

PRIVATE NEW HOME SALES

PROPnex RESEARCH
MONTHLY REPORT – NOVEMBER 2022

New private home sales tepid in November on lack of major project launches and limited unsold stock

- Overall new home sales in November fell by 17.3% to 259 units (excl. EC) from the previous month where 313 new homes were sold – this is the lowest monthly figure since December 2014 where 230 units were sold then.
- Private new home sales were led by the Core Central Region (CCR) where 148 units were transacted, accounting for nearly 57% of total developers' sales in the month.

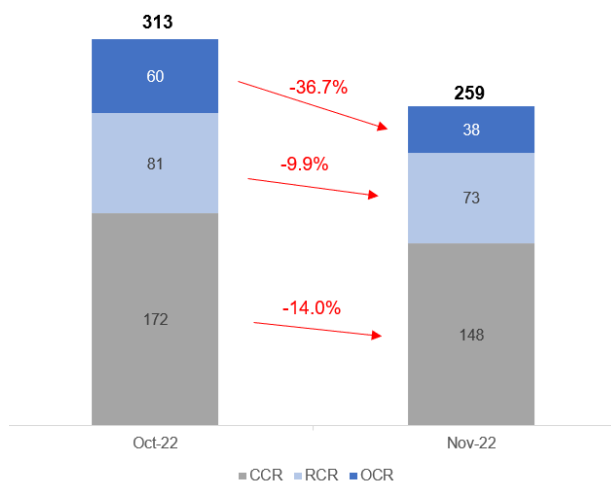


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MONTHLY PRIVATE NEW HOME SALES

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Private New Home Sales (Excl. ECs)
(October 2022 vs November 2022)



Source: PropNex Research, URA

New private home sales remained tepid in November as a lack of major project launches and tight unsold inventory in the primary market weighed on sales volume. Developers sold 259 new units (excluding Executive Condos) in November, representing a 17.3% decline from the previous month and a fall of 83% from November 2021. It is also the lowest monthly new home sales figure since December 2014 where 230 units were sold then.

Developers' sales in November were subdued amid the lack of new project launches and the thinning unsold stock of new homes on the market, especially in the OCR. Three smaller projects – Hill House, Sophia Regency, and Kovan Jewel – were put on the market in November. The 72-unit Hill House sold 12 units at a median price of \$3,028 psf while 34-unit Kovan Jewel shifted 4 units at a median price of \$2,120 psf.

By sub-markets, new home sales volumes fell across the board from October to November. The **Core Central Region (CCR)** led monthly sales, selling 148 units which accounted for about 57% of the monthly sales. The top-selling CCR projects during the month included Leedon Green which transacted 16 units at a median price of \$2,851 psf, One Holland Village Residences which sold 15 units at a median price of \$2,886 psf, and Perfect Ten which shifted 14 units at a median price of \$3,154 psf.

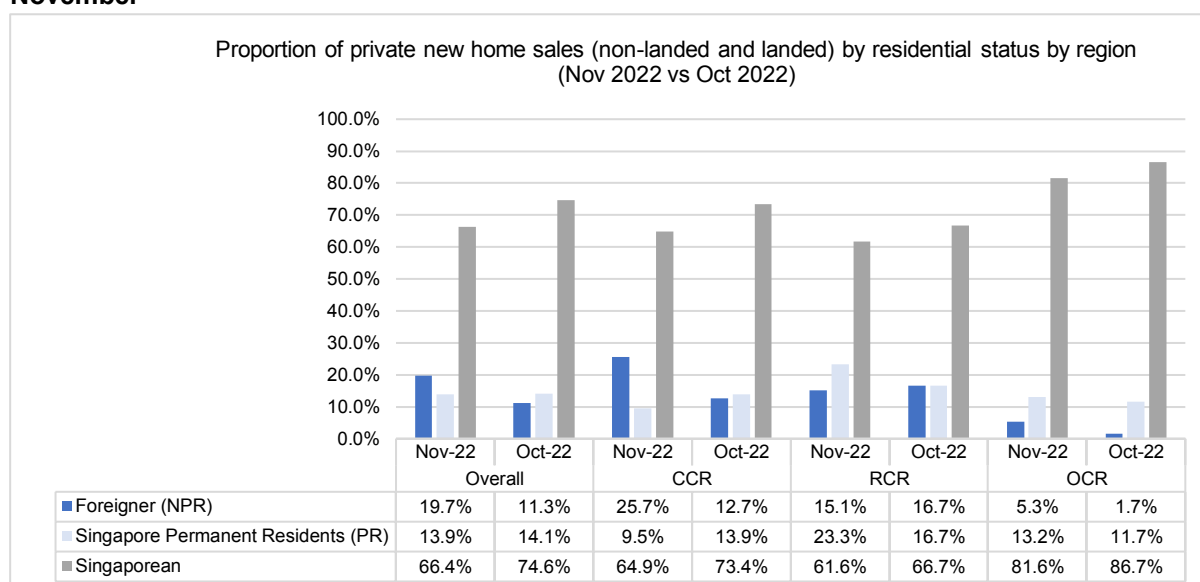
Meanwhile, developers sold 73 new units in the **Rest of Central Region (RCR)** in November – down by nearly 10% from 81 units transacted in the previous month. Riviere is the most popular RCR project in November, selling 19 units at a median price of \$3,024 psf. It is followed by The Landmark which sold 13 units at a median price of \$2,459 psf. Riviere, which is expected to obtain its temporary occupation permit (TOP) in Q1 2023 has been steadily moving units over the past months; it is now 87% sold as of November.

Developers' sales were particularly sluggish in the **Outside Central Region (OCR)** as the lack of new launches and depleted unsold stock meant fewer options for home buyers. In November, 38 new units were transacted in the OCR – down by 37% from October. Lentor Modern was the best-performing OCR project in November, selling 9 units at a median price of \$2,218 psf.

Meanwhile, **EC** sales came in at 186 units in November, following the strong sales of 498 units in the previous month. The EC sales volume was driven by Copen Grand, which sold 176 units at a median price of \$1,323 psf in November. Copen Grand in the up-and-coming Tengah new town is now fully sold just after a month from its launch on 22 October 2022.

In November, developers placed 319 new units (ex. ECs) for sale – up from the 102 units that was put on the market in the previous month. No new ECs were launched during the month.

Chart 1: Proportion of new private homes (ex. EC) purchased by foreigners climbed in November



Source: PropNex Research, URA Realis (data retrieved on 15 December 2022)

According to URA Realis caveat data, the overall proportion of foreign buyers for private new home sales rose to 19.7% in November from 11.3% in October, largely driven by deals in the CCR. In particular, foreign buyers accounted for more than a quarter of new home sales in the CCR, doubling from the proportion in October (12.7%, See Chart 1). The proportion of Singaporean buyers across all market segments fell in November from the previous month – accounting for 64.9% of transactions in the CCR, 61.6% in the RCR and 81.6% in the OCR.

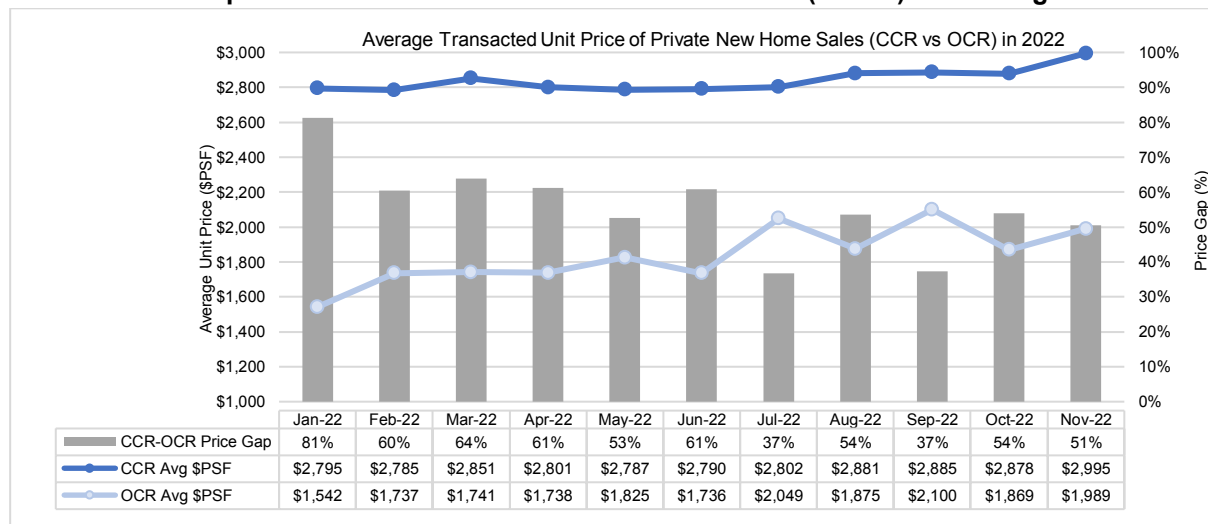
Table 1: Median Transacted Unit Price (\$PSF) of New Private Homes (ex. ECs)

Market Segment	Oct-22	Nov-22	MOM % Change
Core Central Region	2,871	2,937	2.3%
Rest of Central Region	2,472	2,532	2.4%
Outside Central Region	1,946	2,060	5.9%

Source: PropNex Research, URA Realis (data retrieved 15 December 2022)

Meanwhile, the median unit price of new private homes (non-landed and landed, excl. EC) rose across all three regions (See Table 1) from October to November. The median transacted unit price in the OCR grew by 5.9% MOM to \$2,060 psf, while that of the CCR and RCR increased by 2.3% and 2.4% to \$2,937 psf and \$2,532 psf, respectively. Notably, the price gap between CCR and OCR remained steady at around 50% as of November 2022, as OCR new home prices stabilised amid the lack of new launches. PropNex expects OCR home prices to possibly grow at a slower pace in 2023, following the strong gains this year.

Chart 1: Price Gap between CCR and OCR Private New Homes (ex. EC) Stabilising



Source: PropNex Research, URA Realis (data retrieved 15 December 2022)

Outlook

Based on URA data, most of the existing OCR launches have sold more than 70% to 100% of their inventory, leaving buyers with limited options. Similarly, unsold stock in the RCR has also pared down following the steady sales at city fringe projects. This imbalance in supply and demand is expected to persist in December. In view of this, PropNex anticipates that upcoming launches in the Q1 2023, such as Sceneca Residence, Lentor Hills Residences, The Botany@Dairy Farm, and The Arden should garner healthy interest due to pent-up demand.

In the first 11 months of 2022, developers have sold about 6,980 new private homes (ex. ECs). Given the dearth of new launches, tight unsold supply and year-end seasonal lull, PropNex expects new home sales to hover around 7,300 units for full year 2022, normalising from the 13,027 units shifted last year. The decline in sales is largely due to the pullback in launches this year – developers launched over 4,400 new private homes (ex. ECs) for sale in 11M 2022, sharply lower than over 10,000 units in the corresponding period in 2021.

Meanwhile, the EC market remained lively in November, dominated mainly by Copen Grand, which is now fully-sold a month after its launch. EC sales momentum will keep up in December 2022 and January 2023, with Tenet EC in Tampines selling 72% of its units over the launch weekend on 3 December. PropNex expects Tenet to similarly sell out a month from its launch, when the sales quota for second-timer buyers is lifted. Amid high private home prices and rising interest rates, well-located ECs will remain a firm favourite among Singapore

households because of their strong value proposition – on average, the price gap between new ECs and OCR launches is at more than \$700 psf this year.

PropNex expects the private new home sales market to finish the year on a relatively quieter note, but 2023 should bring more choices to would-be buyers as more launches come on. In addition, there is also a possibility of slowing interest rate hikes in 2023, which could give homebuyers more confidence to enter the market.

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

S/N	Project	Region	Units Sold in Nov 2022	Median Price in Nov 2022 (\$PSF)
1	RIVIERE	RCR	19	3,024
2	LEEDON GREEN	CCR	16	2,851
3	ONE HOLLAND VILLAGE RESIDENCES	CCR	15	2,886
4	PERFECT TEN	CCR	14	3,154
5	PULLMAN RESIDENCES NEWTON	CCR	13	3,142
	THE LANDMARK	RCR	13	2,459
6	HILL HOUSE	CCR	12	3,028
7	ONE PEARL BANK	RCR	11	2,639
8	HAUS ON HANDY	CCR	9	2,759
	LENTOR MODERN	OCR	9	2,218
9	HYLL ON HOLLAND	CCR	8	2,833
	MIDTOWN MODERN	CCR	8	2,758
	SLOANE RESIDENCES	CCR	8	2,915
	THE AVENIR	CCR	8	3,401
10	IRWELL HILL RESIDENCES	CCR	6	2,977
	PARC CLEMATIS	OCR	6	1,794
	THE COMMODORE	OCR	6	1,507

Source: PropNex Research, URA

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