

Q3 AUCTION MARKET SNAPSHOT

Total number of auction listings
in Q3 2018:

291

▲ 7.4% increase y-o-y

Gross sales value

S\$10.4 million

▼ 43.5% decrease y-o-y

INCREASE IN NUMBER OF MORTGAGEE LISTINGS IN Q3 2018 AMID UNCERTAIN ECONOMIC OUTLOOK



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“With the recently inked cooling measures, properties will take longer to sell via private negotiation due to the mismatch of expectations. Thus, we anticipate more owners turning to auctions to expedite the sale of their properties. Separately, the owners can better evaluate their position through the bids.”

Overall Auctions Performance

- **Total number of auction listings (excluding properties sold before and after auctions) amounted to 291 in Q3 2018**, translating to a 7.4% quarter-on-quarter (q-o-q) increase of listings from the 271 listings in Q2 2018.
- **The success rate (based on total number of listings) inched downwards from 3.7% in Q2 2018 to 3.1% in Q3 2018**, with some 9 properties sold during auctions.
- **The value of auction sales in Q3 2018 decreased 43.5% q-o-q to approximately S\$10.4 million.**

Key Trends

- **There were 151 owner sale auction listings, about 7.9% lower q-o-q** than the 164 listings recorded in the previous quarter. This is largely due to the Hungry Ghost Month that spanned from 11 August to 9 September.
- **Total number of mortgagee sale listings increased to 109, a 31.3% increase q-o-q in Q3 2018.** Heightened uncertainty in the global economy, increased volatility in the various asset markets, and restructuring of various sectors taking place in Singapore contributed to the higher number of listings.

- **Residential listings formed a significant share of all the auction listings in Q3 2018 (45.4%),** followed by industrial listings (29.9%), and retail listings under auctions (17.9%).
- **The number of residential listings increased q-o-q, from 109 residential listings in Q2 2018 to 132 residential listings in Q3 2018.** Although the number of residential listings increased 21.1% q-o-q, the number of residential properties sold dropped from 8 residential properties in Q2 2018 to 5 properties in Q3. The drop may be due to the cooling measures, as buyers have lower expectations of prices.
- **Total industrial listings in Q3 2018 continued to trend higher, increasing by 61.3% q-o-q to 87 listings.** Majority (65.5%) of the industrial listings were units of sizes less than 5,000 sq ft. This is likely a result of industrial unit owners hoping to offload their assets as the price quantum is deemed relatively affordable for buyers.
- **The number of retail units listed under auctions stabilized in Q3 2018 to 52 listings after a spike of 97 retail listings recorded in Q2 2018.** Retail units listed under owner sale accounted for a large share (61.5%) of retail listings in auctions amid headwinds facing owners in the retail sector.

Residential Auction Market

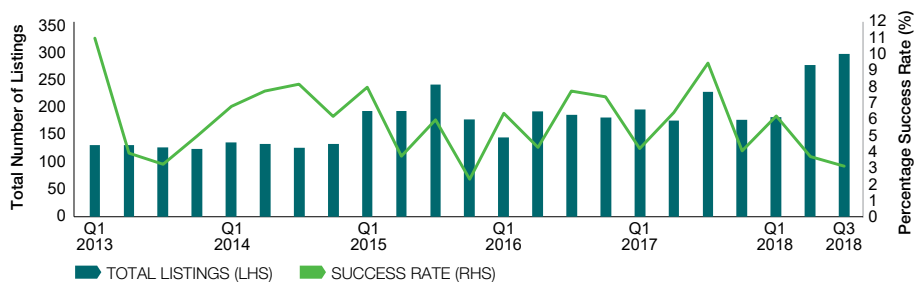
- **Out of the residential auction listings, the proportion of residential properties listed under owner sales and mortgagee sales this quarter stayed largely unchanged** at about 43.2% (57 owner listings) and 43.9% (58 mortgagee listings). In Q3 2017, the proportion of residential listings under mortgagee sale was about 58.1% (68 auction listings) while owner sales accounted for 35.0% (41 auction listings).
- **The success rate of residential sales in auction declined to 3.8% in Q3 2018 from the 7.3% achieved in the previous quarter.** Total transaction volume of residential properties sold under auctions summed to S\$7.8 million. On a q-o-q basis, the total residential sale volume through auction declined 54.5% q-o-q as fewer residential properties were transacted.
- **The number of residential property listings in prime districts (comprising districts 1, 9, 10, and 11) in Q3 remained at 25 listings, unchanged from the previous quarter.**
- **Some 29 residential listings were from district 15 (Katong, Joo Chiat, Amber Road) in Q3 2018, highest since data was collected from 2011.** Majority (72.4%) of the private home listings located in district 15 was put for sale by owners.
- **Average price quantum of residential units transacted in Q3 2018 declined 27.3% q-o-q to S\$1.6 million from an average transacted quantum of S\$2.1 million in Q2 2018.** Only 1 out of the 5 residential units, a landed home, was transacted in Q3 was above S\$2.0 million. In comparison, Q2 2018 saw 4 out of 8 residential properties transacted above S\$ 2 million.

Market Outlook

- **We keep our forecast that the number of auction listings under owner sales to increase towards the end of 2018.** Notwithstanding, external shocks may be coming from the ongoing trade war and rising oil prices can lead to increase in mortgagee listings.
- **The success rate for residential listings is likely to ease, as there is a growing gap in price expectations between buyers and sellers.** Notwithstanding, choice properties that are likely to come by continue to remain in demand.
- **While commercial listings, comprising office, industrial and retail units,** it remains premature to conclude whether the increase in interest due to the cooling measure will translate to more sales.

EXHIBIT 1

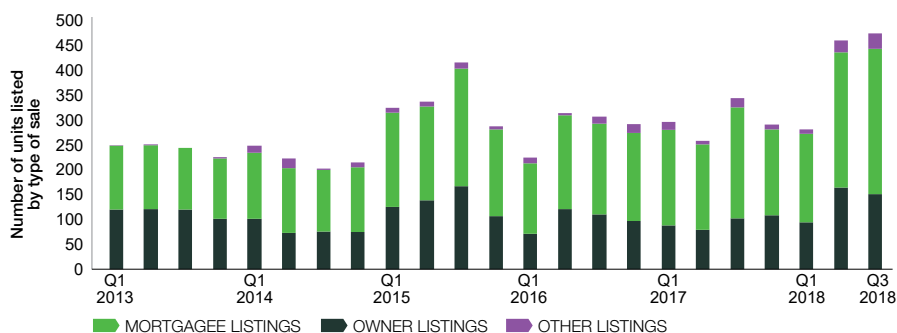
Total Number of Listings Put Up for Sale and Percentage Success Rate



Source: Knight Frank Singapore
 *Total listings based on number of units and excludes units sold before and after auctions

EXHIBIT 2

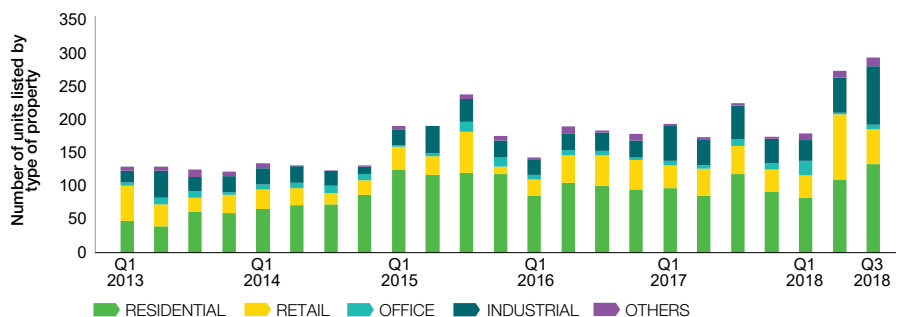
Number of Auction Listings by Type of Sale



Source: Knight Frank Auctions and Knight Frank Research

EXHIBIT 3

Number of Auction Listings by Type of Property



Source: Knight Frank Auctions and Knight Frank Research

EXHIBIT 4

Top 5 Auction Sales in Q3 2018 by Transaction Volume

Property Address (District)	Type of Listing	Type of Property	Size (sq ft)	Transacted Price (S\$)	Date of Transaction
11 Holland Link #01-11 (D10)	Owner Sale	Landed	4,241	3,250,000	Sep-18
23 Jalan Raja Udang #17-12 (D12)	Mortgagee Sale	Non-Landed	1,055	1,480,000	Jul-18
31 Chun Tin Road #03-14 (D21)	Mortgagee Sale	Non-Landed	1,354	1,450,000	Sep-18
1 Irving Place #07-13 (D13)	Mortgagee Sale	Industrial	1,690	990,000	Aug-18
41 Hindhede Walk #06-05 (D21)	Mortgagee Sale	Non-Landed	980	835,000	Aug-18

Source: Knight Frank Auctions and Knight Frank Research

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