



ZION ROAD

(Parcel A) & (Parcel B) GLS Site Tender Launched

Launch of Zion Road (Parcel A) and (Parcel B) GLS

URA has launched the sales tender for two residential Government Land Sale (GLS) sites at at Zion Road (Parcel A and B) on 4 December 2023. Parcel A is on the confirmed list, while Parcel B is on the reserve list.

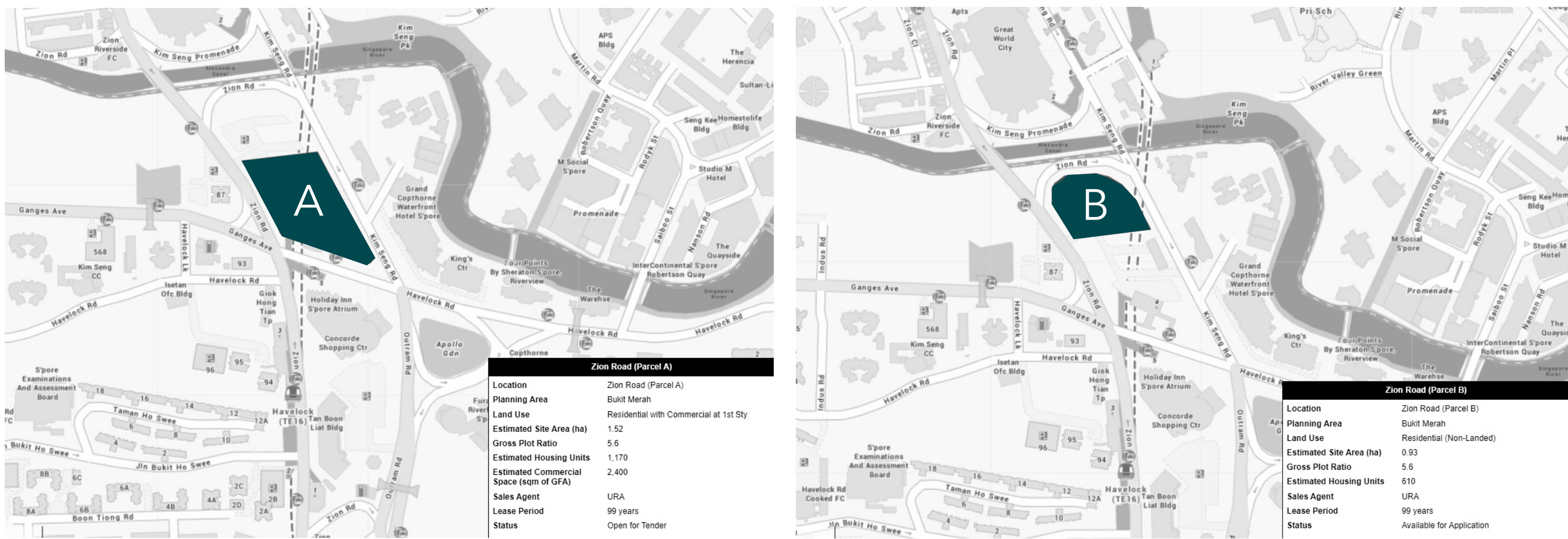
The tender for the Zion Road (Parcel A) site will close on 4 April 2024 alongside with Upper Thomson Road (Parcel B) site as part of a batch tender close.

Details of the GLS sites

	Zion Road (Parcel A)	Zion Road (Parcel B)
Land Use Zoning	Residential with Commercial at 1st Storey (Serviced Apartments required)	Residential
Gross Plot Ratio	5.6	5.6
Site Area	15,276.8 sqm	9,287.8 sqm
Maximum Gross Floor Area	88,551 sqm	52,012 sqm
Estimated number of units	1,170 (including 435 SA2 units)	610
Tender Close Date	4-Apr-24	-

Source: URA, ERA Research and Market Intelligence
Note: SA2 refers to Long-stay Serviced Apartments with a minimum stay duration of three months.

Map of GLS sites at Zion Road (Parcel A) and (Parcel B)



Source: URA

Locational attributes of the sites

This sites at Zion Road are located within Bukit Merah planning area in the Rest of Central Region.

Both sides are located at the entrance of the Havelock MRT Station. Via the Havelock MRT station, future residents can travel to the Central Business District (CBD), Orchard and Marina Bay area within 15 minutes. The sites are also well-connected to major roads and expressways, including the Central Expressway (CTE) and Ayer Rajah Expressway (AYE).

The sites are a short walk to Great World City, Tiong Bahru Market and Zion Riverside Food Centre. They are also within 1km of River Valley Primary School.

Potential demand for units in the Zion Road area

Demand for private homes in the area is resilient. The last GLS site sold in the vicinity was along Jiak Kim Street (now Riviere). It was sold for \$955.41 million (\$1,733 psf ppr). Riviere is fully sold as at April 2023 and achieved an average price of \$2,816 psf.

There could also be demand from HDB upgraders from Tiong Bahru, Queenstown or the Central region. Smaller units could also be popular among investors due to its close proximity to the CBD, Clarke Quay and Tiong Bahru.

Pilot of service apartments as part of the offering of new rental housing typology to cater to diverse housing needs

URA has launched these sites to pilot the long-stay Serviced Apartments with a 3-month minimum stay requirement. This caters to a segment of the population that opts to rent, such as younger Singaporeans.

The site at Zion Road (Parcel A) is part of URA’s pilot offering of service apartments to cater to diverse housing needs. The site will incorporate a mandatory long-stray Serviced Apartments component (with a 3-month minimum stay requirement).

Presently, aside from serviced apartments which mandates a minimum 7-day stays, the other options will be private landlords. However, these landlords prefer longer leases. These longer-term stay serviced apartments will plug the gaps in the market for those with short-term housing needs such as exchange students, those on short-term work assignments or those waiting for their renovations to be completed after collecting the keys to their new home.

No immediate competitor for the new development

In the past five years, there have been three major launches (more than 200 units) within 1km radius of this site – The Landmark, The Avenir and Riviere. Only The Landmark has available units for sale (83% sold).

Major launches (More than 200 units) within 1km of Parcel A

Project Name	No. of units	Land Rate psf ppr (\$)	Average Price psf (\$) till date	Sales Performance till date	Estimated TOP
The Avenir	376	\$1,806	\$3,208	100%	2025
Riviere	455	\$1,733	\$2,816	100%	2023
The Landmark	396	\$1,406	\$2,380	84%	2025

Source: URA, ERApro, ERA Research and Market Intelligence
Note: Data as of 13 Dec 2023

Muted demand expected

Developers could have lower appetite for land as some of them have already replenished their land bank. Excluding EC, non-landed residential sites received an average of 5.2 bids per site in 1H 2022, and this has moderated to 3.7 bids per site in 2H 2023.

The Zion Road (Parcel A) site, given its substantial size and the service apartment component, is expected to see muted bids and draw consortiums submitting joint bids.

The adjacent Zion Road (Parcel B) site on the reserve list is approximately one-third smaller, has fewer encumbrances and is a straight forward bid. As such, it may draw more interest from developers.



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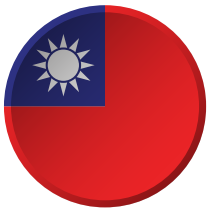
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