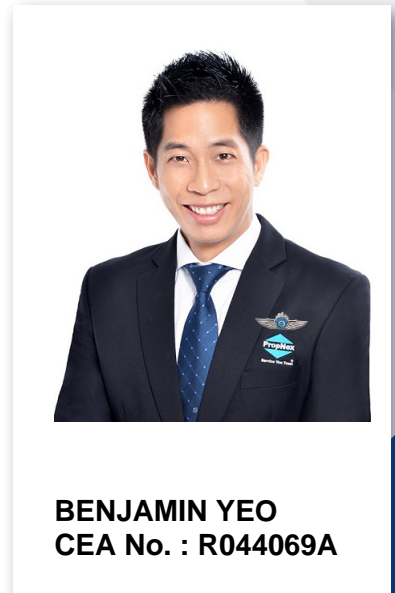




PRIVATE NEW HOME SALES

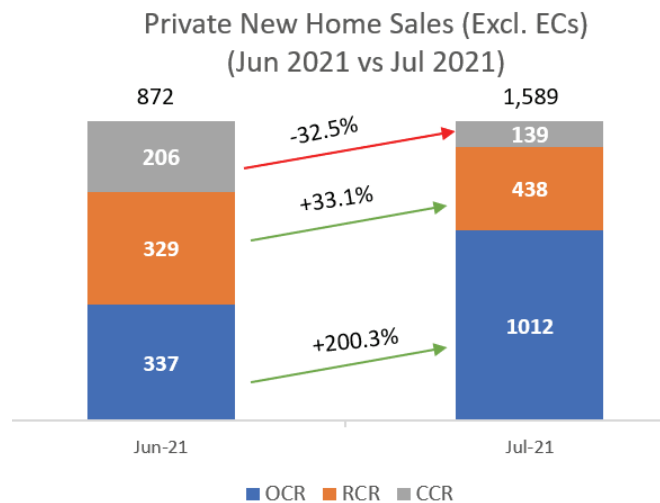
PROPnex RESEARCH
MONTHLY REPORT (JULY 2021)



BENJAMIN YEO
CEA No. : R044069A

MONTHLY PRIVATE NEW HOME SALES

July 2021



Source: PropNex Research, URA

Overall private new home sales bounced back in July 2021 compared to the previous month, despite Singapore entering the second round of Phase 2 Heightened Alert from 22 July to 18 August. Developers sold 1,589 new private homes (excluding Executive Condos) in July 2021 – almost twice the 872 units transacted in the previous month where sales volume hit a low due to the absence of new launches. When compared to July 2020 – new home sales last month were 46.7% more than the 1,083 units transacted then. The sales in July recorded the second highest month of sales in 2021, after January 2021 where 1,633 homes were sold. During the month of January, sales was boosted by two new launches, namely mega project Normanton Park and The Reef at Kings Dock where 622 and 210 units were sold respectively.

New homes sales in the Outside Central Region (OCR) recorded almost two thirds of total sales with 1,012 units. The OCR sales figures was up 200.3% month-on-month from June where 337 homes in the OCR were sold. Majority of the sales in the OCR were from the Pasir Ris 8 new launch, which sold 418 units, and boosted by other previously launched OCR projects such as Midwood (91 units) and Seng Kang Grand Residences (89 units).

Newly-Launched Projects (excl. ECs) in July 2021

	Total Units	Units Sold	% Units Sold	Median Price \$PSF
PASIR RIS 8	487	418	85.8%	\$1,624

Source: PropNex Research, URA Realis

In the Rest of Central Region (RCR), 438 new homes were transacted in July 2021. The RCR sold 33% more units in July compared to the previous month. Its sales were boosted by Normanton Park which sold 125 units – the project's strongest monthly sales since its launch in January 2021. Meanwhile, in the Core Central Region (CCR), 139 new homes were sold, 32.5% less units in July compared to June. Leedon Green was the best-selling CCR project in July, with 33 units transacted, at a median price of \$2,559psf.

In terms of units launched, developers placed 1,104 new private homes (ex. ECs) on the market in July – 35.5% more than the 815 units (ex. ECs) launched in the previous month. All of the units placed on the market in July were mostly from previously launched projects and one brand new project launch, namely Pasir Ris 8 with 487 units.

Private New Home Sales (ex. ECs)			
Period	Units Sold	Period	Units Sold
Q1 2021	3,493	Q1 2020	2,149
Q2 2021	2,966	Q2 2020	1,713
June-21	872	June-20	998
July-21	1,589	July-20	1,083
Year-to Jul 21	8,048	Year-to Jul 20	4,945
% Change	+63%		

Source: PropNex Research, URA Realis

While the market was reeling from the tightening of restrictions from April to June this year, the month of July exceeded expectations with an impressive sales figure of more than 1,500 new units being sold. The new home sales performance in July 2021 was boosted by the buzzing OCR sub-market which saw over 1,000 units being transacted. PropNex Research believes that the catalyst to the exuberance was the recent GLS tender activity where Ang Mo Kio Avenue 1 and Lentor Central received top bids of \$1,118 psf ppr and \$1,204 psf ppr respectively from developers. The news of aggressive land prices triggered many to realize that future launch prices are likely to rise further. A good number of investors and buyers, whom have been waiting for the right opportunity, decided to enter the market in July, in anticipation of possible price hikes in the future.

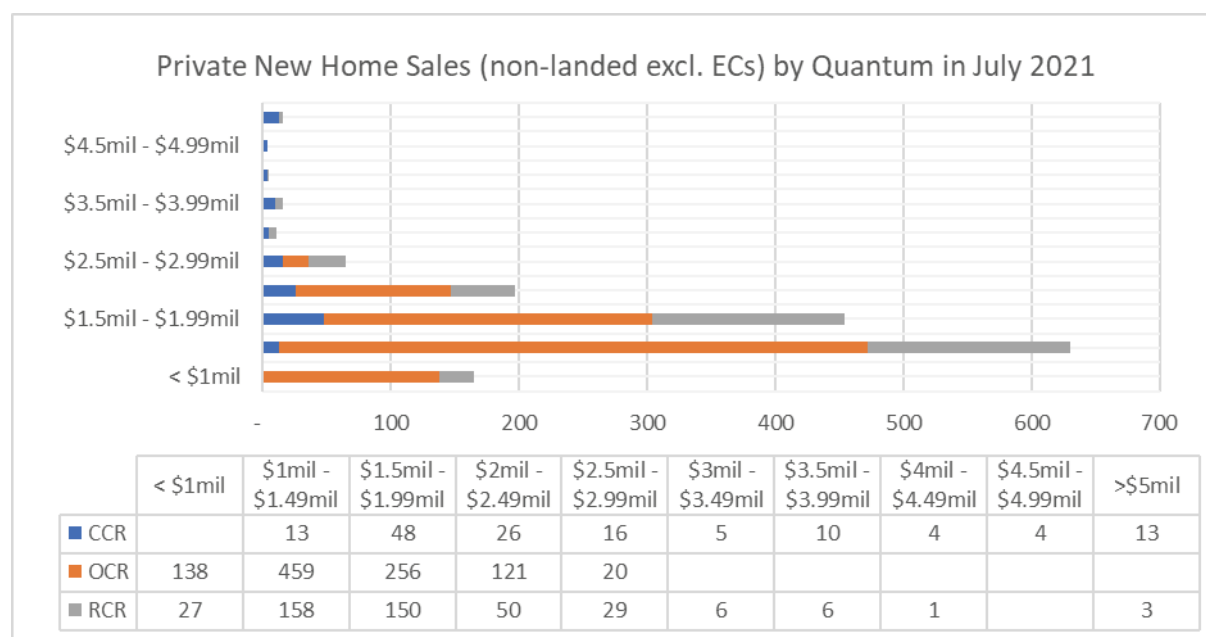
Pasir Ris 8 was the best-seller last month, selling more than 85% of its total inventory, with an attractive median price of \$1,624 psf. The favourable response to the Pasir Ris 8 launch and news of multiple price revisions up to \$2,000 psf created a spill-over effect to other projects in the OCR. In July, a number of OCR projects managed to move more units compared to previous months in the year. Mega project Normanton Park in the RCR which was launched in January this year was the second best-selling last month with an attractive median price of \$1,825psf, while other OCR projects Midwood and SengKang Grand Residences continued to sell units steadily, with a median price of \$1,656 psf and \$1,714 psf respectively. It was observed that 7 out of the top 10 best-selling projects in July were located in the OCR, we expect this sub-market to continue to do well this year, with more new launches to come.

Nationality by Residential Status	Proportion of New Home Sales (Excl. ECs)	
	July 2021	1H 2021
% of new sales		
Company	0.1%	0.1%
Foreigner (NPR)	4.0%	4.3%
Singapore Permanent Residents (PR)	9.5%	13.0%
Singaporean	86.4%	82.6%
Total	100%	100%

Source: PropNex Research, URA Realis

Singaporeans remained the main driver of new homes sales in July 2021, accounting for about 86.4% of the new private home transactions (ex. ECs) – up from 82.6% in the first six months of 2021. The proportion of new private homes bought by foreigners shrunk slightly from 4.4% in 1H 2021 to 4.0% in July. We expect there should be growing interest among foreign buyers for Singapore homes, with several launches still to come in the central region.

In terms of price quantum of new home sales, about 80% of the new private non-landed homes transacted in July 2021 were below the sweet-spot quantum of under \$2 million. Majority of these purchases below the \$2-million mark comprised of homes located in the OCR (68.3%).



Source: PropNex Research, URA Realis

Outlook

New home sales are expected to moderate in August to the tune of 1,000 units due to the Hungry Ghost month and dwindling stock in the OCR, as a result of the lean line-up of new launches in the suburbs, which will put a cap on sales volume. Upcoming launches in the later part of August include: Watergardens at Canberra in the OCR. Given the strong turnout at the Pasir Ris 8 launch, the new projects in the suburbs should attract strong interest from owner-occupiers, including HDB upgraders.

For the whole of 2021, PropNex projects that new private home sales (ex. ECs) could exceed 12,000 units, barring any unforeseen events and new cooling measures.

Top 10 Best-Selling Projects (Ex. ECs) in July 2021

	Project Name	Market Segment	Number of units sold in July	Median \$Psf in July	Tenure
1	PASIR RIS 8	OCR	418	\$1,624	99-year LH
2	NORMANTON PARK	RCR	125	\$1,825	99-year LH
3	MIDWOOD	OCR	91	\$1,656	99-year LH
4	SENGKANG GRAND RESIDENCES	OCR	89	\$1,714	99-year LH
5	PARC CLEMATIS	OCR	61	\$1,851	99-year LH
6	KI RESIDENCES AT BROOKVALE	OCR	61	\$1,691	999-year LH
7	TREASURE AT TAMPINES	OCR	59	\$1,381	99-year LH
8	THE ANTARES	RCR	56	\$1,806	99-year LH
9	THE FLORENCE RESIDENCES	OCR	51	\$1,645	99-year LH
10	AVENUE SOUTH RESIDENCE	RCR	43	\$2,237	99-year LH

Source: PropNex Research, URA

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Compiled on 15 August 2021.