



# ***COMMENTARY***

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# Getting back to business as usual

## Property developers' sales in November 2020

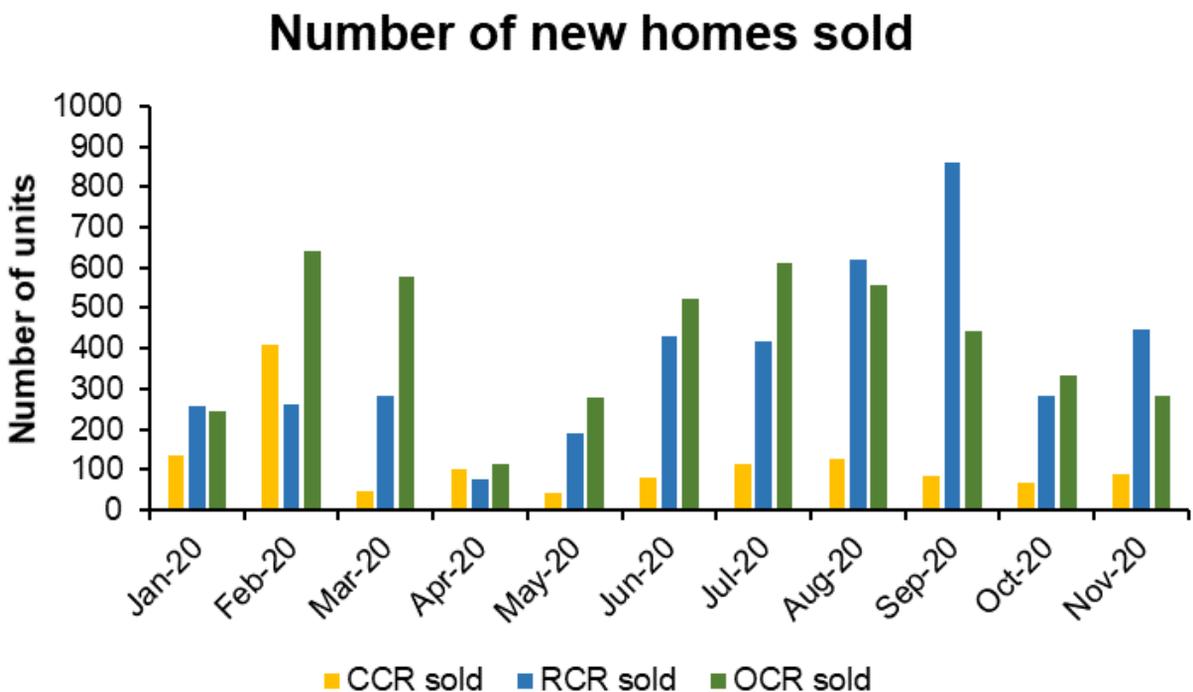
### Residential primary market sales in November 2020

The improvement in the residential primary market sales volume in November showed that the decrease in developers' sales volume in October 2020 was largely a knee-jerk reaction to the government announcement on the restriction on the re-issue of the Option to Purchase (OTP) for residential properties.

Homebuyers have returned to the market last month, undeterred by the announcement. In addition, there were positive news on the development of the Covid-19 vaccines and improved economic outlook. The Singapore government expects the economy to grow by 4.0% to 6.0% in 2021 according to the forecast announced by the Ministry of Trade and Industry.

As a result, developers sold 767 private housing units, excluding Executive Condominium (EC) in November, 122 units more than the preceding month.

Figure 1 | Number of new homes sold in the primary market



Source: URA, ERA Research & Consultancy

Based on the caveats lodged for new sale transactions, the increase in developers' sales was not evenly spread across properties of different land tenure. The number of new freehold and 999-year non-landed residential units sold in November expanded by 138% month-on-month (mom) to 281 units. On the other hand, the number of 99-year non-landed private residential units sold in the primary market decrease 4.6% mom last month to 480 units, excluding EC.

**Table 1 | Transaction volume and median transacted price of non-landed properties**

	Freehold & 999-year		99-year Leasehold	
	Number of units sold in primary market	Median transacted price (\$psf)	Number of units sold in primary market	Median transacted price (\$psf)
<b>Oct-20</b>	118	\$2,198	503	\$1,687
<b>Nov-20</b>	281	\$2,174	480	\$1,778.5

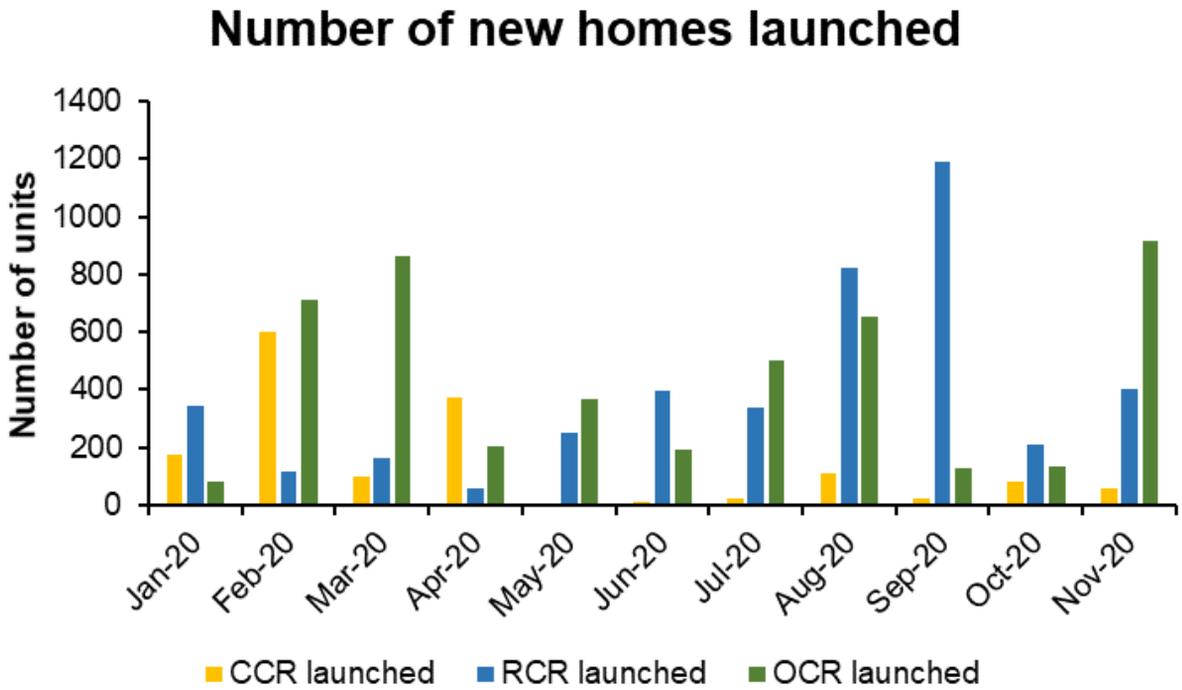
*Source: URA, ERA Research & Consultancy*

One possible explanation could be due to the difference in price movement. While the median transacted price of new freehold and 999-year non-landed residential units contracted 1.1% mom in November, median transacted price of new 99-year non-landed units expanded by 5.4% mom.

This could also be accounted for by the launch of the highly anticipated freehold development called The LinQ at Beauty World in November. This mixed-use development is located within close proximity to Beauty World MRT station. Over its launch weekend, the developer managed to sell 96% of the total 120 apartments at the median price of \$2,171 psf. The only other new launch for November was The Landmark, located along Chin Swee Road.

In November, developers were also more confident as they released more dwelling units for sale. In total, 1,375 new private housing unit were launched for sale in November, more than triple the 423 units released in the preceding month. No new Executive Condominium units are launched.

Figure 2 | Numbers of new homes launched in primary market



Source: URA, ERA Research & Consultancy

## Outlook

Instead of winding down and preparing for the year-end festive period, some developers are gearing up for more launches and some buyers are actively hunting for attractive deals. Housing demand is likely to remain healthy following the news of Singapore entering the Phase 3 reopening and the coronavirus vaccines would be arriving in Singapore by the end of this year.

In total, developers sold 8,791 private residential units and 913 EC units in the first 11 months of this year. The primary market is on its way to end the year on a positive note, with a total sale of 10,000 to 10,500 private housing units and 950 to 970 EC units for the whole of 2020.

Considering that we are still battling a major pandemic and economic recession, the residential primary market sales volume this year is impressive as it would exceed the 9,912 units sold in 2019.

In the upcoming months, about 13 new projects will be launched in the market. Some of the bigger projects include Normanton Park with 1,862 units, The Reef at King’s Dock with 429 units and Midtown Modern with 558 units. Two EC projects are also expected to launch in the 2021, namely Parc Central Residences and Provence Residence. Hence, property developers’ sales could exceed 10,000 housing units again in 2021.

**Table 2 | Notable upcoming launches in 2021**

Name of project	Location	Tenure	Total number of units
Normanton Park	Normanton Park	99-year	1,862
Parc Central Residences (EC)	Tampines Avenue 10	99-year	700
Midtown Modern	Tan Quee Lan Street	99-year	558
The Reef at King’s Dock	King’s Dock	99-year	429
Liv @ MB	Arthur Road	99-year	388
Provence Residence (EC)	Canberra Link	99-year	385
One Bernam	Bernam Street	99-year	341

Source: ERA

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