

## Covid-19 didn't affect private housing market in January yet

### Residential primary market in January 2020

After the end of the holidays in December, most decision makers would return to the real estate market, resulting in a rise in economic activities between homebuyers and sellers, including real estate developers.

Property developers launched 598 private residential property units in January 2020, a 61.6% month-on-month (mom) increase compared to December 2019. The increase in the number of units launched contributed to the increase in developers' sales. In January 2020, developers sold 618 housing units, excluding Executive Condominium (EC), which was 14.9% more than sales volume in December 2019. This is also a 41.4% year-on-year (yoy) increase.

January 2020 was the fourth consecutive month that the take-up rate exceeded 100%. This reflected the healthy buying demand and the active marketing efforts invested in the launched residential developments. The take-up rate is measured by the ratio of the number of units sold to the number of units launched in the month. A high take-up rate not only reflects a robust demand, it would also reduce the risk of an oversupply in the primary market as the developers' inventory of unsold housing units is gradually reduced.

Table 1: Best selling residential projects in January 2020

Name of project	Location	Total number of units	No. of units sold in Jan-2020	Median price in Jan-2020 (\$psf)
Jadescape	Shunfu Road	1206	56	\$1,690
Treasure At Tampines	Tampines Lane	2203	50	\$1,371
Parc Esta	Sims Avenue	1399	44	\$1,684
Parc Botannia	Fernvale Street	735	39	\$1,371
Parc Clematis	Jalan Lempeng	1468	39	\$1,610

Source: URA, ERA Research & Consultancy

**Nicholas Mak**

**Head of Department**  
Research & Consultancy

**ERA Realty Network Pte Ltd**  
229 Mountbatten Road #03-01  
Mountbatten Square  
Singapore 398007  
T : (65) 6226 2000

In the past few months, the prime housing market, represented by the Core Central Region (CCR), became more active. The 173 units launched in the CCR in January 2020 was more than double the number in the preceding month, which was only 80 units. The increase was chiefly due to three new residential project launches, namely Leedon Green, The Avenir and Van Holland. These three projects have a total of 1,083 dwelling units and 159 of them were put up for sale in January 2020.

As the result, the number of units sold in the CCR last month was 133 units, 60% higher than the sales volume in December 2019. Although 35.4% fewer housing units were launched in the CCR compared to January 2019, the number of units sold was marginally higher at 2.3% yoy, which was another indication of the healthy homebuying demand.

Table 2: New residential project launches in January 2020

Name of project	Location	Total number of units	Land tenure	Median price in Jan-2020
Leedon Green	Leedon Heights	638	Freehold	\$2,782
The Avenir	River Valley Close	376	Freehold	\$3,245
Van Holland	Holland Road	69	Freehold	\$2,988

*Source: URA, ERA Research & Consultancy*

## A Happy Lunar New Year

Looking beyond the obvious numbers showing the increase in the sales in January 2020 was due to the rise in the number of units launched, the latest figures also reflected the healthier housing demand in this Lunar New Year compared to the previous Lunar New Year in 2019.

Real estate developers launched about the same number of private housing units (excluding EC) in the month of the Lunar New Year of 2019 and 2020. In the previous Lunar New Year in February 2019, developers released 596 private housing units. In this Lunar New Year in January 2020, developers released 598 private housing units for sale, just 2 units more than the previous Lunar New Year.

Table 3: Residential property launch and sales in the month of Lunar New Year in 2019 and 2020

Date	No. of units Launched		No. of units Sold		Take-up rate (Ratio of Total units Sold/Launch)	
	Private housing units	EC units	Private housing units	EC units	Private + EC	Private housing
Feb-19	596	0	455	2	76.7%	76.3%
Jan-20	598	0	618	20	106.7%	103.3%

*Source: URA, ERA Research & Consultancy*

However, the market sentiments were stronger in this Lunar New Year. Developers sold 618 private housing units, 35.8% higher than the sales in month of the 2019 Lunar New Year. As a result, the take-up rate was also higher during the month of the 2020 Lunar New Year at 103.3%, compared to the 76.3% in the previous Lunar New Year.

### Executive Condominium Market

There was no new EC project launch in January 2020. The 20 EC units sold last month at the median price of \$1,091 psf, was all from the Piermont Grand EC project, which was launched in July 2019.

### Outlook

Real estate developers are expected to launch more housing units (including EC) in February 2020 compared to the previous month. Three new residential projects were released in the first two weeks of this month, including a new Executive Condominium project. Parc Canberra EC has started its e-application exercise in February. The other private residential projects launched in the first two weeks of February were Verticus and Luxus Hills (Contemporary Collection). Another four new private residential developments would also be launched in the later part of this month.

**Table 4: Residential projects launching in February 2020**

Residential project	Location	Land tenure	Total no. of units
Luxus Hills (Contemporary Collection)	Luxus Hills	999-year	39
Parc Canberra (Executive condo)	Canberra Link	99-year	496
Verticus	Jalan Kemaman	Freehold	162
The M	Middle Road	99-year	522
Dalvey Haus	Dalvey Road	Freehold	27
Tedge	Telok Kurau Road	Freehold	42
15 Holland Hill	Holland Hill	Freehold	59

**Source: ERA Research & Consultancy**

In January, the Singapore property market was spared from the chill of the Covid-19 virus outbreak. But this could change in February and the coming months. The effects of this pandemic will be felt in the various sectors of the Singapore economy, as well as the economies of Singapore's major trading partners in Asia. Furthermore, the situation is still very fluid, with new developments every day. This would increase the difficulties to predict the impact of this pandemic on the Singapore real estate market.

A key determinant is the duration of the pandemic. If it could be brought under control within the next three to four months, the negative impact will be short-lived and the market recovery will start in the quarter after the end of the outbreak. Some savvy homebuyers may take this opportunity to pick up some properties, especially when the market condition is at its bleakest.

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