

### Introduction

Based on the latest Singapore residential property market launch and sales figures released by the government for the month of September 2015, real estate developers had sold more housing units in the third quarter of 2015.

### Private Residential Property Primary Market

#### Launch volume

Although real estate developers did not launch any new private residential development in September 2015, they released a total of 391 private housing units for sale from projects that were previously launched. There were no new private home launches in both August and September 2015. Hence, all of these newly released units were from projects that were launched before August 2015. Developers were holding back their new launches, in view of the softer market sentiment and the possible policy changes after the General Election in September.

Compared to the 598 private homes launched in August, the launch volume in September was 34.6% lower.

#### Sales volume

In September 2015, developers sold 341 private housing units. The numbers of private units sold continued to drop by about 33.5% from 513 units sold in August to 341 units sold in September 2015.

The contraction in sales volume last month was mainly due to the lack of new project launches. As some potential homebuyers chose to adopt a wait-and-see approach, the demand for private homes softened.

High Park Residences continued to be the best-selling private residential project. It accounted for more than 13.5% of the sales volume in September, with 46 homes sold last month.

Table 1: Private home sales in July & August 2015

	No. of private units launched	No. of private units sold
August 2015	598	513
September 2015	391	341

Source: SLP Research, URA

## Residential Primary Market more active in Third Quarter

Oct 2015

### Sales-to-Launch Ratio

Despite the absence of new project launches, the buying demand was still fairly healthy as the take-up rate increased slightly in September. The take-up rate, as measured by the sales-to-launch ratio, was 85.8% in August 2015. It rose to 87.2% in the following month.

A take-up rate of more than 100% would result in a reduction of developers' inventory of unsold units. On the other hand, a take-up rate of less than 100% would lead to an increase in the stock of launched and unsold units.

### **Executive Condominium Primary Market**

#### Launch volume

A new executive condominium (EC) project was launched in September 2015. The project, Signature at Yishun, is located at Yishun Street 51 and developed by JBE Holdings. This is the very first EC to be launched after the income ceiling for the public-private housing hybrid was raised from \$12,000 to \$14,000 in August 2015. In total, 525 EC units from this development were launched last month.

#### Sales volume

A total of 288 EC units were sold from 14 EC projects nationwide in September, a decline of 38.2% month-on-month (mom).

The 93 units sold in Signature at Yishun last month made up about 32.3% of the total number of EC units sold. These 93 units were transacted at a median price of \$768 psf.

Despite the recent hike in income ceilings, eligible homebuyers did not appear to be rushing to buy EC in the primary market. This could be partly due to their belief that after the recent policy adjustments, the government is unlikely to change the income ceilings again anytime soon.

Table 2: Take-up rate in July & August 2015

	Ratio of units sold/launched
August 2015	85.8%
September 2015	87.2%

Source: SLP Research, URA

Furthermore, many of the potential EC buyers are also aware that there is ample supply of existing and upcoming EC launches. Hence, they could take their time to choose the most suitable developments that best meet their needs.

The take-up rate in terms of sales-to-launch ratio for EC in September 2015 dipped to 54.9%. In August 2015, when 707 EC units were launched, the sales-to-launch ratio was 65.9%.

Since the implementation of various curbs on the EC market in 2013, the EC take-up rate has not risen above 100% during the months when new EC projects were launched. As a result, the developers' inventory of unsold EC units has been increasing. In September 2015, the number of launched and unsold EC units rose to 3,435 units, which is another record high since mid-2007 when such statistics were made available.

Table 3: EC launch and sales volume

	No. of units launched	No. of units sold	Ratio of units sold/launched
August 2015	707	466	65.9%
September 2015	525	288	54.9%

Source: SLP Research, URA

### Outlook

Although the total number of private housing units and EC units sold in July, August and September 2015 are reportedly 2,509 and 1,250 respectively; it is observed from past records that the actual number of units sold according to the official quarterly statistics would be lower than the sum of the monthly sales figures.

Therefore, the number of private homes sold by developers in 3Q 2015 is projected to range from 2,425 to 2,450 units, which is about a 15% quarter-on-quarter (qoq) growth.

At the same time, the number of EC units sold in 3Q 2015 jumped sharply due to an increase in the number of EC project launches. The sales of new EC units could range between 1,240 and 1,250 units in the third quarter, which is more than the total number of EC units sold in the first six months of 2015. The number of EC units sold in 3Q 2015 would be about 2.8 times the number sold in the previous quarter.

The third quarter has been the most active quarter in the residential primary market so far this year. Although two new 99-year leasehold condominium projects are expected to be launched in the fourth quarter, namely the 663-unit Principal Garden and the 288-unit Thomson Impressions, the primary market volume is expected to be lower in 4Q 2015. This is because the real estate market activities usually decelerate in the fourth quarter due to the school vacation period and year-end holiday season.

The private housing sales volume in 2015 is likely to be slightly better than that of the previous year. For the whole of 2015, real estate developers are expected to sell about 7,300 to 8,000 private homes and 2,800 to 3,200 EC units. However, the number of private homes sold by developers this year would still be a fraction of the 22,197 units sold during the boom year of 2012.

Table 4: Number of private housing and EC units sold from July to September 2015

	No. of units Sold		
	Pte housing & EC	Pte housing only	EC only
July 2015	2,151	1,655	496
August 2015	979	513	466
September 2015	629	341	288
<b>Total</b>	<b>3,759</b>	<b>2,509</b>	<b>1,250</b>

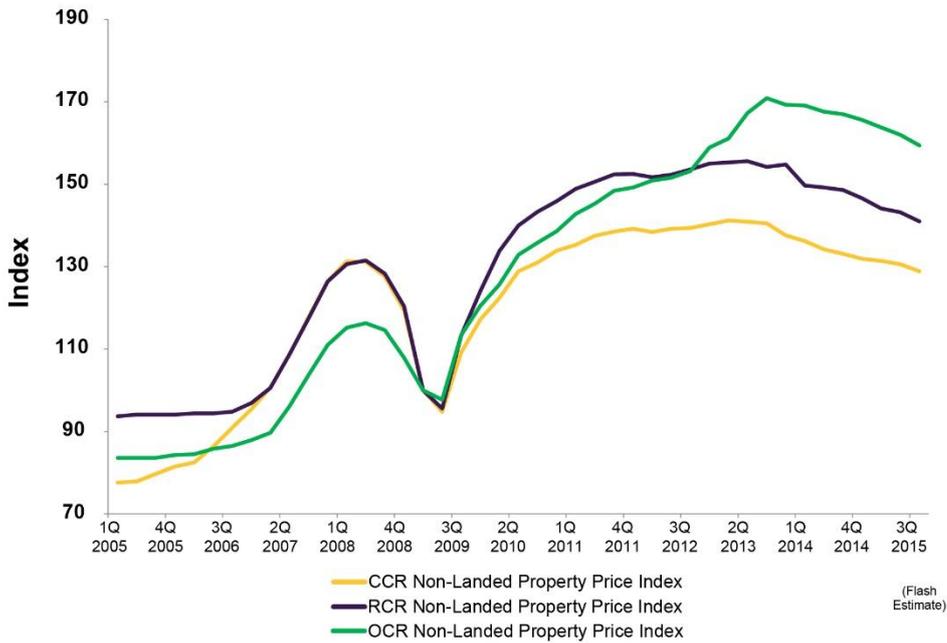
Source: SLP Research, URA

Table 5: Number of private housing and EC units sold from 1Q 2015 to 3Q 2015

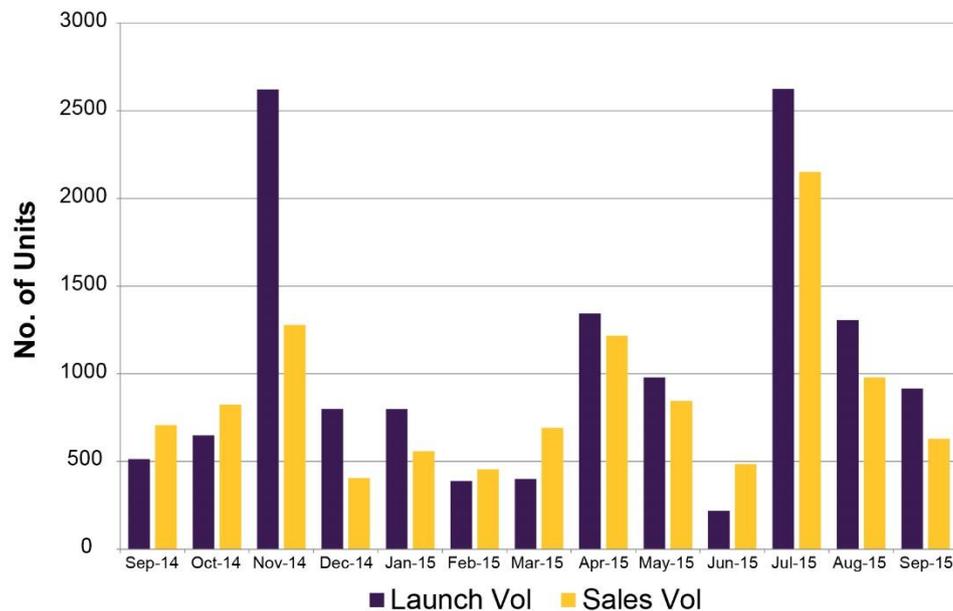
	No. of units Sold		
	Pte housing & EC	Pte housing only	EC only
1Q 2015	1,637	1,311	326
2Q 2015	2,555	2,116	439
3Q 2015 Est.	3,665 – 3,700	2,425 – 2,450	1,240 – 1,250

Source: SLP Research, URA

**Chart 1 : Launch & Sales Volume of Private Residential Primary Market**



**Chart 2 : Price Indices of Non-Landed Residential Properties**



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