

# Private Residential Market

REAL ESTATE DATA TREND Q4 2018



8 Saint Thomas

- Private home prices rose 7.9 per cent despite the new cooling measures introduced last July.
- Non-landed home prices rose across all sales types and market segments, with some reaching record high in 2018. New home prices in CCR increased the most by 27.2 per cent year-on-year.
- Mass market new homes sold more than double the units launched last year.
- Total rental transaction value reached a new high since 2000.

## New home prices rose despite cooling measures

Private home prices rose 7.9 per cent last year despite new cooling measures introduced last July. The price increase was mainly from the first two quarters of last year when many new private homes were sold at relatively high prices amid the collective sales frenzy. On a year-on-year (y-o-y) basis, prices continued to rise across most market segments, with some reaching record highs in 2018 (Page 3).

However, developer home sales fell 16.8 per cent y-o-y to 8,795 units last year while resales fell 7.4 per cent y-o-y to 13,009 units under the combined effects of the Additional Buyer's Stamp Duty (ABSD), Total Debt Servicing Ratio (TDSR) and global economic slow-down. Nevertheless, some projects continued to sell well due to their good location, distinct product features and strong marketing campaigns. Last year, the best-selling new projects were Riverfront Residences, The Tapestry and Park Colonial while the most popular resale projects were The Crest, New Futura and The Minton.

We expect demand for new homes to hold ground this year as more than 19,000 new homes could be launched ready (Page 10). Many of these developments are expected to be priced at the 'sweet spot', offering many unique selling features.

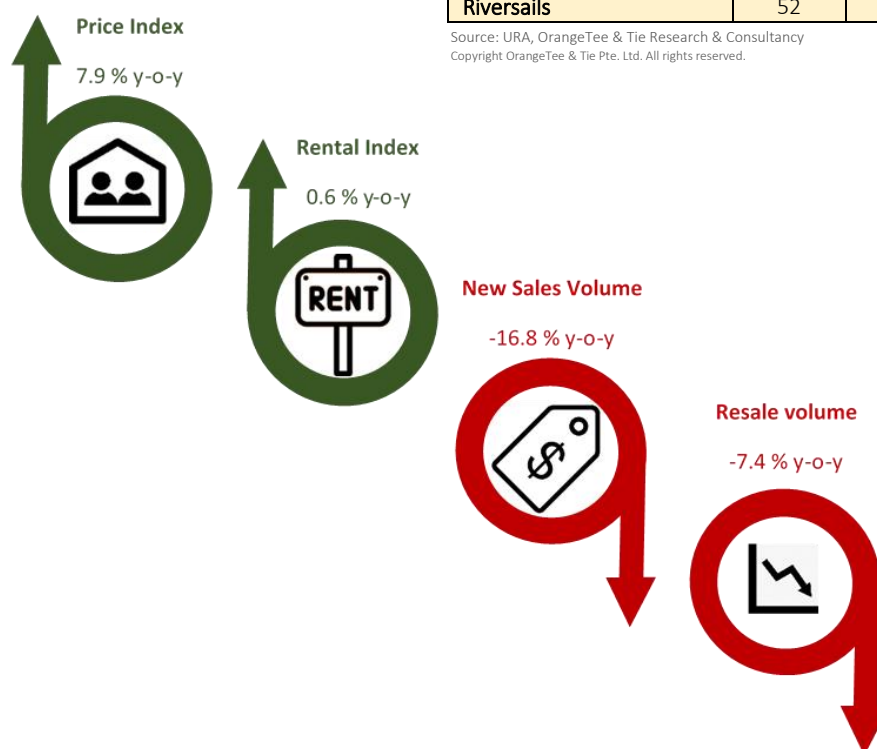
Investors and foreigners may stream back to the market as they may view residential properties here to be better investment assets in light of the current economic uncertainties and stock market volatility.

Table 1 Best-selling projects in 2018

Private non-landed homes

| Project Name              | Units sold | Ave unit price (\$psf) |
|---------------------------|------------|------------------------|
| <b>New Sales</b>          |            |                        |
| Riverfront Residences     | 807        | \$1,313                |
| The Tapestry              | 544        | \$1,385                |
| Park Colonial             | 538        | \$1,750                |
| Stirling Residences       | 486        | \$1,761                |
| Twin View                 | 454        | \$1,400                |
| Parc Esta                 | 375        | \$1,701                |
| Jadescape                 | 363        | \$1,669                |
| Affinity at Serangoon     | 289        | \$1,528                |
| <b>Resales</b>            |            |                        |
| The Crest                 | 141        | \$2,000                |
| New Futura                | 78         | \$3,507                |
| The Minton                | 77         | \$1,052                |
| D'Leedon                  | 67         | \$1,574                |
| The Palette               | 59         | \$1,044                |
| Reflections at Keppel Bay | 58         | \$1,690                |
| The Interlace             | 52         | \$1,179                |
| Riversails                | 52         | \$1,040                |

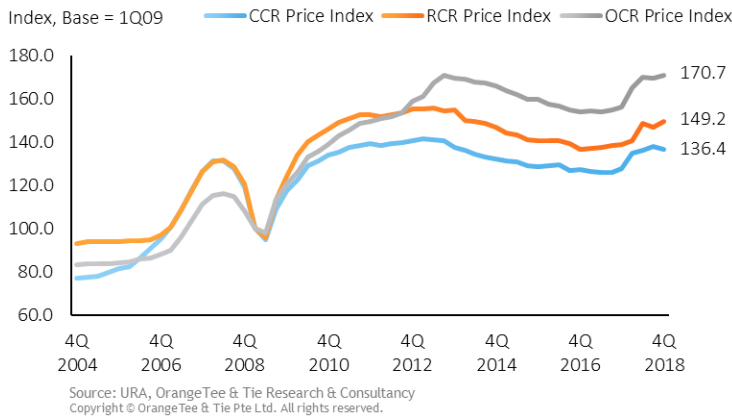
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# MARKET OVERVIEW

**Chart 1 Slower pace of price increase in Q4 2018**

URA non-landed property price index



Prices have risen across the board on a y-o-y basis in 2018. According to URA's property price index (Chart1), price of non-landed homes rose 8.3 per cent while landed properties rose 6.3 per cent y-o-y. By market segments, price of non-landed homes in CCR rose 6.7 per cent while those in RCR and OCR increased 7.4 per cent and 9.4 per cent respectively. Price of non-landed homes in OCR (index = 170.7) in Q4 2018 has reverted to their previous record high in Q3 2013 (index = 170.9).

**Table 2 Fresh highs in 2018**

Private non-landed homes

| Market segment | Type of Sales  | 2017           | 2018           | y-o-y % change |
|----------------|----------------|----------------|----------------|----------------|
| CCR            | New Sale       | \$2,206        | \$2,806        | 27.2%          |
|                | Resale         | \$1,871        | \$2,005        | 7.2%           |
|                | Sub Sale       | \$2,029        | \$2,242        | 10.5%          |
|                | <b>Overall</b> | <b>\$1,938</b> | <b>\$2,162</b> | <b>11.6%</b>   |
| RCR            | New Sale       | \$1,660        | \$1,764        | 6.3%           |
|                | Resale         | \$1,282        | \$1,398        | 9.0%           |
|                | Sub Sale       | \$1,486        | \$1,814        | 22.0%          |
|                | <b>Overall</b> | <b>\$1,465</b> | <b>\$1,596</b> | <b>9.0%</b>    |
| OCR            | New Sale       | \$1,320        | \$1,404        | 6.3%           |
|                | Resale         | \$964          | \$1,038        | 7.7%           |
|                | Sub Sale       | \$1,198        | \$1,282        | 7.0%           |
|                | <b>Overall</b> | <b>\$1,155</b> | <b>\$1,189</b> | <b>2.9%</b>    |

Note: Bulk transactions with more than 5 units per caveat are omitted

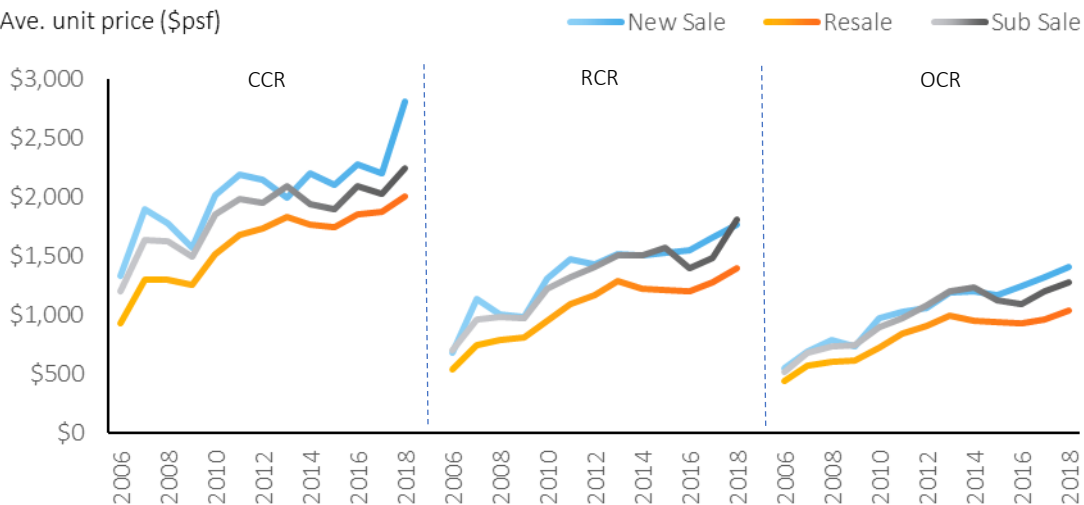
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Non-landed home prices across all sales types and market segments had also reached historical highs in 2018 (Chart 2). According to URA Realis data downloaded on 28 January 2019, the average price of non-landed new homes in the CCR increased 27.2 per cent y-o-y to S\$2,806 psf in 2018 (Table 2). Non-landed new sales in RCR rose 6.3 per cent y-o-y to S\$1,764 psf while those in OCR rose 6.3 per cent to S\$1,404 in 2018.

For non-landed resales, prices rose the most in RCR (9.0 per cent), followed by OCR (7.7 per cent) and CCR (7.2 per cent). For the first time, average price of non-landed resale homes in OCR has breached the S\$1,000 psf mark.

**Chart 2 Prices are at historical high across all sales types and market segments in 2018**

Ave. unit price (\$psf)



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# LUXURY SEGMENT

The number of non-landed home sales in CCR fell 19.3 per cent q-o-q to 464 units in Q4 2018 (Chart 3). For the whole of 2018, 2,819 condos were sold, the majority of which (79.5 per cent, 2,242 units) were resales. Although sales volume dipped 30.5 per cent y-o-y in 2018, it is still above the sales volume in 2014, 2015 and 2016.

The fall in sales could be attributed to the cooling measures and price hikes of condos in CCR. According to URA realis data, the average price of new condos in Q4 2018 rose 4.7 per cent q-o-q to a new high of S\$2,955 psf while resale price rose 2.5 per cent q-o-q to a new high of S\$2,116 psf (Chart 4). The new sales price hike can be attributed to more units being sold at newer projects like 3 Cuscaden (21 units) sold at an average price of S\$3,569 psf and Wallich Residence (11 units) at S\$3,250 psf.

In 2018, the best-selling luxury homes were Marina One Residences, New Futura and Martin Modern (Table 3). For the whole of 2018, 13.2 per cent or 372 non-landed homes in CCR were transacted above ≥ S\$ 5 million and 58 units were ≥ S\$10 million (Chart 5). The priciest unit was a 728 sqm unit at New Futura sold for S\$36.3 million in May last year, followed by a 677 sqm unit at Gramercy Park sold for S\$24.5 million in February.

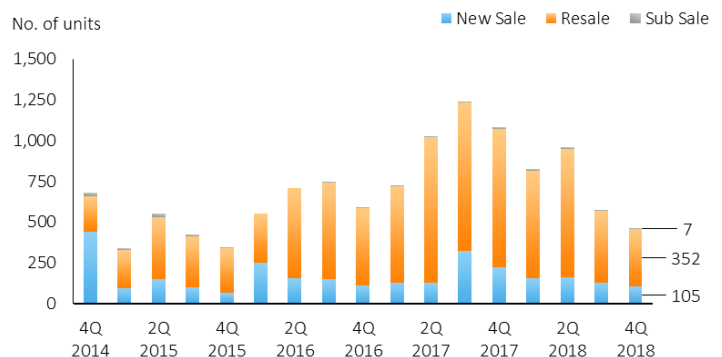
**Table 3 Best-selling luxury projects in 2018**  
Private non-landed homes

| Project Name          | No. of units sold | Ave unit price (\$psf) |
|-----------------------|-------------------|------------------------|
| Marina One Residences | 144               | \$2,541                |
| New Futura            | 101               | \$3,435                |
| Martin Modern         | 99                | \$2,735                |
| D'Leedon              | 67                | \$1,574                |
| 120 Grange            | 45                | \$3,165                |
| 8 Saint Thomas        | 42                | \$3,225                |
| Hilltops              | 39                | \$3,024                |
| Wallich Residence     | 38                | \$3,399                |

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**Chart 3 Sales of luxury homes fell in Q4 2018**

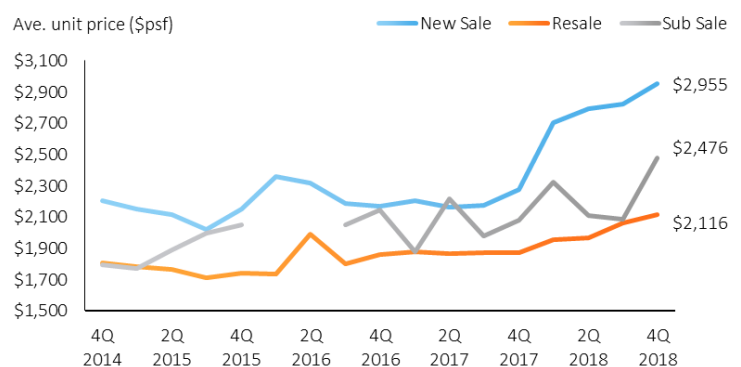
Sales volume of non-landed homes in CCR



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**Chart 4 Prices of new sales and resales are at fresh highs**

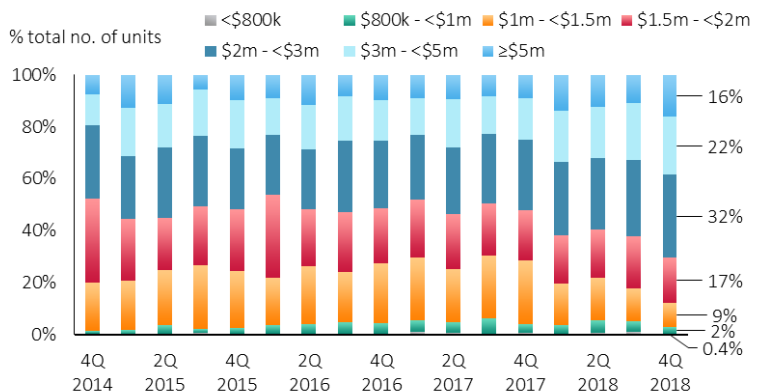
Average price of non-landed homes in CCR



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**Chart 5 Higher proportion of super luxury homes sold in 2018**

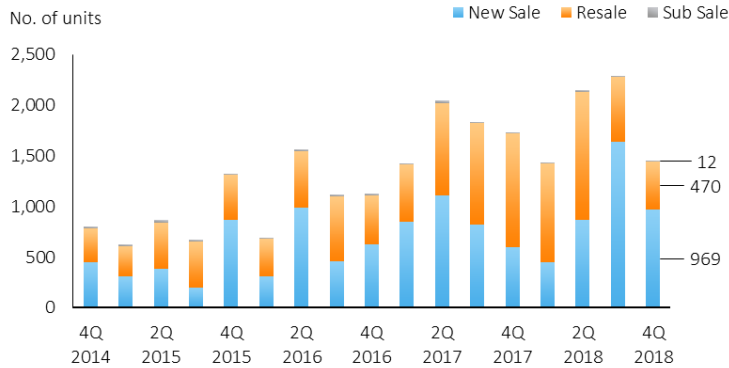
Sales volume of non-landed homes in CCR



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**Chart 6 Sales of mid-tier homes fell in Q4 2018**

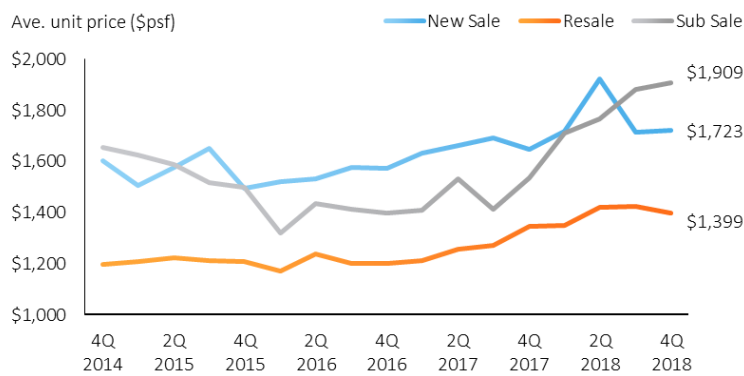
Sales volume of non-landed homes in RCR



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**Chart 7 New sales prices have moderated in Q4 2018**

Average price of non-landed private homes



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## MID-TIER SEGMENT

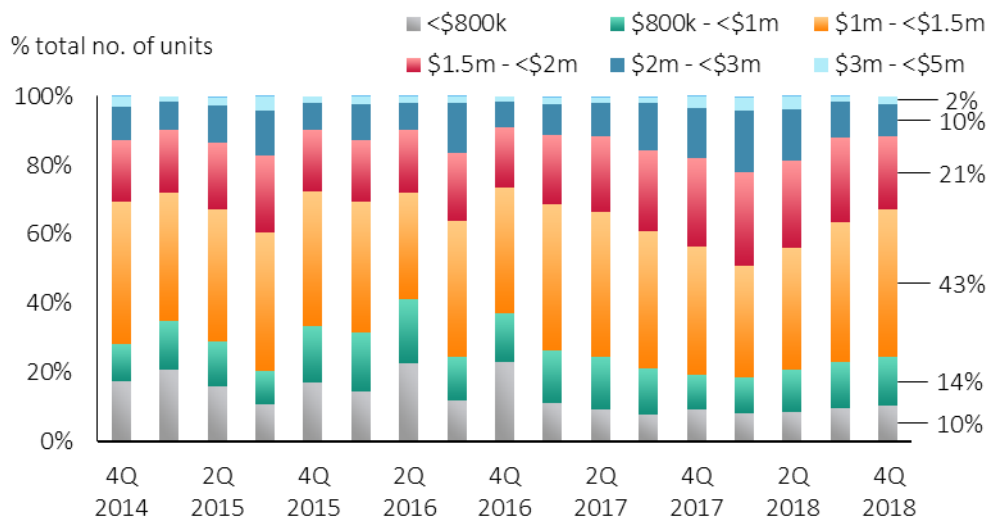
The number of non-landed private home sales in the RCR dipped 36.6 per cent q-o-q to 1,451 units in Q4, possibly due to a lack of new launches and slower sales activities during the year-end. However, on a y-o-y basis, 7,319 units or 4.2 per cent more condos were transacted last year, a six-year high since 7,923 units were sold in pre-TDSR 2012.

The stellar sales could be attributed to a bumper crop of new units being launched last year. According to URA statistics, 4,171 new homes were launched in RCR in 2018, about three times the number launched in 2017 (1,375 units).

The average price of new condos was S\$1,723 psf while resale price was S\$1,399 psf in Q4 2018 (Chart 7). The price quantum of purchases in RCR continue to shrink in Q4 2018, with the bulk of 67.0 per cent of non-landed homes transacted below S\$1.5 million in Q4 as compared to 56.4 per cent in Q4 2017 (Chart 8).

**Chart 8 More homes below \$1.5m transacted in Q4 2018**

Price range of non-landed private homes



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# MASS MARKET

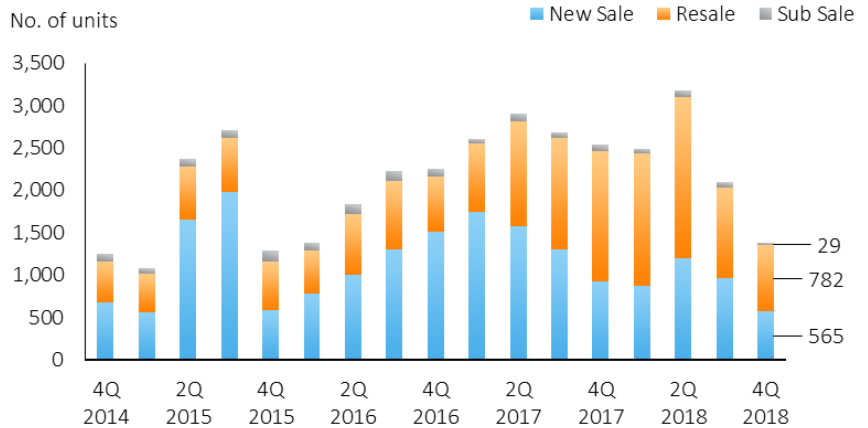
Non-landed private home sales in OCR dipped 34.4 per cent q-o-q to 1,376 units in Q4 2018 (Chart 9). For the whole of 2018, 9,129 condos were sold in OCR, much higher than the 4,123 units launched over the same period. The sales volume is also higher than that of 2014, 2015 and 2016, but 14.9 per cent lower than 2017 (10,722 units).

Demand for mass market homes fell last year possibly due to the reduced affordability of HDB upgraders as the borrowing limits have been lowered after the cooling measures and lower prices could have been fetched by their HDB resale flats.

As a result, the unit sizes of non-landed homes sold in OCR continued to shrink as buyers remained price conscious. In Q4 2018, 71.6 per cent of homes were smaller than 1,200 sqft, compared to 77.3 per cent a year ago (Chart 11). Average resale price of non-landed homes dipped marginally by 0.7 per cent q-o-q to S\$1,045 psf, while new sales rose 3.7 per cent to S\$1,403 psf (Chart 10).

**Chart 9 Sales of mass market homes dipped in Q4 2018**

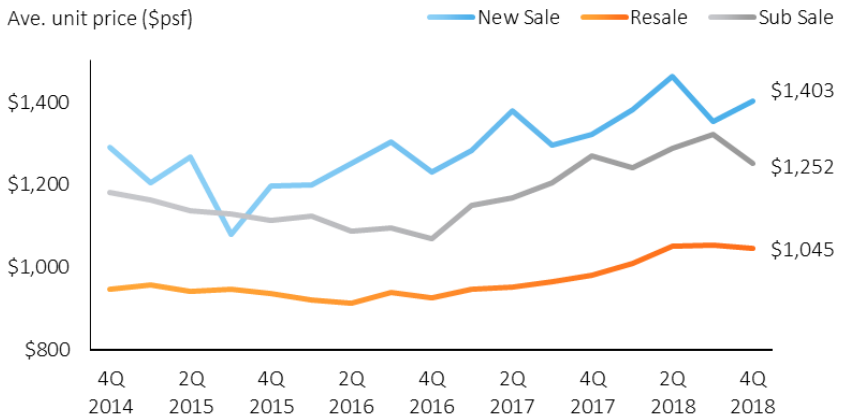
Sales volume of non-landed homes in OCR



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

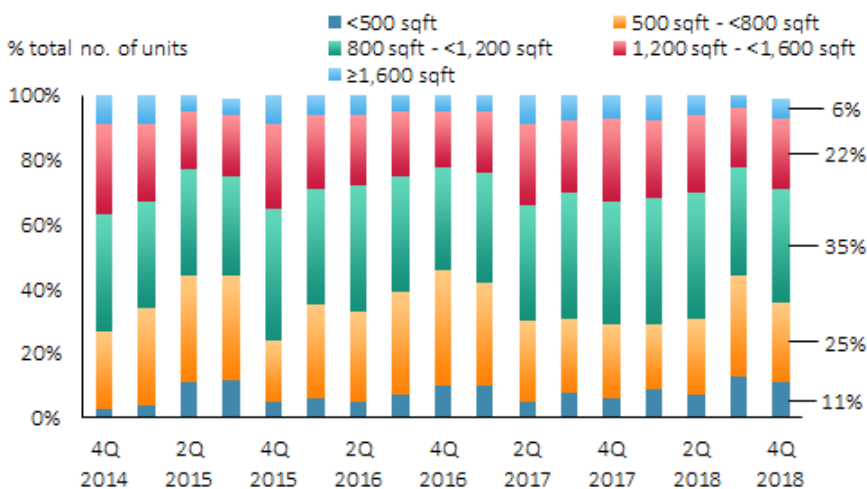
Average price of non-landed homes in OCR



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**Chart 11 Higher proportion of big units being sold in Q4 2018**

Size range of non-landed homes sold in OCR



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South Beach Residences

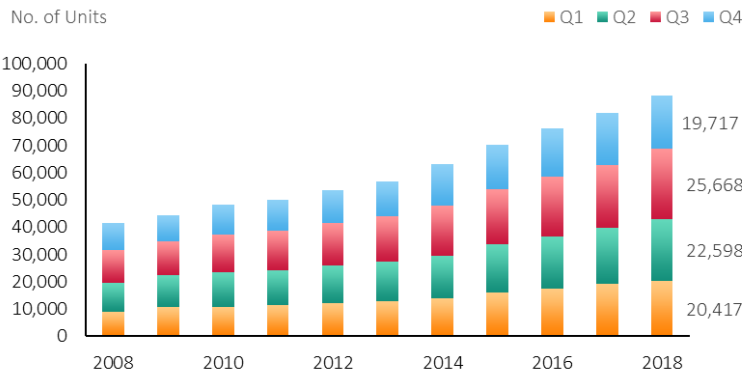
“ Global brands and MNCs looking for stability and long-term investment potential will find Singapore attractive for its financial stability, pro-business legislation, and business friendly environment amid rising global geopolitical uncertainties.

Christine Sun

”

**Chart 12 Leasing volume continued to rise**

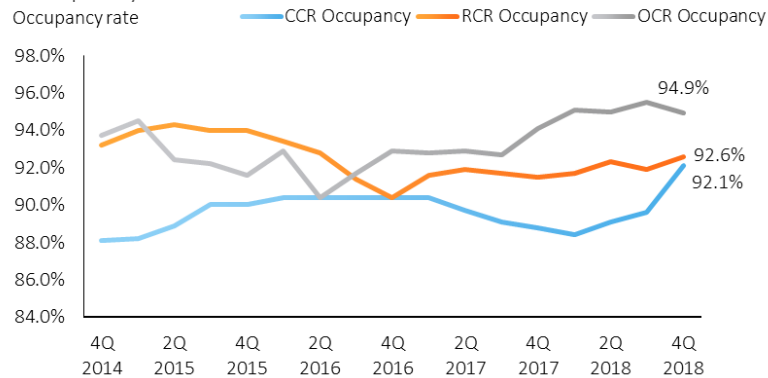
Rental transaction volume



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**Chart 13 Trending up for CCR & OCR**

Occupancy Rates



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**Table 4 Highest rental transactions in Q4 2018**

| Project Names             | Total transactions | 25 <sup>th</sup> percentile \$psf pm | Median \$psf pm | 75 <sup>th</sup> percentile \$psf pm |
|---------------------------|--------------------|--------------------------------------|-----------------|--------------------------------------|
| THE SAIL @ MARINA BAY     | 157                | \$4.44                               | \$4.72          | \$5.21                               |
| MARINA ONE RESIDENCES     | 142                | \$4.47                               | \$4.72          | \$5.00                               |
| D'LEEDON                  | 101                | \$3.72                               | \$4.02          | \$4.49                               |
| ICON                      | 99                 | \$5.13                               | \$5.57          | \$5.96                               |
| REFLECTIONS AT KEPPEL BAY | 98                 | \$3.87                               | \$4.13          | \$4.51                               |
| LA FIESTA                 | 93                 | \$2.74                               | \$2.99          | \$3.19                               |
| CITY SQUARE RESIDENCES    | 92                 | \$3.29                               | \$3.48          | \$3.83                               |
| URBAN VISTA               | 90                 | \$3.26                               | \$3.52          | \$3.97                               |
| EUHABITAT                 | 78                 | \$3.19                               | \$3.46          | \$3.60                               |
| EIGHT RIVERSUITES         | 74                 | \$3.37                               | \$3.89          | \$4.76                               |
| CARIBBEAN AT KEPPEL BAY   | 72                 | \$4.27                               | \$4.56          | \$4.89                               |
| BAYSHORE PARK             | 71                 | \$2.52                               | \$2.70          | \$2.90                               |

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## RENTAL

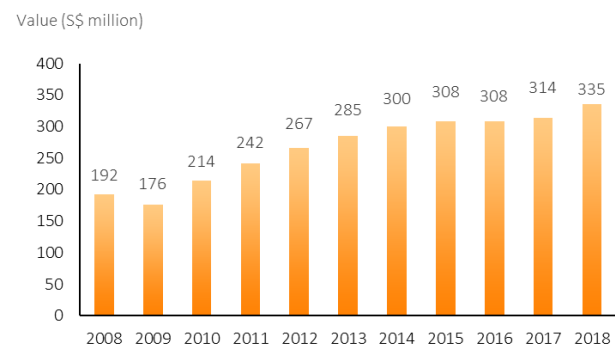
Rental demand continued to strengthen as more transactions were inked in 2018. According to URA realis data, the number of leasing transactions rose 7.9 per cent from 81,891 units in 2017 to 88,400 units last year (Chart 12). The total transaction value reached S\$335 million last year, the highest on record since 2000.

Occupancy rates remained healthy across all market segments with OCR reaching 94.9 per cent, RCR at 92.6 per cent and CCR at 92.1 per cent in Q4 2018 (Chart 13), despite a 0.86% per cent increase to 369,991 available residential units (exclude executive condominiums) as of Q4 2018.

The increased stock in the market continued to place downward pressure on rentals as rents dipped 1 per cent q-o-q compared to the 0.3 per cent increase in Q3 according to the URA non-landed rental index. However, on a yearly basis, rents rose 0.6 per cent compared to a decline of 1.9 per cent in 2017.

**Chart 14 Healthy transaction value**

Total transaction value of non-landed leases



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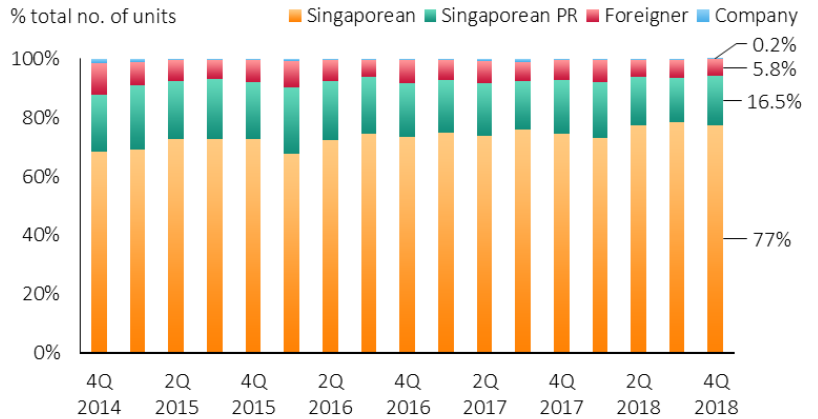
# NATIONALITY

The proportion of non-landed homes bought by Singaporeans remained at 77.5 per cent in Q4 2018 when compared to a quarter ago. Purchases by foreigners and PRs held steady at 5.8 per cent and 16.5 per cent respectively (Chart 15).

Mainland Chinese were the top foreign buyers for the third consecutive year, followed by Malaysians and Indians (Chart 17). 82.9 per cent of Malaysians, 62.5 per cent of Indians and 57.2 per cent of Mainland Chinese bought condos costing < S\$1.5 million in Q4 2018. Canadians (28.6 per cent), Americans (23.1 per cent) and Taiwanese (18.8 per cent) bought pricier condos ≥S\$4 million (Chart16).

**Chart 15 78 per cent of condos were bought by Singaporeans**

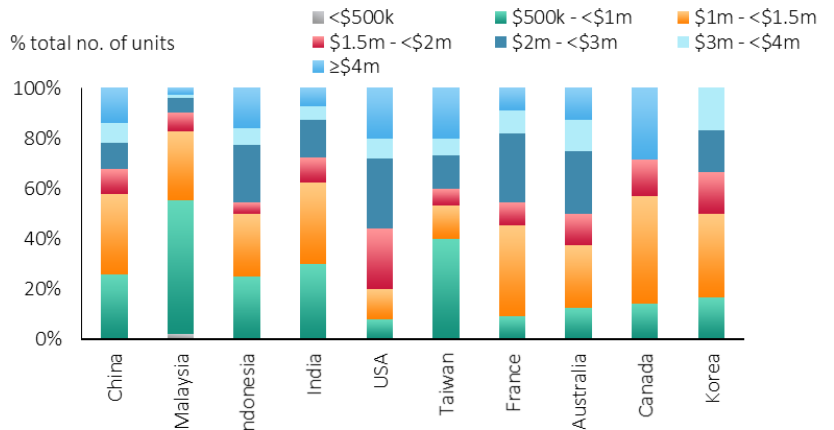
Sales volume of non-landed homes in Q4 2018



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**Chart 16 Canadians, Americans and Taiwanese bought pricier condos**

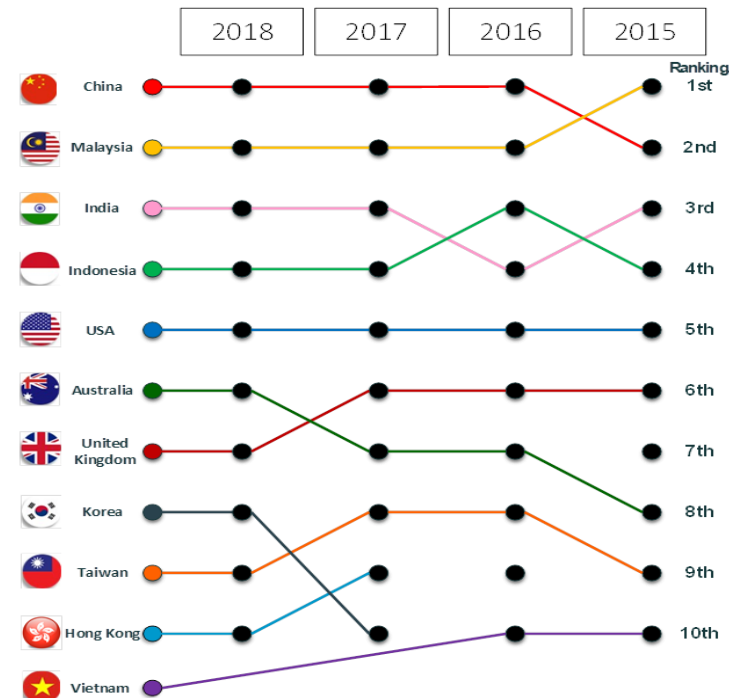
Price range of non-landed homes sold in Q4 2018



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**Chart 17 China retains position as top foreign buyer**

Ranking by sales volume of non-landed homes



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## OUTLOOK FOR 2019

We expect the price growth for the overall market may slow down this year to between 1 and 3 per cent (Table 5) in view of the substantial pipeline supply of private homes. For new homes, prices may rise between 1 and 4 per cent as some projects will be launched from land parcels that were bought at relatively high cost. Prices of resale homes may remain flat or rise marginally by 1 and 2 per cent in tandem with new sale prices.

Based on our estimation, about 19,000 new homes could be launch-ready this year. However, developers are likely to space out their launches to avoid head-on competition with other developments and to intermittently release units over several months to maintain prices. Therefore, the actual number of units launched for the full year could be around 13,000 to 14,000 units, with the balance possibly spilling over to 2020-2021.

The sales momentum for new homes may remain at current level or rise marginally to between 9,000 and 10,000 this year.

According to URA, the expected number of private residential completions (excluding ECs) in 2019 has dipped from 10,119 (projection as of Q3 2018) to 8,926 (as of Q4 2018), possibly because more projects were completed earlier than expected. As the number of completions this year is around the same level as last year (9,112 units), just 2.0 per cent lower, rents may remain flat between -1% and 1% this year.

Table 5 Market forecast for 2019

| Indicators                    | 2018  | 2019 (forecast) |
|-------------------------------|-------|-----------------|
| Overall price index           | 7.9%  | 1% to 3%        |
| Price of non-landed new sales | 10.7% | 1% to 4%        |
| Price of non-landed resales   | 2.7%  | 1% to 2%        |
| New sale volume               | 8,795 | 9,000 to 10,000 |
| Rents                         | 0.6%  | -1% to 1%       |

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