

Singapore bucks trend with higher home sales inked during the seventh lunar month

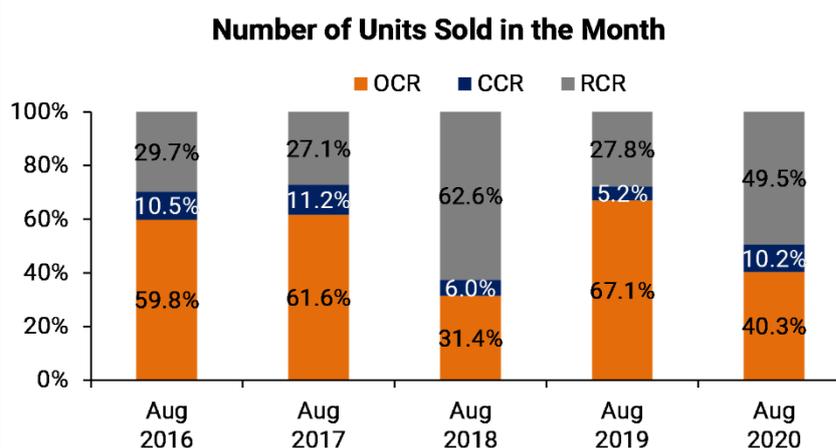
The property market bucked the trend with higher new home sales inked in August, although market activity typically tends to slow during the seventh lunar month when the Hungry Ghost Festival is observed. New home sales rose 'higher and quicker' than expected after the Circuit Breaker period, which upended sales in April and May with the showflat closures.

Last month, sales of new properties surged to an 11-month high with a fourth consecutive monthly increase amid the pandemic and global economic slowdown. According to the developers' sales survey by the Urban Redevelopment Authority (URA), new home sales excluding Executive Condominiums (EC) rose 16.3 per cent month-on-month to 1,256 units in August from 1,080 units in July. This is the highest sales volume achieved since 1,270 units were sold in September 2019. Including ECs, sales increased by 14.4 per cent month-on-month to 1,307 units. On a year-on-year basis, the number of private home sales (excluding EC) rose 11.8 per cent from 1,123 units.

Month	Sales Volume		Launches	
	(Excl. EC)	(Incl. EC)	(Excl. EC)	(Incl. EC)
Aug-19	1,179	1,557	911	1,731
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
May-20	487	510	615	615
Jun-20	998	1,031	597	597
Jul-20	1,080	1,142	869	869
Aug-20	1,256	1,307	1,582	1,582
m-o-m % Change	16.3%	14.4%	82.0%	82.0%
y-o-y % Change	11.8%	11.9%	55.9%	55.9%

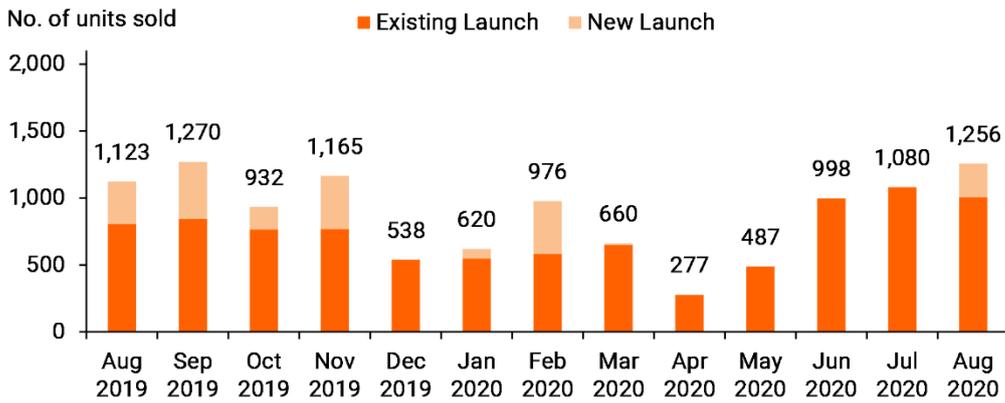
Source: URA, OrangeTee & Tie Research & Consultancy

Private homes in the Rest of Central Region (RCR) and Outside of Central Region (OCR) continue to form the bulk of purchases last month.



Source: URA, OrangeTee & Tie Research & Consultancy

Private Residential Developer Sales (Excl. EC)

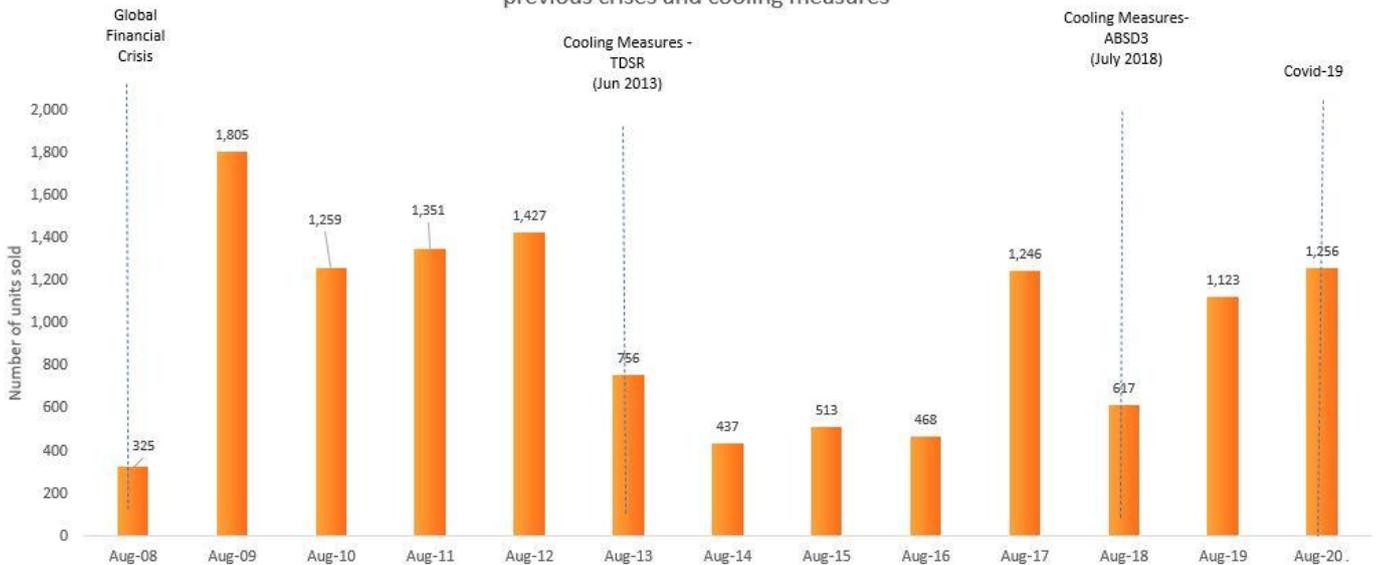


Source: URA, OrangeTee & Tie Research & Consultancy

The best-selling projects include Forett at Bukit Timah, Treasure at Tampines, Parc Clematis, The Garden Residences, The Woodleigh Residences, Jadescape, Whistler Grand, Daintree Residence, The Florence Residences, Affinity at Serangoon, Noma and Stirling Residences.

Last month was the highest August-sales achieved over the last eight years. Sales had also 'outperformed' previous crises and periods when cooling measures were implemented. For instance, 325 new homes were sold in August 2008 amid the Global Financial Crisis. After fresh rounds of cooling measures were implemented, 756 units were sold in August 2013 and 617 units in August 2018.

Number of new homes sold last month (excluding ECs) defied gravity, surpassing the number inked in previous crises and cooling measures

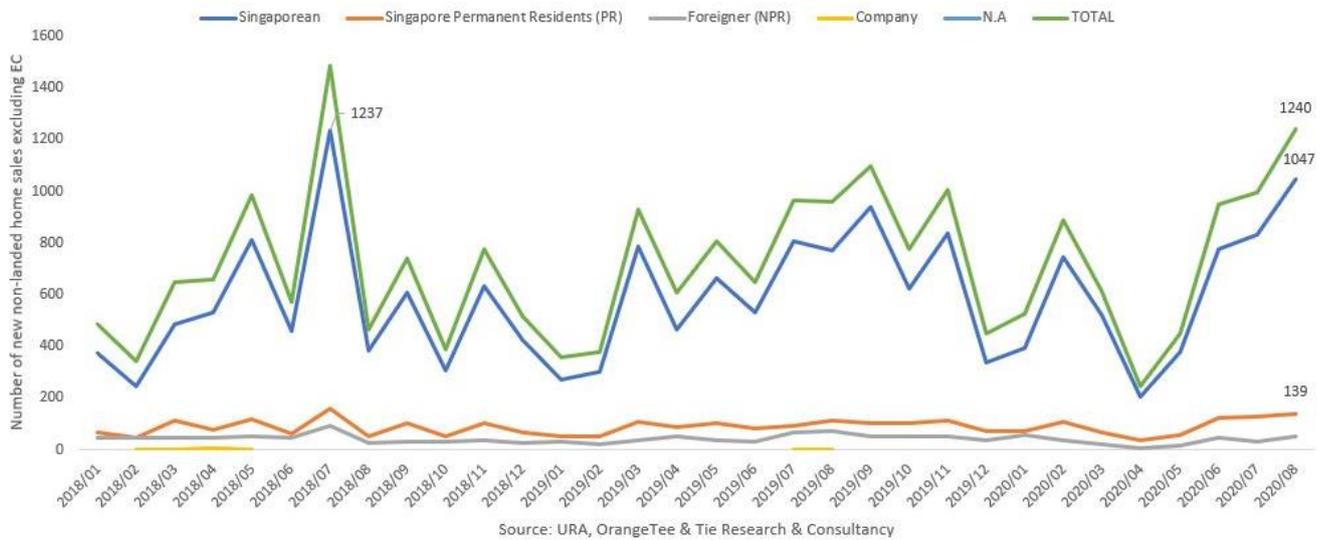


Source: URA, OrangeTee & Tie Research & Consultancy

The rising economic uncertainties and volatile equity markets seemed to be fuelling the boom for properties as more buyers seek shelter for safe-haven assets. Investors have the tendency to move away from cash holdings and riskier investments towards property assets for wealth preservation. Moreover, record-low interest rates are stoking the property market's recovery as mortgages are now increasingly affordable for both owner-occupiers and property investors.

The property market is currently buoyed by strong domestic demand. Foreign buyers seen returning to the market has also kicked the upturn into higher gear last month. According to URA Realis data, Singaporeans accounted for the bulk of purchases with 1,047 transactions, thus constituting 84.4 per cent of all new non-landed home sales (1,240 units) last month. This is also the highest number of Singaporean purchases since 1,237 units were transacted in July 2018. The number of new non-landed homes bought by Singapore Permanent Residents (PR) similarly rose to a two-year high with 139 transactions while non-PR purchases hit a seven-month high with 54 units last month.

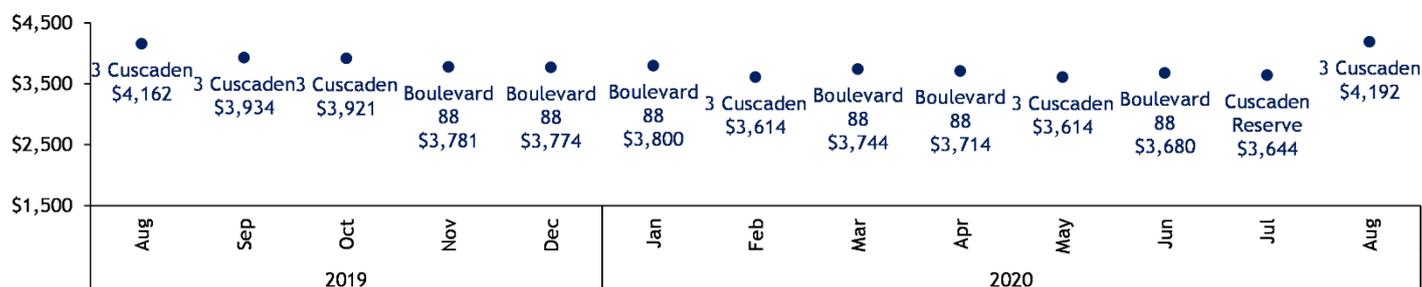
Market is currently driven by strong domestic consumption and returning foreign buying interest



The strong domestic consumption over the past few months reflects a sustained appetite for investment assets among locals. Properties perhaps remain to be a 'safer bet' among many Singaporeans, especially investors looking for stable, diversified sources of returns during times of uncertainty.

Demand for property is anticipated to rise further in tandem with the tidal wave of quantitative easing (QE) unleashed around the world to stimulate economies. Interest rates at new cyclical low levels will also prop up the market in the coming months.

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* (%)
Forett At Bukit Timah	RCR	633	300	213	213	\$1,933	71.0%	33.6%
Treasure At Tampines	OCR	2,203	1,700	1,468	109	\$1,364	86.4%	66.6%
Parc Clematis	OCR	1,468	1,000	924	90	\$1,665	92.4%	62.9%
The Garden Residences	OCR	613	410	395	65	\$1,576	96.3%	64.4%
The Woodleigh Residences	RCR	667	535	314	59	\$1,893	58.7%	47.1%
Jadescape	RCR	1,206	1,206	953	53	\$1,783	79.0%	79.0%
Whistler Grand	OCR	716	650	606	51	\$1,558	93.2%	84.6%
Daintree Residence	RCR	327	280	247	50	\$1,720	88.2%	75.5%
The Florence Residences	OCR	1,410	1,110	861	47	\$1,555	77.6%	61.1%
Affinity At Serangoon	OCR	1,052	1,052	804	34	\$1,595	76.4%	76.4%
Noma	RCR	50	50	34	34	\$1,639	68.0%	68.0%
Stirling Residences	RCR	1,259	1,130	1,123	34	\$2,025	99.4%	89.2%

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

Please contact us for further enquiries

OrangeTee & Tie Research and Consultancy



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



Timothy Eng
Research Analyst
Research and Consultancy
+65 6303 2662
timothy.eng@orangetee.com



Daniel Chiang
Data Analyst
Research and Consultancy
+65 6303 2662
daniel.chiang@orangetee.com

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