



**PRIVATE
HOMES
REPORT**

JUNE 2020

SINGAPORE

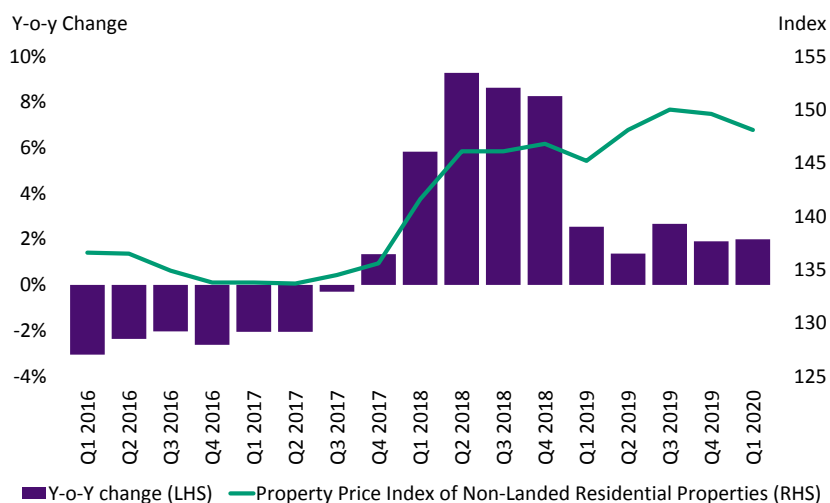
Growing headwinds for residential demand amid COVID-19 pandemic, with continued interest for new homes while grappling with social distancing measures

General price trends

Overall private home prices fell by 1.0 per cent quarter-on-quarter (q-o-q) in Q1 2020 according to the URA All Residential Property Price Index. Both the Non-Landed Property Price Index (PPI) and the Landed Property Price Index registered q-o-q declines of 1.0 and 0.9 per cent in Q1 2020 respectively (Figures 1 and 2). While this was the second consecutive quarter of decrease for the Non-Landed PPI, this was the first quarter of decline for the Landed PPI after two consecutive quarters of increase. However, on a year-on-year (y-o-y) basis, both PPIs still posted growth with 2.0 per cent change for Non-Landed PPI and 3.6 per cent y-o-y increase for Landed PPI for the first quarter this year (Table 1).

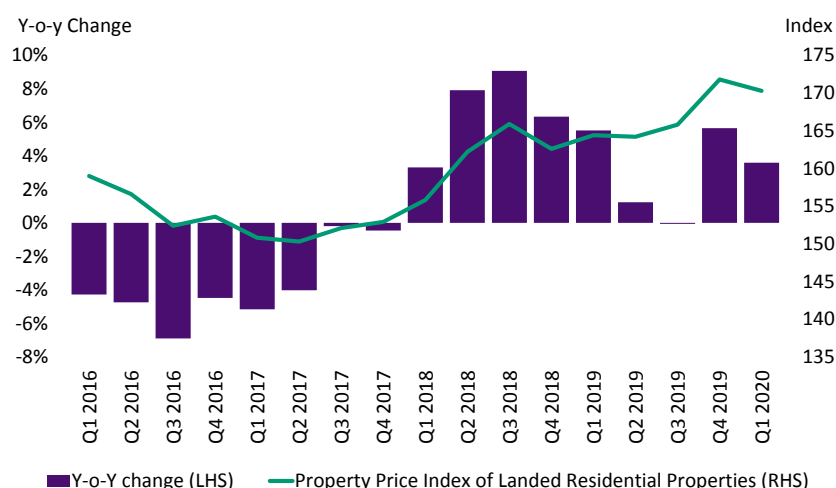
The decline in prices came amid the COVID-19 pandemic and economic slowdown, dampening market sentiments and muted demand for homes as local homebuyers held back their purchase plans to assess their financial positions. Additionally, the COVID-19 pandemic led to lockdowns in many countries, restricting short-term visitors and potential foreign homebuyers entering Singapore. As the number of new cases of COVID-19 heightened since March 2020, stepped up restrictions on people mobility in Singapore such as social distancing and caps on number of visitors to residential showflats have reduced purchasing and leasing activities, impacting the private home transactions and prices.

Figure 1: Non-landed Property Price Index (PPI) and y-o-y change



Source: URA, EDMUND TIE Research

Figure 2: Landed PPI and y-o-y change



Source: URA, EDMUND TIE Research

Table 1: Y-o-y and q-o-q change in Non-Landed and Landed PPI

Period	Non-Landed PPI		Landed PPI	
	Q-o-Q Change (%)	Y-o-Y Change (%)	Q-o-Q Change (%)	Y-o-Y Change (%)
Q4 2018	0.5	8.3	-2.0	6.3
Q1 2019	-1.1	2.5	1.1	5.5
Q2 2019	2.0	1.4	-0.1	1.2
Q3 2019	1.3	2.7	1.0	-0.1
Q4 2019	-0.3	1.9	3.6	5.7
Q1 2020	-1.0	2.0	-0.9	3.6

Source: URA, EDMUND TIE Research

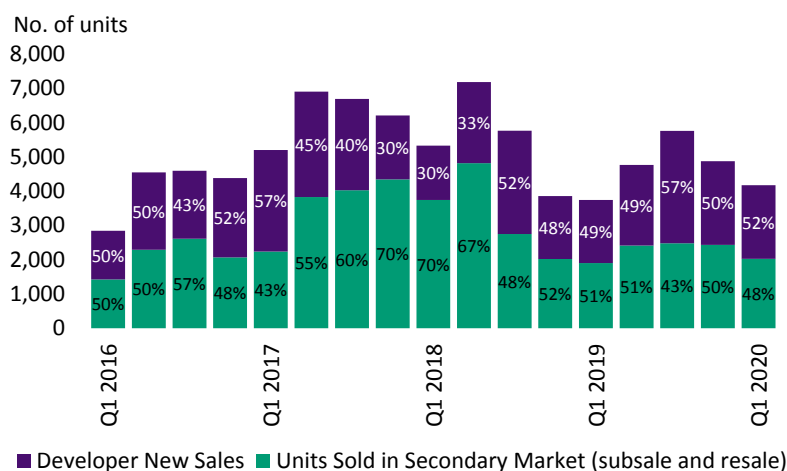
Transaction volume

Against the backdrop of slowdown in housing demand amid weakened sentiments, total transaction volume of private homes declined for the second consecutive quarter by 14.4 per cent q-o-q to 4,174 homes in Q1 2020, the lowest since Q1 2019, when total sales amounted to 3,743 units (Figure 3). As there were fewer launches in Q1 2020 (10 projects compared to 12 in Q4 2019) and homebuyers turned more cautious amid economic uncertainties and the COVID-19 pandemic, new sales decreased by 12.0 per cent q-o-q to 2,149 units in Q1 2020, constituting 51.5 per cent of total private home sales. Transaction volume in the resale market fell by a larger 16.8 per cent q-o-q to 2,025 units.

In the Core Central Region (CCR), 859 units were launched in Q1 2020, a 63.6 per cent increase from the 525 units in Q4 2019 (Figure 4). The hike in launched units brought about more transacted units, with 546 units sold in the CCR new sales market, despite muted residential demand. This was mainly led by the high take-up rate for The M, with more than 70.0 per cent (375 units sold, median price at \$2,439 per sq ft). Apart from The M, there were six other new launches in the CCR in Q1 2020.

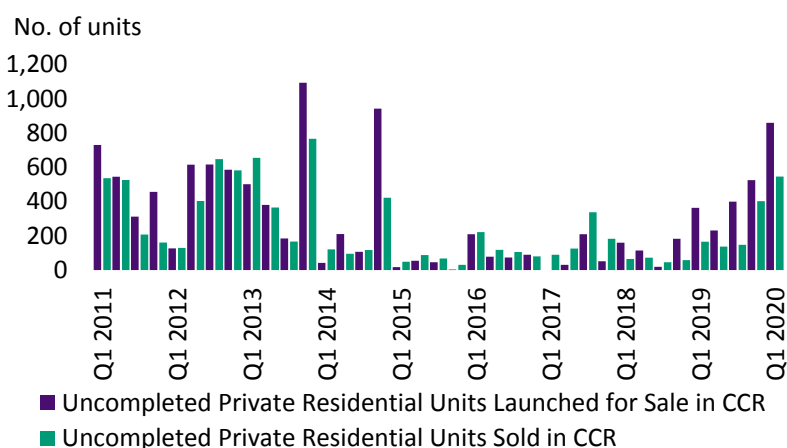
In the Rest of Central Region (RCR), there was an increase in the number of launched units from 493 in Q4 2019 to 623 units in Q1 2020 (Figure 5). However, there was a 14.7 per cent q-o-q decline in transaction volume to 765 units in the same quarter.

Figure 3: Transaction volume (new sales and secondary sales)



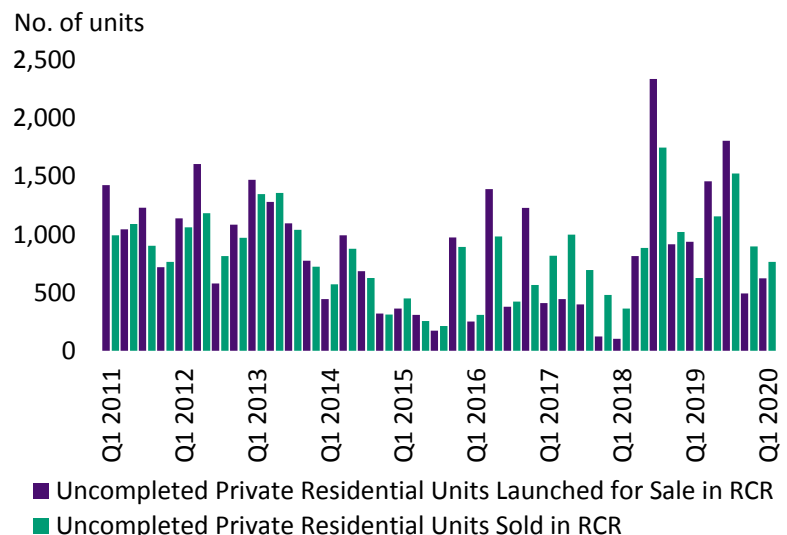
Source: URA, EDMUND TIE Research

Figure 4: Uncompleted residential units launched and sold in CCR



Source: URA, EDMUND TIE Research

Figure 5: Uncompleted residential units launched and sold in RCR



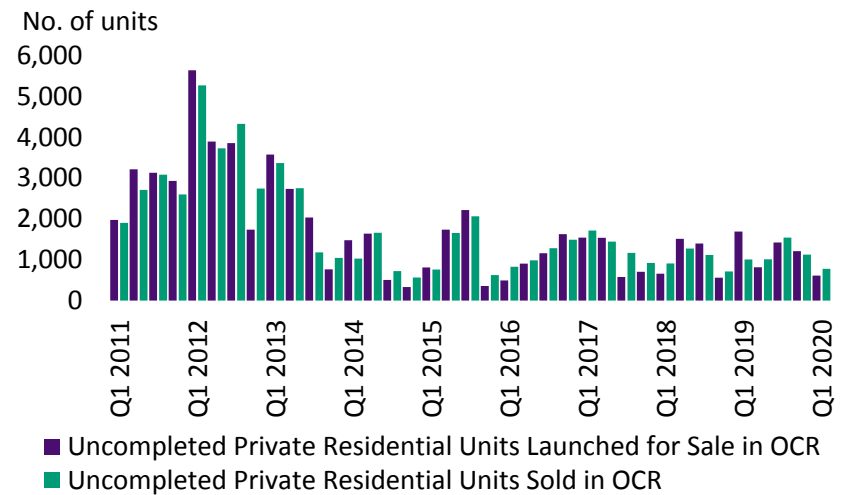
Source: URA, EDMUND TIE Research

In the Outside Central Region (OCR), the number of launched units almost halved from 1,208 units in Q4 2019 to 611 units in Q1 2020. Correspondingly, new sales in the OCR fell by 30.7 per cent q-o-q to 778 units (Figure 6), falling below 1,000 units for the first quarter since Q4 2018, when 713 units were sold in the new sales market. This can also be attributed to the lack of large-scale launches in Q1 2020, with only two new projects of less than 50 units each being launched. In contrast, out of the five new launches in the OCR in Q4 2019, three launched more than 100 units each.

Following the slower sales in Q1 2019, new sales plummeted in April 2020, due to closures of condominium show flats from 7 April 2020 as part of the Government's circuit breaker initiative. In April 2020, new sale units sold by developers totalled 277 units, a steep decline of 62.4 per cent y-o-y and 58.0 per cent month-on-month (m-o-m) (Figure 7). Projects that were in the top five rankings in terms of units sold in month of April 2020 included Kopar at Newton (83 units sold, median price at \$2,241 per sq ft), Treasure at Tampines (28 units sold, \$1,372 per sq ft), Riverfront Residences (17 units sold, \$1,208 per sq ft), Jadescape (12 units sold, \$1,735 per sq ft), and The Florence Residences (11 units sold, \$1,489 per sq ft). Top six¹ selling projects in the CCR in the months of April and May 2020 were Kopar at Newton (94 units sold, median price at \$2,252 per sq ft), Fourth Avenue Residences (8 units sold, median price at \$2,112 psf), The M (7 units sold, median price at \$2,477 psf), Van Holland (3 units sold, median price at \$2,981 psf), Boulevard 88 (2 units sold, median price at \$3,713 psf) and Midtown Bay (2 units sold, median price at \$2,860 psf) (Table 2).

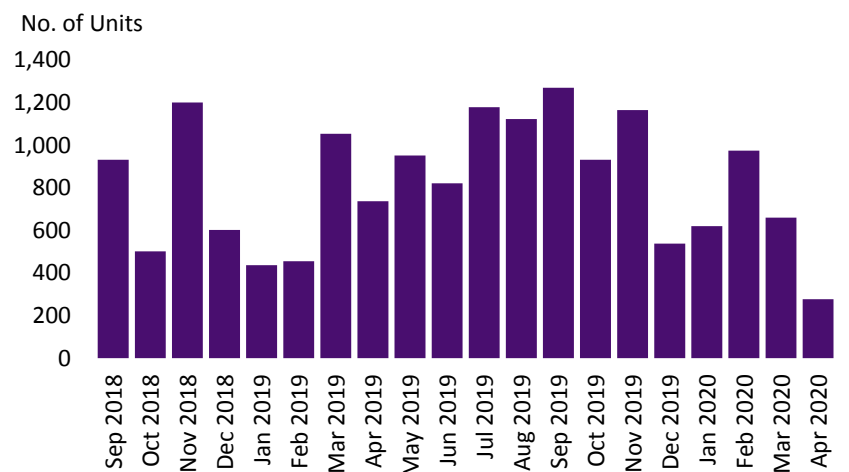
¹ There were four projects that sold two units each (tied at third position) in the month of April 2020.

Figure 6: Uncompleted residential units launched and sold in OCR



Source: URA, EDMUND TIE Research

Figure 7: Monthly developer new sales



Source: URA, EDMUND TIE Research

Table 2: Top six* selling projects in the CCR in April and May 2020

Project name	Tenure	Total no. of units	No. of units launched in April 2020	No. of units sold in April and May 2020	Price range (\$ psf)
Kopar at Newton	99-year leasehold	378	370	94	2,083 – 2,482
Fourth Avenue Residences	99-year leasehold	476	0	8	2,039 – 2,318
The M	99-year leasehold	522	0	7	2,282 – 2,909
Van Holland	Freehold	69	0	3	2,570 – 3,051
Boulevard 88	Freehold	154	0	2	3,711 – 3,714
Midtown Bay	99-year leasehold	219	0	2	2,695 – 3,025

* There were two projects that sold two units each (tied at fourth position) in the months of April and May 2020. Source: URA REALIS as at 2 June 2020, EDMUND TIE Research

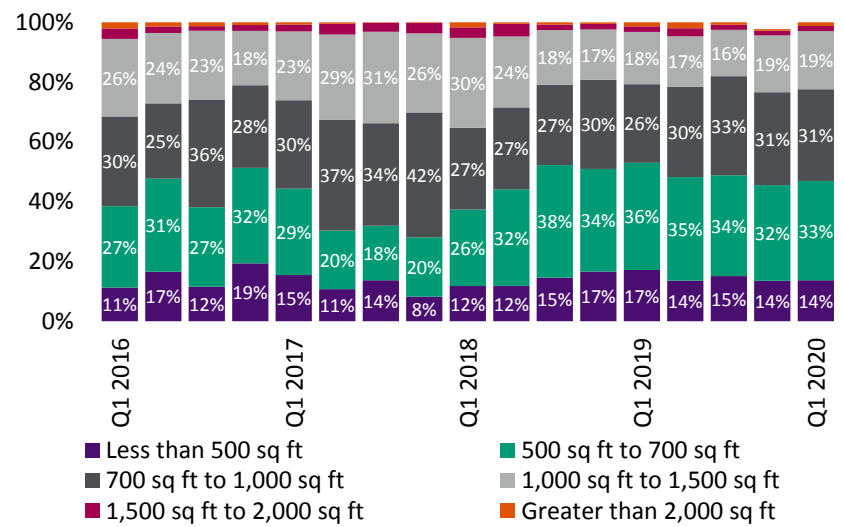
New Sale Units sold by floor area and price range

In the primary market, the highest proportion of transactions in Q1 2020 (by strata floor area) of 33 per cent constituted units between 500 and 700 sq ft, a marginal uptick compared to 32 per cent in Q4 2019 (Figure 8). This unit size range mainly consists of 1- and 2-bedroom units. This was followed by units within the 700 sq ft to 1,000 sq ft size range, which comprised 31 per cent of the transactions in Q1 2020. For this size range, bedroom configurations largely ranged from 1+study bedroom type in prime districts and 2- to 3-bedroom types in other districts.

In terms of price range, the bulk or 46 per cent of the transactions were in the \$1m to \$1.5m price band in Q1 2020, a 5 percentage point increase from Q4 2019 (Figure 9). Majority of transactions in this price band are new sale units in districts 5, 7, 14 and 19. Correspondingly, there were reductions in proportions of transactions in the price bands of less than \$1m, \$1.5m to \$2m and \$2.5m to \$3m – out of which, the largest drop in proportion was transactions less than \$1m, declining for the second consecutive quarter from 23 per cent in Q4 2019 to 20 per cent in Q1 2020.

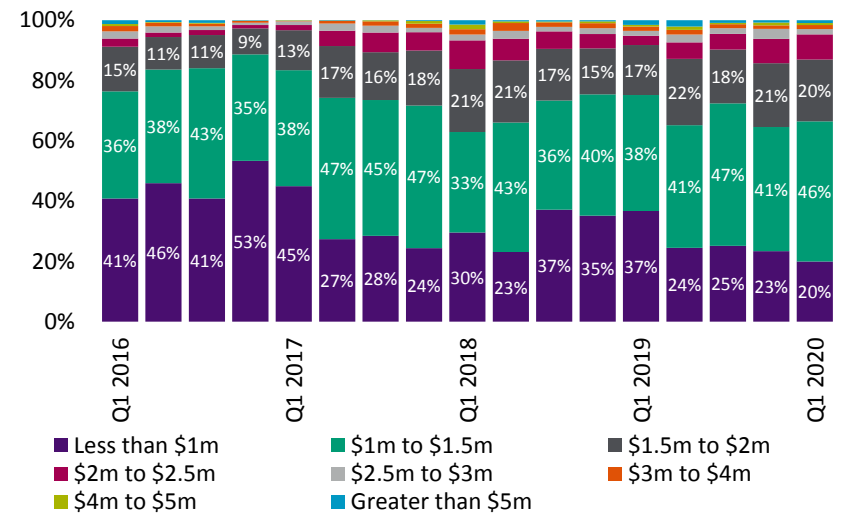
In April and May 2020 during circuit breaker period, about 45 per cent of new sale transactions were in the \$1m to \$1.5m price band, 21 per cent in \$1.5m to \$2m price band and 6 per cent in \$2m and \$2.5m price band. There was a 6 percentage point increase in transactions with less than \$1m price band compared to Q1 2020.

Figure 8: New sales of non-landed units by floor area



Source: URA REALIS (based on data as at 14 May 2020), EDMUND TIE Research

Figure 9: New sales of non-landed units by price range



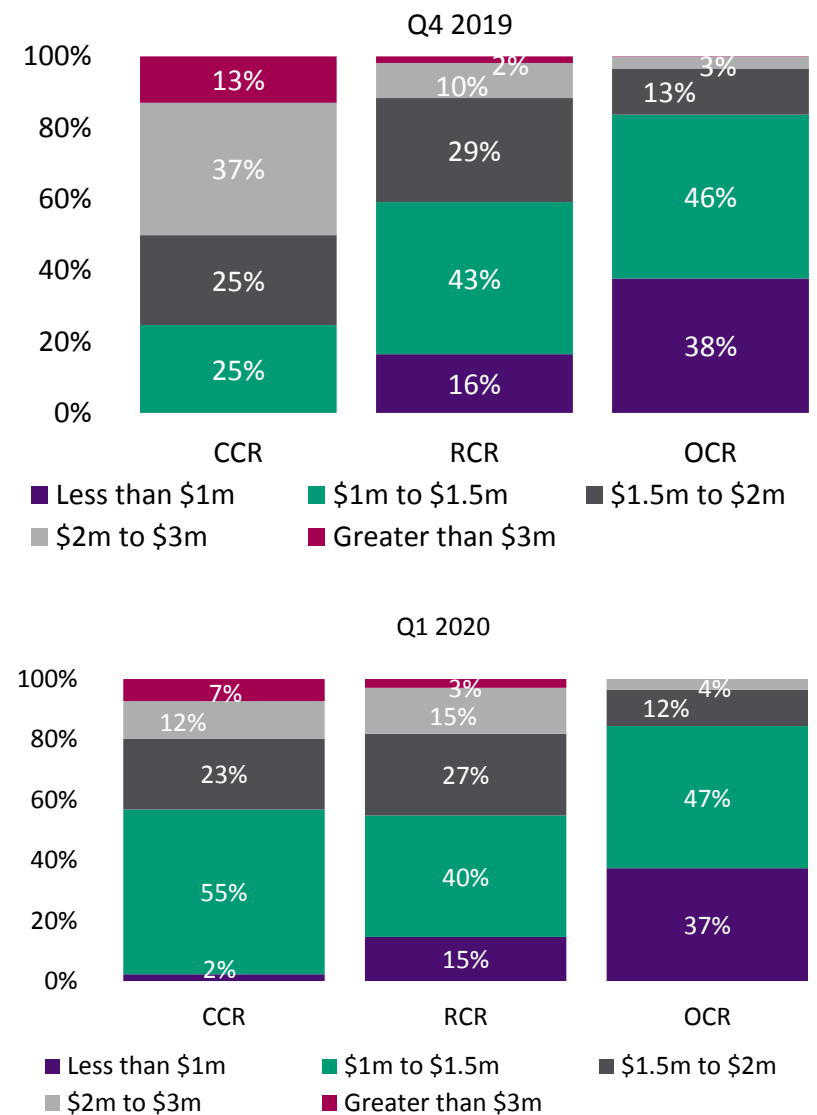
Source: URA REALIS (based on data as at 14 May 2020), EDMUND TIE Research

Across the market segments, it was observed that buyers in the CCR were more cost conscious in Q1 2020 compared to Q4 2019. In Q1 2020, more than half, or 57 per cent of the new sales in the CCR were less than \$1.5m, with most of the transactions in the \$1m to \$1.5m price bracket (Figure 10). In contrast, there were only 25 per cent of such transactions in Q4 2019. This mainly came from smaller bedroom configurations of less than 500 sq ft and between 500 sq ft to 700 sq ft at the newly launched The M (District 7).

Correspondingly, proportion of transactions in the other price bands declined on a q-o-q basis, with new sales in the \$2m to \$3m price bracket decreasing the most from 37 per cent in Q4 2019 to 12 per cent in Q1 2020. For new sales in the \$1.5m to \$2m price band, despite a decline in proportion from 25 per cent in Q4 2019 to 23 per cent in Q1 2020, there was an increase in actual transaction volume from 95 units in Q4 2019 to 126 units in Q1 2020. Apart from The M, another key contributor to the growth in sales volume in the \$1.5m to \$2m price bracket in Q1 2020 was Leedon Green (District 10).

For new sales in the RCR, there was an increase in proportion of transactions in the price ranges of \$2m to \$3m (10 per cent in Q4 2019 to 15 per cent in Q1 2020) and greater than \$3m (2 per cent in Q4 2019 to 3 per cent in Q1 2020). These transactions were mainly of sizes ranging from 1,000 to 1,500 sq ft contributed from units sold at Jadescape (District 20), which was launched in September 2018 and Margaret Ville (District 3), which was launched in June 2018.

Figure 10: New sales of non-landed units by price range and market segment (Q4 2019 and Q1 2020)

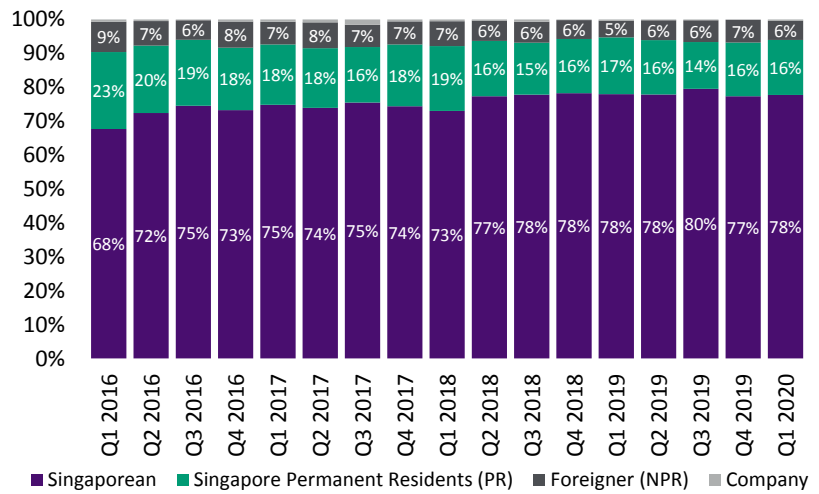


Source: URA REALIS (based on data as at 14 May 2020), EDMUND TIE Research

Buyer profile

Bulk of purchasers, or 78 per cent of the private homebuyers in Q1 2020 with known residential status are Singaporeans, while there was a slight decline of 1 percentage point in foreign purchasers from 7 per cent in Q4 2019 to 6 per cent in Q1 2020 (Figure 11). Permanent residents contributed 16 per cent of overall proportion of non-landed transactions for the same quarter.

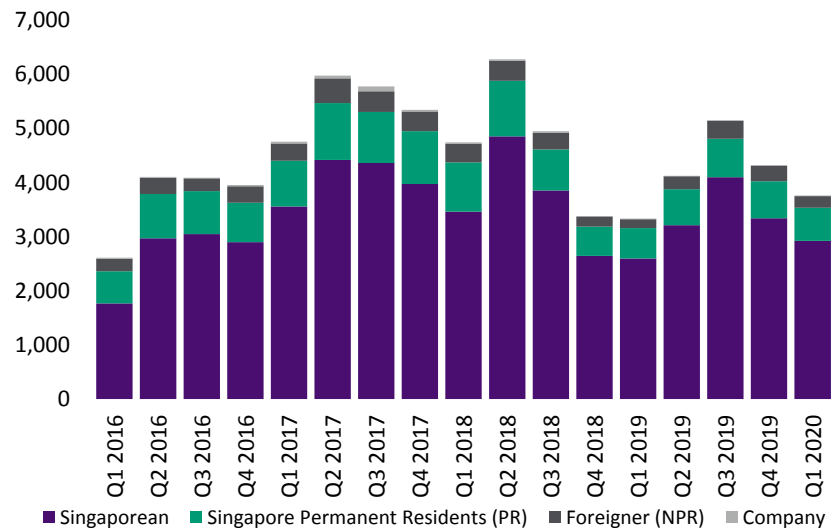
Figure 11: Proportion of non-landed sales by residential status



Source: URA REALIS (based on data as at 15 May 2020), EDMUND TIE Research

In terms of absolute transaction volume, purchasers of all residential status declined, with the largest q-o-q fall of 26.1 per cent from foreign purchasers (non-Permanent Residents) to 215 units in Q1 2020, which was the lowest since Q1 2019 when foreigners purchased 165 units (Figure 12). Transaction volume by Singaporeans and Singapore Permanent Residents (PR) decreased by 12.5 per cent and 10.5 per cent q-o-q to 2,923 and 610 units respectively in Q1 2020. A total of 2,089 non-landed sales was clocked in the same quarter.

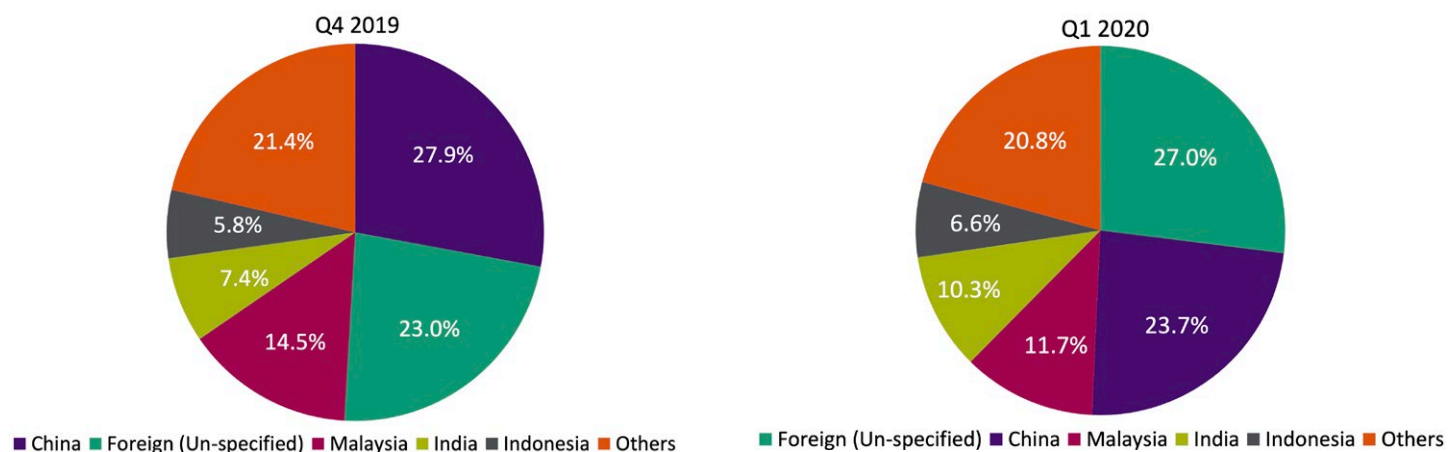
Figure 12: Non-landed sales by number of units and residential status



Source: URA REALIS (based on data as at 15 May 2020), EDMUND TIE Research

Out of the non-landed transactions by foreign homebuyers (by nationalities, PRs and non-PRs), foreign (unspecified) buyers comprised the largest proportion with 27.0 per cent in Q1 2020, followed by mainland Chinese buyers, comprising 23.7 per cent. For the mainland Chinese buyers, this proportion in Q1 2020 was lower than the 27.9 per cent in Q4 2019 (Figure 13).

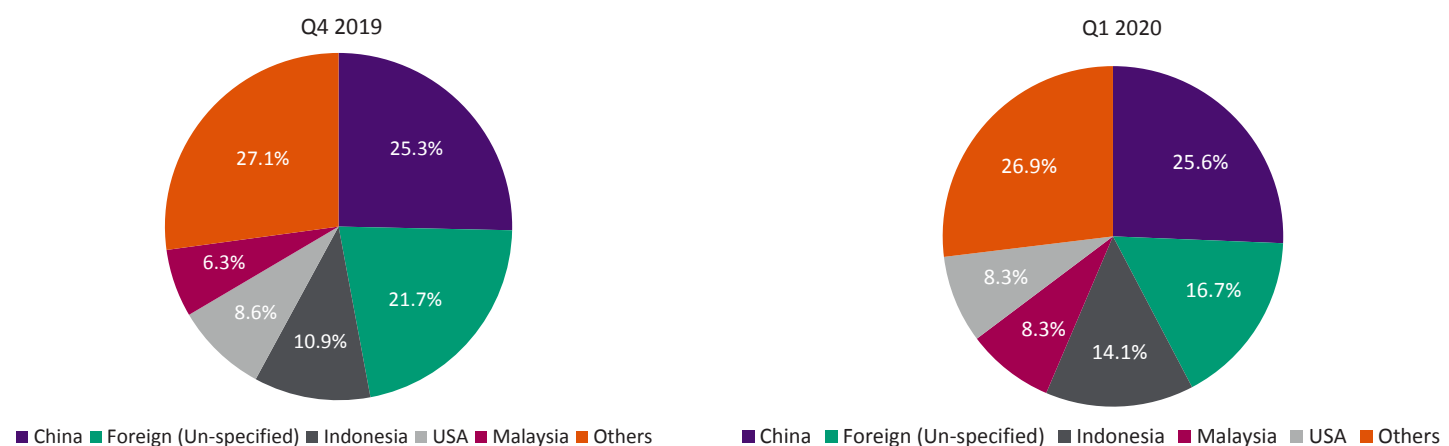
Figure 13: Top 5 foreign buyer purchasers (by nationalities) in Q4 2019 and Q1 2020, islandwide



Source: URA REALIS (based on data as at 15 May 2020), EDMUND TIE Research

In traditional prime districts (i.e. Districts 9, 10 and 11), mainland Chinese remained as the top foreign homebuyer group in Q1 2020, with a slight increase in proportion from 25.3 per cent in Q4 2019 to 25.6 per cent (Figure 14). Other top nationalities in Q1 2020 included Indonesians (14.1 per cent), Malaysians (8.3 per cent) and Americans (8.3 per cent).

Figure 14: Top 5 foreign buyer purchasers (by nationalities) in Q4 2019 and Q1 2020, Traditional Prime Districts

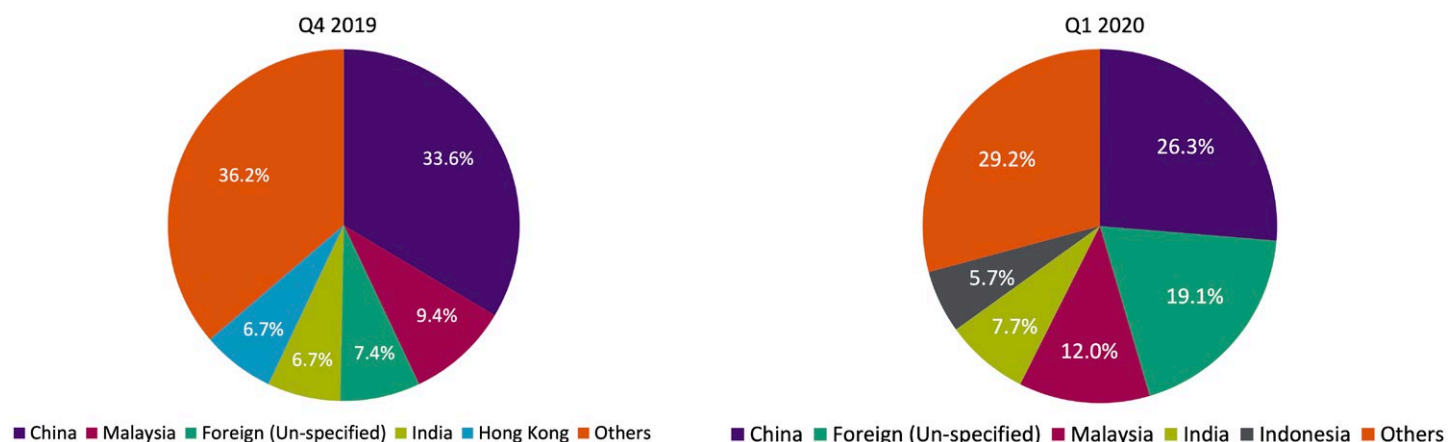


*Prime districts refer to Districts 9, 10 and 11

Source: URA REALIS (based on data as at 15 May 2020), EDMUND TIE Research

In the city and emerging districts (i.e. districts 1, 2, 4, 7 and 15), mainland Chinese also remained as the top foreign homebuyer group in Q1 2020, constituting 26.3 per cent of the foreign purchases (Figure 15). However, this proportion had fallen from 33.6 per cent in Q4 2019. Other top nationalities included Malaysians, Indians and Indonesians.

Figure 15: Top 5 foreign buyer purchasers (by nationalities) in Q4 2019 and Q1 2020, City and Emerging Districts

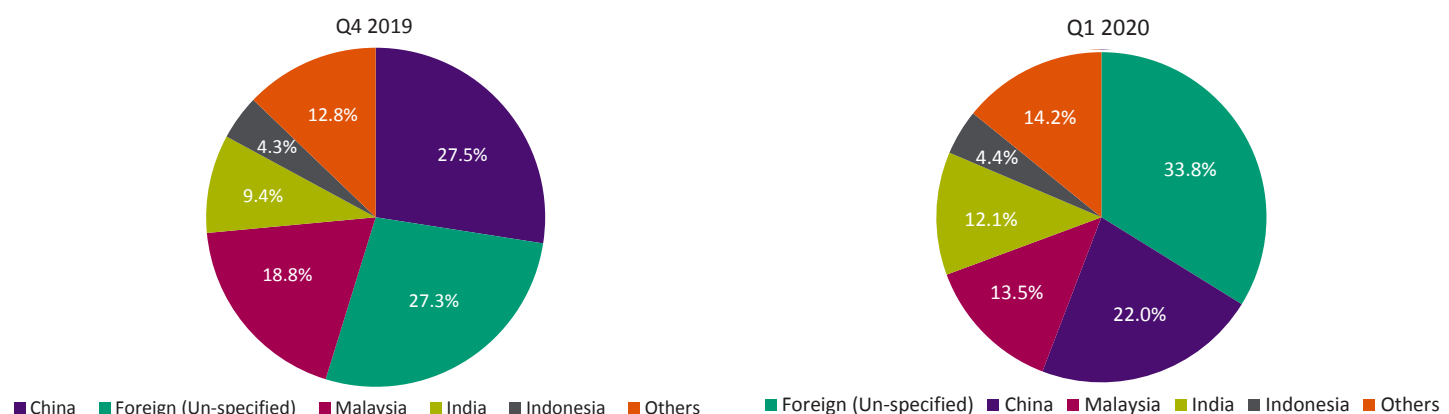


*City and Emerging districts refer to Districts 1, 2, 4, 7 and 15

Source: URA REALIS (based on data as at 14 May 2020), EDMUND TIE Research

For the other districts (mainly city fringe and suburban districts), mainland Chinese and Malaysians comprised the top two foreign homebuyer groups in Q1 2020 (after foreign (unspecified) homebuyer group), followed by Indians and Indonesians (Figure 16). Transaction volumes by these groups of buyers declined on a q-o-q basis, except for Indians with purchases remaining at 57 units. Purchases by Malaysians fell the most by 43.9 per cent q-o-q to 64 units in Q1 2020.

Figure 16: Top 5 foreign buyer purchasers (by nationalities) in Q4 2019 and Q1 2020, Other Districts



*Other districts refer to those districts in the suburban and city fringe

Source: URA REALIS (based on data as at 15 May 2020), EDMUND TIE Research

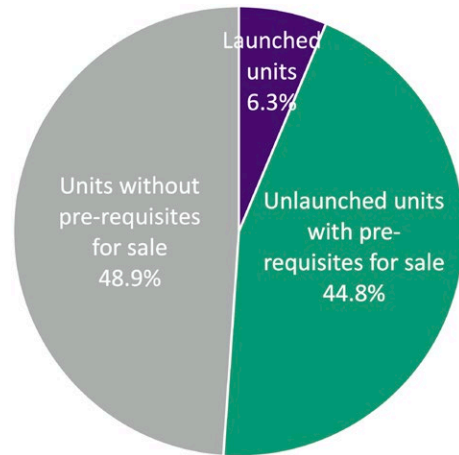
Pipeline launches

Based on URA estimates as at Q1 2020, 2,093 private residential units (or 6.3 per cent of overall pipeline launches) were launched for sale, while 31,077 units have not been launched for sale. Out of which, the bulk or 16,220 units have not obtained pre-requisites for sale (48.9 per cent) while the remaining 14,857 units (44.8 per cent) are unlaunched units with pre-requisites for sale (Figure 17).

Based on EDMUND TIE Research estimates from land acquisitions since 2018, more than 9,000 new sale units of pipeline launch supply is envisaged for 2020, barring any unforeseen circumstances for each project on approval process before launch. Out of this pipeline launches, more than 5,000 units are of 99-year leasehold tenure. The RCR at the city fringe has the least pipeline launch supply this year, with an estimated total of 1,814 units. However, there may be a slowdown in new launches as developers may delay the project launches for H1 2020 amid ongoing uncertainties stemming from the COVID-19 pandemic.

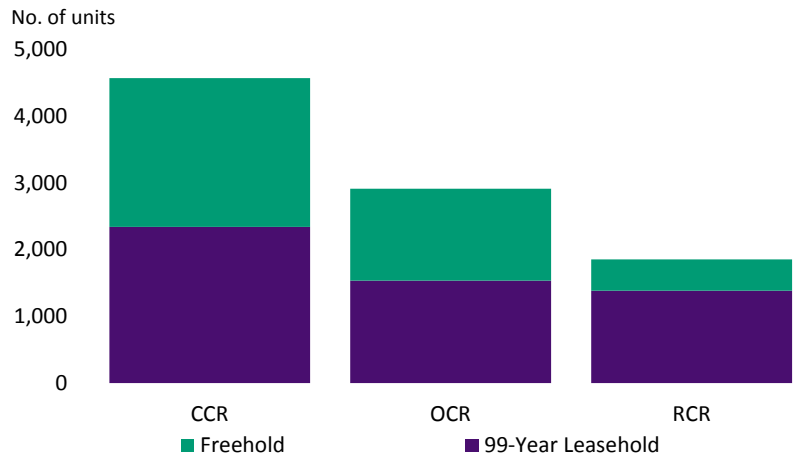
For 2021, more than 1,200 new sale units of pipeline launch supply is estimated to come onboard, barring any unforeseen circumstances for each project on approval process before launch. Out of which, bulk, or nearly 800 units, is in the OCR and the remaining is in the CCR (Table 3). There will not be any estimated pipeline launch supply in the RCR in 2021.

Figure 17: Proportion of launched, unlaunched units with pre-requisites for sale and units without pre-requisites for sale (landed and non-landed)



Source: URA, EDMUND TIE Research

Figure 17: Number of (estimated) units to be launched in 2020, by tenure and market segment (includes launches from January to April 2020)



* Freehold tenure projects include those projects with 99-year leasehold

Source: URA, EDMUND TIE Research

Table 3: Estimated number of units to be launched in 2021, by tenure and market segment

Location of site	Tenure	Market Segment	No. of potential units	Land price (\$ psf ppr)
Irwell Bank Road	99-year leasehold	CCR	445	1,515
Jalan Bunga Rampai	99-year leasehold	OCR	115	885
Canberra Drive (Parcel A)	99-year leasehold	OCR	220	644
Canberra Drive (Parcel B)	99-year leasehold	OCR	455	650

Source: URA, EDMUND TIE Research

Outlook

With the COVID-19 situation remaining uncertain, the global economic outlook is expected to be bleak in the near term. As the US interest rates remain low, there may be a possibility of negative interest rates in Singapore, which is benchmarked against the US interest rates. On 20 May 2020, Singapore's one-month swap offer rate fell below zero for the first time in nine years. Notwithstanding the lower costs of borrowing, homebuyers are likely to be adopting a wait-and-see approach in home purchases for the next one to two quarters, as sentiments are likely to remain soft with concerns on job security arising from the fallout due to the COVID-19 pandemic.

As countries continue to impose travel restrictions, foreign demand for Singapore's residential properties is expected to be affected for the second quarter this year. From a positive viewpoint, it is envisaged that there could be renewed interest for high-end and mid-tier properties by high net worth mainland Chinese homebuyers, as they explore investments that can be a hedge against inflation and currency risks. Local homebuyers, after having experienced the work-from-home environment during the circuit breaker period, could change their taste and preferences for a new home and their interest for well-designed homes in a conducive living environment is likely to increase.

As part of the governmental measures to further reduce the COVID-19 transmission, all sales galleries were closed from 7 April onwards and shall remain closed until further notice, as announced by URA on 20 May 2020. While the extended closure may further dampen market sentiment, it may also increase homebuyers' expectations to review home choices in anticipation of show flats' reopening in the near future. While property agents are engaging in sharing project information via virtual show flat tools, more prospective homebuyers may spend more time to assess the attributes of the property by other means due to the prohibition of physical viewing of properties.

Amid reduced sales in the new sales market during the circuit breaker period, developers are adopting more proactive marketing strategies, particularly in digital marketing efforts, to build greater visibility for their projects. To lend support to the construction industry due to stop work orders amidst the pandemic, the Government announced on 7 May 2020 the extension of the Project Completion Period for eligible residential, commercial and industrial developments by six months, providing some relief for developers as they faced delays in construction progress.

In light of these factors, it is expected that there may be an influx of new launches in H2 2020. Projects that are well-located, attractively priced and with strong project attributes may continue to attract buyers, with corresponding recovery in number of enquiries and new sales volume in H2 2020 once the prohibition on physical viewing at show flats and face-to-face meetings are lifted.

CONTACTS

Ong Choon Fah
Chief Executive Officer
+65 6393 2318
choonfah.ong@etcsea.com

PROFESSIONAL SERVICES

Valuation Advisory

Poh Kwee Eng
Executive Director
Regional Head of
Valuation Advisory
+65 6393 2312
kweeeng.poh@etcsea.com

Nicholas Cheng
Executive Director
+65 6393 2317
nicholas.cheng@etcsea.com

Property Tax Advisory & Statutory Valuation

Ng Poh Chue
Executive Director
+65 6393 2515
pohchue.ng@etcsea.com

Research & Consulting

Ong Choon Fah
Chief Executive Officer
+65 6393 2318
choonfah.ong@etcsea.com

Alice Tan
Senior Director
+65 6393 2329
alice.tan@etcsea.com

Hospitality

Nicholas Cheng
Executive Director
+65 6393 2317
nicholas.cheng@etcsea.com

Heng Hua Thong
Senior Advisor
+65 6393 2398
huathong.heng@etcsea.com

Tay Hock Soon
Senior Director
+65 6887 0088
tayhs@treetops.com.sg

Property Management

Kwok Sai Kuai
Executive Director
Regional Head of
Property Management
+65 6417 9229
saikwai.kwok@etcsea.com

Paul Wong
Senior Director
+65 6417 9225
paul.wong@etcsea.com

AGENCY SERVICES

Investment Advisory

Ong Choon Fah
Chief Executive Officer
+65 6393 2318
choonfah.ong@etcsea.com

Poh Kwee Eng
Executive Director
+65 6393 2312
kweeeng.poh@etcsea.com

Edmund Tie
Senior Advisor
+65 6393 2386
edmund.tie@etcsea.com

Yam Kah Heng
Senior Advisor
+65 6393 2368
kabheng.yam@etcsea.com

Heng Hua Thong
Senior Advisor
+65 6393 2398
huathong.heng@etcsea.com

Swee Shou Fern
Executive Director
+65 6393 2523
shoufern.swee@etcsea.com

Tan Chun Ming
Executive Director
Regional Investment Advisory
+65 6393 2360
chunming.tan@etcsea.com

Business Space & Retail

Chua Wei Lin
Executive Director
Regional Head of
Business Space
+65 6393 2326
weilin.chua@etcsea.com

China Desk

Yam Kah Heng
Senior Advisor
+65 6393 2368
kabheng.yam@etcsea.com

Heng Hua Thong
Senior Advisor
+65 6393 2398
huathong.heng@etcsea.com

Tan Chun Ming
Executive Director
+65 6393 2360
chunming.tan@etcsea.com

Auction & Sales

Nicholas Cheng
Executive Director
+65 6393 2317
nicholas.cheng@etcsea.com

Joy Tan
Senior Director
+65 6393 2505
joy.tan@etcsea.com

Residential

Margaret Thean
Executive Director
Regional Head of Residential
+65 6393 2383
margaret.thean@etcsea.com

Karen Ong
Senior Director
+65 6393 2366
karen.ong@etcsea.com

REGIONAL OFFICES

Malaysia

Eddy Wong
Managing Director
+603 2024 6380
eddy.wong@ntl.my

Thailand

Ong Choon Fah
Chief Executive Officer
+65 6393 2318
choonfah.ong@etcsea.com

Punnee Sritanyalucksana
Chief Operating Officer
+66 2257 0499 ext 101
punnee.s@etcthailand.co.th

Editor:

Ong Choon Fah
Chief Executive Officer
+65 6393 2318
choonfah.ong@etcsea.com

Authors:

Alice Tan
Senior Director
Research & Consulting
+65 6393 2329
alice.tan@etcsea.com

Leong Kin Mun
Assistant Manager
Research
+65 6393 2548
kinmun.leong@etcsea.com

For more information, please contact us at research.sg@etcsea.com.

Disclaimer: The information contained in this document and all accompanying presentations (the "Materials") are approximates only, is subject to change without prior notice, and is provided solely for general information purposes only. While all reasonable skill and care has been taken in the production of the Materials, EDMUND TIE (the "Company") make no representations or warranties, express or implied, regarding the completeness, accuracy, correctness, reliability, suitability, or availability of the Materials, and the Company is under no obligation to subsequently correct it. You should not rely on the Materials as a basis for making any legal, business, or any other decisions. Where you rely on the Materials, you do so at your own risk and shall hold the Company, its employees, subsidiaries, related corporations, associates, and affiliates harmless to you and any third parties to the fullest extent permitted by law for any losses, damages, or harm arising directly or indirectly from your reliance on the Materials, including any liability arising out of or in connection with any fault or negligence. Any disclosure, use, copying, dissemination, or circulation of the Materials is strictly prohibited, unless you have obtained prior consent from the Company, and have credited the Company for the Materials.

© EDMUND TIE 2020