ABSTRACT

Since the inception of the Sale of Sites Programme (SOSP) in 1967, Urban Redevelopment Authority (URA) and Housing Development Board (HDB) have been selling sites that have specific land uses. The sale of white sites was first introduced in 1995 as part of the URA SOSP. The concept of white site was introduced to give developers more flexibility in the development options on certain land parcels sold by the State. In this context, white sites refer to sites in which a range of uses are allowed.

Developers are used to tender for government’s sale sites that are designated for specific uses. With a range of uses being allowed for white sites, developers are given more flexibility in deciding the type of development. The calculation of the value of such sites becomes more difficult. Developers will have to take into account the various uses to decide on the tender price for a certain white site. As there will be more sales of white sites progressively, an understanding of the factors influencing the developer’s tendering behaviour of white sites is important. It can facilitate developers in the calculation of their tender prices when URA launches such white sites.
This focus of this study is to examine the concept and rationale of white sites, to determine the factors that influence the determination of tender price of white sites, to analyse whether developers pay a premium for white sites, and assess the extent of such premiums. The scope of this study covers the white sites sold by URA under its SOSP from 1995 to 1998.

The analysis shows that the factors influencing the tender prices of white sites and non-white sites are similar. The flexibility of land use in white site is seen as an added advantage. However, the developers are not willing to pay a premium for it. They will still tender based on the highest and best use of the subject site. Developers will tend to vary their tender prices depending on the intended use of the site.