

Sales volume declines as virus restrictions bite

Singapore implemented a slew of circuit breaker measures from 07 April 2020 to curb the spread of the Covid-19 infection within the community. The elevated set of strict distancing measures include the closure of show flats and discontinuation of house viewings.

The movement restrictions adversely impacted the property market and new sales declined significantly in April. According to the developers' sales survey by the Urban Redevelopment Authority, new home sales dipped 58.0 per cent month-on-month (m-o-m) from 660 units in March to 277 units in April. Compared to the same period last year, the number of sales transactions declined by 62.4 per cent year-on-year (y-o-y). The previous low was in December 2014 when 230 units were sold. The lowest sales volume since URA started releasing records in June 2007 was 108 units sold in January 2009. This coincided with the Global Financial Crisis when sales volume remained persistently low below 200 units for many months (see table below).

The lowest number of private new home sales since June 2007

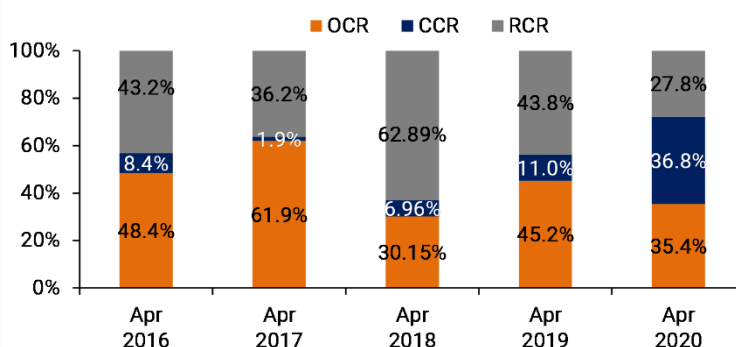
Months	Number of new homes sold excluding EC
Jan-09	108
Oct-08	118
Dec-08	131
Feb-08	174
Nov-08	193
Dec-14	230
Dec-13	259
Apr-20	277
Apr-08	288
Mar-08	301

Source: URA, Orange Tee & Tie Research & Consultancy

Including executive condominium (EC) units, developers sold 293 units, a 67.6 per cent decrease when compared to the 904 transactions in March this year. Of this number, 65.5 per cent or 192 units were transacted before the Circuit Breaker Measures kicked in.

Slightly more than a third (36.8 per cent of 277 units) or 102 new home sales were from the Core Central Region (CCR). The highest-priced private home transacted last month was a super-luxury condominium (477 sqm) at 15 Holland Hill for S\$13.8 million or \$2,692 psf on 02 April 2020. This is the third priciest new condominium unit transacted over the past 12 months. The other two higher-priced units were from Boulevard 88 that were sold in May and June 2019 for \$28 and \$31 million respectively.

Number of Units Sold in the Month



Source: URA, OrangeTee & Tie Research & Consultancy

According to URA Realis data, a number of luxury projects continued to move units after the circuit breaker measures were implemented, including Boulevard 88, Midtown Bay, Van Holland, Kopar at Newton and Neu at Novena. Two super-luxury condominiums at Boulevard 88 were sold for more than S\$10 million each. Both were 7th-floor units (257 and 258 sqm) transacted on 14 April 2020 for S\$10.3 million each at S\$3,711 and S\$3,714 psf. Two other luxury homes at Van Holland were sold for \$3.2 million and \$5.1 million.

Highest priced non-landed new home sales in CCR for the month of April 2020

Project Name	Address	Area (sqm)	Transacted Price (\$)	Unit Price (\$ psf)	Sale Date	Tenure	Postal District	Planning Area	Market Segment
15 HOLLAND HILL	15 Holland Hill #12-XX	477	\$13,821,000	\$2,692	2/4/2020	Freehold	10	Bukit Timah	CCR
BOULEVARD 88	88 Orchard Boulevard #07-XX	258	\$10,315,200	\$3,714	14/4/2020	Freehold	10	Orchard	CCR
BOULEVARD 88	88 Orchard Boulevard #07-XX	257	\$10,264,800	\$3,711	14/4/2020	Freehold	10	Orchard	CCR
LEEDON GREEN	26 Leedon Heights #01-XX	249	\$6,543,000	\$2,441	6/4/2020	Freehold	10	Bukit Timah	CCR
VAN HOLLAND	190 Holland Road #04-XX	185	\$5,118,000	\$2,570	30/4/2020	Freehold	10	Bukit Timah	CCR
VAN HOLLAND	188 Holland Road #03-XX	98	\$3,218,000	\$3,051	30/4/2020	Freehold	10	Bukit Timah	CCR
KOPAR AT NEWTON	8 Makeway Avenue #07-XX	102	\$2,473,000	\$2,252	4/4/2020	99 Years Leasehold	9	Novena	CCR
KOPAR AT NEWTON	8 Makeway Avenue #06-XX	102	\$2,458,000	\$2,239	4/4/2020	99 Years Leasehold	9	Novena	CCR
KOPAR AT NEWTON	8 Makeway Avenue #05-XX	102	\$2,443,000	\$2,225	4/4/2020	99 Years Leasehold	9	Novena	CCR
KOPAR AT NEWTON	6 Makeway Avenue #08-XX	98	\$2,338,000	\$2,216	4/4/2020	99 Years Leasehold	9	Novena	CCR

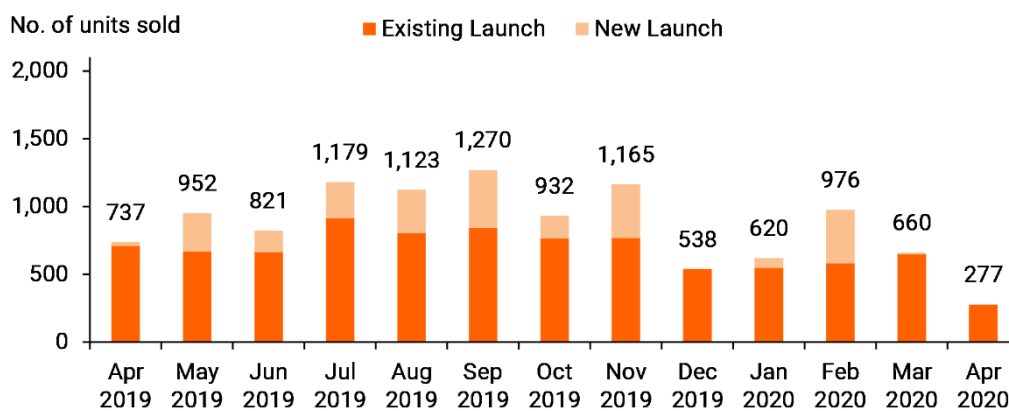
Source: URA Realis, Orange Tee & Tie Research & Consultancy

Given the movement restrictions and uncertain economic outlook, it is quite remarkable that some super luxury and luxury new homes were sold during the circuit breaker period. This may indicate that despite the pandemic, many wealthy and ultra-rich continue to view Singapore as an attractive investment destination and a safe haven to park their funds.

Concurrently there are many conflicting narratives influencing the property market now. Some economists expect the global economic growth to dive in the months ahead followed by an equally sharp V-shaped recovery when strict distancing measures are lifted. Others are anticipating a more protracted slowdown and sluggish recovery. For Singapore's real estate market, buying activities may likely rebound in some locations when the circuit breaker measures are eased and show flat activities resume. Well-located private homes with attractive pricing will continue to draw buyers.

This month, we may expect the new sales volume to remain around the same level or slightly lower as the circuit breaker measures are still in place. We anticipate that prices of new homes may trend between -5 and -3 per cent for the full year while around 6,500 to 7,500 new homes could be sold.

Private Residential Developer Sales (Excl. EC)



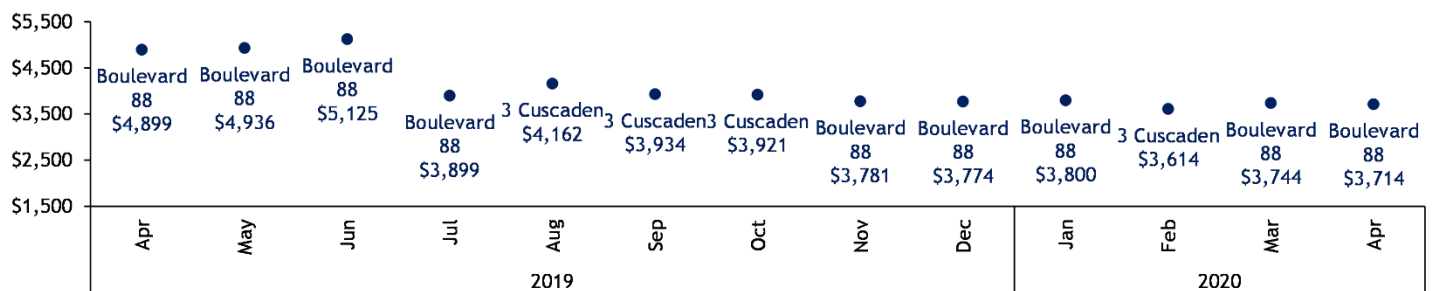
Source: URA, Orange Tee & Tie Research & Consultancy

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

Month	Sales Volume		Launches	
	(Excl. EC)	(Incl. EC)	(Excl. EC)	(Incl. EC)
Apr-19	737	746	444	444
Nov-19	1,165	1,186	947	947
Dec-19	538	551	370	370
Jan-20	620	640	598	598
Feb-20	976	1,315	933	1,429
Mar-20	660	904	578	1,126
Apr-20	277	293	640	640
m-o-m % Change	-58.0%	-67.6%	10.7%	-43.2%
y-o-y % Change	-62.4%	-60.7%	44.1%	44.1%

Source: URA, OrangeTee & Tie Research & Consultancy

Highest price (\$psf) achieved in the month



Source: URA, OrangeTee & Tie Research & Consultancy

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* (%)
Kopar At Newton	CCR	378	378	84	83	\$2,241	22.2%	22.2%
Treasure At Tampines	OCR	2,203	1,300	1,109	28	\$1,372	85.3%	50.3%
Riverfront Residences	OCR	1,472	1,380	1,271	17	\$1,208	92.1%	86.3%
Jadescape	RCR	1,206	800	751	12	\$1,735	93.9%	62.3%
The Florence Residences	OCR	1,410	750	615	11	\$1,489	82.0%	43.6%
Stirling Residences	RCR	1,259	980	961	10	\$1,901	98.1%	76.3%
Parc Esta	RCR	1,399	1,175	1,173	10	\$1,682	99.8%	83.8%
Parc Clematis	OCR	1,468	665	623	9	\$1,609	93.7%	42.4%
The Tapestry	OCR	861	750	742	9	\$1,449	98.9%	86.2%
OLA	OCR	548	548	176	8	\$1,059	32.1%	32.1%

Source: URA, OrangeTee & Tie Research & Consultancy

[^]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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