

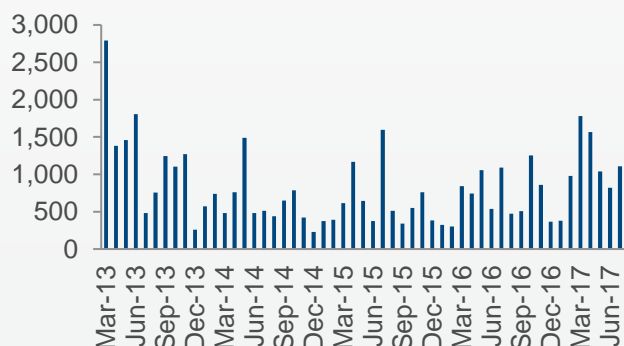
# Strong developer sales momentum

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Excluding ECs, private home sales by property developers in July 2017 rose 35% MOM and 1% YOY to 1,108 units. This brings YTD July developer sales to 7,147 units, 50% above the 4,767 units sold over the same period in 2016. EC sales quadrupled MOM to 978 units in July as a popular new launch **Hundred Palms EC** boosted sentiment and sales at earlier-launched ECs. Mixed development at **Bukit Batok - Le Quest** sold well in early August but we expect weaker sales in late August to September as developers may avoid new launches during the traditionally quiet Hungry Ghost Month that runs from 22 August to 19 September. Land sales have been buoyant, with two major sites at **Serangoon North** sold at bullish prices in July.

Including Executive Condominiums (ECs), July developer sales increased 96% MOM to 2,086 units. Excluding ECs, developer sales increased 35% MOM to 1,108 units on one new launch. For the whole of 2017, we maintain our forecast for full-year developer take-up of 9,000-10,000 units (excluding ECs), 13-25% higher than last year's 7,972 units.

**Monthly developer units sold (excluding ECs) in July: +35% MOM, +1% YOY**



Source: URA, Colliers International Singapore Research



## Jump in CCR sales on new launch

There was a broad-based improvement in developer sales across all market segments in July. Notably, Core Central Region (CCR) sales more than trebled to 204 units, due mainly to a new launch **Martin Modern**, which sold 109 units at SGD2,152 (USD1,582) psf, and a pick-up in other high-end projects such as **Victoria Park Villas**, **Cairnhill Nine** and **Goodwood Grand**. In particular, **Victoria Park Villas** sold 29 units at a median price of SGD1,799 (USD1,323) psf compared to just 3 in June. The Outside Central Region (OCR) continued to make up most of the developer sales with 51% of total take-up in July. OCR sales rose 25% MOM to 570 units, while sales at the Rest of Central Region (RCR) also grew 11% MOM to 334 units.

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

Market segment	Launch			Sold		
	Jul-17	Jun-17	Chg MOM	Jul-17	Jun-17	Chg MOM
CCR	335	-	N.M.	204	64	219%
RCR	204	29	603%	334	301	11%
OCR	153	130	18%	570	455	25%
	692	159	335%	1,108	820	35%

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

Source: URA, Colliers International Singapore Research

## Sold-out EC boosted sentiment and sales for other ECs

It was reported that all 531 units of **Hundred Palms Residences EC** at Yio Chu Kang Road were sold within seven hours of launch on July 22, at a median price of SGD843 (USD620) psf. More than 2,700 e-applications were received during a two-week window that ended on July 17, making it the most oversubscribed executive condominium in history. The success could be due to its location in the mature estate of Hougang/Serangoon, proximity to good schools, and its affordable pricing.

Expected to be completed in early 2020, over 80% of the units are three-bedroom apartments spanning 883-1,227 sq ft. Prices for typical units started from SGD715,000

for a three-bedroom unit, SGD1.03 million for a four-bedroom unit and SGD1.288 million for a five-bedroom unit.

The huge success shone the spotlight on ECs and boosted sales for earlier-launched ECs available on the market. Besides **Hundred Palms Residences**, four ECs were among the top 10 selling projects in July, including **iNz Residence**, **The Visionaire**, **Parc Life** and **The Criterion**. They moved 62-65 units in July compared to the typical 10-40 units per month.

## New launches in July 2017

Project Name	Street Name	Developer	Property Type	Market segment	Total No of Units
Hundred Palms Residences	Yio Chu Kang Road	Hoi Hup Hougang Development Pte Ltd	Exec Condo	OCR	531
Martin Modern	Martin Place	Martin Modern Pte Ltd	Non-Landed	CCR	450

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

Source: URA, Colliers International Singapore Research

The only new private housing launch in July was **Martin Modern**, a 450-unit project by GuocoLand. 109 units were sold at a median price of SGD2,152 (USD1,582) psf. The units sold ranged from two to four-bedrooms, from SGD2,009 psf to SGD2,530 psf. The value of the apartments ranged from SGD1.75-4.55 million. Expected to be completed in 2021, the 99-year leasehold project offers a range of two, two plus study, three, and four-bedroom apartments spanning 764 sq ft to 1,798 sq ft.

## Top 10 selling projects in July 2017

Project Name	Address	Type	Market segment	Units sold in month	Median price (SGD psf)	Total % sold
Hundred Palms Residences	Yio Chu Kang Road	EC	OCR	531	843	100%
Martin Modern	Martin Place	Non-Landed	CCR	109	2,152	24%
The Santorini	Tampines Street 86	Non-Landed	OCR	82	1,039	98%
Symphony Suites	Yishun Close	Non-Landed	OCR	73	1,035	79%
Inz Residence	CCK Ave 5	EC	OCR	65	796	65%
The Visionaire	Canberra Drive	EC	OCR	65	830	89%
Parc Life	Sembawang Crescent	EC	OCR	63	790	57%
Kingsford Waterbay	Upper Serangoon View	Strata-Landed / Non-Landed	OCR	62	1,228	69%
The Criterion	Yishun Street 51	EC	OCR	62	768	64%
Parc Riviera	West Coast Vale	Non-Landed	OCR	53	1,208	80%

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

May's only new launch -- **Watercove**, a 80-unit strata-landed project in the far northern part of Singapore, sold another 12 units in July at a median price of SGD739 (USD543) psf bringing total sales to 30. Each strata-landed house cost about SGD2.6 (USD1.9) million.

**The Santorini**, in Tampines, which received its Temporary Occupation Permit (TOP) in Q2 2017, sold another 82 units at a median price of SGD1,039 (USD764) psf in July. This brings the total take-up to 98% of its total 597 units.

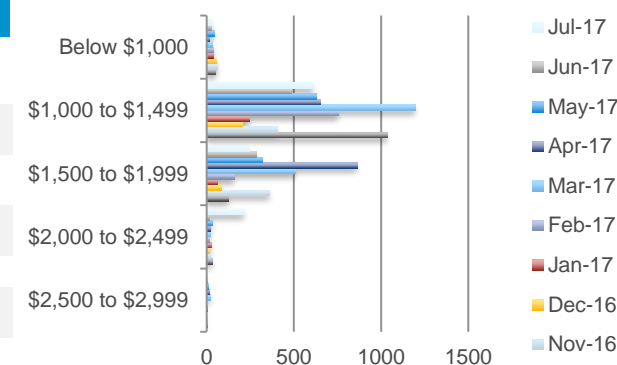
Sales momentum kept up for other projects such as the 752-unit **Parc Riviera**. 53 units of Parc Riviera were sold at a median price of SGD1,208 (USD888) psf. This brings the total take-up to 80%.

## Jump in sales at SGD2,000-2,499psf price range

With the improvement in CCR sales due to the **Martin Modern** launch, there was a significant jump in sales that were done at higher price range of SGD2,000-2,499 (USD1,470-1,837) psf. There were 217 units sold in projects within this median price range in July, the highest since March 2016 when Cairnhill Nine was launched. In contrast, only 15-44 units within this price range were sold monthly from April 2016 to June 2017.

Excluding ECs, 55% of the developer sales were done at median price points of SGD1,000-1,499 (USD735-1,102) psf in July. 22% of the sales were at SGD1,500-1,999 (USD1,071-1,428) psf.

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



Source: URA, Colliers International Singapore Research

## New launches in August 2017

**Le Quest**, a mixed residential and retail project at Bukit Batok West Avenue 6 launched and sold all 280 residential units on August 5 at an average price of SGD1,280psf. Comprising 516 studio and one- to four-

bedroom units and over 6,000 sq m of commercial space, Le Quest is the first mixed-use development in Bukit Batok West, and the first new private development in Bukit Batok in over a decade. Details on the next phase of sales will be announced later.

## Serangoon North: flavour of the month

Developers continue to bid aggressively for Government Land Sales (GLS) and Collective Sales as a testament to developers' prevailing strong appetite for land. In late July, two relatively large sites in Upper Serangoon in north-eastern Singapore were sold at relatively bullish prices. The sellout of the Hundred Palms Residences EC a short distance away may also have boosted developers' confidence in this neighbourhood.

1. On July 26, an Oxley Holdings-led consortium consisting of Lian Beng Group, Unique Invesco Pte Ltd (KSH) and Apricot Capital as well acquired the former HUDC estate **Serangoon Ville** at Serangoon North for SGD499 million in the seventh collective sale so far this year. The purchase price for Serangoon Ville works out to a land rate of close to SGD835 psf ppr, including an estimated differential premium of SGD195 million payable to the state for a top-up to a fresh 99-year lease and for the intensification of the 296,913 sq ft site to a gross plot ratio of 2.8. Oxley plans to build c.1,200 units on the site.

2. On July 27, a Keppel Land-Wing Tai consortium topped 16 bids for the Serangoon North Avenue 1 site on the GLS Confirmed List at a price of SGD446.28 million or SGD965 psf ppr. This was 6.6% higher than the second highest offer of SGD418.7 million (SGD905 psf ppr) from Frasers Centrepoint's FCL Residences and 15.5% higher than the SGD835 psf ppr paid for the nearby Serangoon Ville collective sale site. KepLand and Wing Tai plan to develop over 600 homes on the 462,557 sf GFA site.

We think the Keppel-Wing Tai win is a clear signal that local developers are sharpening their pencils to the competition. Topping the chart of the 16 bidders are largely local developers and it is interesting to note that the next three bids, all by local developers are in close margins. Local developers are clearly hungry to replenish land for continued development activities, especially as there are signs to suggest prices are

bottoming. With a broad-based economic recovery and supply completions expected to taper off, we expect private home prices could recover 3% in 2018. The key limiting factors would be the property cooling measures which are likely to remain in place, still-weak rents due to elevated vacancies and potentially rising interest rates.

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