A low-angle photograph of a modern, multi-story apartment building with glass balconies and dark window frames, set against a blue sky with light clouds. The building is the central focus of the page, with a large red diagonal graphic element on the left side.

COMMENTARY

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Tenders of 2 GLS sites launched today

Introduction

The Singapore government launched two residential land parcels for sale on 15 April 2021 as part of the Government Land Sales (GLS) programme for the first half of 2021. The two sites include the private housing site at Lentor Central and the Executive Condominium (EC) site at Tampines Street 62.

The tender periods for the five GLS sites launched during Covid-19 period last year were much longer than usual, especially for the Jalan Anak Bukit GLS site whose tender period was extended to one year. However, the tender period for the two GLS sites launched today has returned to the normal duration as the tenders will be closed three months later on 22 July 2022. This could indicate that the government may deem that the property market has regained its health and developers may not need certain special assistance given during the pandemic last year.

Lentor Central private residential GLS site

The GLS site at Lentor Central is expected to garner much interest from developers and potential homebuyers due to its close proximity to a public transport node. The development on this subject site will be right next to the upcoming Lentor MRT station, which is part of the Thomson-East Coast Line. The station is expected to be operational in 2021.

Details of the private housing site at Lentor Central is as below.

Table 1: Details of GLS land parcel at Lentor Central

Location	Lentor Central
Site area	186,000 sq ft
Land use zoning	Residential with Commercial at 1 st storey
Maximum Gross Floor Area	651,000 sq ft including 86,110 sq ft of commercial space
Estimated no. of housing units	605
Lease period	99 years

Source: URA

The Lentor Central site measures about 186,000 sq ft and has plot ratio of 3.5 times. It is zoned for residential development with about 86,110 sq ft of commercial space on the first storey. About 600 to 610 housing units could be developed on this site.

The developer of this site must include an Early Childhood Development Centre and a supermarket within the commercial space. The rest of the commercial space is likely to be used for restaurants, food and beverage outlets and retail outlets that will cater to the daily needs of the residents.

Located in a predominantly residential area with the Tagore industrial estate about 500 meter to the west, the commercial space on the first storey will be welcomed by the future residents in the subject development and the surrounding neighbourhood, as well as those working nearby.

Furthermore, the GLS site is near to the Lentor landed housing estate, where the landed property owners would be a source of demand for the future development on this site.

Table 2: Comparable residential projects

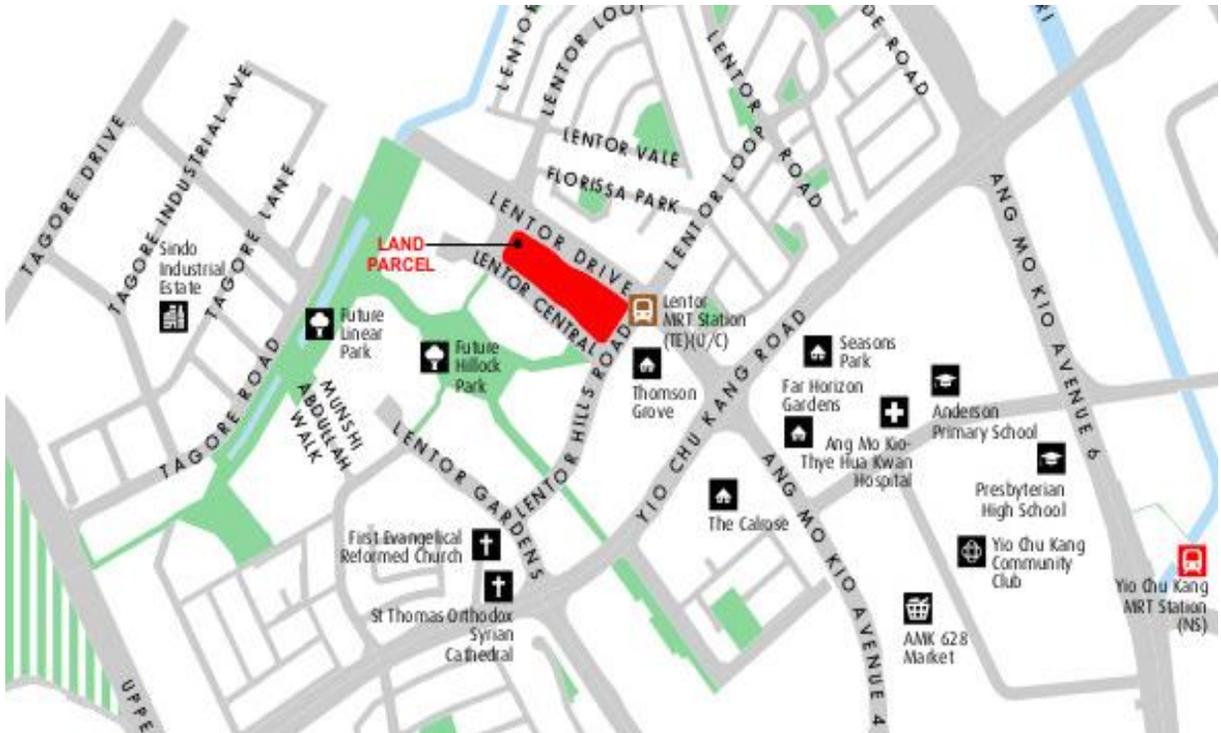
Project Name	Road Name	Tenure	Year of completion	Total No. Of Units	Median price \$psf
Thomson Grove	Yio Chu Kang Road	Freehold	1984	116	\$1,212
Far Horizon Gardens	Ang Mo Kio Avenue 9	99 Years	1986	270	\$843
Bullion Park	Lentor Loop	Freehold	1992	473	\$1,164
Castle Green	Yio Chu Kang Road	99 Years	1997	664	\$897
Seasons Park	Yio Chu Kang Road	99 Years	1997	390	\$873
Nuovo (Exec Condo)	Ang Mo Kio Avenue 9	99 Years	2004	297	\$888
The Calrose	Yio Chu Kang Road	Freehold	2007	421	\$1,304

Note: The median unit price is based on transaction from October 2020 to March 2021.

Source: URA, ERA Research & Consultancy

The previous private non-landed residential GLS site sold near the Lentor GLS site was the site for Nouvo Executive Condominium, which was sold in February 2001. The lack of new housing supply in this location would make the future development on this site highly anticipated by homebuyers.

Figure 1: Location map of Lentor Central GLS site



Source: URA

Tampines Street 62 GLS site for Exec Condo

The EC site at Tampines Street 62 is located between the upcoming Tampines Green Dew BTO project and the Tampines Expressway. The site measures 256,172 sq ft and with a plot ratio of 2.5 times, it could yield around 590 dwelling units.

Details of the Executive Condominium housing site at Tampines Street 62 is as below.

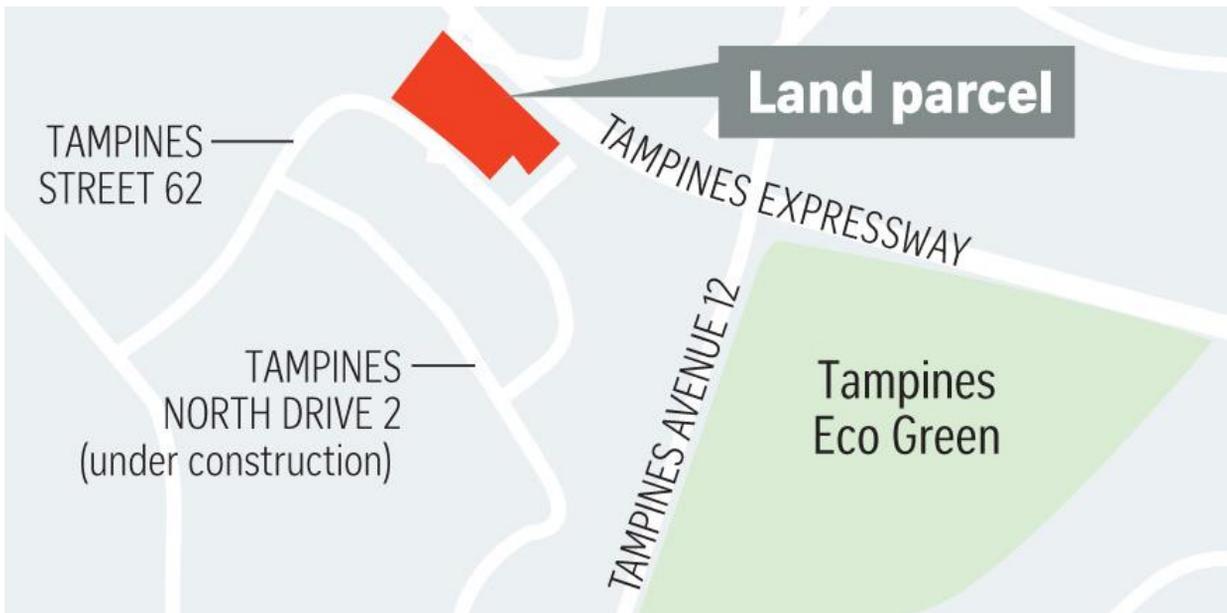
Table 3: Details of GLS land parcel at Tampines Street 62

Location	Tampines Street 62
Site area	256,172 sq ft
Land use zoning	Executive Condominium
Maximum Gross Floor Area	640,430 sq ft
Estimated no. of housing units	590
Lease period	99 years

Source: URA

The subject site is approximately 950 metre from the Pasir Ris MRT station. The future development on this site will also be located near greenery such as Tampines Eco Green Park and Sun Plaza Park.

Figure 2: Location map of Tampines Street 62 site



Source: HDB, The Straits Times

The latest EC project in the Tampines area was launched in January this year, namely Parc Central Residences with 700 housing units. Within the first three months of the launch, 517 units or 74% of the total number of units in the development were sold, illustrating the healthy demand for affordable EC units in the mature town of Tampines.

The tender for this EC site could attract 6 to 9 bids from developers.

Table 4: Comparable new EC projects with unsold units

Project Name	Road Name	Total No. Of Units	Median Unit Price \$psf
Parc Central Residences	Tampines Street 86	700	\$1,175
Parc Canberra	Canberra Walk	496	\$1,092
Piermond Grand	Sumang Walk	820	\$1,135
Ola	Anchorvale Crescent	548	\$1,149

Note: The above EC projects are uncompleted. The median unit price is based on transaction from October 2020 to March 2021.

Source: URA, ERA Research & Consultancy

Conclusion

The residential property sales by developers are expected to remain healthy for the rest of this year, provided there are no adverse market intervention by the government. As the sales momentum continue, some developers would be running out of new residential properties for sale. Therefore, if the government does not increase the supply of residential land in the next GLS programme, land price will increase which will fuel further price growth in the property market.

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