

# Disclaimer

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# Residential Property Outlook

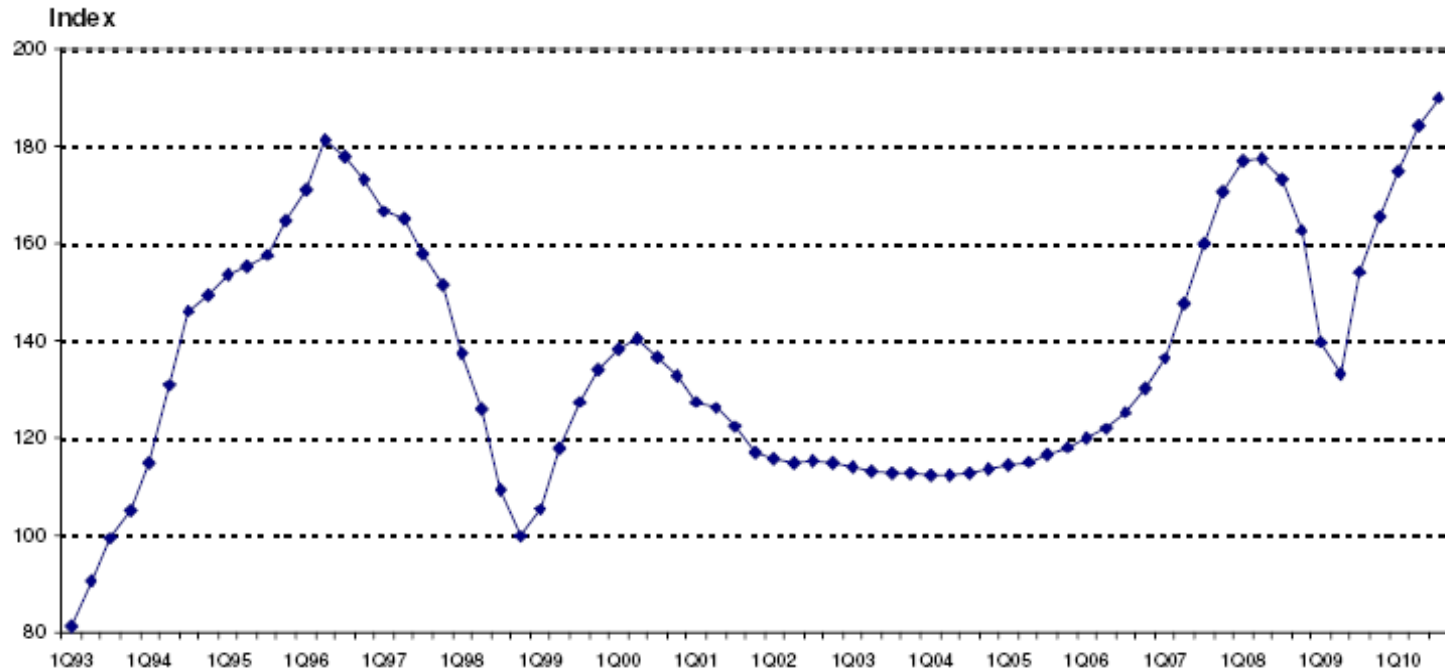
- Snapshot of private home markets

Year-to-date, PPI up 14.7%

Since recent trough in 2Q09 – about 42% higher

# Residential Property Outlook

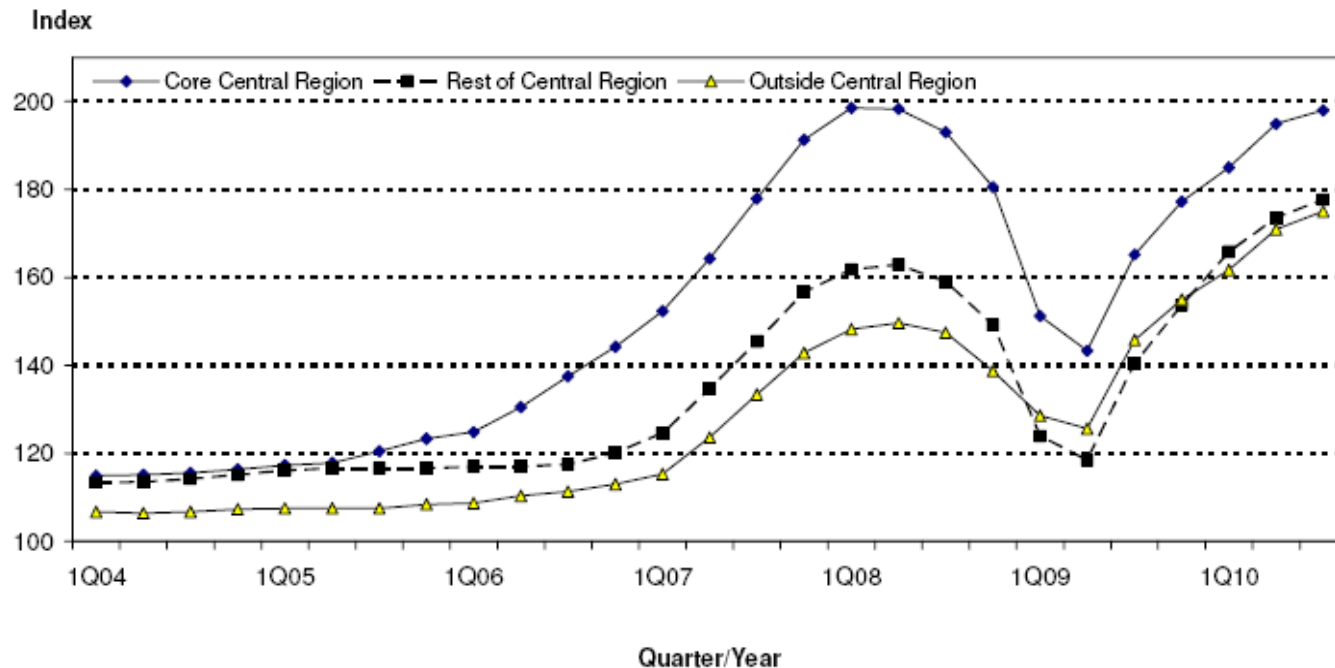
Private Residential Property Price Index (4Q98=100)



Note: The Index for 3Q10 is a flash estimate      Quarter/Year

# Residential Property Outlook

## Property Price Index of Non-Landed Private Residential Property (4Q98=100)



Source : URA

# Recent Property Measures

(effective 30 August 2010)

- Increase holding period for imposition of Seller's Stamp Duty from the current one year to three years.
- For property buyers with one or more outstanding home loans at time of new home purchase
- (1) increase minimum cash payment from 5% to 10% of valuation limit; and
- (2) decrease loan-to-value (LTV) limit for loans from financial institutions from current 80% to 70%.

# Recent Property Measures

(effective 30 August 2010)

- Measures to help 1<sup>st</sup>-time Home Buyers

Household with income between \$8000 to \$10,000, able to buy new DBSS flats with \$30K CPF housing grant

Increase supply of DBSS flats and EC

Shorten completion time of BTO flats

# Recent Property Measures

(effective 30 August 2010)

- Measures to help 1<sup>st</sup>-time Home Buyers

Increase minimum occupation period (MOP) for non-subsidised flats to 5 years

Disallow concurrent ownership of both HDB flats and private residential properties within MOP

# Recent Property Measures

- More targeted at HDB properties, as well as mass private home market
- Since new rules, 3Q2010 PPI (flash estimate) – up 3.1% QoQ (up 5.3% QoQ in 2Q2010)
- 3Q2010 PPI largely from prices in July and August transactions
- Slower growth in 3Q2010

# Recent Property Measures

- Mass home segment

Demand falls

Developers more cautious in bid and fewer bids

# Recent Property Measures

- Mass home segment

Expect prices to ease 5% to 10%

(1) Affordability is stretched

(2) 30% down-payment is an issue

(3) 70% LTV on valuation



# Recent Property Measures

- Mid-tier home market

Weaker demand

Next 9 to 12 months, many launches of mid-end

Prices expected to stay flat to modestly higher

Price pressure in resale market

# Recent Property Measures

- High-end home segment

Wait-and-see attitude; less affected by measures

Next 9 to 12 months, many launches of high-end homes

International funds

Global stock market performance; confidence

# Possible Launches by June 2011

| Possible launches by June 2011        |        |          |   |                          |             |
|---------------------------------------|--------|----------|---|--------------------------|-------------|
| PROJECT                               | TENURE | DISTRICT | DEVELOPER   | LOCATION                 | TOTAL UNITS |
| Marina Bay Suites                     | 99     | 01       | Cheung Kong (Hldgs) Ltd, HK Land, Keppel Land Ltd | Central Blvd             | 221         |
| SkySuites@Anson                       | 99     | 02       | Allgreen Properties                               | Enggor Street            | 360         |
| Spottiswoode Residences               | FH     | 02       | UOL   | Spottiswoode Park Rd     | 351         |
| Former Fairways Condominium           | FH     | 04       | Bukit Sembawang                                   | Telok Blangah Rd         | 283         |
| Cityscape at Farrer Park              | FH     | 08       | IOI and KSH Holdings                              | Mergui Road              | 250         |
| Bishopsgate Residences                | FH     | 09       | Kajima Overseas Asia Pte Ltd                      | Bishopsgate/Nathan Rd    | 31          |
| Helios Residences (under preview)     | FH     | 09       | Wing Tai Holdings                                 | Cairnhill Circle         | 140         |
| Killiney 118                          | FH     | 09       | Amara Group                                       | Killiney Road            | 30          |
| iLiv @ Grange (under preview)         | FH     | 09       | Heeton Holdings                                   | Grange Road              | 30          |
| Le Nouvel Ardmore                     | FH     | 09       | Wing Tai Holdings                                 | Ardmore Park             | 43          |
| Paterson Suites                       | FH     | 09       | Bukit Sembawang                                   | Paterson Road            | 102         |
| Suites At Orchard                     | 99     | 09       | Allgreen Properties                               | Handy Road               | 118         |
| The Vermont on Cairnhill              | FH     | 09       | Bukit Sembawang                                   | Cairnhill Rise           | 158         |
| Tomlinson Heights                     | FH     | 09       | Subsidiary of Hotel Properties Ltd                | Tomlinson Road           | 70          |
| TwentyOne Angullia Park               | FH     | 09       | China Sonangol Land Pte Ltd                       | Angullia Park            | 54          |
| Urban Resort Condominium              | FH     | 09       | CapitaLand  | Cairnhill Road           | 64          |
| Ardmore 3                             | FH     | 10       | Wheelock Properties (Singapore) Pte Ltd           | Ardmore Park             | 84          |
| Former Farrer Court                   | 99     | 10       | CapitaLand-led consortium                         | Leedon Heights           | 1,715       |
| The Nassim                            | FH     | 10       | CapitaLand  | Nassim Hill              | 55          |
| Treasure on Balmoral                  | FH     | 10       | Hiap Hoe Group                                    | Balmoral Road            | 48          |
| Residential Development               | 99     | 10       | Clydesbuilt (Holland Link) Pte Ltd                | Holland Link             | 82          |
| Former Copthorne Orchid Hotel         | FH     | 11       | Copthorne Orchid Hotel (CDL)                      | Dunearn Road             | 150         |
| Former Diamond Tower                  | FH     | 12       | EL Development                                    | Jalan Rajah              | 115         |
| RiverBay                              | 999    | 12       | Allgreen Properties                               | Mar Thoma Road           | 147         |
| Riviera 38                            | 999    | 12       | Allgreen Properties                               | Mar Thoma Road           | 102         |
| Vacanza @ East                        | FH     | 14       | Hoi Hup Sunway Property Pte Ltd                   | Lengkong Tujoh           | 473         |
| Waterview                             | 99     | 18       | Sim Lian Group Limited                            | Tampines Ave 1           | 696         |
| Esparina Residences (executive condo) | 99     | 19       | Frasers Centrepoint Homes                         | Compassvale Bow          | 573         |
| Residential Development               | 99     | 19       | CEL Development                                   | Simei Street 3           | 300         |
| Residential Development               | 99     | 22       | Keppel Land Ltd                                   | Lakeside Drive           | 629         |
| Residential Devt (cluster housing)    | 99     | 22       | Kheng Leong                                       | Westwood Avenue          | 93          |
| The Lanai                             | 999    | 23       | Far East Organization                             | Hillview Avenue          | 214         |
| The Canopy (executive condo)          | 99     | 27       | MCC Land  | Yishun Avenue 11         | 406         |
| Residential Development               | 99     | 28       | Frasers Centrepoint Homes                         | Canberra Dr/Yishun Ave 7 | 680         |



# Recent Property Measures

- HDB property

Measures more targeted to normalise HDB resale market

Weed out buying for non-owner-occupation

# Recent Property Measures

- HDB property

Since measures, 3Q2010 resale price index (flash) – up 4% QoQ  
(up 4.1% QoQ in 2Q2010)

3Q2010 index largely reflects prices of July and August transactions

HDB estimation – 8200 resale applications (3Q2010), down 10%  
QoQ.



# Recent Property Measures

- HDB property

Since measures, overall cash-over-valuation (COV) down by 20% to 30% in September

COV expected to ease further in 4Q2010

Consolidation phase, overall prices is expected to be flat in 4Q2010

# Recent Property Measures

- HDB property

Volume down 25% MoM in September

Volume is expected to fall another 20% to 25% in 4Q2010

New measures affect upgraders market



# Office Property Outlook

- Snapshot of Office Property Market

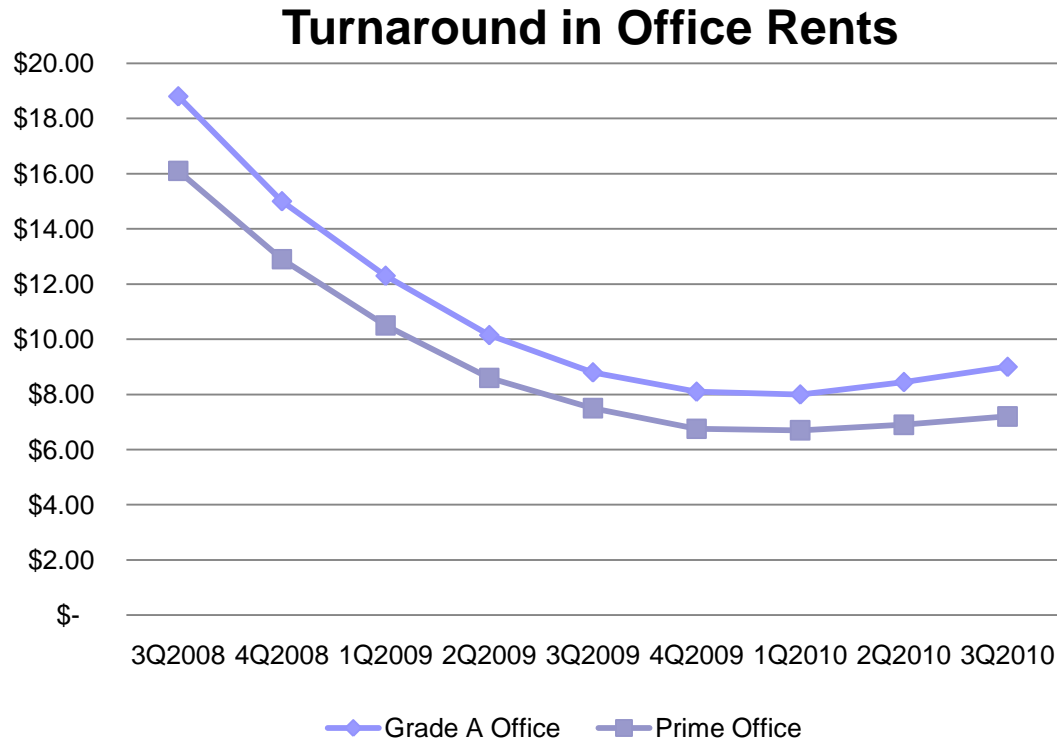
Year-to-date (3Q2010), Grade A rental up about 11%

About 50% below peak rental in 2Q and 3Q2008

# Office Property Outlook

- Demand was surprisingly strong in 3Q2010
- Grade A office rent, up about 6% in 3Q2010
- Islandwide occupancy rate rose 1.7 percentage-point QoQ to 94.9% as at end 3Q2010
- Despite 1.1 mil sqft of new supply in 2010

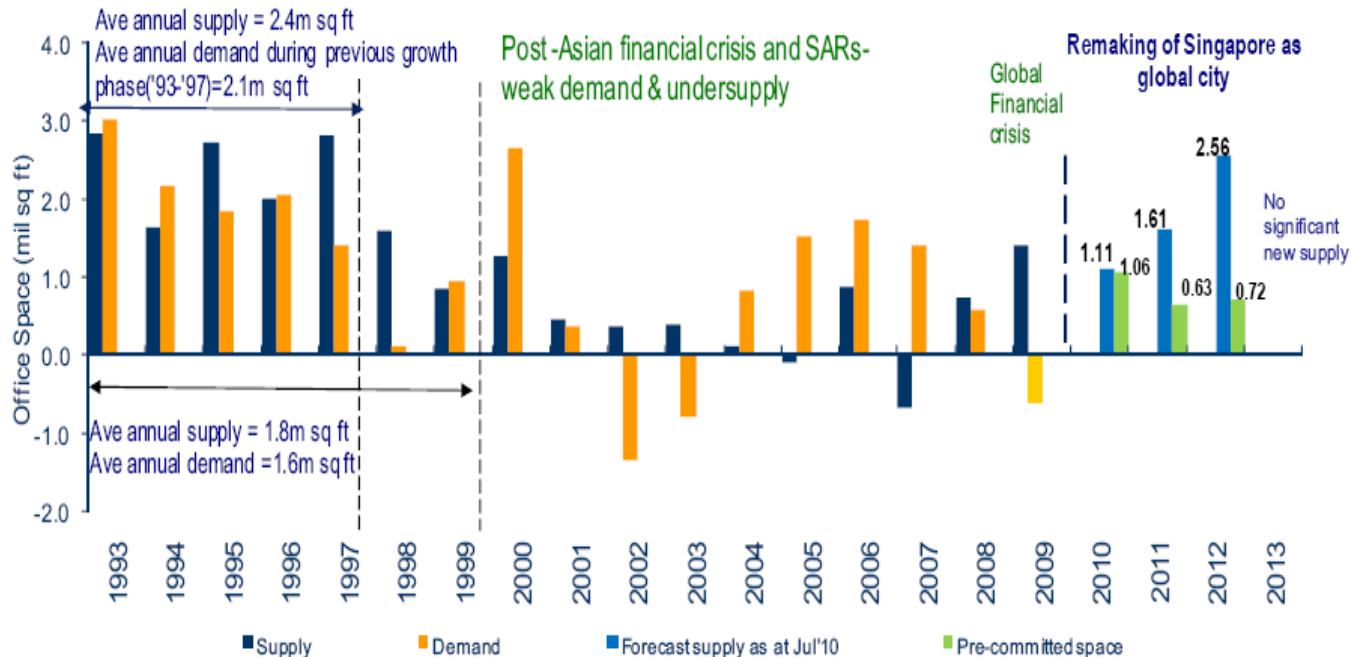
# Turnaround in Office Rents



Source : CBRE & NRA

# Office Property Outlook

Singapore Private Office Space (Central Area) – Demand & Supply



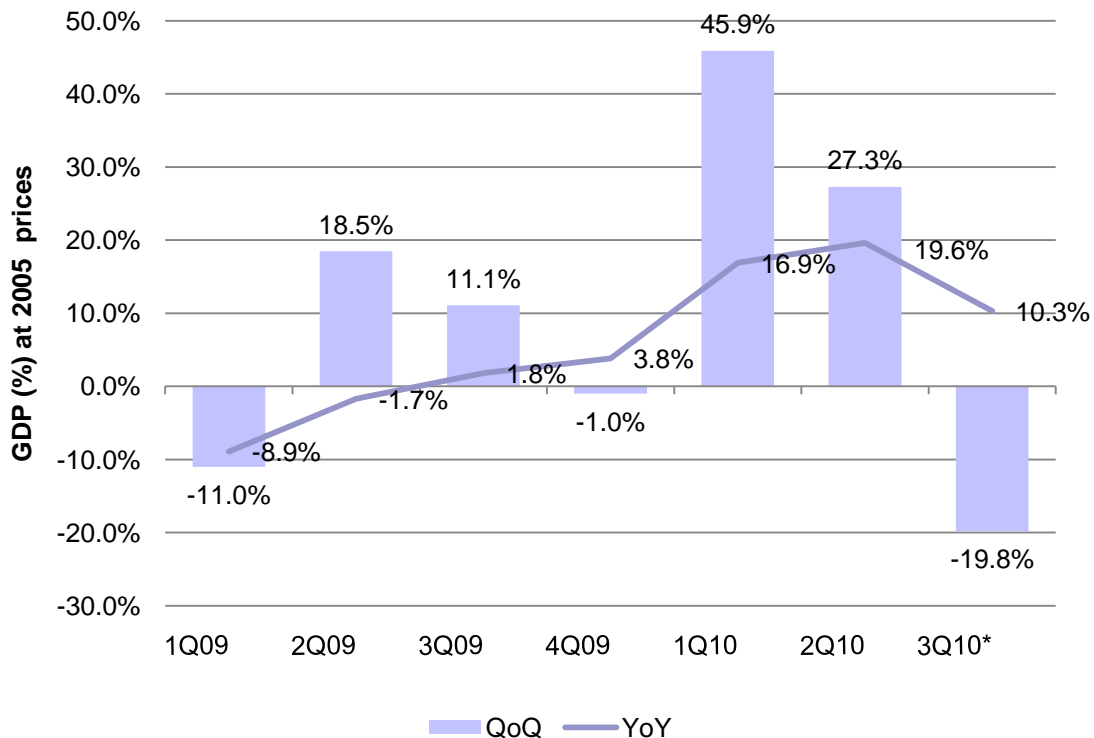
Note:

(1) Central Area comprises 'The Downtown Core', 'Orchard' and 'Rest of Central Area'

Source : CBRE & JLL (July 2010)

# Office Property Outlook

## Singapore GDP Growth



\* Advance estimate

Source : Ministry of Trade & Industry, 14 October 2010



# Office Property Outlook

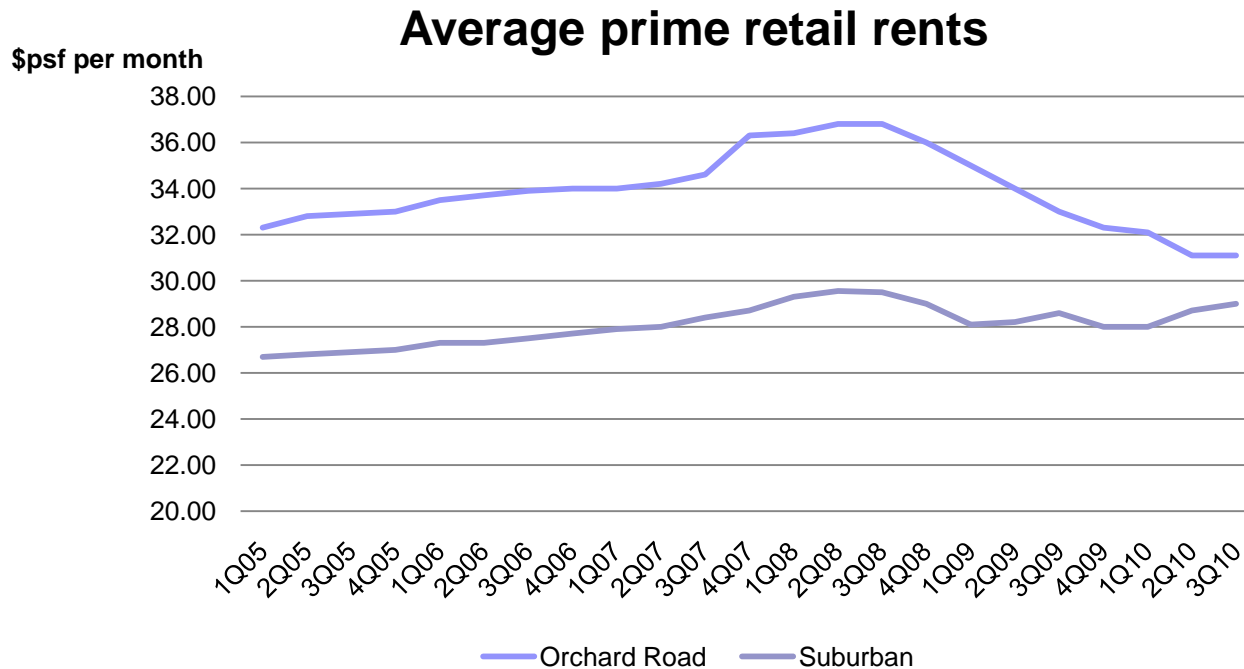
- Going forward , 4Q2010 , expect overall rent to further increase, between 5% to 10%
- 2011, expect further upside in rent
- Current concern, potential shortage of new office completion in 2014 and 2015 as there are no significant new supply.



# Retail Property Outlook

- Rental for Orchard Road was stable averaging \$31.10 psfpm in 3Q2010
- Rental for Suburban malls has been very resilient. Strengthened about 1.7% to \$29 psfpm in 3Q2010
- Rental gap between Orchard Road and suburban malls is shrinking

# Retail Property Outlook



Source : CB Richard Ellis



# Retail Property Outlook

- In Orchard Road

Rental likely to come under pressure, between 5% to 10% (2010)

Adjustment to recent new supply

Competition from IRs

# Retail Property Outlook

- In Suburban malls

Rental likely to edge modestly higher by 3% to 5% (2010)

Strong catchment demand



# Industrial Property Outlook

- Key driver of Demand

Manufacturing remains a key contributor to Singapore economy

Fueled by return of global demand, re-stocking

Contributed to strong double-digit GDP growth in 1H2010

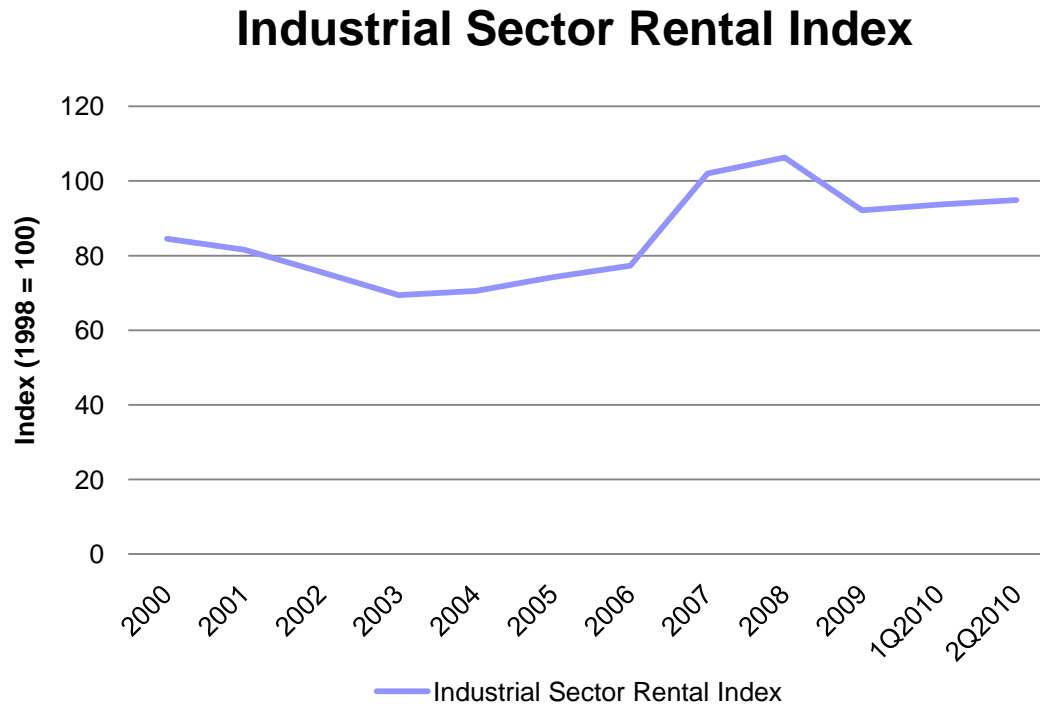
Will continue to play an integral role in Singapore's economic growth going forward.



# Industrial Property Outlook

- Occupancy rates over the decade, good at 86.7% to 93.3%
- Rental rates fell about 13.4% in 2009, bottoming in 3Q09
- Agile recovery from financial crisis, industrial rental index gain of 3% in 1H2010 from 2009

# Industrial Property Outlook



Source : URA

# Industrial Property Outlook

## ■ Factory space

About 18.6m sqft of new supply over 4Q2010, 2011 and 2012 but supply in 2013 scarce

Demand is healthy, maintain occupancy of 93%

Rental to edge higher, rise by 5%-6% in 2010 and 5% in 2011



# Industrial Property Outlook

## ■ Business Park

About 1.8m sqft of new space each in 2009 and 2010

Occupancy declined sharply but rental held up relatively well

4Q2010 rental to stay flat



# Industrial Property Outlook

## ■ Business Park

2011 and 2012, new supply to decline

Large supply of office space coming on-stream

Rental increase in 2011 and 2012, flat to marginal upside



# Sector Pick

- Reits

Office sector shows most improvement

Yield about 5%



# Sector Pick

- Reits

Retail sector shows resilience during downturn and modest forward rental increase

Yield about 5%



# Sector Pick

## ■ Reits

Industrial sector, factory and business park rentals will be flat to marginally higher

Yield about 6% to 7%



# Sector Pick

- Developers

Mass market

Prefer upper-mid to luxury market