SINGAPORE Q3 2022

Property cooling measures to moderate demand

EDMUND TIE

General price trends

The residential overall price index rose by 3.8% qoq in Q3 2022 for the 10th straight quarter. Prices of landed properties rose by 1.6% qoq in Q3 2022, moderating from the 2.9% increase in the previous quarter, while prices of non-landed properties rose by 4.4% in Q3 2022, moving up from the 3.6% increase in the previous quarter.

Within the non-landed properties, the largest price increase in Q3 2022 was posted in the Outside Central Region (OCR) at 7.5% qoq, followed by the Rest of Central Region (RCR) at 2.8% qoq, and Core Central Region (CCR) at 2.3% qoq.

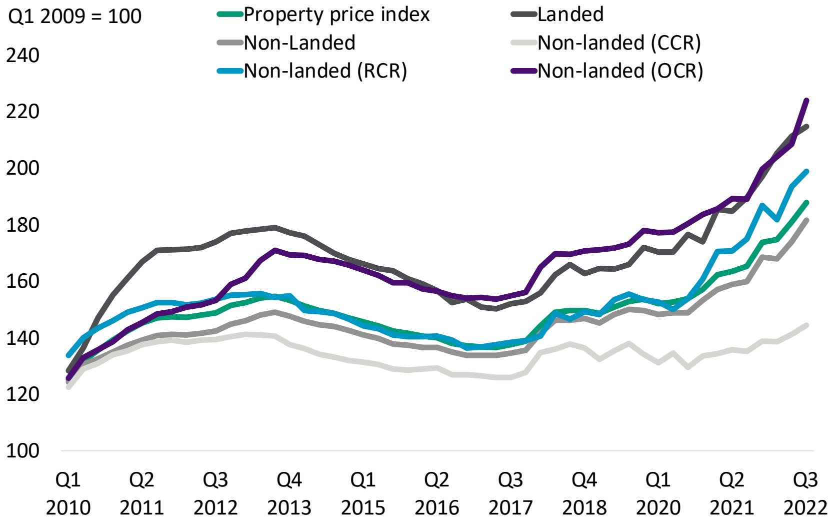
The large price increase in the non-landed properties in the OCR was due to the strong sales in Lentor Modern, AMO Residence and Sky Eden@Bedok. All three projects were launched at record median prices of $2,108 psf, $2,110 psf and $2,118 psf, respectively.

In Q3 2022, non-landed median price of unit size (700 to 1,000 sq ft) saw the largest increase of 11.1% qoq, again driven by new launches such as Lentor Modern, AMO Residence and Sky Eden@Bedok.

Table 1: Non-landed median $psf by unit size

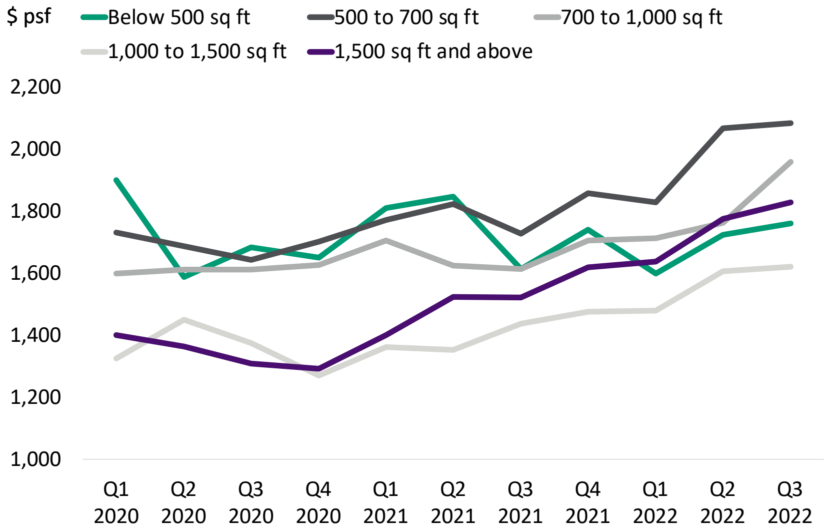
Tier of unit size	Price increase (% qoq) in Q3 2022
Below 500 sq ft	2.0%
500 sq ft to 700 sq ft	0.8%
700 sq ft to 1,000 sq ft	11.1%
1,000 sq ft to 1,500 sq ft	0.9%
1,500 sq ft and above	3.0%

Figure 1: All residential, landed, and non-landed PPI



Source: URA

Figure 2: Non-landed median $psf by unit size



Source: URA, EDMUND TIE Research

Transaction volume

Overall transaction volume fell by 9.7% qoq in Q3 2022 to 6,148 units, from Q2 2022's 6,811 units. This is due to macroeconomic headwinds, rising interest rates and a slowdown in sales activities during the Hungry Ghost month that happened from 29 July to 26 August 2022.

The secondary market saw a larger decline of 10.3% qoq in transaction volume during the quarter, compared to the 8.8% qoq decrease in the primary market.

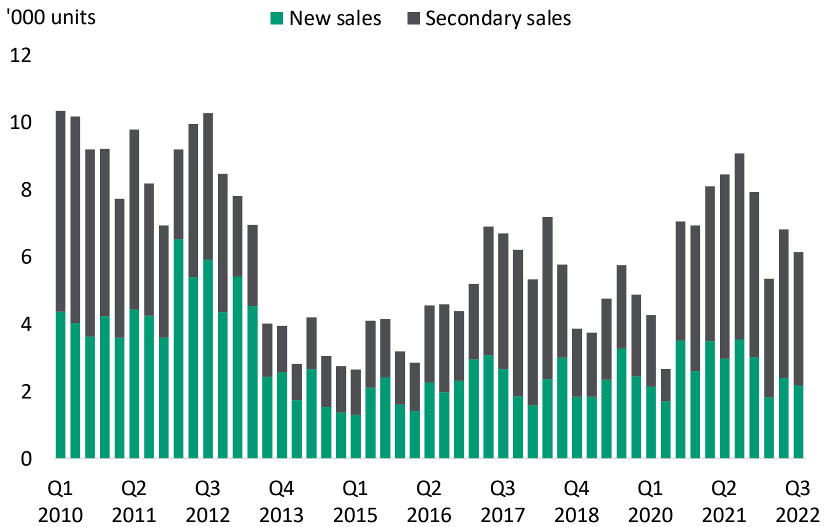
In Q3 2022, developers moved 2,187 units, compared to Q2 2022's 2,397 units, as new project launches in the OCR such as Lentor Modern, AMO Residence and Sky Eden@ Bedok helped to propel primary sales volumes.

The quarter witnessed total new sales volumes continue to outpace launch activity for the sixth consecutive quarter, driven by sales volume in the OCR.

Total launched units in Q3 2022 fell by 25.6% qoq to 1,455 units, due to a dearth of sizeable project launches in the CCR and RCR. Total new sales volume declined by 8.8% qoq to 2,187 units. Hence, the sales take-up rate rose to 150% in Q3 2022, compared to 123% in the previous quarter.

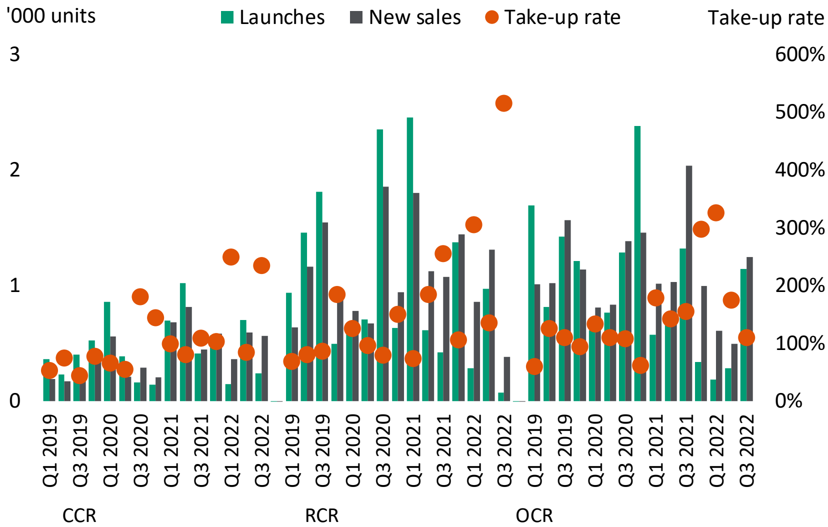
New sales volumes in OCR saw a sharp increase of 151% qoq in Q3 2022, due to several new project launches such as AMO Residence, Sky Eden@Bedok and Lentor Modern, which achieved stellar sales performances in the quarter. For the CCR and RCR, new sales volume fell by 5.1% qoq and 70.9% qoq to 562 units and 381 units respectively. However, take-up rates remained healthy for CCR and RCR, at 234% and 515% respectively, soaking up previously launched inventory.

Figure 3: Transaction volume of primary and secondary sales



Source: URA

Figure 4: New launches and sales by market segment



Source: URA, EDMUND TIE Research

There were five new projects launches in Q3 2022 – AMO Residence, The Jardine Residences, Lentor Modern and Sky Eden@Bedok in the OCR, and a landed housing development located along Mount Rosie Road in the CCR.

Notably, in the OCR, Lentor Modern moved 512 of the 605 units launched, while AMO Residence moved 362 of the 372 units launched. In the RCR, Piccadilly Grand moved 344 out of the 380 units launched.

Table 2: New project launches in 2022 (data as at 15 October 2022)

Launch Month	Development	Location	Developer	Tenure	Total Units	Cumulative Units Launched to-date (15 Oct 22)	Cumulative Units Sold to-date (15 Oct 22)	Take-up rate %	Lowest $ psf	Highest $ psf
CCR										
Jan-22	Ikigai	Shrewsbury Road	Opulent Development Pte Ltd	Freehold	16	16	3	19%	$2,121	$2,189
Aug-22	Landed Housing Development	Mount Rosie Road	Mount Rosie Development Pte Ltd	Freehold	6	9	1	17%	$3,812	$3,812
					22	25	4	18%		
RCR										
Feb-22	Royal Hallmark	Haig Lane	H Homes Pte Ltd	Freehold	32	32	17	53%	$1,728	$2,212
May-22	Atlassia	Joo Chiat Place	K16 Place Pte Ltd	Freehold	31	31	19	61%	$1,901	$2,206
May-22	Liv @ MB	Arthur Road	BSEL Development Pte Ltd	99 yrs from 23/11/2021	298	250	242	81%	$2,079	$2,869
May-22	Piccadilly Grand	Northumberland Road	Maximus Residential SG Pte Ltd/ Maximus Commercial SG Pte Ltd	99 yrs from 02/08/2021	407	380	344	85%	$1,870	$2,593
					768	693	622	81%		
OCR										
Jan-22	Belgravia Ace	Belgravia Drive	Fairview Developments Pte Ltd	Freehold	107	85	82	77%	$1,012	$1,127
Apr-22	Spring Waters Villas	Jalan Mata Ayer	South Island Mata Ayer Pte Ltd	999 years leasehold	6	6	1	17%	$1,710	$1,710
May-22	Baywind Residences	Lorong N Telok Kurau	Baywind Properties Pte Ltd	Freehold	24	24	14	58%	$1,953	$2,155
Jul-22	AMO Residence	Ang Mo Kio Rise	United Venture Development (2021) Pte Ltd	99 yrs from 30/08/2021	372	372	362	97%	$1,890	$2,406
Aug-22	The Jardine Residences	Lorong Chuan	JGL Property Pte Ltd		6	6	0	0%	$0	$0
Sep-22	Lentor Modern	Lentor Central	Lentor Central Pte Ltd/ Lentor Modern Pte Ltd	99 yrs from 26/10/2021	605	605	512	85%	$1,837	$2,513
Sep-22	Sky Eden@ Bedok	Bedok Central	Chempaka Development Pte Ltd	99 yrs from 05/01/2022	158	158	121	77%	$1,854	$2,286
					1,278	1,256	1,092	85%		
Total					**2,068**	**1,974**	**1,718**	**83%**		

Source: URA, EDMUND TIE Research

Trends in unit size, price range and foreign buyer profile

In the non-landed primary market, the sweet spot in Q3 2022 by unit size was for units between 700 and 1,000 sq ft at 36% share, up from 27% in the previous quarter, driven by new project launches such as Lentor Modern, AMO Residence and Sky Eden@Bedok.

Table 3: Non-landed new sales by unit size

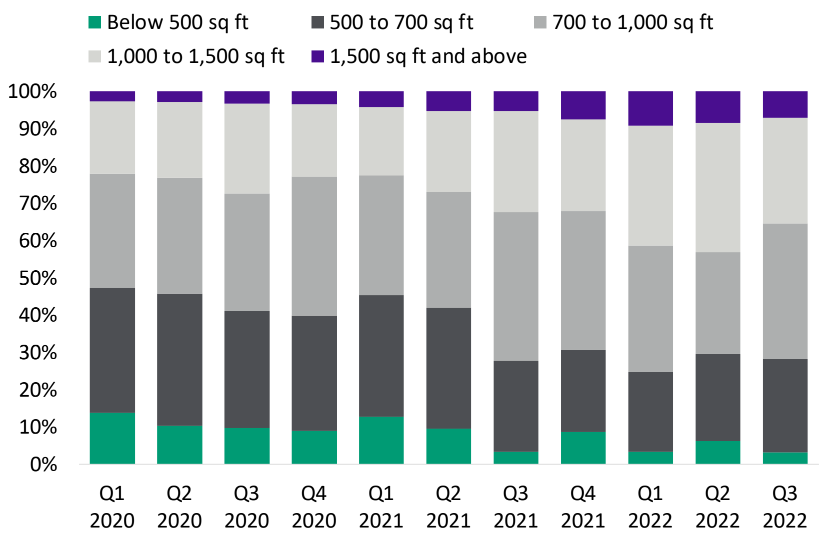
Tier of unit size	Changes in Transaction Share (% qoq) in Q3 2022
Below 500 sq ft	-3.1%
500 sq ft to 700 sq ft	1.6%
700 sq ft to 1,000 sq ft	9.2%
1,000 sq ft to 1,500 sq ft	-6.4%
1,500 sq ft and above	-1.3%

The share of new non-landed units priced $1.5 to $2 million rose from 29% in Q2 2022 to 36% Q3 2022. These transactions were mainly from projects such as Lentor Modern, AMO Residence, Sky Eden@Bedok, Hyll on Holland and Leedon Green. For instance, 44% of the sales transactions in Lentor Modern were priced at $1.5 to $2 mn.

Table 4: Non-landed new sales by price range

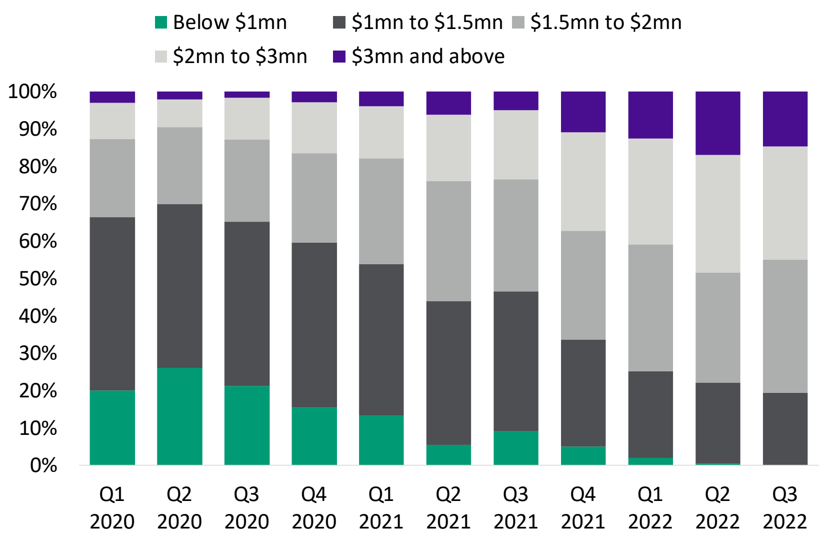
Tier of price range	Changes in Transaction Share (% qoq) in Q3 2022
Below $1mn	-0.4%
$1mn to $1.5mn	-2.3%
$1.5mn to $2mn	6.4%
$2mn to $3mn	-1.4%
$3mn and above	-2.2%

Figure 5: Non-landed new sales by unit size



Source: URA, EDMUND TIE Research

Figure 6: Non-landed new sales by price range



Source: URA , EDMUND TIE Research

The number of homes sold to foreigners declined by 13.4% from 292 units in Q2 2022 to 253 units in Q3 2022.

Nonetheless, in terms of proportion, the share of homes sold to foreigners remained broadly stable at 4.7% in Q3 2022 as compared to 4.8% in the previous quarter, amid rising interest rates and ongoing macroeconomics headwinds.

The share of foreign demand rose in the two market segments, RCR and OCR, from Q2 2022 to Q3 2022, with 4.4% to 4.7% and 1.4% to 2.0% respectively. Amid rising prices, foreign investors are casting their nets wider to include more affordable properties located in the fringe and suburban locations. Foreign demand share in the CCR, on the other hand, fell from 12.2% to 11.4% from Q2 2022 to Q3 2022.

On the other hand, the Americans overtook the Mainland Chinese in Q3 2022, for the third consecutive quarter, taking the top spot in foreign demand in both CCR and RCR, accounting for about a fifth of the transactions by foreigners in each segment. The Mainland Chinese overtook the Americans in Q3 2022 to take the top spot in foreign demand in the OCR, accounting for about a third of the transactions in the segment. The resilience of the Singapore property market has buoyed Mainland Chinese investors' confidence and interest in Singapore as a safe haven. It appears that they are now taking a stronger interest in the more affordable segment of the market.

Table 5: Foreigner buyer profile by market segment

Nationality	Q2 2022	Q3 2022	qoq change
CCR: % of all purchases by foreigners (non-PR)	**12.2**	**11.4**	**-0.8**
Top nationalities and % share of foreign purchases			
American	28.6	23.1	-5.5
Mainland Chinese	19.7	20.1	0.4
Indonesian	17.7	8.2	-9.5
RCR: % of all purchases by foreigners (non-PR)	**4.4**	**4.7**	**0.3**
Top nationalities and % share of foreign purchases			
American	27.3	20.6	-6.7
Mainland Chinese	30.0	14.3	-15.7
Hong Kong	3.6	3.2	-0.4
OCR: % of all purchases by foreigners (non-PR)	**1.4**	**2.0**	**0.6**
Top nationalities and % share of foreign purchases			
American	14.3	30.4	16.1
Mainland Chinese	31.4	17.9	-13.5
Indonesia	11.4	1.8	-9.6

Source: URA, EDMUND TIE Research

Outlook

The government introduced a slew of property cooling measures with effect from 30 September this year to moderate demand from private property owners, amid the rising interest rate environment. In the short term, sales momentum could slow especially for suburban homes as tighter financing crimps affordability. Looking ahead, primary sales activity for 2022 is likely to moderate in the territory of around 8,000 to 8,500 units, a marked decline from 13,027 units last year.

We also expect more restrained land bidding activity in the months ahead. With a slowdown in the sales momentum, the supply-demand dynamics are now more balanced; the unsold inventory would take about 2.5 years of primary sales to be cleared. Hence, private residential price is projected to soften to about 9% for the whole of this year, compared with 10.6% last year. Price growth expectations for 2023 remain positive, although risks are growing amid the multiple economic headwinds. For 2023, primary sales of about 7,000 to 8,000 units are expected while prices could rise by about 1-3%, barring a further deterioration in economic conditions or new cooling measures.

CONTACTS

Desmond Sim
Chief Executive Officer
+65 6393 2366
desmond.sim@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

Asset Management

Jaqueline Choo
Asset Manager
+65 6393 2503
jaqueline.choo@etcsea.com

Hospitality

Kwok Sai Kuai
Executive Director
+65 6417 9229
saikuai.kwok@etcsea.com

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

Research & Consulting

Lam Chern Woon
Senior Director
+65 6393 2340
chernwoon.lam@etcsea.com

Property Management

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

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

AGENCY SERVICES

Investment Advisory

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

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

Business Space & Retail

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

Auction & Sales

Chua Wei Lin
Executive Director
+65 6393 2326
weilin.chua@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
Executive Director
+65 6393 2366
karen.ong@etcsea.com

China Desk

Desmond Sim
Chief Executive Officer
+65 6393 2366
desmond.sim@etcsea.com

REGIONAL OFFICES

Malaysia

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

Thailand

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

Authors:

Lam Chern Woon
Senior Director
Research & Consulting
+65 6393 2340
chernwoon.lam@etcsea.com

Joey Ong
Assistant Manager
Research & Consulting
+65 6393 2341
joey.ong@etcsea.com

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

Edmund Tie & Company (SEA) Pte Ltd

5 Shenton Way #13-05 UIC Building Singapore 068808.

T. +65 6293 3228 | F. +65 6298 9328 | mail.sg@etcsea.com | Please visit www.etcsea.com and follow us on

Scan the QR code with WeChat app to visit our WeChat account.