

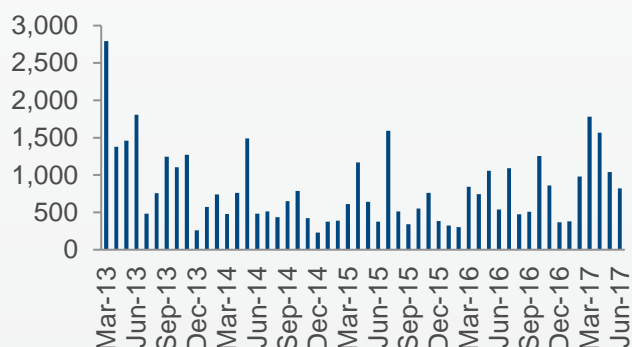
# Strong H1 2017 developer sales

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Private home sales by Singapore property developers in June 2017 fell 21% MOM to 820 units. However, this is still a 53% jump YOY, bringing H1 2017 to 6,388 units, up 74% YOY. The positive momentum has slowed in June with the lack of major launches over the past two months. We expect this momentum to pick up with three major launches in late July-August. As for land sales, the Woodleigh residential site tender closed on 11 July with 15 bullish bids, in yet another indication of developers' optimistic outlook over the next 9-18 months.

Excluding Executive Condominiums (ECs), June developer sales declined 21% MOM to 820 units, below 1,000 units for the first time since February. However, combining the June figures with the above-trend strong sales in April and May would bring Q2 2017 developer sales to 3,426 units, up 16% QOQ, and 52% YOY. This also brings H1 2017's primary sales to 6,388 units, 74% above the 3,675 sold in H1 2016. For the whole of 2017, we now project a full -year developer take-up of 9,000-10,000 units, 13-25% higher than last year's 7,972 units.

## Monthly developer units sold (excluding ECs) in June: -21% MOM, +53% YOY



Source: URA, Colliers International Singapore Research

## Slower sales in OCR and RCR

By market segment, the Outside Central Region (OCR) continued to make up most of the developer sales with 55% of total take-up in June. OCR sales fell 27% MOM to 455 units. Sales at the Rest of Central Region (RCR) also fell 13% MOM to 301 units. Core Central Region (CCR) sales were relatively flat MOM at 64 units, as sales at **Sophia Hills** picked up further to 44 units in June, from 28 units in May, at a median price of SGD1,978 (USD1,413) psf.

### Launch and take-up by market segment (excluding ECs)

Market segment	Launch			Sold		
	Jun-17	May-17	Chg MOM	Jun-17	May-17	Chg MOM
CCR	-	30	-100%	64	66	-3%
RCR	29	185	-84%	301	346	-13%
OCR	130	155	-16%	455	627	-27%
	159	370	-57%	820	1,039	-21%

CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region

Source: URA, Colliers International Singapore Research

## Sales momentum at most projects slowed in June

There was only one new launch in June -- **Park 1 Suites**, a small 26-unit project at Geylang. Only two units were sold at median price of SGD1,453 (USD1,038) psf. May's only new launch -- **Watercove**, a 80-unit strata-landed project in the far northern part of Singapore, sold another five units in June at median price of SGD785 (USD560) psf after 16 units were sold in May. Each strata-landed house cost about SGD2.6 (USD1.9) million.

### New launch in June 2017

Project Name	Street Name	Developer	Property Type	Market segment	Total No of Units
Park 1 Suites	Lorong 40 Geylang	Park 1 Suites Pte. Ltd.	Non-Landed	RCR	26

CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region

Source: URA, Colliers International Singapore Research

**The Santorini**, at Tampines, was the top seller in June, achieving accelerated sales of 75 units at a median price of SGD1,026 (USD733) psf in June, compared to 64 units in May. This brings the total take-up to 89% of its total 597 units.

Sales momentum slowed down for other projects such as the 752-unit **Parc Riviera**. 55 units of Parc Riviera were sold at a median price of SGD1,218 (USD870) psf, slowing down from the 83 and 90 units in May and April respectively, bringing the total take-up to 76%.

**Commonwealth Towers**, launched in June 2014, sold 47 units in June 2017 at a median price of SGD1,899 (USD1,356) psf. This is a slowdown from 53 and 85 units in May and April respectively. This brought the sell-through rate to 86% of 845 units. On the other hand, sales momentum at next-door **Queens Peak** picked up to 33 units at a median price of SGD1,725 (USD1,232) psf from 19 units in May. It has a total of 736 units and is currently 54% sold.

### Top 10 selling projects in June 2017

Project Name	Address	Type	Market segment	Units sold in month	Median price (SGD psf)	Total % sold
The Santorini	Tampines Street 86	Non-Landed	OCR	75	1,026	89%
Parc Riviera	West Coast Vale	Non-Landed	OCR	55	1,218	76%
Commonwealth Towers	Commonwealth Avenue	Non-Landed	RCR	47	1,899	86%
Sophia Hills	Mount Sophia	Non-Landed	CCR	44	1,978	57%
Sol Acres	Choa Chu Kang Grove	EC	OCR	41	829	93%
Kingsford Waterbay	Upper Serangoon View	Strata-Landed / Non-Landed	OCR	36	1,210	64%
Symphony Suites	Yishun Close	Non-Landed	OCR	36	1,023	71%
The Alps Residences	Tampines Street 86	Non-Landed	OCR	35	1,050	77%
The Visionaire	Canberra Drive	EC	OCR	35	811	79%
The Triling	Jalan Lempeng	Non-Landed	OCR	34	1,234	85%

EC: Executive Condominiums: a hybrid of public and private housing CCR: Core Central Region; RCR: Rest of Central Region; OCR: Outside Central Region  
Source: URA, Colliers International Singapore Research

We have seen consistent interest in Executive Condominiums (EC). **Sol Acres**, the largest EC in Singapore with 1,327 units, remained among the top five bestsellers. It sold a further 41 units in June, albeit a sharp slowdown after 116 and 122 sales in May and

April respectively, as it is now substantially sold (93%). **The Visionaire EC**, which was launched in June 2016, saw renewed interest since February 2017, and sold 35 units in June, bringing the take-up to 79% of total 632 units.

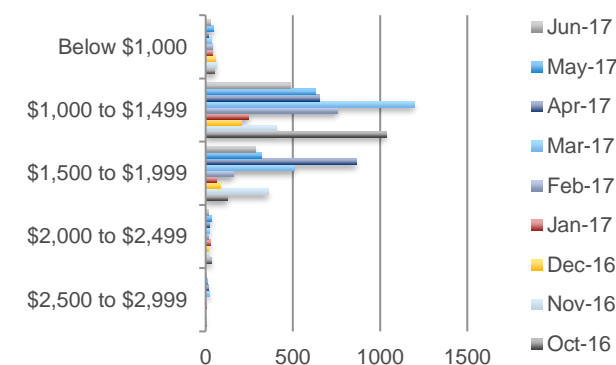
The two new launches in April, namely **Seaside Residences** and **Artra** saw sales slow further to 10 and 9 units in June, from 32 and 26 units sold in May respectively. Their sell-through rates are now 54% and 38% respectively. The median price for **Seaside Residences** climbed back to SGD1,731 (USD1,236) psf from SGD1,636 (USD1,169) psf in May. The median price for **Artra** increased to SGD1,731 (USD1,236) psf compared to SGD1,682 (USD1,200) psf in May as higher-floor units were sold.

### Most sales at sweet spot price points of SGD1,000-1,499psf in June

Excluding ECs, 59% of the developer sales were done at median price points of SGD1,000-1,499 (USD714-1,071) psf in June. 35% of the sales were at SGD1,500-1,999 (USD1,071-1,428) psf. We believe the sweet spot for investors or first-time buyers remains at a price of SGD0.8-1.5 (USD0.6-1.1) million per unit.

We note that the number of units that crossed SGD2,500 (USD1,785) psf has decreased to six in June from 11 in May 2017 due mainly to the decline in sales at prime **Cairnhill Nine** which is now 96% sold.

### Price range: sweet spot of SGD1,000-1,499psf



Source: URA, Colliers International Singapore Research

### Launches in July-August 2017

We expect developers to restart launches in July, offering mass market to high-end projects.

**Martin Modern**, a 450-unit project by GuocoLand, is planned for launch on 22 July. Expected to be completed

in 2021, the project will offer a range of two, two plus study, three, and four-bedroom apartments spanning 764 sq ft to 1,798 sq ft. Prices for the 99-year leasehold units start from SGD1.8 million per unit with an estimated average price of SGD2,300 (USD1,643) psf.

**Le Quest**, a mixed residential and retail project at Bukit Batok West Avenue 6 by Qingjian is also ready for launch. It has 516 residential units across studio to four-bedders configurations, and 100 commercial units on the ground floor. Sales bookings are scheduled to begin on Aug 5.

The 531-unit **Hundred Palms EC** at Yio Chu Kang Road will open for booking on 22 July. Expected to be completed in early 2020, over 80% of the units are three-bedroom apartments spanning 883-1,227 sq ft, at the indicative prices of SGD715,000 to SGD975,000. Four-bedders could go for SGD1.03 million to SGD1.13 million, and five-bedroom units from SGD1.19 million to SGD1.29 million.

## Bullish bidding at land sales

Developers continue to bid aggressively for Government Land Sales demonstrating their confidence or anticipation that the market is near bottom.

On 11 July, a pure residential site next to Woodleigh MRT station on the Government Land Sales Confirmed List saw competitive bidding with 15 bids. The top bid of SGD700.7 million or SGD1,110 psf ppr, came from a JV between Chip Eng Seng, Heeton and KSH. A total of five bids came in at above SGD1,000 psf ppr. This per sqft land price is just 6% below the SGD1,181psf ppr top bid for the neighbouring mixed residential and commercial tender that closed on 13 June.

For this latest site, we estimate a SGD1,500-1,600psf total development cost, compared to current nearby comparable transactions of SGD1,300-1,400psf, pointing to developers' bullish selling price expectations over the next 9-18 months.

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