

'Surprising' surge in sales of pricier suburban and city fringe homes

Despite the growing macroeconomic uncertainties and pandemic, sales of landed properties and pricier homes rose last month. In July, the total number of new home sales excluding executive condominiums (EC) continued to climb a second consecutive month after showflats were allowed to reopen after the Circuit Breaker period. This is the highest monthly sales recorded in eight months.

According to the developers' sales survey by the Urban Redevelopment Authority, new home sales rose 8.2 per cent month-on-month to 1,080 units in July from 998 units in June. Including ECs, sales jumped 10.8 per cent to 1,142 units. However, on a year-on-year basis, the number of private home sales (excluding ECs) dipped 8.4 per cent from 1,179 units.

Month	Sales Volume		Launches	
	(Excl. EC)	(Incl. EC)	(Excl. EC)	(Incl. EC)
Jul-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
m-o-m % Change	8.2%	10.8%	45.6%	45.6%
y-o-y % Change	-8.4%	-26.7%	-4.6%	-49.8%

Source: URA, OrangeTee & Tie Research & Consultancy

Demand continued to strengthen in July as investors continue to throng the property market in search of safe-haven assets amid the growing economic uncertainties and turbulent equity markets. Some buyers may be capitalising on the falling interest rates to lock-in lower mortgage payments for future years. Others could be rushing to pick up a property ahead of the Hungry Ghost month which starts in August.

Private Residential Developer Sales (Excl. EC)



Source: URA, OrangeTee & Tie Research & Consultancy

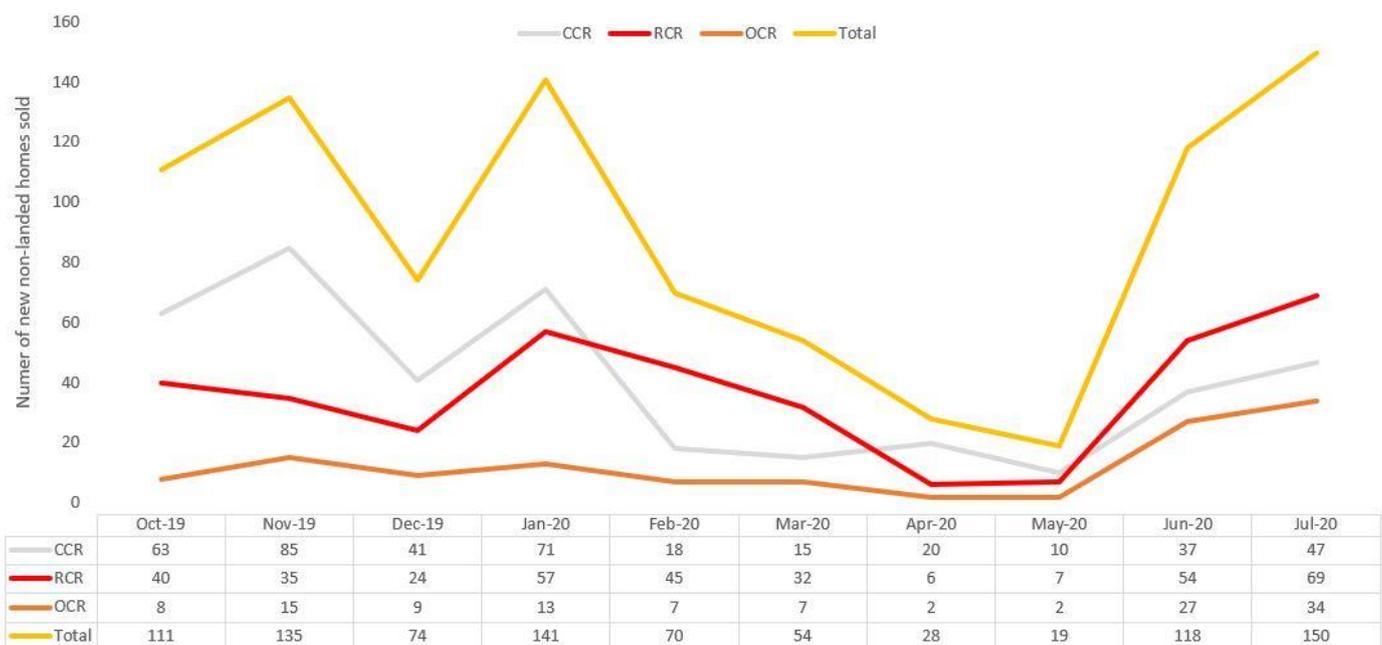
Note: New launch refers to units sold in projects that were launched in that month.
 Existing launch refers to units sold in projects that had been launched in prior months.

Sales of pricier homes, which are typically bought by investors and higher-income Singaporeans, hit a seven-year high. 150 non-landed homes (excluding ECs) were sold above S\$2 million last month, with the last highest number of 181 transactions recorded in December 2013. Of the 150 units sold in July 2020, 69 non-landed homes were in the city fringe or Rest of Central Region (RCR) while 34 units were in the suburban area or Outside of Central Region (OCR) and 47 units were in the prime location or Core Central Region (CCR).

Two private homes were sold above S\$10 million, one of which was located in RCR. This is a 527 sqm freehold Meyerhouse condominium on Meyer Road transacted for S\$13.8 million or S\$2,434 psf. The other is a 462 sqm freehold apartment at 15 Holland Hill located in CCR which was sold for S\$13.4 million or S\$2,700 psf. The increasing demand for such luxurious homes attests to the resilience and attractiveness of residential properties in Singapore.

While the majority of buyers bought homes in the suburban and city fringe areas last month, we observed more buyers purchasing 'pricier' homes in these two regions. This came as a surprise as most buyers especially those purchasing homes in the mass market region would prefer more affordable housing options, given the current macroeconomic uncertainties. According to URA Realis data, the proportion of non-landed private homes (excluding ECs) in RCR transacted above S\$2 million rose from 12.8 per cent in June to 16.8 per cent in July 2020. In terms of absolute terms, the number of transactions rose 27.8 per cent m-o-m from 54 units to 69 units over the same period (see Chart 1), which was the highest number recorded since September 2019 (85 units).

Chart 1: Spike in sales of pricier non-landed homes (more than S\$2 million) in the city fringe (RCR) and suburban (OCR) regions last month

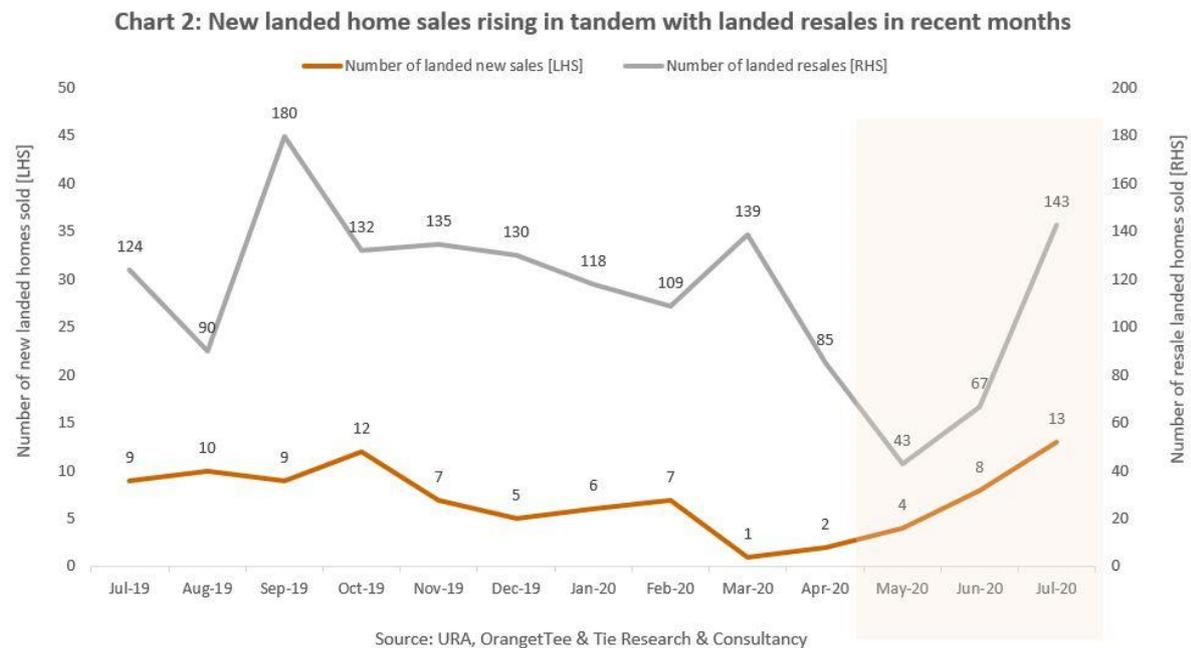


Source: URA, OrangeTee & Tie Research & Consultancy

Last month, some of the projects in RCR with above S\$2 million transactions include Jadescape (32 units), Stirling Residences (10 units), Parc Esta (8 units), and Riviere, Meyer Mansion, The Woodleigh Residences and Kent Ridge Residences (2 units each).

Similarly, in the OCR, the proportion of non-landed private homes (excluding ECs) sold above S\$2 million increased from 5.8 per cent (27 units) in June to 6.4 per cent (34 units) in July. This is the highest sales achieved since April 2017 (83 units). Some of the projects in OCR with above S\$2 million transactions include Treasure at Tampines (9 units), Parc Clematis (9 units), The Florence Residences (6 units), Grandeur Park Residences (3 units) and Riverfront Residences (2 units).

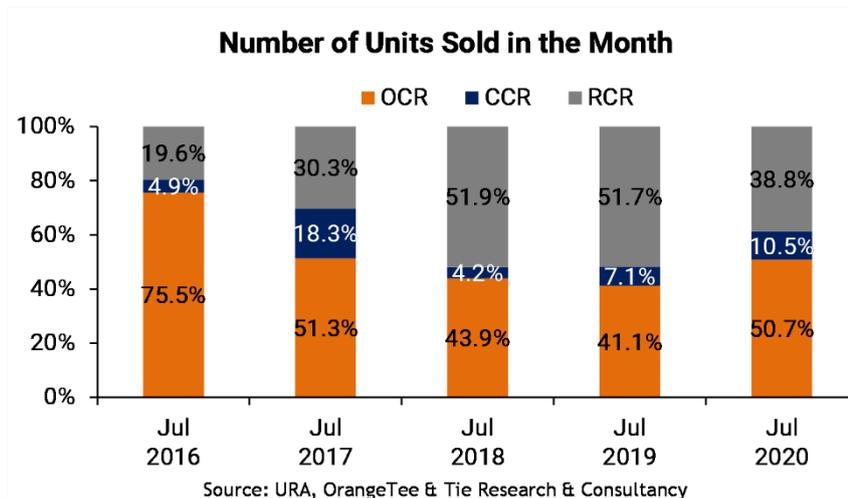
Landed properties were similarly ‘flying off the shelves’ as 156 units were transacted last month. Of this number, 13 were new properties while 143 units were resales. (See Chart 2) Although July’s new sales volume was not as high as resales, they were the largest number of new properties sold in 10 months.



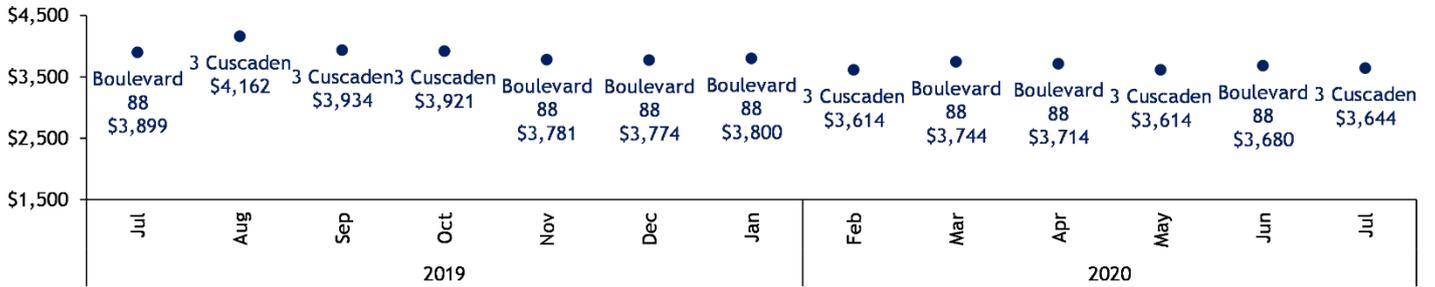
Singaporeans continue to form the bulk of purchases last month. According to URA Realis data, the number of new non-landed homes (excluding ECs) bought by Singaporeans rose further from 785 units in June to 884 units in July, constituting 84.4 per cent of total new non-landed homes. The number of homes bought by Singapore permanent residents (PR) rose further from 123 units in June to 130 units in July while those bought by non-permanent residents (NPR) fell slightly from 46 units in June to 34 units in July.

For the 150 non-landed new private homes (excluding ECs) that were sold above S\$2 million in July 2020, 76.0 per cent (114 units) were bought by Singaporeans, 18.7 per cent (28 units) by PRs and 5.3 per cent (8 units) by NPRs.

Around 7,500 to 8,500 new private homes could be sold this year while prices may trend between -1 and 1 per cent.



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* (%)
Treasure At Tampines	OCR	2,203	1,700	1,373	112	\$1,344	80.8%	62.3%
Parc Clematis	OCR	1,468	1,000	840	87	\$1,649	84.0%	57.2%
The Florence Residences	OCR	1,410	850	819	78	\$1,559	96.4%	58.1%
Jadescape	RCR	1,206	1,000	902	75	\$1,739	90.2%	74.8%
Daintree Residence	RCR	327	280	197	56	\$1,641	70.4%	60.2%
Parc Esta	RCR	1,399	1,350	1,342	50	\$1,710	99.4%	95.9%
The Tapestry	OCR	861	850	842	44	\$1,365	99.1%	97.8%
Stirling Residences	RCR	1,259	1,130	1,089	38	\$1,979	96.4%	86.5%
Piermont Grand	OCR	820	820	571	34	\$1,133	69.6%	69.6%
Affinity At Serangoon	OCR	1,052	800	772	34	\$1,534	96.5%	73.4%
The Woodleigh Residences	RCR	667	325	256	34	\$1,875	78.8%	38.4%

^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

Source: URA, OrangeTee & Tie Research & Consultancy

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