

PRIVATE NEW HOME SALES

PROPnex RESEARCH MONTHLY REPORT – AUGUST 2022

Private new home fell by 48% MOM in August due to a dearth of new project launches

- Overall new home sales in August fell by nearly half to 437 units from the previous month where 834 new homes were sold – owing to a lack of new project launches amid the Hungry Ghost Month.
- Private new home sales were led by the Core Central Region (OCR) where 220 units were sold at a median price of \$2.25 million – accounting for half of total new home sales in the month.
- In August, about 13% of private new home sales buyers were Foreigners, driven mostly by sales of city centre (CCR) homes

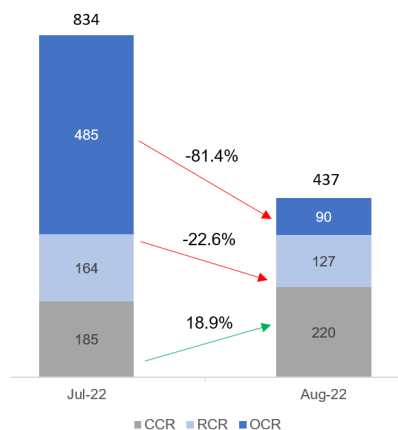


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MONTHLY PRIVATE NEW HOME SALES

AUGUST 2022

Private New Home Sales (Excl. ECs)
(July 2022 vs August 2022)



Source: PropNex Research, URA

Developers' sales fell markedly from July to August owing to a dearth of new project launches amid the Hungry Ghost month. Private new home sales declined by about 48% to 437 units (excluding Executive Condos) in August, from 834 units transacted in the previous month. This is the lowest monthly sales since April 2020 – during the circuit breaker - where 277 new units were sold. On a year-on-year basis, new home sales were down by about 64% from 1,216 units sold in August 2021, where the launch of Watergardens At Canberra helped to boost sales then.

August's sales took new private home sales (ex. EC) to 5,493 units in the first eight months of 2022 – nearly 41% lower year-on-year – as fewer launches crimped transaction volume.

The sluggish sales volume in August was expected given the lack of major new launches and the limited unsold stock, particularly in the Rest of Central Region (RCR) and Outside Central Region (OCR).

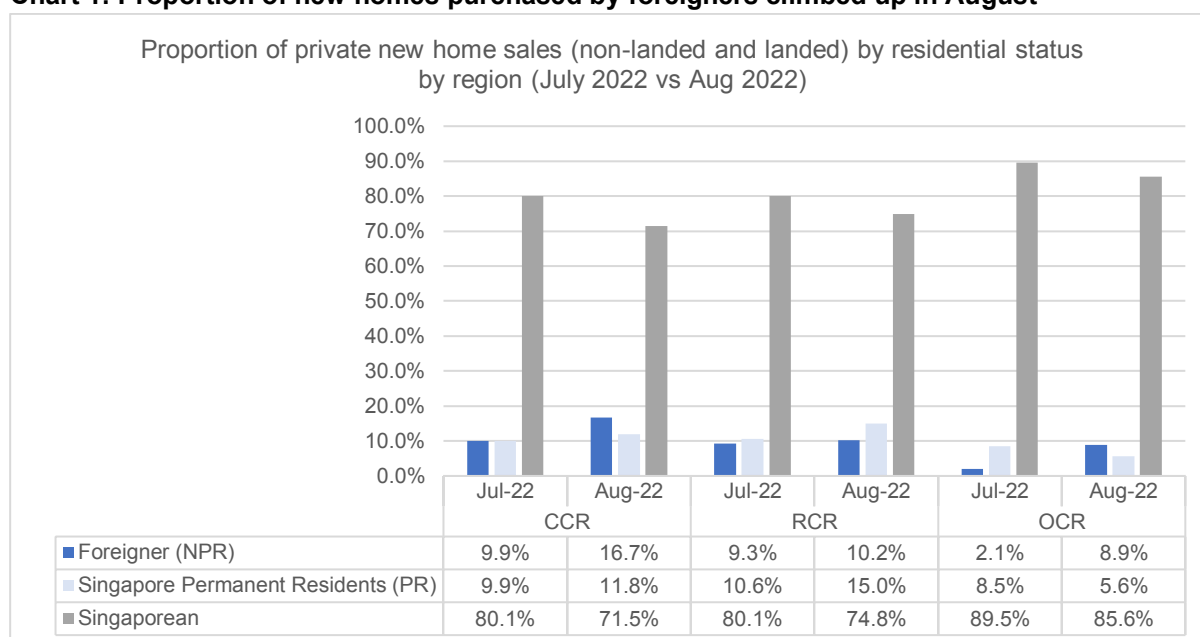
With the depleted stock of unsold new homes in the OCR, projects in the Core Central Region (CCR) and RCR made up the bulk of the top-selling residential developments during the month. The high-end home segment, **CCR** led sales in August shifting 220 units – up by 19% from July – accounting for half of the monthly sales. Hyll on Holland was the best-seller in August, transacting 42 units at a median price of \$2,674 psf. Other CCR projects that helped to lift sales include Perfect Ten and The Hyde which sold 27 (median price \$2,942 psf) and 20 units (median price \$3,002 psf) respectively.

Developers sold 127 homes in the **RCR** or city fringe in August – representing a 22.6% decline from 164 units in July. Riviere was the best performing RCR project, with 28 units changing hands at a median price of \$2,862 psf. Buyers also picked up new units at One Pearl Bank, The Landmark, Avenue South Residence, and Forett At Bukit Timah at median prices varying from \$2,274 psf to \$2,635 psf.

New private home sales in the **OCR** plunged by 81.4% from July to August, with developers selling just 90 new units – possibly the lowest monthly figure since 46 OCR new units were sold in January 2009. The best-selling OCR projects in August were The Gazania which shifted 16 units at a median price of \$2,222 psf, The Watergardens At Canberra which sold 12 units at a median price of \$1,423 psf, and Urban Treasures where 10 units were transacted at a median price of \$2,057 psf.

Developers placed just 134 new units (ex. ECs) for sale in August, compared with 402 units in the previous month. In the first eight months of 2022, 3,105 new units (ex. ECs) were launched for sale, representing a 61% decline from the same period a year ago.

Chart 1: Proportion of new homes purchased by foreigners climbed up in August



Source: PropNex Research, URA Realis (data retrieved on 15 September 2022)

In the absence of new mass market launches driving sales, the CCR projects have picked up the slack. Commonly seen as a proxy for the luxury home segment, the CCR sub-market accounted for half of the new home sales in August. According to URA Realis caveat data, Singaporean buyers were behind about 71.5% of the CCR new home sales in August, with foreigners and Singapore Permanent Residents picking up 16.7% and 11.8% of the CCR new units (See Chart 1).

On the whole, foreigners accounted for about 13.3% of overall private new home sales in August – up from 5.1% in July. Generally, we note that the proportion of foreign buyers has climbed gradually from April 2022 with the further easing of border restrictions, compared to the first quarter of the year.

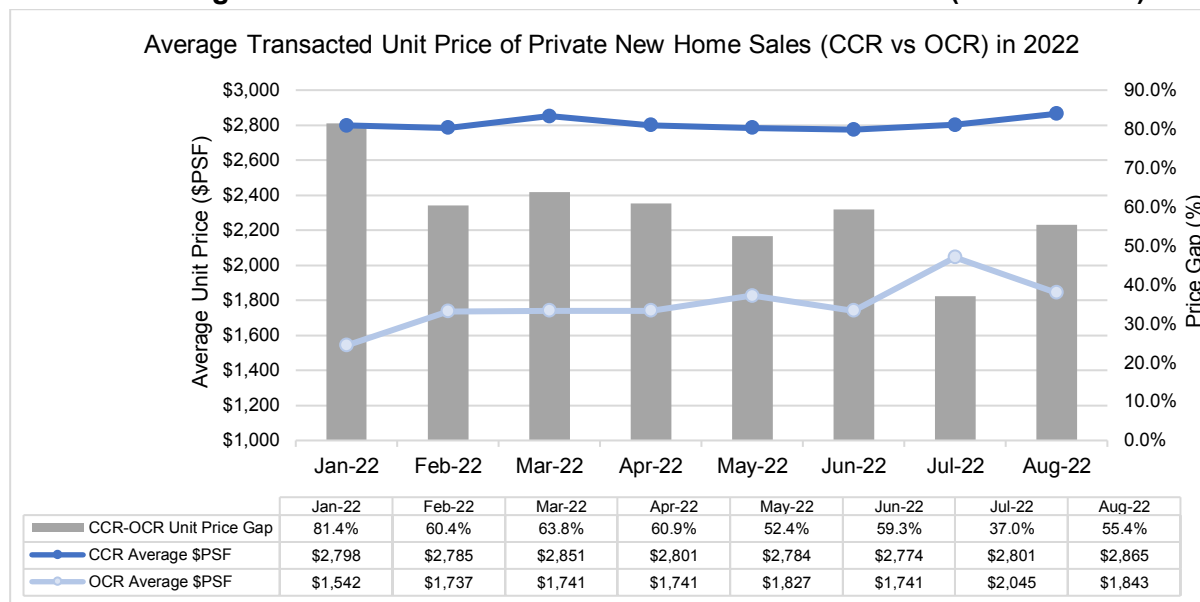
Table 1: Median Transacted Unit Price (\$PSF) of New Private Homes (Ex. ECs)

Market Segment	Jul-22	Aug-22	MOM % Change
Core Central Region	\$2,742 psf	\$2,802 psf	+2.2%
Rest of Central Region	\$2,323 psf	\$2,431 psf	+4.6%
Outside Central Region	\$2,088 psf	\$1,860 psf	-10.9%

Source: PropNex Research, URA Realis (retrieved 15 Sep 2022)

The median unit price of OCR new private homes contracted by nearly 11% MOM to \$1,860 psf in August amid a lack of new launches (See Table 1). Meanwhile, the median transacted prices at CCR and RCR climbed by 2.2% and 4.6% to \$2,802 psf and \$2,431 psf, respectively.

Chart 2: Average Transacted Unit Price of Private New Home Sales (CCR vs OCR)



Source: PropNex Research, URA Realis (data retrieved on 15 August 2022)

The price average price gap between CCR and OCR new sales widened in August to 55% from 37% in July. This is not unexpected in the absence of OCR new projects which tend to prop up prices during the launch month (see Chart 2). With a couple of OCR projects (Sky Eden@Bedok and Lentor Modern) hitting the market in September, the average price in OCR could see a potential uplift.

Outlook

The low sales in the OCR (90 units) in August can be seen as a reflection of the tightness in the supply of new mass market homes. Looking at the August URA data, many OCR projects that are on the market have either been fully-sold or have a very low number of unsold units - whittled down to the single-digit in the case of several projects.

Many of the unsold units are also likely to be larger apartments which may not suit the needs nor fit the budget of some would-be buyers. The squeeze in supply, couple with genuine demand has led to the strong sales momentum seen in recent OCR launches: AMO Residence in July and Sky Eden@Bedok this month.

With new projects being launched in September, PropNex expects new homes sales volume to pick up this month. Sky Eden@Bedok has sold about 75% of its 158 residential units when it was launched on 7 September. Another new upcoming project Lentor Modern is also expected to do well when it is launched on the weekend of 17 September.

Table 2: Top 10 Best-Selling Private Residential Projects (Ex. ECs) in August 2022

S/N	Project	Region	Units Sold in August	Median Price in August (\$PSF)
1	HYLL ON HOLLAND	CCR	42	\$2,674
2	RIVIERE	RCR	28	\$2,862
3	PERFECT TEN	CCR	27	\$2,942
4	THE HYDE	CCR	20	\$3,002
	LEEDON GREEN	CCR	20	\$2,807
5	THE GAZANIA	OCR	16	\$2,222
	ONE PEARL BANK	RCR	16	\$2,635
6	THE AVENIR	CCR	15	\$3,238
7	THE LANDMARK	RCR	13	\$2,388
	KOPAR AT NEWTON	CCR	13	\$2,598
8	THE WATERGARDENS AT CANBERRA	OCR	12	\$1,423
	FORETT AT BUKIT TIMAH	RCR	12	\$2,282
	AVENUE SOUTH RESIDENCE	RCR	12	\$2,274
9	HAUS ON HANDY	CCR	11	\$2,761
10	MIDTOWN MODERN	CCR	10	\$2,704
	URBAN TREASURES	OCR	10	\$2,057

Source: PropNex Research, URA

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