

New private homes see highest June sales in seven years as recovery gathers pace

New home sales in June was the highest in seven years as the private residential market recovers at a faster pace, after posting a surprise rebound in the preceding month. According to the developers' sales survey by the Urban Redevelopment Authority, new home sales surged 104.9 per cent from 487 units in May to 998 units in June, rising faster than the 75.8 per cent month-on-month (m-o-m) increase in May (see Table 1). Including executive condominiums (EC), sales jumped 102.2 per cent from 510 units to 1,031 units over the same period, surpassing the 74.1 per cent m-o-m increase in May. The 998 new homes transacted in June 2020 was the highest monthly sales for June since 2013 (1,806 units excluding ECs).

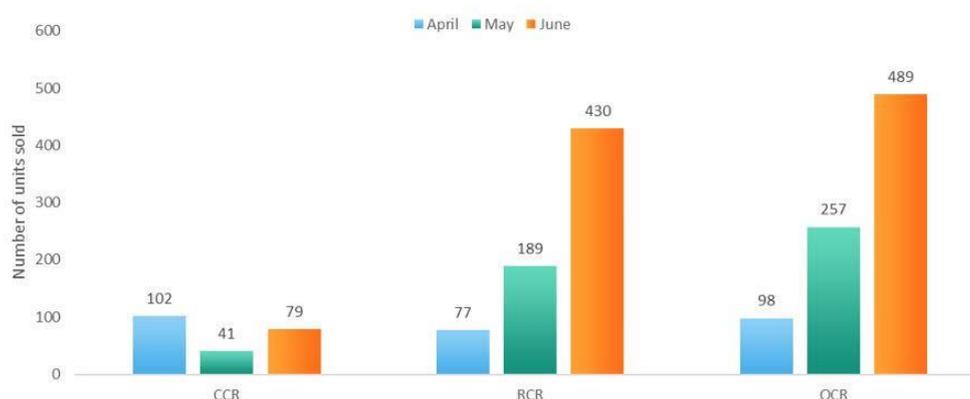
Table 1: New home sales volume rose at a faster pace in June

2020	New sales excluding EC	month-on-month increase	New sales including EC	month-on-month increase
April	277	-	293	-
May	487	75.8%	510	74.1%
June	998	104.9%	1,031	102.2%

Source: URA, Orange Tee & Tie Research & Consultancy

Last month's sales volume increase was broad-based across all market segments. The number of new homes excluding ECs transacted in RCR rose 127.5 per cent m-o-m to 430 units in June, while those in OCR increased 90.3 per cent to 489 units and CCR rose 92.7 per cent to 79 units (Chart 1) over the same period. The best-selling projects in June were Treasure at Tampines (104 units), Parc Clematis (90 units), The Florence Residences (89 units), Parc Esta (82 units), Stirling Residences (74 units), Jadescape (56 units) and The Tapestry (41 units). Kopar at Newton remained as the top-selling project in CCR with 25 transactions in June, while other luxury projects like Royalgreen, Fourth Avenue Residences, Leedon Green, Van Holland, Boulevard 88 and The Avenir continued to move units despite the ongoing pandemic.

Chart 1: The sales increase (excluding ECs) was broad-based across all market segments last month

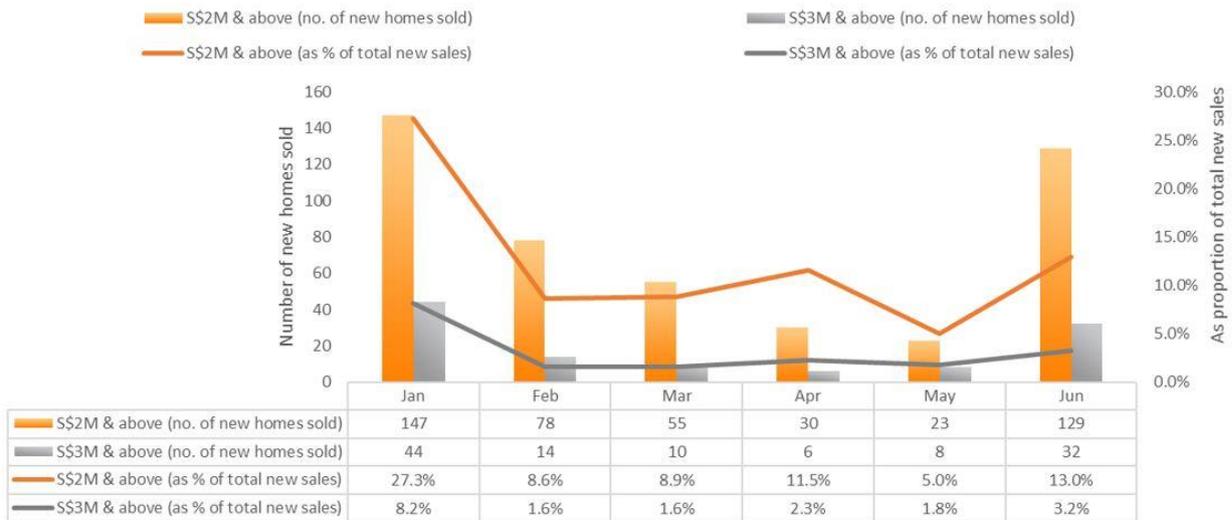


Source: URA, OrangeTee & Tie Research & Consultancy

Sales picked up further after showflats were allowed to reopen after the circuit breaker period which ended last month. While new homes continued to be sold during the circuit breaker period, some buyers prefer to visit the physical showflats to have a better visualisation of the unit layouts and floor plans, while others would want to assess the quality of furnishings and fittings featured in the mock-up units.

The reopening of showflats saw a substantial increase in pricier private homes being sold last month. According to URA Realis data downloaded on 15 July 2020, the number of private homes excluding ECs transacting at S\$2 million and above rose from 23 units in May to 129 units in June (Chart 2). In terms of proportion to the total sales (excluding ECs), 13.0 per cent of new homes were transacted at S\$2 million and above in June, when compared to 5.0 per cent in May. 32 private homes were transacted at S\$3 million and above. 2 new homes were sold above S\$10 million including a 257 sqm 5th floor unit at Boulevard 88 that was transacted for \$10.2 million or S\$3,680 psf, and a 504 sqm 12th floor unit at 15 Holland Hill that was sold for \$15 million or S\$2,765 psf last month.

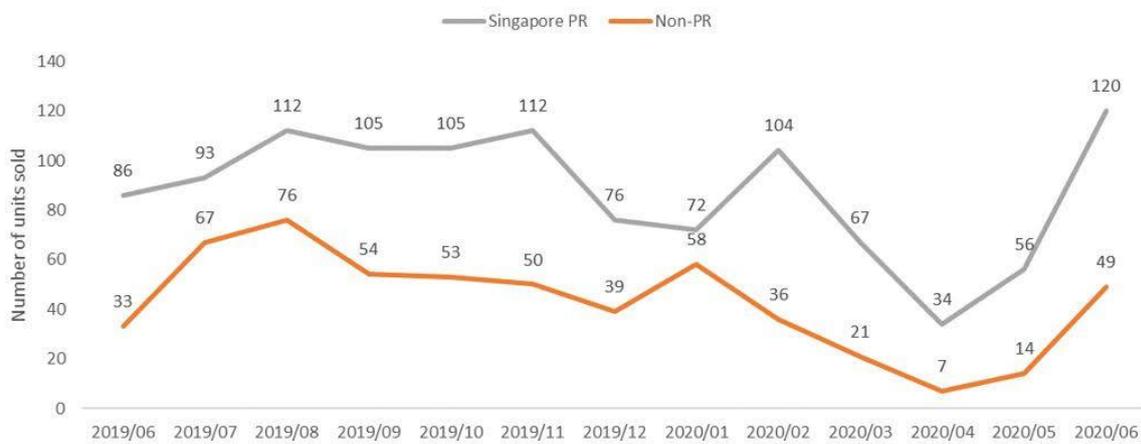
Chart 2: More pricier private homes (excluding ECs) sold after the Circuit Breaker period



Source: URA, OrangeTee & Tie Research & Consultancy

Foreign buyers returned to the market after the Circuit Breaker period. According to URA Realis data downloaded on 15 July 2020, the number of non-landed homes bought by foreign buyers increased substantially last month. 49 non-landed private homes were bought by non-permanent residents (NPR) in June, a steep increase from the 14 units transacted in May and 7 units in April (Chart 3). This is also higher than the 33 units transacted in June 2019. The number of non-landed homes bought by Singapore permanent residents (PR) has also surged from 56 units in May to 120 units in June, higher than the 86 units sold in June last year.

Chart 3: Steep rise in new non-landed private homes (excluding ECs) bought by foreign buyers

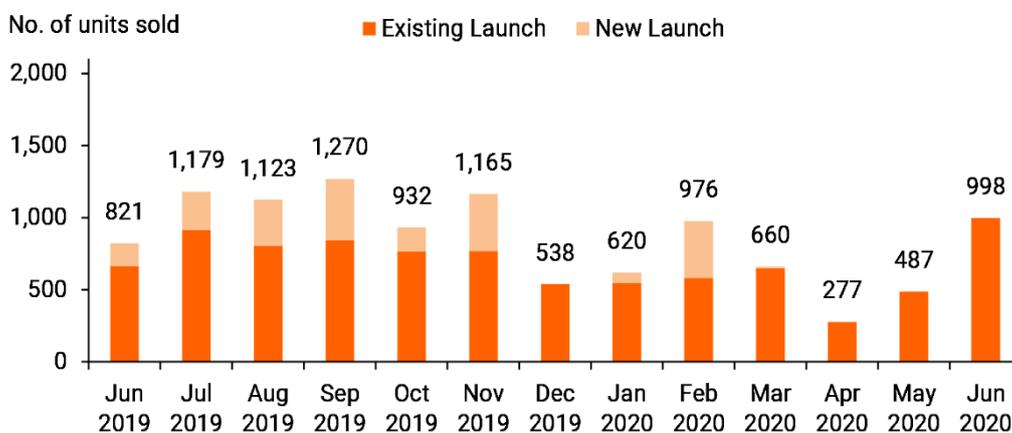


Source: URA, OrangeTee & Tie Research & Consultancy

Many foreigners have bought properties last month as the growing macro-economic uncertainties have driven more overseas investors to seek shelter for safe-haven assets here. Although showflats were reopened last month, we have observed more foreign buyers purchasing private homes remotely due to the border lockdowns or travel restrictions imposed in many countries. This is in stark contrast to the past where many foreigners typically buy a unit only after visiting a showflat.

Currently, many foreigners snapped up homes in Singapore based on their trust in our legal system, quality of finishes and investment potential of properties. We may expect more foreigners to pick up private homes in the coming months as the interest rates are expected to remain low and ample liquidity is flowing into the asset markets due to the massive quantitative easing programs launched around the world.

Private Residential Developer Sales (Excl. EC)



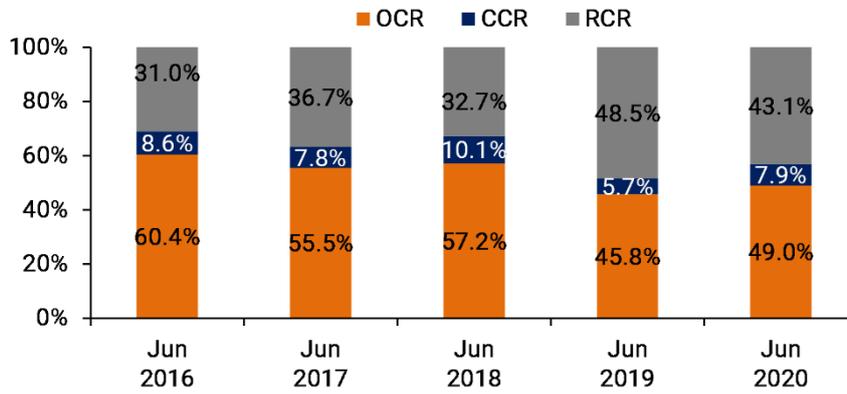
Source: URA, OrangeTee & Tie Research & Consultancy

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.

Month	Sales Volume		Launches	
	(Excl. EC)	(Incl. EC)	(Excl. EC)	(Incl. EC)
Jun-19	821	822	670	670
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
m-o-m % Change	104.9%	102.2%	-2.9%	-2.9%
y-o-y % Change	21.6%	25.4%	-10.9%	-10.9%

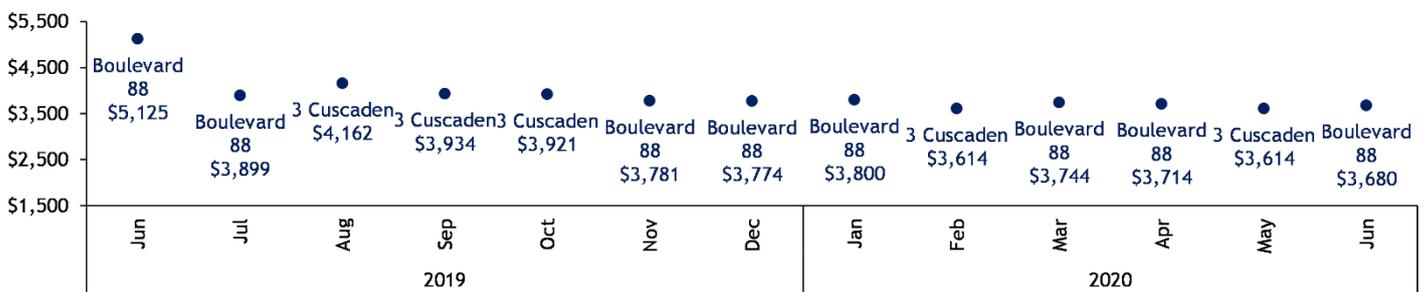
Source: URA, OrangeTee & Tie Research & Consultancy

Number of Units Sold in the Month



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* (%)
Treasure At Tampines	OCR	2,203	1,300	1,263	104	\$1,348	97.2%	57.3%
Parc Clematis	OCR	1,468	1,000	758	90	\$1,637	75.8%	51.6%
The Florence Residences	OCR	1,410	850	746	89	\$1,522	87.8%	52.9%
Parc Esta	RCR	1,399	1,325	1,293	82	\$1,671	97.6%	92.4%
Stirling Residences	RCR	1,259	1,130	1,052	74	\$1,945	93.1%	83.6%
Jadescape	RCR	1,206	1,000	831	56	\$1,738	83.1%	68.9%
The Tapestry	OCR	861	850	801	41	\$1,349	94.2%	93.0%
Kent Ridge Hill Residences	RCR	548	400	353	37	\$1,784	88.3%	64.4%
Daintree Residence	RCR	327	220	142	35	\$1,681	64.5%	43.4%
Avenue South Residence	RCR	1,074	505	504	27	\$2,032	99.8%	46.9%

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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