

“Driven by pent-up demand and low interest rates, the rebound in the non-landed residential market was gravity-defying in Q3 2020, despite being a year fraught with the pandemic.”



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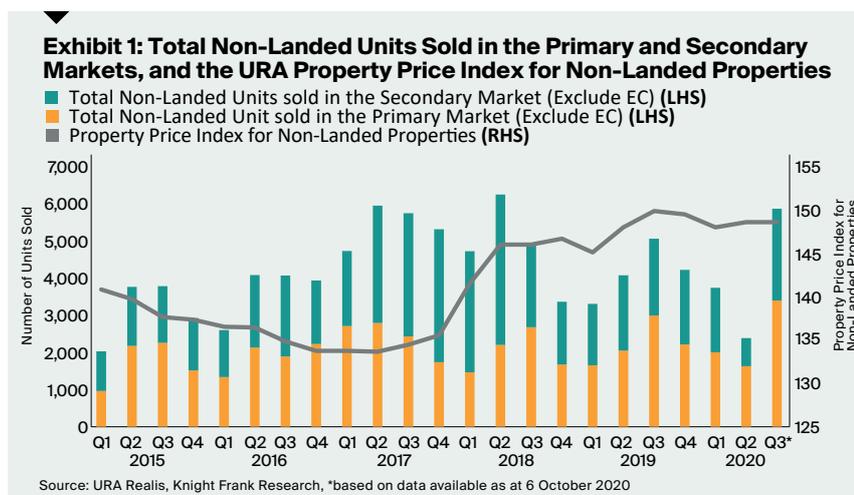
# Residential

## Q3 2020

### TRANSACTION VOLUME REBOUNDED IN Q3 DUE TO PENT-UP DEMAND

#### URA flash estimates

- Prices of non-landed private residential properties (excluding Executive Condominiums (ECs)) defied recessionary fears, holding flat at 148.7 in Q3 2020\*\* after rising by 0.4% in the second quarter of the year (Exhibit 1).
- Transaction volumes of non-landed residential properties (excluding ECs) more than doubled from the previous quarter, recording 5,895 units in Q3 2020\*. Pent-up demand from buyers who deferred their purchases coupled with low interest-rates drove the pick-up in sales momentum from both needs-based buyers and those who feared that prices might increase in the near-term. A significant number of the almost 50,000 HDB homeowners who collected their keys in 2014 and 2015 were also able to capitalise their gains and upgrade to the private market after fulfilling the five-year Minimum Occupation Period (MOP).
- The resale market also rebounded in Q3 on the heels of the new sale market. A total of 2,480 units were transacted in the secondary market, more than three times the 758 resale units sold last quarter\*. More resale transactions were completed as in-person viewings resumed in Phase 2 and owners grew more confident in allowing viewings with falling COVID-19 cases.



#### Core Central Region

- The Core Central Region (CCR) was the only market segment to register a price drop, with the PPI for non-landed private homes declining by 4.9% quarter-on-quarter (q-o-q) to 128.0\*\*.
- Nonetheless, transaction volumes saw a 94.8% q-o-q increase to 791 units largely led by the resale market. The sale of resale units increased more than two-fold from 207

#### MARKET SNAPSHOT

**148.7** — 0.0% Q-O-Q  
NON-LANDED PRIVATE RESIDENTIAL  
PROPERTY PRICE INDEX (FLASH ESTIMATE)

**5,895** UNITS  
146.0% ▲ Q-O-Q | 16.0% ▲ Y-O-Y  
TOTAL NON-LANDED TRANSACTION  
VOLUME EXCLUDING EC (Q3 2020\*)

units in Q2 2020 to 509 units in Q3 2020 and comprised 64.3% of the 791 units transacted this quarter\*. While resale volumes strengthened, a drop in resale prices could have contributed to the price index decrease.

- Primary sales transactions grew by a more moderate 42.0% q-o-q with 282 units sold as fewer new projects were launched\*. New launches included boutique project Mooi Residences, which sold three out of 24 units at an average unit price of S\$2,590 per-square-foot (psf)\*.

#### Rest of the Central Region

- Non-landed prices in the Rest of the Central Region (RCR) picked up by 3.3% q-o-q to 155.0, more than surpassing the 2.2% decline in the first half of 2020. Transaction volumes increased to 2,504 units from 843 units last quarter\*.
- With most of the new project launches in Q3 located in the RCR, new sale volumes saw the biggest jump at 177% q-o-q as compared to the CCR and OCR, recording 1,797 transactions\*. New sales were bolstered by projects such as Forett @ Bukit Timah and Penrose which sold some 30% and 60% of their total units respectively during their launch weekend, attesting to the pent-up demand post-circuit breaker.
- Previously launched projects also continued to sell well. The Woodleigh Residences for instance sold 144 units, up from 25 units last quarter\*.

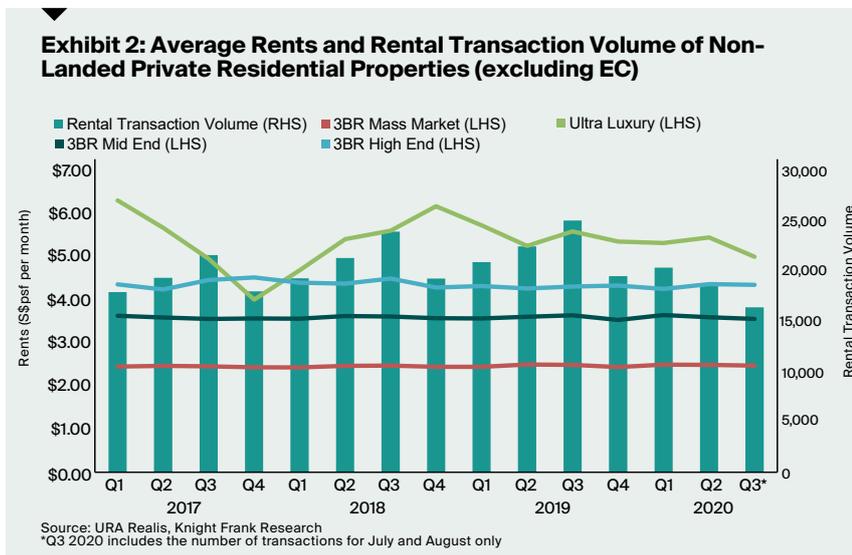
## Outside Central Region

- Non-landed prices inched up by 1.7% q-o-q in the Outside of the Central Region (OCR) in Q3 2020, bringing the year-to-date increase to 1.4%.
- Transaction volumes rose by 127% q-o-q to 2,600 units\*. Besides the RCR, buyers' attention also focused on the OCR as healthy demand from HDB upgraders supported sales.
- Despite a lack of new launches, there were brisk sales in the larger-scale projects. Treasure at Tampines sold 324 units compared to 184 last quarter, while Parc Clematis sold about 203 units, some 50 more as compared to Q2 2020\*.

\*based on available caveats as at 6 October 2020  
 \*\*based on flash estimates announced on 1 October 2020

## Rental Movements

- Island-wide rental transaction volumes of non-landed private homes hit 16,449 in July and August 2020, a 33.5% increase as compared to the first two months of last quarter (Exhibit 2). The increase stemmed from a portion of the leasing transactions being short-term extensions or shorter renewals, from either tenants needing a place to stay in the interim before moving to a new home or those still waiting out the pandemic-led storm.



- Rents decreased slightly across all segments, with the ultra-luxury segment reflecting the greatest decrease due to increased terminations of expatriates and cost-cutting by companies.

## MARKET OUTLOOK

- The rebound in the non-landed residential market in Q3 2020 was "gravity-defying" despite the year being fraught with the pandemic and what will most likely be Singapore's worst recession.
- While the newly issued directive by URA restricting the re-issuance of the option to purchase (OTP) might ease sales volumes moderately, there remain buyers whose livelihoods are relatively unaffected or with dry financial powder from previous en-bloc proceeds.
- New sale volumes are forecasted to reach about 8,000 to 9,000 units as Singapore moves towards Phase 3 of the Circuit Breaker (CB), and prices are expected to remain largely flat for the whole of 2020.

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RESIDENTIAL Q2 2020



SINGAPORE VIEW  
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