

Hundred Palms EC sells out in a day; over 80 units sold at Martin Modern

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THE sell-out of executive condominium (EC) project Hundred Palms Residences in a single day and a credible showing at high-end project Martin Modern have become the latest indications of an earlier than expected property uptrend.

All 531 units at the Hundred Palms Residences by Hoi Hup Realty were sold out within seven hours on the first day of launch on Saturday, at an average S\$836 per square foot (psf), said one of its marketing agencies ERA Realty.

This came on the back of over 2,700 e-applications received for the EC units. Some 70 per cent of the buyers were first timers.

The last time such robust demand was witnessed for an EC project was Lake Life, where 95 per cent of the 546 units were sold on the day of its launch in November 2014.

The take-up at Hundred Palms Residences is "a clear indicator that buying interest has officially flowed from the mid-end and mass-market private segments to the EC segment", said JP-Morgan property analyst Brandon Lee.

This may lead to intense bidding for the next EC land tender in December and buyers relooking at older projects, he added.

ERA Realty key executive officer Eugene Lim noted that with most buyers anticipating that developers are likely to be launching future projects at higher prices given recent land bids, "current prices are looking more attractive than what is anticipated to come".

The location of Hundred Palms Residences contributed greatly to its popularity, given the absence of new EC projects in the vicinity for a while, market watchers say. The project is located at Yio Chu Kang Road, near the mature Hougang and Serangoon neighbourhoods.

ZACD Group head of research and consultancy Nicholas Mak flagged that with the looming shortage of new ECs for sale, the government would need to increase supply.

And now that rising land costs are expected to lift launch prices of new condominium projects, the price gap between HDB resales and mass-market condominiums may widen – thus

impeding HDB flat owners' ability to upgrade to private properties. Mr Mak said that this will further stoke demand for ECs, the public-private hybrid.

But some market watchers also note that developers are starting to think of raising prices for their unsold EC units, as the EC segment moves from an oversupply situation as recent as two years ago to potential undersupply. Only some 1,620 EC units in launched projects remain unsold as at June, based on official data.

Li Jun, executive director of Qingjian Realty, which has close to 380 unsold units in five launched EC projects said that he is not reviewing prices for those unsold units yet.

Over at 450-unit Martin Modern in the upscale River Valley/Robertson Quay locale, more than 80 units were sold since Friday in the range of S\$2,000 psf to above S\$2,500 psf (inclusive of early bird discounts of 5 per cent), a GuocoLand spokeswoman said in response to BT queries.

More than 80 per cent of the buyers were Singaporeans. Of them, 70



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per cent snapped up three-bedroom or bigger units, priced from S\$2.1 million upwards.

Some market watchers perceive the take-up of around 18 per cent for Martin Modern as credible, considering that the 99-year leasehold project is in a location of predominantly freehold properties where resales are transacted at around S\$1,800-2,000 psf. "Its launch is expected to cause an upward re-rating of freehold properties in the vicinity," said Savills Singapore research head Alan Cheong.

Older projects in the vicinity,

namely Starlight Suites, Martin No 38 and UP@Robertson Quay, sought to leverage this latest buzz by relaunching over the weekend. Evia Real Estate sold one unit at Starlight Suites and transacted two units on a deferred payment scheme above S\$2,000 psf, out of the 23 units that were bulk-purchased from TA Corp.

GuocoLand is said to be pacing out its sales at Martin Modern for a potential price uplift in the future, since it has no other residential land bank here except unsold inventory in Sims Urban Oasis, Wallich Residence and Leedon Residence.