

Special Issue

Luxury Home Sales Hit 10-year High



Residential
Market Depth
Sep 2021

Exponential growth in luxury home sales

Singapore's real estate industry has benefited against a backdrop of wealth creation and a surge in Asian wealth. The pandemic has accelerated the inflow of foreign funds, and there is a sharp increase in foreign direct investments into our financial institutions. In the first half of this year, real estate investment sales reached more than S\$9 billion boosted by the residential and industrial sectors.

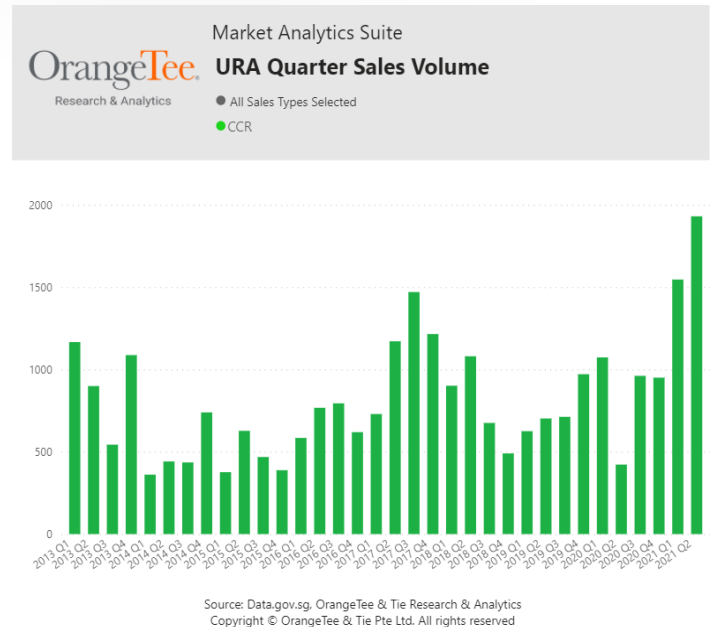
The luxury market here has seen many new entrants like budding entrepreneurs and individuals working in emerging industries like biomedical, fintech and Big Tech amassing vast fortunes. A growing number of billionaires and international celebrities have bought luxury homes in Singapore. Domestic buyers have become a dominant force in the luxury market as well.

Luxury sales hit 10-year high

Luxury home sales rose to a new high in more than 10 years. According to the Urban Redevelopment Authority (URA) data, private home sales in the Core Central Region (CCR) jumped by almost 25 per cent quarter on quarter to 1,930 units in the second quarter of this year, the strongest quarter since Q4 2010 when 2,014 units were transacted. They climbed by more than 4.5 times year on year.

New home sales in CCR hit an 11-year quarterly high with 813 transactions last quarter, while resales rose to a 12-year quarterly high with 1,109 transactions. In the first three quarters of this year, 339 condominiums were sold with price tags in excess of S\$5 million each. Of this number, 74 units cost over S\$10 million each. The priciest luxury sale in terms of price quantum was a 611 sqm sprawling apartment at Les Maisons Nassim that was sold for S\$39 million in May.

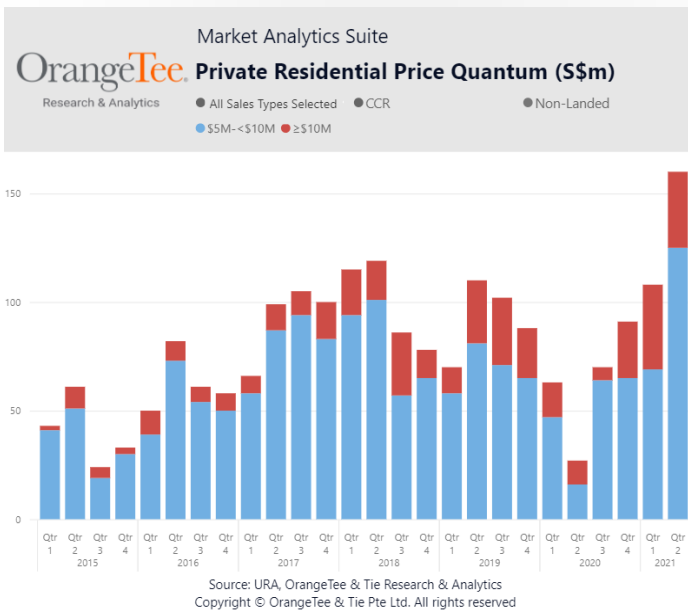
On a psf basis, 337 luxury condominiums were sold for S\$3,000 psf and 45 were above S\$4,000 psf (excluding bulk purchases). The most expensive transaction was a 282 sqm resale condominium at Eden along Draycott Park, which changed hands for S\$6,024 psf in March this year.



The landed housing segment has similarly seen a demand surge, with 2,407 properties transacted island wide in the first eight months of this year, a 139.7 per cent increase from the same period a year ago. In the first eight months of this year, more than 50 GCBs were transacted. Among the blockbuster deals this year, a 2,988 sqm Good Class Bungalow at Nassim Road was sold for S\$128.8 million in March while another 2,955 sqm unit at Queen Astrid Park was sold for \$86 million in July.

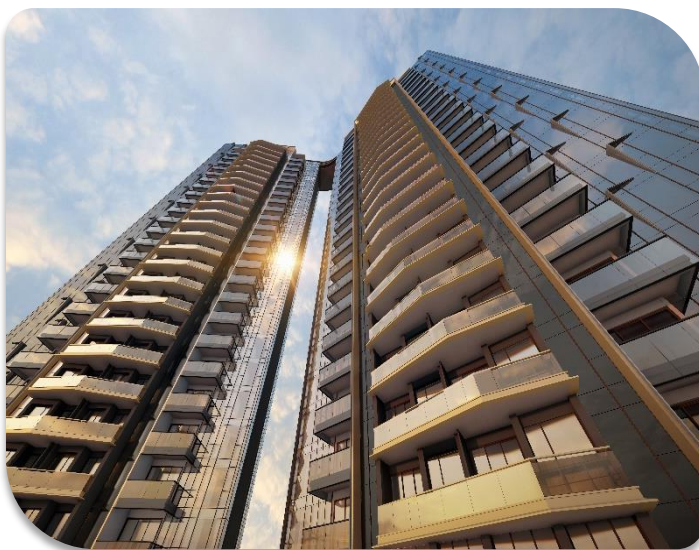


Artist Impression of CanningHill Piers, District 6



Price growth

Prices of new luxury condominiums rose 5.2 per cent from S\$2,521 psf in Q3 2020 to S\$2,652 psf in Q3 2021. Resale luxury condominium prices similarly increased 7.1 per cent from S\$1,773 psf to S\$1,899 psf over the same period. Many super luxury new condominiums have been sold in recent months. More than 200 units were sold for more than S\$3,000 psf this year including projects at 3 Cuscaden, Klimt Cairnhill, Boulevard 88, The Avenir, Midtown Modern, Midtown Bay, Sloane Residences, The M, The Atelier, and Irwell Hill Residences.



Artist Impression of Perfect Ten, District 10

Buyers are also snapping up larger luxury condominiums in recent months. For instance, 42.3 per cent of condominium purchases in CCR were at least 1,200 sqft in Q3 2021, up from the 37.4 per cent in Q2 and 31.8 per cent in Q1.

Similarly, demand for very large-sized luxury condominiums that are at least 1,600 sqft rose to 23.6 per cent in Q3 2021, up from the 22.1 per cent in Q2 and 18 per cent in Q1. This indicates that there are more and more deep pocketed investors in the market with the means to buy bigger and pricier luxury homes.

Best-selling luxury condominiums

In the first eight months of this year, 3,883 luxury homes were sold, surpassing the annual sales from 2018 to last year. This year's best-selling new luxury condominiums are Midtown Modern, Irwell Hill Residences, Leedon Green, Fourth Avenue Residence, and Hyll on Holland. In the secondary market, D'Leedon, 8 Saint Thomas, and Marina One Residences are among the most popular resale projects in CCR.

Best Selling Luxury Projects in Q1-Q3 2021*

Project Name	District	Condos sold	Median price S\$psf
New Sales			
MIDTOWN MODERN	7	392	\$2,704
IRWELL HILL RESIDENCES	9	368	\$2,641
LEEDON GREEN	10	145	\$2,631
FOURTH AVENUE RESIDENCES	10	120	\$2,369
HYLL ON HOLLAND	10	90	\$2,395
ONE BERNAM	2	85	\$2,475
RV ALTITUDE	9	84	\$2,656
THE AVENIR	9	63	\$3,103
ROYALGREEN	10	59	\$2,740
THE M	7	51	\$2,664
KOPAR AT NEWTON	9	49	\$2,368
Resales			
D'LEEDON	10	65	\$1,668
MARINA ONE RESIDENCES	1	54	\$2,429
8 SAINT THOMAS	9	53	\$2,687
THE SAIL @ MARINA BAY	1	34	\$1,951
NOUVEL 18	10	31	\$3,091
ICON	2	29	\$1,683
LUMIERE	2	26	\$1,820
THE OCEANFRONT @ SENTOSA COVE	4	24	\$1,534
SOLEIL @ SINARAN	11	23	\$1,891
ONE SHENTON	1	23	\$1,610

Source: URA, OrangeTee & Tie Research & Analytics *Not a full quarter



Artist Impression of Midtown Modern and Midtown Bay, District 7

Allure of Singapore

Many expats like to live in Singapore as it is one of the world's most liveable countries and is ranked as the top city in Asia in terms of quality of life. Even as Singapore progresses to be a leading global fintech hub in Asia, our country is growing in sophistication in the softer side of development. Many ex-pats are amazed by our rich multi-ethnic culture, heritage and array of arts and entertainment activities. The transformation into a culturally vibrant city will continue to entice more overseas investors here.

The real estate market here is attractive to investors as our estate taxes are considered low by international standards and the maximum personal income tax is just 22 per cent.

Further, the intrinsic value of our properties is high and investors enjoy attractive capital appreciation in the long run. Based on the URA price index for condominiums in CCR, prices grew 4.9 per cent over the past five years. For those buying for rental income, the returns have been favourable since landlords face little difficulty finding tenants in general, with our high occupancy rates of above 90 per cent.

Outlook

The supply of luxury homes is scarce in Singapore, especially developments that are of scale and in good locations. Supply will likely remain low as most developers have yet to replenish their land banks. There have been few successful enbloc deals, and supply from the government land sales have been moderated.

With Singapore's economy expected to rebound strongly this year, consumers' confidence is likely to pick up further. This will spur more buying of luxury homes and prices are likely to trend higher in the coming months.

As our borders reopen, we may see more foreign investors returning. The luxury market may benefit when wealthy buyers continue to emerge in Asia. Moreover, more people could be dispersing their wealth and assets overseas as new taxes are going to be imposed on the rich in some countries.

Please contact us for research inquiries



Christine Sun
Senior Vice President
christine.sun@orangetee.com

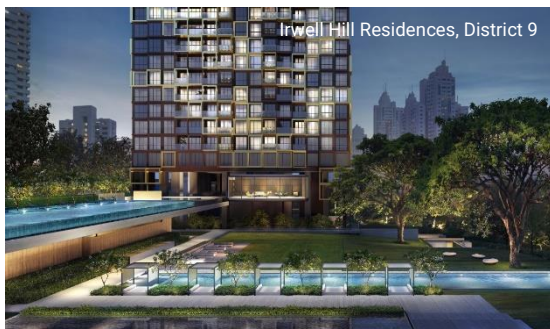


Timothy Eng
Senior Research Analyst
timothy.eng@orangetee.com

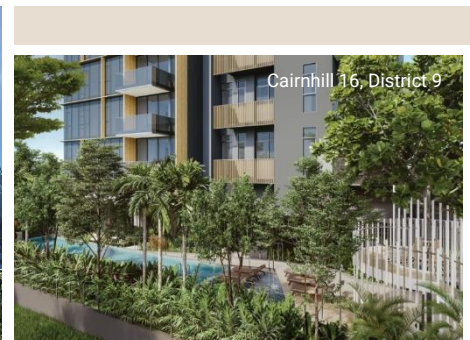
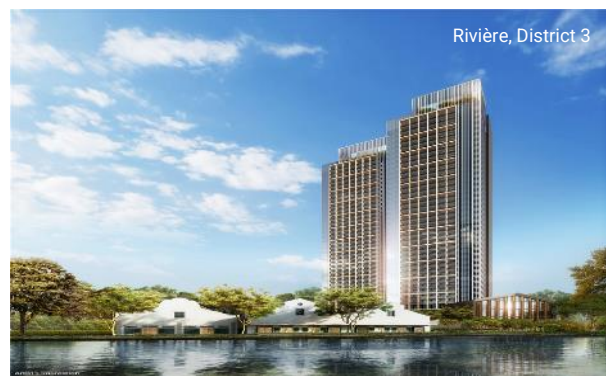


Daniel Chiang
Senior Data Analyst
daniel.chiang@orangetee.com

Collection of Luxury Properties Marketed by OrangeTee



Contact Our Sales Team
www.orangetee.com/Home/



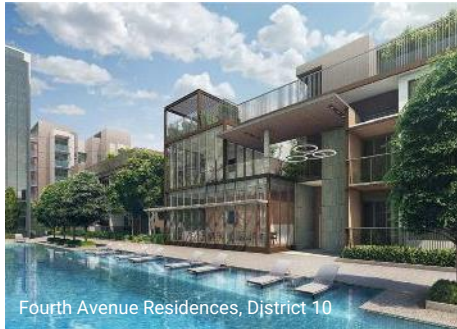
Terms of Use: The reproduction or distribution of this publication without the express consent of the author is prohibited. This publication is provided for general information only and should not be treated as an invitation or recommendation to buy or sell any specific property or as sales material. Users of this report should consider this publication as one of the many factors in making their investment decision and should seek specific investment advice. OrangeTee.com Pte Ltd and the authors of this publication shall not accept and hereby disclaim all responsibilities and liability to all persons and entities for consequences arising out of any use of this publication.

Copyright © OrangeTee & Tie Pte Ltd. All rights reserved.

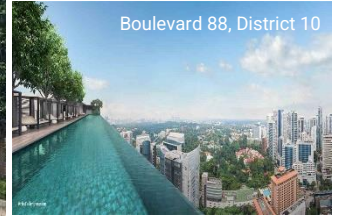
South Beach Residences, District 7



Fourth Avenue Residences, District 10



Boulevard 88, District 10



Van Holland, District 10



The Hyde, District 10



Contact Our Sales Team
www.orangetee.com/Home/

Cuscaden Reserve, District 10



Nouvel 18, District 10



The Atelier, District 9



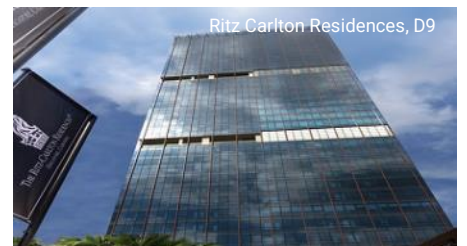
The Avenir, District 9



Sloane Residences, District 10



Ritz Carlton Residences, D9



Mooi Residences, District 10



Royalgreen, District 10



Juniper Hill, District 10

