

PRIVATE NEW HOME SALES

PROPnex RESEARCH
MONTHLY REPORT – SEPTEMBER 2022



New private home sales more than doubled in September on strong take-up at new launches

- Overall new home sales in September jumped by nearly 125% to 987 units from the previous month where 438 new homes were sold; it came on the back of two successful new project launches.
- Private new home sales were led by the Outside Central Region (OCR) where 686 units were sold, accounting for nearly 70% of total developers' sales in the month.
- In September, Singaporean buyers purchased about 87% of total new private homes sold – driven mostly by sales of OCR homes.

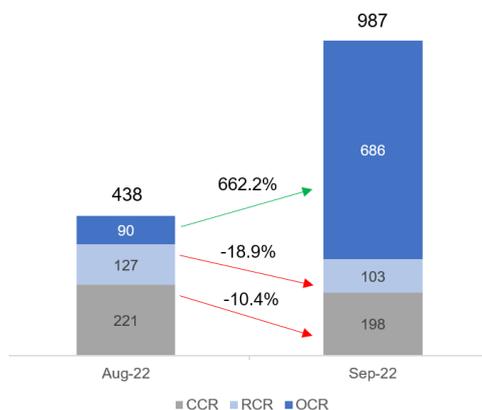


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MONTHLY PRIVATE NEW HOME SALES

SEPTEMBER 2022

Private New Home Sales (Excl. ECs)
(August 2022 vs September 2022)



Source: PropNex Research, URA

New private home sales surged in September, more than doubling from August's sales volume as two new mass market project launches – Lentor Modern and Sky Eden@Bedok - helped to supercharge sales during the month. Developers sold 987 new private homes (excluding executive condos), representing a 125% jump from the 438 units transacted in the previous month. This is the highest monthly home sales tally since 1,355 units were sold in May 2022. When compared to September 2021, new private home sales were up by 18.3% year-on-year last month.

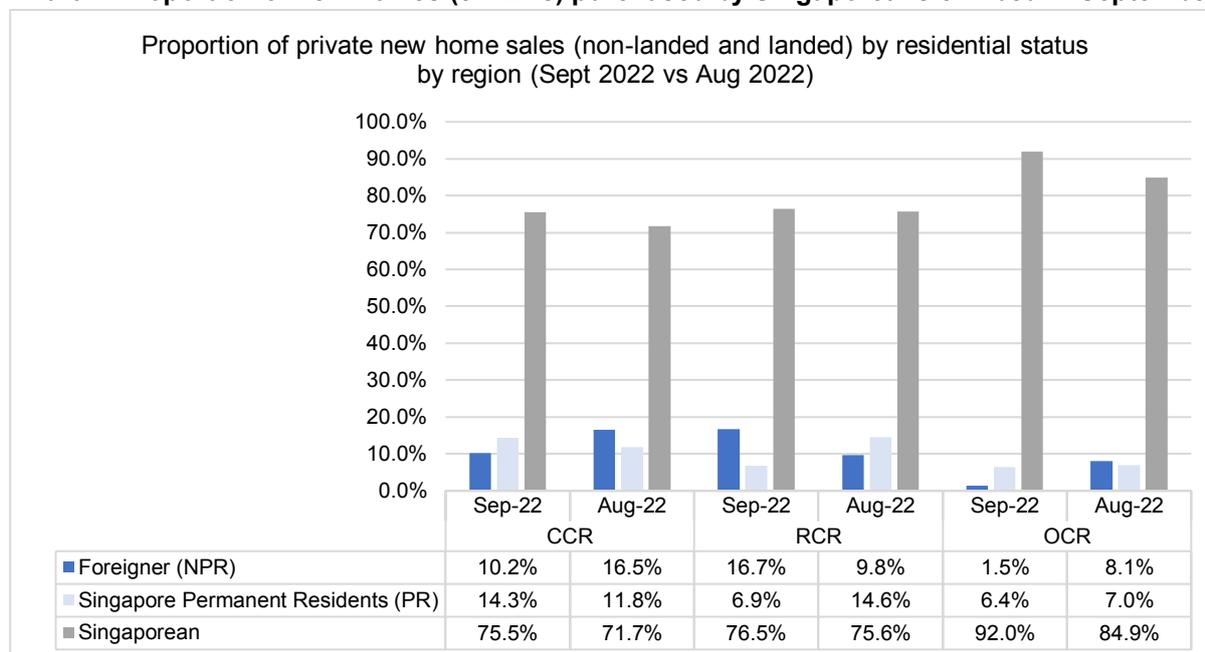
Lentor Modern and Sky Eden@Bedok collectively sold 633 new homes, accounting for 64% of the monthly sales in September. The two projects have boosted sales in the **Outside Central Region (OCR)** to 686 units - the highest monthly new home sales in the sub-market in just over a year - as the limited unsold stock had weighed on transactions. Lentor Modern sold 512 units at a median price of \$2,108 psf, while Sky Eden@Bedok shifted 121 units at a median price of \$2,118 psf – setting benchmark prices for OCR new launches.

New home sales in the other two sub-markets fell, amid a dearth of new projects. The **Core Central Region (CCR)** saw 198 new homes changing hands in September – down by 10.4% from the 221 units transacted in the previous month. The most popular CCR projects during the month were Leedon Green which sold 31 units at a median price of \$2,876 psf, Pullman Residences Newton which transacted 27 units at a median price of \$3,039 psf, and Perfect Ten which sold 23 units at a median price of \$2,946 psf.

Meanwhile, developers sold 103 new units in the **Rest of Central Region (RCR)**, representing a 19% decline from 127 units shifted in August. September 2022 marks the lowest monthly sales tally for the region since 77 RCR units were sold in April 2020. The top-selling RCR projects in September were Riviere where buyers picked up 18 units at a median price of \$2,974 psf, One Pearl Bank which sold 12 units at a median price of \$2,689 psf, and Meyer Mansion which moved 10 units at a median price of \$2,657 psf.

Developers placed 913 new units (ex. ECs) for sale in September, up sharply from 134 units that was put on the market in the previous month. In the first nine months of 2022, 4,024 new units (ex. ECs) were launched for sale, representing a 51% decline from the same period a year ago.

Chart 1: Proportion of new homes (ex. ECs) purchased by Singaporeans climbed in September



Source: PropNex Research, URA Realis (data retrieved on 17 October 2022)

Owing to the fresh injection of new mass market homes during the month, the OCR-sub market accounted for more than two-thirds of the new home sales in September. According to URA Realis caveat data, Singaporean buyers were behind 92% of the OCR new home sales in September, with foreigners and Singapore Permanent Residents picking up 1.5% and 6.4% of the OCR new units respectively (See Chart 1). The proportion of Singaporean buyers also picked up slightly in the other market segments from August to September to 75.5% in the CCR and 76.5% in the RCR. On the whole, Singaporeans accounted for about 87% of overall private new home sales in September – up from 75.5% in August.

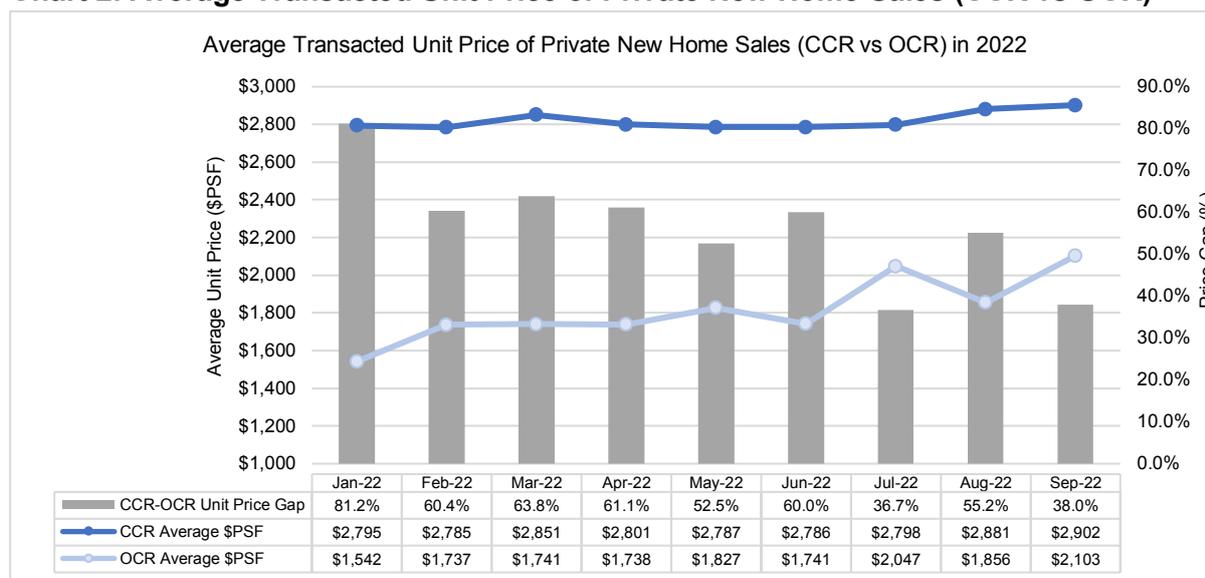
Table 1: Median Transacted Unit Price (\$PSF) of New Private Homes (Ex. ECs)

Market Segment	Aug-22	Sep-22	MOM % Change
Core Central Region	\$2,812	\$2,873	2.2%
Rest of Central Region	\$2,431	\$2,530	4.1%
Outside Central Region	\$1,894	\$2,108	11.3%

Source: PropNex Research, URA Realis (data retrieved 17 October 2022)

The median unit price of OCR new private homes rose by about 11% MOM to \$2,108 psf in September amidst strong sales at higher benchmark prices at new launches (See Table 1) during the month. Meanwhile, the median transacted prices at CCR and RCR climbed steadily by 2.2% and 4.1% to \$2,873 psf and \$2,530 psf, respectively. New launch prices are expected to remain relatively firm through the rest of the year, with developers maintaining their pricing strategy owing to higher construction cost and the fixed land prices. Furthermore, the limited unsold inventory will lend support to pricing.

Chart 2: Average Transacted Unit Price of Private New Home Sales (CCR vs OCR)



Source: PropNex Research, URA Realis (data retrieved on 17 October 2022)

The average price gap between CCR and OCR new sales narrowed in September to 38% from 55% in August (see Chart 2). This was expected due to the benchmark prices achieved at new OCR project launches (Sky Eden@Bedok and Lentor Modern) - with average unit prices crossing the \$2,100-PSF mark.

Outlook

Given the limited number of private condo launches, PropNex expect new home sales (ex. EC) to return to a muted level in October after September's upswing, while the EC segment will see a pick-up in activity. The upcoming Copen Grand EC has garnered strong interest based on show flat attendance, with would-be buyers likely attracted by its location near to the Jurong Lake District and within the upcoming green and smart Tengah estate. In addition, EC buyers can also opt for the deferred payment scheme and may be eligible for CPF housing grant of up to \$30,000. Those who are upgrading from HDB flats to a new EC also need not pay the additional buyer's stamp duty upfront. PropNex believes that these factors will increase the appeal of EC units among would-be buyers.

In the first nine months of 2022, more than 6,480 new private homes (ex. EC) have been transacted – about 35% lower than the corresponding period in 2021. PropNex anticipates that new private home sales could likely come in at around 8,000 to 8,500 units for the whole of 2022, substantially lower than the banner year of sales at over 13,000 units that were booked in the previous year.

Table 2: Top 10 Best-Selling Private Residential Projects (Ex. ECs) in September 2022

S/N	Project	Region	Units Sold in Sep 2022	Median Price in Sep (\$PSF)
1	LENTOR MODERN	OCR	512	2,108
2	SKY EDEN@BEDOK	OCR	121	2,118
3	LEEDON GREEN	CCR	31	2,876
4	PULLMAN RESIDENCES NEWTON	CCR	27	3,039
5	PERFECT TEN	CCR	23	2,946
6	HYLL ON HOLLAND	CCR	21	2,770
7	RIVIERE	RCR	18	2,974
8	ONE PEARL BANK	RCR	12	2,689
9	THE AVENIR	CCR	10	3,303
	MEYER MANSION	RCR	10	2,657
	PASIR RIS 8	OCR	10	1,777
	ONE BERNAM	CCR	10	2,589
10	THE LANDMARK	RCR	9	2,599
	MIDTOWN MODERN	CCR	9	2,792
	ONE HOLLAND VILLAGE RESIDENCES	CCR	9	2,789

Source: PropNex Research, URA

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