

Slow and steady:

Private residential property sales in March

The number of private homes (excluding EC) sold jumped from 390 units in February to 613 units in the following month

43% of the sales of private home in March came from only two recently launched projects, Kingsford Waterbay and Sims Urban Oasis

Introduction

There were some improvements in the sales and launch volume of private residential properties in March 2015. There was a marginal increase in the number of private

Higher Sales in March

Although the number of private homes sold last month was 57% higher month-on-month (mom), it is too early to pop the champagne. Firstly, this high rate of growth is not sustainable.

Secondly, 43% of the sales of private home in March came from only two recently launched projects, Kingsford Waterbay (155 units sold in March) and Sims Urban Oasis (107 units sold in March). The 1024-unit Sims Urban Oasis was launched in February 2015. As at the end of last month, 20% of the 1024 units were sold. With such a large number of unsold units in the project, it is important for the developer to maintain the sales momentum before

homes launched from 389 in February to 400 units in March. In addition, the number of private homes (excluding EC) sold last month jumped from 390 units sold in February to 613 units in the following month.

other new launches start to draw away potential buyers. Therefore it has engaged the services of four property agencies. The developer did not cut prices as the median transacted price in the past two months remained largely the same. Instead, it increased to sales commission last month to encourage more sales by the agents.

Thirdly, other than Kingsford Waterbay and Sims Urban Oasis, the number of units sold by developers in each residential project is less than 30 units, which is a sharp drop from the sales enjoyed by the top two best sellers. This shows that the buying demand in the primary market is still lacklustre. The sales performance of this project is shown in Table 2.

There was no EC launched in March but the number of EC units sold increased gradually

There was no EC launched last month but the number of EC units sold increased gradually by 21% from 65 units to 79 units. However, total EC sold in this month was still much

lower than the 188 EC units sold in January this year. The weaker demand for EC is partly due to the weakness in HDB resale prices, which had drawn some potential EC buyers to the HDB resale market.

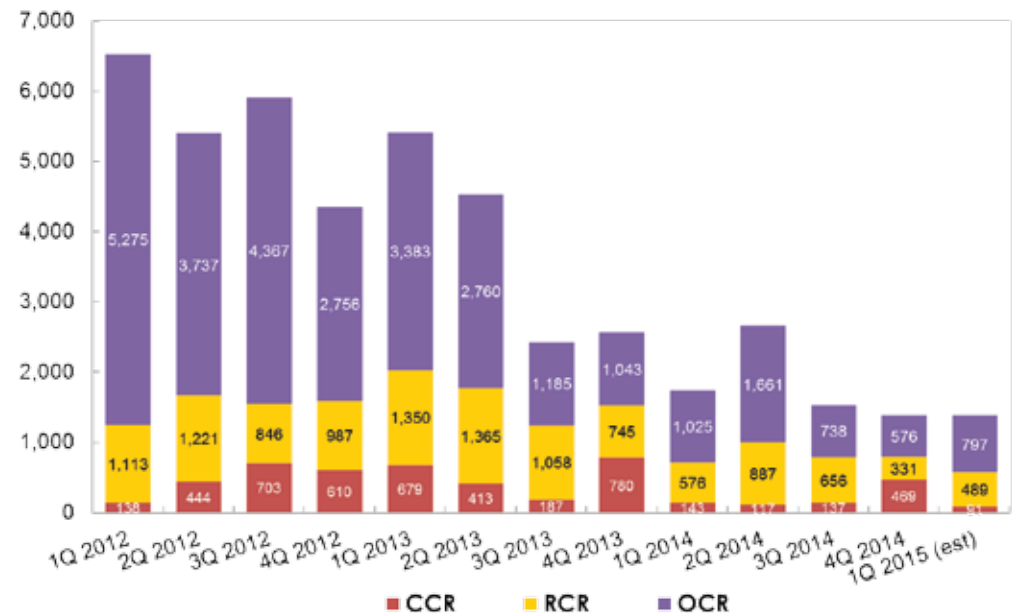
Table 1: Sales Volumes in February 2015 (EC and Private homes)

	No. of units launched			No. of units sold		
	Private Units	EC	Total	Private Units	EC	Total
Jan 2015	421	378	799	374	184	558
Feb 2015	389	0	389	390	65	455
Mar 2015	400	0	400	613	79	692

Source : SLP Research, URA

The HDB resale price decline had drawn some potential EC buyers to the HDB resale market

Chart 1: Total Number of Private Homes Sold in Primary Market



Source : SLP Research, URA

Table 2: Top 5 best sellers in March 2015

Project name	Total no. of units	Units launched in March 2015	Units sold in March 2015	Sold / Launched (%)	Median price (\$psf)
KINGSFORD WATERBAY	1,165	314	155	49%	\$1,111
SIMS URBAN OASIS	1,024	5	107	100%	\$1,401
CITY GATE	311	0	28	86%	\$1,905
THE SKYWOODS	420	0	27	55%	\$1,186
BELLEWOODS	561	0	21	22%	\$810

Source : SLP Research, URA

In the coming months, developers are expected to sell between 400 and 900 units each month

The general trend of slow sales in most projects about 6 months after their initial launch would persist in 2015

Outlook

Based on the reported primary market monthly sales in the past three months, the total number of private homes (excluding EC) sold by developers in 1Q 2015 was 1,379 units. Although the primary market sales volume increase significantly in March, the primary market sales volume in 1Q 2015 would be about the same as last quarter of 2014. In 4Q 2014, developers sold a total of 1,376 private homes.

In April, the primary market sales would likely be driven by another new major residential launch, namely, North Park Residences. Due to its attractive location next to the Yishun MRT station and Northpoint Shopping Centre, the 920-unit North

Park Residences is expected to enjoy brisk sales when it is officially launched.

In the coming months, the number of private homes sold each month is projected to vary between 400 and 900 units typically. There will be some months when the sales volume would either fall outside this range. That is to be expected for monthly statistics which tend to be more volatile. However, the general trend of slow sales in most of the projects about 6 months after their initial launch would remain unchanged.

For the whole of 2015, an estimated 6,000 to 9,000 private homes are expected to be sold by developers.



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