



# PRIVATE NEW HOME SALES

PROPnex RESEARCH  
MONTHLY REPORT (OCT)



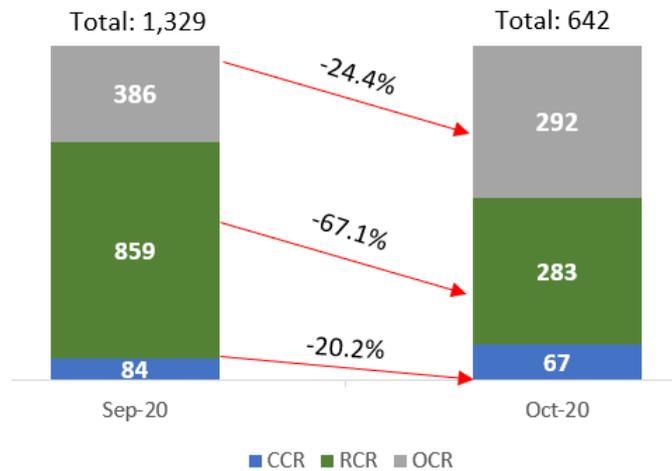
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# Monthly Private New Home Sales



October-2020

Private New Home Sales  
(Sep vs Oct 2020)



Source: PropNex Research, URA

Private new home sales declined by 51.7% month-on-month to 642 units (excluding Executive Condos) in October from the 1,329 units sold in September 2020. When compared against the previous year, new home sales last month were 31.1% lower than the 932 units sold in the October 2019. Taken together, developers have sold a total of 8,021 new units in the first 10 months of 2020 – down by 4.5% from the 8,401 units transacted in the corresponding period of 2019.

Despite the sharp drop in developers' sales in October, the transaction figure of 642 units is still considered credible, given the lack of many new launches during the month and the pandemic-led economic downturn. The magnitude of sales decline last month can also be attributed to the high base in September where new launches such as Penrose, Verdale and Myra helped to boost sales, contributing to 448 or nearly 34% of the 1,329 units sold in September.

Private New Home Sales (ex. ECs)			
Period	Units Sold	Period	Units Sold
1Q 2020	2,149	1Q 2019	1,838
2Q 2020	1,713	2Q 2019	2,350
3Q 2020	3,517	3Q 2019	3,281
October 2020	642	October 2019	932
First 10 Months 2020	8,021	First 10 Months 2019	8,401
% Change			-4.5%

Source: PropNex Research, URA

There was only one new project soft launched in October: Hyll on Holland which sold 5 units at a median price of \$2,729 psf. Of note, the top 10 best-selling private residential projects for October 2020 were all launched previously. In addition, the recent restriction on the re-issue of Options-To-Purchase (OTPs) likely have had some impact on sales in October as well.

In October 2020, Outside Central Region (OCR) led developers' sales with 292 units sold, while the Rest of Central Region (RCR) and Core Central Region (CCR) transacted 283 and 67 units, respectively. Meanwhile, developers placed 423 new units for sale last month, down by 68.4% from the 1,340 units put on the market in September. The 423 units launched in October was the lowest monthly number of units rolled out for sale since 370 units were launched in December 2019.

Private New Home Launches (ex. ECs)			
Period	Units Launched	Period	Units Launched
<b>1Q2020</b>	2,093	1Q 2019	2,989
<b>2Q2020</b>	1,852	2Q 2019	2,502
<b>3Q2020</b>	3,791	3Q2020	3,628
<b>October 2020</b>	423	<b>October 2019</b>	909
<b>First 9 Months 2020</b>	<b>8,159</b>	<b>First 9 Months 2019</b>	<b>10,028</b>
<b>% Change</b>		<b>-18.6%</b>	

Source: PropNex Research, URA

October's sales decline was within our expectations. To put things in perspective, September's impressive sales were partly driven by new launches including Penrose, Verdale and Myra but there were limited new launches in October. Therefore, we think the sales tally of 642 units last month is still considered a credible performance - it is a sign of steady confidence in the property market and reflects relatively healthy underlying demand for homes.

The restriction on the re-issue of OTPs which took effect at the end of September probably weighed on sales in October. Some buyers may now need more time get their finances together, selling their existing property first – such as in the case of HDB upgraders - before committing to a private property purchase. This halt in the re-issue of OTPs has temporarily put the brakes on the steadily rising new home sales, but give it some time and we believe the market will readjust and find its rhythm again. Buyers who are affected by the OTP restriction will eventually take the new rule in their stride and return to the market once they have their finances in place.

New private homes sales in November and December are expected to do better than last month, in view of upcoming launches, including The Landmark, Clavon, and Ki Residences. Notably, The Linq at Beauty World - launched over the weekend - has reportedly sold 96% of all units and this will certainly help to lift November's sales figure. For the whole of 2020, PropNex projects that developers' sales could reach 9,500 units, slightly below the 9,912 units transacted in 2019.

### Top 10 best-selling private residential projects (ex. ECs) in October 2020

SN	Project Name	Region	Total Number of Units in Project	Cumulative Units Sold to-date	Units Sold in the Month	Median Price (\$psf) # in the Month
1	THE GARDEN RESIDENCES	OCR	613	503	53	1,612
2	TREASURE AT TAMPINES	OCR	2,203	1,594	50	1,408
3	PARC CLEMATIS	OCR	1,468	990	49	1,644
4	MIDWOOD	OCR	564	52	28	1,633
5	FORETT AT BUKIT TIMAH	RCR	633	272	26	1,948
6	THE WOODLEIGH RESIDENCES	RCR	667	393	26	1,987
7	ONE PEARL BANK	RCR	774	358	25	2,519
8	JADESCAPE	RCR	1,206	1,034	24	1,783
9	SENGKANG GRAND RESIDENCES	OCR	680	303	22	1,758
10	STIRLING RESIDENCES	RCR	1,259	1,168	22	2,063

Source: PropNex Research, URA

Despite the lower sales in October, we think the overall property market sentiment is still positive. The recent run of robust sales in the private and public housing segments, resilient home prices, and a gradually recovering Singapore economy have provided a confidence boost for the residential property market. Encouraged by the brisk sales in recent months, we saw developers tabling optimistic bids for development land sites - as seen in the top bids for the Tanah Merah Kechil Link and Yishun Avenue 9 (EC) government land sales plots recently.

Looking ahead, the prospect of the Singapore economy moving into Phase 3 of the re-opening (potentially by the end of the year), hopes of warmer US-China ties after Joe Biden's US presidential election win, and recent positive news regarding COVID-19 vaccine development should help to further shore up consumer sentiment and confidence.

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