

Private Residential Market

REAL ESTATE DATA TREND Q4 2019



Artist's impression of Haus on Handy

- The private residential market ended on a higher note in 2019. URA price index rose by 2.7 per cent and new home sales surged 12.7 per cent to 9,912 units last year.
- 2019 was another banner year for the private rental market as the total leasing volume rose to a 12-year high of 93,920 units.
- The proportion of non-landed homes bought by foreign buyers increased last quarter. Interest remained steady among buyers from Hong Kong as they moved up the rank to be the top 6 foreign buyer group in Singapore.
- New home sales for 2020 may be around 9,000 to 10,000 units. Overall prices are projected to grow by 1 to 3 per cent.

New home sales performance exceeds market expectations in 2019

Indicators	2018	2019	Projection for 2020
Overall			
URA PPI Price Change	7.9%	2.7%	1% to 3%
Sales Volume (excl. EC) (All sales in units)	22,139	19,150	17,500 to 19,500
New Sale (excl. EC)			
Price Change	10.8%	7.3%	2% to 4%
Sales Volume (units)	8,795	9,912	9,000 to 10,000
Resale (excl. EC)			
Price Change	2.6%	3.5%	1% to 3%
Sales volume (units)	13,009	8,949	8,000 to 9,000
Rental (excl. EC)			
Rental Index	0.6%	1.4%	1% to 3%
Leasing volume (units)	89,906	93,447	91,000 to 94,000
Home Completions (units)	9,112	7,527	6,294

Source: URA, OrangeTee & Tie Research & Consultancy

Singapore's thriving economy and rising home demand have continued to underpin our private housing market. The private residential market ended on a higher note in 2019, punctuated by more highs than lows across most market segments. 2019 was one of the busiest years over the past decade. More than 50 new residential projects and over 10,000 new homes were launched for sale last year.

New private home sales outperformed expectations last year. Despite having a large number of new homes launched over the past year, the market absorption for newly launched units remained healthy. For the whole of 2019, 9,912 new homes (excluding ECs) were sold, which is 12.7 per cent more than the 8,795 units sold in 2018.

Table 1 Price of non-landed homes

Market Segment	Type of Sales	Q3 2019	Q4 2019	q-o-q %change
Overall	All	\$1,627	\$1,666	2.4%
CCR	New Sale	\$2,874	\$2,748	-4.4%
	Resale	\$2,076	\$2,061	-0.7%
	Sub Sale	\$2,664	\$2,430	-8.8%
	Overall	\$2,283	\$2,376	4.1%
RCR	New Sale	\$1,992	\$1,850	-7.1%
	Resale	\$1,388	\$1,409	1.5%
	Sub Sale	\$1,851	\$1,605	-13.3%
	Overall	\$1,818	\$1,690	-7.0%
OCR	New Sale	\$1,461	\$1,525	4.4%
	Resale	\$1,040	\$1,043	0.3%
	Sub Sale	\$1,328	\$1,342	1.0%
	Overall	\$1,300	\$1,329	2.2%

Source: URA, OrangeTee & Tie Research & Consultancy

Table 2 Best-selling projects in 2019

Project Name	Market segment	Units sold	Average unit price (\$\$psf)
New Sales			
TREASURE AT TAMPINES	OCR	877	\$1,339
PARC ESTA	RCR	629	\$1,692
THE FLORENCE RESIDENCES	OCR	560	\$1,449
PARC CLEMATIS	OCR	521	\$1,615
AVENUE SOUTH RESIDENCE	RCR	444	\$1,960
STIRLING RESIDENCES	RCR	413	\$1,839
THE TRE VER	RCR	406	\$1,613
RIVERFRONT RESIDENCES	OCR	401	\$1,324
AFFINITY AT SERANGOON	OCR	361	\$1,506
ONE PEARL BANK	RCR	253	\$2,385
Resales			
REFLECTIONS AT KEPPEL BAY	RCR	65	\$1,637
8 SAINT THOMAS	CCR	65	\$3,160
THE CREST	RCR	57	\$2,011
SOUTH BEACH RESIDENCES	CCR	56	\$3,346
THE MINTON	OCR	46	\$1,058
MARINA ONE RESIDENCES	CCR	43	\$2,299
CARIBBEAN AT KEPPEL BAY	RCR	40	\$1,536
EIGHT RIVERSUITES	RCR	39	\$1,396
D'LEEDON	CCR	35	\$1,588
PARC ROSEWOOD	OCR	33	\$1,084

Source: URA, OrangeTee & Tie Research & Consultancy

While demand for new homes was resilient in 2019, sales performance was more subdued for the private resale market. The total resale volume for 2019 is 8,949 units, 31.2 per cent down from the 13,009 units inked in 2018. The lower demand could be attributed to stiffer competition from the many new projects launched over the past few months.

Prices of private homes continued to rise albeit at a slower pace of 0.5 per cent last quarter, after rising 1.3 per cent in the preceding quarter. Cumulatively, home prices have risen 2.7 per cent for the whole of 2019. Last year, the price increase for private homes was broad-based across many segments, where the price of non-landed homes increased 1.9 per cent while prices of landed homes rose 5.7 per cent year-on-year (y-o-y).

LUXURY SEGMENT

Price of resale luxury condominiums held relatively steady last quarter. According to URA Realis data, the average price of non-landed resale homes in CCR was S\$2,061 psf in Q4 2019 (Chart 3). Sales picked up at several completed projects such as Marina One Residences which moved 43 units at an average price of S\$2,299 psf, 8 Saint Thomas which sold 13 units at S\$3,161 psf and South Beach Residences where 10 units were transacted at S\$3,279 psf.

Based on URA Realis data, 400 new luxury condominiums were transacted last quarter. This drove up the overall sales volume by 42.1 per cent from 615 units in Q3 2019 to 874 units in Q4 2019 (Chart 4). A number of new projects were transacted last quarter including One Holland Village Residences which moved 114 units at an average price of \$2,680 psf, followed by Neu at Novena (65 units at S\$2,612 psf), Royalgreen (49 units at \$2,744 psf) and Martin Modern (32 units at S\$2,676 psf).

The proportion of luxury homes sold at lower price quantum rose last quarter. In Q4 2019, 73.9 per cent of the transacted non-landed homes in CCR cost less than S\$3 million, compared to 64.1 per cent in the preceding quarter (Chart 5).

Chart 3 Resale prices held steady

Average Price of Non-Landed Residential Homes in CCR

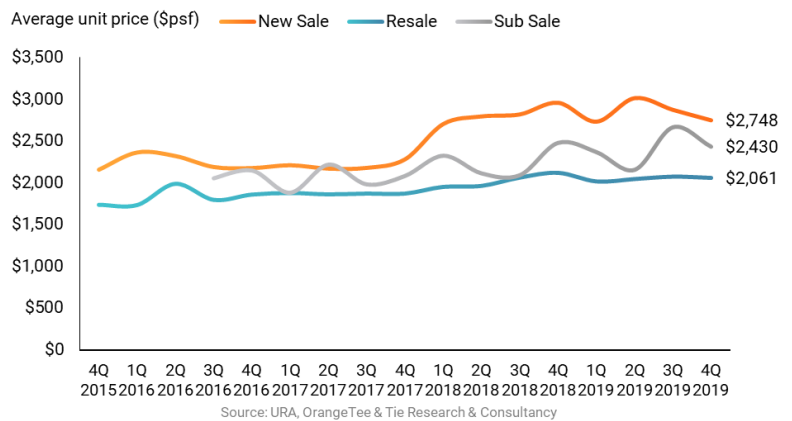


Chart 4 Significant increase in luxury sales volume

Sales Volume of Private Non-Landed Residential Units in CCR

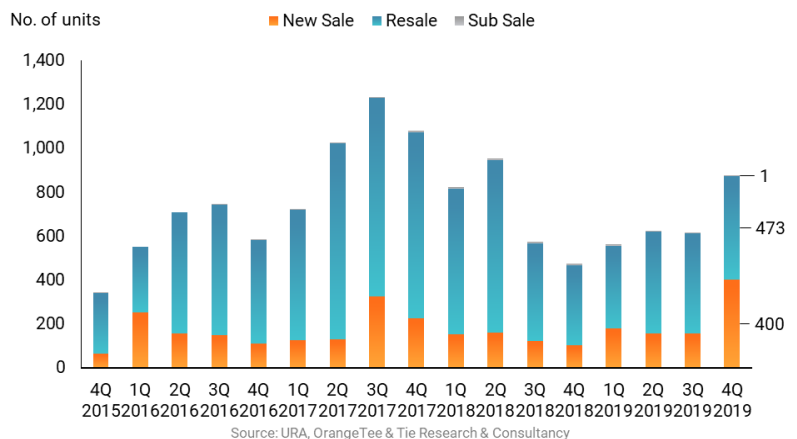
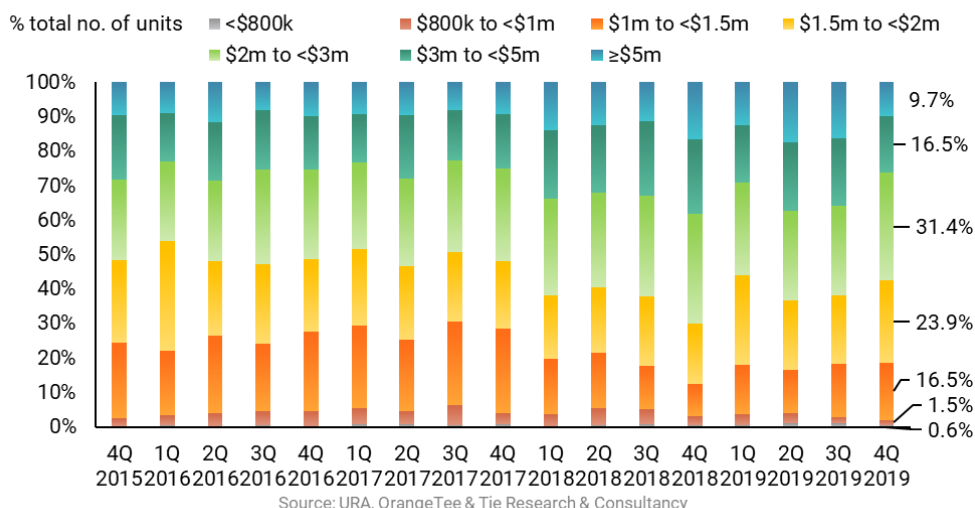


Chart 5 Proportion luxury homes sold at lower price quantum continued to rise

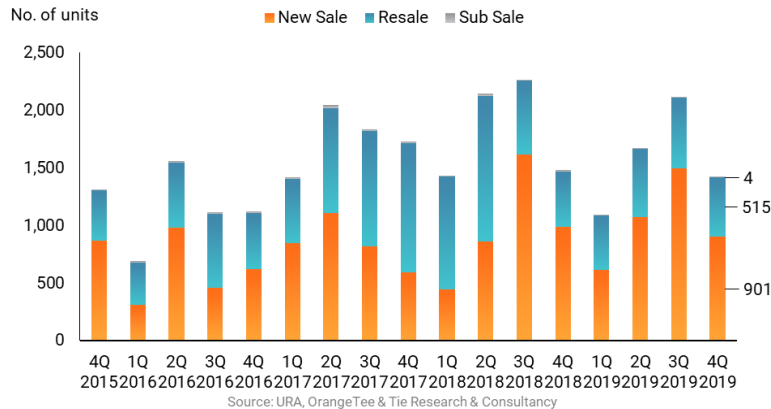
Price Range of Private Non-Landed Homes Sold in CCR



MID-TIER SEGMENT

Chart 6 Sales volume fell in Q4 2019 due to an absence of new launches

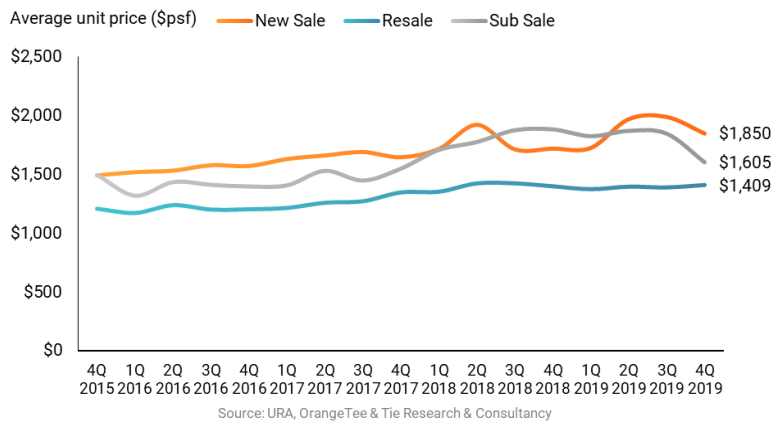
Sales Volume of Private Non-Landed Residential Units in RCR



According to URA Realis data, sales volume in RCR shrank 32.7 per cent q-o-q to 1,420 units in Q4 2019 (Chart 6) due to a dearth of new launches. Last quarter, no new projects were launched for sales while previously launched projects continued to see healthy sales. For instance, Parc Esta sold 238 units, while Jadescape sold 109 units. Other best-selling projects include Avenue South Residences (91 units), Stirling Residences (87 units), The Tre Ver (49 units), and The Woodleigh Residences (41 units).

Chart 7 Average price of new condos fell due to a dearth of new launches

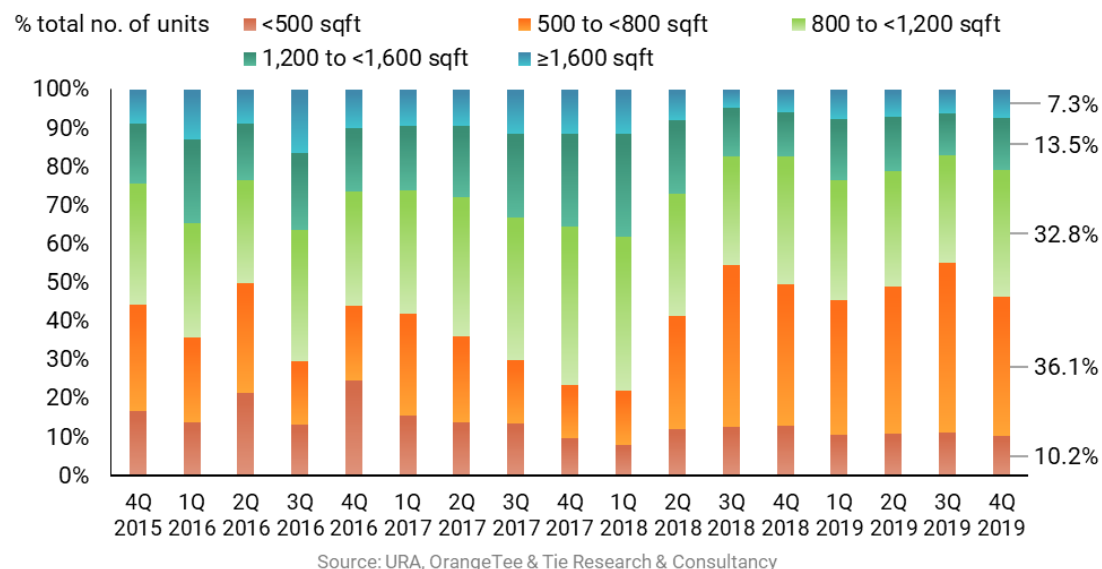
Average Price of Non-Landed Residential Homes in RCR



The average price of resale condominiums rose 1.5 per cent q-o-q to S\$1,409 psf last quarter (Chart 7). Price of new non-landed homes slipped 7.1 per cent q-o-q to S\$1,850 psf (Chart 6). The price fall could be attributed to a higher proportion of big units being sold last quarter, which usually comes with a lower per sq foot price tag. Last quarter, 20.8 per cent of non-landed homes were 1,200 sqft and above, as compared to 17.1 per cent in Q3 2019 (Chart 8).

Chart 8 Higher proportion of big units (1,200 sqft and above) sold in Q4 2019

Size Range of Private Non-Landed Homes Sold in RCR



MASS MARKET SEGMENT

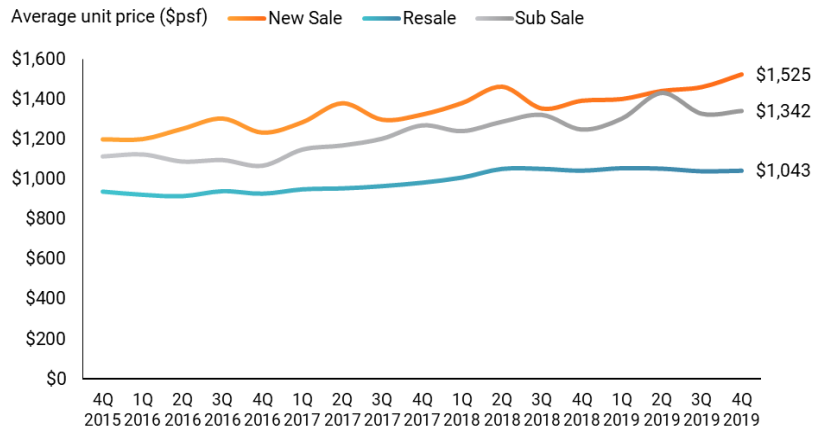
Prices of new mass market condominiums continued to rise last quarter. According to URA Realis data, the average price of new non-landed homes in OCR rose a fifth consecutive quarter to S\$1,525 psf in Q4 2019 (Chart 9).

Sales volume for mass market non-landed homes dipped last quarter on the back of fewer new launches. In Q4 2019, 1,941 mass market non-landed homes excluding EC (executive condominium) were transacted, down 21.4 per cent from the 2,470 units sold in the preceding quarter (Chart 10).

The top selling new projects include Sengkang Grand Residences which sold 235 units at an average price of S\$1,746 psf, followed by Treasure at Tampines (162 units at S\$1,358 psf), Parc Clematis (105 units at S\$1,611 psf), Riverfront Residences (87 units at S\$1,332 psf) and Parc Botannia (84 units at S\$1,335 psf) (Chart 11).

Chart 9 Prices of new mass market condos continue to rise

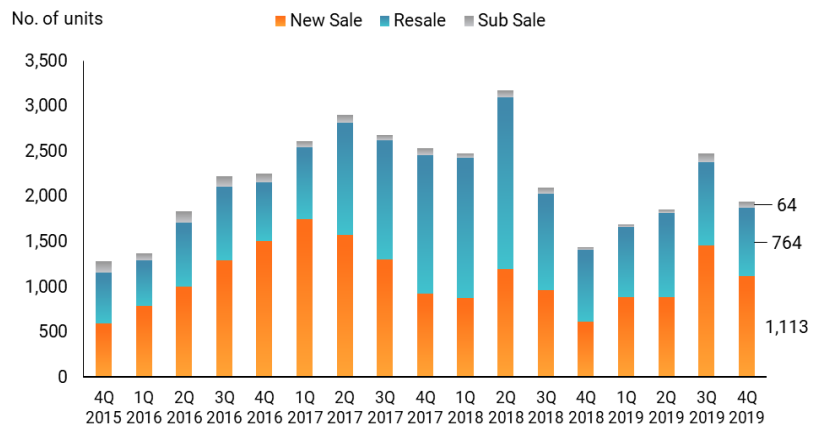
Average Price of Non-Landed Residential Homes in OCR



Source: URA, OrangeTee & Tie Research & Consultancy

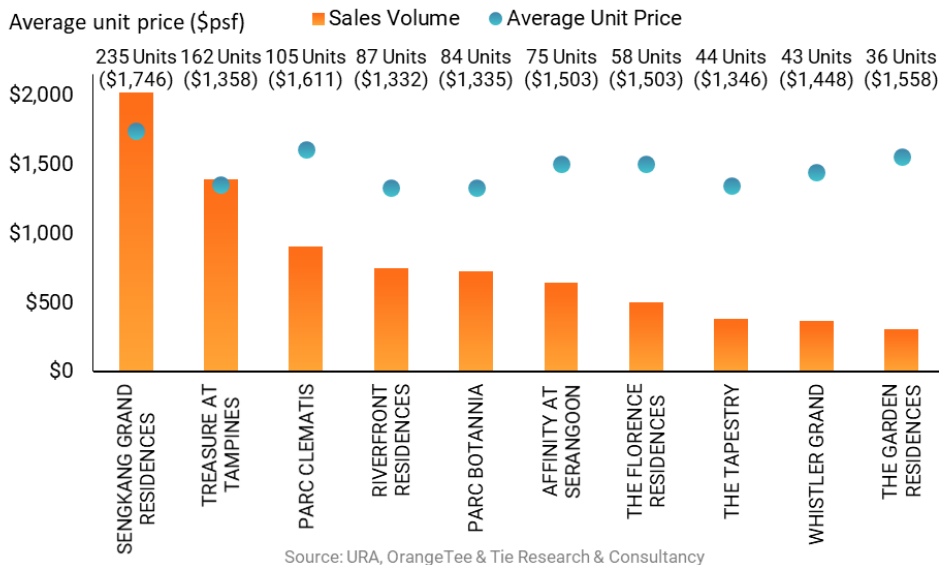
Chart 10 Sales volume dipped on the back of fewer launches

Sales Volume of Private Non-Landed Residential Units in OCR



Source: URA, OrangeTee & Tie Research & Consultancy

Chart 11 Best-selling new projects in Q4 2019



Source: URA, OrangeTee & Tie Research & Consultancy



Artist's Impression of Van Holland



Artist's Impression of Dairy Farm Residences



The private residential market looks set to ring in another busy year as more than 40 new projects may be launched this year. Economic fundamentals like GDP and income growth, the macroeconomic performance and employment will continue to impact the market.

~ Christine Sun



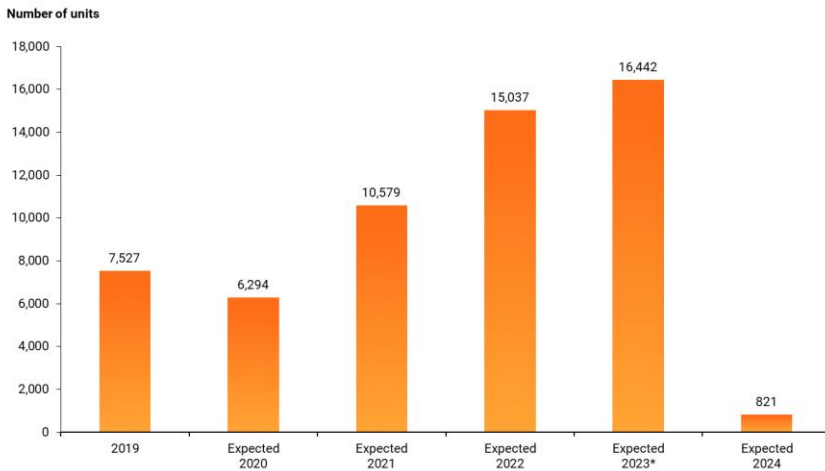
Artist's Impression of Jadescape

Artist's Impression

RENTAL

Chart 12 Number of completed homes is set to fall further this year

Expected Completions of Private Residential Properties (excl. EC) (as of Q4 2019)



Source: URA, OrangeTee & Tie Research & Consultancy

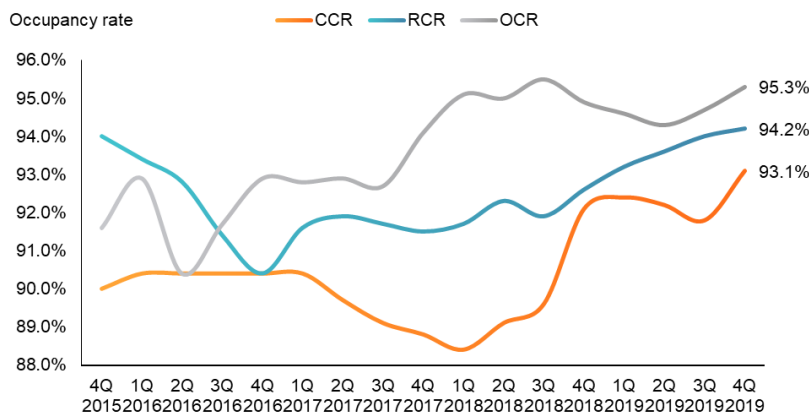
2019 was another banner year for the private rental market. Based on URA Realis data, rental volume excluding EC rose to a 12-year high of 93,920 units in 2019 (Chart 14). Leasing demand was robust amidst a tightening of new inventory supply and depleting stock. As of Q4 2019, the number of home completions in 2019 was at a low of 7,527 units (excluding EC) while this number is projected to fall further to 6,294 units this year (Chart 12).

The low inventory is expected to help prop up rental prices this year. According to URA data, the rental index rose 1.4 per cent y-o-y in Q4 2019. The rental increase was mainly driven by the non-landed home segment where rents increased by 1.9 per cent y-o-y. Rents rose across all three market segments compared to last year - CCR (1.4 per cent), RCR (2.0 per cent) and OCR (2.7 per cent).

Vacancy rates of completed private residential properties improved in Q4 2019 for both non-landed homes (5.7 per cent) and landed homes (4.8 per cent) when compared to the preceding quarter. Occupancy rates rose above 90 per cent across CCR, RCR and OCR last quarter (Chart 13).

Chart 13 Higher occupancy rates across all market segments

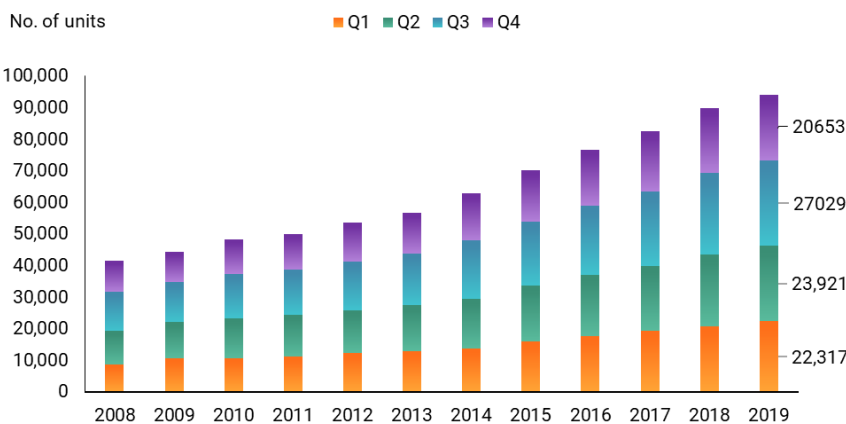
Occupancy Rates of Completed Private Residential Homes



Source: URA, OrangeTee & Tie Research & Consultancy

Chart 14 Leasing volume excluding EC hit a 12-year high in 2019

Rental Transaction Volume



Source: URA, OrangeTee & Tie Research & Consultancy

NATIONALITY

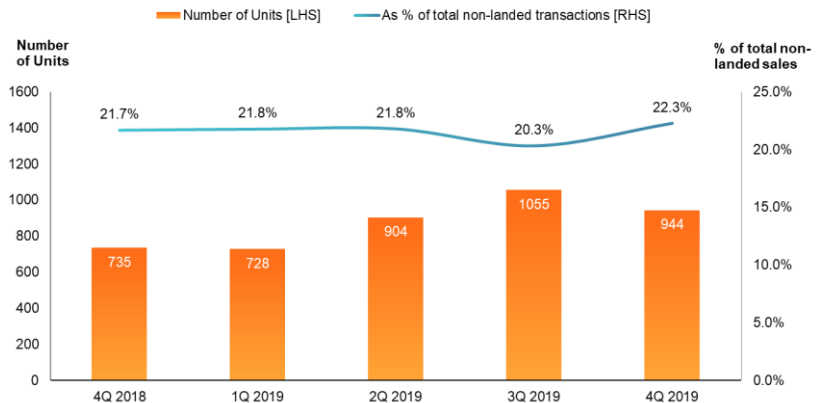
The proportion of non-landed homes bought by foreign buyers increased last quarter. Based on URA Realis data, 22.3 per cent of non-landed home sales in Q4 2019 (all sales types) were bought by foreigners (PR and non-PR) (Chart 15), up from the 20.3 per cent inked in Q3 2019. Despite the year-end holidays, 944 non-landed homes were bought by foreigners, slightly lower than the number bought in the preceding quarter (1,055 units) but higher than the transactions in Q4 2018 (735 units), Q1 2019 (728 units) and Q2 2019 (904 units).

Buying interest remained steady among buyers from Hong Kong. Last year, 46 non-landed homes were bought by them, which is almost on par with the 48 units transacted in 2018 (Chart 17). However, this is lower than the 78 units bought in 2017 before the property cooling measures were implemented (July 2018). Buyers from Hong Kong continued to move up the rank from 8th placing in Q3 2019 to 6th placing in Q4 2019.

Last quarter, Mainland Chinese remained to be the top foreign buyer group in Singapore, followed by Malaysians, Indians and Indonesians (Chart 16).

Chart 15 Higher proportion of homes bought by foreigners

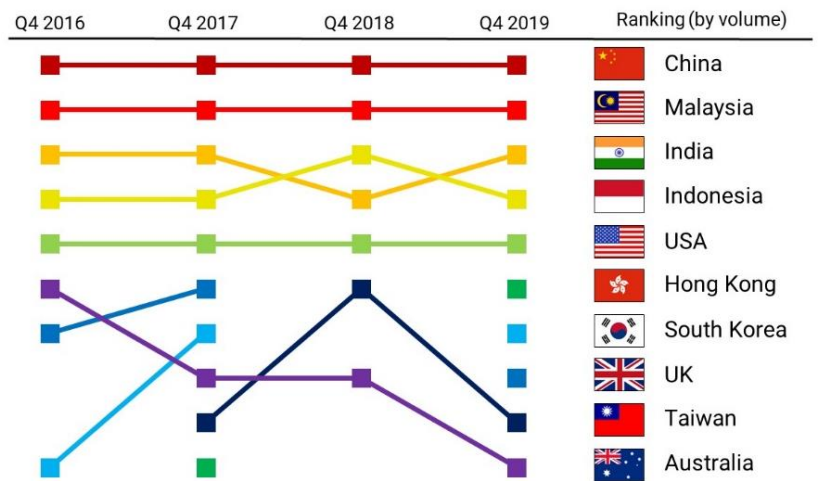
Number of non-landed homes bought by foreigners (PR & non-PR)



Source: URA, OrangeTee & Tie Research & Consultancy

Chart 16 China remains as top foreign buyer group

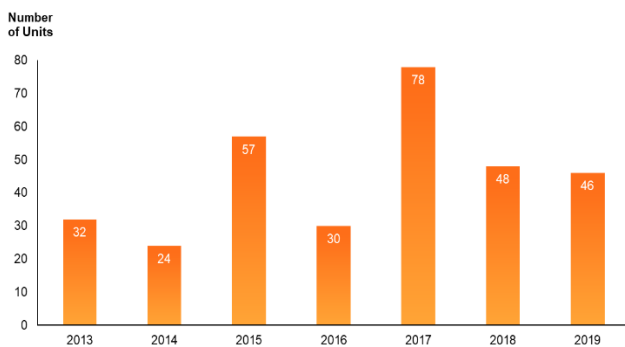
Sales volume of non-landed homes



Source: URA, OrangeTee & Tie Research & Consultancy

Chart 17 Sustained interest from Hong Kong buyers

Number of non-landed homes bought by buyers from Hong Kong



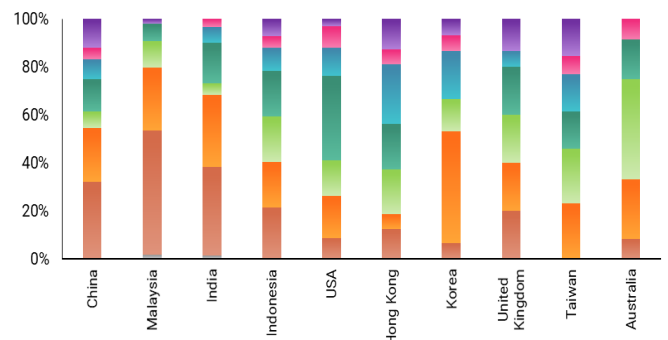
Source: URA, OrangeTee & Tie Research & Consultancy

Chart 18 Affordability threshold of foreign buyers

Price Range of Non-Landed Homes Sold in Q4 2019 of Top 10 Nationalities by Volume

% Total no. of

- <\$500k
- >\$500k to \$1m
- >\$1m to \$1.5m
- >\$1.5m to \$2m
- >\$2m to \$3m
- >\$3m to \$4m
- >\$4m to \$5m
- >\$5m



Source: URA, OrangeTee & Tie Research & Consultancy

PROJECTION FOR 2020

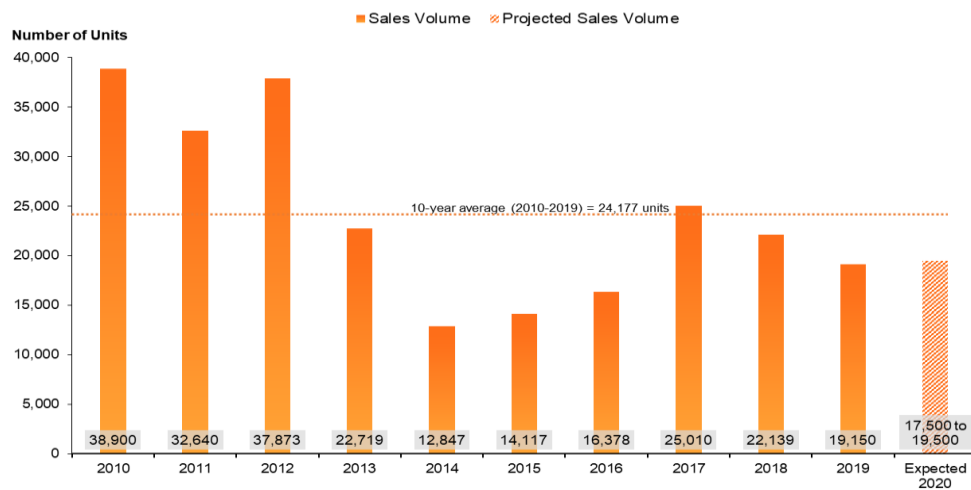
As we approach the dawn of a new decade, we look towards the future with anticipation. Exciting opportunities abound for both investors and homeowners. Barring any unforeseen circumstances, we remain sanguine about the private residential market as our economic fundamentals remain strong and buying sentiment had been robust.

This year, we are expecting to see more luxury home sales as many projects in the prime locations are slated to be launched. Some key projects to watch this year include The Avenir, former Cairnhill Mansions, Kopar at Newton and Leedon Green. Sales are expected to be robust as it is uncommon to have new projects released in some of these prime areas.

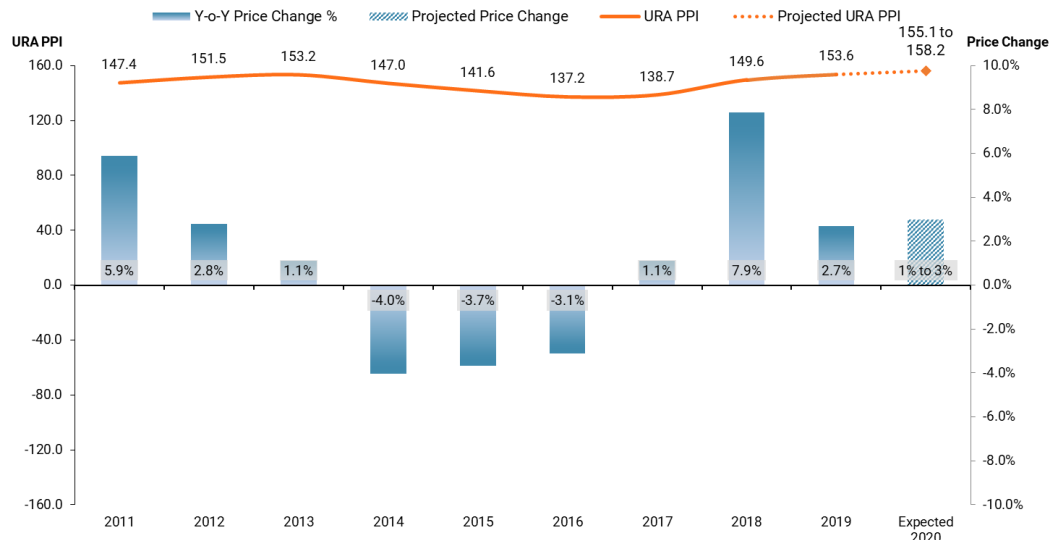
While the private residential market will undoubtedly be influenced by the broader economy, several factors like the easing of trade tensions between the United States and China, rebound in Singapore's export growth, positive employment numbers and interest rate cuts may continue to sustain home demand.

We estimate that the new sales volume may hover between 9,000 and 10,000 units this year. Overall sales volume, including resale and sub-sale may hit 17,500 to 19,500 units. Prices may continue to hover in the positive territory for a fourth consecutive year, by 1 to 3 per cent for 2020. New home prices may continue to rise by 2 to 3 per cent.

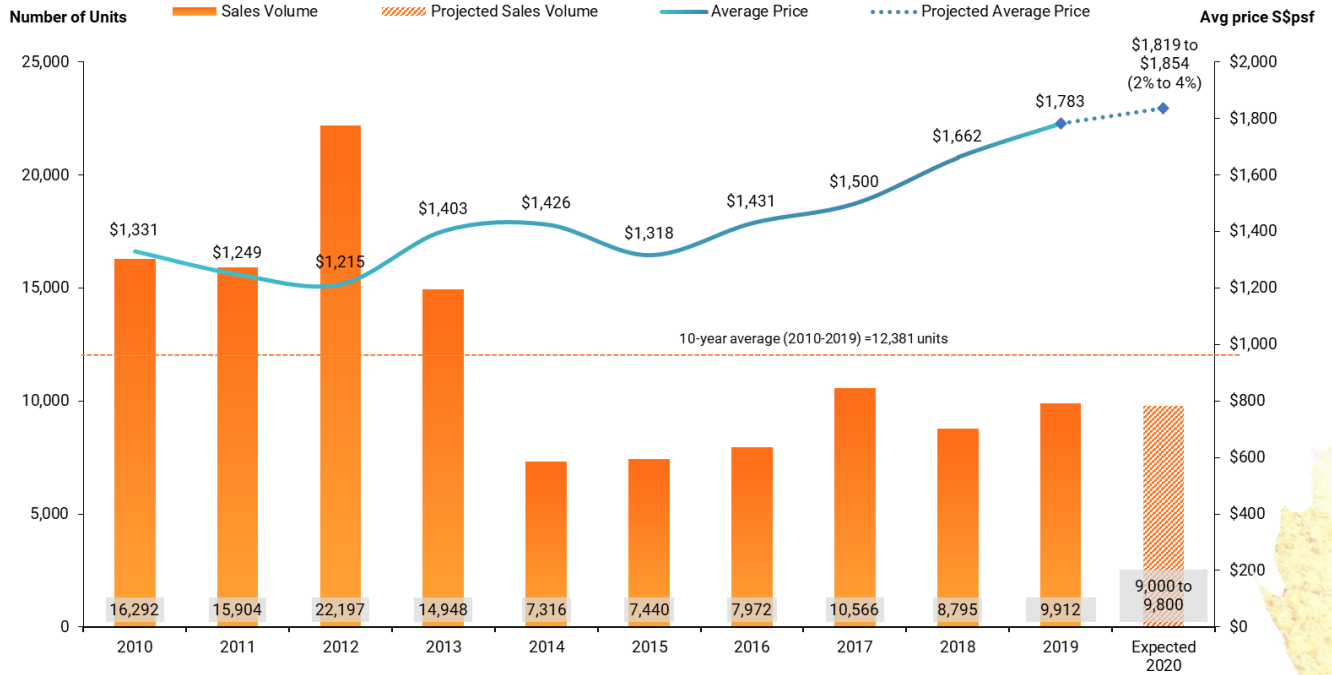
Sales Volume Projection for Overall Private Residential Market (excl. EC)



Price Projection for Overall Private Residential Market (incl. EC)

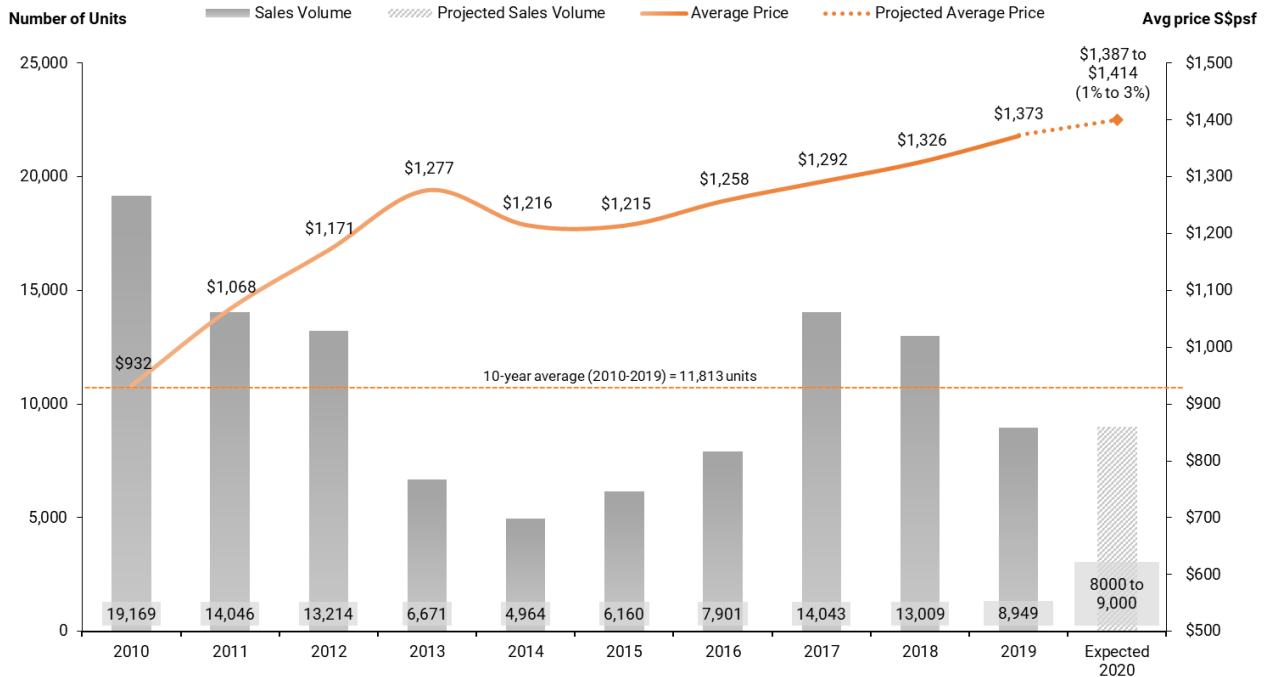


Sales Volume Projection for Private New Sales Market (excl. EC)



Source: URA, URA Realis, OrangeTee & Tie Research & Consultancy
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Sales Volume Projection for Private Resale Market (excl. EC)



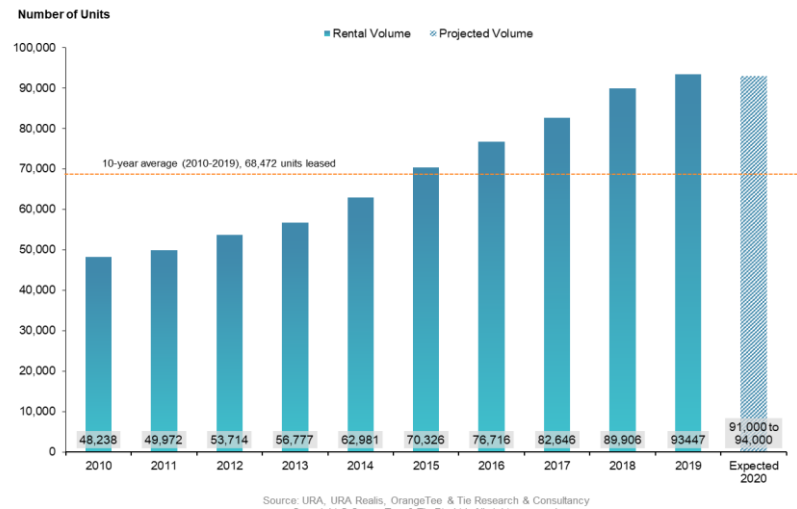
*Figures up to Nov 2019, projection added for Dec 2019

Source: URA, URA Realis, OrangeTee & Tie Research & Consultancy
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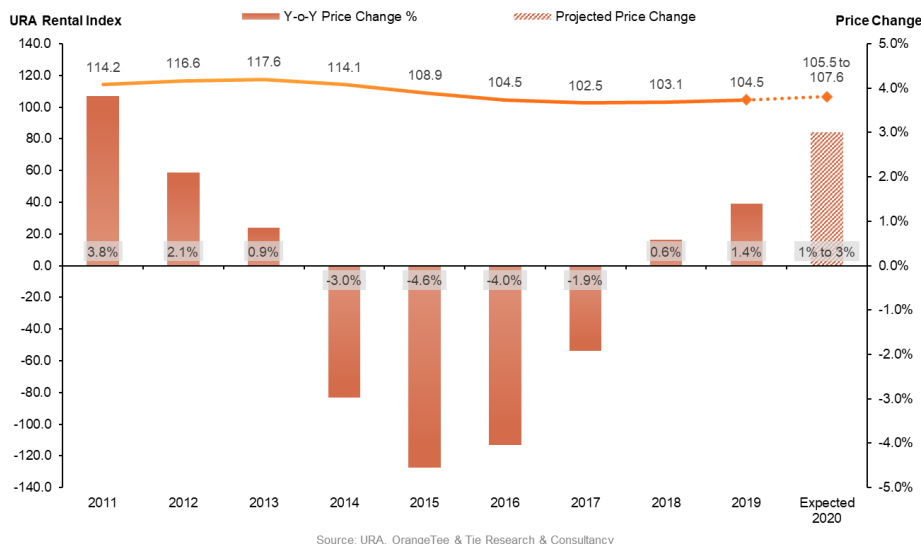
As Singapore transforms into a world-class digital economy and rolls out more technology initiatives, the city-state's labour pool is poised to be one of the most tech-savvy workforces in the world. We will be a highly favoured destination among tech firms that are looking to expand their digital footprint in the region.

We may expect an increasing number of tech giants to grow their businesses here. Expats with the state-of-the-art technological know-how may be deployed to Singapore. This may boost the tenant quality which may spur rental demand for homes in the prime and city-fringe areas. We estimate that leasing volume may be around 91,000 to 94,000 units for 2020.

Volume Projection for Private Residential Rental Market (excl. EC)



Price Projection for Private Residential Rental Market (incl. EC)



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