


PRIVATE NEW HOME SALES

PROPNE X RESEARCH
MONTHLY REPORT – OCTOBER 2022



New private home sales sank by 68% in October in the absence of major launches

- Overall new home sales in October fell by 68% to 312 units from the previous month where 987 new homes were sold – this was the lowest monthly figure since April 2020 where 277 new homes were sold.
- Private new home sales were led by the Core Central Region (CCR) where 171 units were sold, accounting for nearly 55% of total developers' sales in the month.
- Developers sold 498 new EC units in October on the back of the successful launch of Copen Grand EC in Tengah

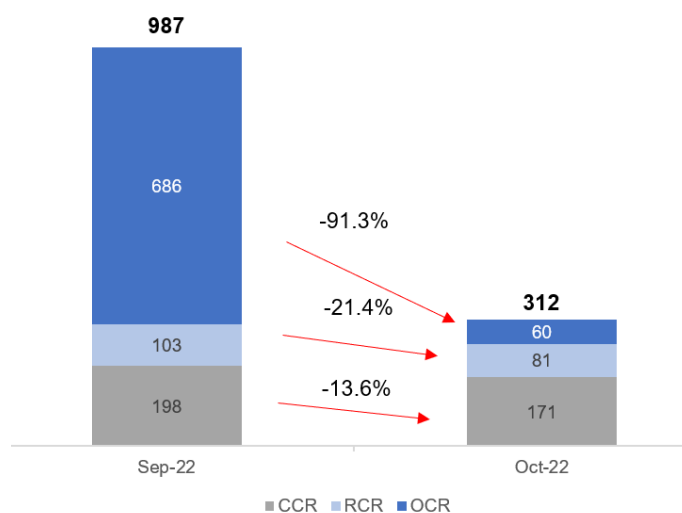


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MONTHLY PRIVATE NEW HOME SALES

OCTOBER 2022

Private New Home Sales (Excl. ECs)
(September 2022 vs October 2022)



New private home sales sank to the lowest level in more than two years in October 2022, with developers transacting 312 new homes (ex. Executive condos) – it is the lowest monthly figure since April 2020 where 277 units were sold. October’s sales were down by 68.4% from 987 new homes sold in the previous month, and marked a decline of 65.8% on a year-on-year basis.

Fresh cooling measures, a dearth of major project launches, and limited unsold stock in the market have weighed on developers’ sales during the month. Two new projects were launched in October: the 25-unit Enchante in Evelyn Road and landed homes at Pollen Collection in Nim Road – each selling two units.

Meanwhile, the launch of Copen Grand **executive condo (EC)** project – a type of public-private housing hybrid - in Tengah propelled the EC segment to post one of its highest monthly sales in recent years. Developers sold 498 new EC units in October, with Copen Grand making up 96% of the sales, transacting 480 units at a median price of \$1,345 psf. North Gaia EC moved 18 new units in October at a median price of \$1,307 psf. Overall EC sales in October were up sharply from the 5 units transacted in September.

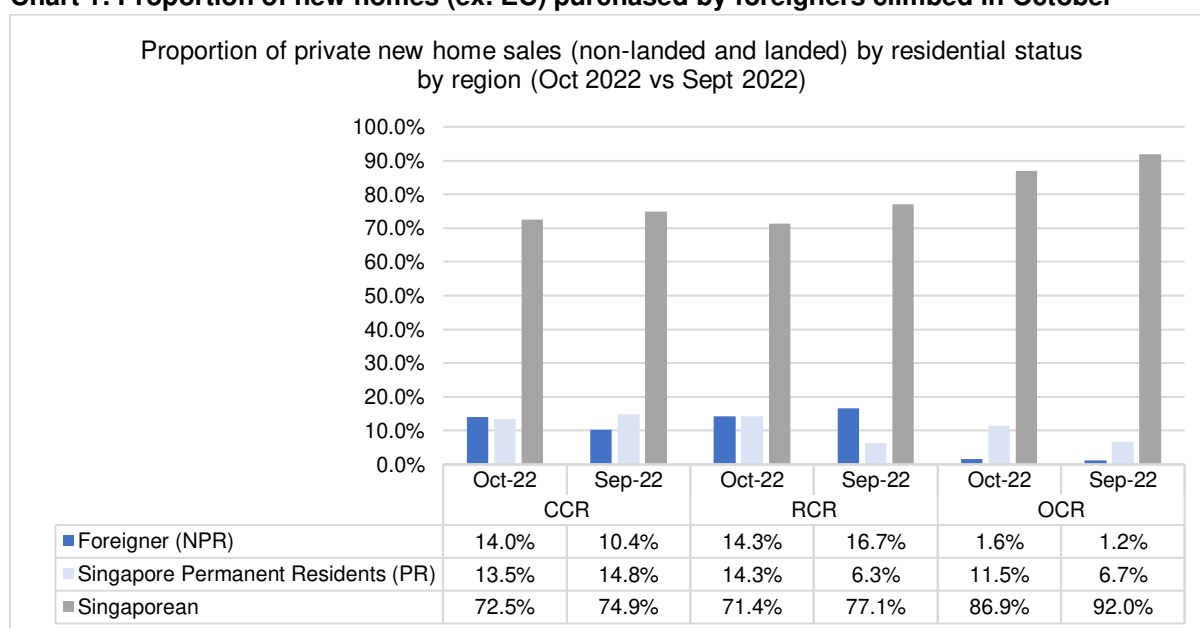
The **Core Central Region (CCR)** led sales in October, with 171 units changing hands – accounting for about 55% of the monthly sales. The top-selling CCR projects in October included Perfect Ten which shifted 37 units at a median price of \$2,955 psf, Pullman Residences Newton which sold 13 units at a median price of \$3,039 psf, and Hyll on Holland which transacted 12 units at a median price of \$2,794 psf.

Meanwhile, developers sold 81 new units in the **Rest of Central Region (RCR)** in October, representing a 21.4% decline from 103 units shifted in the previous month. Riviere is the most popular RCR project in October, transacting 16 units at a median price of \$2,949 psf. It is followed by One Pearl Bank and The Landmark which moved 15 and 12 units each at a median price \$2,497 psf and median price \$2,349 psf respectively. The absence of new launches and the paring down of unsold stock have largely affected sales momentum in the RCR.

In the **Outside Central Region (OCR)**, new home sales too, were constrained by the limited stock of unsold units. New sales volume fell sharply by about 91% MOM to 60 units in October – coming off a high base in September where the launch of Lentor Modern had boosted sales. Few OCR projects made it to the top-10 list (see Table 1); Lentor Modern and The Watergardens at Canberra were the best-selling OCR developments, each posting 9 transactions at a median price of \$1,976 psf and \$1,488 psf respectively.

Developers placed 102 new units (ex. ECs) for sale in October – down by 89% from 913 units that hit the market in the previous month. The new units were mostly from previously launched projects, apart from 25 units from Enchante and 22 units from Pollen Collection which were new to the market. Meanwhile, 639 new ECs were launched in October at Copen Grand - the largest EC launch since the 616-unit North Gaia EC project was launched in April this year.

Chart 1: Proportion of new homes (ex. EC) purchased by foreigners climbed in October



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

According to URA Realis caveat data, the overall proportion of foreign buyers for private new home sales surged to 11.7% in October from 4.5% in September, largely driven by the CCR. In particular, foreign buyers accounted for 14% of new home sales in the CCR, rising from 10.4% in September (See Chart 1). The proportion of Singaporean buyers across all market segments fell from September to October – accounting for 72.5% of the transactions in the CCR, 71.4% in the RCR and 86.9% in the OCR. The decline could be due to the limited inventory of new homes in the city fringe and suburbs, which tend to appeal to local owner occupiers.

In October, the overall median transacted price of non-landed new private homes (ex. EC) was about \$2.26 million – up by about 19% from about \$1.89 million in January this year. The fact that the CCR accounted for more than half of the month’s sales likely contributed to the higher median price in October.

Meanwhile, the median unit price of new private homes (non-landed and landed, excl. EC) fell across market segments amidst the muted sales (See Table 1) during the month. The median transacted unit prices in the OCR fell the sharpest by 8.4% MOM to \$1,931 psf – without the catalyst from any fresh private condo launches. Median unit prices in the CCR and RCR slipped by 0.2% and 3.6% to \$2,867 psf and \$2,452 psf, respectively

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

Market Segment	Sept-22	Oct-22	MOM % Change
Core Central Region	2,873	2,867	-0.2%
Rest of Central Region	2,543	2,452	-3.6%
Outside Central Region	2,107	1,931	-8.4%

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

Outlook

The September cooling measures and low unsold inventory in the market delivered a one-two punch to new home sales in October, as the monthly transaction volume retreated to its lowest since April 2020, when the circuit breaker was first imposed to curb the spread of Covid-19. As with previous rounds of cooling measures, we witnessed a fall in sales in the following month (after the introduction of fresh curbs) as many buyers likely deferred their property purchase, preferring to monitor the measures’ impact on the market and waiting for the dust to settle before buying.

In addition, the limited stock of unsold private new homes did not help. So far, most of the new launches this year have enjoyed healthy sales, while previously launched projects have sold a substantial portion of their units. The balance stock in the market are also likely to comprise more larger units with a higher price quantum, which may not fit the budget of many buyers. This mismatch will encourage some buyers to look for options in the resale market or wait for new launches to come on, which would offer a fresh selection of new 2- and 3-bedroom units.

To this end, PropNex expect upcoming projects, such as the 618-unit Tenet EC in Tampines in December and the 268-unit Sceneca Residence in Tanah Merah – potentially launching in January - should be well-received by the market. Copen Grand EC’s strong sales could also boost interest in existing EC launch North Gaia and the upcoming Tenet EC in Tampines, a mature housing estate where demand from HDB upgraders may be keen.

For November, new private home sales are likely to stay lukewarm in the absence of any major launches. One project was launched over the 12th November weekend - the 72-unit Hill House in River Valley in the CCR which sold 12 units at an average price of close to \$3,000 psf – roughly within expectations given the year-end holiday period.

Excluding ECs, developers have sold 6,721 new private homes in the first 10 months of 2022, representing a 38% decline from the same period in 2021. The limited number of new launches for the rest of the year will likely stymie developers' sales, resulting in the new homes sales tally to fall below PropNex's forecast of 8,000 units (ex. ECs) for the full-year 2022.

PropNex expects overall home prices to climb by 9% to 10% in 2022, and rise by 5% to 6% in 2023 – as new cooling measures and macroeconomic uncertainties slow the pace of price increase

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

S/N	Project	Region	Units Sold in Oct 2022	Median Price in Oct (\$PSF)
1	PERFECT TEN	CCR	37	2,955
2	RIVIERE	RCR	16	2,949
3	ONE PEARL BANK	RCR	15	2,497
4	PULLMAN RESIDENCES NEWTON	CCR	13	3,039
5	HYLL ON HOLLAND	CCR	12	2,794
	THE LANDMARK	RCR	12	2,349
6	HAUS ON HANDY	CCR	11	2,767
	LEEDON GREEN	CCR	11	2,897
7	FYVE DERBYSHIRE	CCR	10	2,485
	THE AVENIR	CCR	10	3,385
8	LENTOR MODERN	OCR	9	1,976
	MIDTOWN MODERN	CCR	9	2,681
	THE WATERGARDENS AT CANBERRA	OCR	9	1,488
9	THE HYDE	CCR	8	2,977
10	KOPAR AT NEWTON	CCR	7	2,665
	PASIR RIS 8	OCR	7	1,853
	WILSHIRE RESIDENCES	CCR	7	2,680

Source: PropNex Research, URA

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