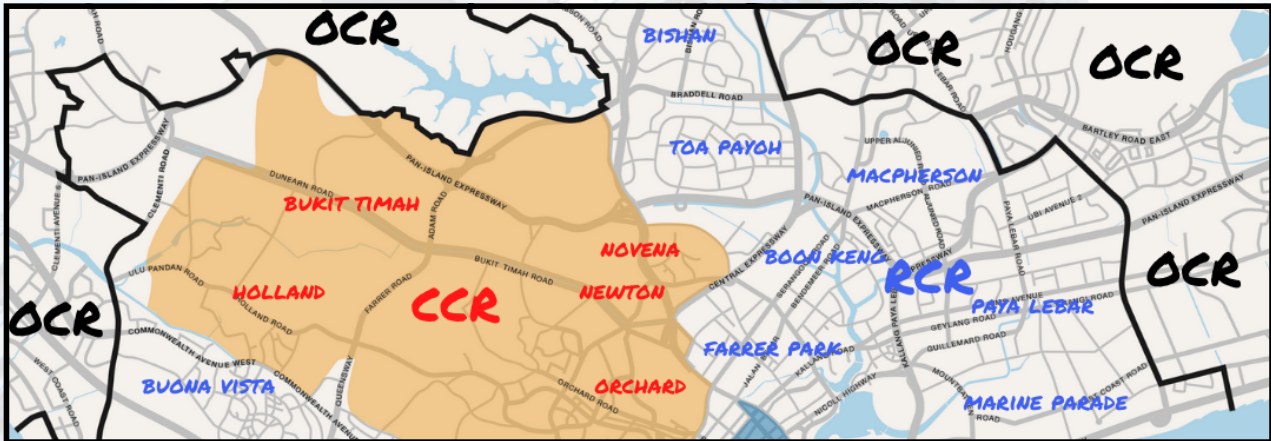
1. All beneficial owners of the residential property are identifiable individuals
2. The beneficial owners must own the property now and not in future
3. The beneficial ownership cannot be varied or revoked, or be subject to any condition subsequent, under the terms of the trust.

The refund amount will be based on the difference between the ABSD (Trust) rate of 35% and the ABSD rate corresponding to the profile of the beneficial owner with the highest applicable ABSD rate. The application for the refund must be made to IRAS within six months after the instrument is executed.



## **NARROWING GAP BETWEEN OCR & CCR PRICES**

The price gap for new private homes in the prime districts (CCR) and those outside (OCR) of them continues to narrow. From a price difference of 59.3% in 2017 to a 33% gap in 2022. Here's a confluence of factors that may give some insight to why more are looking towards the RCR and OCR instead of CCR.



### **1. Higher taxes and pandemic restrictions**

Tighter border controls at the start of the pandemic caused the private property sector to fall to a 17-year low, with just 742 properties sold to foreigners. While revised additional buyer's stamp duty (ABSD) rates dampened Foreign buyer demand (9% to 15% of CCR demand) - a one-two combo that muted the uptake in CCR units over the past years.

### **2. Low Inventory and construction delays**

The supply of private non-landed homes remained low due to a shortage of major launches during the quarter. With the pandemic putting a chokehold on manpower and construction materials, developers faced high material costs and significant delays in completing housing projects according to projected timelines.

Q1 2022 experienced a sharp decline in private units launched (79.1% fewer units than in Q1 2021). All three regions had a quarter-on-quarter decrease, with 79.5% in the RCR, followed by 74.4% in the CCR and 44.1% in the OCR.

### **3. Decentralisation**

Singapore encourages more employment areas outside the CBD to shorten daily commute and boost work efficiency. Plans for three major economic gateways are in the pipeline, including a second CBD in the Jurong Lake District (JLD). Paya Lebar Central and the Bishan Sub-Regional Centre are undergoing a major transformation. The Pandemic accelerated the decentralisation process, with the majority of the workforce adjusting to the new normal of working from home.



## **STAMP DUTY COLLECTED 2021**

S\$6.84 billion in property stamp duty was collected in 2021, more than twice the stamp duty collected in 2020. This can be attributed to robust sales and new highs achieved by property prices. For instance, prices were up by 10.6% for the whole of 2021 compared to the 2.2% increase in 2020. On top of that, last year saw several high profile GCB transactions by tech and crypto CEOs.

On the other hand, after the new round of cooling measures in December 2021, stamp duty collection was down by 4.76% in Q1 2022, compared to Q1 2021. In the same period, prices of private residential properties increased at a slower rate of 0.7%. The total number of private home transactions was also lower at 5,343.

Prices of HDB resale flats also had a lower quarterly increase at 2.4%, and a 12.7% drop in resale transactions. Nevertheless, given that prices are still expected to increase (albeit at a slower rate), stamp duty collection for this year will likely increase as well.



## **LANDED PROPERTY**

Landed property prices in Singapore surged by 13.3% y-o-y in 2021 - The Fastest price increase over the past decade. The positive movement in landed prices also translated to higher transactions. 2,113 landed homes were sold in 2020. Last year, landed property transaction volumes increased to 3,676 properties, a 74% increase compared to 2020.

Upcoming landed projects include the 132-unit Pollen Collection at Nim Road, the 6-unit Spring Waters Villas in Sembawang, and a new landed housing development on the site of the former Caldecott Broadcast Centre which could house up to 26 Good Class Bungalows.



## **PICCADILLY GRAND**



City Developments (CDL) and MCL Land announced that their maiden joint venture project, Piccadilly Grand at Farrer Park, sold 315 units at the close of May 8. That reflects a take-up rate of 77% for the 407-unit project. Units sold ranged from \$1.06 million (\$2,190 psf) for a one-bedroom unit to \$3.676 million (\$1,798 psf) for a 2,045 sq ft, five-bedroom premium unit.

The project achieved average prices of about \$2,150 psf, which has set a new benchmark for District 8. Piccadilly Grand previewed a fortnight ago, and an estimated 1,450 cheques were collected as expressions of interest ahead of the launch on May 7. Based on the sales achieved, that works out to a conversion rate of about 22%. There was a lot of anticipation ahead of the project launch, and the final sales result shows buyers' confidence in the project and the property market as a whole. Piccadilly Grand's attributes as a rare integrated development with direct access to Farrer Park MRT station and its excellent location so close to the city centre are keys to its success.

## **LIV@MB**

Bukit Sembawang Estates has sold more than 79%. Over 220 units were taken up on Saturday, May 21, which was its first day of launch, with an average selling price of \$2,387 psf. More than 90% of the buyers were said to be Singaporeans residing in the immediate neighbourhood. Located at the junction of Arthur Road and Mountbatten Road in prime District 15, Liv@MB is in the neighbourhood of the bungalows in the Mountbatten Road conservation area.



The condo sits on a 140,000 sq ft, 99-year leasehold site just a three-minute walk from the upcoming Katong Park MRT station on the Thomson-East Coast Line. About 80% of the project's site area is dedicated to recreational facilities and landscaped gardens, according to Bukit Sembawang. Over 1,200 cheques were collected as expressions of interest ahead of the weekend launch, which showed that the project was four times subscribed. People were attracted to Liv@MB despite its 99-year lease because of the design of the project, proximity to the upcoming Katong Park MRT station and the lifestyle in the East Coast.





## **[SOLD] GOLDEN MILE COMPLEX**

has been sold for S\$700 million to a consortium comprising Perennial Holdings, Sino Land, and Far East Organization. This comes after the agent received overwhelming support for the sale – garnering more than 80 per cent of owners' consent in terms of both strata area and share value within a record time of 15 days.

## **[LAUNCHED] KENSINGTON PARK**

Kensington Park, a 999-year leasehold condominium in Serangoon Garden, has been put up for sale by public tender at a guide price of \$1.28 billion. Located at 2,4,6,8,10,12 Kensington Park Drive, the site encompasses a land area of 491,000 sq ft, making it one of the largest 999-year leasehold residential land sites available in Singapore, according to CBRE, which has been appointed as the exclusive marketing agent for the site.

Kensington Park condominium was built in 1990 and comprises 316 units. The site is zoned for residential use under the 2019 Master Plan, with an allowable gross plot ratio of 2.1 and a building height control of up to 24 storeys. It has two entrances – one at Kensington Park Drive and another along Serangoon North Avenue 1.

According to CBRE, the guide price of \$1.28 billion works out to a land rate of \$1,371 psf per plot ratio (ppr). The land rate is inclusive of the 7% bonus gross floor area allowed for balconies and a development charge payable of approximately \$232.1 million.

The site can potentially be redeveloped into more than 1,000 residential units, subject to a pre-application feasibility study on traffic impact to be conducted and approval from the Land Transport Authority,”



## **HENDERSON HDB SOLD FOR \$1.4 million**

City Vue @ Henderson has gotten the record for the most expensive HDB sold to date. Sold at a record breaking price of \$1.4 million dollars. This 1,216 sq ft 5-room HDB flat is situated at the junction of Henderson Road and Tiong Bahru Road.

Located on the 41st storey, this HDB gives a panoramic view of its neighbourhood. The first runner up in the record breaking HDB resale price was another similar 5-room HDB flat within the same block sold last year for \$1.256 million dollars last November.

The recent rise of high transacted prices for HDB flats mainly due to construction delays from the Covid-19 situation, and these freshly MOP HDB flats offer to the public a close to new and youngest HDB flat with the longest remaining lease in the market. Coupled with the accessibility and amenities within these mature estates helped to push prices beyond what we have ever seen in Singapore's HDB resale prices.

Top 10 Most Expensive HDB flats to date

Location	Storey	Floor Area (sq m)	Flat Model	Lease Commencement	Price	Transacted Period
HENDERSON RD	40 TO 42	113	5-room Improved	2019	\$1,400,000	2022-05
CANTONMENT RD	46 TO 48	107	5-room Type S2	2011	\$1,388,889	2022-03
BISHAN ST 24	37 TO 39	120	5-room DBSS	2011	\$1,360,000	2021-12
CANTONMENT RD	46 TO 48	105	5-room Type S2	2011	\$1,348,888	2022-03
BISHAN ST 24	34 TO 36	120	5-room DBSS	2011	\$1,338,888	2022-01
DAWSON RD	40 TO 42	122	Premium Apartment Loft	2016	\$1,328,000	2021-12
CANTONMENT RD	46 TO 48	107	5-room Type S2	2011	\$1,308,000	2022-02
BISHAN ST 24	37 TO 39	120	5-room DBSS	2011	\$1,295,000	2021-09
CANTONMENT RD	40 TO 42	107	5-room Type S2	2011	\$1,288,000	2021-12
BISHAN ST 12	22 TO 24	163	Maisonette	1987	\$1,288,000	2022-01

Source: HDB, Huttons Research as of 19 May 2022

TOP 10 most expensive HDB flats compiled showing the uprising of these premium public housings sold in the past 1 year. Interestingly, these prices are mainly for bigger sized units, showing the possible quantum and the desire for bigger space and units amongst home seekers.

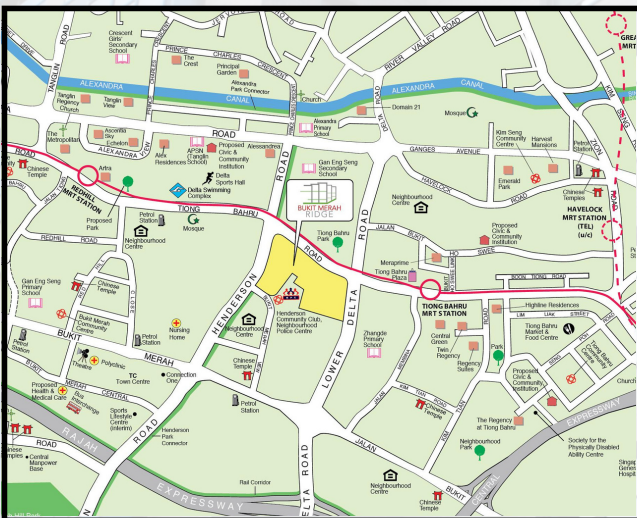


## MAY-2022 BTO INCLUDES 2 PLH

HDB BTO home seekers are in for a treat with two Prime Location Housing (PLH) projects that will be launching in May 2022 sales exercise. PLH was launched by the Ministry for National Development in 2021 has good responses since its first two launches.

May 2022 upcoming PLH launches will see 4,500 flats in Bukit Merah, Jurong West, Queenstown, Toa Payoh and Yishun. With the rise of million-dollar resale HDBs in the past year, these locations will definitely bring about much attention from home seekers. Taking Queenstown and Bukit Merah for example, resale prices for 5-rooms flats in Ghim Moh Valley and its vicinity has exceeded \$1 million dollar mark.

Whilst home seekers get excited with these launches, it is also prudent for them to keep in mind the encumbrances that comes along with the purchase of these houses under the PLH framework, which includes longer MOP period and more stringent selling criteria.

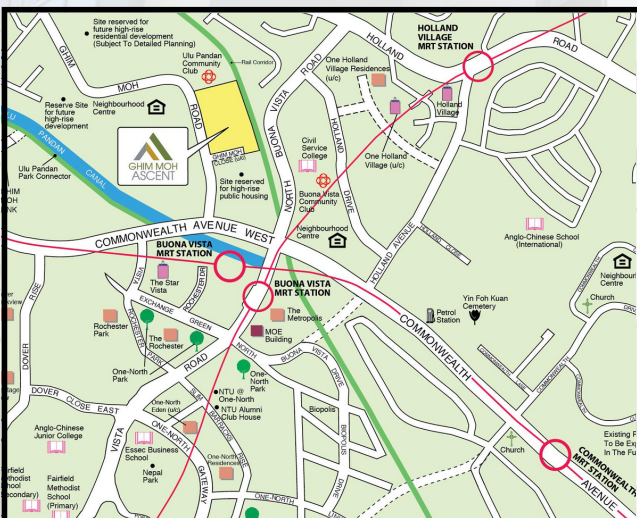


### BUKIT MERAH

Selection:  
Jul 2022 - Apr 2023

3 room: 443  
4 room: 1,226

Completion Date: 1Q2028  
Waiting Time: 60 Months



### QUEENSTOWN

Selection:  
Jul 2022 - Apr 2023

3 room: 196  
4 room: 671

Completion Date: 1Q2028  
Waiting Time: 60 Months





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With a focus on tactical and savvy marketing innovation, including Facebook & Google targeted advertising, we drive demand generation and long-term working relationships.

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