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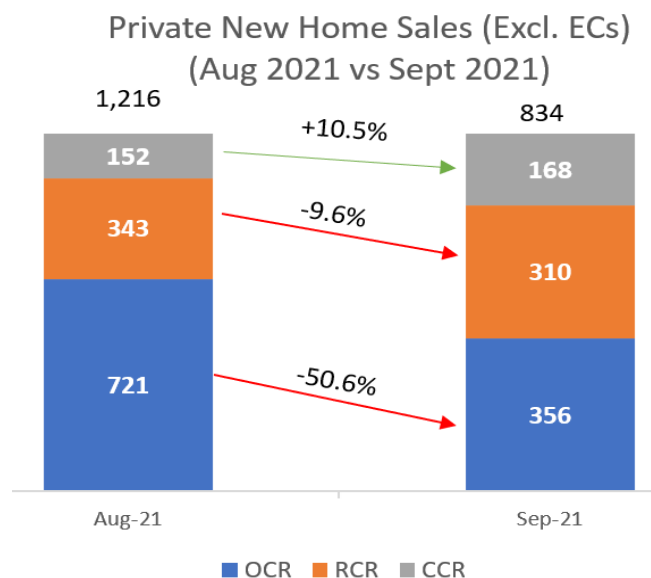
PRIVATE NEW HOME SALES

PROPnex RESEARCH
MONTHLY REPORT
(SEPTEMBER 2021)



BENJAMIN YEO
CEA No. : R044069A

September 2021



Source: PropNex Research, URA

Overall private new home sales in September 2021 eased up compared to the previous month due to rising community cases and emerging clusters, as well as developers holding back their launch activities. Developers sold 834 new private homes (excluding Executive Condos) in September 2021 – 31.4% lower than the 1,216 units transacted in August. Compared to the year before, sales volume was down by 37.2% than in September 2020.

For the month of September, owing to the lack of new launches, buyers such as HDB upgraders, continued to pick up homes from past projects due to their attractive pricing in comparison to recent launches which have higher benchmark prices. The month of September was on par with the months of May and June where sales volumes were to the tune of 800 units due to the lack of new launches and the safe management restrictions in place.

New homes sales in the Outside Central Region (OCR) recorded more than 40% of total sales in September with 356 units. Though, the volume of new homes sold in the OCR in September fell by half from August, due to diminishing inventory of OCR homes. The OCR sales in September was boosted by previously launched projects such as Parc Clematis (60 units) and Dairy Farm Residence (37 units) which continued to move units steadily in the month.

In the Rest of Central Region (RCR), 310 new homes were transacted in September 2021. The RCR sold 9.6% less units in September compared to the previous month. The RCR had one new launch – Bartley Vue which had a scaled-down preview in the month. Sales in the RCR for September were boosted by Normanton Park which sold 78 units at a median price of \$1,832 psf.

Sales volume in the Core Central Region (CCR) picked up in September with 168 new homes were sold, 10.5% more units in September compared to August. Leedon Green was the best-selling CCR project in September, with 37 units transacted, at a median price of \$2,729 psf. Sales volume in the RCR and CCR are expected to pick up in October with developers resuming their launch activities then.

In terms of units launched, developers placed 210 new private homes (ex. ECs) on the market in September – 74.9% less than the 836 units (ex. ECs) launched in the previous month. Almost half of the units placed on the market in September were from the one sole private residential project launch at Bartley Vue which launched 115 units as well as units from previously launched projects.

Table 1. 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	1,602	July-20	1,083
Aug-21	1,216	Aug-20	1,258
Sept-21	834	Sept-20	1,329
Q3 2021	3,652	Q3 2020	3,670
Year-to Sept 21	10,111	Year-to Sept 20	7,532
% Change	+34.2%		

Source: PropNex Research, URA

Singaporeans remained the main driver of new homes sales in September 2021, accounting for about 82% of the new private home transactions (ex. ECs) – easing from 85.5% in the previous month (see Table 2). The proportion of new private homes bought by foreigners grew from 4.0% in August to 5.1% in September. PropNex expects interest among foreign buyers for Singapore homes to continue to grow, as border restrictions ease up and with several CCR project launches to come in the next few months.

Table 2. Profile of Buyers for New Home Sales (Excl. ECs)

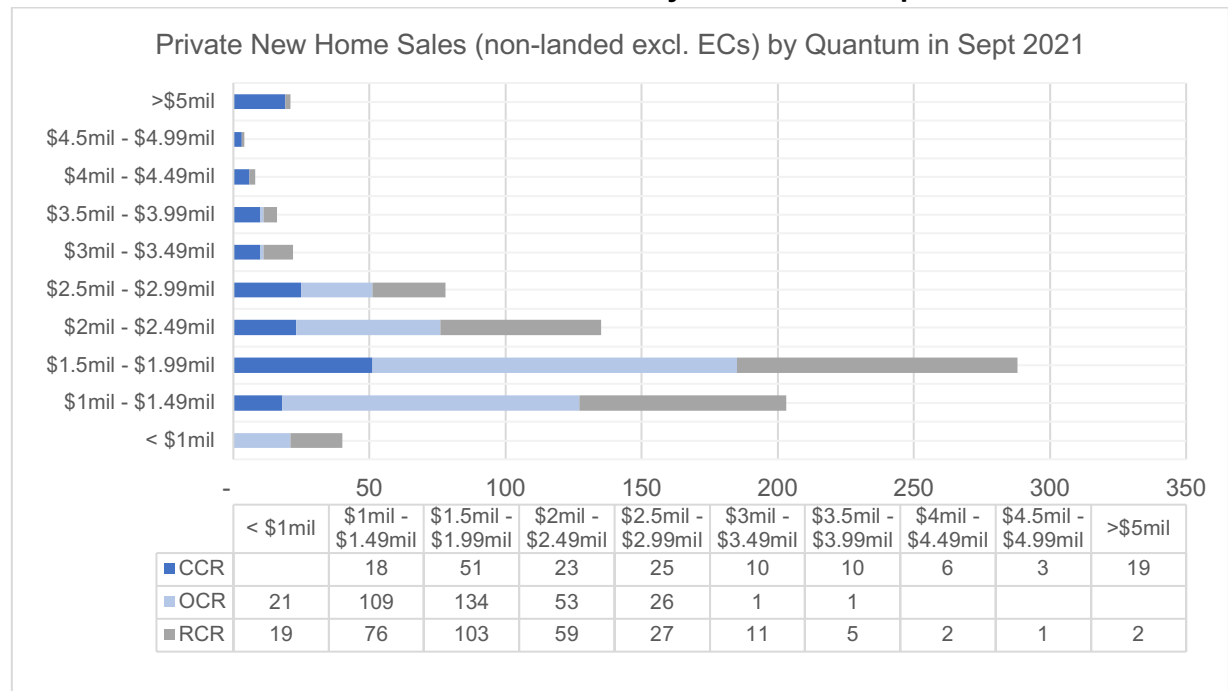
Nationality by Residential Status	Proportion of New Home Sales (Excl. ECs)			
	Sept 2021	Aug 2021	July 2021	1H 2021
% of new sales				
Company	0.0%	0.0%	0.1%	0.1%
Foreigner (NPR)	5.1%	4.0%	3.7%	4.3%
Singapore Permanent Residents (PR)	12.9%	10.5%	9.2%	12.8%
Singaporean	82.0%	85.5%	87.0%	82.8%
Total	100.0%	100.0%	100.0%	100.0%

Source: PropNex Research, URA Realis

Based on caveats lodged, in terms of price quantum, about 65% of the new private non-landed homes transacted in September 2021 were below the sweet-spot quantum of under \$2 million (see chart 1). Most of these purchases below the \$2-million mark comprised of homes located in the OCR (49.7%), followed by the RCR (37.3%) and a small portion in the CCR (13%).

With the units sold in September, this takes the total number of new homes sold in Q3 2021 to 3,652 units – the highest quarterly sales figure for 2021, higher by 4.6% and 23.1% than the first quarter (3,493 units) and second quarter (2,966 units) respectively. More than half (57.2%) of the new home sales in Q3 2021 were projects from the OCR with 2,090 units sold, followed by RCR homes (30.1%) and CCR homes (12.6%) – this was due to the buoyant sales activity in the OCR following the launch of Pasir Ris 8 in July and subsequent spill over onto other suburban projects.

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



Source: PropNex Research, URA Realis

Outlook

It was observed that 5 out of the top 10 best-selling projects in September were OCR projects (see table 3), while the remainder top 5 best-selling projects were projects in the Central Region (RCR and CCR) – indicating growing interest for central homes. Sales in the RCR and CCR segment should continue to pick up in the coming months, supported by the upcoming launches at Canninghill Piers, Perfect Ten and Jervois Mansions. Homes in the central region tend to be more popular amongst investors and foreign buyers – as border restrictions and safe management restrictions slowly ease up, sales momentum in these market segments should pick up slightly towards the end of the year.

In October, the new home sale market is projected to achieve a sales volume of about 900 to 1,000 units. For the whole of 2021, PropNex projects that new private home sales (ex. ECs) could exceed 13,000 units, barring any unforeseen events and new cooling measures.

Table 3. Top 10 Best-Selling Projects (Ex. ECs) in September 2021

	Project Name	Market Segment	Number of units sold in Sept 2021	Median \$Psf	Tenure
1	NORMANTON PARK	RCR	78	\$1,832	99-year LH
2	PARC CLEMATIS	OCR	60	\$1,715	99-year LH
3	DAIRY FARM RESIDENCES	OCR	37	\$1,650	99-year LH
4	LEEDON GREEN	CCR	37	\$2,729	Freehold
5	AFFINITY AT SERANGOON	OCR	36	\$1,533	99-year LH
6	TREASURE AT TAMPINES	OCR	34	\$1,409	99-year LH
7	AVENUE SOUTH RESIDENCE	RCR	30	\$2,258	99-year LH
8	FOURTH AVENUE RESIDENCES	CCR	29	\$2,461	99-year LH
9	BARTLEY VUE	RCR	28	\$1,927	99-year LH
10	MIDWOOD	OCR	27	\$1,738	99-year LH

Source: PropNex Research, URA

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