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PRIVATE NEW HOME SALES

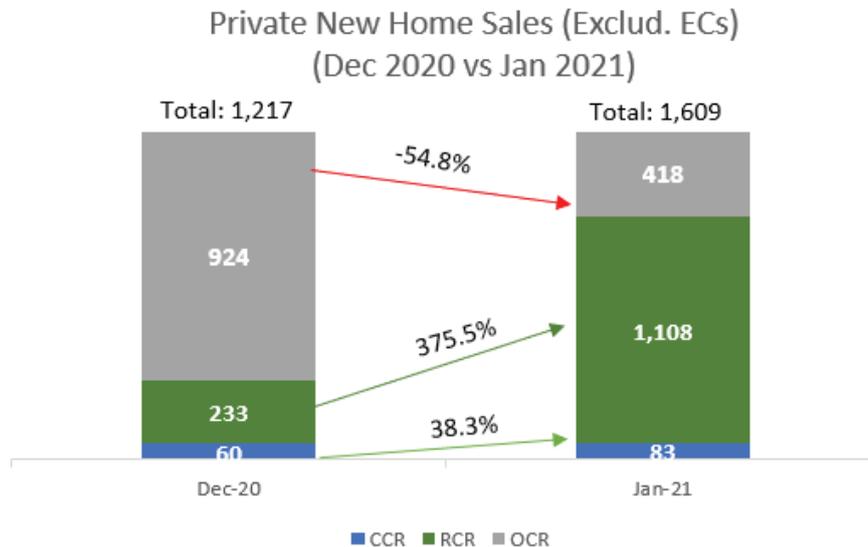
PROPnex RESEARCH
MONTHLY REPORT (JAN 2021)



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MONTHLY PRIVATE NEW HOME SALES

January 2021



Developers sold 1,609 new private homes (excluding Executive Condominiums) in January, boosted by strong take-up at two new launches Normanton Park and The Reef At King's Dock. An Executive Condominium (ECs) project – Parc Central Residences EC - that was launched during the month was also well-received by buyers.

The number of new units transacted in January 2021 was 32.2% higher than the 1,217 units sold in December 2020. On a year-on-year basis, new home sales last month were markedly higher, rising by 159.5% from 620 units in January 2020.

As with previous months, January's sales were driven predominantly by new launches. Normanton Park and The Reef At King's Dock collectively sold 846 units, accounting for about 52.6% of monthly sales. The EC segment also booked healthy sales of 489 units in January, led by Parc Central Residences EC which shifted 417 units.

Newly-Launched Projects (including ECs) in January 2021

	Total Units	Units Sold	% Units Sold	Median Price \$PSF
<i>Normanton Park</i>	1,862	625	33.6%	\$1,763
<i>The Reef At King's Dock</i>	429	221	51.5%	\$2,276
<i>Parc Central Residences (EC)</i>	700	417	59.6%	\$1,177

Source: PropNex Research, URA

The Rest of Central Region (RCR) drove home sales in January, contributing 1,108 units to monthly sales – largely boosted by the healthy demand for Normanton Park and The Reef At King's Dock, both of which are in the RCR. Meanwhile, 418 new units were sold in the mass market or Outside Central Region (OCR), with Ki Residences At Brookvale (77 units) and Treasure At Tampines (65 units) leading sales in the sub-market. In the high-end market or Core Central Region (CCR), developers sold 83 new homes in January.

In terms of launches, developers placed 2,600 new private homes and 700 ECs on the market in January, compared with 1,349 new private homes launched in December (no ECs were launched in December 2020).

January's healthy private new home sales were not unexpected given that there were two project launches - one of them was the mega 1,862-unit Normanton Park and the other was The Reef At King's Dock in the Harbourfront area. These two launches in the RCR have attracted buyers owing to their appealing location/project attributes. Normanton Park, the only mega project (of over 1,000 units) that is launched this year, boasts spectacular views and lush greenery and offers a wide variety of unit-mix. Meanwhile, the waterfront project The Reef At King's Dock – well-positioned to potentially benefit from the future Greater Southern Waterfront development - is near VivoCity and the HarbourFront MRT interchange station. In addition, both projects were attractively priced.

Singaporeans' dream of owning and living in a private home remains very much intact and this is reflected in the strong demand for the first EC project launch of 2021, Parc Central Residences EC which sold 59.6% of its units at launch. ECs, being more affordably priced than private condos also appeal to many HDB upgraders.

It is key to note that despite the upswing in private new home sales in January, this is not a reflection of a surging demand. In comparison, to the overwhelming rush of buyers to outrun the property cooling measures in July 2018, where a total of 1,724 private new homes were transacted. We have observed is that location, attractive product attributes, and right pricing are the key factors in driving good take-up rates.

We believe most buyers are discerning and are entering the market to buy properties after they have carefully considered their options and finances. This can be further reinforced with the sales of Normanton Park in January, which sold 625 units – accounting for only a 33.6% take-up rate. Unlike Clavon that sold 473 units- representing a 73.9% take-up rate in December.

In addition, according to the data retrieved from URA Realis, over 80% of the units sold collectively at Normanton Park and The Reef At King's Dock were smaller homes with sizes below 800 sq ft. This tells us that buyers are still price and quantum sensitive. Many developers are aware of this and we expect them to price units cautiously.

Furthermore, Local buyers continued to account for the bulk of the sales last month, with about 83% of total new homes transacted being bought by Singaporeans, according to Realis data. Demand from foreign buyers remained relatively muted amid travel restrictions due to the pandemic. Based on caveats lodged, 89 new homes were sold to overseas buyers January, up from 38 and 30 in December and November 2020, respectively.

We could potentially see a gradual increase in interest from foreigners given that there are several upcoming launches in the CCR, which tends to attract such buyers. International investors are searching for yields in a low-rate world and Singapore will remain on their radar as an attractive investment destination, given its strong fundamentals and generally positive long-term outlook for the property market.

On the whole, we expect the residential property market to remain healthy, but downside risks persist, including the resurgence of COVID-19 and uncertain macroeconomic

conditions. In addition, there is also the risk of further cooling measures by the government, should it judge that home prices are getting ahead of the underlying economic fundamentals.

We are expecting 2021's new home sales to be around 8,000 to 9,000 units - below the 9,982 units transacted last year. A key reason for the lower forecast is that there are not that many large projects in the launch pipeline this year and unsold inventory in the market has also dwindled.

Top 10 Best-Selling Projects (including ECs) in January 2021					
	Project	Region	Units Sold	Median Price (\$psf)	Tenure
1	NORMANTON PARK	RCR	625	\$1,763	99 Years LH
2	PARC CENTRAL RESIDENCES (EC)	OCR	417	\$1,177	99 Years LH
3	THE REEF AT KING'S DOCK	RCR	221	\$2,276	99 Years LH
4	KI RESIDENCES AT BROOKVALE	OCR	77	\$1,750	999 Years LH
5	TREASURE AT TAMPINES	OCR	65	\$1,382	99 Years LH
6	JADESCAPE	RCR	43	\$1,802	99 Years LH
7	PARC CLEMATIS	OCR	43	\$1,669	99 Years LH
8	THE GARDEN RESIDENCES	OCR	30	\$1,579	99 Years LH
9	FORETT AT BUKIT TIMAH	RCR	29	\$1,981	Freehold
10	PIERMONT GRAND (EC)	OCR	29	\$1,129	99 Years LH

Source: PropNex Research, URA

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