

Private Residential Property Primary Market

Launch volume

The Singapore residential property market received a small boost when two new condominium projects were launched in October 2015. The launches resulted in an increase in the primary market sales.

Real estate developers launched a total number of 434 private housing units in October 2015. Compared to the 391 private homes launched in September, the launch volume in October was slightly higher by 43 units or 11%.

However, 80.6% of the total number of units launched last month was from two new condominium projects, which were the 288-unit Thomson Impressions at Lorong Puntong off Sin Ming Avenue and the 663-unit Principal Garden in Prince Charles Crescent. They also happened to be the only two private residential developments that were launched in October. Both are 99-year leasehold situated in the Rest of Central Region (RCR).

The developers were cautious as they did not release all the units in their projects in a single phase. This is because the developers would reserve some of the prime units in their projects in anticipation of the softer market demand during the school examination period in October.

Hence, Nanshan Group, which is the developer of Thomson Impressions, has released 150 units for sale and the developer of Principal Garden, which is a JV of UOL Group Ltd and Kheng Leong Company, has released 200 units for sale in October.

Property Market stabilised further in October Minor Changes in Developers' Sales Volume

Oct 2015

Sales volume

In October 2015, real estate developers sold a total of 546 private housing units. When compared on a month-on-month basis, the number of private residential units sold appeared to have increased dramatically by 60.1% from 341 units sold in September 2015. However, the sales volume in October was still slightly lower than the average monthly sales volume in the past 9 months of this year, which were 649 units per month.

The increase in the sales volume last month was mainly due to the popularity of the two new launches. The take-up rates of these two new launches, as measured by the number of units sold divided by the number of units launched, were fairly similar, ranging from 53% to 57%.

About 53.3% of units launched, representing 27.8% of the total units at Thomson Impressions were sold in October at the median price of \$1,399 psf. Similarly, about 113 of the 200 units launched representing 56.5% of the units released at Principal Garden were sold at a median price of \$1,633 psf last month.

Principal Garden was the best-selling private residential project accounting for more than 20% of the sales volume with 113 homes sold in October, followed by Thomson Impressions with 80 units sold last month.

Sales-to-Launch Ratio

The take-up rate, as measured by the sales-to-launch ratio, increased in October. The sales-to-launch ratio is defined as the ratio of the total number of units sold in a month to the total number of units launched in the same month.

The take-up rate in September 2015 was 87.2%. It increased to 125.8% in October 2015. The previous time when the take-up rate was above 100% was in July 2015, when the popular 1,390-unit High Park Residences was launched.

Table 1: Private home launched and sales volume

	No. of private units launched	No. of private units sold
September 2015	391	341
October 2015	434	546

Source: URA, SLP Research

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

Executive Condominium Primary Market

Launch volume

One new executive condominium (EC) project was launched in October 2015 at the median price of \$805 psf. The Criterion, a 505-unit development, is located at Yishun Street 51. It is adjacent to another EC project, Signature at Yishun, which was launched in September 2015 at a median price of \$768 psf.

This is the second EC to be launched after the monthly income ceiling for the public-private housing hybrid was raised from \$12,000 to \$14,000 in August 2015. A total of 505 EC units were launched in October. As the EC developer has to launch all the units in its EC project in a single phase, all the 505 units launched nationwide last month were from The Criterion.

Sales volume

The launch of The Criterion was not enough to stimulate the sales in the entire EC primary market. A total of 276 EC units were sold nationwide in October 2015, a slight decline of 4.2% month-on-month (mom).

The 41 units sold in The Criterion last month made up about 14.9% of the total number of EC units sold. These 41 units were transacted at a median price of \$805 psf. On the other hand, the best-selling EC in the month was Sol Acres with 68 units sold, comprising about 24.6% of the total numbers of ECs sold in October.

Table 2: Take-up rate in September and October 2015

	Ratio of units sold/launched
September 2015	87.2%
October 2015	125.8%

Source: SLP Research, URA

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To date, the housing policy adjustment, specifically the rise in the income ceiling for eligible EC buyers, has not significantly increased the demand for EC in the primary market. This could be because the potential EC buyers with monthly household income ranging from \$10,000 to \$14,000 have a wide range of housing choices. Some potential EC buyers are drawn to the HDB primary and resale market.

Furthermore, some potential buyers may be waiting for other EC projects to be launched before they commit to purchase their EC units.

The take-up rate in terms of sales-to-launch ratio for EC slipped marginally from 54.9% in September to 54.6% in October 2015. The good news is that the take-up rate is still within the 12-month range of 23.6% to 65.9%.

Outlook

The residential property market activities typically wind down in the fourth quarter due to the year-end school vacation and festive period.

Based on the developers' sales volume in the past 10 months, the total primary market transaction volume could range between 7,300 and 8,000 private housing units this year. This is an improvement over the 7,316 private homes sold by developers last year.

However, due to the lower supply of new residential projects to be launched next year, the primary market launch and sales volume in 2016 could be lower than the figures this year.

If the government were to relax the property market curbs next year, it could give the industry a very much needed shot in the arm. Depending on the timing and magnitude of the policy changes, the effects could be an increase in the transaction volume, while the effects on prices could be more muted.

Table 3: EC launch and sales volume

	No. of units launched	No. of units sold	Ratio of units sold/launched
September 2015	525	288	54.9%
October 2015	505	276	54.7%

Source: SLP Research, URA

Table 4: 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	3,622	2,410	1,212

Source: URA, SLP Research

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Table 5: Sales status of private residential projects launched in 2015

Project name	Launch date	No. of units in project	Total units sold (*)	% of project sold (*)
Symphony Suites	Jan-15	660	179	27.1%
Marine Blue	Jan-15	124	31	25.0%
Alias Villas	Jan-15	6	0	0.0%
Sims Urban Oasis	Feb-15	1,024	345	33.7%
Kingsford Waterbay	Mar-15	1,165	314	27.0%
Botanique At Bartley	Apr-15	797	556	69.8%
Neem Tree	Apr-15	84	15	17.9%
North Park Residences	Apr-15	920	607	66.0%
High Park Residences	Jul-15	1,390	1,272	91.5%
Adana @ Thomson	Jul-15	74	37	50.0%
Principal Garden	Oct-15	663	113	17.0%
Thomson Impressions	Oct-15	288	80	27.8%

Source: SLP Research, URA.

(*) as at end of October 2015

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Table 6: Top 5 Best-selling private residential projects in September and October 2015

Project Name	Location	Total No. of Units	No. of Units Sold in September & October	Median Price in September (\$ psf)	Median Price in October (\$ psf)
Principal Garden	Prince Charles Crescent	663	113	N.A	\$1,633
Thomson Impressions	Lorong Puntong	288	80	N.A	\$1,399
High Park Residences	Fernvale Road	1,390	79	\$941	\$922
Botanique at Bartley	Upper Paya Lebar Road	797	62	\$1,293	\$1,304
Sims Urban Oasis	Sims Drive	1,024	52	\$1,508	\$1,285

Source: SLP Research, URA

Table 7: Sales status of EC projects launched in 2015

Project Name	Launch Time	Total No. of Units	Total Units Sold (*)	% Sold
The Amore	Jan-15	378	159	42.1%
Westwood Residences	May-15	480	163	34.0%
The Brownstone	Jul-15	638	276	43.3%
The Vales	Jul-15	517	125	24.2%
Sol Acres	Aug-15	1,327	344	25.9%
Signature at Yishun	Sep-15	525	108	20.6%
The Criterion	Oct-15	505	41	8.1%

Source: SLP Research, URA

(*) as at end of October 2015

Property Market stabilised further in October

Minor Changes in Developers' Sales Volume

Oct 2015

Table 8: Top 5 Best-selling EC projects in September and October 2015

Project Name	Location	Total No. of Units	No. of Units Sold in September & October	Median Price in September (\$ psf)	Median Price in October (\$ psf)
Signature At Yishun	Yishun Street 51	525	115	\$768	\$779
Sol Acres	Choa Chu Kang Grove	1,327	100	\$772	\$800
The Brownstone	Canberra Drive	638	62	\$820	\$811
The Terrace	Edgedale Plains	747	44	\$803	\$820
The Criterion	Yishun Street 51	505	41	N.A	\$805

Source: SLP Research, URA

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Chart 1: Price Indices of Non-Landed Residential Properties

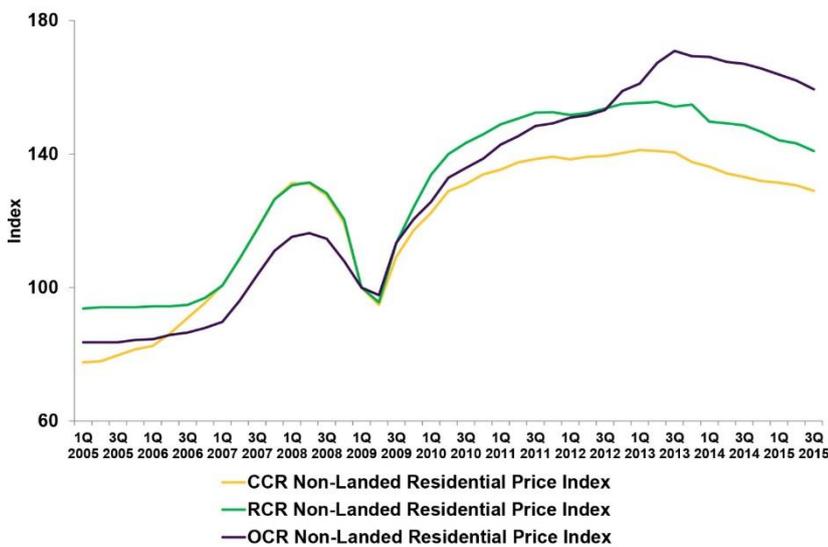
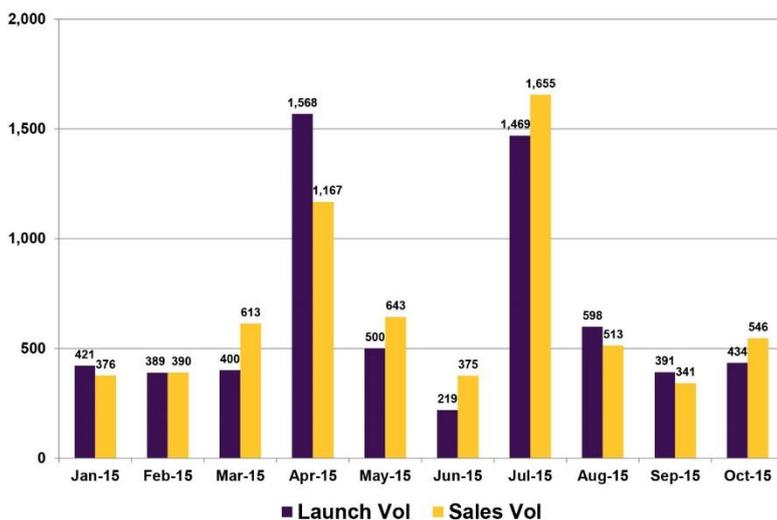


Chart 2 : Launch and Sales Volume of Private Residential Primary Market



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