

Private Residential Market

REAL ESTATE DATA TREND Q1 2019



Marina One Residences / OrangeTee & Tie Research & Consultancy Photo

- Demand for new homes excluding executive condominiums (EC) remained robust as developer home sales rose 16.3 per cent year-on-year (y-o-y) and 0.1 per cent quarter-on-quarter (q-o-q).
- Deep-pocketed buyers seem to be streaming back to the luxury market as new non-landed home sales in the Core Central Region (CCR) rose 82.4 per cent q-o-q to 186 units in Q1.
- The number of Singaporeans purchasing non-landed luxury homes have increased, with 69.4 per cent new homes in CCR being bought by locals.
- Rentals of private homes excluding ECs rose 1.0 per cent while occupancy rates improved for homes in the CCR and Rest of Central Region (RCR).

New home sales remained robust

Singaporeans' deep-seated desire for home ownership and property investment has sustained buying interest of private homes in the primary market. Based on URA quarterly data, developers moved 1,838 new homes excluding ECs in the first quarter of this year, 16.3 per cent higher y-o-y and 0.1 per cent q-o-q.

In contrast, the total number of resales fell sharply by 49.3 per cent y-o-y and 5.7 per cent q-o-q to 1,858 units in Q1. As a result, overall transaction volume fell 3.0 per cent q-o-q and 29.7 per cent to 3,743 units in the first quarter of this year.

Deep-pocketed buyers seemed to be streaming back to the luxury market as the number of homes sold in the CCR rose 27.6 per cent q-o-q to 625 units in Q1 (Page 4). Buying interest for mass market condos has also risen (Page 6), with Treasure at Tampines, Affinity at Serangoon, Riverfront Residences and The Florence Residences being the best performing projects in Q1 2019 (Table 1).

In terms of price performance, the URA price index shows a 0.7 per cent q-o-q decrease in Q1. The drop could be attributed to a 1.1 per cent q-o-q decrease in the price of non-landed homes. Price of landed homes rose 1.1 per cent.

Rents of private homes rose 1.0 per cent in Q1 2019, compared with a 1.0 per cent decrease in the preceding quarter. Another bright spot was seen in vacancy rates of completed private residential homes (excluding ECs) which decreased a sixth consecutive quarter to a five-year low of 6.3 per cent (Page 8).

Table 1 Best-selling projects* in Q1 2019

Project Name	Mkt Segment	Units sold	Ave unit price (\$psf)
New Sales			
Treasure at Tampines	OCR	288	\$1,337
The Tre Ver	RCR	196	\$1,595
Affinity at Serangoon	OCR	176	\$1,503
Riverfront Residences	OCR	120	\$1,327
Stirling Residences	RCR	98	\$1,778
Parc Esta	RCR	92	\$1,715
Fourth Avenue Residences	CCR	77	\$2,410
The Florence Residences	OCR	75	\$1,438
Resales			
The Crest	RCR	18	\$1,972
8 Saint Thomas	CCR	17	\$3,245
The Peak@Cairnhill II	CCR	14	\$2,693
South Beach Residences	CCR	14	\$3,351
The Minton	OCR	13	\$1,062
Ripple Bay	OCR	11	\$1,097
D'Leedon	CCR	11	\$1,628

Note: * Based on non-landed units only
Source: URA, OrangeTee & Tie Research & Consultancy
Copyright OrangeTee & Tie Pte. Ltd. All rights reserved.

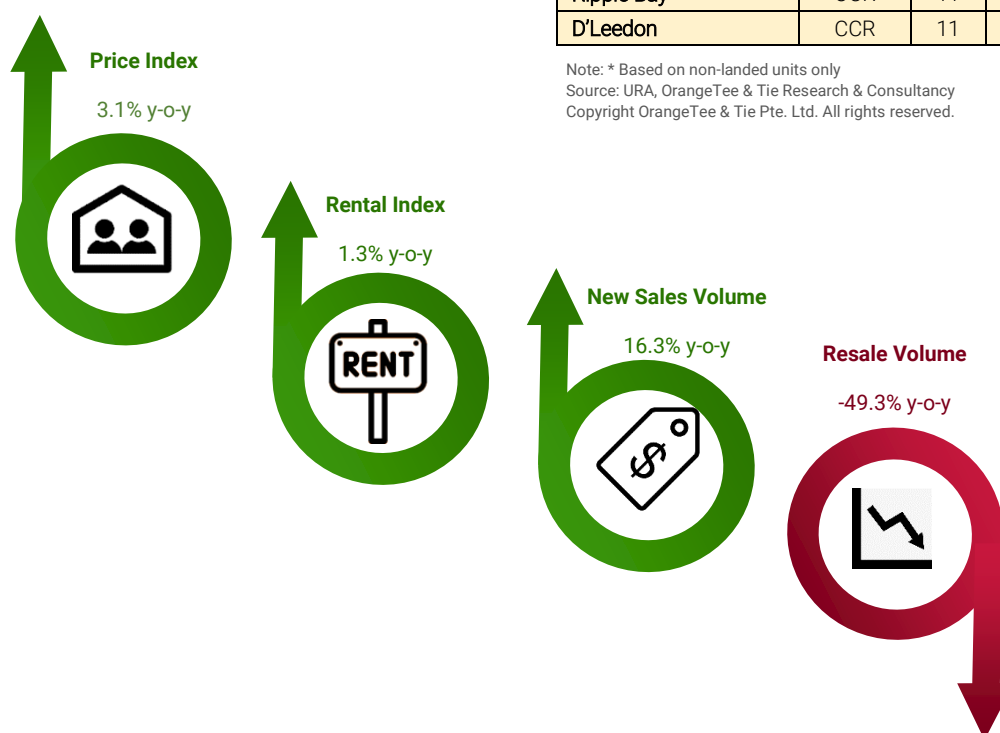


Table 2 Prices rose across the board y-o-y

Market segment	Type of Sales	Q1 2018	Q1 2019	y-o-y % change
CCR	New Sale	\$2,703	\$2,738	1.3%
	Resale	\$1,954	\$2,020	3.4%
	Sub Sale	\$2,321	\$2,365	1.9%
	Overall	\$2,098	\$2,260	7.7%
RCR	New Sale	\$1,719	\$1,724	0.3%
	Resale	\$1,350	\$1,377	2.0%
	Sub Sale	\$1,711	\$1,724	0.7%
	Overall	\$1,466	\$1,579	7.7%
OCR	New Sale	\$1,381	\$1,398	1.3%
	Resale	\$1,008	\$1,058	4.9%
	Sub Sale	\$1,241	\$1,303	5.0%
	Overall	\$1,145	\$1,250	9.2%

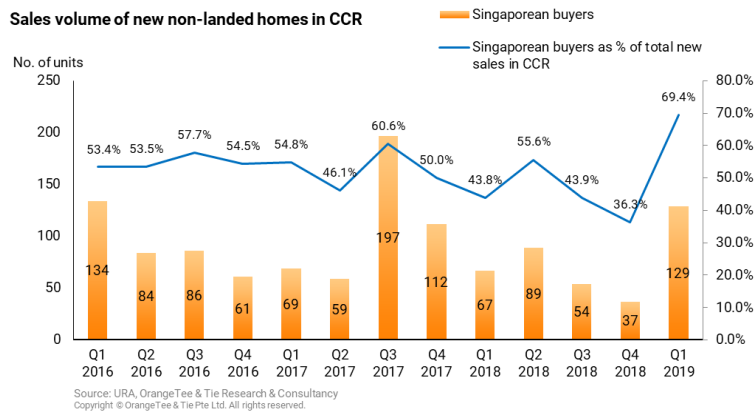
Source: URA, OrangeTee & Tie Research & Consultancy
Copyright OrangeTee & Tie Pte. Ltd. All rights reserved.

TRENDING

According to URA realis data (25 April 2019), non-landed home prices excluding ECs rose across all market segments y-o-y in Q1 2019; with CCR and RCR increasing 7.7 per cent, and OCR rising 9.2 per cent (Table 2).

The proportion of new luxury homes bought by Singaporeans increased significantly in Q1 2019 (69.4 per cent) (Chart 1). The increasing number of affluent locals purchasing luxury homes indicates their confidence that Singapore remains a safe haven for capital preservation and appreciation.

Chart 1 Spike in number of new luxury homes bought by Singaporeans

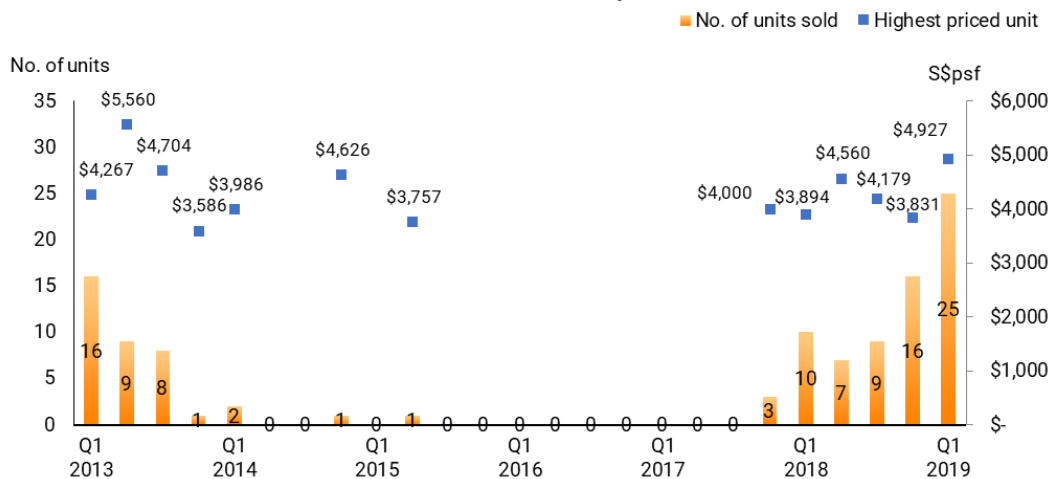


Demand for new luxury condos above S\$3,000 remained robust with 47 units being sold in Q1 this year, which is similar to the 49 units sold in Q4 2018. Super luxury home sales at S\$3,500 psf and above have also surged with 25 transactions inked, the highest number since Q4 2007 (Chart 2).

The 25 super luxury homes were from the new projects Boulevard 88 and 3 Cuscaden. A 528 sqm 28th floor units at Boulevard 88 was also transacted at S\$28 million or S\$4,927 psf, the highest unit price for a new home since June 2013.

Chart 2 Surge in super luxury home sales

Sales volume of new non-landed homes in CCR ≥ S\$3,500 psf



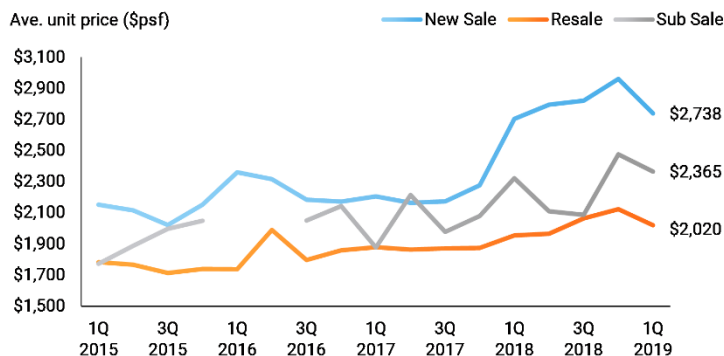
LUXURY SEGMENT

A significant pick-up in buying interest was observed for new luxury home sales. According to URA realis data, sales volume of new non-landed homes in CCR rose 82.4 per cent q-o-q to 186 units in Q1 2019 (Chart 3) from 102 units in Q4 2018, the highest number recorded since Q4 2017.

While the URA price index for CCR showed a 3.0 per cent q-o-q dip in Q1, an analysis of URA realis data reveals that the price decline could be attributed to a larger proportion of new luxury home sales (74.7 per cent) being sold below S\$3,000 psf in Q1, as opposed to Q4 2018 (52.0 per cent), which may have resulted in a lower weighted average price for CCR, and hence the drop in price index.

Chart 4 Price trending at S\$2300 - S\$2,800 psf

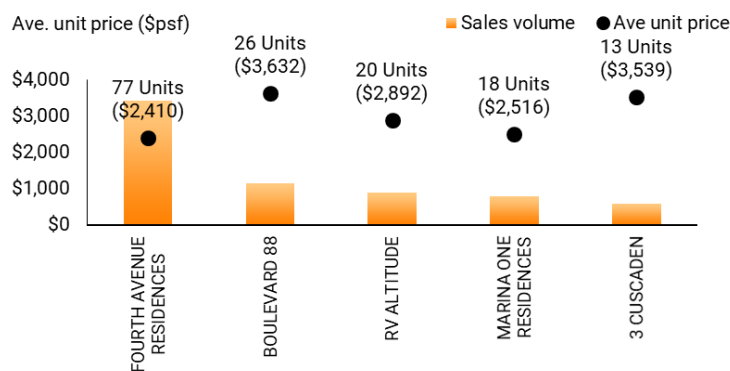
Average price of private non-landed homes in CCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 5 Healthy sales at new launches

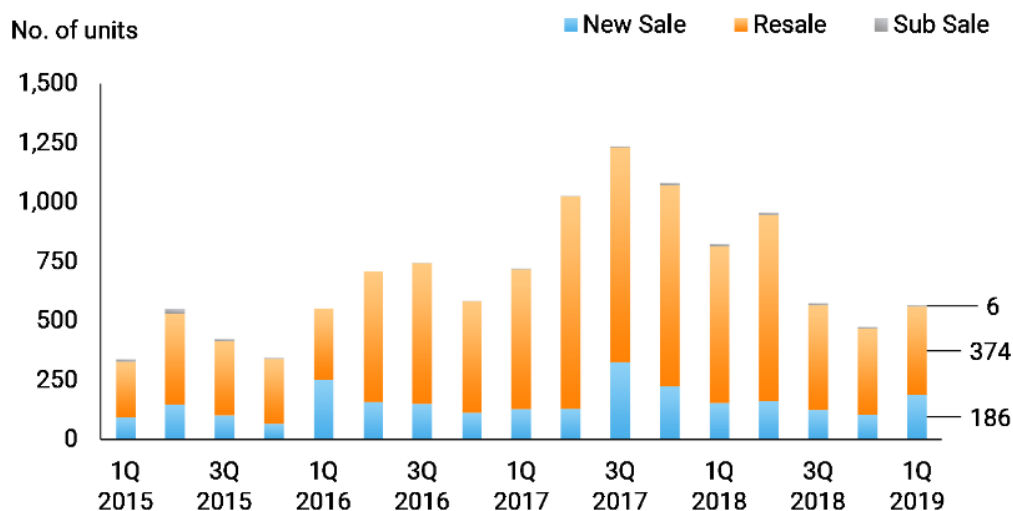
Best selling new projects in CCR in 1Q19



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 3 Significant increase in new luxury home sales

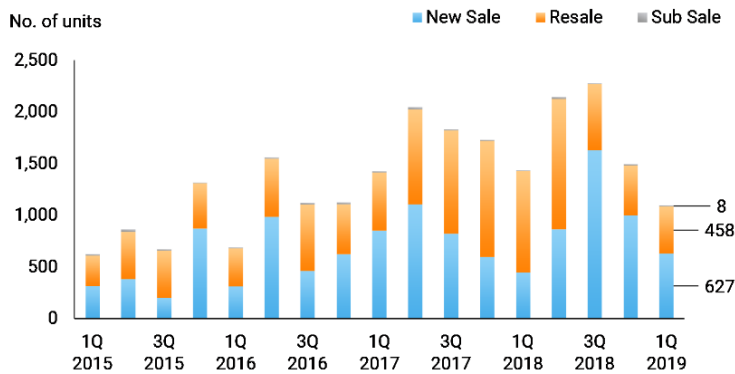
Sales volume of private non-landed homes in CCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 6 Sales of new homes rose y-o-y

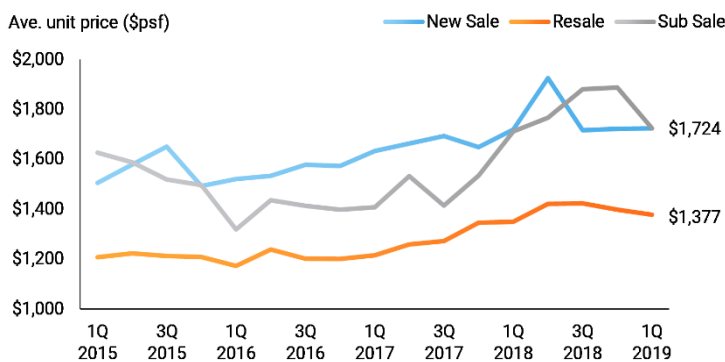
Sales volume of private non-landed homes in RCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 7 New sales prices holding steady

Average price of private non-landed homes in RCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

MID-TIER SEGMENT

According to URA realis data, the number of non-landed new home sales in the RCR rose 40.9 per cent y-o-y from 445 units in Q4 2018 to 627 units in Q1 this year (Chart 6).

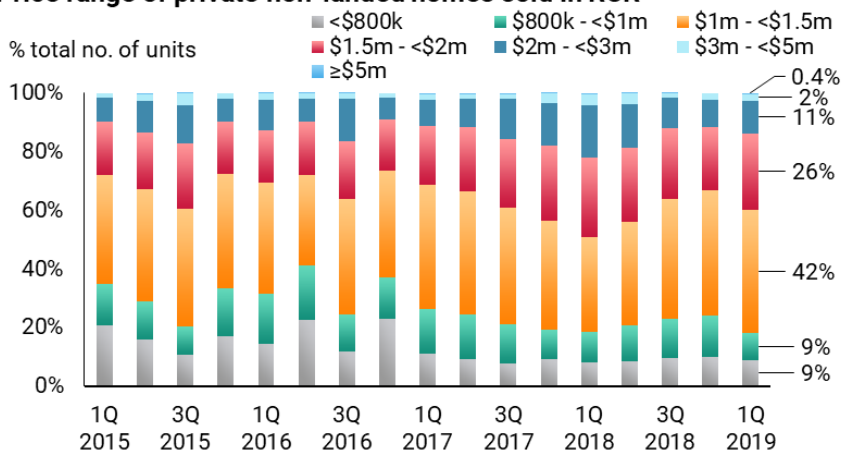
However, on a quarterly basis, new home sales dipped 37.2 per cent q-o-q to 627 units in Q1, possibly due to a lack of major launches and slower sales activities after the year-end holidays and during the Chinese New Year period.

New home sale prices continue to hold steady at S\$1,724 psf in Q1 while resale prices dipped 1.5 per cent to S\$1,377 psf (Chart 7). We would expect prices of new homes to hold steady as sales have been robust at most existing launches.

The best-selling new projects in RCR in Q1 include The Tre Ver (196 units), Stirling Residences (98 units), Parc Esta, (92 units), Mayfair Gardens (36 units), Kent Ridge Hill Residences (31 units), Margaret Ville (28 units) and Jadescape (25 units).

Chart 8 Higher proportion of homes above S\$1.5 million being sold

Price range of private non-landed homes sold in RCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

MASS MARKET

Buying interest for condos in the mass market segment has picked-up as the number of non-landed home sales in OCR rose 52.4 per cent q-o-q to 957 units in Q1 (Chart 9) according to URA realis data. The stellar sales can be mainly attributed to the launch of a few mega projects like Treasure at Tampines and The Florence Residences.

The best-selling projects in the review quarter include Treasure at Tampines (288 units), Affinity at Serangoon (176 units), Riverfront Residences (120 units), The Florence Residences (75 units), Parc Botannia (72 units), Whistler Grand (57 units), The Tapestry (52 units) and The Garden Residences (49 units).

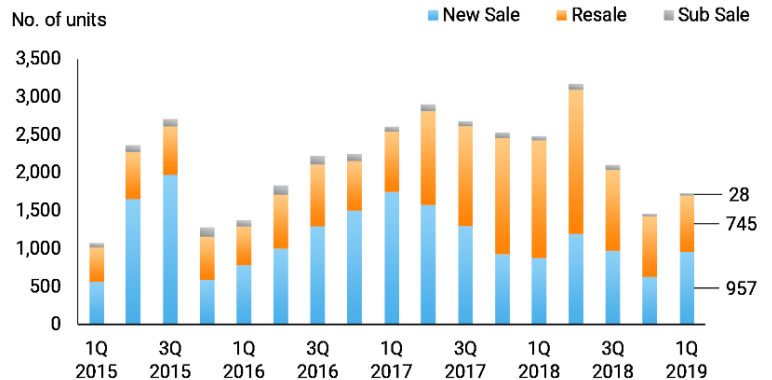
The secondary market has also seen firm sales with 745 resale homes being inked in Q1. Launches at district 19 such as Affinity at Serangoon, Riverfront Residences, the Florence Residences and The Garden Residences may have sustained interest at some completed projects in the vicinity like The Minton, Bartley Residences, Parc Vera and Kovan Residences.

New launches at Treasure at Tampines, The Tapestry and The Alps Residences in districts 18 and 19, may have also raised buying interest of resale homes at Ripple Bay, Melville Park, D'Nest, Livia, Q Bay Residences and The Palette.

Similarly, there was demand for homes at completed projects like Blue Horizon, The Parc Condominium, Carabelle, The Vision, The Triling and Varsity Park Condominium in district 5, which could also be due to the launch of nearby projects like Whistler Grand, Kent Ridge Hill Residences and Twin Vew.

Chart 9 Mass market home sales rose in Q1

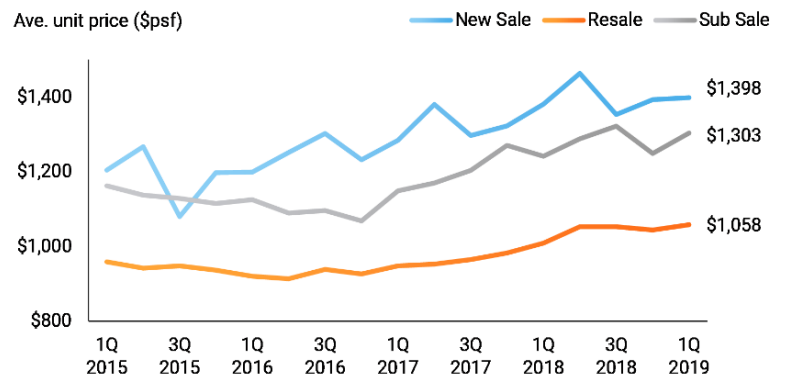
Sales volume of private non-landed homes in OCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 10 Prices of new sales and resales are at fresh highs

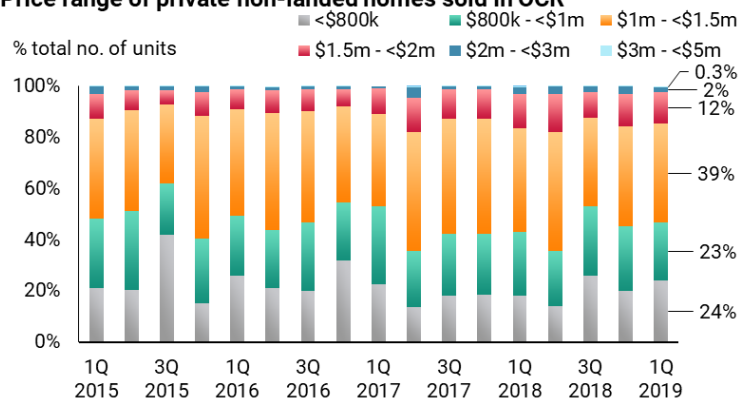
Average price of private non-landed homes in OCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 11 Slightly higher proportion of homes below S\$1 million sold

Price range of private non-landed homes sold in OCR



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.



Wallich Residence / OrangeTee & Tie Research & Consultancy Photo

“

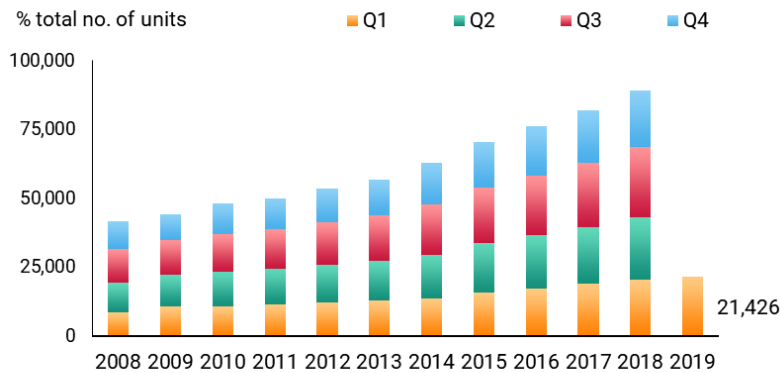
Singaporean's deep-seated desire for home ownership has sustained buying interest of private homes in the primary market.

The rising number of affluent locals purchasing luxury homes indicates their confidence that Singapore remains a safe haven for capital preservation and appreciation.

Christine Sun

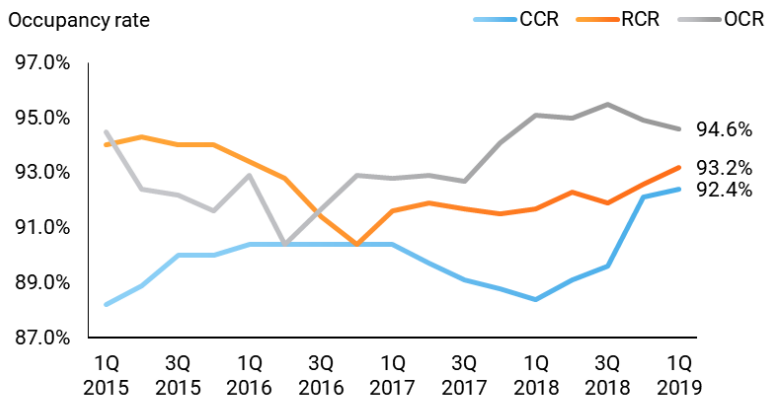
”

Chart 12 Leasing volume continued to rise
Rental transaction volume



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 13 Trending up for CCR & OCR
Occupancy rates of completed private residential homes



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

RENTAL

According to URA data, rents of private homes rose 1.0 per cent in the first quarter of this year compared with the 1.0 per cent decrease in the preceding quarter.

A recovery of rents was observed for non-landed homes in CCR and OCR where rents rose 1.6 per cent and 1.7 per cent q-o-q respectively, the largest increases seen since Q4 2010.

According to URA realis data, the number of leasing transactions rose 5.2 per cent q-o-q and 4.9 per cent y-o-y (Chart 12). Another bright spot was seen in occupancy rates of completed private residential homes (excluding ECs) which increased a sixth consecutive quarter to a 5-year high of 93.7 per cent.

Occupancy rates continued to rise in CCR (92.4 per cent) and RCR (93.2 per cent) on the back of lesser available residential units in Q1 (Chart 13).

Table 4 Highest rental transactions in Q1 2019

Project Names	Total transactions	25 th percentile \$psf pm	Median \$psf pm	75 th percentile \$psf pm
THE POIZ RESIDENCES	238	\$4.06	\$4.46	\$4.76
THE SAIL @ MARINA BAY	162	\$4.42	\$4.91	\$5.44
D'LEEDON	144	\$3.55	\$3.91	\$4.41
ECHELON	142	\$4.10	\$4.40	\$4.85
SIMS URBAN OASIS	132	\$3.84	\$4.13	\$4.53
SKY VUE	111	\$3.62	\$3.98	\$4.52
CARIBBEAN AT KEPPEL BAY	110	\$4.29	\$4.47	\$4.81
CITY SQUARE RESIDENCES	110	\$3.26	\$3.50	\$3.81
BARTLEY RIDGE	107	\$2.96	\$3.23	\$3.89
REFLECTIONS AT KEPPEL BAY	102	\$3.90	\$4.18	\$4.47
MARINA ONE RESIDENCES	100	\$4.57	\$4.81	\$5.13
BAYSHORE PARK	97	\$2.46	\$2.70	\$2.87

Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

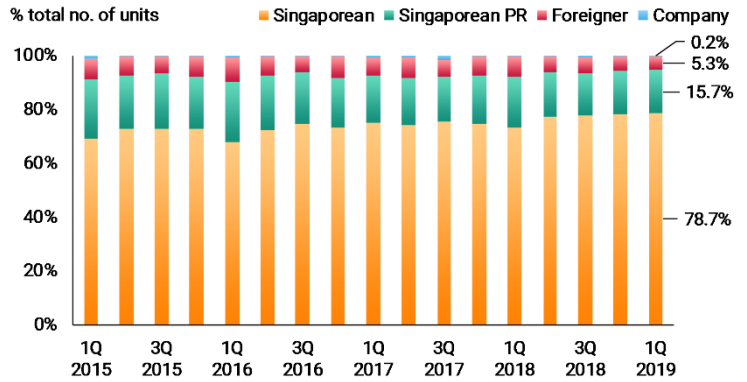
NATIONALITY

Singaporeans continued to form the lion's share of property buyers in Q1. Based on URA Realis data, 78.7 per cent of non-landed homes (all sales types) were bought by Singaporeans, which is the highest proportion recorded since Q1 2009 (Chart 14).

Foreign buyers from China, Malaysia, India, Indonesia and USA retained their positions with the most transactions in Q1 2019 when compared to the previous quarter.

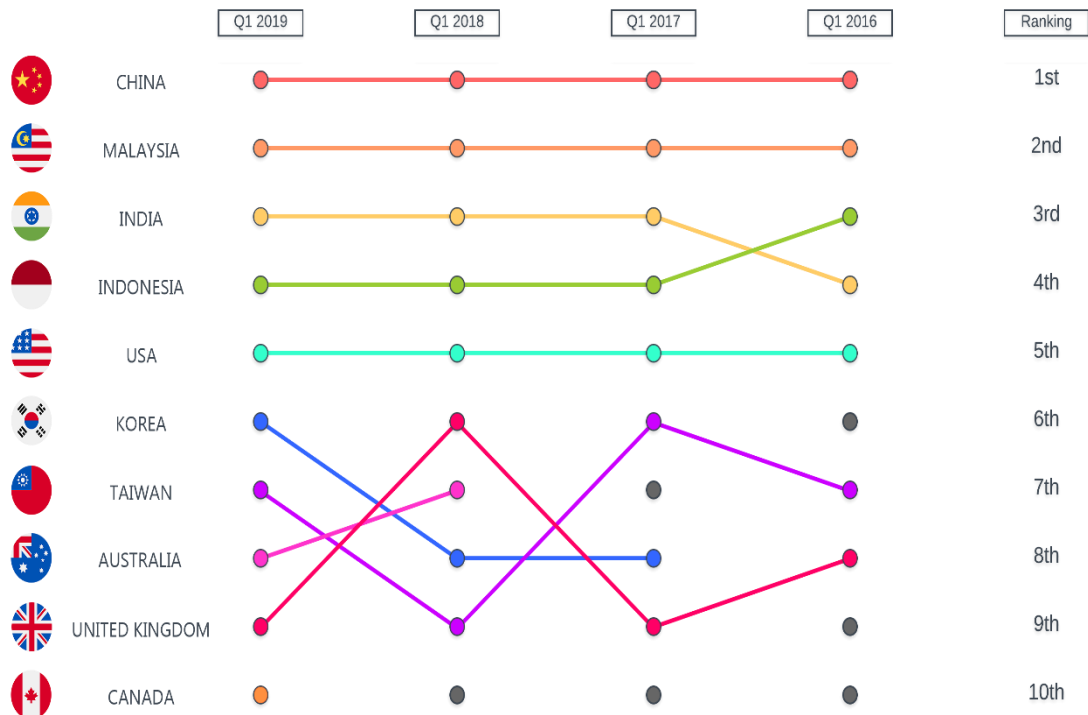
Korean and Taiwanese buyers have also risen in the rankings with a higher proportion of homes being bought when compared to previous years (Chart 15).

Chart 14 Singaporeans form the lion's share of property buyers in Q1
Sales volume of non-landed homes



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

Chart 15 China retains position as top foreign buyer
Ranking by sales volume of non-landed homes



Source: URA, OrangeTee & Tie Research & Consultancy
Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

OUTLOOK

If the global economy does not deteriorate and the job market remains healthy, overall prices are likely to remain flat or rise marginally this year (Table 5). Afterall, the property cooling measures are still in place and there is an increasing supply of new homes on the cards.

A glimmer of optimism may also be on the horizon as residential projects within the vicinity of upcoming MRT stations along the Cross Island Line and areas marked for further development under the Draft Masterplan 2019 may see an increase in buyer interest and possibly an uplift of prices in the future.

Table 5 Market forecast for 2019

Indicators	Q1 2019	2019 (forecast)
Overall price index	-0.7%	1% to 3%
Price of non-landed new sales	-1.3%	1% to 4%
Price of non-landed resales	-0.6%	1% to 2%
New sale volume (exclude ECs)	1,838	9,000 to 10,000
Rents	1%	-1% to 1%

Source: URA, OrangeTee & Tie Research & Consultancy
 Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.



Corals at Keppel Bay / OrangeTee & Tie Research & Consultancy Photo

Please contact us for more information:



Steven Tan
 Managing Director
 Executive Office
 +65 6303 2999
 steven.tan@orange
 tee.com



Christine Sun
 Head
 Research and
 Consultancy
 +65 6303 2662
 christine.sun@orange
 tee.com



John Tay
 Analyst
 Research and
 Consultancy
 +65 6303 2662
 john.tay@orange
 tee.com