

Residential Updates 2Q 2021



Prepared for you by

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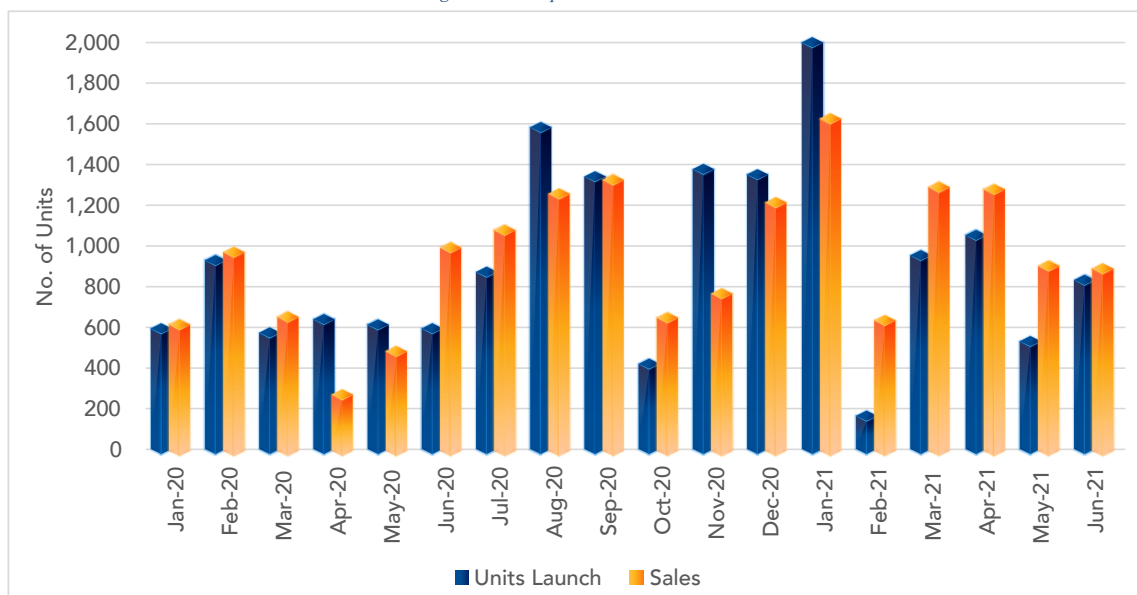
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DEVELOPER SALES

The Phase 2 (Heightened Alert) restrictions from 16 May to 13 June 2021 limited visits to show galleries and slowed down sales by 12.8%. An estimated 3,046 units were sold in 2Q 2021 compared to 3,493 units in the previous quarter.

Preliminary numbers put the transacted volume in the Core Central Region (CCR) at 841 units in 2Q 2021, 23.5% higher than 1Q 2021. This is also the highest quarterly sales in the CCR since 2010. The second quarter saw more launches like Grange 1866, Irwell Hill Residences, One Bernam, Park Nova and Les Maisons Nassim in the CCR compared to two in 1Q 2021. Ultra-high net worth individuals snapped up units in Park Nova and Les Maisons Nassim for record prices. The biggest penthouse of 5,899 sq ft at Park Nova was sold for \$34.438 million or \$5,838 psf while a four-bedroom 6,577 sq ft unit at Les Maisons Nassim was sold at \$5,930 psf or \$39 million. Both projects are developed by Shun Tak Holdings.

Figure 1: Developer's New Sales Volume

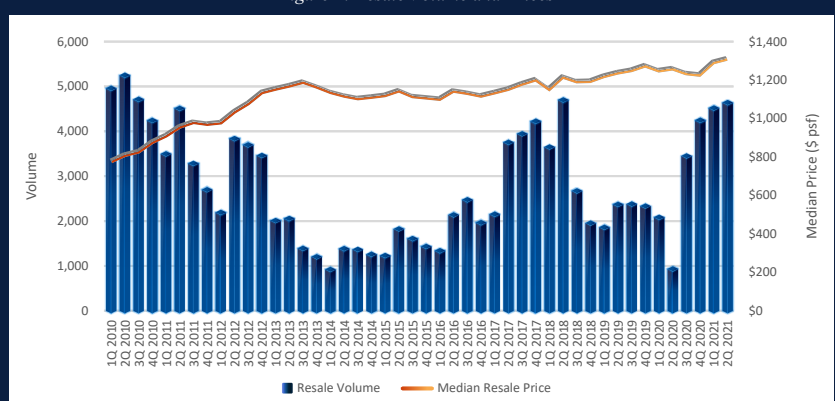


Source: URA, Huttons Research as of 15 July 2021

RESALE MARKET

After three quarters of increases in transaction volume since 2Q 2020, the increase in transaction volume in the resale market slowed in 2Q 2021, dragged down by Phase 2 (Heightened Alert) which limited the number of viewings per day. Buyers are resisting paying higher prices for a resale property in 2Q 2021 which capped the increase in prices.

Figure 2: Resale Volume and Prices



Source: URA, Huttons Research as of 15 July 2021

BUYER'S PROFILE

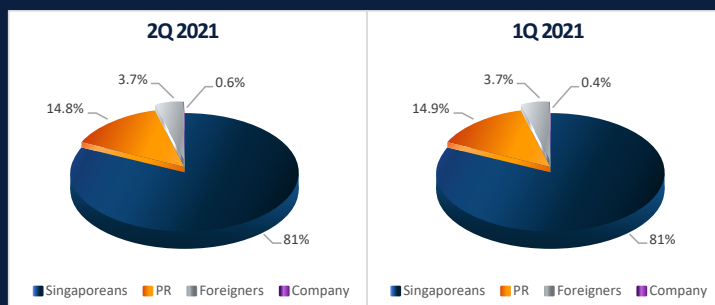
45.7% of the transactions in 2Q 2021 are priced below \$1.5 million, 23.2% are between \$1.5 million to \$2 million and 26.4% above \$2 million. 81.0% of purchases are by Singaporeans with PRs and foreigners making up 14.8% and 3.7%, respectively. More Singaporeans bought homes priced between \$1.5 million and \$2 million in 2Q 2021, probably by cashing out their existing HDB flats.

Table 1: Comparison of Price Range and Residential Status

	<\$1.5M	\$1.5 to <\$2M	\$2 to <\$5M	>\$5M
Singaporeans	2,811	1,515	1,667	244
Permanent Residents	637	197	258	46
Foreigners	70	67	93	55
Companies	3	5	12	23
Total	3,521	1,784	2,030	368

Source: URA, Huttons Research as of 15 July 2021

Figure 3: Comparison of Nationalities among Buyers (All Sale Types)



Source: URA Caveats, Huttons Research as of 15 July 2021

EXECUTIVE CONDOMINIUMS

Provence Residence was launched in May 2021 and sold more than 50% of its units on the first weekend of launch. Considering that there was an earlier launch in the same area a year ago, selling more than half of its units on the first day of launch is very good. An estimated 509 new EC units were sold in 2Q 2021 versus 677 new EC units in 1Q 2021.

MARKET OUTLOOK

Based on advance estimates, Singapore's economy grew 14.3% on a year-on-year basis in 2Q 2021 supported by strong growth in the manufacturing sector. According to economists, the Monetary Authority of Singapore may adjust upwards its growth forecast of 4% to 6% in August, thus putting the economy to recover back to 2019 pre-pandemic levels.

Several highly anticipated launches – The Watergardens at Canberra, Pasir Ris 8 and Klimt Cairnhill are planned for the month of July. The return to Phase 2 (Heightened Alert) however saw a change to plans. The Watergardens at Canberra and Klimt Cairnhill will be delayed pending further Government announcements.

To sum up, it was an excellent first half for the new sale market. Total volume is estimated to be 6,530 units which is the strongest first half since 2013. This puts the new sales market on course to set a record of 10,000 to 12,000 units in 2021, the highest since 2013 and prices to rise by as much as 8% for the whole year.

CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS

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