



COMMENTARY

15 October 2020

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Returning to pre-Covid property sales volume

Property developers' sales in September 2020

Residential primary market sales in September 2020

Despite releasing fewer private housing units for sale in September, real estate developers managed to sell more units last month compared to August. Developers released 1,340 private housing units for sale in September, 242 fewer units than the preceding month. However, they managed to sell 1,329 private residential units (excluding Executive Condominium) in September, 5.6% more than the 1,258 units sold in August.

The primary market sales last month were also the highest since July 2018, when there was a mad rush by homebuyers to lock in their home purchases on 5 July 2018, before the latest cooling measures took effect the next day. On the evening of 5 July 2018, the government made a surprise announcement that the Additional Buyer's Stamp Duty (ABSD) will be increased and property loan-to-value (LTV) ratios will be lowered the next day in an attempt to cool the property market. As a result, thousands of homebuyers flocked to the property show-flats that evening to acquire properties before the new cooling measures took effect. Some show-flats remained open until after mid-night to accommodate the buyers. The frenzy buying led to a surge in primary market sales of 1,724 private housing units in July 2020, which was 2.6 times more than the previous month.

Table 1 | Top-selling projects in September 2020

Name of projects	Road name	Number of units sold in September 2020	Median transacted price (\$psf)
Penrose	Sims Drive	389	\$1,541
Treasure At Tampines	Tampines Lane	115	\$1,379
Jadescape	Shunfu Road	62	\$1,774
The Garden Residences	Serangoon North View	59	\$1,606
The Woodleigh Residences	Bidadari Park Drive	57	\$1,926

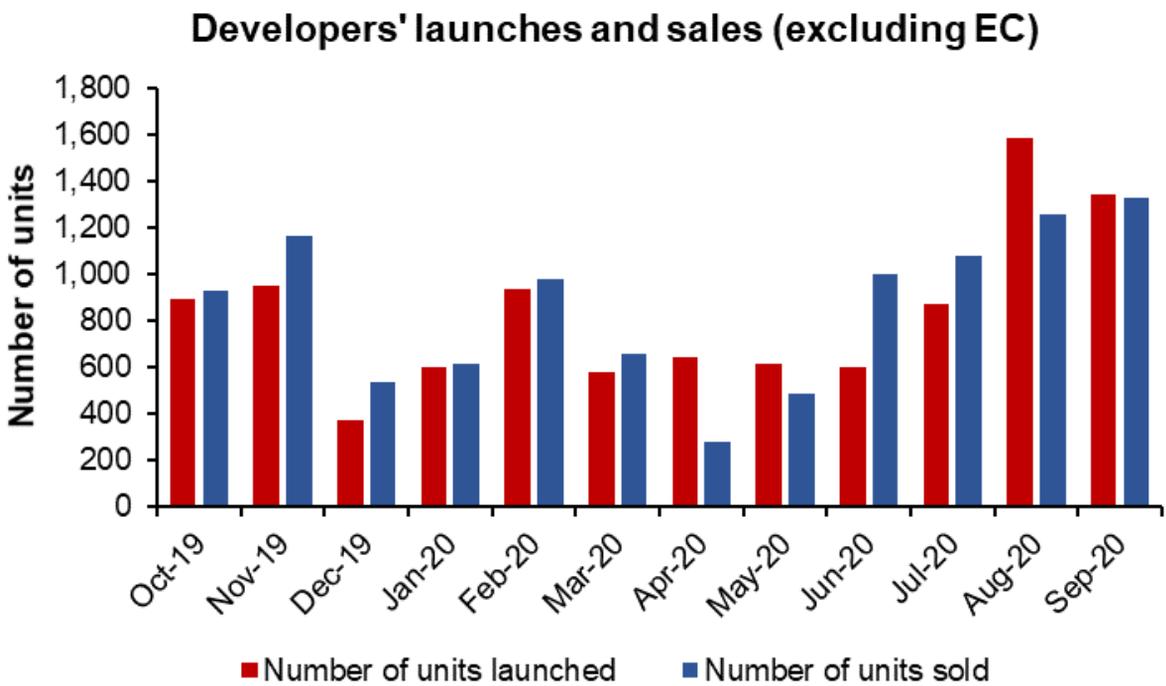
Source: URA

The healthy sales volume was contributed the launch of Penrose, a 566-unit project at Sims Drive. In September, 51% of the all the units in this development was sold at the median price of \$1,541 psf, which was deemed as an attractive price by buyers. The buying demand was aided by improving confidence in the property market as fear of the Covid-19 pandemic subsided.

Three other private residential projects, namely Verdale, Myra and a landed housing development were launched last month. Units in these projects were sold at median prices above that of Penrose, ranging from \$1,699 psf to \$2,261 psf.

No Executive Condominium (EC) unit was released for sale since Ola was launched in March 2020. Developers sold 56 EC units in September, 5 units more than the preceding month. Due to the absence of new launches, sales in the EC primary market has been subdued. In the 6-month period from April to September 2020, an average of 40 EC units were sold each month.

Graph 1 | Number of private residential units launched and sold by developers (excluding EC)



Source: URA

Quarterly figures

Based on the sales figures released today, the residential primary market launch and sales volume in the third quarter of 2020 has more than recovered from the chilling effects of the Circuit Breaker. The current sales has essentially returned to the pre-Covid-19 levels of 2019. Based on preliminary figures, property developers sold an estimated 3,670 private dwelling units (excluding EC) in 3Q 2020, which was 11.9% higher the corresponding period in 2019. The sales volume in 3Q 2020 more than doubled the 1,713 units sold in 2Q 2020. The improved sales were also supported by the healthy HDB resale market where prices has been rising gradually for the past 15 months.

In the first nine months of this year, developers had sold 7,532 private housing units. Slightly higher than the 7,469 units sold in the corresponding period last year. It appears that the Singapore private residential property market has recovered to the pre-Covid level. However, it is still too early to pop the champagne as recent history has shown, this pandemic can still hold a few surprises.

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