

### Top News for the Week

- [Developer calls for easing of ABSD](#)
- [Economists see better economic growth in 2020](#)
- [Employment growth in 3Q 2019 is faster quarter on quarter and year on year](#)

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### Residential

#### **Poh Group founder sells Cassia Drive home for S\$21.8m**

Poh Group founder Poh Kay Ping is understood to be selling his home along Cassia Drive in the Raffles Park Good Class Bungalow (GCB) Area for S\$21.8 million.

The price works out to S\$1,969 psf based on the freehold land area of 11,073 sq ft.

Completed a few years ago, the house has two levels, a basement and an attic. It comes with five bedrooms, a wine cellar and a pool.

The buyer is involved with a few businesses including food courts and coffee shops.

Links to the story:

<https://www.businesstimes.com.sg/real-estate/poh-group-founder-sells-cassia-drive-home-for-s218m>

#### **Condo resale prices dip in November**

Condominium resale prices fell 0.1 per cent, compared with a 0.8 per cent rise in October. Year on year, prices were 1.5 per cent lower.

Sales volume, meanwhile, fell 7.2 per cent, with 801 units resold last month, compared with 863 units in October, according to flash figures from a real estate portal.

But year on year, the number of units sold was 25 per cent more than in November last year, and 10.7 per cent higher than the five-year average volume for the month of November.

By location, the core central region and rest of central region saw a 1 per cent drop in prices last month from October figures, while prices for the outside of central region were up 0.8 per cent.

Links to the story:

<https://www.straitstimes.com/business/property/condo-resale-prices-dip-in-november>

<https://www.businesstimes.com.sg/real-estate/singapore-condo-resale-prices-down-slightly-in-november-srx>

#### **Condo rents post biggest rise since Jan but HDB figures dip: SRX**

Rents for non-landed private homes rose last month at their strongest pace since January but they went in the other direction for Housing Board units, according to flash data.

Overall condo rents rose 1.2 per cent from October to November, putting them 4.6 per cent up on November last year but still 16 per cent below their peak in January 2013.

Condo rents were up in all areas last month over the same month last year: the prime or core central region by 5.8 per cent; the city fringe or rest of central region by 3.7 per cent; and the suburbs or outside central region by 4.4 per cent.

Meanwhile, HDB rents dipped 0.1 per cent last month from October, though they are still up by 1.6 per cent on November last year. However, they are still off by 14.5 per cent from their peak in August 2013.

Links to the story:

<https://www.straitstimes.com/business/property/condo-rents-post-biggest-rise-since-jan-but-hdb-figures-dip-srx>

<https://www.businesstimes.com.sg/real-estate/singapore-condo-rents-up-in-november-hdb-rents-slip-srx>

### **ABSD 'extension' may ease glut but experts flag limp demand**

Extending the deadline for developers to build and sell all the units on a site could help ease oversupply in the market but may not address flagging buyer demand, said experts.

Their comments come after City Developments Limited (CDL) called for the sale timeline to be lengthened to seven or 10 years to reduce pressure on developers and prevent the worsening of the supply glut.

An analyst says the timeline for developers to complete and sell all units to seven years is "not unreasonable". It is "within expectations" for higher-priced properties in prime locations to "take a while to clear".

Another analyst added that property developers are "not in a dire condition yet", as they have not resorted to giving discounts. The supply-demand mismatch will take around two to three years to clear, but there will never be a situation where there are no unsold units.

Links to the story:

<https://www.straitstimes.com/business/property/absd-extension-may-ease-glut-but-experts-flag-limp-demand>

<https://www.businesstimes.com.sg/real-estate/cdl-chief-calls-for-easing-of-property-curbs>

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## **Commercial**

### **Swiss fintech incubator F10 sets up shop in Singapore**

Zurich-based incubator and accelerator F10 has expanded to Singapore, and will kick off its six-month programme in the city-state in May 2020.

Its Singapore office will support pre-seed and seed-stage financial technology (fintech), regulatory technology (regtech) and insurance tech (insurtech) startups, it announced.

Applications are open until Jan 12 for the Singapore programme starting in May 2020. Teams with a validated prototype of their product or service that solves a problem within the financial industry are eligible to apply.

Link to the story:

<https://www.businesstimes.com.sg/garage/swiss-fintech-incubator-f10-sets-up-shop-in-singapore>

### **France's Total opens Asia-Pac HQ at Frasers Tower to drive regional business growth**

French energy company Total opened its new Asia-Pacific headquarters at Frasers Tower, in a bid to improve its operational efficiency and accelerate its business growth in liquefied natural gas (LNG) and renewable energies in the region.

Situated on Cecil Street, the headquarters spans about 125,000 sq ft, a 65 per cent increase from its old premises in Odeon Towers and Raffles City.

The six-storey office brings Total's non-manufacturing business units, which were scattered in either of its two original premises, under one roof, promising greater operational efficiency.

Singapore is also Total's hub for its renewable energy business in Asia.

Total regards Singapore as one of its key super hubs where many major partnerships and innovation take place, thanks to the Republic's ease of doing business and diversity of local and global talents.

Links to the story:

<https://www.businesstimes.com.sg/energy-commodities/frances-total-opens-asia-pac-hq-at-frasers-tower-to-drive-regional-business>

<https://www.straitstimes.com/business/companies-markets/total-reaffirms-commitment-to-spore-as-strategic-hub>

### **JustCo to open new centres in S'pore, Seoul**

Co-working space operator JustCo is expanding its Asia-Pacific network to 40 centres with the addition of two new spaces - one in Singapore and one in Seoul.

The Singapore outlet is expected to open in the second quarter of next year at OCBC Centre East, and will occupy four storeys spanning 45,000 sq ft.

The Chulia Street space will have a wellness terrace on the roof that will stage fitness classes and double as an events area.

JustCo will have 18 co-working spaces here once the OCBC Centre East outlet is up and running.

Links to the story:

<https://www.straitstimes.com/business/property/justco-to-open-new-centres-in-spore-seoul>

<https://www.businesstimes.com.sg/real-estate/justco-boosts-regional-presence-with-new-singapore-seoul-co-working-spaces>

### **Maybank Kim Eng cuts 5% of staff in Singapore**

Maybank Kim Eng has laid off 5 per cent of its workforce in Singapore as the brokerage sector faces stiffer competition brought about by financial technology.

The report added that Maybank Kim Eng had a headcount of about 600, comprising 400 full-time employees as well as self-employed remisiers, which means that about 30 positions were axed.

A spokesman for the firm told The Straits Times that it is going through restructuring.

Links to the story:

<https://www.straitstimes.com/business/banking/maybank-kim-eng-cuts-5-of-staff-in-singapore>

<https://www.businesstimes.com.sg/banking-finance/maybank-kim-eng-lays-off-5-of-its-singapore-workforce>

### Retail

#### Home-Fix finds itself in a financial fix

Home-Fix is pulling the shutters down on all its retail stores in Singapore by the end of this week, marking the end of the brick-and-mortar presence of one of Singapore's well-known consumer brands.

This comes as the home-improvement retail company undergoes interim judicial management, while facing some S\$19.8 million in liabilities on its books.

The company is also said to be in talks with three potential white knights, all of whose interests differ. For instance, one is eyeing Home-Fix's business across the Causeway; another may want to provide a space for the company.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/home-fix-finds-itself-in-a-financial-fix>

<https://www.straitstimes.com/singapore/diy-chain-home-fix-closing-stores-amid-financial-woes>

<https://www.straitstimes.com/singapore/why-home-fix-four-firms-shutting-stores-retail-woes-hard-to-fix>

#### Mega sales help, but may not revive Singapore's retail sector

Retailers are ending the year with a bang by pulling out all the stops for possibly the last mega sale of the year. The 12.12 sale on Dec 12 comes on the tail of three successful clearance rounds last month - but analysts say that such mega sales may do little to revive Singapore's retail scene.

While this is all good for consumers, analysts were less upbeat about the impact of having several mega sales in quick succession.

The volume of mega sales could also create scepticism as to whether these are truly good deals.

Competing on price creates a vicious circle for retailers in an already cut-throat industry.

Some analysts said that mega sales and promotions can serve other purposes as they clear inventory and create a touchpoint for new customers.

Link to the story:

<https://www.businesstimes.com.sg/consumer/mega-sales-help-but-may-not-revive-singapores-retail-sector>

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### Government

#### Singapore, China sign pact to deepen legal cooperation

Singapore and China have inked an agreement to deepen legal cooperation, including the setting up of a new vice-minister-level platform between both sides which will meet once every two years. The new Singapore-China Legal Cooperation Council comes amid closer legal and judicial cooperation between the two countries, a new area of collaboration singled out by top leaders from both sides.

The deal covers several areas, including on strengthening the rule of law, international commercial dispute resolution and the administration of the legal profession.

Link to the story:

<https://www.straitstimes.com/asia/east-asia/singapore-china-sign-pact-to-deepen-legal-cooperation>

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### Economy

#### Green shoots of recovery raise prospects of growth

After a year in the doldrums, the economy is seeing green shoots of recovery - with private sector economists becoming more optimistic about Singapore's growth prospects.

The latest quarterly poll of professional forecasters by MAS released showed that the economists expect gross domestic product growth of 0.7 per cent this year - up from the 0.6 per cent they had forecast in the previous survey in September.

The modest recovery is expected to continue through next year, when the economists are predicting growth of 1.5 per cent.

Links to the story:

<https://www.straitstimes.com/business/economy/green-shoots-of-recovery-raise-prospects-of-growth>

<https://www.businesstimes.com.sg/government-economy/analysts-see-clearer-signs-of-a-pick-up-next-year-mas-survey>

<https://www.straitstimes.com/business/economy/spore-economic-growth-may-be-better-next-year>

#### Employment grew in Q3 2019, but so did unemployment: MOM

Employment grew in the third quarter this year as the economy picked up slightly, even as unemployment, including long-term unemployment, crept up, according to a Manpower Ministry report.

One plausible cause is that employers are hiring more cautiously, as the number of job vacancies shrank, the report added.

Total employment, excluding foreign domestic workers, grew by a revised 21,700 between July and September this year - over three times the 6,200 jobs growth between April and June this year and the 16,700 in the same period last year, the final labour figures for the third quarter showed. The advance estimate was for 22,400.

Retrenchments between October last year and September this year stood at 10,490, lower than the period between October 2017 and September 2018 (11,900) and October 2016 and September 2017 (16,480).

Links to the story:

<https://www.businesstimes.com.sg/government-economy/employment-grew-in-q3-2019-but-so-did-unemployment-mom>

<https://www.straitstimes.com/singapore/manpower/employment-rises-but-some-still-lack-skills-for-new-jobs>

#### Singapore ranks 3rd in index measuring readiness for online shopping

Singapore came in third out of 152 economies in a United Nations business-to-consumer (B2C) e-commerce index that measures an economy's readiness for online shopping.

Though Singapore slips one position from a year ago, it remains with Australia (10th) the only two non-European economies in the top 10 rankings of the 2019 index constructed by the United Nations Conference on Trade and Development (Unctad).

While three economies have dropped out, Europeans continue to dominate the top 10 of the index which the Netherlands tops for a second straight year.

Iceland, New Zealand and Sweden left the top 10 because of reductions mainly in secure servers and postal reliability, Unctad says in a report.

Link to the story:

<https://www.businesstimes.com.sg/consumer/singapore-ranks-3rd-in-index-measuring-readiness-for-online-shopping>

### **Singapore keeps ninth spot on UN human development index**

Singapore has come in ninth on the latest United Nations Human Development Index, which uses indicators such as life expectancy and education to gauge a country's level of development.

But it slid 14 spots when the index was adjusted for inequality, with the Republic faring particularly badly when it came to inequality in education and income levels.

The closer to zero a country scores, the closer to perfect equality it has achieved.

Norway topped this year's Human Development Index, followed by Switzerland and Ireland. Germany and Hong Kong tied for fourth place, while Australia and Iceland tied for sixth. The top 10 list was rounded up by Sweden, Singapore and the Netherlands. Singapore also came in ninth last year.

Link to the story:

<https://www.straitstimes.com/singapore/singapore-keeps-ninth-spot-on-un-human-development-index>

### **Retail sales fall again for ninth month in October**

Takings at the till slid for the ninth straight month in October, but it may not be all doom and gloom for the rest of the year, experts said.

Retail sales fell 4.3 per cent compared with the same month last year - worse than the 1.5 per cent decline predicted by analysts polled by Bloomberg and the 2.2 per cent slip in September.

If motor vehicle sales are excluded, retail sales would be down 0.6 per cent year on year, slightly worse than September's revised 0.1 per cent dip, the Department of Statistics said.

Links to the story:

<https://www.straitstimes.com/business/economy/retail-sales-fall-again-for-ninth-month-in-october>

<https://www.businesstimes.com.sg/infographics/retail-sales-extend-decline-into-october-with-43-drop>

### **S'pore ranked 13th most expensive city in the world for expatriates**

The Republic climbed five spots to become the 13th most expensive city in the world for expatriates. It also rose two places in Asian rankings to become the seventh most costly location on the continent.

Taking the No. 1 spot globally was Ashgabat in Turkmenistan, which also topped the Asian charts.

Other Asian cities in the top 10 of the global rankings were Tokyo (No. 2), Hong Kong (No. 6), Yokohama (No. 8) and Nagoya (No. 10). Seoul was placed 16th, Macau 18th and Shanghai 22nd. The latest survey results were published by ECA International, which assessed cost of living in cities for non-local employees based on a basket of consumer goods and services, such as groceries and leisure activities.

Link to the story:

<https://www.straitstimes.com/singapore/spore-ranked-13th-most-expensive-city-in-the-world-for-expatriates>

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## Hospitality

### Commercial, residential buildings to find new life as hotels

Developers continue to jump on the hotel-conversion bandwagon, with Fragrance Group for its flagship office building in Alexandra Road and Lian Beng for Wilkie Edge among the latest to have received nods from the Urban Redevelopment Authority (URA).

The trend is being fuelled by the rise in hotel land values and a perceived shortage of hotel room supply on the island; this follows URA generally having disallowed, over a four-year period, development applications for new hotels, including change-of-use proposals, on sites that are not zoned for hotel use.

One of the biggest players riding on the trend is James Koh's listed Fragrance Group. It has received approvals from the URA to redevelop Fragrance Empire Building into a 1,000 room hotel in Alexandra Road and Tower 15 in Hoe Chiang Road into a 807 room hotel. The group is also planning a hotel project on the combined sites of Waterloo Apartments and Min Yuan Apartments, which it acquired through collective sales last year and this year respectively.

Over in Selegie, Lian Beng Group and Apricot Capital, which acquired Wilkie Edge in 2017, received URA's provisional permission in July for additions and alterations to create a 540-room hotel and 28,200 sq ft of retail space.

The new owners of Chinatown Plaza in Craig Road, who acquired the property through a collective sale in 2018, bagged URA's provisional permission in September for a 306-room hotel development with some retail space.

These projects are on a growing list of properties which are being slated for conversion to hotels. These include the Golden Wall Centre in Short Street, bought by Worldwide Hotels Group (the parent group of the Hotel 81 chain) in an en bloc sale in 2018.

Link to the story:

<https://www.businesstimes.com.sg/real-estate/commercial-residential-buildings-to-find-new-life-as-hotels>

### Tourist surge leads to record hotel deals

Hotel deals in Singapore are set for a record amid a surge in tourist arrivals buoyed by people wanting to avoid the protests in Hong Kong.

The biggest deal this year was the purchase of Mandarin Orchard for \$1.2 billion following the merger of OUE Commercial Reit and OUE Hospitality Trust. The group also bought the Crowne Plaza hotel at Changi Airport for \$486 million - this year's third-biggest deal.

Barring an economic crisis, the near-to mid-term outlook for the hospitality market is favourable. With some large events and exhibitions making a return and new ones surfacing, 2020 is expected to be another bumper year.

Links to the story:

<https://www.straitstimes.com/business/property/tourist-surge-leads-to-record-hotel-deals>

<https://www.businesstimes.com.sg/real-estate/tourist-surge-to-singapore-helps-push-hotel-deals-to-record>

### **High hotel DC rates threaten to throw a spanner in the works for CBD Incentive Scheme**

On March 27 this year, the Urban Redevelopment Authority (URA) unveiled the CBD Incentive Scheme, offering 25 or 30 per cent additional gross floor area (GFA) to motivate owners of older, predominantly office buildings in some parts of the Central Business District (CBD) to redevelop their properties to mixed-use projects.

The scheme aims to promote a wider diversity of uses - including having more residences and hotels - to liven up the CBD in the evenings and on weekends. It took effect from Nov 27, with the gazetting of URA's Master Plan 2019.

The CBD Incentive Scheme seems to provide the icing on the cake. Ironically, the potential party pooper to the scheme are the government's own high development charge (DC) rates for hotel use, say industry players.

On March 1 this year, about a month before the CBD Incentive Scheme was announced, DC rates for the use group that includes hotels were jacked up by 45.6 per cent on average.

The new rates marked the sharpest increase in DC rates for the hotel use group in 20 years and followed the 11.8 per cent increase in the previous DC rate revision six months earlier.

As a result, the current high DC rates for hotel use may cream off a significant portion of the enhancement in land value from conversion to hotel - and owners of old office blocks may find that it does not make financial sense to redevelop them into hotels.

Link to the story:

<https://www.businesstimes.com.sg/companies-markets/high-hotel-dc-rates-threaten-to-throw-a-spanner-in-the-works-for-cbd-incentive>

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