

3Q2020 QUARTERLY REPORT



PROPNE X RESEARCH

Private Residential Property and HDB Resale



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Robust Demand Fuelled Strong Market Performance In Q3 2020

With the gradual re-opening of the economy, the Singapore property market thrived in Q3 2020 despite the pandemic and economic uncertainties. The sector emerged from the lacklustre performance in Q2 2020 and put up a commendable showing in Q3 2020, as strong local end-user demand for homes underpinned sales and supported prices in both the private residential and public housing segments.

Private Residential Property

- Overall private home prices defied the pandemic-led recession, rising by 0.8% in Q3 2020 as tracked by the URA PPI. This is the second straight quarterly increase, following the 0.3% growth in Q2 2020
- Landed private homes led the price growth in Q3 2020, driven by robust sales during the quarter
- In the Non-Landed property segment, Q3 home prices rose in the Rest of Central Region and Outside Central Region, while home values weakened in the Core Central Region
- Total private residential transactions jumped by 164.5% QoQ to 7,047 units in Q3 2020; this took the total private home sales to 13,980 units in the first nine months (9M) of 2020
- The surge in sales in Q3 can be attributed to pent-up demand, low interest rates, and buyers taking the opportunity to lock in deals when they perceive good value

URA Private Residential Property Price Index (URA PPI)

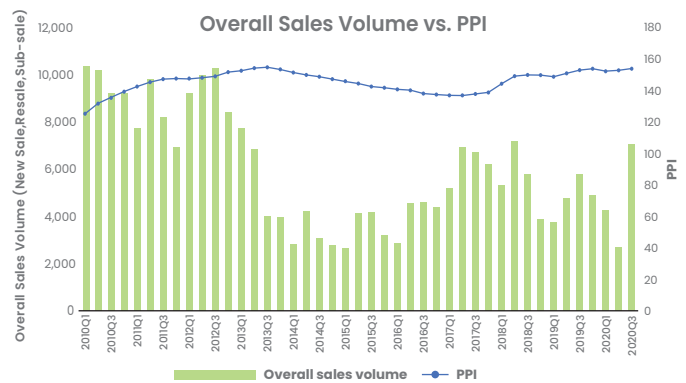
Price Indices	1Q2020	2Q2020	3Q2020	9M2020
Overall PPI	-1.0	0.3	0.8	0.1%
Landed	-0.9	0.0	3.7	2.8%
Non-Landed	-1.0	0.4	0.1	-0.5%
CCR	-2.2	2.7	-3.8	-3.4%
RCR	-0.5	-1.7	2.5	0.3%
OCR	-0.4	0.1	1.7	1.4%

Source: PropNex Research, URA

Private Residential Market Outlook

- While buying interest remains keen, the recent clampdown on the re-issue of Options-to-Purchase (OTPs) by the authorities could likely temper new home sales volume in the final quarter of 2020
- Nevertheless, transaction volume for full-year 2020 is still expected to be strong, supported by healthy demand for resale homes; PropNex expects a total of 19,500 private homes could be sold in 2020, exceeding the 19,150 units transacted in 2019
- Overall private home prices will likely remain resilient, potentially rising by up to 1% for the whole of 2020

Total Private Homes Sold and URA PPI



Source: PropNex Research, URA Realis

Core Central Region (CCR)

- Private home prices in the CCR fell by 3.8% QoQ in Q3 2020, with home values likely dragged lower by softer home prices in the resale market as well as continued travel restrictions which have crimped foreign buying; in 9M 2020, CCR non-landed home prices have declined by 3.4% from the end of 2019
- Developers sold 286 new CCR homes in Q3 2020, up by 36.2% from 210 units in Q2; a total of 1,056 new private homes in the CCR were sold in 9M 2020 – almost doubled the 538 units sold in 9M 2019

Rest of Central Region (RCR)

- In the city fringe or RCR, non-landed home prices increased by 2.5% QoQ in Q3 2020 as several new projects launched in this sub-market – including Forett At Bukit Timah, Penrose, Verdale, Noma, and Myra – helped to support values; in 9M 2020, RCR private home values rose by 0.3% compared with end-2019
- Boosted by new launches, 1,850 new homes were sold in the RCR in Q3 2020, up sharply by 176.1% from 670 units shifted in Q2; all in, 3,299 new RCR homes were transacted in 9M 2020, marginally lower than 3,341 units sold in the same period in 2019

Outside Central Region (OCR)

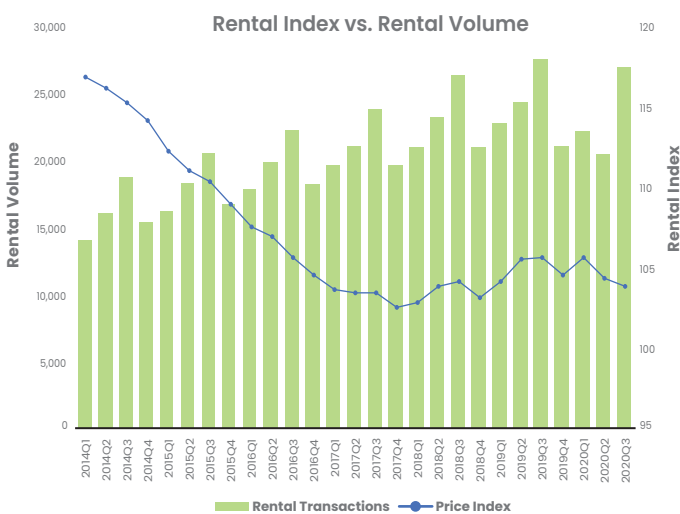
- In the OCR, non-landed home prices climbed by 1.7% QoQ in Q3 2020 as healthy demand for homes from local end-user and HDB upgraders continued to drive sales in this market segment; in 9M 2020, OCR home prices rose by 1.4% from end-2019

- Notably, the OCR private residential property index, with a reading of 180.4 in Q3 2020, has hit a new peak
- Despite a lack of major new project launches in the OCR, 1,381 new homes were sold in Q3 2020 – an increase of 65.8% from the 833 units transacted in Q2; in total, developers sold 3,024 new homes in the OCR, down by 15.8% from the 3,590 units that changed hands in 9M 2019
- Treasure At Tampines and Parc Clematis in the OCR were the top two best-sellers in 9M 2020, selling 714 units and 454 units, respectively

Private Home Leasing

- According to the URA, rentals of private residential properties decreased by 0.5% in Q3 2020, following the 1.2% decrease in the previous quarter; as at the end of Q3 2020, the vacancy rate of completed private residential units (ex. ECs) increased to 6.2% from 5.4% in the previous quarter
- There were 26,887 leasing transactions in Q3 2020, representing a 31.6% rise from the 20,423 transactions in Q2 – likely helped by the phased reopening of Singapore’s border with Malaysia and shorter leases
- The top three residential projects that posted the most leasing transactions in Q3 2020 were: Queens Peak (224 transactions at a median rent of \$4.76 psf pm); D’Leedon (182 transactions at a median rent \$3.78 psf pm); and The Sail @ Marina Bay (156 transactions at a median rent \$4.87 psf pm)

URA Rental Index and Rental Volume



Source: PropNex Research, URA Realis

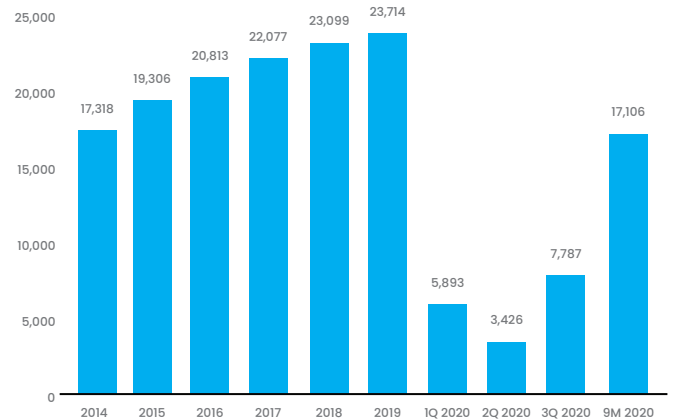
HDB Resale

- HDB resale prices rose by 1.5% in Q3 2020 – this marks the largest quarterly increase in resale flat values in more than seven years, since the 1.3% growth recorded in Q1 2013
- For the 9M 2020, the HDB Resale Price Index has increased by 1.8% from the end of 2019
- In Q3 2020, 7,787 HDB resale flats changed hands, marking the highest quarterly sales in 10 years, since 8,205 flats were resold in Q3 2010
- The Q3 sales took total HDB resale volume to 17,106 units in 9M 2020

HDB Resale Price Index	
2016 Overall	-0.1%
2017 Overall	-1.5%
2018 Overall	-0.9%
2019 Overall	0.1%
Q1 2020	0.0%
Q2 2020	0.3%
Q3 2020	1.5%
9M 2020	1.8%

Source: PropNex Research, HDB

HDB Resale Flats



Source: PropNex Research, HDB

HDB Resale Market Outlook

- Demand for resale flats is expected to remain robust, owing in part to the new housing grants unveiled in Sep 2019 and BTO (Build-To-Order) completion delays possibly diverting some buyers to the resale market
- PropNex expects HDB resale prices to rise by 2.5% to 3% in 2020, while resale volume could hit well over 23,000 for the full year
- The potential pool of upgraders and the firmer HDB resale prices would also act as a base and help to provide support to the private residential market

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