



PRIVATE NEW HOME SALES

PROPnex RESEARCH
MONTHLY REPORT (AUGUST 2021)

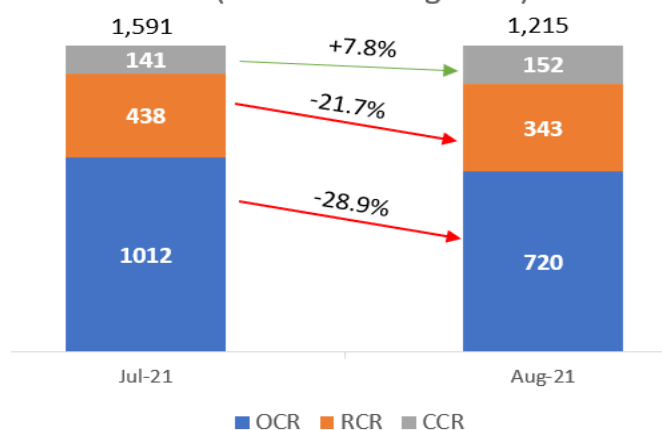


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MONTHLY PRIVATE NEW HOME SALES

August 2021

Private New Home Sales (Excl. ECs)
(Jul 2021 vs Aug 2021)



Source: PropNex Research, URA

Overall private new home sales in August 2021 eased up compared to the previous month. While sales activity was quieter, August's sales volume of more than 1,200 units was considered relatively healthy. It demonstrated the market's resiliency in spite of the lack of new launches, the Hungry Ghost month as well as the Phase 2 Heightened Alert Restrictions from 22 July to 18 August. Based on caveats lodged, developers sold 1,215 new private homes (excluding Executive Condos) in August 2021 – 23.6% lower than the 1,591 units transacted in July. The month of July was considered to be an exceptional month, driven by the impressive sales in the OCR which was led by the launch of Pasir Ris 8. When compared to last year in August 2020 where 1,258 units were transacted – home sales in August was down by 3.4%.

In terms of sales volume, the month of August was on par with other months, namely March and April, where sales volumes were slightly more than 1,200 units. Examining the take-up ratio (see Table 1), computed by taking the units (excl. EC) sold in the month against units launched, the take-up ratio was 1.45 for August – faring better than most of the months this year, except for in February and May where there were no new launches, resulting in a higher take-up ratio, due to the lower launch volumes in those months.

Table 1. Take-up Rate of New Homes (Excl. ECs) in 2021

Private New Home Sales (ex. ECs)			
	Units sold	Units launched	Take-up Ratio [^]
Jan-21	1,633	2,600	0.63
Feb-21	645	167	3.86
Mar-21	1,296	959	1.35
Apr-21	1,268	1,038	1.22
May-21	895	516	1.73
Jun-21	872	815	1.07
Jul-21	1,591	1,104	1.44
Aug-21	1,215	836	1.45

Source: PropNex Research, URA

[^]Take-up ratio refers to the proportion of units sold against units launched in the month

New homes sales in the Outside Central Region (OCR) recorded almost two thirds of total sales in August with 720 units. A bulk of the sales in the OCR were from The Watergardens at Canberra which launched in the later part of August. The project managed to move almost 60% of its units, selling an impressive 267 units out of its total inventory of 448 units, at a median price of \$1,469 psf. The OCR sales in August was also boosted by other previously launched OCR projects such as The Florence Residences (66 units) and Midwood (62 units) which continued to move units steadily in the month.

In the Rest of Central Region (RCR), 343 new homes were transacted in August 2021. The RCR sold 21.7% less units in August compared to the previous month. Sales in the RCR was boosted by Normanton Park which sold 131 units at a median price of \$1,828 psf. While in the Core Central Region (CCR), 152 new homes were sold, 7.8% more units in August compared to July. Leedon Green was the best-selling CCR project in August, with 32 units transacted, at a median price of \$2,718 psf.

For the month of August, about 22% of the month's new home sales (excl. ECs) comprised of units at The Watergardens at Canberra, while the rest (78%) were units from previously launched projects. Owing to the lack of new launches, buyers continued to pick up new homes from past projects due to their attractive pricing in comparison to recent launches which have higher benchmark prices. Buyers have also felt more compelled to enter the market now due to news of anticipated rising prices for future project launches – fuelled by high land bid prices at recent land tenders and as well as increasing construction costs.

Table 2. Breakdown of Private New Home Sales

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
July-21	1,591	July-20	1,083
Aug-21	1,215	Aug-20	1,258
Year-to Aug 21	9,265	Year-to Aug 20	6,203
% Change	+49.3%		

Source: PropNex Research, URA

In terms of units launched, developers placed 836 new private homes (ex. ECs) on the market in August – 24.3% less than the 1,104 units (ex. ECs) launched in the previous month. All of the units placed on the market in August were mostly from previously launched projects and two new project launches, namely The Watergardens at Canberra with 300 units and Klimt Cairnhill with 138 units.

Table 3. Newly-Launched Projects (excl. ECs) in August 2021

	Total Units	Units Launched	Units Sold	Median Price \$PSF
THE WATERGARDENS AT CANBERRA	448	300	267	\$1,624
KLIMT CAIRNHILL	138	138	1	\$3,818

Source: PropNex Research, URA

Singaporeans remained the main driver of new homes sales in August 2021, accounting for about 85.4% of the new private home transactions (ex. ECs) – easing from 86.4% in the previous month. The proportion of new private homes bought by foreigners grew marginally from 4.0% in July to 4.1% in August. PropNex expects there should be growing interest among foreign buyers for Singapore homes, as border restrictions ease up and with several CCR project launches to come in the next few months.

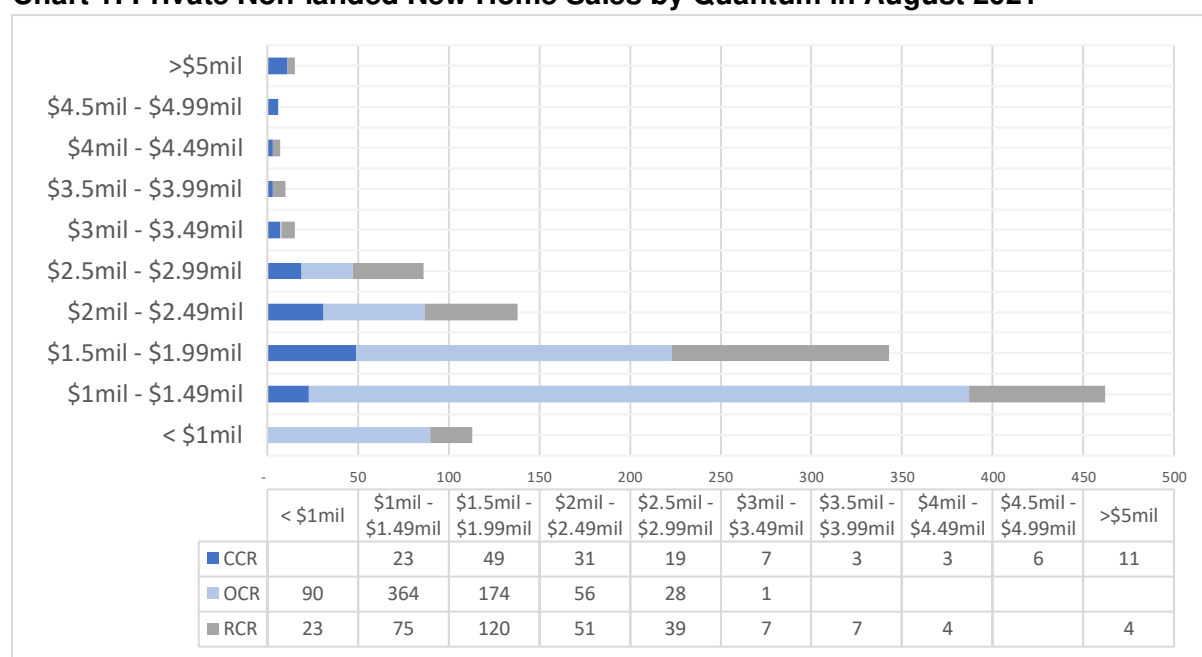
Table 4. Profile of Buyers for New Home Sales (Excl. ECs)

Nationality by Residential Status	Proportion of New Home Sales (Excl. ECs)		
	August 2021	July 2021	1H 2021
% of new sales			
Company	0.0%	0.1%	0.1%
Foreigner (NPR)	4.1%	4.0%	4.3%
Singapore Permanent Residents (PR)	10.5%	9.5%	13.0%
Singaporean	85.4%	86.4%	82.6%
Total	100.0%	100.0%	100.0%

Source: PropNex Research, URA Realis

Based on caveats lodged, in terms of price quantum, about 77% of the new private non-landed homes transacted in August 2021 were below the sweet-spot quantum of under \$2 million. Most of these purchases below the \$2-million mark comprised of homes located in the OCR (68.4%), followed by the RCR (23.7%) and a small portion in the CCR (7.8%).

Chart 1: Private Non-landed New Home Sales by Quantum in August 2021



Source: PropNex Research, URA Realis

Outlook

It was observed that seven out of the top ten best-selling projects in August were OCR projects (see table 5), suggesting that there is still residual pent-up demand for suburban (OCR) homes from HDB upgraders – which will likely sustain till the end of the year. Sales in the RCR segment should pick up in the coming months, supported by two upcoming RCR launches – Bartley Vue and Canninghill Piers – the former was launched on the first weekend of September while the latter is scheduled to be launched in the third quarter of this year. For the CCR segment, it is expected to gain some momentum towards the end of the year as border restrictions slowly ease up, together with some new project launches in the pipeline, including Perfect Ten and Jervois Mansions.

Table 5. Top 10 Best-Selling Projects (Ex. ECs) in August 2021

	Project Name	Market Segment	Number of units sold in Aug 2021	Median \$Psf	Tenure
1	THE WATERGARDENS AT CANBERRA	OCR	267	\$1,469	99-year LH
2	NORMANTON PARK	RCR	131	\$1,828	99-year LH
3	THE FLORENCE RESIDENCES	OCR	66	\$1,679	99-year LH
4	MIDWOOD	OCR	62	\$1,719	99-year LH
5	TREASURE AT TAMPINES	OCR	50	\$1,372	99-year LH
6	DAIRY FARM RESIDENCES	OCR	49	\$1,585	99-year LH
7	PARC CLEMATIS	OCR	47	\$1,712	99-year LH
8	LEEDON GREEN	CCR	32	\$2,718	Freehold
9	THE JOVELL	OCR	28	\$1,351	99-year LH
10	AVENUE SOUTH RESIDENCE	RCR	26	\$2,257	99-year LH

Source: PropNex Research, URA

In September, PropNex estimates that the new home sales market will likely achieve a sales volume of about 800 to 900 units – sales are expected to be driven mainly by past launched projects, due to the lack of major new launches during the month. 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.

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