

# Press Release



## **Number and Value of Properties Sold at Auctions Scaled New Heights**

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Overall, the auction market performed quite well in the first half of 2007, with the volume of properties put up in 2Q 2007 surpassing that in 1Q 2007. The total number of properties put up for auction in 1H 2007 was 752, slightly decreased by 11% as compared to 2H 2006. The number of properties put up for auction by banks and financial institutions saw a drop of 37.4% compared with 2H 2006, while those put up for auctions by owners and others climbed up 38.9%.

### **Number and Value of Properties sold at Auctions scaled new heights**

Despite a drop the number of properties put up for auction, the number and value of properties sold at auctions scaled new heights in 1H 2007. Specifically, with 132 properties sold, the number of properties sold at auction in 1H 2007 increased by more than 36% compared with 2H 2006. Total sales value from auction in 1H 2007 was approximately S\$286 million, which was 36% higher than that in 2H 2006. Also, it is notable that the sale volume from owners and others' sales skyrocketed from S\$115 million in 2H 2006 to S\$207.8 million in 1H 2007.

Ms. Mary Sai, Executive Director and Auctioneer at Knight Frank noted that for the first half of 2007, there was increased participation from both vendors and buyers in the auction market. "Vendors are looking at auction as an alternative avenue to market their properties while buyers are turning to the auction market for faster purchase in this buoyant market, instead of having prolonged negotiations with property owners who keep shifting their targeted price upwards amidst the bullish sentiments. ", explained Ms. Sai.

In 1H 2007, the auction market was performing well with positive signals from all sectors. In the residential sector, the market witnessed good take-up for apartments across the island. Strong interest in apartments are not only seen in prime districts but also in outlying areas such as Yishun, Bishan and Hillview. "This is an indication that the demand for high-end properties are filtering down to the mass market," said Ms. Sai. In the high-end segment, developers were also putting their properties up for auction. Botanika, which is the first-ever uncompleted condominium put up for auction, was sold at average prices ranging from \$1,710 per square foot to \$2,420 psf in April 2007.

### **Strong demand for industrial properties and shophouses**

In the industrial sectors, factories that were put up for auctions were selling well too. For example, a detached factory building in Senoko Loop did received 23 bids in an auction and sold at S\$3.65 million, which was 46% higher than the opening price.

The auction market is also benefiting from the healthy economy with growing demand for industrial space. There was a noticeable increase in the success rate for purpose-built factories as well as strata-titled factories. Strata industrial units, such as those at Genting Warehouse, Ubi Techpark and Ubiplex 1, saw vigorous biddings at the recent auctions. Shophouses in commercial zones such as North Bridge Road and South Bridge Road also attracted much interest from bidders due to the strong demand for office space. According to Ms. Sai, this is "because the rising office rental made it more cost efficient for small and medium-sized companies to utilize office space in shophouses and some factories."

## **Outlook**

Ms. Sai believes that the auction market will remain robust in the second half of the year given the strong performance in the economy and property market. She expects that more variety of properties would be offered for sale at auctions in the coming months.

## **About Knight Frank Pte Ltd**

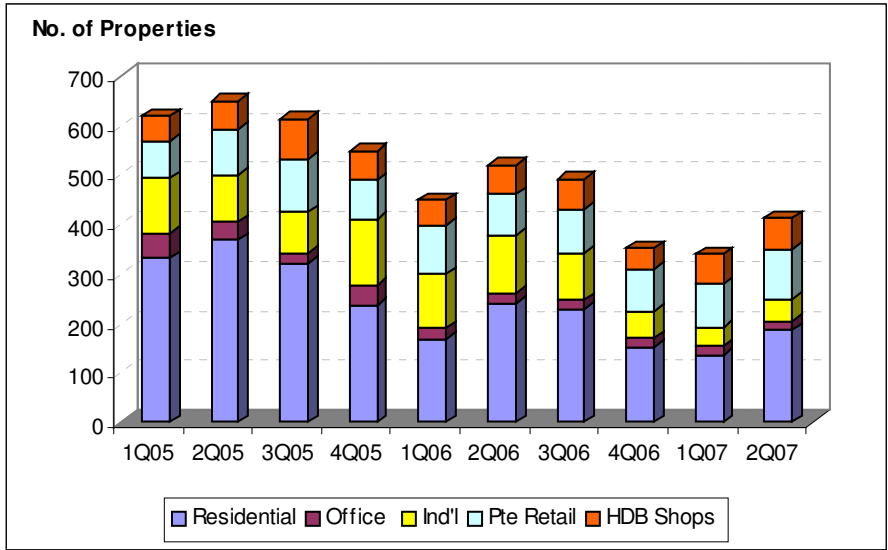
Knight Frank is a leading property consultancy firm with more than 65 years experience in advising clients and offering a comprehensive suite of property services. These services include sales and leasing of commercial, retail, industrial and residential properties, valuation, auctions, property management, consultancy and research.

A global partnership with prominent New York - based real estate firm, Newmark Knight Frank, has created a network of more than 140 offices in over 30 countries, staffed by more than 4,500 professionals.

## **For more information, please contact:**

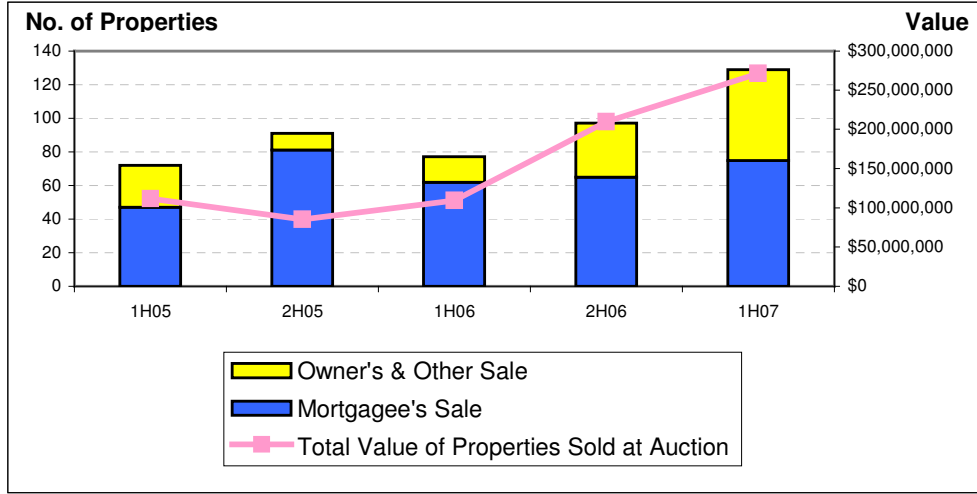
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Table 1: Total number of properties put up for auctions in 1H 2007



Source: Knight Frank Auction, Knight Frank Research

Table 2: Number and Value of Properties sold at auctions in 1H 2007



Source: Knight Frank Auction, Knight Frank Research