

# SINGHAIYI GROUP

Corporate Presentation  
July 2015



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# Agenda

1. Overview
2. Corporate Updates
3. Our Portfolio
4. Financial Performance
5. Business Outlook
6. Summary





# OVERVIEW

# A Growing and Diversified Real Estate Company

## Vision

- To be a premier, well-rounded property company with proven expertise in property development, investment and management in our operational geographies.

## Mission

- To achieve sustainable growth and create shareholder value through yield-accretive acquisitions, quality property developments, innovative asset enhancement strategies and proactive property management.

### Well-Rounded Real Estate Player

- Property Development
- Real Estate Investment
- Property Management
- Real Estate Fund Management **NEW**

### Diversified Property Sectors

- Residential
- Commercial
- Retail

### Unique Geographical Exposure

- USA
- Singapore
- Malaysia **NEW**
- Potentially other regions in future

# Strong Board of Directors

## Neil Bush Non-Executive Chairman

- Director of APIC
- Son and brother of two US presidents
- Strong business network in US and three decades of experience in international business development
- Worked with numerous entities on a variety of projects including real estate development

## Gordon Tang Non-Executive Director

- Chairman of APIC since 2003
- Successful entrepreneur and investor with strong networks in Asia (mainly China and Singapore) and the US
- Track record in real estate development and investment, as well as hotel management under the Haiyi brand

**Serena Chen**  
Executive Director  
Group Managing Director

**Jason Mao**  
Executive Director  
Managing Director, US  
Operations

**Yang Dehe**  
Independent Director

**Gn Hiang Meng**  
Lead Independent  
Director

**David Hwang**  
Independent Director

**Jason Lim**  
Independent Director



# Experienced Management Team

**Serena Chen**

**Group Managing Director**

- Appointed Group MD in Dec 2013
- MD and decision maker of Haiyi Holdings since 2003
- Director of APIC since 2001
- Chart expansion plans and strategic development

**Nicole Ng**

**Group Chief Operating Officer**

- Close to 20 years of experience in the fields of auditing, accounting, corporate finance, mergers and acquisitions and investment
- Promoted from CFO to Group COO in July 2014
- Oversees the overall operations, corporate and strategic development, and corporate finance

**Jackson Tay**

**Chief Financial Officer**

- More than 10 years of experience in the fields of accounts and finance functions
- Oversees financial and management reporting functions and corporate secretarial matters

## Singapore

**Catherine Chang**

**General Manager (Project Management)**

- Close to 20 years experience in the development of properties from conceptualisation to handover, including project feasibility studies
- Over 10 years of working experience in the construction industry as an engineer

**Tan Tong Chee**

**Senior Manager (Project Management)**

- Over 20 years of building and project management experience in Singapore
- Trained as a quantity surveyor and has in-depth experience in the costing and contracts management

**Gary Lim**

**Sales & Marketing Director**

- Close to 7 years of experience in property sales and marketing

## USA

**Jason Mao**

**Managing Director, US Operations**

- Vice-President of APIC
- Over 20 years of financial industry experience

**Michael Liu**

**Vice President (Project Development)**

- Close to 20 years of construction and project development experience

**Michelle Quick**

**Acting General Manager, Tri-County Mall**

- More than 12 years of experience in shopping centre management

# Strong Connections in the US

## *American Pacific International Capital (APIC)*

- Favourable right-of-first-refusal agreement with related company, American Pacific International Capital (“APIC”), a property investment company based in and focused on the US
- APIC is an entity controlled by Mr Gordon Tang and his wife, Mrs Serena Chen, both Directors and controlling shareholders of the Group

### Property Investment & Management

- Own and manage five hotels in San Francisco, namely, Good Hotel, Best Western PLUS Americana, Carriage Inn, Hotel Metropolis, Hotel Vertigo
- Own and manage KOIN\* office tower in Portland, Oregon

### Property Development

- Development of The Globe in Fremont, California
- Development of 2 residential sites in San Francisco, California



*KOIN\* Tower*



*Hotel Vertigo*



*Best Western Americana Hotel*



*The Globe*



*Good Hotel*

\* KOIN Tower was sold in January 2015



# Leverage Strategic Relationships and Partnerships



Strong connections with related company, American Pacific International Capital (“APIC”)

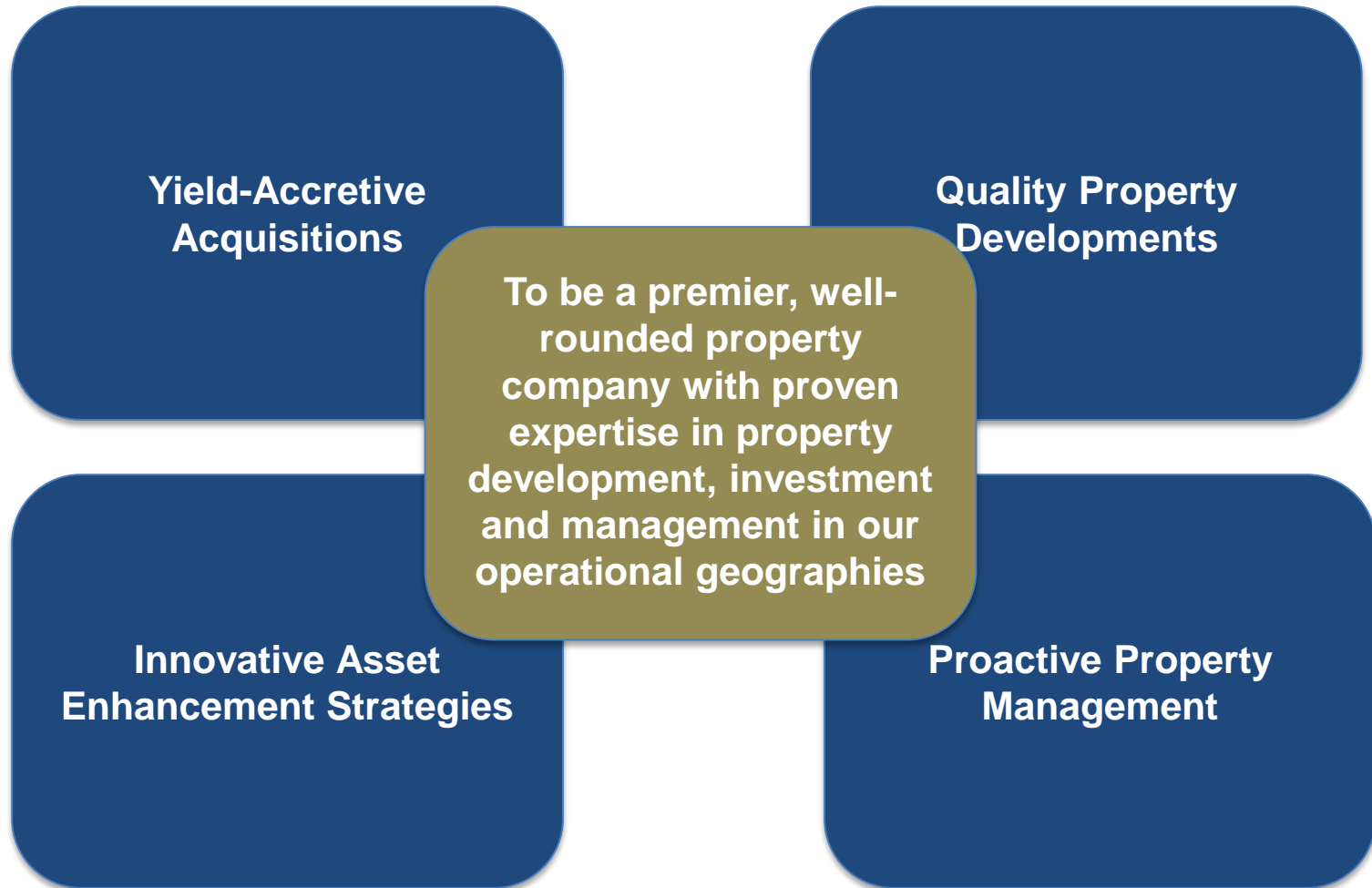


Strategic partnership with Perennial in 111 Somerset



Strategic partnership with ARA in Park Mall and Harmony Fund

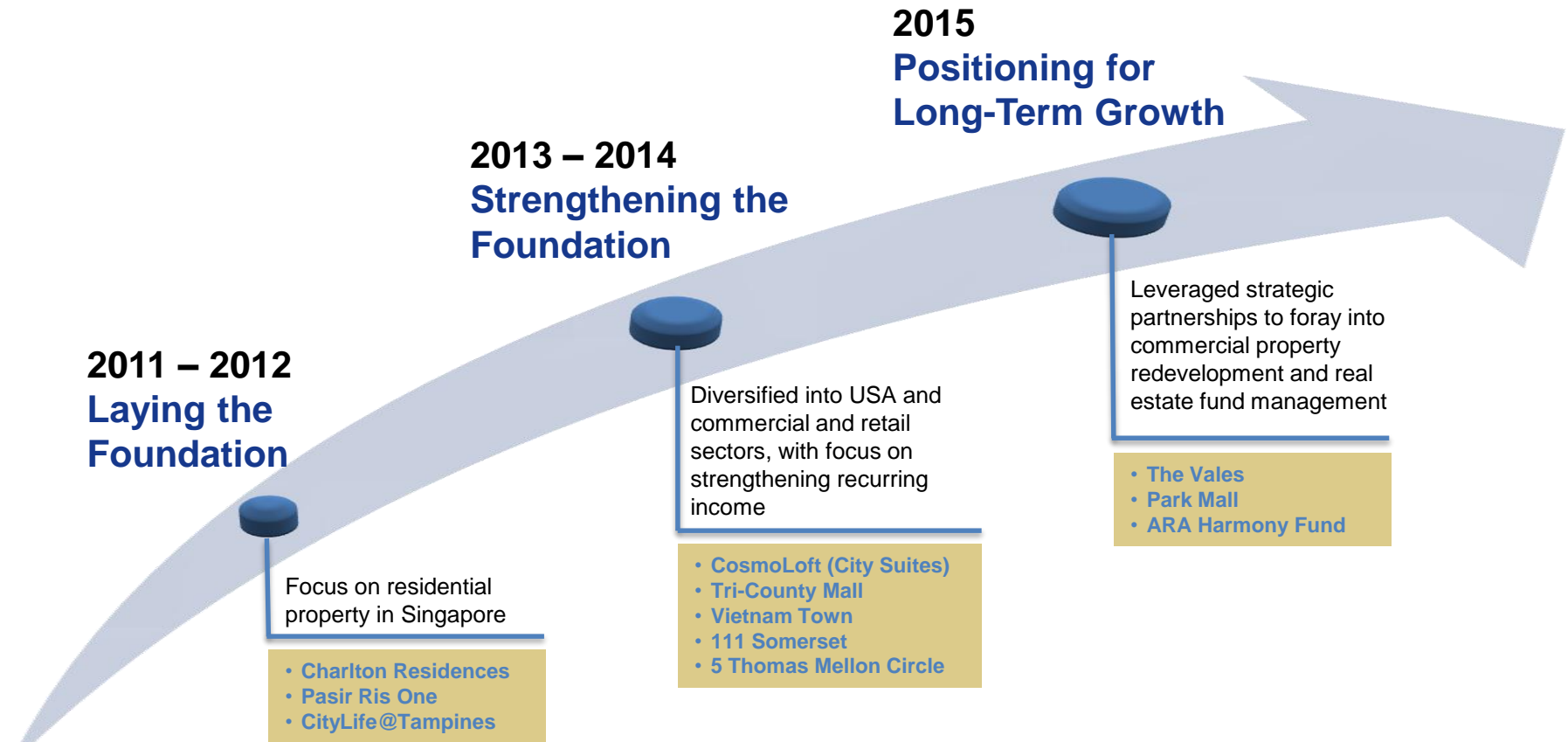
# Clear Growth Strategies





# CORPORATE UPDATES

# Scaling up the Real Estate Value Chain



# Foray into Commercial Property Development

## *Park Mall Project*

- Plans to invest up to S\$134.4 million for a 35% stake in a joint venture entity to acquire and redevelop Park Mall\*, a commercial property located in a prime district in Singapore
- Enters into strategic partnership with SingHaiyi's controlling shareholder and Suntec REIT, who will take a 35% and 30% interest in the JV, respectively
- SingHaiyi to lead in the redevelopment of Park Mall project
- Park Mall will continue to operate prior to the demolition
- Under the JV agreement, SingHaiyi and its controlling shareholder collectively have a right to acquire one office block and a right-of-first-refusal to acquire the retail podium of the new building upon completion



**Diversifies into commercial property development**



**Widens earnings stream and raises earnings resilience**



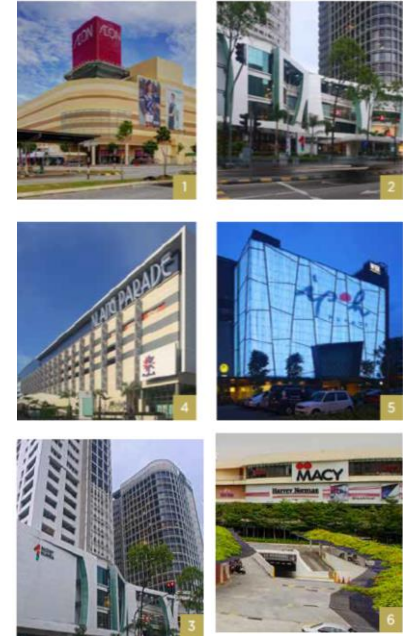
**Potential realisation of value through sale of strata units and/or leasing of units for recurring income**

*\* The completion of the acquisition of Park Mall is subject to the satisfaction of the conditions precedent in the property sales agreement*

# Expansion into Real Estate Fund Management

## *Investment in Malaysian mall fund and the fund's General Partner*

- Takes a 35% stake in ARA Fund Management (Harmony III) Limited, the general partner of the Fund, ARA Harmony Fund III
- Invests S\$45.0 million for a 25% interest in ARA Harmony Fund III, a portfolio of high-quality income-producing commercial properties in Malaysia
- Other limited partners in the Fund include ARA Real Estate Investors XI Limited, SRE Ventures 5 Pte. Ltd, as well as GT SPV, an entity wholly-owned by Mr Gordon Tang and Mdm Chen Huaidan, that has subscribed for a 25% interest in the Fund
- The assets held under the Fund comprise AEON Malacca located in Malacca, 1 Mont Kiara Mall and Wisma Mont Kiara in Kuala Lumpur, Klang Parade in Klang, Ipoh Parade in Ipoh and Citta Mall in Petaling Jaya, Selangor
- Partners experience industry players in a strategic investment to further diversify and strengthen earnings
- Enters Malaysia market when the Malaysian ringgit is low and valuation is attractive



**Expands geographical footprint in Asia**



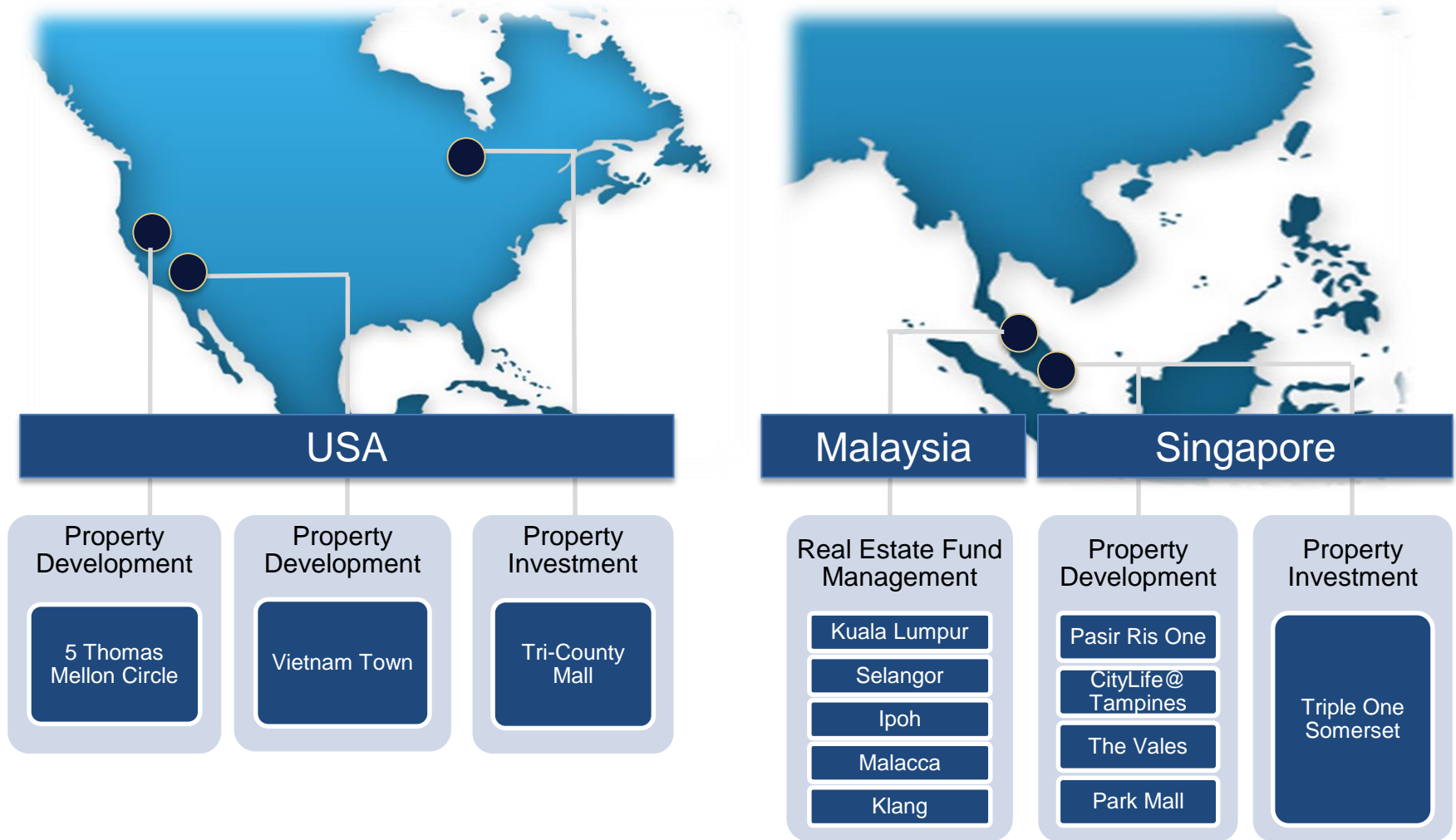
**Expands capabilities into real estate fund management**



**Strengthens income stream with recurring dividend income and fund management fees**

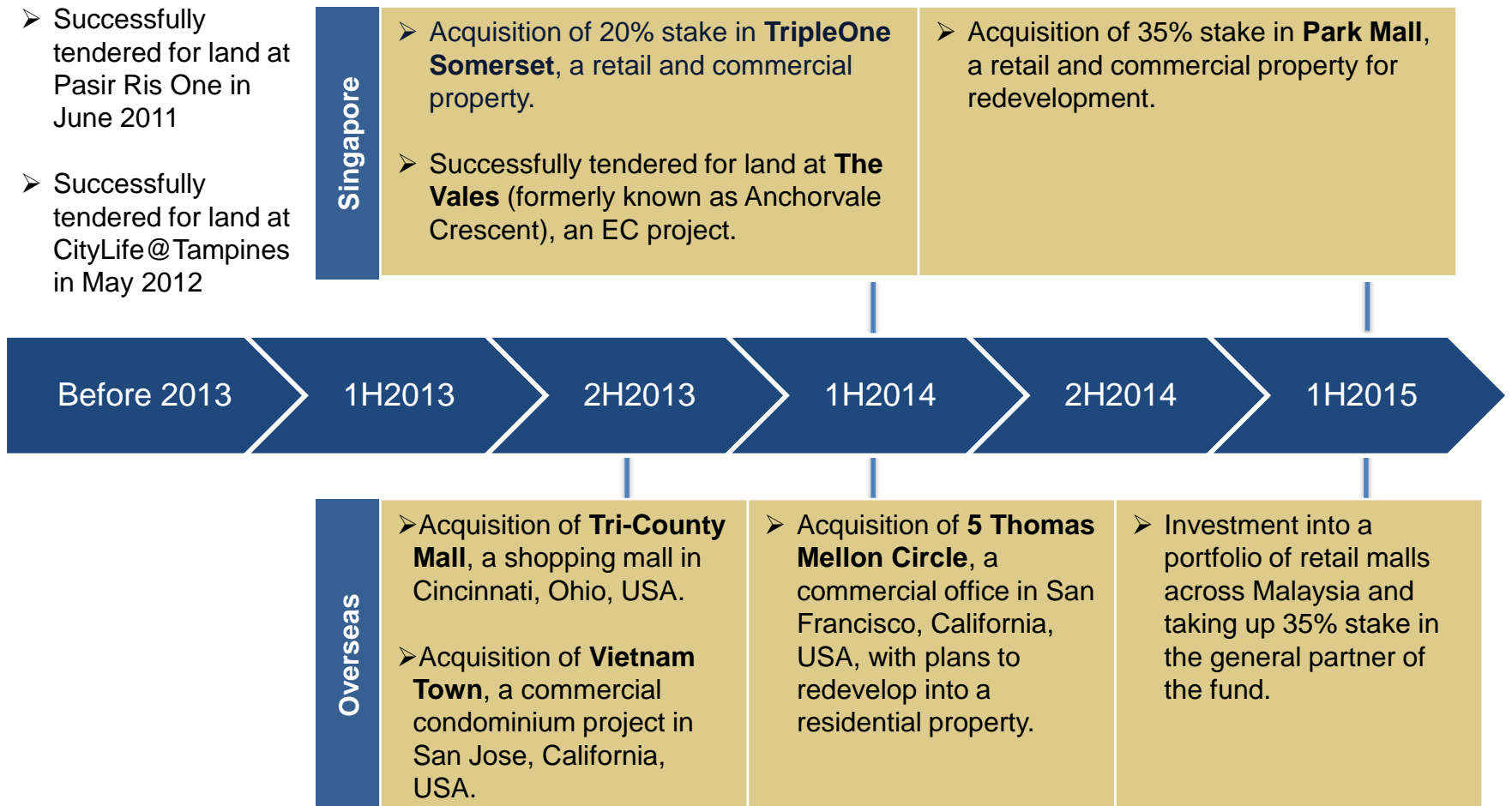


# Geographically Diversified Investments



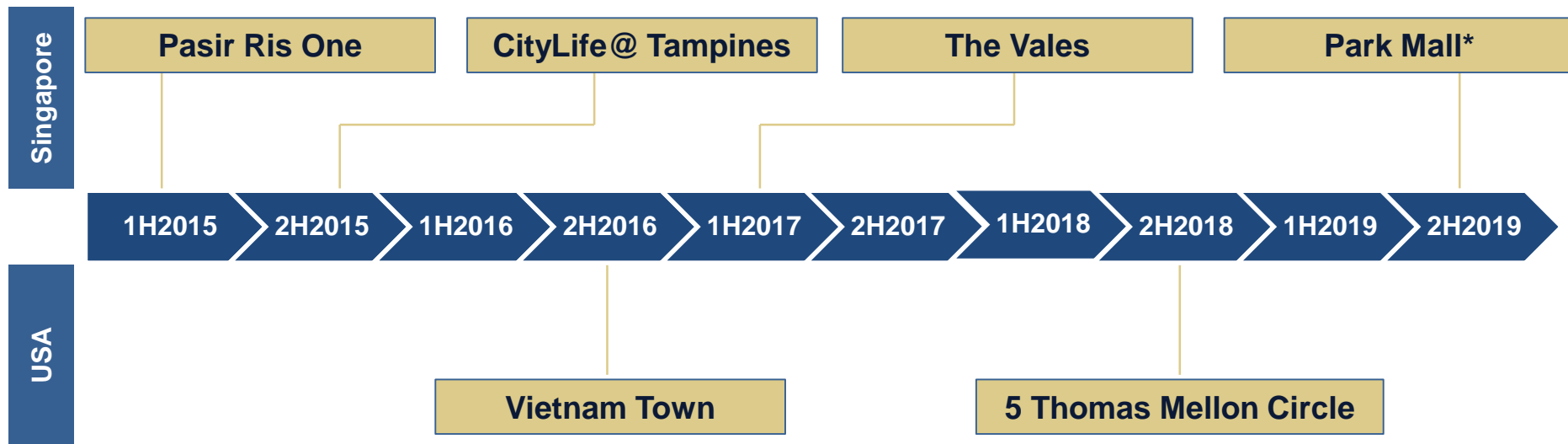
# Exposure to Multiple Sectors

## Milestones of Investments and Acquisitions



# Project Completion

## Estimated Completion Dates of Singapore and USA Projects



\* The completion of the acquisition of Park Mall is subject to the satisfaction of the conditions precedent in the property sales agreement



# SINGAPORE PORTFOLIO

# Snapshot of Singapore Properties

## Residential - Public



PROJECT	Pasir Ris One	CityLife @ Tampines	The Vales
<b>Type</b>	Development – Design, Build & Sell Scheme	Development – Executive Condominium	Development – Executive Condominium
<b>Location</b>	Pasir Ris, Singapore	Tampines, Singapore	Sengkang, Singapore
<b>SingHaiyi's Stake</b>	80%	24.5%	80%
<b>Tenure</b>	Leasehold - 99 years	Leasehold - 99 years	Leasehold - 99 years
<b>Units</b>	447	514	517
<b>Sales Progress</b>	94%	100%	NA
<b>Launch Date</b>	April 2012	Dec 2012	July 2015
<b>Expected Completion Year *</b>	Completed	2H2015	1H2017
<b>Gross Development Value</b>	~S\$270M	~S\$528M	~S\$450M
<b>Permissible GFA (sf)</b>	~441,002	~625,398	~525,709

\* This is with reference to calendar year

# Snapshot of Singapore Properties

## Commercial / Retail

PROJECT	Park Mall*
Type	Redevelopment- Mixed commercial/retail
Location	Penang Road, Singapore
SingHaiyi's Stake	35%
Tenure	Leasehold – 53 years remaining
Expected Completion of Redevelopment	2H2019
Committed Occupancy as at 31 December 2014	100%



- Park Mall is a commercial and retail development located within a prime district in Singapore which comprises a 15-storey office cum retail space.
- Apart from its close proximity to the commercial and shopping district along the Orchard road spine, Park Mall is also easily accessible from the nearby Dhoby Ghaut MRT station.



\* The completion of the acquisition of Park Mall is subject to the satisfaction of the conditions precedent in the property sales agreement



# Snapshot of Singapore Properties

## Commercial / Retail

PROJECT	Triple One Somerset
Type	Investment - Mixed commercial/retail
Location	Orchard, Singapore
Acquisition Cost	S\$970M
SingHaiyi's Stake	20% (for S\$65 million)
Gross Floor Area (sf)	~766,550 (648,610 – Office / 117,940 - Retail)
Tenure	Leasehold – 59 years remaining
Occupancy	>90%

- The Group's first commercial property investment in Singapore, TripleOne Somerset is a 17-storey commercial building comprising two office towers, two floors of retail space and over 400 parking lots.
- SingHaiyi is the second largest shareholder in the consortium of investors which acquired this property.
- Property expected to undergo asset enhancement works which include enhancing the retail podium, creating an underground pedestrian link to Somerset MRT and strata-sale of the office space where feasible.
- Estimated cost of asset enhancement is S\$150.0 million, with works expected to commence in 2015/2016 and complete in 2017.

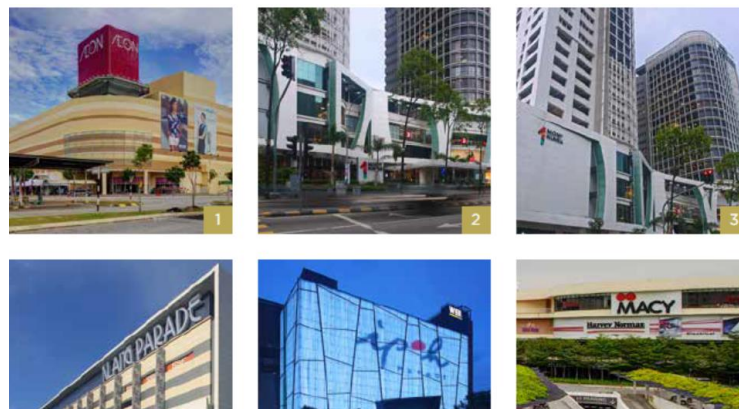




# MALAYSIA PORTFOLIO

# Snapshot of Malaysia Portfolio

PROJECT	ARA Harmony Fund III
Type	Investment-Fund
SingHaiyi's Stake	35%
Overall Occupancy Rate	90%
Aggregate Gross Floor Area (sf)	~4.5 million
Net Leaseable Area (sf)	~2.7 million



		Location	Gross Floor Area (sq ft)	Net Leaseable Area (sq ft)	Year of Completion / Major Renovation	Land Tenure	Car Park Space (lots)	Occupancy at 31 Jan 2015
1	Aeon Malacca	Malacca	955,865	623,429	2009 / N.A.	99 years exp. 2095	1,905	100.0%
2	1 Mont Kiara (Retail)	Kuala Lumpur	385,035	234,170	2009 / 2014	Freehold	1,445	89.4%
3	1 Mont Kiara (Office)	Kuala Lumpur	241,682	183,406	2009 / N.A.	Freehold	1,445	94.3%
4	Klang Parade	Klang	1,255,007	654,690	1995 / 2014	Freehold	1,374	89.7%
5	Ipoh Parade	Ipoh	975,016	615,526	1998 / 2014	999 years exp. 2885	1,150	91.8%
6	Citta Mall	Petaling Jaya, Selangor	651,453	433,476	2011 / N.A.	99 years exp. 2097	1,200	73.6%



# U.S. PORTFOLIO

# Snapshot of U.S. Properties



PROJECT	Vietnam Town	5 Thomas Mellon Circle
Type	Development – Commercial Condominium	Development – Residential Condominium
Location	San Jose, California	Candlestick, San Francisco, California
Acquisition Cost	US\$33.1M	US\$24.4M
SingHaiyi's Stake	100%	100%
Tenure	Freehold	Freehold
Units	192 (51 completed) *	>550
Sales Progress	25.5% **	NA
Estimated Completion	2H2016	2H2018
Gross Development Value	~US\$105.6M***	~US\$420M
Total Land Area (sf)	~853,502	~204,300
Net Leaseable Area / Permissible GFA (sf)	~234,217	~715,000

\* This excludes the 64 units that were previously sold

\*\* In relation to the 51 completed units, as of March 2015

\*\*\* The estimated GDV relates to the 51 completed units acquired and the uncompleted 141 units.

# Snapshot of U.S. Properties



PROJECT	Tri-County Mall
Type	Investment - Retail
Location	Cincinnati, Ohio
Acquisition Cost	US\$45M
SingHaiyi's Stake	100%
Tenure	Freehold
Total Land Area (sf)	~3,314,916
Net Leaseable Area / Permissible GFA (sf)	~1,216,502*

\* Macy's owns 227,072 sf

- Tri-County Mall is one of the most popular shopping destinations in Cincinnati, Ohio
- Majority of the area is leased by large retailers, such as Dillard's and Sears. Macy's is one of our anchor tenants
- Plan to embark on asset enhancement initiatives to rebrand as a lifestyle mall and change tenancy mix to include more lifestyle tenants like F&B, fashion and entertainment
- Construction has started on new outparcel buildings which will house Starbucks, Chipotle and Men's Wearhouse
- Currently in discussion with several new tenants including new national anchors, retail shops and upscale restaurant tenants
- Other initiatives such as streetscape developments with outward-facing retail shops to enhance pedestrian traffic and increase occupancy rate





# Snapshot of U.S. Properties

## Vietnam Town



- Vietnam Town is SingHaiyi's second real estate venture into the USA market, a partially completed commercial condominium development project located in San Jose, California
- Consists of nine blocks with a parking structure, and is strategically located in a mixed-use neighbourhood with convenient access to transportation networks, retail and commercial facilities
- Each condominium unit has an average size of 1,000 sq ft. 115 units out of 256 planned condominium units have been built, of which 64 units have been sold
- SingHaiyi's acquisition comprises 51 completed units and 141 uncompleted units, with 13 out of these units sold to-date.
- Selling price for this project has been on a rise consistently and has reached US\$600 per sq ft at its peak
- Plans to sell remaining 38 completed units over the next 24 months to capitalise on the growing price trend and maximise returns. Sales proceeds of the 51 completed units would fund the construction of the remaining 141 units



# FINANCIAL PERFORMANCE

# Financial Highlights

## Income Statement

<b>S\$ millions</b> <i>Financial period ended 31 March</i>	<b>FY2015</b>	<b>FY2014</b>
Revenue	20.9	57.0
Gross Profit	12.4	22.4
Profit from operations	24.9	33.7
Net profit (after tax and minority interests)	21.2	23.2
Basic earnings per share <sup>1</sup> (SGD cents)	0.740	0.997
Gross profit margin (%)	59.3	39.2
Operating profit margin (%)	119.2	59.2

## Balance Sheet

<b>S\$ millions</b>	<b>FY2015</b>	<b>FY2014</b>
Total Assets	1154.3	737.3
Total Liabilities	711.0	319.7
Net borrowings (cash)	387.6	56.6
NAV	443.4	417.6
NAV / Share (SGD cents) <sup>1</sup>	15.5	14.54

<sup>1</sup> The calculation of per share data takes into account the 10-to-1 share consolidation exercise completed on 25 March 2014. The respective number of shares used for the calculation of 1H2014 figures have been adjusted for meaningful comparison

# Revenue Breakdown

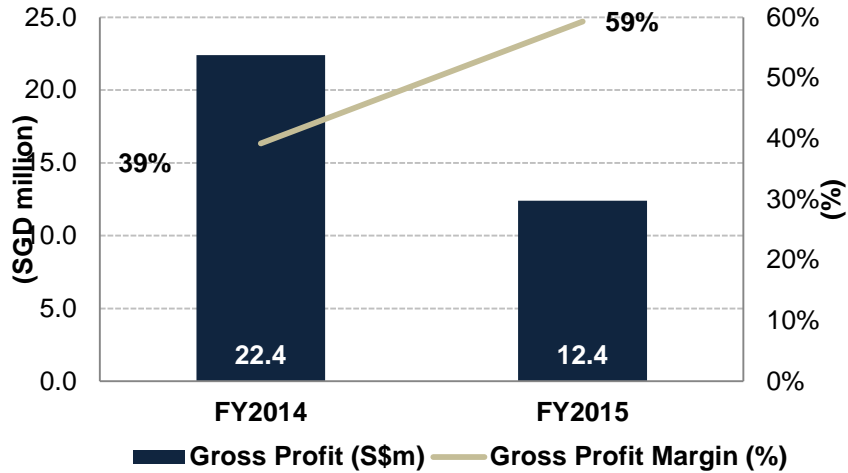
Earnings profile strengthened with recurring income growth

By Business Segment (S\$ million)	FY2015	FY2014
Development property income	5.4	46.8
Rental income	14.7	9.3
Management income	0.8	0.9

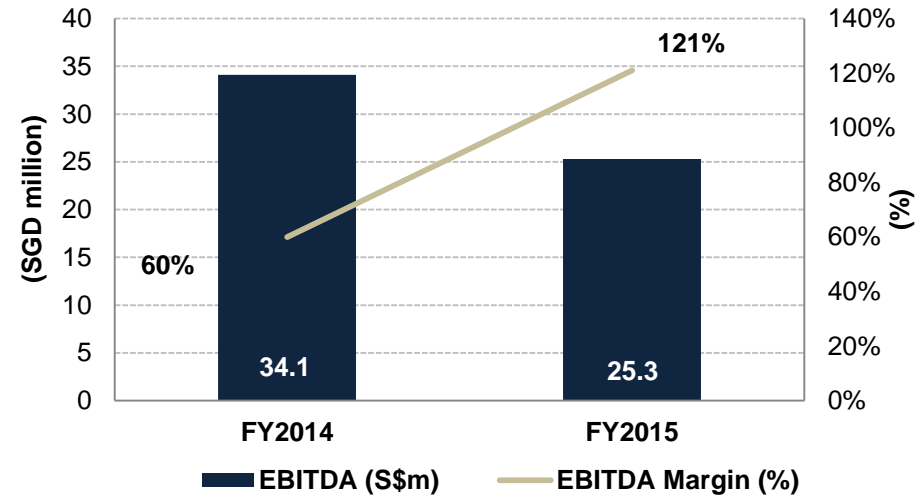
By Geographical Segment (S\$ million)	FY2015	FY2014
Singapore	1.4	44.9
USA	19.4	11.8
Hong Kong	0.1	0.2

# Profitability Overview

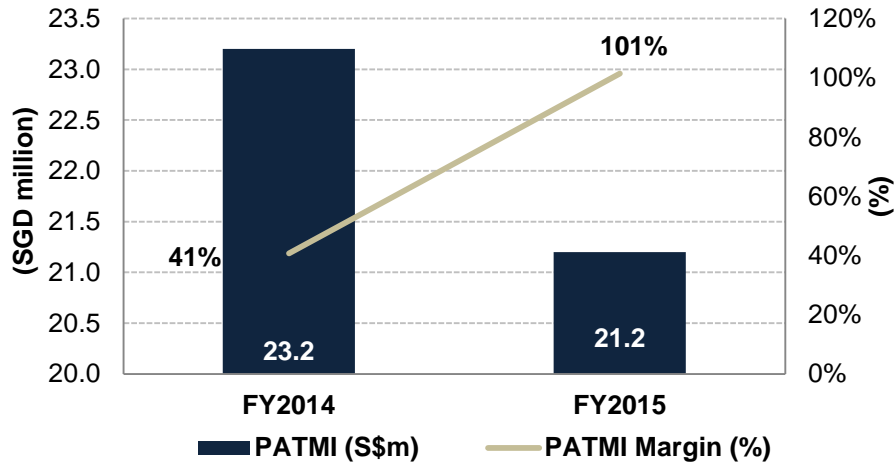
## Gross Profit



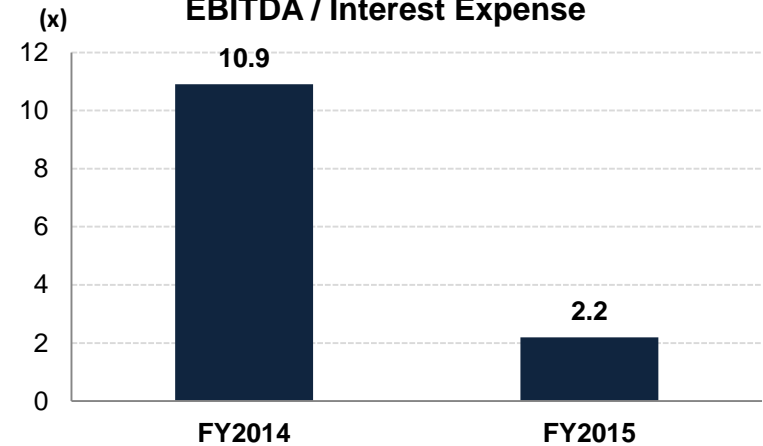
## EBITDA



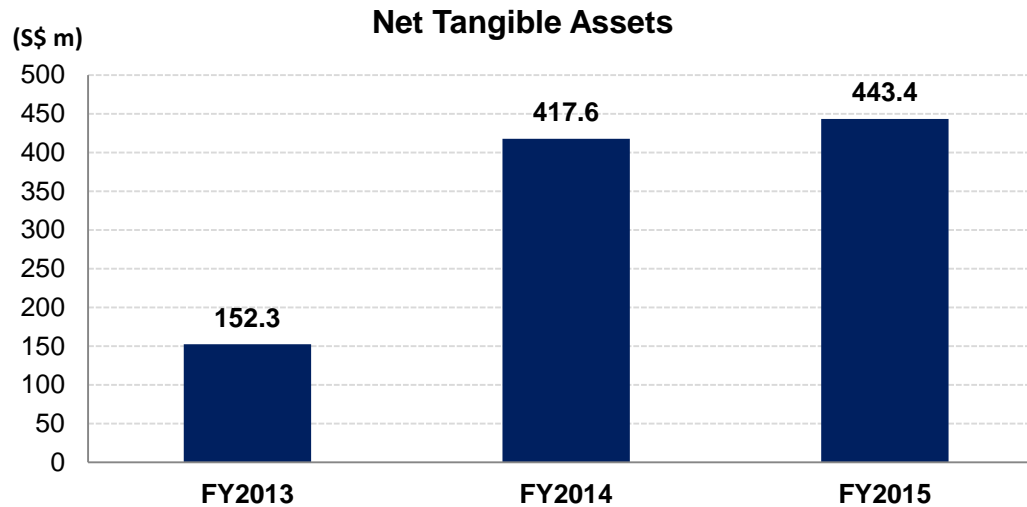
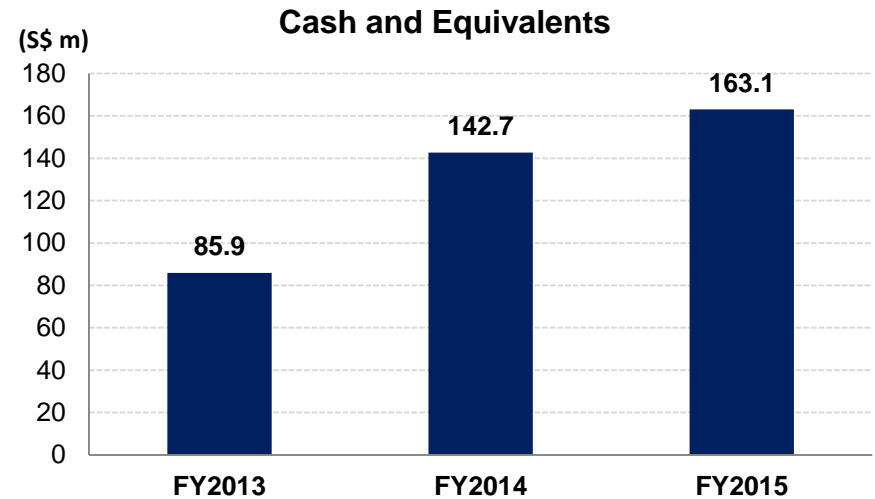
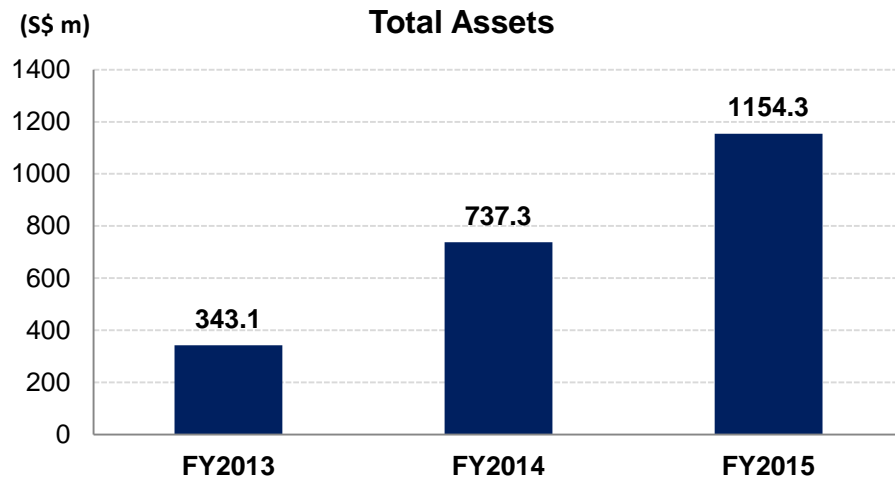
## PATMI



## EBITDA / Interest Expense



# Healthy Balance Sheet





# BUSINESS OUTLOOK



# Positive Outlook for Our U.S. Markets in 2015

## Good Prospects for the U.S. Real Estate Market

- The U.S. has overtaken China to become the world's largest real estate investment market
- With better relative economic growth, QE and low interest rates all continuing to encourage investors to spread their interest in property, U.S. real estate investment performance is set to improve further

Source: Cushman & Wakefield, March 2015

## Positive Economic Indicators

	2015 Population	2015 GMP Per Capita Ratio*	GMP Per Capita 5-Year Projected Growth	5-Year Disposable Income Growth
<b>USA</b>	321.34 mil	1.00	7.3%	9.6%
<b>San Francisco</b>	1.88 mil	1.71	6.8%	10.6%
<b>San Jose</b>	1.94 mil	1.52	7.5%	11.0%
<b>Cincinnati</b>	2.18 mil	0.90	6.2%	7.7%



Source: PwC and Urban Land Institute: "Emerging Trends in Real Estate 2015"

Sources: Moody's Analytics, U.S. Census Bureau, Bureau of Economic Analysis, Bureau of Labor Statistics

\* Metro Gross Metropolitan Product Per Capita/National Gross Metropolitan Product Per Capita.

# San Francisco: Strong local economy driving demand

- San Francisco continues to benefit from institutional investor interest in market, alongside strong private property owner/development segment
- Strength of the local economy continues to drive investor demand
- San Francisco is the top 3<sup>rd</sup> U.S. market to watch in 2015 in terms of overall real estate prospects:
  - 3<sup>rd</sup> most promising for investments
  - 2<sup>nd</sup> most promising for development
  - 5<sup>th</sup> most promising for homebuilding
- On a sector basis, San Francisco is also:
  - 1<sup>st</sup> choice for hotel investment in 2015
  - 4<sup>th</sup> choice for retail investment
  - 3<sup>rd</sup> choice for multifamily housing type

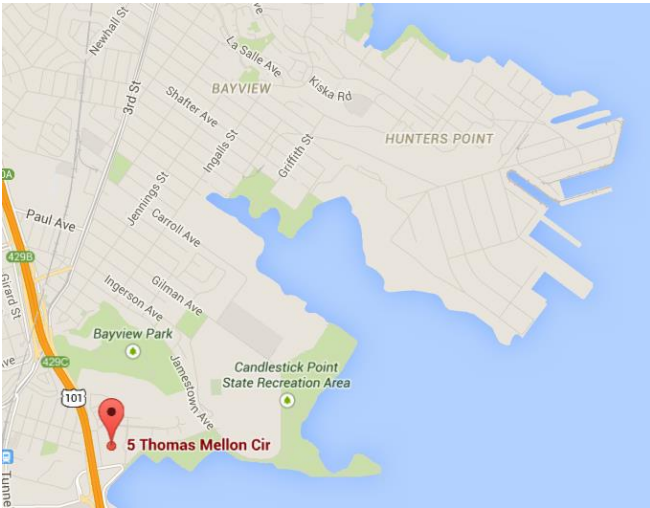


## US Markets to Watch: Overall Real Estate Prospects

	Investment	Development	Homebuilding
1 Houston (1, 1, 2)	4.01	3.80	4.21
2 Austin (2, 4, 1)	3.85	3.68	4.33
3 San Francisco (3, 2, 5)	3.82	3.75	3.80
4 Denver (5, 5, 4)	3.66	3.54	3.87
5 Dallas/Fort Worth (9, 8, 3)	3.56	3.43	3.98
6 Los Angeles (6, 6, 6)	3.65	3.52	3.73
7 Charlotte (7, 7, 7)	3.61	3.44	3.71
8 Seattle (4, 3, 17)	3.70	3.72	3.34
9 Boston (8, 9, 14)	3.58	3.37	3.39
10 Raleigh/Durham (16, 17, 9)	3.42	3.24	3.57
11 Atlanta (17, 15, 10)	3.40	3.25	3.54
12 Orange County (13, 14, 15)	3.50	3.27	3.36
13 Nashville (21, 12, 13)	3.32	3.35	3.40
14 New York–Manhattan (12, 10, 22)	3.44	3.36	3.26
15 San Jose (19, 19, 11)	3.33	3.21	3.50

Source: PwC and Urban Land Institute: “Emerging Trends in Real Estate 2015” survey  
 Note: Numbers in green boxes refer to Investment Prospect Scores. Numbers in parentheses are rankings for, in order, investment development, and homebuilding.

# Tapping on the Transformation of Candlestick Point



Rendering of Lennar Corp's planned 10-year, multi-billion dollar Candlestick Point development.

Photo source: Lennar Urban SF

- **5 Thomas Mellon Circle** is located at Candlestick Point, which will be redeveloped into a new and vibrant community
- Lennar Corp. , one of U.S.'s leading homebuilders, and shopping-centre developer Macerich Co., will invest US\$1 billion to develop a 500,000 sq ft urban mixed-use project at Candlestick Point, with retail, housing and entertainment
- The Candlestick project is expected to deliver more than 6,000 homes
- Construction of new housing is also underway at The San Francisco Shipyard just north of Candlestick Point. The Shipyard will be home to an additional 6,000 homes, 3 million sq ft of office and commercial space and more than 230 acres of parks and open space

# San Jose and Cincinnati: Growing Prospects

## San Jose, California

- Strength of technology industry and support industries has made San Jose attractive to institutional investors
- Size and diversity of market offer opportunities for local owners and developers
- In terms of overall real estate prospects in 2015, San Jose:
  - 15<sup>th</sup> most promising overall
  - 19<sup>th</sup> most promising for investment
  - 19<sup>th</sup> most promising for development
  - 11<sup>th</sup> most promising for homebuilding



## Cincinnati, Ohio

- Cincinnati is the 24<sup>th</sup> largest Metropolitan Statistical Area in the U.S.
- In the Midwest Region, Cincinnati offers best potential in the multifamily property sector for 2015
- Increase in demand for goods and services from local economies has led to more industrial potential
- Household growth for Cincinnati has been steady

## Midwest Region: Sector & Local Outlook Scores

Overall Rank		Investment Prospect Scores, by Sector					
		Office	Retail	Industrial	Multifamily	Hotel	Housing
18	Chicago	2.96	3.24	3.76	3.87	3.07	3.08
24	Indianapolis	2.99	2.83	3.51	3.49	3.16	3.10
30	Minneapolis/St. Paul	2.79	2.75	3.37	3.30	3.02	3.08
33	Kansas City, MO	2.71	2.68	3.29	3.08	2.72	3.28
37	Columbus	2.93	2.98	3.13	3.08	2.69	3.01
38	Detroit	2.54	2.77	3.19	3.34	3.19	2.87
41	St. Louis	2.87	2.63	2.98	3.05	2.69	2.98
52	Cleveland	2.55	2.36	2.88	3.06	2.81	2.76
53	Madison	2.83	2.76	2.55	2.98	2.98	2.55
54	Cincinnati	2.18	2.19	3.25	3.26	2.62	2.76
57	Des Moines	2.41	2.44	3.08	2.98	3.00	2.55
61	Omaha	2.55	2.97	2.34	2.55	2.55	2.55
71	Milwaukee	2.49	2.79	2.76	2.98	2.34	1.84
44	Midwest average	2.68	2.72	3.08	3.15	2.83	2.80

Source: PwC and Urban Land Institute: "Emerging Trends in Real Estate 2015" survey



# Long-Term Resilience of Singapore Property Market

- The outlook for Singapore's residential property market remains subdued, but there are still opportunities for developments with good locations and pricing
- Amongst the key real estate sectors, some analysts see bright rental prospects in the office sector
- Although we have a cautious outlook for the Singapore property sector in 2015, we have a long-term positive view on the property market in Singapore
- We continue to explore property development and investment opportunities in Singapore on a selective basis

## No quick recovery for Singapore property market: seminar

By Lynette Khoo  
lynhoosap@com.sg  
@lynnettkhoo1

Singapore's property market faces a "new normal" of slower growth and even stagnation risks, the property market is unlikely to stage a major rebound even if some cooling measures are relaxed now, market watchers said at a property seminar on Tuesday.

Chia Hui Bin, head of emerging Asia economics at Bank of America Merrill Lynch, warned that Singapore may enter a period of stagnation over the next couple of years.

Recent alarm bells were sounded when employment growth contracted for the first time in the first quarter since the global financial crisis (GFC), loans growth contracted in May for the first time since the GFC, and Singapore's inflation plunged to the lowest in five years, he said.

Some studies in the US have shown that macro-prudential measures such as housing loans-to-value ratios and stamp duties are more effective at tightening credit, but loosening these measures has less impact akin to "pushing on a string" in a downturn. Dr Chia said at the Real Estate Developers' Association of Singapore (Redas) property market seminar.

Redas president Augustine Tan flagged that any recovery in the property market will not be brisk. "We have to brace ourselves for a different mode of operation as the real estate market enters a different period," he told market practitioners at the seminar. "The build-up of the oversupply situation in the private residential market will not abate in the short term and recovery will not be a quick one."

The private housing inventory from the last few years of government land sales supply, along with the plunge in demand and rising vacancy rate, remains a drag on the market, he said.

Private home prices seventh straight years the longest downward years, based on the Infiniti Asset Authority's sea flash index, over 8000 residential units, including condominiums, are completed from 2013. Savills head of research, Cheong noted that he does not provide a full picture about market trends that one should be careful, using the new sales from January to March.



The private housing in demand and rising in

12 years to clear launched and un sold in core central region, 1 mid-tier private homes take over 12 years to clear assuming that the issues to sell land at an

By Kalpana hashiwala  
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Singapore's private residential property market has been the subject of much gloom-and-doom headlines over the past few years. Analysts have scrambled to forecast the imminent collapse of property prices, with some suggesting prices falling as much as 30%. While there have been sporadic transactions with such declines, the overall dip in property prices remains more moderate. According to ERA, overall prices of private residential properties decreased for the sixth consecutive quarter in 2013, but non-indexed private residential property prices fell only 5.4% as in 1Q2013 from its peak in 3Q2013.

Low holding costs and the general lack of immediate negative catalysts have often been cited as plausible reasons for the slow pace of decline in prices. In our opinion, a sharp decline in prices of private residential property across the board may occur only when wealth destruction begins. Such destruction could be from the cumulative effect of some or all of the following factors: rising interest rates, rising unemployment, an increase in the number of bankruptcies, a sharp decline in the economic



PHOTO: SHOOTING

Notably, about 42 per cent of non-indexed units that changed hands during the first quarter fell within the price range of \$750,000 to \$1 million, about 5.4 per cent of units high- priced in the previous three months.

## Residential property market's resilience

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BY TAN HONG HENG

Strength of the private residential rental market  
Data from HomeField Living Management provides a clear picture of the private residential rental market but not residential ownership. The average value per contract in May 2013 was \$4,616, 1% lower than in May 2014 and 12.7% lower than in May 2013. However, the average rental, though weak, remains high. If you look at the actual value of rental transactions, it has been increasing on a year-to-year basis from February 2013 to May 2015, when it saw a slight dip of 0.1%. The number of rental contracts signed in May 2015 (4,707) is 2.7% higher than in May 2014 and 16.8% higher than in May 2013. On a year-to-year basis, the number of rental contracts signed has been increasing since March 2013.

The data suggests that while the average rent per contract has been declining, as expected in the face of the increase in the number of completed units, there has been a sustained increase in rental demand for private



PHOTO: SHOOTING

we note a steady increase of volumes on a year-to-year basis, and this is probably due to the lower number of units launched by developers in H1 2015 against the same period last year. The reduction of new launches in the primary market would have diverted demand towards the resale market, and this would have an uplifting effect on prices. However, barring any changes in cooling measures, there is still room for price escalation. In the OCR to go lower in view of declining rents and the residential supply overhang."

Another nugget from S&K Property's data was that the overall median transaction over Xvavue (TOX) remained zero in June, the third consecutive month this has happened. Prior to that, the figure was negative S\$100 for four consecutive months.

The median TOX measures how much people are overpaying or underpaying against the computer-generated estimated value of the so-called Xvavue. Eugene Lim, key executive officer at ERA Realty, suggested that three consecutive months of zero TOX value "may be an indication that prices in the resale market have stabilised."

85 sq m  
Median price they paid in the first quarter this year

About \$1m  
Median price they paid in the first quarter this year

They were anticipating what the cooling measures would be adjusted during the announcement of the budget forecasts. Notably, about 42 per cent of non-indexed units that changed hands during the first quarter fell within the price range of \$750,000 to \$1 million, about 5.4 per cent of units high-priced in the previous three months.

## Resale prices of private apartments, condos inch up again in June

S&K numbers also show a 10% fall in volume of transactions from May to June

By Kalpana hashiwala  
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# SUMMARY



# Unique Investment Proposition

**Deep transnational industry expertise and access, with unique exposure to Singapore, US and Malaysia markets**

**Portfolio of diversified and value-accretive assets**

**Strong upside in existing projects with clear earnings visibility and stable recurring income**

**Strategic partnerships and ability to tap on strong industry connections**

**Diversification into other property segments and expansion of capabilities improves earnings stability**



THANK YOU

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