

Market bounces back two months after the recent cooling measures

Two months after the property cooling measures, buyers seem to be streaming back to the market. Private developers' home sales rebounded strongly by 51.1 per cent month-on-month (m-o-m) to 932 units in September, rising above the 12-month (Sep 2017 to Aug 2018) average of 760 units. Including executive condominiums (EC), new home sales rose 47.5 per cent to 944 units. Projects in RCR continued to dominate the market as they accounted for 73.8 per cent of new sales in September this year, rising steadily from 40.8 per cent year-on-year (y-o-y).

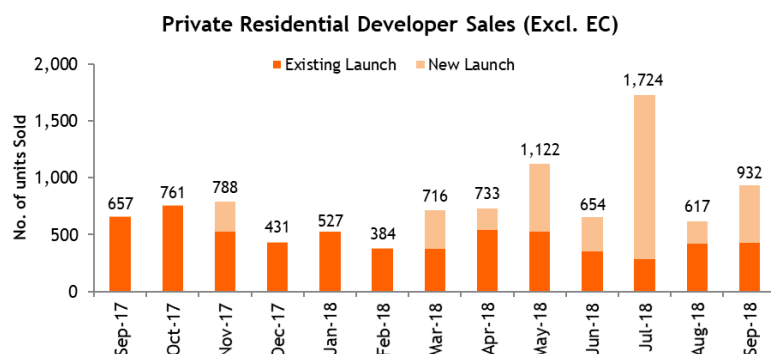
The sales recovery is in-line with our earlier predictions made in July, where we anticipated that sales will likely fall immediately after the cooling measures but recover about two months later. The predictions were made based on our data analysis where we observed that new sales volume recovered to their pre-measure levels one month after ABSD1 and two months after ABSD2.

The sales rebound in September could be attributed to more projects being launched last month that might have spurred buying interest. The number of launched units (including ECs) rose 119 per cent from 534 units in August to 1,169 units in September. Some major project launches include Jadescape, The Jovell, Mayfair Gardens and Jui Residences. These four projects accounted for more than half of September's new home sales (51.6 per cent or 481 units). We have also observed healthy sales at some existing launches like The Tapestry, Affinity at Serangoon, The Tre Ver and Riverfront Residences as buyers may have decided to proceed with their purchases after making market comparison.

Those waiting on the side-lines may have also decided to make a purchase now since prices have remained stable and the lunar ghost month is over in early September. Some buyers may have switched their buying interest to new home sales as prices of resale homes are holding firm. Individual resellers may have been reluctant to drop prices as the economy and job market is still healthy.

The tighter financing rules and increased Additional Buyers' Stamp Duty of up to 20 per cent for foreign buyers have clipped foreign buying interest further. Based on URA realis data (downloaded on 15 Oct 18), foreigners' share of the new non-landed housing pie sank even lower to 4.2 per cent last month, down from 5.8 per cent in August and 10.8 per cent y-o-y. The last low was in Apr 09, when foreigners accounted for only 4.1 per cent of the market share. In contrast, Singaporean purchases remained resilient, rising 1.5 percentage points y-o-y to 83.6 per cent in September.

As the return in demand is underpinned by strong economic fundamentals, we foresee that buying activities will pick up further as more launches are on the cards, including The Woodleigh Residences, Parc Esta, Kent Ridge Hill Residences and Whistler Grand that are slated to be launched over the next two months. We have revised our expected full-year new home sales upwards to be between 8,500 and 9,500 units.

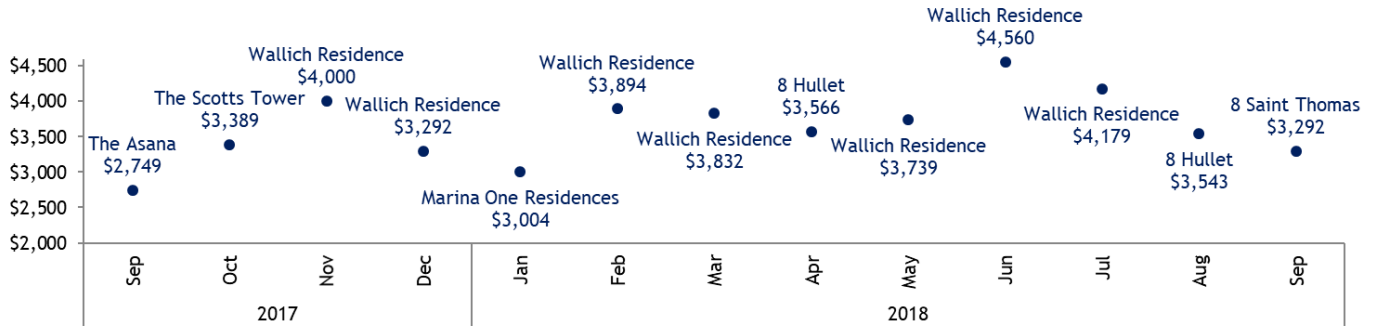


Source: URA, OrangeTee & Tie Research & Consultancy

Note: New launch refers to units sold in projects that were launched in Sep 2018. Existing launch refers to units sold in projects that had been launched in prior months.

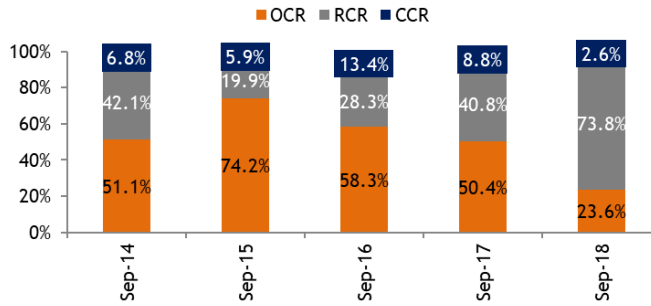
Months	Sales Volume	
	(Excl. EC)	(Incl. EC)
Sep-17	657	906
Oct-17	761	972
Nov-17	788	937
Dec-17	431	531
Jan-18	527	627
Feb-18	384	476
Mar-18	716	788
Apr-18	733	1,329
May-18	1,122	1,259
Jun-18	654	706
Jul-18	1,724	1,776
Aug-18	617	640
Sep-18	932	944
m-o-m % Change	51.1%	47.5%
y-o-y % Change	41.9%	4.2%

Highest price (\$psf) achieved in the month



Source: URA, OrangeTee & Tie Research & Consultancy

Number of Units Sold in the Month



Source: URA, OrangeTee & Tie Research & Consultancy

Best Selling Projects in Sep 18

Project Name	Locality	Total No. of Units	Cumulative Units Launched to-date	Cumulative Units Sold to-date	Sold in the month	Median Price (\$psf)	Take up Rate^ (%)	Sold out status* (%)
Jadescape	RCR	1,206	480	327	327	\$1,669	68.1%	27.1%
Stirling Residences	RCR	1,259	530	435	89	\$1,743	82.1%	34.6%
Mayfair Gardens	RCR	215	100	82	82	\$1,945	82.0%	38.1%
Park Colonial	RCR	805	805	503	80	\$1,751	62.5%	62.5%
Riverfront Residences	OCR	1,472	800	731	56	\$1,320	91.4%	49.7%
The Jovell	OCR	428	250	41	41	\$1,259	16.4%	9.6%
Jui Residences	RCR	117	117	31	31	\$1,704	26.5%	26.5%
Affinity At Serangoon	OCR	1,052	300	194	31	\$1,478	64.7%	18.4%
The Tapestry	OCR	861	550	530	30	\$1,375	96.4%	61.6%
The Tre Ver	RCR	729	200	191	29	\$1,560	95.5%	26.2%

^Take up rate is calculated by taking the division of cumulative units sold to date over cumulative units launched to date

*Sold out status is calculated by taking the division of cumulative units sold to date over total no. of units in project

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