

Strongest December sales in eight years

December is usually one of the slowest months for the property market. Some unique dynamics have made this December one of the best times for developers and property sellers. As Singaporeans have been advised to defer all travel until the global coronavirus situation is under control, more locals have visited showflats during the holiday season, which may have helped developers sell more homes last month. Further, those who have been sitting on the side-lines are entering the market now as prices of homes are expected to appreciate further this year in tandem with a post-pandemic economic recovery.

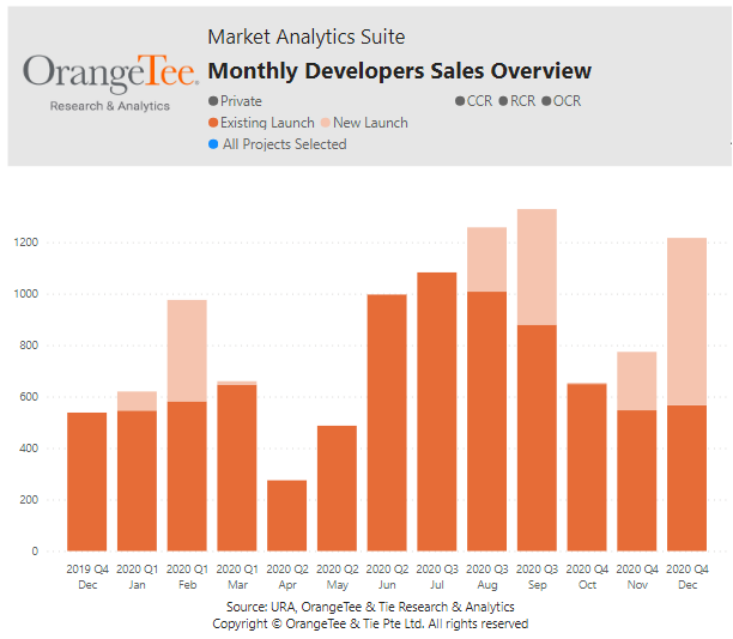
According to the Urban Redevelopment Authority (URA) sales survey, new home sales remained brisk in December, rising by 57.2 per cent month-on-month (m-o-m) to 1,217 units. Including Executive Condominiums (EC), new home sales rose 53.9 per cent m-o-m. Compared to a year ago, sales excluding ECs climbed 126.2 per cent.

The strong buying momentum pushed new boundaries as the sale of new private homes in December 2020 surged to its highest level for the month in eight years. The previous record was in December 2012 when 1,410 new homes were transacted.

Month	Sales Volume		Launches	
	(Excl. EC)	(Incl. EC)	(Excl. EC)	(Incl. EC)
Dec-19	538	551	370	370
Jan-20	620	640	598	598
Feb-20	976	1,315	923	1,419
Mar-20	660	904	578	1,126
Apr-20	277	293	640	640
May-20	487	510	615	615
Jun-20	998	1,031	597	597
Jul-20	1,083	1,145	869	869
Aug-20	1,258	1,309	1,582	1,582
Sep-20	1,329	1,385	1,340	1,340
Oct-20	654	694	423	423
Nov-20	774	822	1,375	1,375
Dec-20	1,217	1,265	1,349	1,349
m-o-m % Change	57.2%	53.9%	-1.9%	-1.9%
y-o-y % Change	126.2%	129.6%	264.6%	264.6%

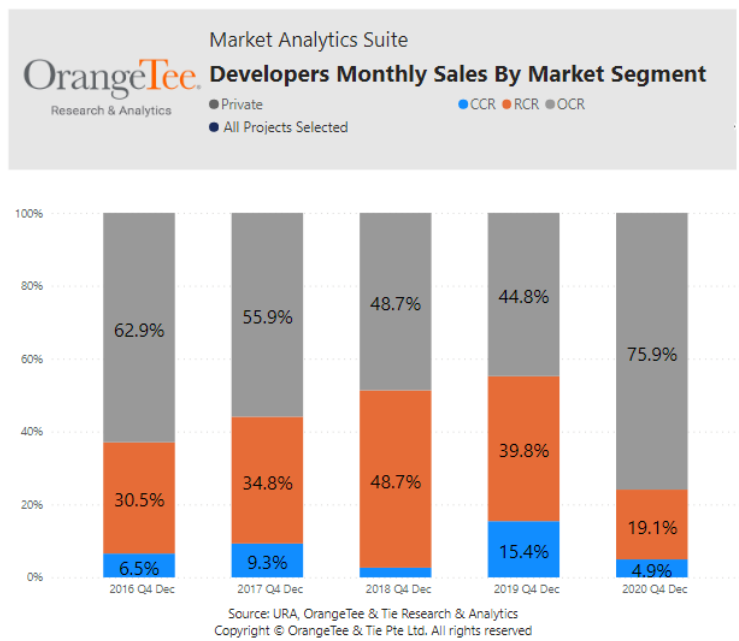
Source: URA, OrangeTee & Tie Research & Analytics

New home sales were mainly driven by two key launches last month - the 640-unit Clavon which sold 473 units and 660-unit Ki Residences at Brookvale which moved 172 units. The other top-selling projects include Parc Clematis, Treasure at Tampines, Jadescape and Piermont Grand. The 74-unit Phoenix Residences was also launched in December.



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.

Outside of Central Region (OCR) accounted for the bulk of 75.9 per cent of the total new home sales (excluding EC). 19.1 per cent of sales were in the Rest of Central Region (RCR), and 4.9 per cent were in the Core Central Region (CCR).

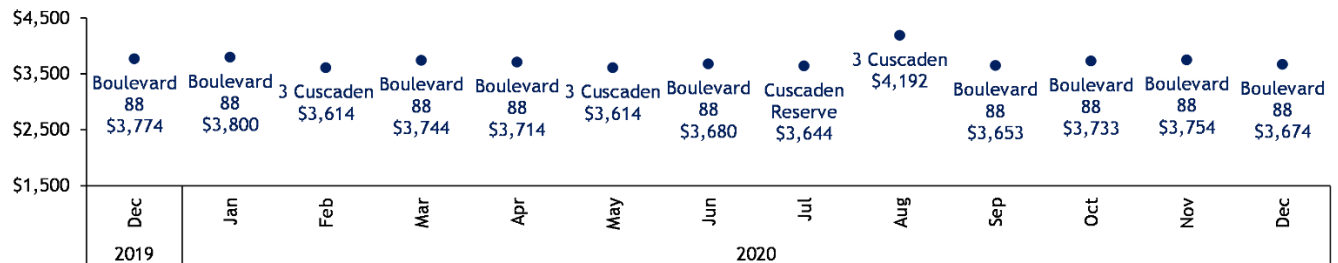


While demand for homes is still high, fuelled by low mortgage rates and ample liquidity from the massive stimulus programs, supply may start declining this year. Developers have been paring down their unsold stock as many projects sold units consistently throughout the pandemic. The number of planned launches may decrease this year as many mega projects have been launched over the past three years. New land supply in the suburban and city-fringe areas has dipped very low since the end of the last collective sales cycle. Government land sales have also been moderated over the past few years.

The imbalance between supply and demand may keep home prices firm and even rising in some popular areas where new supply is limited. Prices at many recent launches have already increased last year despite the pandemic and macroeconomic uncertainties. New home prices are expected to move higher this year, possibly by 2 to 5 per cent.

The total number of new home sales in 2020, excluding EC, is 10,024 units based on the flash estimates. The final figure could be lower when aborted units are accounted in the final figures released in the Q4 2020 URA real estate statistics data. Therefore, the total number of new home sales could be on par with the 9,912 units sold in 2019 and above the 8,795 units sold in 2018. For 2021, around 9,000 to 10,000 new homes excluding ECs could be sold.

Highest price (\$psf) achieved in the month



Source: URA, OrangeTee & Tie Research & Analytics

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* (%)
Clavon	OCR	640	500	473	473	\$1,637	94.6%	73.9%
Ki Residences At Brookvale	OCR	660	660	172	172	\$1,766	26.1%	26.1%
Parc Clematis	OCR	1,468	1,468	1,043	50	\$1,651	71.0%	71.0%
Treasure At Tampines	OCR	2,203	1,700	1,653	37	\$1,400	97.2%	75.0%
Jadescape	RCR	1,206	1,206	1,083	33	\$1,785	89.8%	89.8%
Piermont Grand	OCR	820	820	691	27	\$1,140	84.3%	84.3%
Avenue South Residence	RCR	1,074	696	620	23	\$2,101	89.1%	57.7%
The Florence Residences	OCR	1,410	1,110	947	23	\$1,625	85.3%	67.2%
The Garden Residences	OCR	613	613	568	22	\$1,544	92.7%	92.7%
Midwood	OCR	564	140	84	19	\$1,605	60.0%	14.9%

Source: URA, OrangeTee & Tie Research & Analytics

^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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