Upcoming Project Launches 2H2O23 WHICH PROJECTS MARGINOFSAFETY FOR INTESTORS

Defining Margin of Safety

In a bullish market, like the one we are in today, it is unprobable to find properties selling at below their intrinsic valuations.

Few right minded property owners, under fair economic conditions will put up their assets for sale below market value.

As a result, analysing of property investments during such times should be premised on the concept of 'margin of safety'.

Instead of forecasting the upside potential, which is frankly a stab in the dark, we focus on watching the downside risks and let the upside take care of itself in due course.

We can define 'margin of safety' as the general price acceptance levels of the market evidenced from the nearest similar comparisons available.

In this series, we will cover the upcoming 2H2O23 launches and determine their attractiveness from a margin of safety point of view.



TOP date	2027
Project size	Medium · 520 units
Tenure	99 years
District	D21
Developer	UOL Group and Singapore Land Group
Bedrooms	1+1 BR, 2 BR, 2+1 BR, 3 BR, 3+1 BR, 4 BR, Penthouse, Premium, Sky unit
Address	32 Pine Grove, 598442 View on map
Nearest MRT	Dover MRT
Neighbourhood	Bukit Timah
Blocks	3
Floors	24
Carpark spaces	416
Property type	Condo
Architect	P&T Consultants Pte Ltd

Pinetree Hill Replacement Cost Analysis

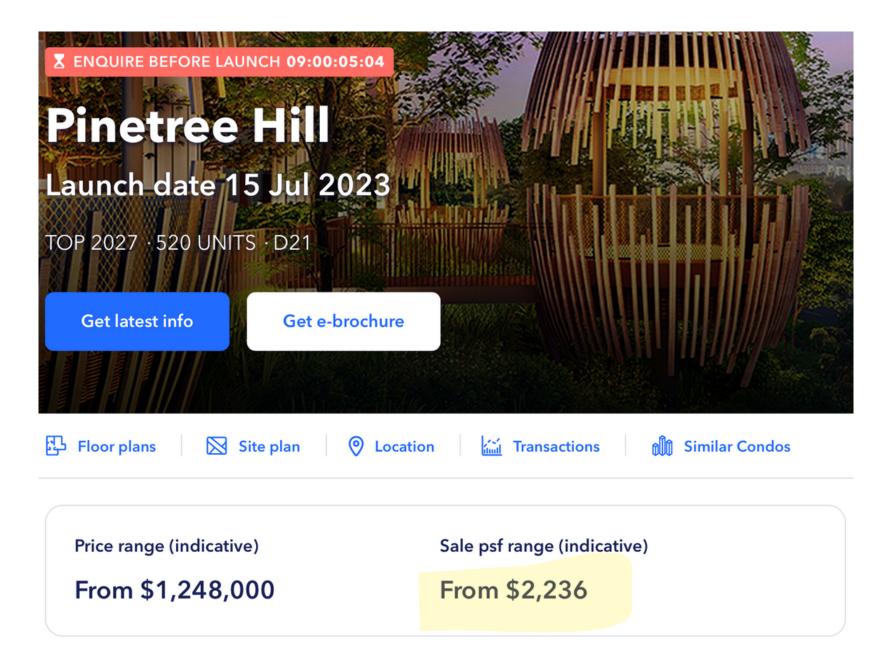
Status	Street Name	Location	Land Attributes		Location Land Attributes		Estimated Breakeven	
Sold & Awarded on JUN 2022	Pine Grove (Parcel A)	SkyPark Arena @ Holland TV FOUR CAFE Allswor Pinetree Hill Pandan Valley Condominium The Serenade @ Holland Map da	Site Use Re Tenure Plot Ratio Site Area (sqm) Site GFA (sqm) Highest Bid (\$M) Highest Bid (\$PSF) Number of Bids	esidential 99 2.1 22,535 47,323 671.5 1,318	Land (\$M) Construction (\$M) Land Financing (\$M) Profesional / Legal / Taxes (\$M) Marketing / Others (\$M) Estimated Total Cost (\$M) Estimated Breakeven (\$psf ppr)	671.5 198.7 105.8 104.4 64.8 1,145.2 2,248		

The popularity of this mature estate and proximity to amenities, good schools and town Is reflected in the number of bids for this parcel.

It is likely that parcel B will see similarly high levels of interest.

With today's land and construction costs, the estimated breakeven price is \$2248psf.

Pinetree Hill Expected Launch Price and Date



To the surprise of many market observers, UOL has provided early indication that prices will start near par with their breakeven costs.

This is likely a conservative strategy on their part to clear a good part of their inventory before moving prices up for the next phase.

Closest Product Comparisons to Pinetree Hill

Project Name	Tenure 🜲	Completion Date	Distance (m)	Min Price* (S\$ psf)	AVG Price* (S\$ psf)	Max Price* (s\$ psf)
Pinetree Hill	-	-	0	-	-	-
ASTOR GREEN	99 yrs from 18/11/1991	1995	113	1,318	1,363	1,424
PANDAN VALLEY	Freehold	1978	172	1,112	1,376	1,573
PINE GROVE	99 yrs from 01/11/1984	Unknown	235	1,002	1,065	1,157
THE TRIZON	Freehold	2012	257	1,802	2,005	2,092
MONTVIEW	Freehold	2008	315	1,824	1,928	2,036
CAVENDISH PARK	99 yrs from 18/11/1991	1996	319	1,305	1,420	1,600
RIDGEWOOD	999 Yrs From 06/07/1885	1981	363	1,403	1,638	1,886
THE SERENADE @ HOLLAND	99 yrs from 05/06/2001	2004	364	1,027	1,383	1,546
THE SIERRA	947 yrs from 15/05/1937	1998	427	1,660	1,707	1,783

The next 2 nearest comparative projects are The Trizon and Montview - Both more than a decade old.

The Trizon - The closest comparison to PineTree Hill

Date \$	Area(sqft) \$	Bedrooms \$	Price(S\$ psf)	Price (S\$)	Type of \$ Sale	Address \$	Type of \$ Area	Purchaser Address	Source \$
6 JUN 2023	2,067	3	2,021	4,176,000	Resale	2 Ridgewood Close #20- 03	Strata	Private	URA
26 APR 2023	1,195	2	2,092	2,500,000	Resale	8 Ridgewood Close #20-12	Strata	Private	URA
10 APR 2023	1,044	2	2,088	2,180,000	Resale	8 Ridgewood Close #15-10	Strata	Private	URA
17 JAN 2023	2,099	4	2,025	4,250,000	Resale	8 Ridgewood Close #22-10	Strata	Private	URA
17 OCT 2022	2,067	3	2,047	4,230,000	Resale	2 Ridgewood Close #06- 03	Strata	Private	URA
30 AUG 2022	1,862	3	2,014	3,750,000	Resale	2 Ridgewood Close #22- 03	Strata	Private	URA
22 AUG 2022	1,335	2	2,044	2,728,000	Resale	8 Ridgewood Close #02-12	Strata	Private	URA

As we can see from the 7 units sold at The Trizon, buyers acceptance of the above \$2000psf for large resale units has been established and not a one off occurrence.

It is noteworthy that The Trizon will be 15 years old by the estimated TOP date of PTH.



Summary

In our opinion, PineTree Hill offers a good margin of safety for investors with very low risks as the expected launch prices provide early buyers with near breakeven entry prices that are on par with replacement costs today.

A reputable developer such as UOL, need not offer such steep discounts in moving their inventory given the lack of supply and 'old rich' surrounding demographics.

As such, we see PTH as potentially one of the best buys of the year.

Although it is not close to an MRT, the residents in this area are well able to afford private transport and would appreciate the location's exclusivity.

PROJECT HIGHLIGHT



Launching at close to breakeven development costs



Neighbourhood lacks new supply in past decade



Quality product and top developer



Less than 15% premium over much older neighbours.



TOP date	2028
Project size	Large · 1008 units
Tenure	99 years
District	D15
Developer	SingHaiyi Group Pte Ltd & CSC Land Group (Singapore) Pte Ltd
Bedrooms	1 BR, 1+1 BR, 2 BR, 2+1 BR, 3 BR, 3+1 BR, Dual key, Ground, Sky unit
Address	2 Dunman Road, 439188 • View on map
Nearest MRT	Dakota MRT · 4 min walk
Neighbourhood	Marine Parade
Blocks	1
Property type	Condo

Grand Dunman Replacement Cost Analysis

Dunman Road (Now known as Dunman Grand)

SOLD & AWARDED on 14 June 2022

Dakota Breeze

Dakota CC8

Waterbank at Dakota

Poole Rd

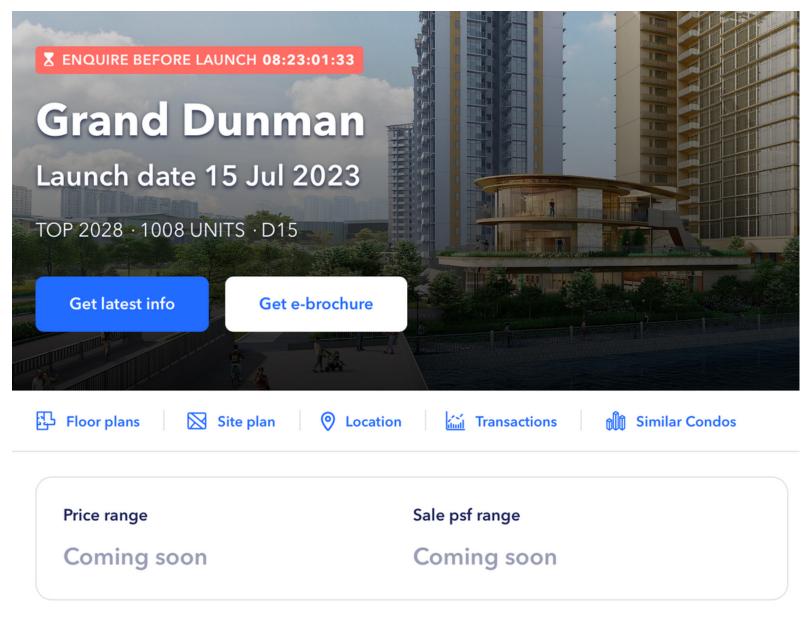
LAND ATTRIBUTES	
Street	Dunman Road
Site use	Residential
Sale Type	GLS
Tenure	99
Plot Ratio	3.5
Site area (sqm)	25,234.3
Site GFA (sqm)	88,320.0
Highest bid (\$m)	1,283.9
Highest bid (\$psf)	1,350
Number of bids	2
Remarks	

	ESTIMATED BREAKEVEN	
l	Land (\$m)	1,283.9
	Construction (\$m)	371
,	Land Financing (\$m)	202
)	Professional / Legal / Taxes	199
,	(\$m)	
3	Marketing / Others (\$m)	123
)	Est. Total Cost (\$m)	2,178.8
)	Est. Breakeven (\$psf ppr)	2,292
)	Developer SingHaiyi Group	

The popularity of the east is well known and with Grand Dunman's site attributes, unblocked views for most units and proximity to amenities, good schools, MRT station within 2 min walk, it is no surprise that interest level in the project has been overwhelming at preview.

With today's land and construction costs, the estimated breakeven price is \$2292psf.

Grand Dunman Expected Launch Price and Date



Although Singhaiyi has not announced the estimated launch prices, market observers cite that it is likely to cost just shy of \$2500psf in light of the 'de-risking' need to clear a good percentage of units at launch since it is a mega project with over a thousand units.

Add to that, that there's been recent supply from Tembusu Grand (Avg \$2474psf) and The Continuum (Avg \$2700psf) nearby, it is likely that Singhaiyi will price sensitively at the higher range of \$2400psf.

Closest Product Comparisons to Grand Dunman

Project Name	Tenure 🕏	Completion Date	Distance (m)	Min Price* (S\$ psf)	AVG Price* (S\$ psf)	Max Price* (S\$ psf)
AMBER PARK	Freehold	Uncompleted	0	1,956	2,512	2,827
VERTIS	Freehold	2009	55	1,759	1,759	1,759
TEMBUSU GRAND	99 years leasehold	Uncompleted	0	2,280	2,474	2,730
ONE AMBER	Freehold	2010	122	1,213	2,045	2,390
AMBER RESIDENCES	Freehold	2011	131	1,894	2,020	2,108
KING'S MANSION	Freehold	1982	150	1,554	1,677	1,839
THE ARISTO @ AMBER	Freehold	2013	157	1,869	1,890	1,904
THE ESTA	Freehold	2008	158	2,018	2,123	2,298
The Continuum	-	-	0	2,573	2,728	2,972
THE CAPE	Freehold	2014	182	1,995	2,057	2,119

The newer projects comparable to Grand Dunman are Amber Park, Tembusu Grand and The Continuum.

The more than 700 units sold between \$2500-2700psf among the 3 launches shows entrenched price acceptance and is likely to cushion the risks for Grand Dunman buyers.



In our opinion, Grand Dunman offers a fair margin of safety to potential buyers as there's been sufficient sales volume at the 2500psf and above mark in recent quarters.

Thus, Grand Dunman is not testing new price grounds especially with superior product attributes and a mega sized development and facilities with will trump its competitors.

Adding to the fact that resale sizeable projects that are more than a decade old such as One Amber and The Esta are seeing price entrenchment above \$2100psf, and it is likely that there will be potential upside for Grand Dunman buyers.

Summary

PROJECT HIGHLIGHT



Likely launching at less than 10% above breakeven costs



Popularity of mega launches



Quality product and top developer



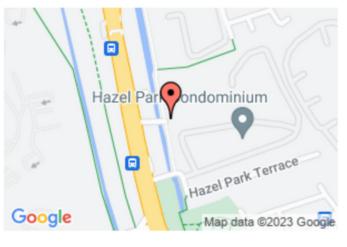
Less than 20% premium over older neighbours.

THE MYST

TOP date	2029
Project size	Medium · 408 units
Tenure	99 years
District	D23
Developer	CDL Aries Pte Ltd
Bedrooms	1+1 BR, 2 BR, 2+1 BR, 3 BR, 3+1 BR, 4 BR, 5 BR, Ground, Premium, Sky unit
Address	800 Upper Bukit Timah Road, 678139 View on map
Nearest MRT	Cashew MRT · 6 min walk
Neighbourhood	Bukit Panjang
Blocks	2
Floors	24
Carpark spaces	330
Property type	Condo
Architect	ADDP Architects LLP

The Myst Replacement Cost Analysis

Tan Chong Industrial Park (Now known as The Myst)



Street	798 and 800 Upper Bukit
Site use	

LAND ATTRIBUTES

Site use	Residential
Site use	Residential
Sale Type	Private
	Treaty
Tenure	99
Plot Ratio	2.1
Site area (sqm)	16,620.0
Site GFA (sqm)	37,717.5
Highest bid (\$m)	-
Highest bid (\$psf)	-
Number of bids	null

Remarks

ESTIMATED BREAKEVEN

Land (\$m) Construction (\$m) Land Financing (\$m) Professional / Legal / Taxes

(\$m)

Timah Road

Marketing / Others (\$m) Est. Total Cost (\$m)

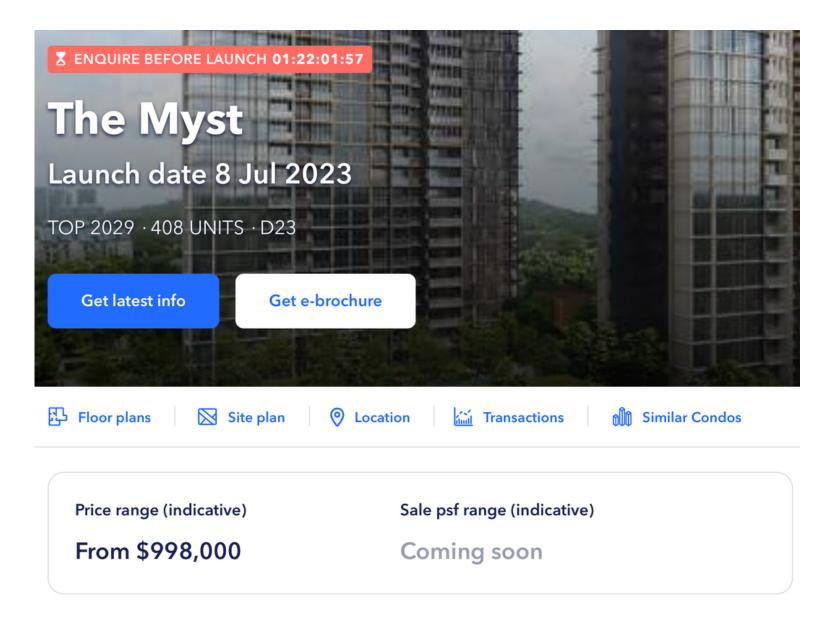
Est. Breakeven (\$psf ppr)

Developer CDL Aries Pte. Ltd

There is insufficient info regarding the breakeven costs for The Myst as it was formerly sold as an industrial park and may be subjected to ancillary conversion/land betterment charges that are not publicly disclosed.

Replacement costs analysis if based on the nearest recent land sales at Dairy Farm Walk might be around \$1700psf.

The Myst Expected Launch Price and Date



CDL has announced that average prices will range between \$1900-2000psf and 1/3 of units will be priced below the sweet spot of \$1.5M.

The Myst, in the context of current new launches is priced fairly attractively.

Closest Product Comparisons to The Myst

Project Name 🜲	Tenure \$	Completion Date	Distance (m)	Min Price* (S\$ psf)	AVG Price* (S\$ psf)	Max Price* (S\$ psf)
HILLION RESIDENCES	99 yrs from 04/01/2013	2017	0	1,483	1,677	1,845
DAIRY FARM RESIDENCES	99 yrs from 05/12/2018	Uncompleted	213	1,827	1,908	1,999
The Botany At Dairy Farm	99 years leasehold	-	0	1,712	2,075	2,402

The newer projects comparable to The Myst are Hillion Residences, Dairy Farm Residences and most recently launched, The Botany.

CDL's psf pricing for The Myst is very sensitively priced and has a strong pricing edge against The Botany which has around 180 units remaining.

It is priced in the region of Dairy Farm Residences which has seen buyer acceptance of the \$1900psf range. However, in our view, there are not enough projects in the vicinity that supports \$1900-2000psf.

That said, the quantums are very affordable and provides a very good entry price point for investors/upgraders with tighter budget constraints.



Summary

The Myst has a fair margin of safety and is a product priced well for many whom are priced out of the market for new launches island-wide. This is likely a result of the low land acquisition cost.

It is the lowest priced quantum new project in the market for 1, 2 and 3 bedders and should find a natural audience as such.

It is our opinion that a \$1800+psf range will provide a much better margin of safety for investors as there are few supporting projects in the vicinity with pricing between \$1900-2000psf.

PROJECT HIGHLIGHT



Lowest quantum in the market for many types



Close to nature and amenities



Top developer



5 Min to MRT station



TOP date	2028
Project size	Medium · 598 units
Tenure	99 years
District	D26
Developer	Hong Leong Holdings, GuocoLand and TID
Bedrooms	1 BR, 1+1 BR, 2 BR, 2+1 BR, 3 BR, 4 BR, Dual key, Ground
Address	31 Lentor Hills Road, 788881 View on map
Nearest MRT	Lentor MRT · 3 min walk
Neighbourhood	Ang Mo Kio
Blocks	5
Floors	23
Carpark spaces	606
Property type	Condo

Lentor Hills Residences Replacement Cost Analysis



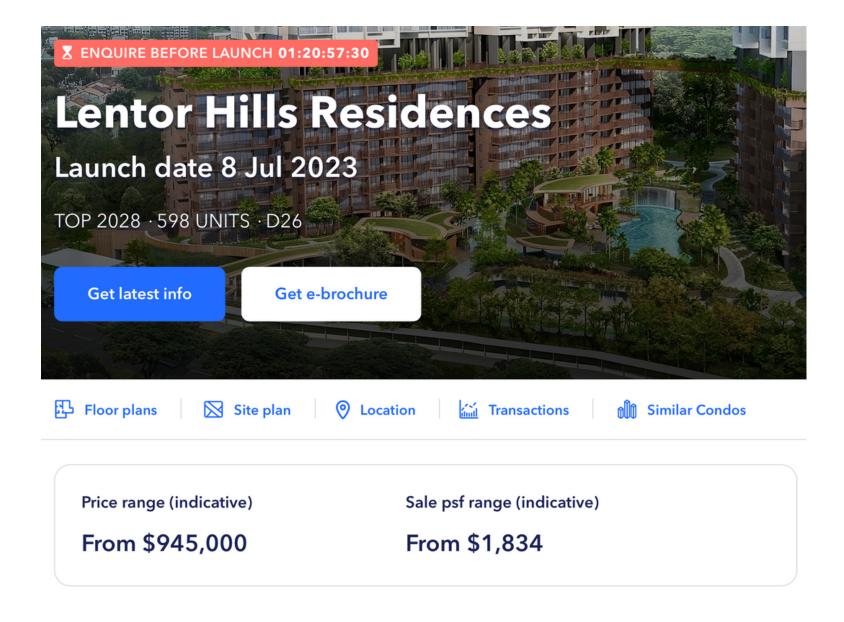
LAND ATTRIBUTE	5
Street	Lentor Hills Road (Parcel A)
Site use	Residential
Sale Type	GLS
Tenure	99
Plot Ratio	3
Site area (sqm)	17,130.5
Site GFA (sqm)	51,391.6
Highest bid (\$m)	586.6
Highest bid (\$psf)	1,060
Number of bids	4
Remarks	

ESTIMATED BREAKEVEN	
Land (\$m)	586.6
Construction (\$m)	216
Land Financing (\$m)	51
Professional / Legal / Taxes	96
(\$m)	
Marketing / Others (\$m)	57
Est. Total Cost (\$m)	1,006.9
Est. Breakeven (\$psf ppr)	1,820
Developer	
Hong Leong Holdings, GuocoLand	and TID

Lentor Hills Residences is on the 2nd project to be launched in the Lentor cluster.

It is the 2nd cheapest in land cost psf after Lentor Gardens and allows the developer to launch between \$1850-1900psf, a sweet spot for launches these days.

Lentor Hills Residences Expected Launch Price and Date



Assuming an average selling price of \$1920psf. the developer will be sitting on a razor thin 6% profit margin and can be expected to raise prices in later stages to make up for this early sacrifice.

It remains to be seen whether Lentor will suffer from an oversupply issue in the mid term as the neighbourhood may attract lots of upgraders from its northern districts.

Closest Product Comparisons to Lentor Hills Residences

Project Name 💠	Tenure 💠	Completion Date	Distance (m)	Min Price* (S\$ psf)	AVG Price* (S\$ psf)	Max Price* (S\$ psf)
Lentor Modern	99 years leasehold	-	0	1,837	2,122	2,513
THOMSON GROVE	Freehold	1984	186	1,528	1,528	1,528
THE CALROSE	Freehold	2007	427	1,572	1,657	1,712
SEASONS PARK	99 yrs from 01/03/1995	1997	517	901	1,038	1,173
FAR HORIZON GARDENS	99 Yrs From 08/03/1982	1986	576	902	995	1,033
CASTLE GREEN	99 yrs from 01/12/1993	1997	640	863	1,096	1,262
BULLION PARK	Freehold	1993	748	1,283	1,393	1,610
NUOVO	99 yrs from 02/05/2001	2004	829	887	1,083	1,161

There are few comparables in the Lentor neighbourhood as there's been an absence of land sales in the area for many years.

Lentor Modern, the most recent launch and an integrated development has achieved new benchmarks of acceptance in the area at \$2122psf.

As Lentor Hills isn't an integrated launch, it is fair to expect prices 10-15% lesser than Lentor Modern.



Summary

In our opinion, the margin of safety for Lentor Hills Residences is less clear compared to Pinetree Hill and Grand Dunman as supporting volume at these new benchmark prices are still in the formation phase.

However, longer term, with the natural digestion of upcoming supply and maturing of the Lentor area, we believe there is a high chance that wide acceptance of a \$2000-2200psf price range will emerge in this area and provide early movers with a decently profitable exit.

PROJECT HIGHLIGHT



Priced fairly at razer thin developer profit margins



Early movers advantage as the 2nd plot in the series



Top developer



5 Min to MRT station



TOP date	2028
Project size	Medium · 306 units
Tenure	99 years
District	D22
Developer	Winville Investment Pte. Ltd. (Wing Tai)
Bedrooms	Coming soon
Address	80 Yuan Ching Road, 619614 View on map
Nearest MRT	Chinese Garden MRT
Neighbourhood	Jurong East
Blocks	2
Carpark spaces	308
Property type	Condo
Architect	Surbana Jurong Group

The Lake Garden Residences Replacement Cost Analysis

LAND ATTRIBUTES

charge & lease top-up

Lakeside Apartments (Now known as Lakegarden Residences)
SOLD & AWARDED on 26 May 2022



LAND ATTRIBUTES	
Street	Yuan Ching Road
Site use	Residential
Sale Type	Enbloc
Tenure	99
Plot Ratio	2.1
Site area (sqm)	12,465.3
Site GFA (sqm)	26,177.2
Highest bid (\$m)	354.4
Highest bid (\$psf)	1,260
Number of bids	null
Remarks	
Tender price inclusive of es	t. land betterment

ESTIMATED BREAKEVEN	
Land (\$m)	354.4
Construction (\$m)	110
Land Financing (\$m)	31
Professional / Legal / Taxes	56
(\$m)	
Marketing / Others (\$m)	33
Est. Total Cost (\$m)	584.1
Est. Breakeven (\$psf ppr)	2,073
Developer Winville Investment (Wing Tai Holdings)	

The Lakegarden has an estimated breakeven price of \$2073psf.

Compared to the estimated breakeven psf of Lakeside Towers (If enbloc succeeds) and Parkview Mansions, the bid price appears to be alittle higher than what the neighbourhood is commanding.

This may give Wing Tai little wiggle room on their launch prices.

Neighbourhood Replacement Cost Analysis

Lakeside Towers OPEN FOR TENDER until 10 August 2023



LAND ATTRIBUTES

Street	9G and 9H Yuan Ching Road
Site use	Residential
Sale Type	Enbloc
Tenure	99
Plot Ratio	2.1
Site area (sqm)	14,230.8
Site GFA (sqm)	29,884.6
Highest bid (\$m)	350.0
Highest bid (\$psf)	1,196
Number of bids	null

Remarks

Relaunched for third time. Estimated costs based on guide price. Psf ppr accounts for a 10% bonus gross floor area and inclusive of a lease top-up premium and a land betterment charge.

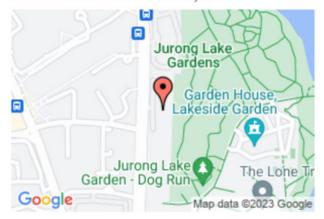
ESTIMATED BREAKEVEN

Land (\$m)	350.0
Construction (\$m)	126
Land Financing (\$m)	55
Professional / Legal / Taxes	57
(\$m)	
Marketing / Others (\$m)	35
Est. Total Cost (\$m)	622.9
Est. Breakeven (\$psf ppr)	1,936

Developer

_

Park View Mansions SOLD & AWARDED on 28 July 2022



LAND ATTRIBUTES

Street	Yuan Ching Road
Site use	Residential
Sale Type	Enbloc
Tenure	99
Plot Ratio	2.1
Site area (sqm)	17,835.0
Site GFA (sqm)	37,454.2
Highest bid (\$m)	412.0
Highest bid (\$psf)	0
Number of bids	null

Remarks

Tender price inclusive of est. for lease top-up and DC

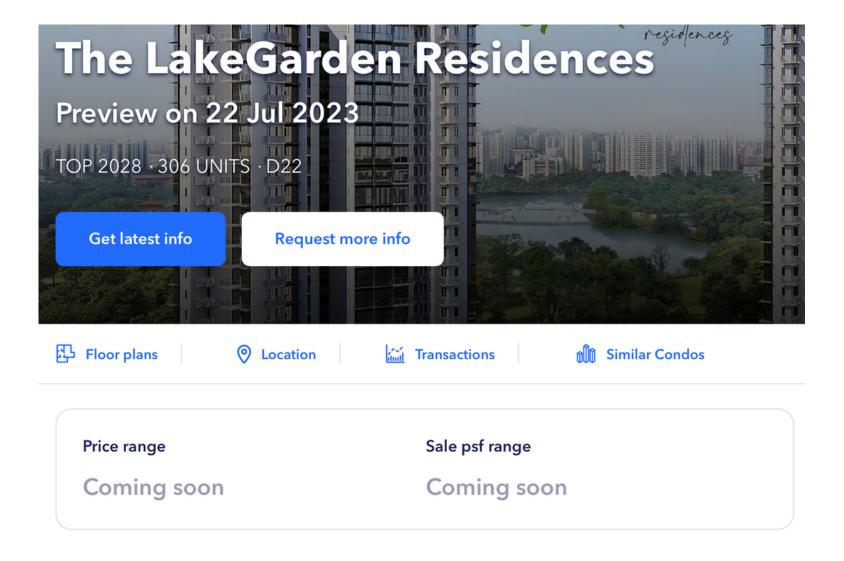
ESTIMATED BREAKEVEN

Land (\$m)	412.0
Construction (\$m)	157
Land Financing (\$m)	65
Professional / Legal / Taxes	68
(\$m)	
Marketing / Others (\$m)	42
Est. Total Cost (\$m)	744.6
Est. Breakeven (\$psf ppr)	1,847

Developer

CEL Development (40%), Sing-Haiyi Pearl (30%) and TK 189 Development (30%)

Lake Garden Residences Expected Launch Price and Date



Assuming a selling price of \$2050-2100psf, Wing Tai will be sitting on par to paper thin profit margins and might see stiff pricing competition coming from the upcoming Singhaiyi/CEL launch beside them.

It will be neccesary for Wing Tai to increase prices dramatically in their post launch phase to make up for early stage lower margin sales.

Closest Product Comparisons to Lake Garden Residences

Project Name 💠	Tenure \$	Completion Date	Distance (m)	Min Price* (S\$ psf)	AVG Price* (S\$ psf)	Max Price* (S\$ psf)
LAKE GRANDE	99 yrs from 09/06/2015	2019	0	1,499	1,656	1,853
THE LAKESHORE	99 yrs from 22/11/2002	2008	162	1,063	1,267	1,376
LAKEVILLE	99 yrs from 30/04/2013	2017	197	1,356	1,566	1,843
THE LAKEFRONT RESIDENCES	99 yrs from 03/08/2010	2014	664	1,121	1,427	1,660
J GATEWAY	99 yrs from 28/08/2012	2016	0	1,452	1,833	1,974

The large HDB upgrader backyard of District 22 and growth plans of the Jurong Lake District will continue to attract investors.

However, there is a marked absence of supporting projects in the Lakeside to Jurong East vicinity that supports pricing in the \$2000psf region.

This may present a bigger risk and lower margin of safety to would-be investors.

For example, Lake Grande, being one of the newer projects in the neighbourhood is a very attractive alternative to LGR at their current price point.



Summary

In our opinion, the margin of safety for Lake Garden Residences is the lowest of the projects reviewed so far.

Despite the Jurong Lake District
Transformation plans, the expected selling
price of \$2050-2100psf might provide
investors with lesser certainty of profitability.

Upcoming launches may also price at a more attractive level, giving WingTai limited room to increase prices easily.

That said, there is always a chance that Lakeside area developers collectively set new benchmark prices of \$2100psf in the near future. PROJECT HIGHLIGHT



Jurong Lake District growth hotspot



Close to nature



Renown developer



Three quarters of units will have lake and greenery views