

SINGAPORE RESEARCH RESIDENTIAL



Q4 2019 RESIDENTIAL MARKET SNAPSHOT

Non-Landed Residential Property Price Index (Q4 2019)

149.0

▲ 1.5% increase y-o-y

Total Transaction Volume* (2019)

16,801 units (Non-landed, Excluding EC)

▼ 13.2% decrease y-o-y

*Transaction Volume is based on data downloaded on 2 January 2020

Artist Impression of Daintree Residences



LEE NAI JIA
Head,
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"Buyers are attracted to integrated developments not only because of the amenities and connectivity, but also the potential capital appreciation in the future. Moving forward, buyers will place greater emphasis on design, quality and sustainability of the product."

NON-LANDED PRIVATE RESIDENTIAL PRICES IMPROVED IN 2019 AMID UNCERTAIN EXTERNAL ENVIRONMENT

The URA non-landed residential property price index increased by 1.5% year-on-year (y-o-y) despite lingering economic uncertainties and cooling measures.

Market Pulse

- According to the flash estimates from URA, prices of non-landed private residential properties increased by 1.5% y-o-y in 2019, lower than the 8.3% y-o-y price increase for the whole of 2018. The uncertain external economic environment and the implementation of cooling measures contributed to the moderated price growth.
- Towards the end of 2019, the non-landed price index declined 0.7% quarter-on-quarter (q-o-q), dragged by a drop in the prices in the Core Central Region (CCR) (Exhibit 2). The property price index (PPI) of private non-landed properties in the CCR fell by 2.6% for the whole of 2019 after declining 3.7% q-o-q in Q4 (Exhibit 3).
- The decline in the CCR non-landed private residential prices was partly reflected in the drop in prices of properties transacted in the secondary market. According to the NUS Singapore Residential Price Index (SRPI), which only captures prices of completed buildings, the price index for the private homes in the Central Region¹ decreased by 1.1% month-on-month (m-o-m) in November on top of a 0.8% m-o-m decrease in October.

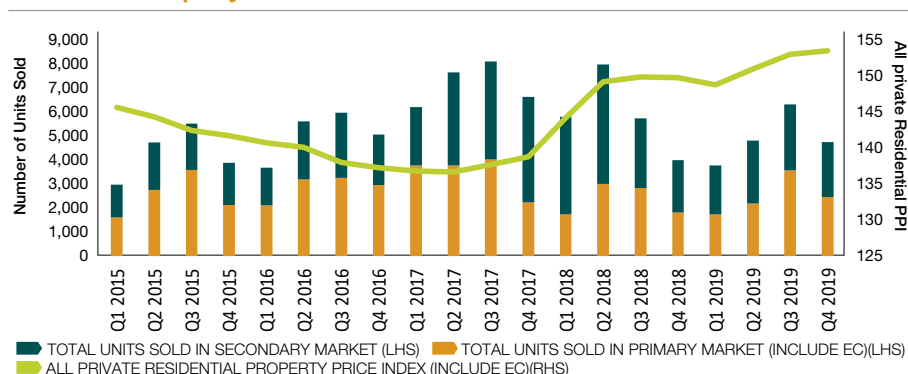
¹The Central region sub-basket comprises properties within the overall SRPI basket located in Postal Districts 1 through 4 and 9 through 11.

- Notwithstanding, the decline in the CCR non-landed PPI is likely to be a blip and is likely to rebound in subsequent quarters barring any economic shocks. For instance, in Q1 2019, the CCR non-landed PPI went down by 3.0% q-o-q only to pick up by 2.3% q-o-q in Q2 and 2.0% q-o-q in Q3. The choice projects in the CCR remained popular, as indicated by the strong showing of One Holland Village and Boulevard 88.
- Private residential properties Outside the Central Region (OCR) recorded the most significant growth in prices among the non-landed regions in 2019 and in Q4. The PPI increased by 4.3% for the whole of 2019, following a 2.9% q-o-q growth in Q4 (Exhibit 3). The price momentum has been picking up since Q4 2018, marking the fifth consecutive quarter of increase. Announcements of upcoming new infrastructure projects in the region have contributed to an uptick in prices.
- In Q4, the integrated developments were popular and among the top five projects with the most units sold (Exhibit 4). Sengkang Grand Residences, an integrated development, sold the most units in Q4 2019, with 235 units sold at an average unit price of S\$1,746 psf (Exhibit 5). More than half of the units in Sengkang Grand Residences sold had floor areas between 500 sqft and 800 sqft and were transacted at prices from S\$880,000 to about S\$1,350,000. Singaporean buyers accounted for most of the new home purchases in the top five projects by sales ranging from 80% to 95% of the units purchased (Exhibit 6).
- At the other spectrum, One Holland Village Residences drew healthy sales, selling 117 units out of the 296 units. The average unit price for the units transacted was about S\$2,680 psf. Buyers were attracted by the project’s location in the heart of Holland Village, with its mix of food and entertainment options as well as its proximity to the Holland Village MRT Station. According to the caveats lodged, about 41% of the units in the Sereen block ranging from one- to three-bedroom units were sold. Around 26% of the units in the Quincy block was sold while the low-rise Leven block sold around 38% of the 21 units in the block.
- The yields of the completed residential properties continued to stay flat in 2019 across all segments (Exhibit 8). Both prices and rentals in Knight Frank’s basket of non-landed private residential properties stayed unchanged y-o-y in Q4 2019, although the luxury segment fluctuated more (Exhibit 7).

Market Insights

Private Residential Property Prices increased by 2.5% y-o-y to 153.3 in Q4 2019 according to the URA flash estimates. Total sales volume for both primary and secondary sales also increased y-o-y in tandem with the increased prices.

EXHIBIT 1
Total Units Sold in Primary and Secondary Markets, and URA Private Residential Property Price Index

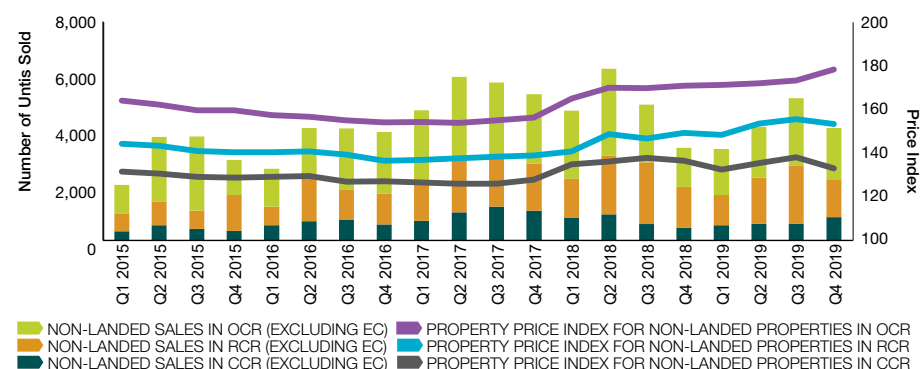


Source: REALIS (based on data downloaded as of 2nd January 2020), Knight Frank Research

Non-landed sales in the CCR and RCR saw a q-o-q decline of 3.7% and 1.4% respectively in Q4, while prices for non-landed private residential properties in the OCR increased by 2.9% to 178.1 in Q4, the fifth consecutive quarterly increase.

EXHIBIT 2

URA Non-Landed Private Residential Price Indices and Number of Units Sold by Market Segment



Source: URA, REALIS (based on data downloaded as of 2nd January 2020), Knight Frank Research

Prices of non-landed private residential units in the CCR declined by 3.7% q-o-q after posting a 2.0% q-o-q increase in the previous quarter. This might reflect the resale prices of older developments, with prices still holding up for prime projects.

EXHIBIT 3

Non-landed Residential Property Price Indices by Planning Region

Region	Q-O-Q	Y-O-Y	Since the last trough
Whole Island	-0.7%	1.5%	11.4%
Core Central Region	-3.7%	-2.6%	5.6%
Rest of Central Region	-1.4%	2.7%	12.3%
Outside Central Region	2.9%	4.3%	15.9%

Source: URA, Knight Frank Research

Sengkang Grand Residences and One Holland Village, which were launched in November 2019, were among the top five projects with the most number of units sold. Sales for Jadescape and Parc Esta continued to move units as buyers were attracted by its fringe location.

EXHIBIT 4

Notable Projects in Q4 2019 by Number of Units Sold

S/n.	Project Name	Market Segment	Total No. of Units in Project	No. of Units Sold in Q4 2019	Average Unit Price (\$ psf) in Q4 2019
Private Residential Projects					
1	Sengkang Grand Residences	OCR	680	235	\$1,746
2	Parc Esta	RCR	1,399	235	\$1,694
3	Treasure at Tampines	OCR	2,203	156	\$1,360
4	One Holland Village Residences	OCR	296	118	\$2,680
5	Jadescape	RCR	1206	93	\$1,685
Executive Condominium Projects					
1	Piermont Grand	OCR	820	56	\$1,088
2	Hundred Palms Residences	OCR	531	2	\$1,082
3	Northwave	OCR	358	1	\$931

Source: URA, REALIS (based on data downloaded as of 2nd January 2020), Knight Frank Research

Around 45% of the units sold in the top five projects with the most number of units sold were two-bedroom units (500-800 sqft), with average prices ranging from about S\$880,000 to almost S\$2 million. One Holland Village Residences in the CCR had the highest average transacted prices for two-bedroom units (500-800 sqft) and sold 40 2BR-units at the Screen tower block at an average price of S\$1,941,000 in Q4.

EXHIBIT 5

Transaction Volume and Average Price Quantum of the Top 5 New Sale Private Residential Projects Sold in Q4 2019

Project Name	<500 sq ft (Average quantum)	500 sq ft- 800 sq ft (Average quantum)	800 sq ft- 1,000 sq ft (Average quantum)	1,000 sq ft- 1,500 sq ft (Average quantum)	> 1,500 sq ft (Average quantum)
Sengkang Grand Residences	72 (S\$839,167)	129 (S\$1,127,798)	14 (S\$1,580,114)	20 (S\$1,963,720)	0 (-)
Parc Esta	29 (S\$810,276)	110 (S\$1,135,491)	49 (S\$1,484,265)	47 (S\$1,764,191)	0 (-)
Treasure at Tampines	27 (S\$669,148)	59 (S\$877,983)	28 (S\$1,141,964)	37 (S\$1,450,351)	5 (S\$2,012,800)
One Holland Village Residences	41 (S\$1,304,889)	40 (S\$1,940,977)	14 (S\$2,304,768)	18 (S\$2,933,912)	5 (S\$8,064,719)
Jadescape	0 (-)	35 (S\$1,099,109)	22 (S\$1,517,882)	35 (S\$1,869,731)	1 (S\$6,200,000)

Source: URA, REALIS (based on data as at 2nd January 2020), Knight Frank Research

Singaporean citizens accounted for most of the home sales in the top 5 projects by transaction volume in Q4 2019, with the proportion of foreign buyers under 10% for the top 5 projects.

EXHIBIT 6

Total Sales of Top 5 Projects sold in Q4 2019 by Residential Status

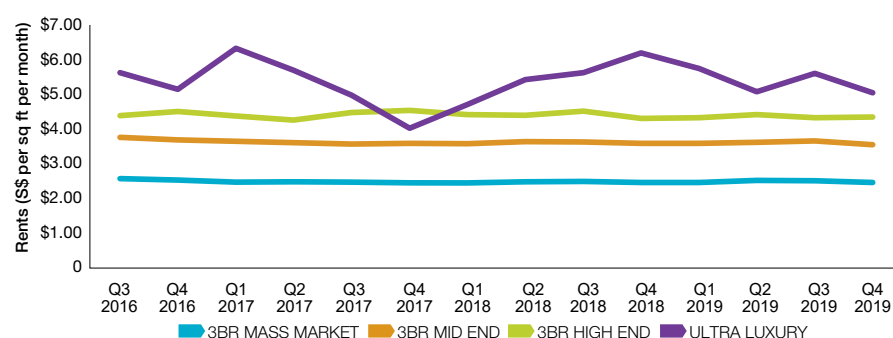
Project Name	Region	Singaporean	Singapore Permanent Residents (PR)	Foreigner (NPR)
Sengkang Grand Residences	OCR	94%	6%	1%
Parc Esta	RCR	82%	16%	3%
Treasure at Tampines	OCR	85%	10%	6%
One Holland Village Residences	OCR	86%	9%	5%
Jadescape	RCR	79%	19%	2%

Source: URA, REALIS (based on data downloaded as at 2nd January 2020), Knight Frank Research

Notes: May not add up to 100% due to caveats lodged by Companies and roundings.

The rents of the non-landed private residential properties in the mass-market, middle-end and high-end segment remained largely flat q-o-q in Q4, with the ultra-luxury segment experiencing a q-o-q decline.

EXHIBIT 7

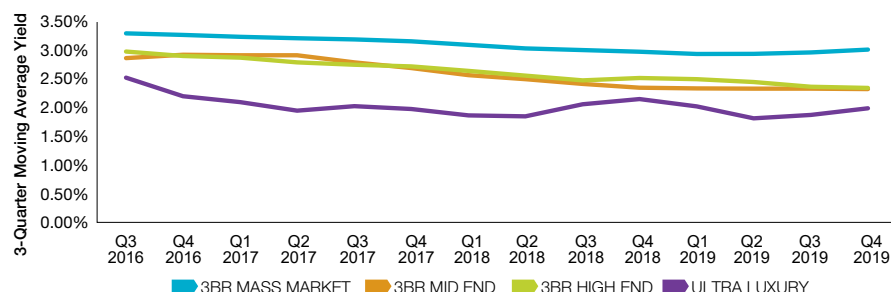
Average Rents (S\$ per sq ft per month) by Segments


Source: URA, REALIS (based on data downloaded as at 2nd January 2020), Knight Frank Research

Yields for non-landed private residential properties remained largely stable for 2019.

EXHIBIT 8

Average Yields of Private Residential Properties by Segment



Source: URA, REALIS (based on data downloaded as at 2nd January 2020), Knight Frank Research

Market Outlook

- Knight Frank expects prices for private residential homes to increase by 2% to 5% in 2020 on the back of an anticipated modest pick-up of Singapore's economic growth in 2020. The sales momentum should continue, barring any economic shocks. More buyers are expected to be encouraged by the price appreciation from Q2 to Q4 2019 and may return from the sidelines. Total sales volume of private residential homes (excluding EC) is forecasted to range between 20,000 to 22,000 units in 2020, with new sales expected to reach about 10,000 to 11,000 units.
- Notwithstanding, new downside risks, however, also emerge. The growing tensions in the Middle East region will increase the uncertainty for both equity and bond markets. Given the volatility in other asset markets, buyers are likely to allocate their resources in residential properties that are seen as safer investment assets.

EXHIBIT 9

Outlook for Private Home Prices

Market Segment	Actual (as at Q4 2019)		Projected By end-2020 (y-o-y %)
	q-o-q %	y-o-y %	
Non-Landed Island-wide	-0.7%	1.5%	2.0% to 5.0%
Non-Landed CCR	-3.7%	-2.6%	0.0% to 3.0%
Non-Landed RCR	-1.4%	2.7%	2.0% to 5.0%
Non-Landed OCR	2.9%	4.3%	2.0% to 5.0%
Landed Homes	4.0%	6.0%	0.0% to 3.0%

Source: URA, Knight Frank Research

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