

Date: 19 June 2008

Government Land Sales Programme for Residential Developments - 2H 2008

Singapore, - A total of 21 residential sites were released in the 2H 2008 Government Land Sales (GLS) programme, similar to that of the previous half. In terms of the estimated total number of units, residential sites in 2H 2008 could potentially chalk up 7,337 units, a marginal decline of 6.3% of the potential units from 1H 2008 's list.

Despite the equal number of sites under both the Confirmed and the Reserve List, in actual fact, the number of confirmed sites has been reduced by half (from 8 in the preceding half and 4 in 2H 2008).

The number of residential units that can potentially be developed from 2H 2008's Confirmed List amounts to approximately 1,122 units. This is 60.5% lesser than the potential housing supply from sites available in 1H 2008. Of the total number of sites in the Confirmed List of the GLS Programme for 1H 2008, almost 1,950 units can be realised from the five sites that are already sold. However, the number of units that can be introduced into the residential market could potentially rise to 2,800 units if the remaining two sites are sold.

Notwithstanding the fact that the potential housing supply in the two GLS programmes was quite similar, it should be noted that the majority of the potential supply in 2H 2008 has been shifted to the Reserve List. This being said, these sites on the Reserve List may not be triggered for sale if there is an absence of genuine demand. Therefore, the potential supply may not materialize. Of the 17 sites on the new Reserve List, we expect less than one-third of these sites to be triggered for sale.

The decrease in more immediate potential supply hints at the more prudent stance taken by the Government especially in light of the current cautious market environment. On the other hand, more sites being put into the Reserve List helps to ensure and maintain flexibility in the GLS programme in the event that the market picks up in the later part of 2008.

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Notes to Editors

About Knight Frank

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