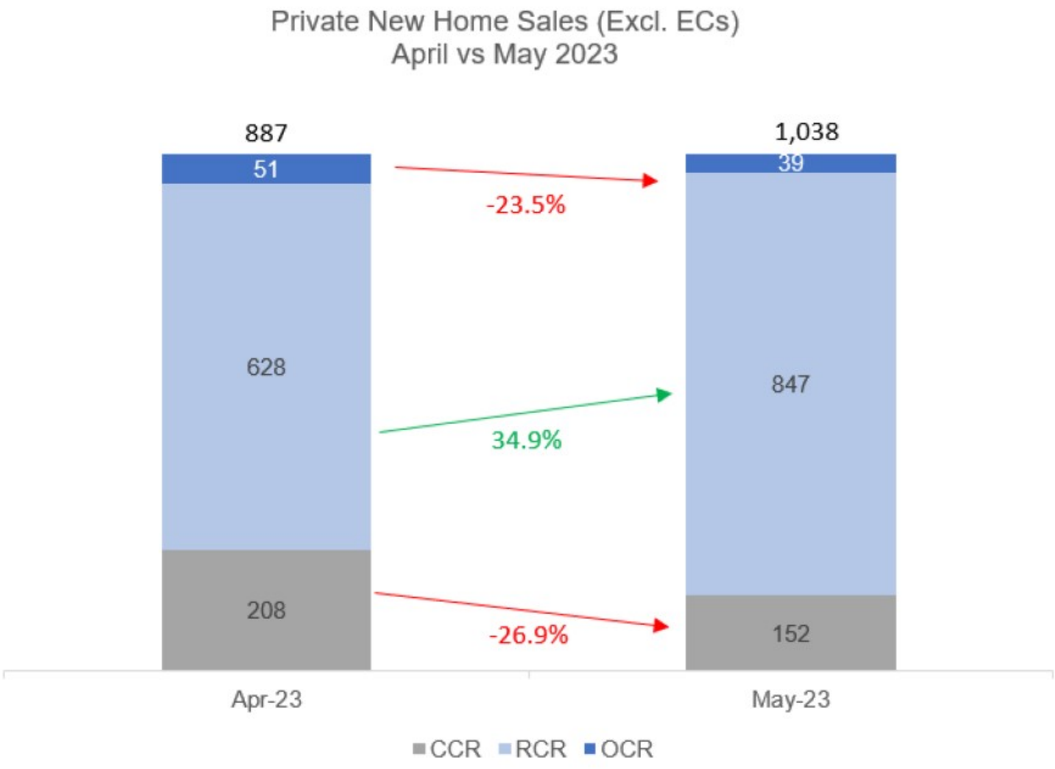
New Private Home Sales Hit One-Year High In May 2023, On Strong Demand For Fresh Launches In The City Fringe

15 June 2023, SINGAPORE – The sales momentum of new private homes continued to gain traction in May 2023, building on April's transaction growth. Developers' sales reached a one-year high in May 2023 as two fresh project launches – The Continuum and The Reserve Residences – drove a 17% month-on-month increase in sales to 1,038 units (ex. EC) from 887 units sold in the previous month. This follows an 80% MOM surge in developers' sales from March to April.

It is the first monthly developers' sales to surpass the 1,000-unit mark since May 2022, where 1,355 new homes were transacted. On a year-on-year basis, new home sales in May 2023 were down by 23.4% from a high base of units sold in May 2022, where the launch of Liv @ MB and Piccadilly Grand helped to prop up transactions then. Once again, as with April, May's new home sales were led by the **Rest of Central Region (RCR)** which saw 847 new homes sold – up by 34.9% from April. New launches The Continuum and The Reserve Residences made up 88% of the RCR sales, with integrated development The Reserve Residences shifting 523 units at a median price of $2,461 psf, and freehold The Continuum selling 225 units at a median price of $2,720 psf.



Source: PropNex Research, URA

The Reserve Residences and The Continuum were the only fresh projects launched for sale in May. The primary market sales activity in June is expected to be more muted as no new projects are slated to be launched for sales booking, amidst the school holiday period.

The **Core Central Region (CCR)** transacted 152 new private homes, representing a 26.9% MOM decline from April's sales. The top-selling CCR projects included The Atelier which sold 22 units at a median price of $2,685 psf, and Pullman Residences Newton which transacted 16 units at median prices of $3,278 psf.

New home sales in the **Outside Central Region (OCR)** fell by 23.5% MOM to 39 units in May in the absence of fresh projects and the tight supply of unsold stock in the OCR. The best-selling OCR project during the month was The Botany at Dairy Farm, where 16 units were sold at a median price of $2,125 psf. Based on URA data, out of the mass market projects that have been launched for sale in the OCR, about 93% of the units (ex. EC) in the developments have already been sold – presenting few available options to buyers.

In the **EC** segment, developers sold 17 new units in May, down from 22 units that changed hands in April. North Gaia moved 15 units at a median price of $1,270 psf during the month. As at end-May, 387 units in EC projects that have been launched remain unsold, with North Gaia accounting for majority of the unsold units, according to the URA data.

Developers placed 1,595 new units (ex. ECs) for sale in May (largely from The Continuum and The Reserve Residences) – up from 798 units that were put on the market in the previous month.

Please attribute the comments below to Wong Siew Ying, Head of Research & Content, PropNex Realty.
"Despite three rounds of cooling measures since December 2021, high home loan mortgage rates, slower economic growth outlook, and firm home prices, demand for new private residential launches has remained resilient. The two new projects out in May – The Continuum and The Reserve Residences – collectively accounted for about 72% of the May's sales.

We think the robust demand stems from Singaporeans' confidence in the local property market which - while subjected to market vagaries and cycles – has generally been relatively stable, with prices having been on an up-trend over the time. Since 2009, the government has also been intervening from time to time, with various cooling measures to ensure the residential property market does not overheat and prices do not get ahead of economic fundamentals. In addition, buyers may also feel assured about their job and income, and about Singapore's long-term prospects.

This confidence, coupled with an ample dry powder keg at the ready – be it from personal savings, intergenerational wealth transfer, and/or capital unlocked from a property sale (e.g. HDB upgraders) or other investments – have seen buyers entering the market when attractive projects come along. Meanwhile, the progressive payment scheme for new launches certainly helps in cushioning buyers from bearing the full weight of the high interest payments from the get-go.

As private home sales are broadly underpinned by local demand, the overall transaction volume is still healthy in spite of the recent hike in additional buyer's stamp duty (ABSD) rate to 60% for foreigners, which was implemented from 27 April 2023. Looking at URA Realis caveat data, we note that the proportion of new non-landed private home sales to foreigners (non-PRs) has indeed fallen quite noticeably in May to 3.5% of the monthly sales, compared to the 8.2% in April (see Table 1).

At 3.5%, this would be the lowest proportion since December 2021, where the portion of new non-landed private homes purchased by foreigners was at 3.3% of the monthly total. It may be early days yet, but this could be a sign that the punitive 60% ABSD rate is working through the market and trimming foreign investment demand, as investors assess their options. Meanwhile, the proportion of sales to PRs and Singaporeans picked up slightly to 11.1% and 85.5% respectively in May (from 9.7% and 82% in April).

Table 1: Proportion of non-landed new private home sales (ex. EC) by nationality by residential status over the past year

Nationality by Residential Status	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Company	-	0.2%	-	-	0.1%	-	-	-	0.5%	-	0.5%	0.1%	-
Foreigner (NPR)	5.7%	12.8%	5.0%	12.7%	4.5%	11.4%	19.2%	21.9%	14.3%	12.6%	8.1%	8.2%	3.5%
Singapore Permanent Residents (PR)	10.3%	12.3%	9.7%	11.2%	8.2%	14.0%	14.0%	11.6%	14.3%	16.9%	14.0%	9.7%	11.1%
Singaporean	84.0%	74.7%	85.3%	76.0%	87.3%	74.5%	66.8%	66.5%	70.9%	70.5%	77.4%	82.0%	85.5%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: PropNex Research, URA Realis (retrieved 15 June 2023)

We expect new private home sales to be muted in June owing to a dearth of launches, but the transaction volume should rebound in July with several project launches lined up. We are anticipating the sales launch of Lentor Hills Residences and The Myst in early-July, while Pinetree Hill, Grand Dunman, and Lake Garden Residence could

potentially come on the market as well. Collectively, the five projects in the RCR and OCR can offer a total of more than 2,800 residential units, providing prospective buyers with a wider range of options - especially in the OCR where the unsold stock has been low."

Table 2: Top 10 Best-Selling Private Residential Projects (Ex. EC) in May 2023

S/N	Project	Region	Units Sold in May 2023	Median Price in May 2023 ($PSF)
1	THE RESERVE RESIDENCES	RCR	523	$2,461
2	THE CONTINUUM	RCR	225	$2,720
3	THE LANDMARK	RCR	25	$2,610
4	THE ATELIER	CCR	22	$2,685
5	PICCADILLY GRAND	RCR	18	$2,083
6	THE BOTANY AT DAIRY FARM	OCR	16	$2,125
	PULLMAN RESIDENCES NEWTON	CCR	16	$3,278
7	TEMBUSU GRAND	RCR	15	$2,436
8	LEEDON GREEN	CCR	14	$2,898
9	HYLL ON HOLLAND	CCR	13	$2,914
	ONE HOLLAND VILLAGE RESIDENCES	CCR	13	$2,886
10	THE AVENIR	CCR	10	$3,112
	MIDTOWN MODERN	CCR	10	$2,850

Source: PropNex Research, URA



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