

## Residential Market Watch 2022Q2

## MARKET MOVERS TRIGGERED DEMAND

## DASHBOARD

	Price Index	Rental Index	New Sales (units)	Resales (units)	All Residential Sales (units)	Vacancy Rate (%)
Q-o-q Change	▲ +3.5%	▲ +6.7%	▲ +31%	▲ +25%	▲ +27%	▲ +10 basis pts
Y-o-y Change	▲ +10.6%	▲ +16.2%	▼ -19%	▼ -21%	▼ -19%	▼ -90 basis pts

**Key projects drove sales volume and prices**

Following a subdued first quarter with only 613 new homes launched, developers launched 1,956 new homes for sale in the second quarter. Market sentiments improved as the economy opened up from 26 April onwards followed by the relaxation of cross border travels.

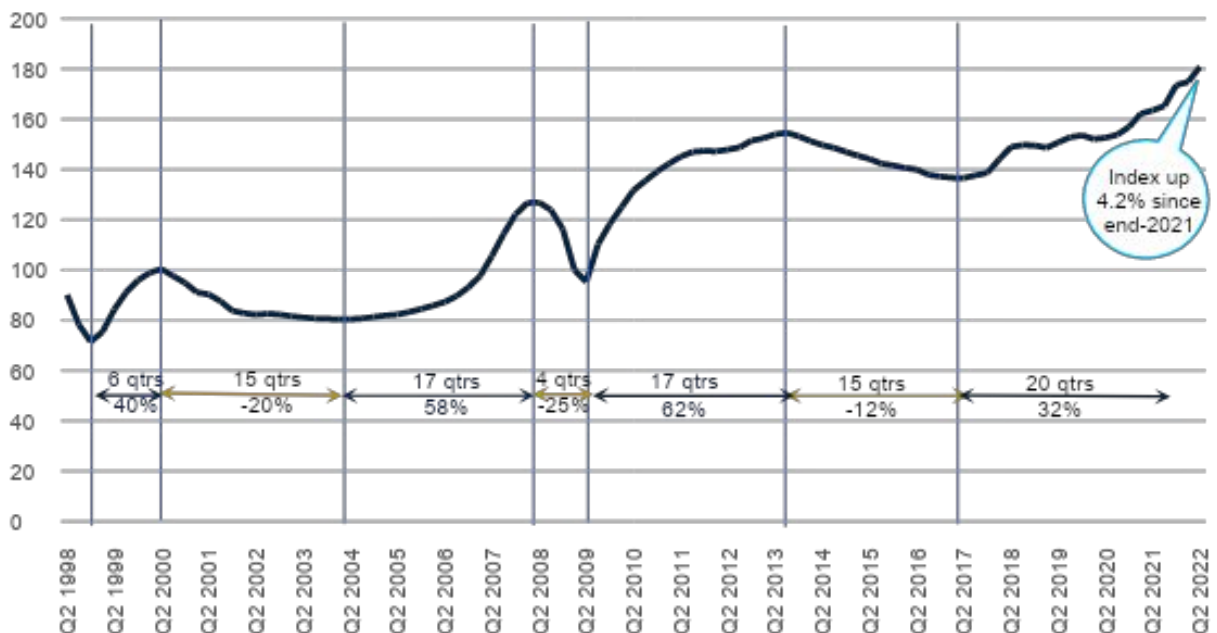
Two new launches, Piccadilly Grand and Liv @ MB, saw take-up rates of over 70% on the first weekend of launch and became market movers. A total of 2,397 new homes were sold in 2022Q2, 31% higher than the 1,825 units sold in 2022Q1. The stronger sales volume also pushed the price index up by 3.5% q-o-q, compared to a marginal rise of 0.7% in 2022Q1.

By property type, the price index of landed homes rose by 2.9% q-o-q, trailing behind the 3.6% increase by prices of non-landed homes. In 2022Q1, landed home prices rose by 4.2% q-o-q while non-landed home prices contracted by 0.3% q-o-q due to a higher resale volume compared to new sales.

Within the non-landed segment, the price index for the Rest of Central Region (RCR) showed the biggest rise of 6.4% over 2022Q1, mainly attributable to the price points of Piccadilly Grand and Liv @ MB. Riding on this wave, prices in the suburbs or Outside Central Region (OCR) and in the Core Central Region (CCR) also registered increases of 2.1% and 1.9% respectively from the previous quarter.

Over the past 4 quarters, prices in the RCR recorded a total gain of 13.3%, followed by 10.2% for OCR and 4.0% for CCR. The strong growth in prices in RCR is expected given that it has the highest number of new launches as well as the highest sales volume during this period compared to OCR and CCR.

This brings the overall residential price index to climb by 4.2% in 2022H1, similar to the 4.1% rise achieved in 2021H1. However, unlike 2021H2 when prices grew at a faster pace, with the recent hikes in interest rates and costs of living, there are signs that price growth would slow down in the second half of 2022.

**CYCLES OF THE URA RESIDENTIAL PRICE INDEX**

Source: URA, List SIR

## Market dynamics

Developers launched 1,956 new homes for sale in 2022Q2, tripling the 613 units launched in 2022Q1, leveraging on the lifting of the cap on the number of visitors at showflats and open houses was lifted from 26 April onwards. Coupled with the launch of key projects, the sale of new homes sped up to reach 2,397 units, 31% higher than the 1,825 new homes sold in 2022Q1. This happened amidst the global escalation of food and energy prices and the intensification of the Russia-Ukraine war. It reflected the confidence that investors have in Singapore's economic and political climate, as well as the financial strength of home buyers here.

Sales activity in 2022Q2 was triggered by two key projects. Located at Northumberland Road, Piccadilly Grand has a 1,500 sqm retail component, a 500 sqm child care centre and is linked to Farrer Park MRT station. During its first weekend of launch, it was 77% sold at the average price of \$2,150 psf. Over at Arthur Road and within a few minutes' walk from the future Katong Park MRT station, Liv @ MB was equally well-received with a take-up rate of 78% at the average price of \$2,400 psf. The average prices of both projects were new benchmarks for 99-year leasehold projects in their respective locations. The sales momentum and price points of these two projects helped to move several ongoing projects. In fact, about 71% of the 2,397 new sales were from these projects.

Buoyed by the new sales, resale volume in 2022Q2 also jumped 25% to 4,236 transactions from 3,377 in 2022Q1. Besides the lack of new projects, it was also the lower price points of resale homes that attracted homebuyers. Based on caveat data, the average price of new apartments was \$2,190 psf at end-June, 1.5 times above the average of \$1,414 psf of resale apartments. Granted that new homes are better-designed, have more facilities and/or are connected to transport nodes, resale homes offer more living space for the same price and are immediately ready for occupation. Therefore, resale homes tend to appeal to families with older children who need more space and/or buyers with stronger financial muscles to complete the purchase in three months.

The total sales volume for 2022H1 stood at 12,154, which is only 36% of the total volume in 2021. This shows that housing demand in 2022 is unlikely to match the level in 2021.

In terms of the profile of non-landed home buyers, URA statistics showed that in 2022Q2, there were 295 foreigners and 1,051 permanent residents (PRs), up from 144 foreigners and 845 PRs in 2022Q1. This could be partly attributed to the relaxation of cross-border travel and partly to the launch of new projects. By proportion, the foreigners made up 5% and PRs, 17% of the total non-landed home buyers. Buyers from China, Malaysia, India, Indonesia and the USA were the top five foreign nationalities.

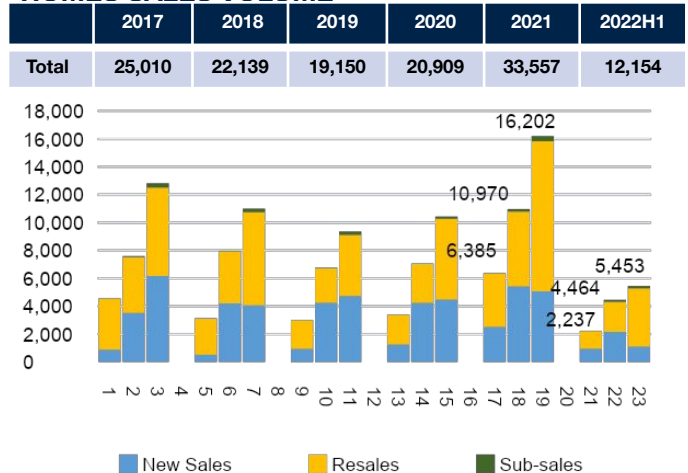
There were 144 luxury transactions in 2022Q2, higher than the 111 deals in 2022Q1. This brings the total to 255 transactions in 2022H1, comprising 219 luxury apartments, 8 bungalows in Sentosa Cove and 28 bungalows in the Good Class Bungalow (GCB) areas.

## PROJECTS THAT SOLD WELL IN 2022Q2

Name	Total Units	Units Sold#	Median psf#	Total Sold by Jun'22
<b>Core Central Region</b>				
Leedon Green	638	52	\$2,791	411
Haus On Handy	188	51	\$2,661	117
Irwell Hill Residences	540	49	\$2,821	473
The Avenir	376	48	\$3,235	284
<b>Rest of Central Region</b>				
Piccadilly Grand*	407	324	\$2,180	324
Liv @ MB*	298	231	\$2,405	231
Normanton Park	1,862	112	\$1,868	1,854
Riviere	455	80	\$2,820	296
Avenue South Residence	1,074	70	\$2,389	1,048
<b>Outside Central Region</b>				
The Florence Residences	1,410	72	\$1,752	1,391
The Watergardens	448	55	\$1,449	405
Urban Treasures	237	47	\$1,997	196
Ki Residences	660	45	\$2,181	612

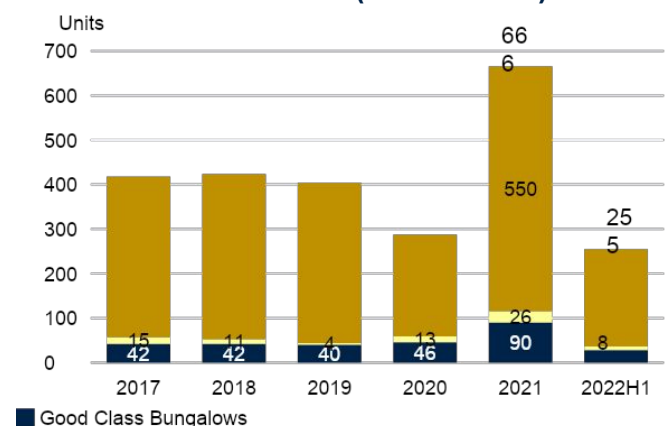
Source: URA, List SIR  
#Units sold and median price in 2022Q2 \* New launches in 2022Q2

## HOMES SALES VOLUME



Source: URA, List SIR  
CCR= Core Central Region; RCR= Rest of Central Region; OCR= Outside Central Region

## LUXURY SALES VOLUME (New & Resale)



Source: URA, List SIR  
Note: Luxury apartments defined as quality (and/or branded) developments in Core Central Region with price quantum above \$5 mil each.



## Rental market

Home rents escalated at a faster pace in 2022Q2, chalking up 6.7% q-o-q compared to the 4.2% rise in 2022Q1. This is the biggest quarterly increase since Q4 2007. The steep rise in rentals was driven by a mismatch between tenants and homes available for rent. As the Singapore economy opened up, more new expatriate hires were looking for accommodation, competing with locals who needed interim housing until they could move to their new homes. Higher mortgage costs and property taxes for investment properties could have spurred landlords to raise rents.

The rental index of non-landed homes surged by 7.1% q-o-q while that of landed homes rose by 3.2% from 2022Q1. Within the non-landed segment, rents in CCR and OCR hiked by a significant 7.7% each while RCR saw a gain of 5.9% from 2022Q1. The bigger magnitude of increase could be attributed to the new levels set by luxury apartments in CCR and recently completed developments in OCR.

A total of 2,682 new homes were completed in 2022Q2, tripling the 819 new homes completed in the previous quarter. New projects completed included Stirling Residences (1,259 units), Whistler Grand (716 units), Parc Botannia (357 units) and The Hyde (117 units). This brings the total private housing stock to 385,529 homes at end-June.

With the higher number of new completions, there were 20,765 vacant homes, slightly higher than the 20,299 vacant homes in 2022Q1. Islandwide vacancy rate stood at 5.4%, compared to 5.3% in 2022Q1.

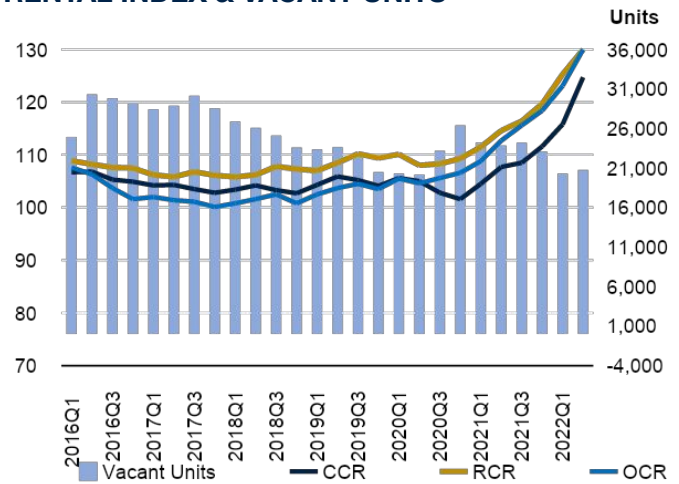
## Supply in the pipeline

At the end of 2022Q2, there was a total supply of 48,836 uncompleted private homes in the pipeline with planning approvals, compared to 47,415 units in 2022Q1. Of this number, 15,805 units (32%) remained unsold, which is higher than the 14,087 units at end-March. Within the 15,805 units, 5,799 units (37%) were from projects that were either launched or not launched yet and 10,006 units (63%) were from projects without the prerequisites for sale.

Although developers were wary of the geoeconomic issues, inflationary pressures on materials and labour costs as well as rising interest rates, the surge in new sales in 2022Q2 gave them confidence to replenish their land bank. In 2022Q2, developers bought five sites from collective sales by private owners and two sites from the government land sales (GLS) programme.

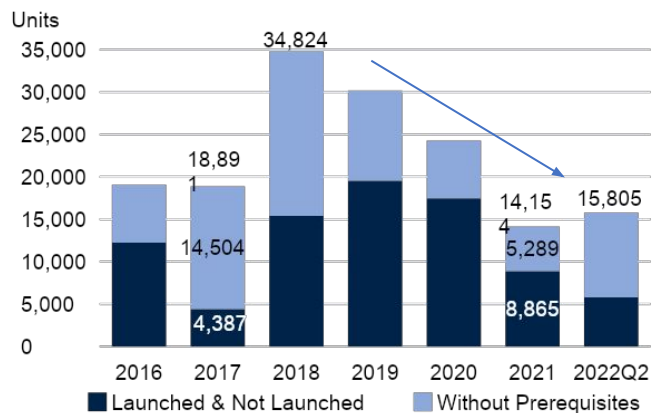
The sale of Golden Mile Complex to Far East Organization and Perennial Holdings at \$700 mil went through in May after more than 80% of the owners gave consent. The sale is subject to the approval by the Strata Titles Board. Also in May, Lakeside Apartments at Yuan Ching Road was sold to a subsidiary of Wing Tai Holdings for \$273.89 mil, 14% above its \$240 mil reserve price. Inclusive of a lease upgrading premium and development charge, its land price works out to around \$1,226 psf/plot ratio.

## RENTAL INDEX & VACANT UNITS



Source: URA, List SIR

## UNSOLD UNITS IN THE PIPELINE



Source: URA, List SIR

Note: Above figures refer to uncompleted residential units with planning approvals. Those without pre-requisites are not released for sale yet.

Under the GLS programme, UOL Group and Singapore Land Group teamed up to outbid four others to win a residential site at Pine Grove with their bid of \$671.5 mil or \$1,318 psf/ plot ratio. Another site at Dunman Road garnered only two bids due to the sizable number of units and high price quantum. SingHaiyi Group won the site with its bid of \$1.28 billion or \$1,350 psf/plot ratio.

## Outlook

The Ministry of Trade and Industry (MTI) narrowed its range for Singapore's gross domestic product growth this year to 3% to 4%, from an earlier projection of 3% to 5%. This is in tandem with a worsening outlook for the global economy and stubbornly high inflation.

Based on the performance in 2022Q2, demand for new and resale homes remained healthy though caution prevailed, notwithstanding the recent steep rise in interest rates. This could be attributed to the substantial savings in personal and Central Provident Fund (CPF) accounts, as well as the Total Debt Servicing Ratio (TDSR) framework which ensures that homebuyers do not over extend themselves in loans.

We expect projects with strong attributes to be market movers of demand, nudging prices upwards. Total new sales for the year is expected to be around 8,000 to 9,000 units and prices to rise by a total of 6% to 8%.



List

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## NEW PROJECTS LAUNCHED IN 2022H1

Launch Date	Name	Total Units	Units Sold by end-June	Median psf#	Developer
Jan-22	Belgravia Ace (strata semi-detached houses)	107	82	\$4.0 - \$4.6 mil per unit	Fairview Developments Pte Ltd
Jan-22	Ikigai	16	2	\$2,150	Opulent Development Pte Ltd
Feb-22	Royal Hallmark	32	15	\$1,915	H Homes Pte Ltd
May-22	Piccadilly Grand	407	325	\$2,180	City Developments & MCL
May-22	Liv @ MB	298	231	\$2,405	BSEL Development Pte Ltd
May-22	Baywind Residences	24	10	\$2,040	ABR Holdings & LWH Holdings
May-22	Atlassia	31	18	\$2,080	K16 Development
	<b>Total</b>	<b>915</b>	<b>683</b>		
Apr-22	North Gaia Executive Condo	616	162	\$1,301	Sing Holdings (Yishun) Pte Ltd

## LAND SALES IN 2022H1

Date of Sale	Property	Location	Tenure	Proposed Units	Price Mil	Land psf /PR	Buyer
<b>Private Land Sales</b>							
Jan-22	Gloria Mansion	Pasir Panjang Rd	Fh	59	\$70.30	\$1,098	Fractor Capital & a group led by Daniel Teo & Teo Teck Weng
Apr-22	Apartment block	Haig Rd/ Seraya Lane	Fh	38	\$49.30	\$1,286	Nanshan Group
May-22	Golden Mile Complex	Beach Road	99y	Subject to approval	\$700.00	-	Perennial Holdings Private Limited, Sino Land, Far East Organization
May-22	Lakeside Apartments	Yuan Ching Rd	99y	307	\$273.89	\$1,226	Winville Investments
Jun-22	East Court	Koon Seng Rd	Fh	20	\$19.88	\$1,063	Macly Pte Ltd
Jun-22	Jansen Mansions	Jansen Road	999y	21	\$19.10	\$822	Macly Capital
	<b>Approximate Supply including Golden Mile Complex</b>			<b>1,000</b>	<b>\$1,132.47</b>		
<b>Government Land sales</b>							
Jan-22	Parcel A	Lentor Hills Road	99y	595	\$586.59	\$1,060	Intrepid Investments Pte. Ltd, GuocoLand (S'pore) Pte. Ltd. and TID Residential Pte. Ltd.
Jan-22	Residential site	Jalan Tembusu	99y	640	\$768.00	\$1,302	CDL Triton Pte Ltd
Mar-22	Residential site	Dairy Farm Walk	99y	385	\$347.00	\$980	Sim Lian Land Pte Ltd & Sim Lian Development Pte Ltd
Mar-22	Executive Condominium	Bukit Batok West Ave 8	99y	375	\$266.00	\$662	CNQC-OS (2) Pte. Ltd. and SNC Realty Pte. Ltd.
Jun-22	Parcel A	Pine Grove	99y	520	\$671.50	\$1,318	United Venture Development (No. 5) Pte. Ltd
Jun-22	Residential site	Dunman Road	99y	1,040	\$1,283.89	\$1,350	Sing-Haiyi Jade Pte Ltd
	<b>Supply from GLS sites</b>			<b>3,555</b>	<b>\$3,922.98</b>		
	<b>Total Estimated Supply (private &amp; public)</b>			<b>4,500</b>			

Source: URA, List SIR



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