

Property market braces for chill after the recent cooling measures

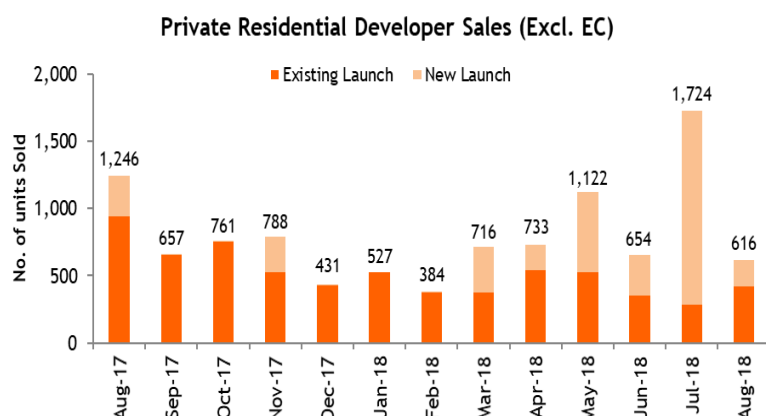
The recent property cooling measures are starting to take a significant toll on private home demand as developers' home sales plummeted by 64.3 per cent month-on-month (m-o-m) to 616 units, after a strong run in July (1,724 units). Including executive condominiums (EC), 639 new private homes were sold.

The low sales coincided with a lower number of new units being released last month as developers held back launches during the lunar ghost month and in the immediate aftermath of the cooling measures. Including ECs, 534 new units were launched last month, 76.2 per cent lower than July 18. The percentage of private new homes sales in OCR dipped from 61.6 per cent to 31.5 per cent year-on-year (y-o-y) while RCR rose from 27.1 per cent to 62.5 per cent y-o-y. The higher proportion of new sales in RCR was mainly attributed to the launch of The Tre Ver and ongoing sales at Stirling Residences and Park Colonial. There were no major launches in OCR last month.

While August is traditionally slower for sales and launches, last month's figure is in stark contrast to the same period last year where 794 new homes were launched and 1,246 units were sold. Excluding ECs, 6,287 units were sold in the first eight months of this year, 25.1 per cent less than the 8,397 units sold y-o-y. The sales decline is not beyond expectation as the market often responds correspondingly with each round of intervention.

The tighter financing rules and increased Additional Buyers' Stamp Duty of up to 20 per cent for foreign buyers – have also sent foreigners scurrying from the market. Based on URA realis data (downloaded on 17 September 18), foreigners' share of the new non-landed housing pie sank to a low of 5.1 per cent last month, down from 7.4 per cent y-o-y. The last low was in Jul 15, when foreigners accounted for only 4.2 per cent of the market. In contrast, Singaporean purchases remained resilient after the measures, rising eight percentage points y-o-y to 83.6 per cent in August.

Genuine home buyers hoping to snag a good buy may find some ripe pickings as many property launches are in full swing after August. Upcoming launches include Parc Esta, Kent Ridge Hill Residences and The Woodleigh Residences, while The Jovell, Jadescape and Mayfair Gardens are having their preview now. We expect the full-year new home sales to be between 8,000 and 9,000 units.

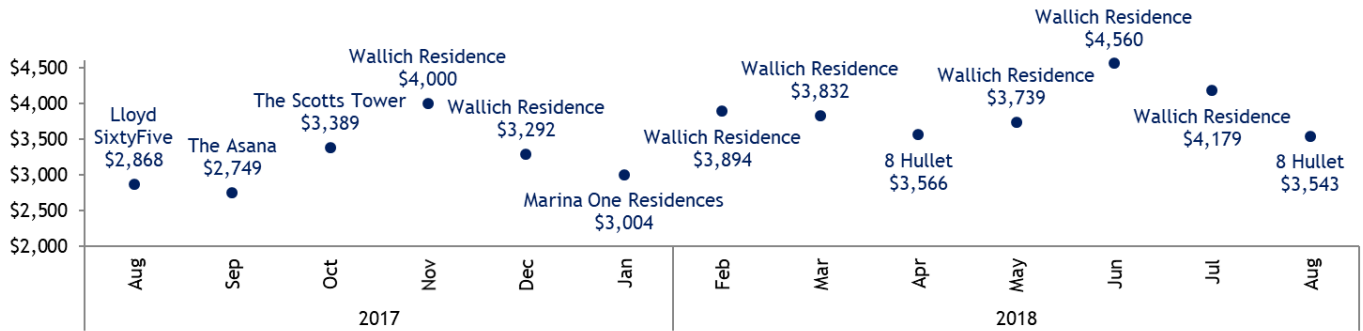


Source: URA, OrangeTee & Tie Research & Consultancy

Note: New launch refers to units sold in projects that were launched in Aug 2018. Existing launch refers to units sold in projects that had been launched in prior months.

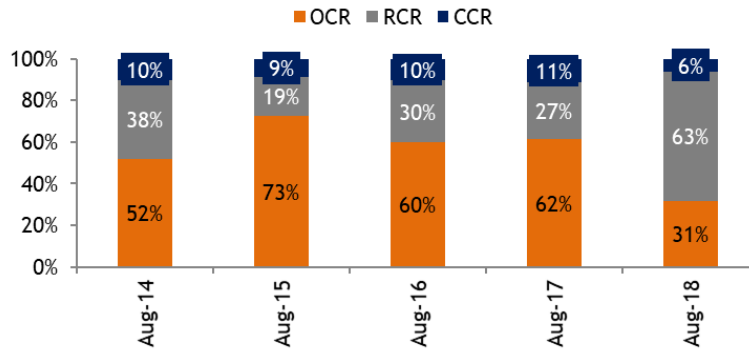
Months	Sales Volume	
	(Excl. EC)	(Incl. EC)
Aug-17	1,246	1,587
Sep-17	657	906
Oct-17	761	972
Nov-17	788	937
Dec-17	431	531
Jan-18	527	627
Feb-18	384	476
Mar-18	716	788
Apr-18	733	1,329
May-18	1,122	1,259
Jun-18	654	706
Jul-18	1,724	1,776
Aug-18	616	639
m-o-m % Change	-64.3%	-64.0%
y-o-y % Change	-50.6%	-59.7%

Highest price (\$psf) achieved in the month



Source: URA, OrangeTee & Tie Research & Consultancy

Number of Units Sold in the Month



Source: URA, OrangeTee & Tie Research & Consultancy

Best Selling Projects in Aug 18

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* (%)
The Tre Ver	RCR	729	200	164	164	\$1,551	82.0%	22.5%
Stirling Residences	RCR	1,259	530	403	91	\$1,757	76.0%	32.0%
Park Colonial	RCR	805	805	459	79	\$1,713	57.0%	57.0%
Riverfront Residences	OCR	1,472	800	691	76	\$1,311	86.4%	46.9%
Affinity At Serangoon	OCR	1,052	300	167	39	\$1,491	55.7%	15.9%
Kingsford Waterbay	OCR	1,165	1,165	1,155	23	\$1,354	99.1%	99.1%
The Tapestry	OCR	861	550	507	22	\$1,446	92.2%	58.9%
8 Saint Thomas	CCR	250	79	18	18	\$3,215	22.8%	7.2%
Casa Al Mare	OCR	49	49	9	9	\$1,597	18.4%	18.4%
Margaret Ville	RCR	309	138	126	7	\$1,797	91.3%	40.8%

^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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