



JERVOIS 卓苑 MANSION

Artist Impression



PRIVATE NEW HOME SALES

PROPNEX RESEARCH

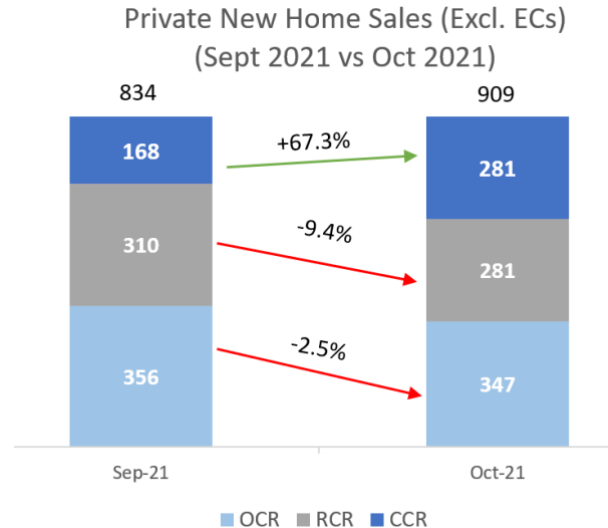
MONTHLY REPORT (OCTOBER 2021)



BENJAMIN YEO
CEA No. : R044069A

MONTHLY PRIVATE NEW HOME SALES

October 2021



Source: PropNex Research, URA

Overall private new home sales in October 2021 picked up slightly compared to the previous month despite Singapore entering into a new phase of restrictions – ‘Stabilization Phase’ which started on 24 September, that will last till 21 November. Developers sold 909 new private homes (excluding Executive Condos) in October 2021 – 9% higher than the 834 units transacted in September. Compared to the year before, sales volume was up by 40.6% than in October 2020.

The month of October marked the revival of the new home sale market in the Core Central Region (CCR). The CCR market had experienced a lull period over the past 5 months where monthly sales volume was to the tune of less than 200 units due to the lack of new launches. The last significant launch in the CCR was the launch of *One Bernam* in May. Sales volume in the CCR picked up in October with 281 new homes being sold, 67.3% more units compared to September. *Jervois Mansion* was the best-selling CCR project in October, with 99 units transacted, at a median price of \$2,553 psf.

New homes sales in the Rest of Central Region and Outside Central Region (OCR) continued to slow down in October due to the absence of new launches. In October, the OCR sold 347 units – this was 2.5% lower than the units sold in September – mostly owing to the lack of new launches and diminishing inventory from existing OCR projects. The OCR sales in October were boosted by projects such as *Dairy Farm Residences* (62 units) and *The Jovell* (39 units) which continued to move units steadily in the month.

In the Rest of Central Region (RCR), 281 new homes were transacted in October 2021. The RCR sold 9.4% less units in October compared to September. Sales in the RCR for October were boosted by *Normanton Park* which sold 73 units at a median price of \$1,839 psf.

In terms of units launched, developers placed 661 new private homes (ex. ECs) on the market in October – three times more than the 210 units (ex. ECs) launched in the previous month. About 16% of the units placed on the market in October were from the residential project launch at Jervois Mansion which launched 104 units as well as units from previously launched projects such as The Avenir which launched 113 units in the month.

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
Q3 2021	3,550	Q3 2020	3,517
Oct-21	909	Oct-20	654
Year-to Oct 21	10,918	Year-to Oct 20	8,033
% Change	+35.9%		

Source: PropNex Research, URA

For the month of October, there has been renewed interest in CCR new homes owing to the launch of Jervois Mansion as well as the reopening of borders via Vaccinated Travel Lanes (VTLs). The latter had facilitated more foreign buyers and overseas investors to have easier access to Singapore's property market.

While Singaporeans remained the main driver of new homes sales in October 2021, accounting for about 83% of the new private home transactions (ex. ECs), it eased slightly from Q3 2021 – where Singaporean buyers accounted for 85.5% of new home sales, owing to the surge in buying activity of OCR homes during the quarter. (see Table 2). In October, the proportion of foreigners surged up to account for 6.8% of buyers who bought new homes. This is one of the highest percentages of foreign buyers since 2018 where foreign buyers accounted for 6.3% of new home sales.

The proportion of foreign buyers has been observed to be on a downward trend for the past 10 years, due to several rounds of property cooling measures that has been introduced since 2011. The most recent being the upward revisions in Additional Buyers' Stamp Duties (ABSD) for foreigners during the July 2018 cooling measures.

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

Nationality by Residential Status	2010	2015	2018	2019	2020	2021Q1	2021Q2	2021Q3	Oct 2021
Company	3.0%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.1%
Foreigner	13.1%	7.6%	6.3%	5.9%	3.8%	4.2%	4.4%	3.9%	6.8%
Singapore Permanent Residents	10.0%	16.1%	12.4%	12.1%	11.6%	12.7%	12.9%	10.6%	10.0%
Singaporean	73.9%	76.2%	81.1%	82.0%	84.5%	83.0%	82.5%	85.5%	83.0%

Source: PropNex Research, URA Realis

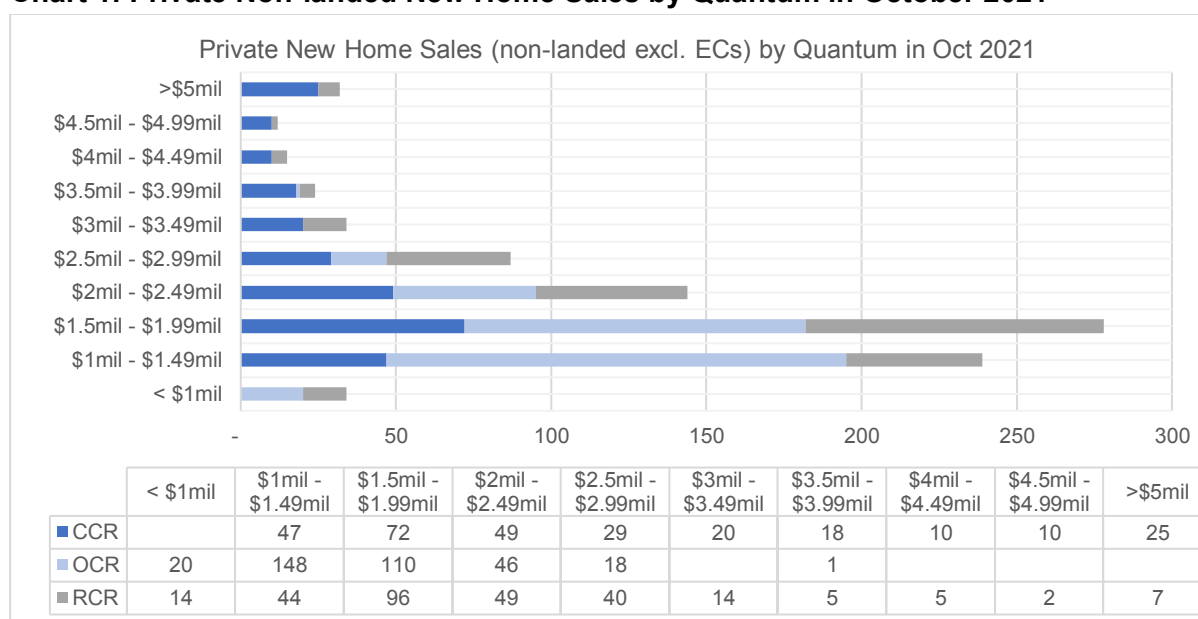
Observing the buyer profile of new home sales in October 2021 by region (see table 3), foreigners accounted for 14.6% of buyers in the CCR while Singaporeans accounted for merely 71.5%. PropNex expects interest for central region homes to pick up as more VTLs are introduced, along with more central area launches being planned such as *Canninghill Piers*, and *Perfect Ten*.

Table 3. Profile of Buyers for New Home Sales (Excl. ECs) in October 2021 by region

Nationality by Residential Status	Proportion of New Home Sales (Excl. ECs) by Region			
% of new sales	October 2021	CCR	RCR	OCR
Company	0.1%	0.4%	0.0%	0.0%
Foreigner (NPR)	6.8%	14.6%	5.4%	1.7%
Singapore Permanent Residents (PR)	10.0%	13.5%	6.8%	9.8%
Singaporean	83.0%	71.5%	87.8%	88.5%

Source: PropNex Research, URA Realis

Based on caveats lodged, in terms of price quantum, about 61% of the new private non-landed homes transacted in October 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 (50.5%), followed by the RCR (27.9%) and a small portion in the CCR (21.6%).

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

Source: PropNex Research, URA Realis

Outlook

Sales in the suburbs are expected to take a back seat for the next few months due to the lack of significant OCR project launches in the pipeline. Sales volumes will be modest, buoyed mostly by demand from buyers such as HDB upgraders, who have been observed to continue to pick up homes from past launched projects as a result of the buoyant HDB resale market.

While Singapore is expected to remain in the 'Stabilization Phase' up until 21 November, PropNex does not expect the new homes sales market to be greatly affected as the country continues its transition into 'Endemic living'. In November, new home sales volume is projected to reach about 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 or new cooling measures.

Table 4. Top 10 Best-Selling Projects (Ex. ECs) in October 2021

	Project Name	Market Segment	Number of units sold in Oct 2021	Median \$Psf	Tenure
1	JERVOIS MANSION	CCR	99	\$2,553	Freehold
2	NORMANTON PARK	RCR	73	\$1,839	99-year LH
3	DAIRY FARM RESIDENCES	OCR	62	\$1,647	99-year LH
4	THE JOVELL	OCR	39	\$1,419	99-year LH
5	PARC CLEMATIS	OCR	34	\$1,736	99-year LH
6	THE FLORENCE RESIDENCES	OCR	34	\$1,773	99-year LH
7	TREASURE AT TAMPINES	OCR	27	\$1,428	99-year LH
8	AVENUE SOUTH RESIDENCE	RCR	26	\$2,243	99-year LH
9	THE AVENIR	CCR	26	\$3,174	Freehold
10	THE WOODLEIGH RESIDENCES	RCR	25	\$2,150	99-year LH

Source: PropNex Research, URA

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