

Private New Home Sales

FEB 2024

PROPnex RESEARCH MONTHLY REPORT

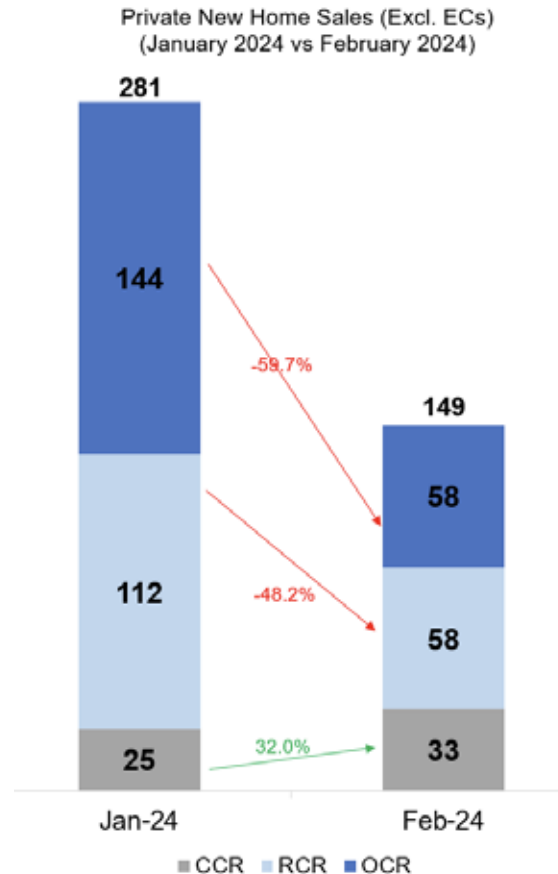
Weak new private home sales in February 2024 due to the Lunar New Year holidays and a lack of project launches

- Developers' sales slipped in February, with 149 units (ex. EC) sold in the month –down by 47% from January, and sales were down by 66% year-on-year from 433 units transacted in February 2023.
- New home sales in February were led by the Outside Central Region (OCR) and Rest of Central Region (RCR) where 58 new units were sold each.



MONTHLY PRIVATE NEW HOME SALES

FEBRUARY 2024



Source: PropNex Research, URA (15 March 2024)

In February 2024, housing developers sold 149 new private homes (ex. executive condos), down by about 47% from the 281 units shifted in the previous month, and lower by 66% on a year-on-year basis from 433 units sold in February 2023. The decline in sales during the month can be attributed to the lull in market activity due to the Lunar New Year holidays, as well as the lack of new private residential project launches in February.

Sales were led by the mass market and city fringe segments. In the **Outside Central Region (OCR)**, developers sold 58 new units (ex. EC) in February, down from 144 units in the previous month, as Hillhaven had propped up the sales volume in January. The Botany at Dairy Farm was the top-selling OCR project in the month with 15 units sold at a median price of \$2,018 psf. It was followed three projects which transacted 8 units each: Hillock Green at a median price of \$2,242 psf; Lentor Hills Residences at a median price of \$2,099 psf; and The Myst at a median price of \$2,238 psf.

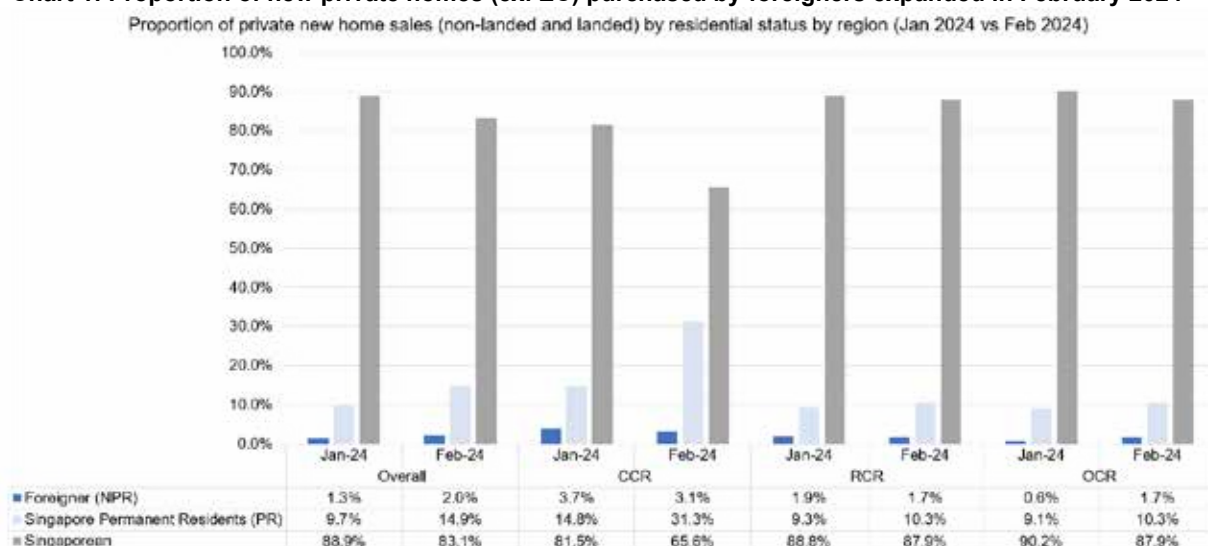
Over in the **Rest of Central Region (RCR)**, developers also sold 58 new units, reflecting a 48% MOM decline from the 112 units transacted in January, where The Arcady at Boon Keng supported sales. The most popular RCR projects in February included Blossoms by the Park, Grand Dunman, and Pinetree Hill where each shifted 10 units at a median price of \$2,585 psf, \$2,532 psf, and \$2,468 psf respectively.

The **Core Central Region (CCR)** bucked the downward trend, as new home sales rose by 32% MOM from 25 units in January to 33 units in February. Since Watten House was put on the market in November 2023, there have been no new projects launched in the CCR in the last three months. The best-selling CCR projects in February were Klimt Cairnhill and One Bernam with 5 units sold each, at a median price of \$3,434 psf and \$2,567 psf respectively.

In the **EC** market, new sales slumped by about 89% MOM to 34 in February from 307 units transacted in the previous month, where the launch of Lumina Grand EC boosted sales. EC sales in February were led by Lumina Grand which sold 16 units at a median price of \$1,497 psf, and North Gaia, which saw 14 units changed hands at a median price of \$1,327 psf. EC sales are expected to pick up in March with Lumina Grand EC having sold around 60 units, following its second round of balloting for second-timer buyers on the weekend of 2/3 March.

Developers placed a total of 45 new units (ex. EC) for sale in January – down from the 417 units (ex. EC) released for sale in the previous month. No new ECs were launched in February.

Chart 1: Proportion of new private homes (ex. EC) purchased by foreigners expanded in February 2024



Source: PropNex Research, URA Realis (data retrieved on 15 March 2024)

In February, the proportion of new private home sales (ex. EC) to foreigners (non-PR) stood at 2% (see chart 1) – rising from 1.3% in the previous month. This is mainly a function of the lower overall transactions in February, because in absolute terms, there were just 3 transactions to foreigners (NPR) in the month, compared with 4 transactions in January. Meanwhile, the proportion of private new home sales (ex. EC) to Singapore PRs rose from 9.7% to 14.9% from January to February, while Singaporean buyers continued to make up majority of developers' sales at about 83%.

Looking at the median transacted unit price of non-landed new private homes sold (ex. EC), the CCR posted a 3% MOM decline to \$3,087 psf in February (see Table 1). This is mainly due to the thin sales volume, and the higher base in January where some transactions from existing launches could have propped up prices, such as Midtown Bay and Perfect Ten. Meanwhile, in the RCR and OCR, the median unit prices dipped slightly by 0.5% and 1% MOM from January to February. We note that the median unit price in the OCR has stabilised at around the \$2,100-psf level, after surging in November 2023 due to the transactions at J'den at benchmark prices.

Table 1: Median transacted unit price (\$PSF) of non-landed new private homes and ECs by month by region

Date	Median unit price (\$PSF)				
	CCR	RCR	OCR	Overall Non-landed	ECs
Jan-23	\$2,884	\$2,589	\$2,083	\$2,308	\$1,389
Feb-23	\$2,947	\$2,688	\$2,120	\$2,740	\$1,385
Mar-23	\$2,920	\$2,614	\$2,065	\$2,279	\$1,375
Apr-23	\$2,890	\$2,461	\$1,993	\$2,491	\$1,291
May-23	\$2,919	\$2,525	\$2,154	\$2,555	\$1,274
Jun-23	\$2,902	\$2,615	\$1,989	\$2,689	\$1,305
Jul-23	\$2,902	\$2,499	\$2,087	\$2,416	\$1,322
Aug-23	\$2,862	\$2,610	\$2,068	\$2,351	\$1,475
Sept-23	\$3,115	\$2,535	\$2,070	\$2,541	\$1,469
Oct-23	\$3,242	\$2,414	\$2,078	\$2,318	\$1,298
Nov-23	\$3,195	\$2,563	\$2,336	\$2,445	\$1,368
Dec-23	\$2,962	\$2,624	\$2,120	\$2,506	\$1,333
Jan-24	\$3,182	\$2,575	\$2,079	\$2,280	\$1,521
Feb-24	\$3,087	\$2,561	\$2,059	\$2,455	\$1,409
Feb-24 MOM % change	-3.0%	-0.5%	-1.0%	7.7%	-7.4%

Source: PropNex Research, URA Realis (retrieved on 15 March 2024)

Outlook

New home sales remained sluggish in February, following similarly slow sales in the previous month. The Lunar New Year effect and a lack of new launches had weighed on transactions in February. In addition, the various rounds of cooling measures introduced since December 2021, the still high interest rates, uncertain market sentiment, and perhaps some buyer fatigue also continued to put a drag on sales.

However, developers' sales activity is anticipated to pick up in March, with two new projects in the Lentor Hills neighbourhood – Lentoria and Lentor Mansion - hitting the market this month. Lentoria sold 50 units at its launch weekend earlier, which should help to support primary market sales volume in March. Meanwhile, Lentor Mansion, which is due to be launched for sales booking on 16 March has drawn positive interest during its preview, and it is expected to enjoy favourable response from buyers.

Generally, buyers remain price conscious, and very selective since they have ample choices. It is possible that some prospective buyers are patiently taking a watch-and-wait approach, with a view to entering the market perhaps in Q2 or closer to the second half of the year, as they track the property market's performance and potentially hold out for any interest rate cuts, which may transpire later in the year. That said, we observe that some buyers may consider purchasing during the "quieter" periods, where developers are more sensitive in pricing units, compared to the times when demand is brisk.

Table 2: Top-selling Private Residential Projects (Ex. ECs) in February 2024

Project	Region	Units Sold in Feb 2024	Median Price in Feb 2024 (\$PSF)
THE BOTANY AT DAIRY FARM	OCR	15	\$2,018
BLOSSOMS BY THE PARK	RCR	10	\$2,585
GRAND DUNMAN	RCR	10	\$2,532
PINETREE HILL	RCR	10	\$2,468
HILLOCK GREEN	OCR	8	\$2,242
LENTOR HILLS RESIDENCES	OCR	8	\$2,099
THE MYST	OCR	8	\$2,238
THE LANDMARK	RCR	6	\$2,858
KLIMT CAIRNHILL	CCR	5	\$3,434
ONE BERNAM	CCR	5	\$2,567

Source: PropNex Research, URA

Research

Wong Siew Ying

Head of Research and Content

Jean Choo

Senior Research Analyst

Corporate Communications & Business Development

Carolyn Goh

Senior Director

Sarah Lim

Assistant Manager

PropNex Realty (A subsidiary of PropNex Limited)

480 Lorong 6 Toa Payoh #10-01 HDB Hub East Wing Singapore 310480

Main : (65) 6820 8000

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