

# SINGAPORE RESEARCH LANDED RESIDENTIAL



## H1 2019 LANDED RESIDENTIAL MARKET SNAPSHOT

Sales of High-end private landed residential homes (H1 2019)

**S\$1.0 bil**

- ▼ 53.51% decrease y-o-y
- ▼ 33.8% decrease from H2 2018 to H1 2019

Sales of Good Class Bungalows (H1 2019)

**S\$211.9 mil**

- ▼ 30.5% decrease y-o-y
- ▼ 45.3% decrease from H2 2018 to H1 2019

33 Cove Drive



**LINDA CHERN**  
Head,  
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“While the overall market remains soft and GCBs may take a longer time to transact, recent sales showed that the buyers are willing to pay more for landed homes that meet their needs and requirements.”

## UPTICK IN URA LANDED PRICE INDEX AMIDST MODERATION IN SALES

### Overall Performance

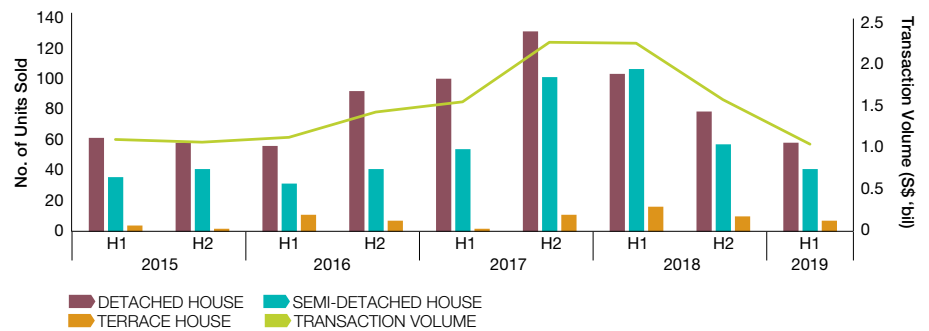
- Sales of high-end private landed residential homes above S\$5 million slowed, declining by 33.8% h-o-h to \$1billion in H1 2019.
- Based on the URA flash estimates, the landed residential property price index (PPI) rose by 0.2% quarter-on-quarter (q-o-q) in Q2 2019 after increasing by 1.1% q-o-q in Q1 2019. With sales declining, the increase in PPI may be due to buyers paying a premium for properties of their choice and thus pushing up prices. This likely points to a widening price gap between buyers and sellers, which caused sales of high-end land residential homes in H1 2019 to drop.
- Separately, the sales of GCBs decreased by 45.3% h-o-h, with S\$211.9 million worth of GCBs transacted in H1 2019. The fall in sales is on the back of the release of weaker Singapore economic data, which dampened market sentiments. However, there were still GCBs transacted at a high land price in H1 2019, with 16 Jervois Hill being a case in point.
- While the sales only incorporate caveats before and on 18 June 2019, there is unlikely to be a significant change in trend, with June being a historically slower month.
- Overall, Knight Frank expects sales of high-end landed homes to remain subdued, with choice properties remaining in demand.

### Landed Homes above S\$5 million (includes GCB)

- The number of high-end landed residential properties transacted fell for two consecutive quarters, declining by 27.3% h-o-h to 104 units in H1 2019 (Exhibit 1). The last time that the sales volume of high-end landed residential properties reached this level was in H1 2016 when the implementation of the Total Debt Servicing Ratio curbed the demand.
- The decline in sales in H1 2019 can be primarily attributed to the weaker sentiments, after the Ministry of Trade and Industry moderated the Singapore GDP growth forecast due to the escalation of trade tension between China and the United States. Separately, the price gap between buyers and sellers widened, especially for those sellers who have deep pockets.
- District 10 accounted for the most sales of high-end landed homes in H1 2019, although the sales of such landed homes declined from 45 homes in H2 2018 to 30 homes in H1 2019 (Exhibit 2).
- Some notable transactions in H1 2019 include the sale of high-end landed homes like 139 Cove Drive (\$32,000,000). 139 Cove Drive is a seafront bungalow in Sentosa and has been dubbed the Copper House due to the copper claddings on the bungalow’s facade.

EXHIBIT 1

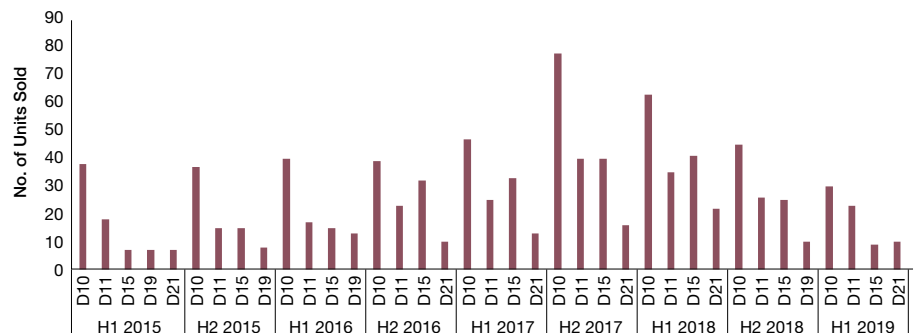
#### Number of Units and Transaction Volume of Landed Homes above \$5 million



Source: REALIS (as at 18 June 2019), Knight Frank Research

EXHIBIT 2

#### Hot Spots for High-End Landed Properties



Source: REALIS (as at 18 June 2019), Knight Frank Research

## Good-Class Bungalows

- Nine GCBs exchanged hands in H1 2019 (Exhibit 3), with total sales amounting to S\$211.9 million. This represents a 45.3% h-o-h decrease (Exhibit 4). Including land plots that were smaller than 1,400 square metres (sqm), there were 17 sales in GCB areas.
- Consistent with the weakening high-end landed residential sales, the decrease in GCB sales can be attributed to the weakening economy as well as the widening mismatch of price expectations.
- Based on the caveats, the most expensive GCB transacted in H1 2019 was 16 Jervois Hill at Chatsworth Park (S\$30.9 million). The unit price per square foot (S\$psf) at S\$2,032 was also 74.4% higher than the median S\$psf at S\$1,166. The GCB was constructed nine years ago with a built-up area of 10,000 square feet (sq ft).
- For transactions of landed homes in GCB areas with a land area smaller than 1,400 sqm, the most expensive landed home transacted was at 63 Belmont Park (S\$39.8 million). The sale also represented the overall highest price in terms of both quantum and S\$psf (\$2,653) for H1 2019. 63 Belmont Park is a newly completed freehold bungalow off Holland Road, indicating how GCBs buyers are still willing to fork out a premium for their ideal property, especially for newer properties.
- While some GCBs were transacted at very high unit prices in H1 2019, the median unit price (S\$psf) of GCBs declined by 25.8% h-o-h to \$1,166 in H1 2019 (Exhibit 5). The decline in median land rates probably reflected the transactions of older GCBs, as the prices of GCBs tend to be resilient to market shocks.

EXHIBIT 3

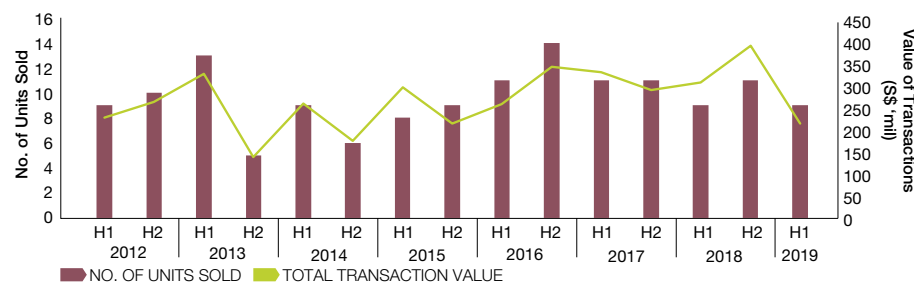
### GCB Transactions in H1 2019

GCB Area	No. of Transactions	Total Transaction Value
Chatsworth Park	1	S\$30,880,000
Ewart Park	1	S\$30,000,000
Ridout Park	1	S\$25,680,000
Maryland Estate	1	S\$25,000,000
Queen Astrid Park	1	S\$23,600,000
Kilburn Estate	1	S\$22,150,000
Swiss Club Road	1	S\$18,800,000
First/Third Avenue	1	S\$18,800,000
41 Ford Avenue	1	S\$17,000,000

Source: REALIS (as at 18 June 2019), Knight Frank Research  
Refer to Annex A for chart

EXHIBIT 4

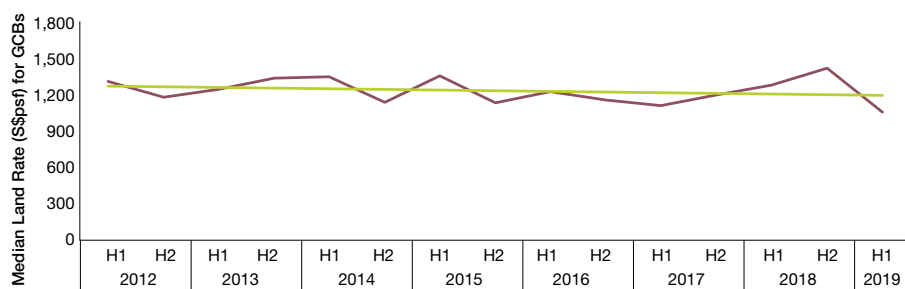
### Number of Units and Transaction Volume of Good Class Bungalows



Source: REALIS (as at 18 June 2019), Knight Frank Research

## EXHIBIT 5

## Median Land Rate (\$\$psf) of GCBs



Source: REALIS (as at 18 June 2019), Knight Frank Research

The green line is a trend line that shows the prevailing direction of the median land rate of GCBs

## EXHIBIT 6

## Top 3 sales in GCB Areas in H1 2019 by Transacted Price

Address	Land Area (sq ft)	Transacted Price (S\$)	QQ Sold
63 Belmont Road	15,004	\$39,800,000	Q2
16 Jervois Hill	15,198	\$30,880,000	Q1
18 Ewart Park	27,469	\$30,000,000	Q1

Source: REALIS (as at 18 June 2019), Knight Frank Research

## Market Outlook

- Due to a sluggish economy and trade war tensions affecting buyer sentiments, Knight Frank anticipates the transaction volume of high-end landed private residential properties in Singapore to be muted in 2019. While interest persists, the price gap between buyers and sellers is likely to widen.
- The Sentosa's masterplan for 2030, which involves plans to enhance the island's infrastructure and transport connectivity to bolster leisure experiences, may re-trigger buyers' interest in Sentosa landed properties.
- Besides, we expect to see sustained interest for GCBs for the rest of 2019 despite a softer market, with buyers of GCBs willing to pay a premium for preferred properties that fit their requirements.

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## GCB Transactions in H1 2019

Source : REALIS (as at 18 June), Knight Frank Research

