

Private New Home Sales

PROPnex RESEARCH MONTHLY REPORT

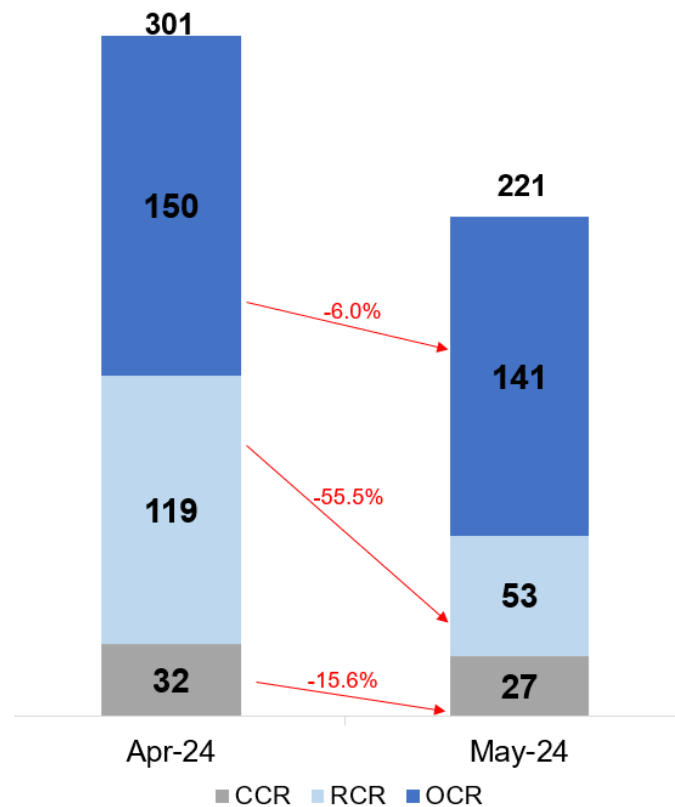
Developers' sales slipped for second straight month in May 2024 on a dearth of new launches

- Developers' sales declined for the second consecutive month in May, with 221 units (ex. EC) sold in the month – down by about 27% from April, and sales were down by 79% year-on-year from 1,039 units transacted in May 2023.
- New home sales in May were led by the Outside Central Region (OCR) where 141 new units (ex. EC) were sold.



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PRIVATE NEW HOME SALES (EXCL.ECS) APRIL 2024 vs MAY 2024



Source: PropNex Research, URA (18 June 2024)

New private home sales fell for the second straight month in May 2024 as a dearth of new project launches weighed on market activity. Developers sold 221 new units (excluding executive condos) in May, marking a 26.6% decline from the 301 units shifted in April. This follows the 58.1% MOM decrease in developers' sales from March to April. It is also the lowest sales tally for the month of May recorded since 2008.

On a year-on-year basis, new home sales fell sharply by 78.7% from 1,039 units transacted in May 2023, where the launch of The Continuum and The Reserve Residences then had boosted sales. This takes the total new private homes sales in April and May to 522 units (ex. EC). With no major launches expected in June 2024, developers' sales are likely to be tepid in Q2 2024 – looking certain to underperform the 1,164 new units sold in Q1 2024, and the 2,127 new units shifted in Q2 2023.

In May 2024, developers launched 248 new units for sale, marking an 11% fall from the 278 units placed on the market in the previous month. There were three fresh projects rolled out in May, being the 190-unit luxury project Skywaters Residences in the Core Central Region, and two boutique developments Jansen House (21 units) and Straits at Joo Chiat (16 units) in the Outside Central Region.

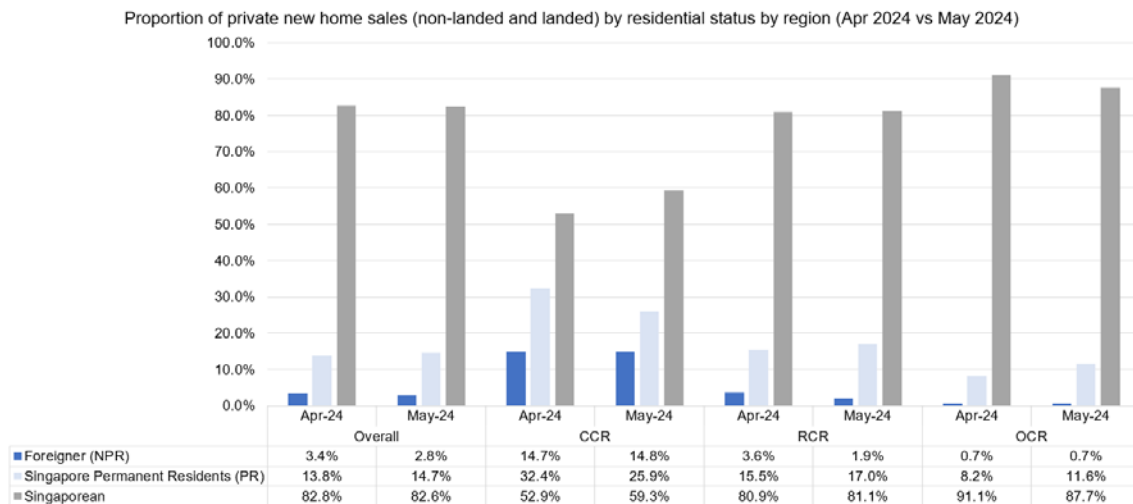
The Outside Central Region (OCR) accounted for 64% of the May's sales, with 141 units (ex. EC) sold – down by 6% from 150 units transacted in the previous month. The top-selling OCR projects in May included Lentor Hills Residences which sold 25 units at a median price of \$2,164 psf, Hillhaven which shifted 23 units at a median price of \$2,099 psf, and Hillock Green where 21 units were sold at a median price of \$2,128 psf (see Table 2). Meanwhile, OCR boutique project new launches Jansen House sold 3 units at a median price of \$2,098 psf, and 2 units were transacted at Straits at Joo Chiat at a median price of \$2,091 psf.

Over in the Rest of Central Region (RCR), developers sold 53 new homes in May, representing a nearly 56% decline from 119 units in April. This is the fewest units of RCR new homes sold in a month since 48 units were transacted in January 2023. The best-selling RCR project in May was The Landmark which sold 14 units at a median price of \$2,883 psf. This was followed by The Continuum which moved 10 units at a median price of \$2,844 psf.

Meanwhile, developers' sales in the Core Central Region (CCR) fell by about 16% MOM in May to 27 units. The two popular CCR projects in the month were 19 Nassim and Klimt Cairnhill where each sold 6 units at median prices of \$3,373 psf and \$3,317 psf, respectively. Of note, a 7,761-sq ft unit on the 57th floor of Skywaters Residences in Tanjong Pagar was sold for \$47.3 million or \$6,100 psf – making it the record high \$PSF price for a 99-year leasehold new non-landed private residential project.

In the EC segment, new sales fell by about 22% from 51 units in April to 40 units in May. North Gaia was the top-selling EC project, transacting 20 units at a median price of \$1,338 psf. According to URA's figures, there are 299 unsold new EC units on the market as at end-May.

Chart 1: Proportion of new private homes (ex. EC) purchased by foreigners slipped in May 2024



Source: PropNex Research, URA Realis (data retrieved on 18 June 2024)

Owing to the softer sales volume, the proportion of new private home sales to foreigners (non-PR) slipped to 2.8% in May compared with 3.4% in the previous month. The 2.8% portion in May represents 6 caveats in absolute terms – lower than the 10 units sold to foreigners (NPR) in April 2024. The 6 units sold to foreigners (NPR) in May 2024 are at 10 Evelyn, 19 Nassim, Atlassia, Klimt Cairnhill, Skywaters Residences, and The Botany at Dairy Farm, according to URA Realis caveat data. Meanwhile, the proportion of private new home sales to Singaporean buyers eased to around 82.6% in May, while the portion of buyers who are Singapore PRs inched up to 14.7% in May (see chart 1).

Since the tightening of the additional buyer's stamp duty (ABSD) measure in April 2023, the number of caveats lodged by foreigners (NPR) has declined sharply from the 65 caveats lodged for non-landed new private homes in April 2023. Between May 2023 and May 2024, each month saw an average of about 11 caveats for non-landed new private homes sold to foreigners (NPR).

The median unit price of new non-landed private homes sold in May slipped by 1.7% MOM in the CCR with slower transaction activity in the region during the month. Meanwhile, the median \$PSF price in the RCR and OCR rose by 5% and 1.7% MOM respectively in May (See Table 1), as the transactions at Lentor Hills Residences (OCR), The Landmark, and The Continuum (RCR) had helped to prop up the median price in the OCR and RCR respectively in May.

Table 1: Median transacted unit price (\$PSF) of non-landed new private homes by month by region

Month	CCR	RCR	OCR
Jan-23	\$2,884	\$2,589	\$2,083
Feb-23	\$2,947	\$2,688	\$2,120
Mar-23	\$2,920	\$2,614	\$2,065
Apr-23	\$2,890	\$2,461	\$1,989
May-23	\$2,919	\$2,525	\$2,154
Jun-23	\$2,903	\$2,615	\$1,989
Jul-23	\$2,902	\$2,499	\$2,087
Aug-23	\$2,862	\$2,610	\$2,068
Sep-23	\$3,115	\$2,535	\$2,070
Oct-23	\$3,242	\$2,401	\$2,086
Nov-23	\$3,195	\$2,563	\$2,336
Dec-23	\$2,962	\$2,621	\$2,120
Jan-24	\$3,182	\$2,576	\$2,079
Feb-24	\$3,121	\$2,547	\$2,063
Mar-24	\$3,246	\$2,532	\$2,249
Apr-24	\$3,338	\$2,601	\$2,092
May-24	\$3,282	\$2,730	\$2,128
May-24 MOM % change	-1.7%	5.0%	1.7%

Source: PropNex Research, URA Realis (retrieved on 18 June 2024)

Outlook

New private home sales were muted in May, posting the lowest developers' sales in three months. The softer sales were not unexpected, owing to the limited number of new launches. Of the fresh projects launched in May, two are boutique developments with fewer units, while Skywaters Residences, being a high-end project in the city centre is probably above the budget of the majority of the home buyers here.

Apart from the 533-unit Lentor Mansion which was launched in March, the new projects that came on thus far have been much smaller. It is likely that many prospective home buyers are waiting for more projects to be launched, so that they can make comparisons before deciding on their property purchase. Developers' sales will likely remain soft in June 2024, in view of a lack of project launches, as well as the school holidays where there tend to be a lull in transactions as many families travel abroad. Therefore, we expect new private home sales in Q2 2024 to be lacklustre, possibly falling short of that of Q1 2024 (1,164 units), as well as Q2 2023's sales (2,127 units).

There could be more activity in Q3 2024, although developers are likely to avoid launching projects during the Ghost Month (4 August to 2 September). OCR projects, the 440-unit Sora in Jurong East and 276-unit Kassia in Flora Drive are expected to be launched for sale in July. Several other medium to large projects could also potentially hit the market in Q3 2024, including Emerald of Katong (847 units), Meyer Blue (226 units), The Chuan Park (916 units), the Bukit Timah Link project (160 units), Norwood Grand in Champions Way (350 units), and Union Square Residences (366 units).

In view of the limited number of new launches of late, existing projects on the market have continued to pare down on their unsold stock. Lentor Hills Residences, which was launched in July 2023, was the best-selling project in May 2024. Notably, three other projects in Lentor – Hilllock Green, Lentor Mansion, and Lentoria – also made the top-10 sales list for the month. These four Lentor developments, along with the integrated project Lentor Modern (launched in Sep 2022) have collectively sold about 75% of their total units (1,855 out of 2,477 units) based on URA Realis caveat data (up till 9 June) – perhaps allaying to some extent the initial concerns about a potential supply glut in that neighbourhood. A sixth project in Lentor Central which can yield an estimated 475 units is yet to be launched for sale, after the site was awarded in September 2023.

Table 2: Top-selling Private Residential Projects (Ex. ECs) in May 2024

S/N	Project	Region	Units Sold in May 2024	Median Price in May 2024 (\$PSF)
1	LENTOR HILLS RESIDENCES	OCR	25	\$2,164
2	HILLHAVEN	OCR	23	\$2,099
3	HILLOCK GREEN	OCR	21	\$2,128
4	THE BOTANY AT DAIRY FARM	OCR	18	\$1,968
5	THE MYST	OCR	17	\$2,152
6	THE LANDMARK	RCR	14	\$2,883
7	LENTOR MANSION	OCR	11	\$2,229
8	LENTORIA	OCR	10	\$2,149
	THE CONTINUUM	RCR	10	\$2,844
9	GRAND DUNMAN	RCR	8	\$2,552
10	19 NASSIM	CCR	6	\$3,373
	KLIMT CAIRNHILL	CCR	6	\$3,317

Source: Propnex Research, URA

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