Singapore Property

Yet to see the bottom

SINGAPORE | REAL ESTATE (DEVELOPERS) | UPDATE

3 October 2016

- Normalised HDB supply until 2018 expected to be sufficient to meet demand – after record low supply from 2006-2010. Limited land sales for ECs to limit supply from 2017.
- Private Property: Improved sales volume in recent quarters driven mainly by RCR and OCR; sales mix is likely to continue.
- Stubborn inventory of unsold units is likely to deter upside in average selling prices.
- RCR properties appear to be most attractive based on current gross yield and historical price performance.
- Growing vacancy rates and more completions on the back of a weaker market puts pressure on overall rental market.
- Performance of Singapore residential properties lag behind foreign markets.
- Share price performance of developers is primarily driven by sales volume but no major catalyst to unwind existing property cooling measures
- We have an "Underweight" view on the Singapore Property Sector.

Singapore's property has always been a popular investment vehicle for locals and foreigners alike. The Asian "insatiable hunger for bricks", metropolitan culture, stable political and economic system of Singapore has drawn in investors over the years. Since suffering a c.25% drop in the property price index during the Global Financial Crisis (GFC), property prices and sales volume recovered remarkably in the 2 years from 2009 before a slew of cooling measures were implemented by the Government. Over a five-year horizon from 1Q11 (around the start of a slew of cooling measures), current residential property price index has returned to near the level it was at since 1Q11 (See Figure 20).

How do we view this?

- **Stubborn inventory of unsold units and lacklustre demand amidst dour sentiment likely to continue to deter upside in average selling prices.**

We highlight that the recent uptick in sales volume over the last 2 quarters was due to two factors: various marketing schemes by developers, and the continued sales momentum in selected Outside Central Region (OCR) launches that was supported by low interest rates. However, sales volumes remain way below the heyday seen before the GFC or during 2010-2011 after the recovery. We expect the government's continued clampdown on foreigner influx, increasing indebtedness in household balance sheets and more favourable foreign property markets to continue to impact interest and affordability in local property.

- **Share price performance of developers is primarily driven by sales volume but no major catalyst in sight.**

The implementation of the various property cooling measures has drastically dried up sales volume. We do not expect the lifting of the cooling measures until at least 2H17, in light of the gradual and manageable fall in home prices so far, especially with the relative strength in prices of OCR properties (See Figure 18). In light of this, we do not see major catalysts in sight for a big uptick in sales volume.

- **We have an "Underweight" view on the Singapore Property Sector.**

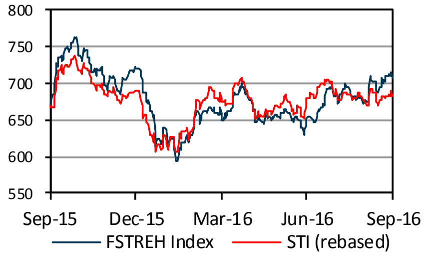
We believe we have yet to see the bottom for Singapore's property prices. Nonetheless, we are cognisant of the fact that many developers are diversifying their income streams from outside of Singapore. **We advise clients to perform bottom-up analysis on the various developers and prefer developers with exposure outside of Singapore.**

Underweight

INDEX PERFORMANCE (%)

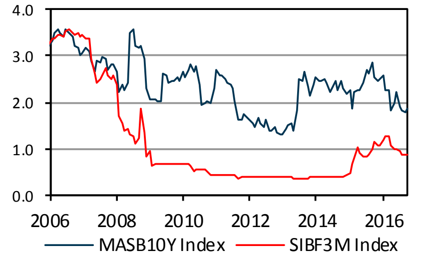
	1MTH	3MTH	1YR
FSTREH RETURN	6.2	12.1	9.4
STI RETURN	2.0	5.1	7.6

FSTREH VS. STI



Source: Bloomberg, PSR

3-month Sibor (%) & 10-year SGS (%)



Source: Bloomberg, PSR

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MCI (P) 118/10/2015
Ref. No.: SG2016_0201

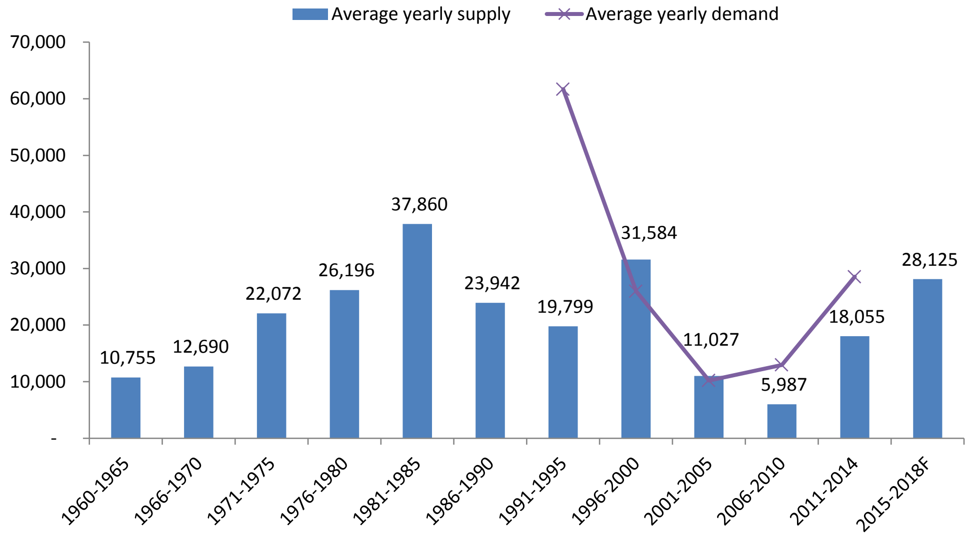
Public Housing in Singapore

During a routine parliament sitting in March 2010, then-Minister for National Development, Mr. Mah Bow Tan addressed some public grouses on the state of Singapore's public housing market. Amongst the grouses were the high number of unsuccessful applications for (Build-To-Order) BTO flats for first-time married couples, and the escalating prices of resale HDB flats led by increasing Cash over Valuations (COVs) paid.

Record low supply of new HDB flats over five years from 2006-2010

Unsurprisingly, the rise in the number of grouses on the ground coincided with the period which saw the lowest number of new HDB flats built over a five-year period since HDB's forming in 1960 (see Figure 1). From 2006-2010, we saw an average annual supply of 5,987 flats.

Figure 1: Average annual supply and demand for HDB flats

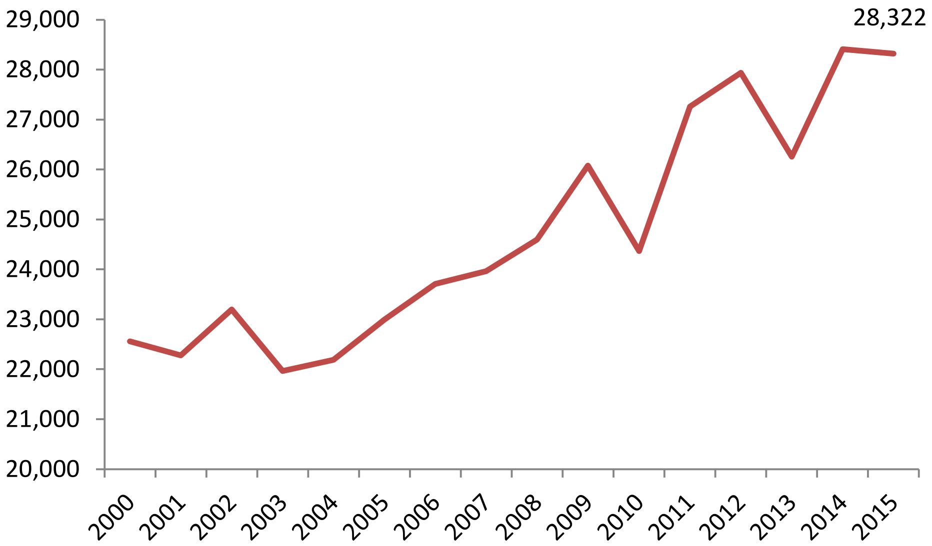


Source: HDB, Phillip Securities Research (Singapore)

Forecasted supply until 2018 expected to be sufficient to meet demand

After lagging total demand (estimated by total bookings for public housing) over the past 10 years, average annual supply of HDB flats is expected to be ramped up to c.28,125 from 2015 to 2018. Total bookings, could potentially misstate real demand, due to reasons such as supply-led bookings, or double counting of re-bookings in a particular year after a previous failed allocation. We look at the total number of marriages in a single year for a better gauge of how much demand could potentially be, from what we believe would be the biggest group of demand generators for HDB flats. According to the HDB, an estimated 82% of Singapore's residents live in HDB flats. Extending this ratio to the number of marriages per year (28,322 in 2015), we expect demand for new public housing per year catering to this group of resident population to be closer to the 20,000 range.

Figure 2: Total number of marriages in a year, Singapore



Source: Department of Statistics, Phillip Securities Research (Singapore)

The Ministry for National Development (MND) has projected for some 112,000 new HDB flats to enter the market from 2015-2018. This translates to an average annual supply of 28,000 units of public housing until 2018, which represents a period that will see the highest number of flats being built annually since the late 1990s.

Developers with upcoming/existing Executive Condominiums (EC) launches could see slower take up rates as home buyers are presented with a greater number of options, especially from launches in mature HDB estates.

Executive Condominiums

After being phased out from 2008 in favour of the Design, Build and Sell Scheme (DBSS), the EC scheme was re-introduced in 2010, to be launched in parallel with DBSS flats. DBSS land sales was eventually suspended in 2011. Since its re-introduction in 2010, the supply of ECs has been gradually ramped up, in conjunction with the increase in supply of BTO (cancelled because it is on page 2 already) flats. With an occupancy rate of 86.2% as at 2Q16, 2,943 units stood unoccupied and unsold, representing a high since the EC scheme was reintroduced in 2010. This is also slightly more than the average annual number of units sold at 2690, since 2010.

Limited land sales for ECs to limit supply from 2017

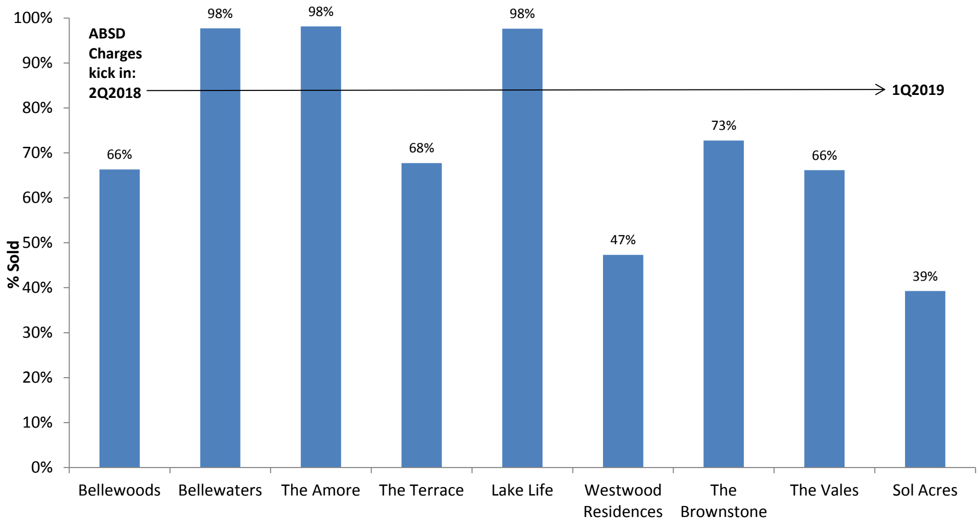
Further to the already launched projects, as of 2Q16, three remaining land parcels slated for EC purposes are expected to be launched in 2017/1H18, which by our estimates, would increase supply by an additional c.1,500 units. Total market supply including launched but unsold units currently stand at c.4,000 units. This is about 1.5 times the average annual number of units sold since 2010. With only these 3 remaining plots of land (as mentioned below) yet to be launched until 1H18, a slowdown in supply till then should help developers to gradually clear their existing inventory of EC units without needing to incur any Additional Buyer's Stamp Duty (ABSD) charges (despite the expected ramp up in HDB flat supply over the next few years). More importantly, we do not foresee the need for them to significantly reduce prices in order to clear inventory before any ABSD deadlines.

Figure 3: Remaining land parcels in Singapore slated for building of ECs

Date Tender Awarded	Land Parcel	Street Name	Max Gross Floor Area (Sq m)	Potential No. of Units
29/6/2016	Sengkang E20	Anchorvale Lane	63,044	573
29/12/2015	Hougang E6	Yio Chu Kang Road	51,584	469
19/5/2015	Choa Chu Kang E12	Choa Chu Kang Avenue 5	49,158	447
			Total	1489

Source: HDB, Phillip Securities Research (Singapore)

Figure 4: Sales status of ECs



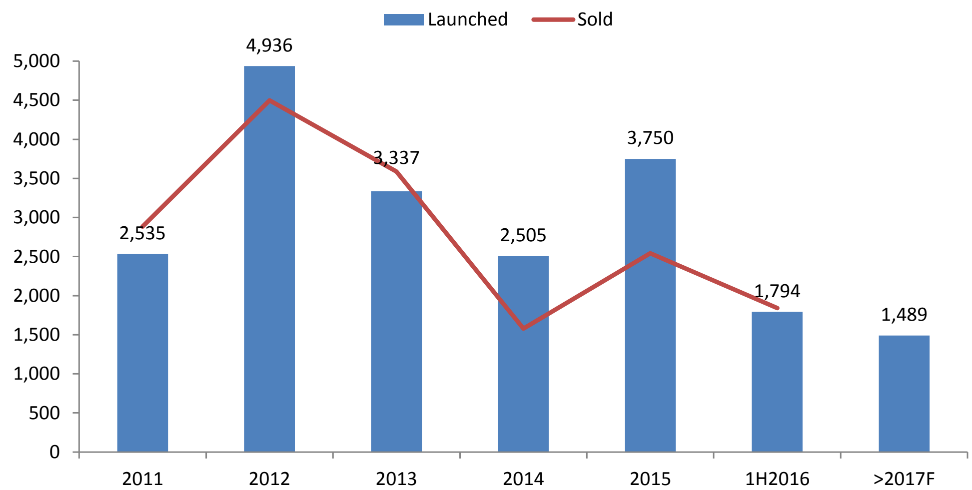
Source: HDB, URA, Phillip Securities Research (Singapore)

Increased household salary ceiling from 2015 for ECs – Increased demand likely supply-driven

In 3Q15, the income ceiling for HDB and EC applicants was increased to S$12,000 and S$14,000 (from S$10,000 and S$12,000) respectively. In the two quarters thereafter, there was a slight uptick in sales volume. In 2015, there was a total of 2,542 units of ECs sold, while 1H16 already saw 1,841 units sold, representing 72% of the full-year figure in 2015. Although 1H16 represents a substantial 242% increase to the 760 units in 1H15, we believe this is largely supply-driven as there were a total of 1,794 units launched in 1H16 vs 858 in 1H15.

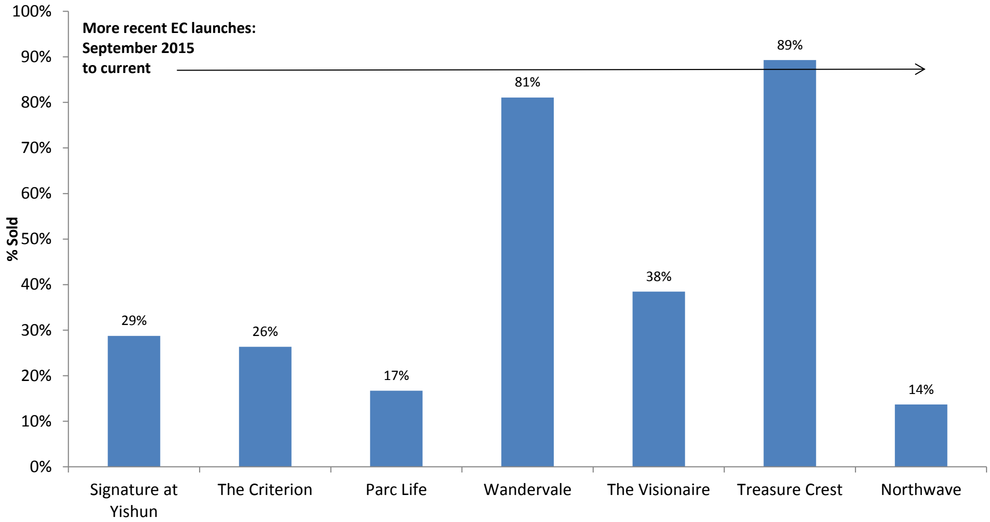
With total number of marriages increasing, couples getting married later, and the raised income ceiling for EC applicants, we expect the demand for ECs to sustain amidst the slowdown in EC supply until at least 4Q17/1Q18. As such we do not foresee developers having huge difficulties clearing current inventory before any ABSD deadlines set in.

Figure 5: Number of ECs launched and sold yearly



Source: CEIC, Phillip Securities Research (Singapore)

Figure 6: Sales status of more recently launched ECs (September 2015 onwards)



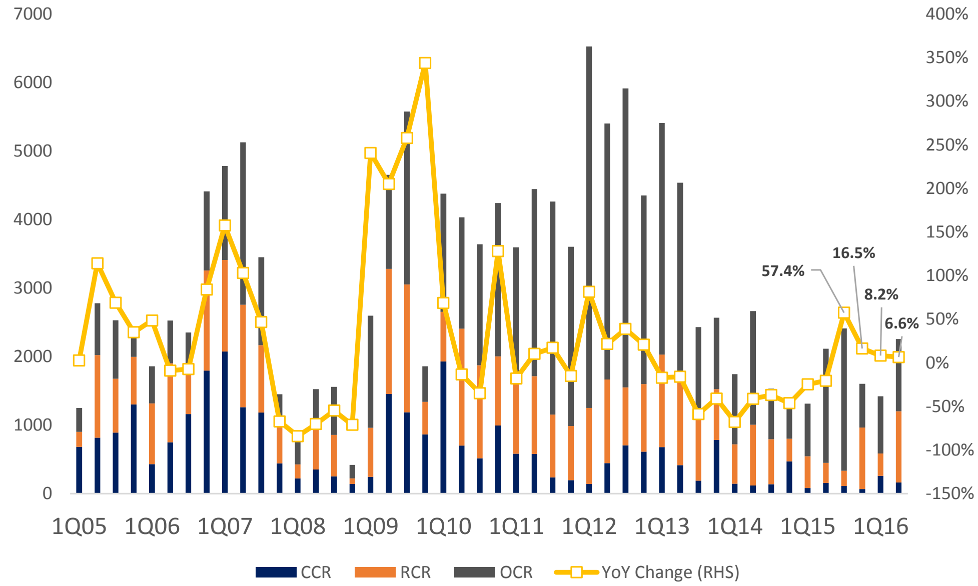
Source: HDB, URA, Phillip Securities Research (Singapore)

Singapore Private Property

Improved sales volume in recent quarters driven mainly by RCR and OCR; sales mix is likely to continue

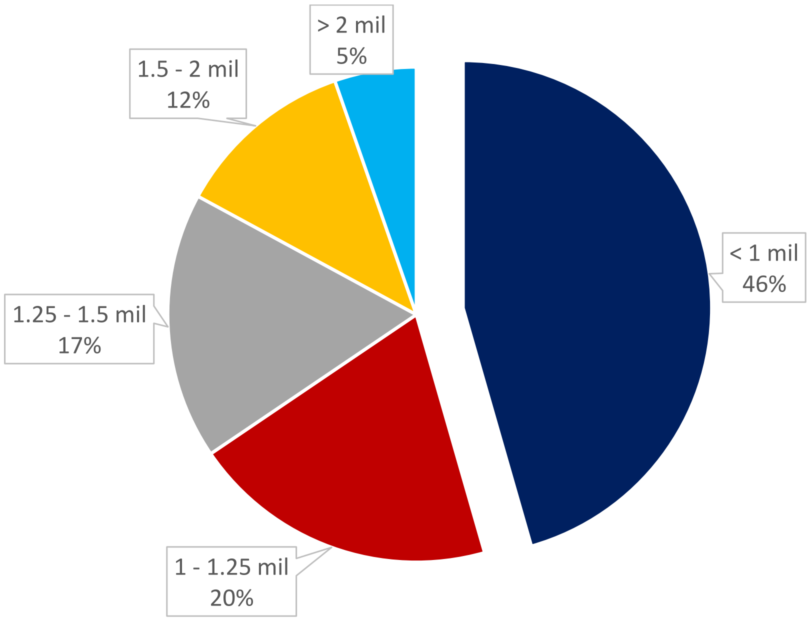
In the recent four quarters between 3Q15 and 2Q16, sales volume of housing units sold directly by developers saw positive growth. The higher sales volume was mainly driven by larger quantities of Rest of Central Region (RCR) and Outside of Central Region (OCR) being sold in these four quarters. Sales volume of RCR and OCR units in each quarter from 3Q15 to 2Q16 made up at least 82 percent of the total sales volume. Out of which, we note that 46 percent of total transactions were attributed to properties with sales value that were priced below S$1 million. We are expecting near term sales mix to continue being driven by units that are priced below S$1 million. This is because the 60 percent total debt servicing ratio cooling measure that was introduced in June 2013 puts a constraint towards the amount of loan homebuyers can obtain for a property purchase.

Figure 7: Sale of units based on market segments



Source: REALIS, Phillip Securities Research (Singapore)

Figure 8: Breakdown of new sales in the past four quarters (3Q15 and 2Q16)

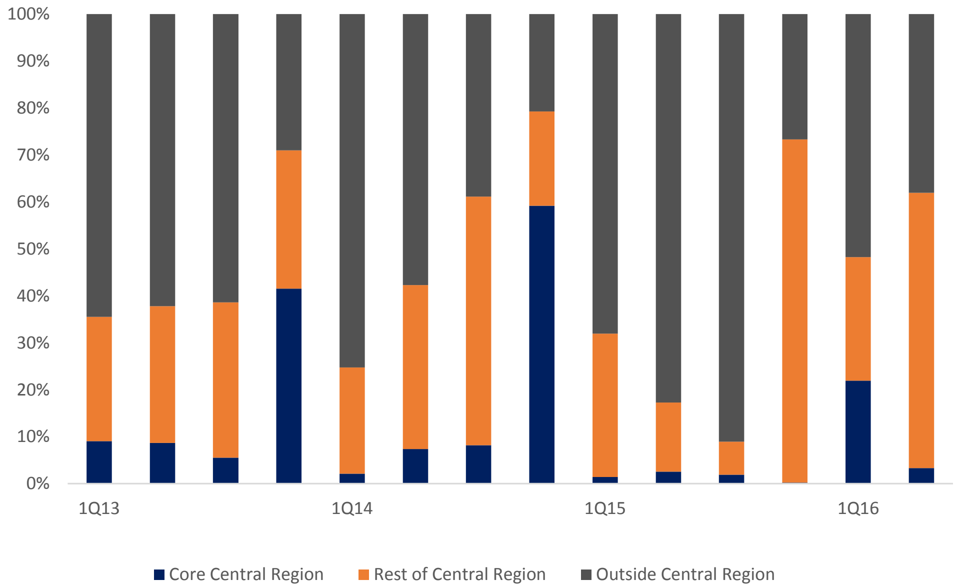


Source: REALIS, Phillip Securities Research (Singapore)

Majority of new launches in the past six quarters are in RCR and OCR, expected to continue into 2017 in our view

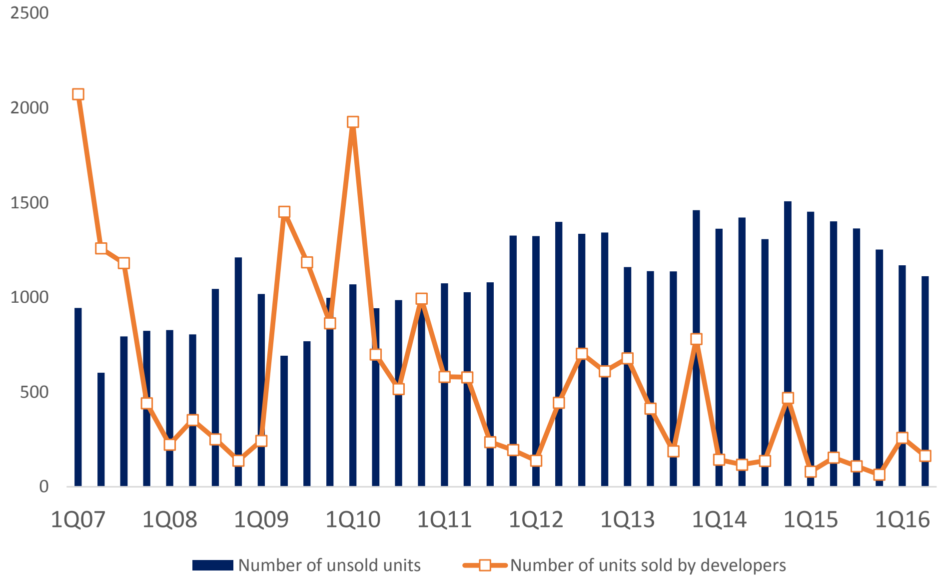
For the past six quarters, developers have launched more than 75 percent of new units in the RCR and OCR market segments. We opine the trend will continue for the next few years due to the low number of land sales in the Core Central Region (CCR). Apart from a land sale transaction in July 2016 in Martin Road which was triggered by a Government Land Sales (GLS), the next most recent CCR land sale for residential development was completed in September 2013. The fewer launches of CCR developments may have been underpinned by the cautious stance of developers. This was due to an oversupply of unsold units in the CCR despite having dropped 26 percent from a peak of 1,518 units in 4Q14 to 1,112 units in 2Q16. The 60 percent TDSR is likely to continue weighing on the CCR market segment since the purchase price of CCR units are higher compared to the other segments.

Figure 9: Breakdown of new launches by market segment



Source: REALIS, Phillip Securities Research (Singapore)

Figure 10: Developer sales of units and remaining unsold units in CCR

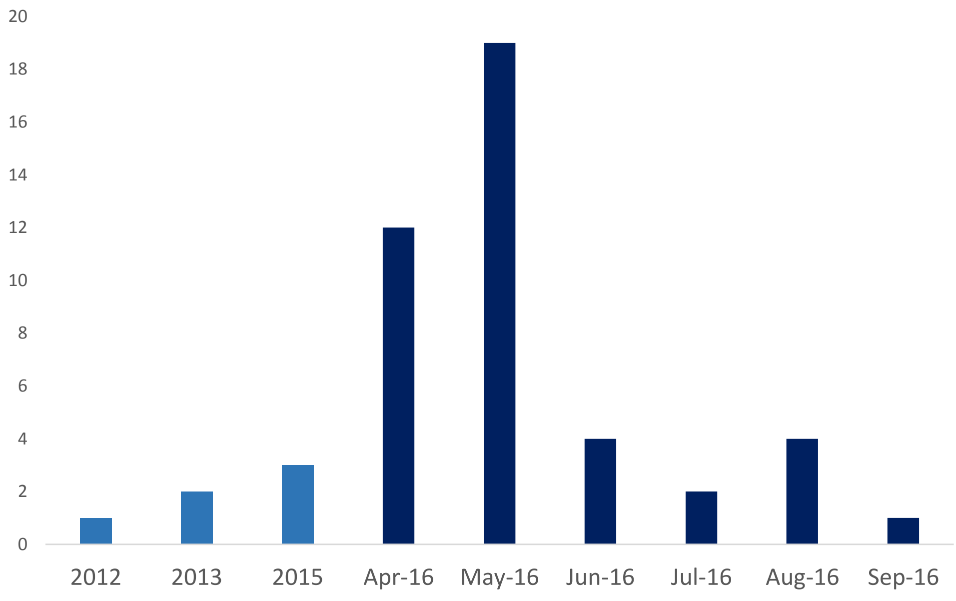


Source: REALIS, Phillip Securities Research (Singapore)

Creative marketing schemes showing temporary gratifications for developers

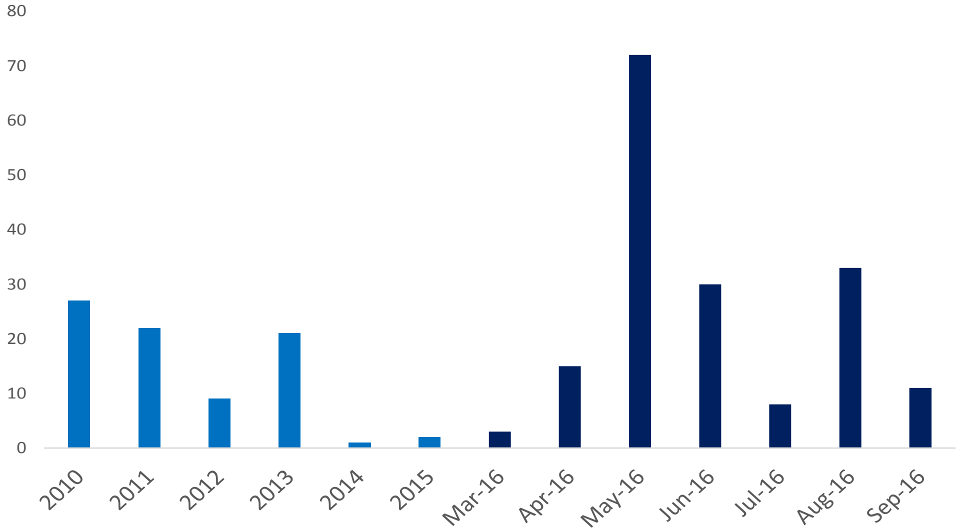
We note that developers have been exploring marketing schemes in an attempt to boost sales. Among them is the rolling out of ABSD absorption packages at Ardmore Three, an 84-unit luxury development in the CCR by Wheelock Properties. The scheme offers buyers a potential 15 percent on top of a 15 percent price discount. This means that a homebuyer can walk away with as much as a 30 percent discount on the original purchase price. We observed a spike in transaction volume for the development around the period when the ABSD absorption package was first introduced in April 2016. In the same month, OUE also introduced a deferred payment scheme for OUE Twin Peaks, another luxury development located in the CCR, where sales skyrocketed to more than the total number of units sold in the past six years, within a month following its introduction. We expect more developers to ramp up marketing efforts in a bid to offload existing inventory considering the positive reception of these marketing schemes.

Figure 11: Number of transactions lodged at Ardmore Three



Source: REALIS, Phillip Securities Research (Singapore)

Figure 12: Number of transactions lodged at OUE Twin Peaks

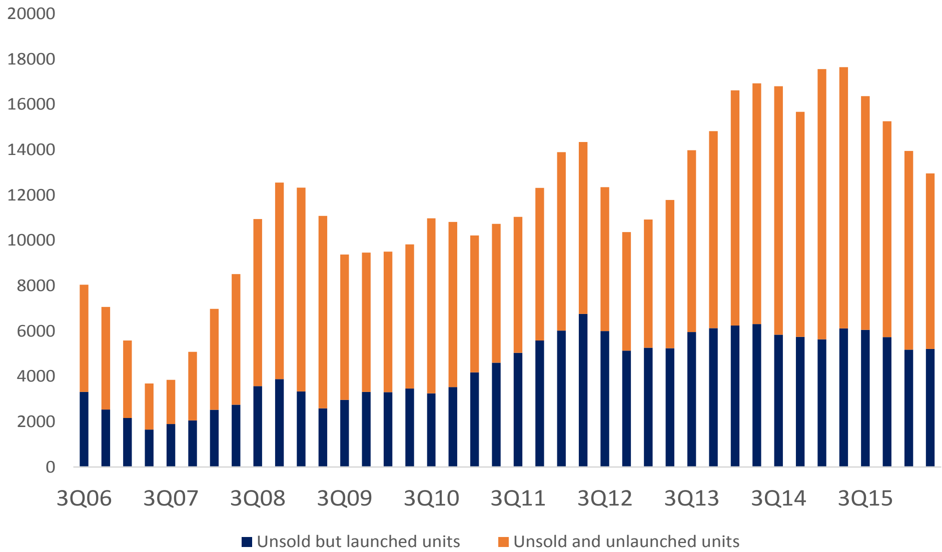


Source: REALIS, Phillip Securities Research (Singapore)

Stubborn inventory of unsold units and developers' rush to clear inventory to avoid QC/ABSD charges are likely to deter upside in average selling prices

The total unsold units including those that are yet to be launched is standing at 13,000 units, and is hovering at a multi-year high despite having been declining consecutively for the past five quarters. Out of the 13,000 unsold units, the number of unsold but launched units from developers continued to stay in the 5,000 territory. This suggests that sales are mainly generated from newly launched units and creates a "stubborn inventory" of launched and unsold units. We are of the view that the build-up of launched and unsold units is likely to put a price ceiling on average selling prices. On top of this, we expect developers to further cut prices on certain developments in order to avoid the impending QC extension charges and ABSD remission claw backs (Refer to Figure 28 and Figure 29 in Appendix). As a result, we expect developers' gross margin to compress further at least until the oversupply situation begins to be alleviated. Nonetheless, we are of the view that the Singapore Government has no reasons to unwind the existing property cooling measures anytime soon. After all, there is still a steady absorption rate of unsold units for the past five quarters at an average rate of 7.4 percent per quarter.

Figure 13: Number of unsold units including those that have yet to be launched



Source: REALIS, Phillip Securities Research (Singapore)

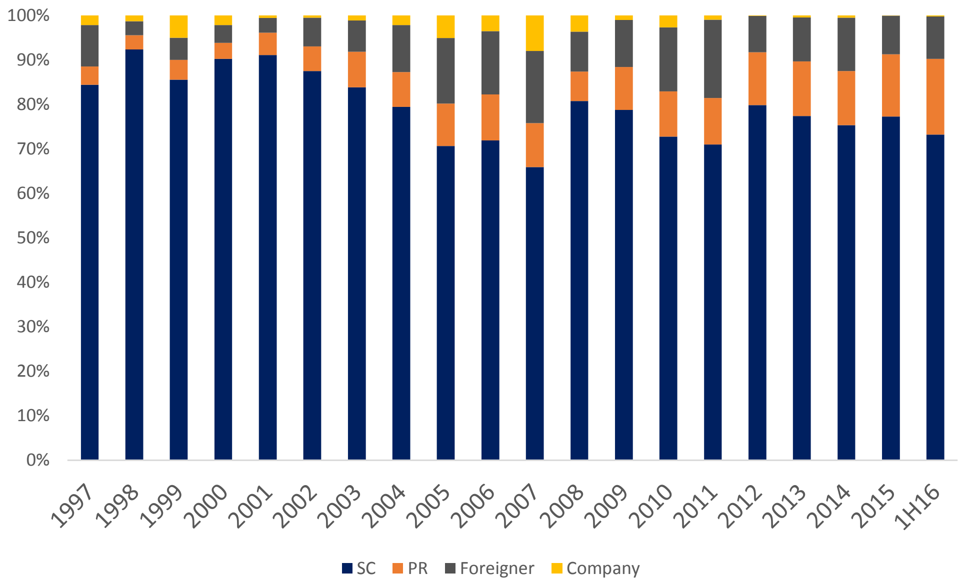
Record high land sale price since 2013 but unsold inventory in CCR still at three-year high

The GLS at Martin Road which took place in July 2016 was the most recent land sale in CCR since June 2013. The transacted price of S$1,239 psf at Martin Road was the highest price paid on a GLS since October 2012 when a residential site in Thomson Road was sold at a price of S$1,632 psf. While the move may signal that developers are beginning to turn bullish, we note that the remaining number of unsold units in CCR is still close to its three-year high of c.5,000 units. We do not expect the demand for CCR units to pick up significantly considering their higher prices (in excess of S$1 million per unit), and the TDSR and ABSD cooling measures are among factors that are putting a constraint on demand. Furthermore, the deadline on the impending Qualifying Certificate (QC) extension charges and ABSD on certain developments are likely to intensify competition as developers rush to clear existing inventory, putting pressure on Average Selling Price (ASP). We view that the ongoing uncertainties in the property market are also causing homebuyers to adopt a wait-and-see attitude where they are anticipating potential price cuts, which further puts a cap on demand.

Investment intent of Singaporeans drives property purchases as home ownership stays high

Singaporeans have historically taken up the majority of new property units, and recorded as much as 92 percent of total sales volume in a year compared to Permanent Residents (PR), foreigners and properties that were bought under a company's name. Coupled with the high ownership rate of Singapore residents in general (90.8 percent as of 2015), we are of the view that homebuyers are snapping up properties and in turn using them as an investment tool as opposed to living in them. One of the most common ways of property investment is to rent out properties where an investor is compensated with rental income while waiting for price appreciation.

Figure 14: Sales breakdown of residential property units (exclude EC) by residential status

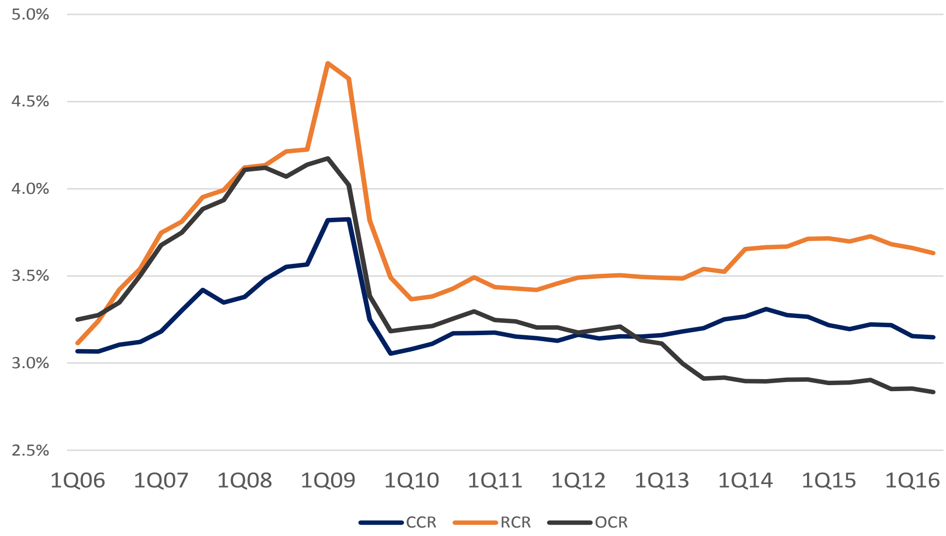


Source: REALIS, Phillip Securities Research (Singapore)

RCR properties appear to be most attractive based on current gross yield and historical price performance

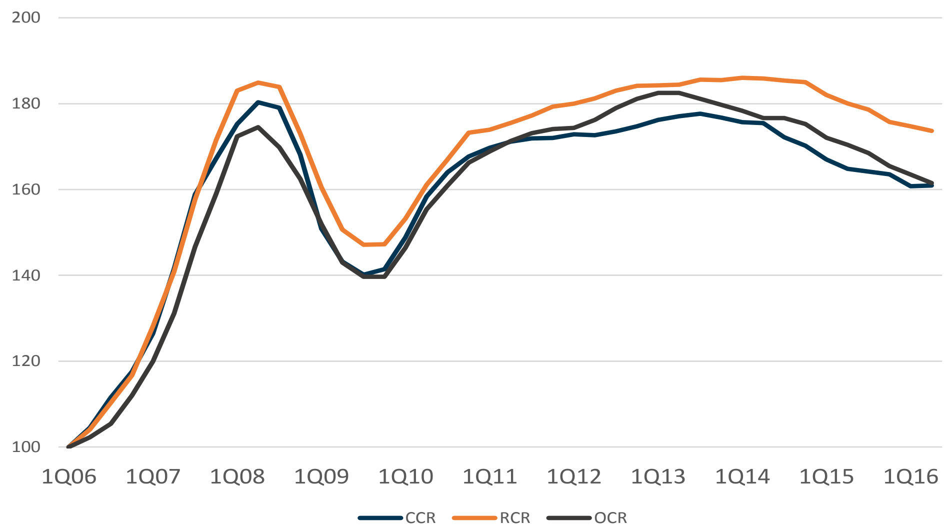
RCR properties have been historically offering the highest median gross yield compared to other market segments. This was due to a combination of two factors, a relatively higher gross rental matched with weaker price performance of RCR properties. The median rental of RCR properties has grown approximately 70 percent for the past 10 years, representing 10 ppts higher than to its counterparts. On the other hand, median prices of RCR properties appreciated by close to 50 percent, as compared to 60 percent for CCR and 90 percent for OCR properties.

Figure 15: Gross yield of residential property units (include EC)



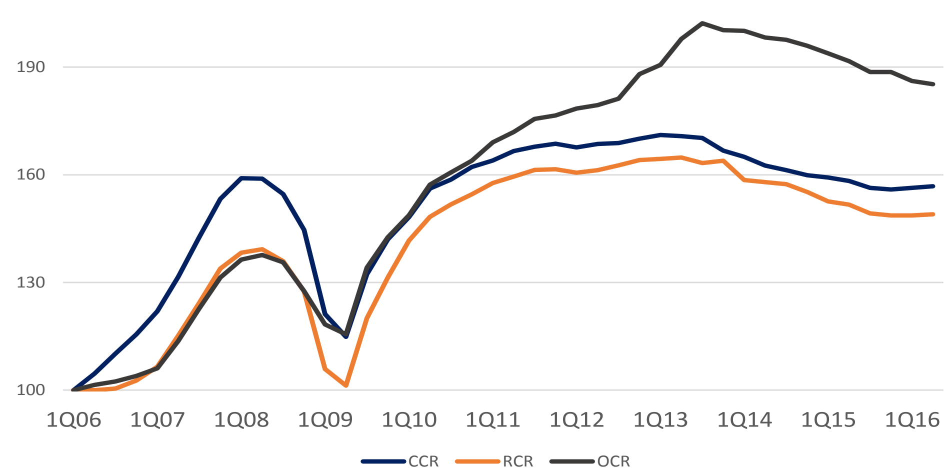
Source: REALIS, Phillip Securities Research (Singapore)

Figure 16: Median rental index of residential property units (include EC)



Source: REALIS, Phillip Securities Research (Singapore)

Figure 17: Median price index of residential properties based on market segments (include EC)



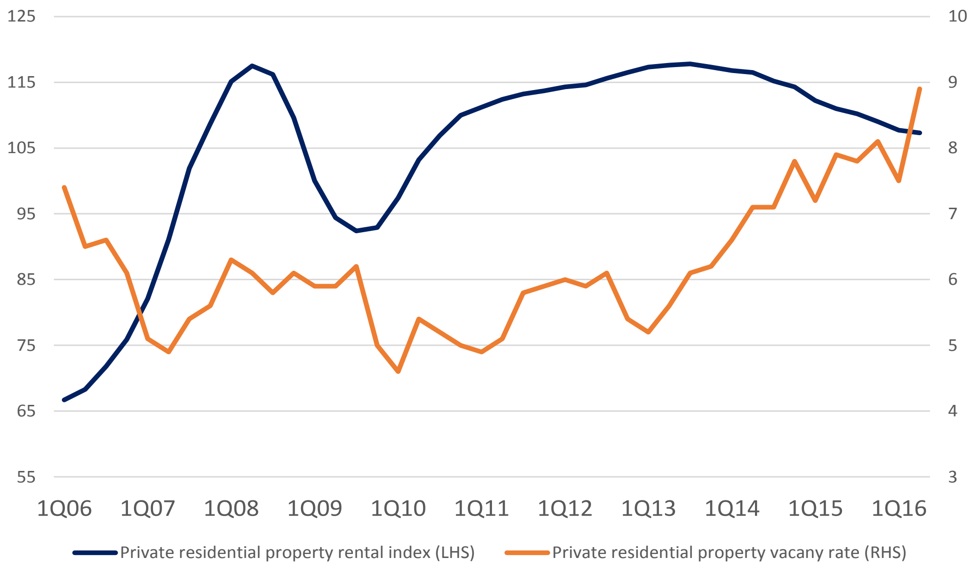
Source: REALIS, Phillip Securities Research (Singapore)

Rental Market

Growing vacancy rates and more completions on the back of a weaker market puts pressure on overall rental market

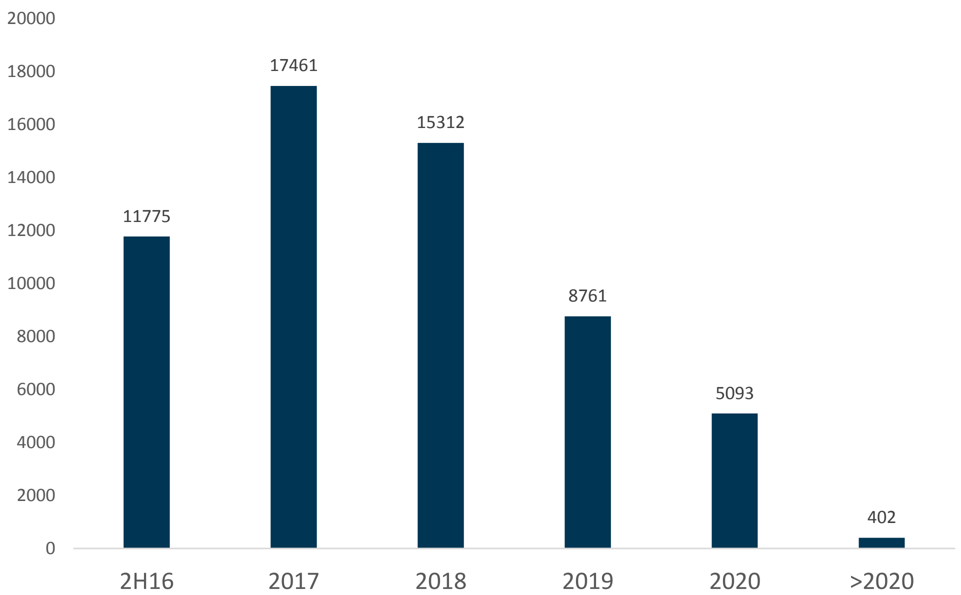
The private residential property rental index has declined 8.9 percent to 107.3 points from 117.8 points (in 3Q13) which was the highest since the wake of the 2008 Global Financial Crisis. The decline was led by an expanding current vacancy rates of private residential properties which currently stands at a 10-year high of 9 percent. There is an expected supply pipeline of 44,548 units to be completed in the next few years till 2020 which will expand the current available units of 338,728 units by another 13.1 percent. We are expecting rental demand to be unable to keep up with existing supply, as the Singapore Government's move to clamp down on foreign labour pool are among reasons contributing to the weakening rental demand. As a result, the overall rental market is likely to weaken further as vacancy rates continue to increase, due to the growing supply of residential units from more completions in the next few years.

Figure 18: Private property (including EC) rental index and vacancy rate



Source: CEIC, Phillip Securities Research (Singapore)

Figure 19: Pipeline supply of private residential property completions including EC

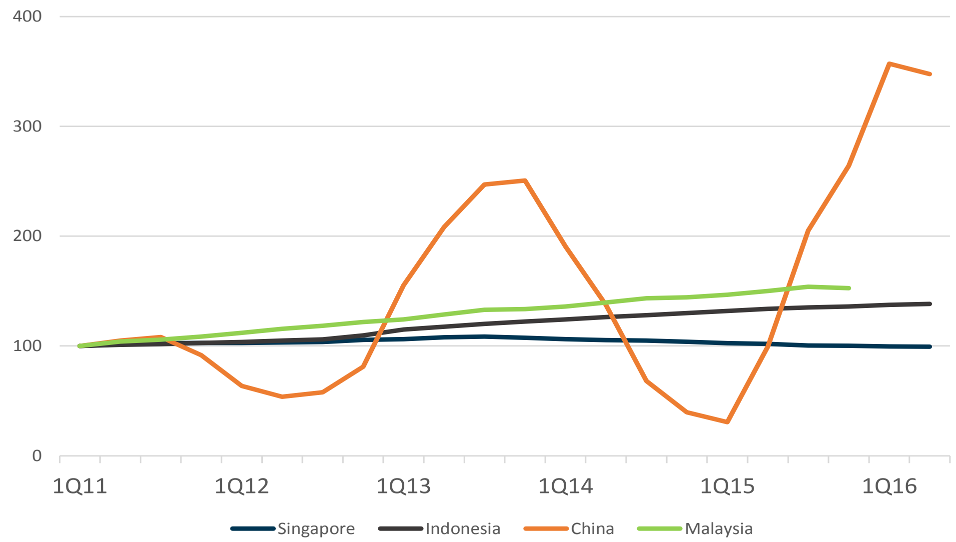


Source: Urban Redevelopment Authority (Singapore), Phillip Securities Research (Singapore)

Performance of Singapore residential properties lag behind foreign markets

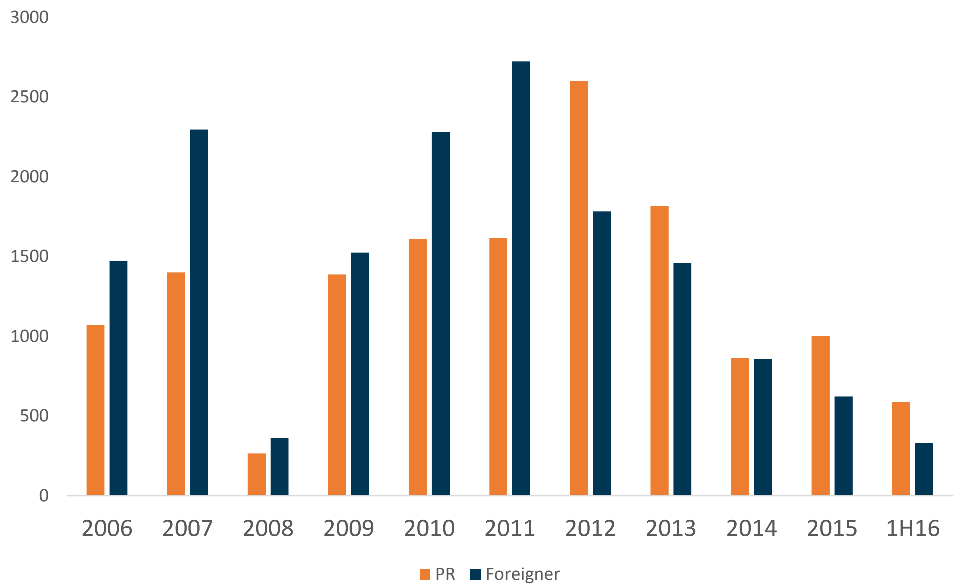
We note that the top three nationalities of foreign homebuyers are Malaysians, Indonesians and Chinese. The series of property cooling measures that were implemented in Singapore to curb rapid price gains in the local property market would have most likely dissuaded foreigner homebuyers from purchasing residential properties in Singapore and instead look towards their home countries. On top of which, the stellar historical performance in the foreign property markets would have allowed a foreign homebuyer to generate at least 38 percent in returns from price appreciation as at 2Q16 if he or she has purchased a property in any of their home country in 1Q11 which was around the introduction of a flurry of property cooling measures in Singapore. This was in contrast to the Singapore property market which has stayed flat during the same period of time. Combining the factors of the buoyancy in overseas property markets along with the property cooling measures in Singapore, we expect demand for residential property units from both foreign and PR homebuyers to sustain a decline at least until the property cooling measures are lifted.

Figure 20: Residential property price index of top three foreign homebuyers



Source: CEIC, Bloomberg, Phillip Securities Research (Singapore)

Figure 21: Annual sales volume of private residential properties of foreigners and PRs

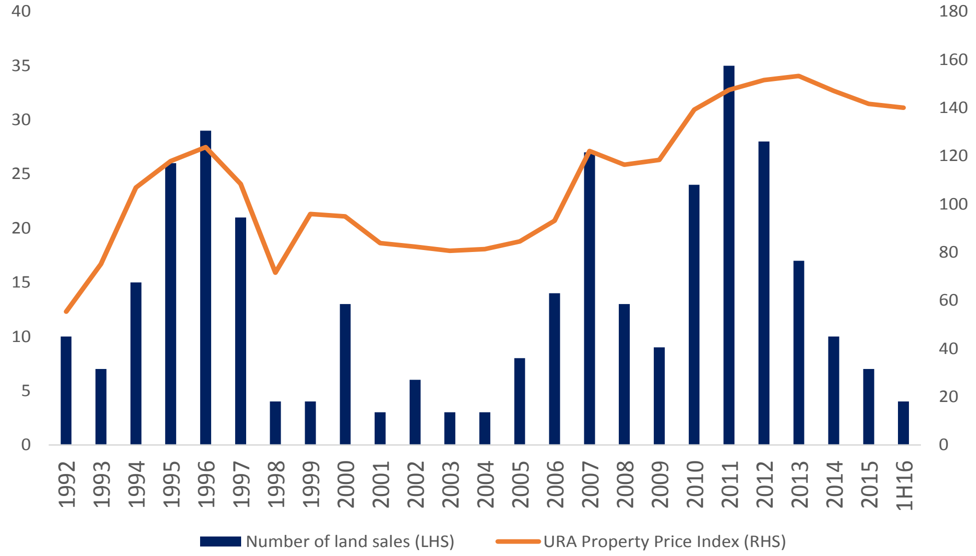


Source: REALIS, Phillip Securities Research (Singapore)

Scarcity of Land Sales under GLS signals weakness in market

We notice that periods of higher land sales volume generally led to a decline in property prices (reflected in the URA property price index). This was observed in the years of 1996, 2000 and 2007. In 2011, property prices only began to retrace after the 60 percent TDSR and 30 percent mortgage servicing ratio cooling measures were introduced. As at 1H16, land sales under the Government Land Sales (GLS) Programme is close to a 12-year low since 2004. The low volume in land sales reflects the weakness in sentiments as developers stay cautious on land acquisitions, as well as the slow absorption rate of unsold units.

Figure 22: Relationship between land sales and URA property price index

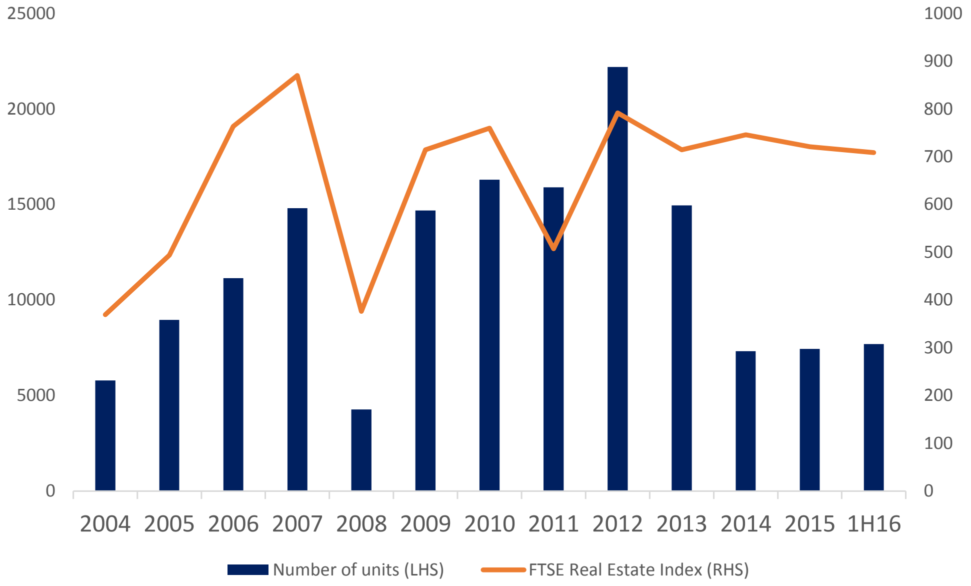


Source: REALIS, Phillip Securities Research (Singapore)

Share price performance of developers is primarily driven by sales volume but no major catalyst to unwind existing property cooling measures

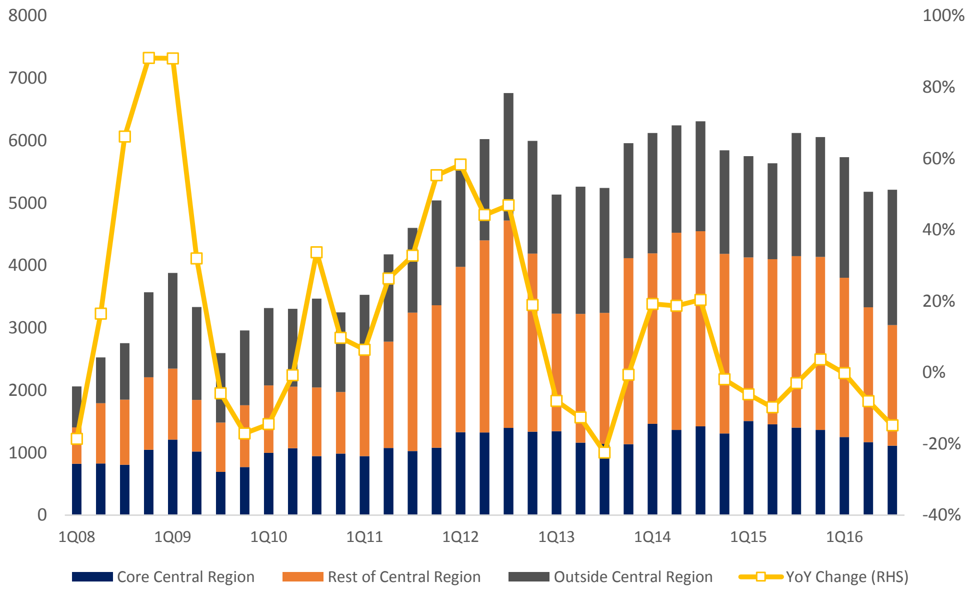
Historically, there is a strong correlation between the number of new units sold and the share price performance of developers. We note that the sales volume of new units from developers is close to a 10-year low, and expect the existing property cooling measures, in particular the ABSD and 60% TDSR, to continue putting pressure on demand for new units. The number of new unit sales has sustained year-on-year declines for the past three consecutive quarters between 3Q15 and 2Q16. The only major catalyst which we believe could provide a significant boost in sales volume is the unwinding of the existing property cooling measures. Overall prices measured by the price index has merely retraced by 10 percent from a high of 154 points in 2013. Any further price gains would reduce the affordability as prices of private properties have grown by c.70 percent in the 10-year period between 2006 and 2015 while median wage growth was up 60 percent in the same period. As such, we believe that it is still premature for the Singapore Government to unwind the existing property cooling measures.

Figure 23: Relationship between number of units sold and FTSE Real Estate Index



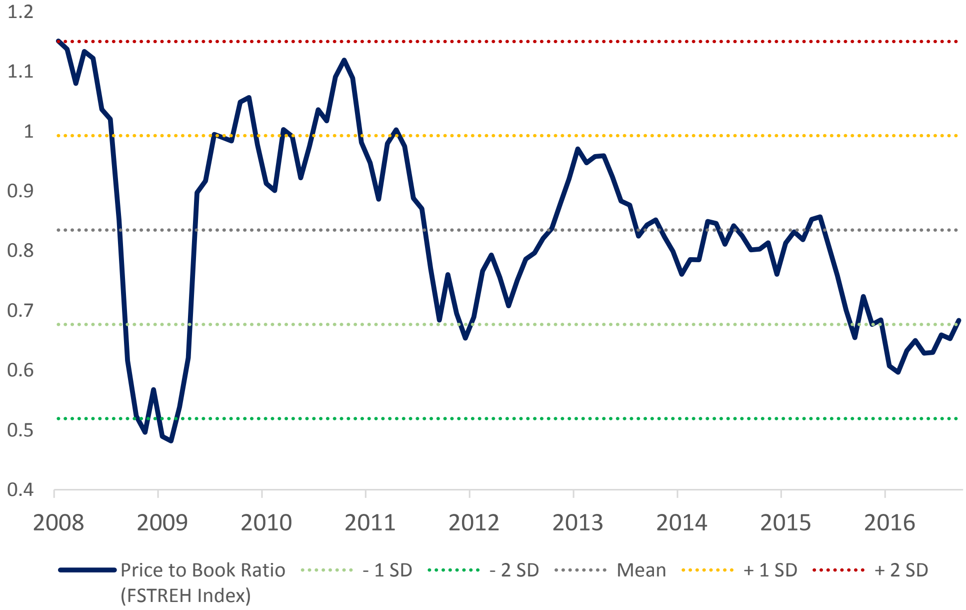
Source: REALIS, Phillip Securities Research (Singapore)

Figure 24: Launched but unsold units across market segments



Source: REALIS, Phillip Securities Research (Singapore)

Figure 25: FTSE Real Estate Holdings and Development Index



Source: Bloomberg, Phillip Securities Research (Singapore)

Figure 26: Peer Comparison Table

Name	Mkt Cap (S$'mn)	Last Px (S$)	ROE (%)	ROA (%)	Dividend Yield (%)	Price-to-book Ratio (X)	Gearing (%)
CAPITALAND LTD	13,432.5	3.17	4.2	1.5	2.8	0.78	33.9
CITY DEVELOPMENTS LTD	8,165.5	8.98	6.2	2.8	1.8	0.83	31.9
FRASERS CENTREPOINT LTD	4,321.0	1.49	7.6	3.5	5.8	0.70	41.2
UOL GROUP LTD	4,529.6	5.62	4.4	3.0	2.7	0.56	23.5
WHEELOCK PROPERTIES (S) LTD	1,770.9	1.48	1.9	1.1	4.1	0.58	12.9
WING TAI HOLDINGS LTD	1,306.4	1.69	0.2	0.1	1.8	0.40	27.7
GUOCOLAND LTD	2,366.6	2.00	4.0	1.4	2.5	0.63	48.4
TEE INTERNATIONAL LTD	110.6	0.22	8.6	1.5	3.2	1.11	46.4
OUE LTD	1,578.2	1.75	3.7	1.7	4.0	0.36	38.9
HOTEL PROPERTIES LTD	1,825.5	3.51	4.9	2.5	2.3	1.04	34.7
HIAP HOE LTD	326.3	0.69	1.0	-0.5	1.4	0.51	35.0
HEETON HOLDINGS LTD	139.8	0.43	3.8	0.7	1.4	0.45	45.8
Average:			**4.2**	**1.6**	**2.8**	**0.7**	**35.0**

Source: Bloomberg, Phillip Securities Research (Singapore)

Appendix

Homebuyer Levy

A levy imposed on homebuyers (on top of the normal Buyer's Stamp Duty) which was first introduced on 7 December 2011 as part of the series of cooling measures for the residential property market. The amount was subsequently revised upwards in 12 January 2013.

Structure of ABSD for a property purchase

Resident Type	1st property	2nd property	Third property and onwards
Singapore Citizen	-	7%	10%
Permenant Resident	5%	10%	10%
Foreigner	15%	15%	15%

Source: IRAS, Phillip Securities Research (Singapore)

Qualifying Certificate (QC) Charges

Under the Singapore's Residential Property Act, property developers with non-Singaporean shareholders or directors are required to obtain the Temporary Occupation Permit (TOP) for a property development within five years, and complete the sale of all units within two years from TOP. A developer is able to extend the deadline by paying a QC extension charge as a percentage of the land purchase price (1st year: 8%, 2nd year: 16%, 3rd and subsequent year: 24%). The amount payable is pro-rated based on the proportion of unsold units.

Additional Buyer's Stamp Duty (ABSD)

A property developer is required to commence development within two years, as well as complete the sale and construction of a property development within five years from the date of a land acquisition. By agreeing to the conditions, a developer can apply for an ABSD remission from the Income Revenue Authority of Singapore. The ABSD remission amount is 15 percent on a land acquisition cost. However, the ABSD remission (plus a five percent per annum interest) will be clawed back as soon as a developer is unable to meet the conditions. This amount is not pro-rated like the QC extension charge i.e. A property developer will still have to pay the full ABSD amount even if it has only one remaining unit left unsold in a development project.

Figure 27: Calendar of property cooling measures in Singapore

Date	Name of Cooling Measure	Details
20-Feb-10	Seller's Stamp Duty (ASSD) 1	Sell a property within 1st year: pay amount same as buyer stamp duty (BSD)
	Loan-to-value (LTV) adjustment 1	Reduced from 90% to 80%
30-Aug-10	SSD 2	1st year: pay amount equals to BSD, 2nd year: 2/3 BSD, 3rd year: 1/3 BSD
	LTV adjustment 2	1st loan: 80%, 2nd loan: 70%
14-Jan-11	SSD 3	1st year: 16% of purchase price, 2nd year: 12%, 3rd year: 8%, 4th year: 4%
	LTV adjustment 3	1st loan: 80%, 2nd loan: 60%
8-Dec-11	Introduction of Additional Buyer's Stamp Duty (ABSD)	1st property - SC: 0%, PR: 0%, F: 10% 2nd property - SC: 0%, PR: 3%, F: 10% 3rd property - SC: 3%, PR: 3%, F: 10%
6-Oct-12	LTV adjustment 4	1st loan: 80% and 60% if loan tenure > 30 years or borrower's age exceeds 65 when loan ends, 2nd loan: 60% and 40% with same tenure and borrower's age conditions
12-Jan-13	ABSD adjustment 1	1st property SC: 0%, PR: 5%, F: 15% 2nd property SC: 7%, PR: 10%, F: 15% 3rd property SC: 10%, PR: 5%, F: 15%
	LTV adjustment 5	1st loan: 80% and 60% with same tenure and borrower's age conditions 2nd loan: 50% and 40% with same tenure and borrower's age conditions 3rd loan: 40% and 20% with same tenure and borrower's age conditions
	Mortgage Servicing Ratio (MSR) adjustment 1	Up to 35% (reduced from 40%) of gross monthly income (GMI) is allowed for repayment of loans on HDB Flats
29-Jun-13	Introduction of total debt servicing ratio (TDSR) to private properties	Up to 60% of GMI is allowed for repayment of loans on a private property
28-Aug-13	MSR adjustment 2	MSR reduced to 30% from 35%
9-Dec-13	MSR extended to EC	MSR now applies to loans of EC purchases
	Resale levy on EC	Second-timer purchase of EC directly from developers are required to pay resale levy

Source: Monetary Authority of Singapore, Housing Development Board, Phillip Securities Research (Singapore)

Figure 28: Key projects with >10% of total units unsold, impacted by upcoming QC charges

Project	Developer	Region	Land Cost	QC Deadline	Total Units	Sold Units	Unsold Units	% unsold	QC Fee (S$m)
iLiv @ Grange	Heeton Holdings	CCR	73	**Oct-15**	30	0	30	100%	5.8
Tomlinson Heights	Hotel Properties	CCR	52	**Mar-16**	70	44	26	37%	1.5
TwentyOne Angullia Park	China Sonangol	CCR	228	**Apr-16**	54	11	43	80%	14.5
Le Nouvel Ardmore	Wing Tai	CCR	201	**Apr-16**	43	3	40	93%	15.0
Starlight Suites	King Wan & TA Corporation	CCR	120	**May-16**	105	76	29	28%	2.7
Waterscape At Cavenagh	Hiap Hoe	CCR	119	**Sep-16**	200	151	49	25%	2.3
The Peak @ Cairnhill I	Tee International and TG Development	CCR	17	**Sep-16**	52	32	20	38%	0.5
The Interlace	CapitaLand & Hotel Properties	RCR	548	**Sep-16**	1,040	919	121	12%	5.1
d'Leedon	CapitaLand & Hotel Properties	CCR	1339	**Oct-16**	1,715	1540	175	10%	10.9
Nouvel 18	CDL	CCR	478	**Nov-16**	156	0	156	100%	38.2
Ardmore Three	Wheelock Properties	CCR	180	**Dec-16**	84	49	35	42%	6.0
OUE Twin Peaks	OUE Ltd	CCR	625	**Feb-17**	462	254	208	45%	22.5
Leedon Residence	Guocoland	CCR	835	**Jun-17**	381	253	128	34%	22.4

Source: URA, Phillip Securities Research (Singapore)

Figure 29: Key projects with >10% of total units unsold, impacted by upcoming ABSD charges

Project	Developer	Region	Land Awarded	Land cost (S$m)	**ABSD Deadline**	Total units	Sold	Unsold	% unsold	Estimated ABSD (S$m)
Michaels' Residences	SCB Terraform	OCR	Dec-11	71	**Dec-16**	40	12	28	70%	8.84
Robin Residences	Sing Holdings	CCR	Dec-11	52	**Dec-16**	134	92	42	31%	6.47
The Trilinq	IOI	OCR	Jan-12	408	**Jan-17**	755	322	433	57%	50.80
# 1 Suites	The One Development	RCR	Jan-12	26	**Jan-17**	112	88	24	21%	3.24
Ascent @ 456	Quest Homes	RCR	Jan-12	24	**Jan-17**	28	16	12	43%	2.99
Mon Jervois	SingLand	CCR	Feb-12	119	**Feb-17**	109	52	57	52%	14.82
Robin Suites	Goldhill Cap & Robin 25	CCR	Feb-12	54	**Feb-17**	92	69	23	25%	6.72
Kingsford.Hillview Peak	Kingsford Development	OCR	Mar-12	243	**Mar-17**	512	425	87	17%	30.25
Floraview	Oxley, Unique and Goldprime	OCR	Mar-12	96	**Mar-17**	90	54	36	40%	11.95
The Quinn	Top Global	OCR	Mar-12	85	**Mar-17**	139	102	37	27%	10.58
The Bently Residences@Kovan	Goodland Group	OCR	Apr-12	27	**Apr-17**	48	38	10	21%	3.36
Vue 8 Residence	Capital Development	OCR	Jun-12	211	**Jun-17**	463	341	122	26%	26.27
Pollen & Bleu	SingLand	CCR	Jun-12	113	**Jun-17**	106	13	93	88%	14.07
Neem Tree	Aylesbury	RCR	Jun-12	46	**Jun-17**	84	19	65	77%	5.73
Liv on Wilkie	Roxy-Pacific and Harry Lin	CCR	Aug-12	33	**Aug-17**	81	69	12	15%	4.11
The Crest	Wing Tai, Metro & UE	RCR	Sep-12	516	**Sep-17**	469	124	345	74%	64.24
The Venue Residences	CDL & Hong Leong	RCR	Sep-12	245	**Sep-17**	266	130	136	51%	30.50
The Creek @ Bukit	Chiu Teng Group	RCR	Sep-12	192	**Sep-17**	260	138	122	47%	23.90
The Siena	Far East	CCR	Sep-12	46	**Sep-17**	54	42	12	22%	5.73
One Surin	ACT Holdings	OCR	Sep-12	38	**Sep-17**	27	7	20	74%	4.73
Rezi 3Two	TEE, KSH and Heeton	RCR	Sep-12	23	**Sep-17**	65	49	16	25%	2.86
The Glades	Keppel Land & China Vanke	OCR	Oct-12	435	**Oct-17**	726	493	233	32%	54.16
The Rise @ Oxley - Residences	Oxley Holdings	CCR	Nov-12	130	**Nov-17**	120	77	43	36%	16.19
Alex Residences	SingLand	RCR	Dec-12	333	**Dec-17**	429	262	167	39%	41.46

Source: URA, Phillip Securities Research (Singapore)

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