

# SINGAPORE RESEARCH RESIDENTIAL



## Q3 2018 RESIDENTIAL MARKET SNAPSHOT

All Private Residential Property Price Index  
**149.7**

▲ 8.8% increase y-o-y

Total Transaction Volume\* (Q3 2018)  
**5,812 units**

▼ 28% decrease y-o-y

\*Transaction volume is based on caveats lodged as at 19 October 2018

Evening View of Orchard skyline from the Lumos



**TAN TEE KHOON**  
Executive Director & Head,  
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“With various opportunities available in the market, projects in the Rest of Central Region and Core Central Region will potentially appeal more to first-time home buyers as well as owners that received their sale proceeds seeking replacement homes. Increasingly, buyers are placing more emphasis on the location attributes, design of the product, unique offerings and smart home features.”

## PRIVATE RESIDENTIAL PRICE STAYED STABLE DESPITE COOLING MEASURES AND UNCERTAIN EXTERNAL ENVIRONMENT IN Q3 2018

The URA private residential property price index rose 0.5% quarter-on-quarter (q-o-q) in Q3 2018.

### Market Pulse

- Despite the cooling measures and uncertain external environment, prices for private residential properties continued to increase in Q3 2018. The URA private residential property price index rose by 0.5% q-o-q. The prices were supported by first-time home buyers and investors seeking Singapore properties for diversification purposes.
- Notwithstanding, sales in Q3 dipped as buyers' sentiments were more subdued. Many buyers returned to the sidelines, adopting a “wait and see” approach. Sales were also slower in Q3 due to The Chinese Ghost Month in August. Based on the caveats lodged as at 19 October 2018, private residential sales including Executive Condominiums (EC) fell by 26.9% q-o-q, and 27.7% year-on-year (y-o-y).
- The Core Central Region (CCR) recorded an increase q-o-q in non-landed private residential price indices in Q3 2018 despite the cooling measures. However, the price index of non-landed homes in Rest of Central Region (RCR) eased by 1.3% q-o-q. Notwithstanding the decline in price index, the non-landed residential property sales in RCR rose by 9.9% q-o-q (Exhibits 2 and 3) due to the new launches.

- With the cooling measures in place, buyers became more price-sensitive. A case in point was Riverfront Residences, which sold a significant number of units below S\$1.0 million in Q3 2018. Separately, projects of good design at choice locations, such as The Tre Ver, appealed to many buyers.
- There are signs that prices are staying stable, although the weaker economic outlook may exert negative pressure on prices and sales.
- Separately, the private residential rents showed signs of bottoming out, with the number of rental transactions trending upwards. With fewer completions in next year, we expect residential property rents to appreciate in 2019, provided the global economy remained robust.

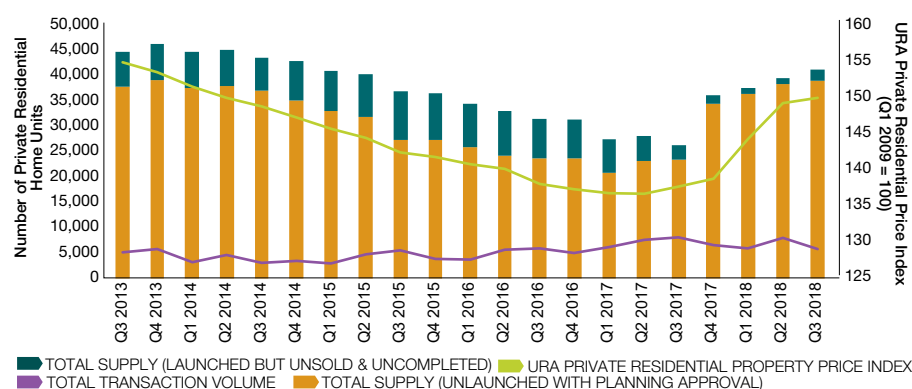
### Market Insights

URA private residential price index increased by 0.5% q-o-q in Q3 2018, with sales declining by nearly 27% q-o-q to 5,812 units. Notwithstanding, total private residential sales was 87.1% higher than 3,107 units transacted in Q3 2014. Sales volume reached a trough in 2014.

While there is much supply in the pipeline, the impact is likely to be cushioned. This is because the developers are likely to introduce the new launches in phases. Additionally, we expect supply to start declining from 2019, subject to changes in Government policies.

EXHIBIT 1

#### Total Supply of Private Homes, Total Sales, and URA Private Residential Property Price Index

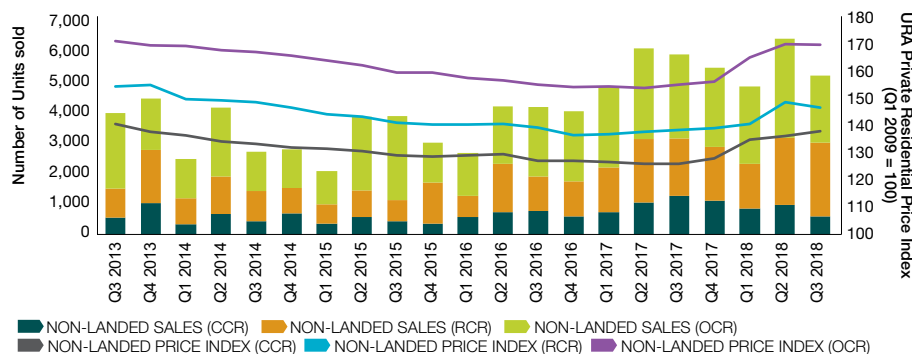


Source: URA, Knight Frank Research  
 Note: Transaction volume based on caveats lodged as at 19 October 2018

Non-landed private home price index for RCR eased by 1.3% q-o-q in Q3 2018 but sales of non-landed homes in RCR rose by 9.9% q-o-q.

EXHIBIT 2

#### URA Private Residential Price Index and Number of Units Sold by Market Segment



Source: URA, Knight Frank Research  
 Note: Transaction volume based on caveats lodged as at 19 October 2018; Include ECs.

Despite the pressure from slower sales in Q3 2018, non-landed private home prices were about 8-10% higher from the trough in 2017.

## EXHIBIT 3

## Changes in URA Private Non-landed Residential Price Indices

Region	q-o-q	y-o-y	Since the last trough
Whole Island	No Change	8.6%	9.3%
Core Central Region	1.3%	9.4%	9.5%
Rest of Central Region	-1.3%	6.0%	7.5%
Outside Central Region	-0.1%	9.4%	10.3%

Source: URA, Knight Frank Research

Buyers were more price-sensitive and discerning after the cooling measures. They had more options in the market, especially in the RCR region.

Separately, the prices of Executive Condominiums (EC) inched upwards. We anticipate any new launches of ECs to be well-received, given that the prices of EC are lower than private condominiums.

## EXHIBIT 4

## Top 5 Projects in Q3 2018 by Number of Units Sold

S/n.	Project Name	Market Segment	Total No. of Units in Project	No. of Units Sold to date <sup>1</sup>	No. of New Units Sold in Q3 2018 <sup>2</sup>	Average Price <sup>2</sup> (\$ psf) in Q3 2018
<b>Private Non-Landed Residential Projects</b>						
1	Riverfront Residences	OCR	1,472	730	730	\$1,310
2	Park Colonial	RCR	805	499	499	\$1,746
3	Stirling Residences	RCR	1,259	424	424	\$1,765
4	Jadescape	RCR	1,206	325	325	\$1,666
5	The Tre Ver	RCR	729	191	191	\$1,549
<b>Executive Condominiums</b>						
1	Northwave	OCR	358	354	24	\$868
2	Parc Life	OCR	628	627	22	\$881
3	Rivercove Residences	OCR	628	626	24	\$980
4	Signature At Yishun	OCR	525	525	5	\$847
5	Sol Acres	OCR	1,327	1,327	5	\$909

Source: URA, REALIS (based on data as at 19 October 2018), Knight Frank Research

<sup>1</sup> Sales data may vary arising from the status update of earlier sales records by developers after factoring drop-out cases. <sup>2</sup> Number of units sold and average prices in the quarter are based on caveats lodged from July to August 2018, lodged as at 19 Oct 2018.

Amongst the 5 residential projects with the highest transaction volume in Q3 2018, a significant share of the units transacted were of floor areas ranging from 500-800 sq ft. In addition, the average quantum of the units of this size was less than \$1.5m.

## EXHIBIT 5

## Transaction Volume and Average Price Quantum of the Top 5 Private Residential Projects Sold in Q3 2018

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)
Riverfront Residences	159 (\$618,029)	398 (\$815,095)	55 (\$1,165,655)	111 (\$1,507,351)	7 (\$2,097,000)
Park Colonial	113 (\$827,088)	214 (\$1,154,883)	100 (\$1,562,300)	67 (\$1,975,075)	5 (\$2,801,200)
Stirling Residences	56 (\$825,871)	221 (\$1,181,868)	82 (\$1,550,026)	65 (\$1,979,187)	-
Jadescape	-	191 (\$1,154,381)	27 (\$1,511,087)	98 (\$1,890,049)	9 (\$3,184,544)
The Tre Ver	12 (\$766,500)	145 (\$996,090)	-	34 (\$1,738,471)	-

Source: URA, REALIS (based on data as at 19 October 2018), Knight Frank Research

1. Sales data may vary arising from the status update of earlier sales records by developers after factoring drop-out cases. 2. Number of units sold and average prices in the quarter are based on caveats lodged from July to August 2018, lodged as at 19 Oct 2018.

Sales in prime districts continued to move in Q3 2018. Based on the caveats lodged, Marina One Residences sold the most in CCR. Of the 45 units from Marina One Residences sold, some 8 units were larger than 2,000 sq ft at \$2,709 per sq ft. Non-Permanent Resident buyers were particularly active in CCR market segment.

EXHIBIT 6

**Total Sales of Top 5 by Residential Status**

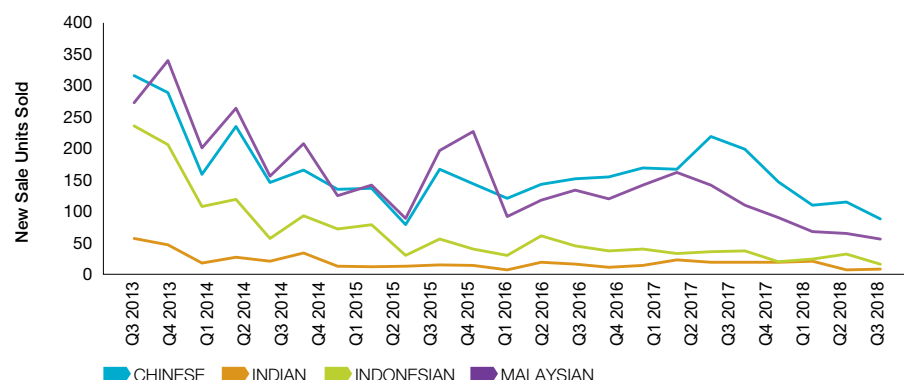
Project Name	Market Segment	Singaporean	Singapore Permanent Residents (PR)	Foreigner (NPR)
Riverfront Residences	OCR	87%	11%	2%
Park Colonial	RCR	88%	8%	4%
Stirling Residences	RCR	84%	12%	4%
Jadescape	RCR	87%	11%	2%
The Tre Ver	RCR	90%	8%	2%

Source: URA, REALIS (based on data as at 19 Oct 2018), Knight Frank Research  
 Note: May not add up to 100% due to caveats lodged by Companies and other buyers.

Chinese and Malaysians continued to account for a large share of foreign purchases of new non-landed projects in Singapore in Q3 2018. The Chinese were active in the CCR market segment; their home purchases formed 21.4% of foreign new non-landed residential sales in Q3. Notwithstanding, foreign purchases largely declined in Q3 after the announcement of cooling measures.

EXHIBIT 7

**New Sale Transaction Volume by Buyer Nationality**

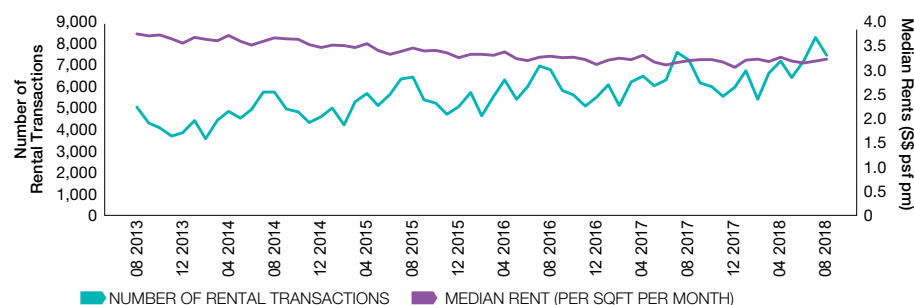


Source: URA, REALIS (based on data as at 19 Oct 2018), Knight Frank Research

In contrast, private residential rents are showing signs of bottoming out in the third quarter of 2018. With prices increasing at a slower rate, we expect yields to stabilise in future.

EXHIBIT 8

**Total Rental Transactions and Median Rents**

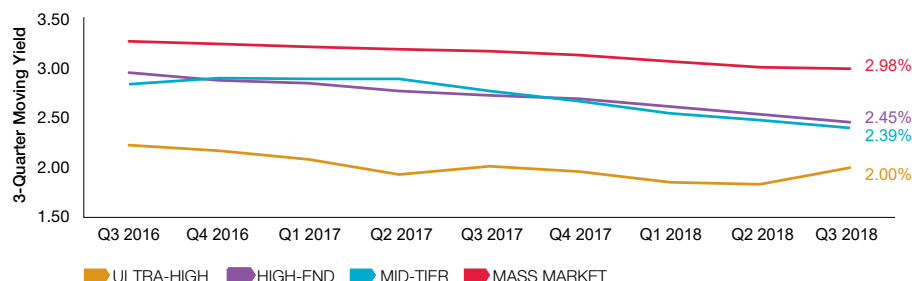


Source: REALIS, URA, Knight Frank Research

While non-landed residential property yields remained subdued, average gross yields for high-end and ultra-luxury residential properties improve in Q3 2018.

EXHIBIT 9

### Average Yields of Private Residential Properties by Segments



Source: REALIS, URA, Knight Frank Research

## Market Outlook

The prices of private residential properties are likely to stay flat for the last quarter of 2018, as buyers' sentiments likely to remain subdued. New sale volume, however, is likely to vary by project. Buyers are likely to be drawn to projects in the RCR and CCR, as these residential properties remain relatively appealing amid the uncertain external environment.

EXHIBIT 10

### Outlook for Private Home Prices

Market Segment	Actual (as at Q3 2018)		Projected y-o-y % Change by end 2018
	q-o-q %	y-o-y %	
Island-wide	0.5%	8.8%	8.0% to 11.0%
Non-Landed CCR	1.3%	9.4%	8.0% to 12.0%
Non-Landed RCR	-1.3%	6.0%	6.0% to 8.0%
Non-Landed OCR	-0.1%	9.4%	9.0% to 11.0%
Landed Homes	2.3%	9.1%	6.0% to 10.0%

Source: URA, Knight Frank Research

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