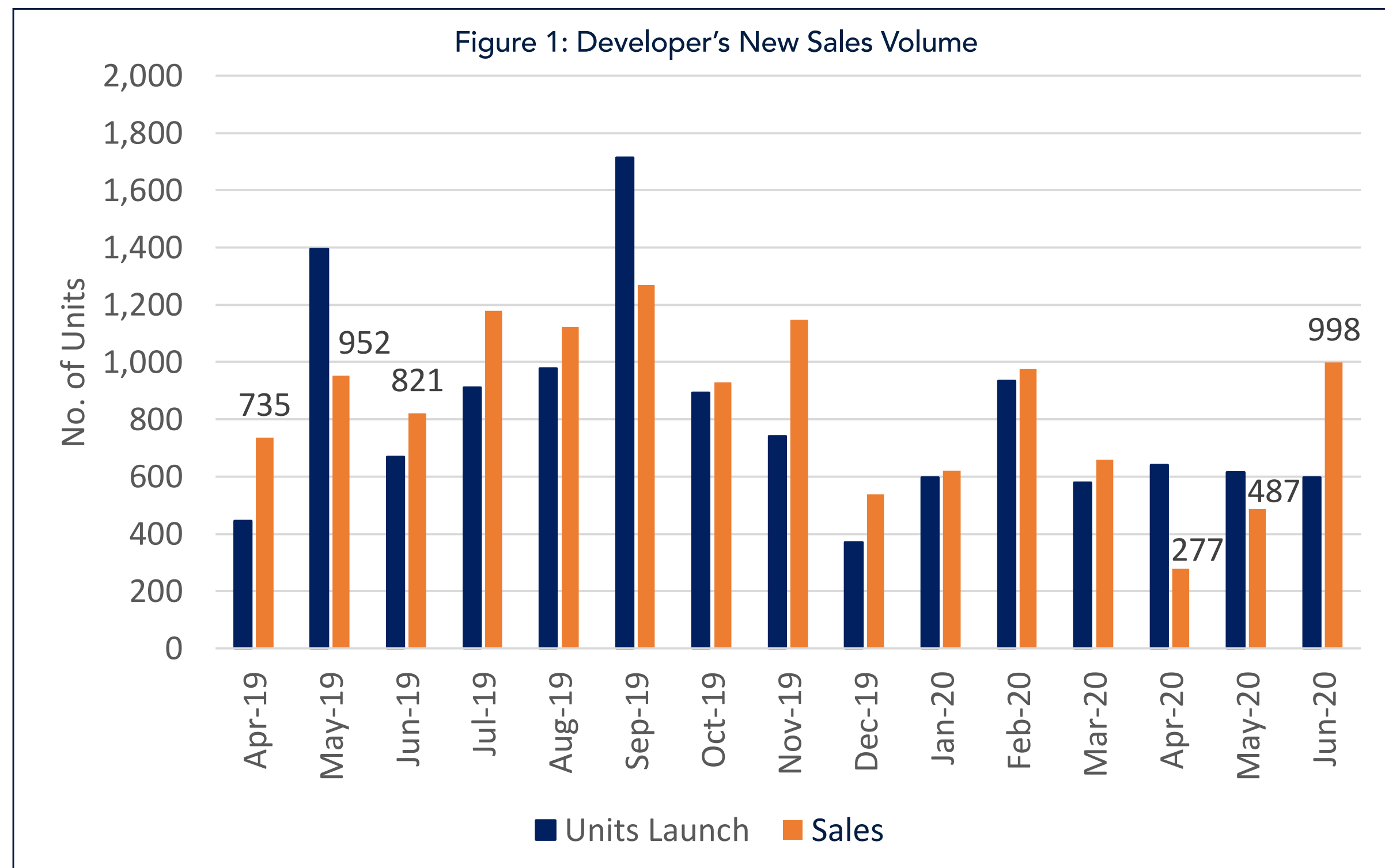


1 DEVELOPER SALES

The property market got a shock when the Government announced the country is going into a circuit breaker on 7 April 2020 and all sales galleries including physical viewing will be suspended till 4 May 2020.

Developer's sales in April plunged to one of its lowest level on record at 277 units. The volume of sold units in April is 58.0% lower month-on-month and 62.4% lower year-on-year. The lowest developer sales on record was in Jan 2009 where 108 units were sold.

Compared to Jan 2009 when there was no circuit breaker, April 2020 sales are extremely good in light of the circumstances. There were initial worries that sales may be dismal given that sales galleries are closed. But April developer sales have proved otherwise. Buyers are receptive of the virtual way of viewing a sales gallery with almost 100 sales concluded from 7 to 30 April.



The circuit breaker was extended for another month till 1 June 2020. Sales however did not stagnate. In May 2020, new sales rebounded 75.8% higher month-on-month to 487 units. The unexpected surge in demand drove developers to release more units for sale.

Although the circuit breaker was lifted on 1 June 2020, sales galleries and physical viewing remain suspended. Buyers who were staying on the sidelines during the circuit breaker period decided to take the plunge. This resulted in another wave of buying demand and sales in the first eighteen days of June were on par with the whole month of May.

The market heaved a sign of relief as the Government allowed sales galleries and physical viewing to resume on 19 June 2020 albeit with safe distancing measures.

Pent up demand drove monthly sales in June up by more than 100% to its highest ever in 2020. The strong surge in developer sales in June 2020 is not unexpected. This trend was observed in other countries as well. Many buyers were waiting on the sidelines waiting for the show galleries to be open to make their purchase. Some buyers see this relaxation of rules as a window of opportunity to buy their dream home in case measures are tightened again.

It is worth noting that 54% of the sales in June are over 12 days of physical viewing (19 to 30 June) with the rest over 18 days of virtual viewing. While there is a pivot to virtual viewing, there is still a portion who prefers to see a physical product.

Table 1: Comparison of Transactions in Different Segments of the Market

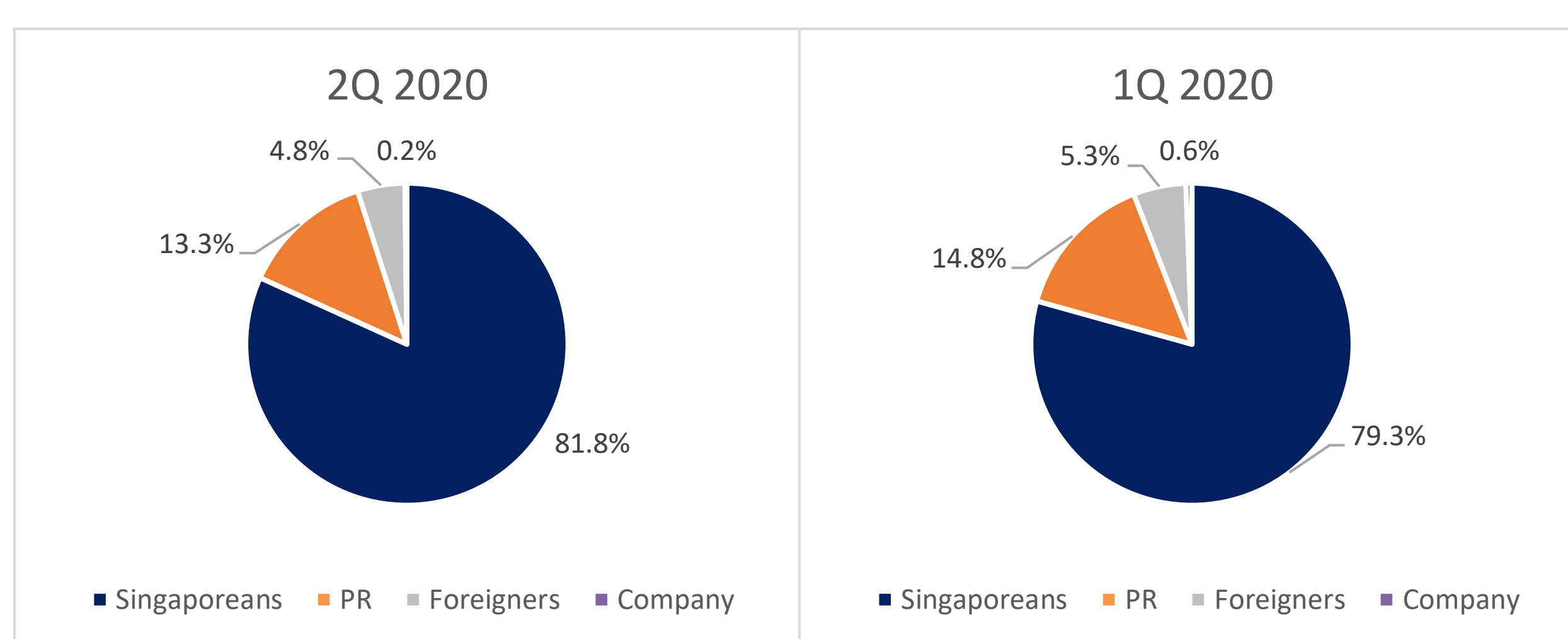
	CCR	RCR	OCR	Average Price (\$ psf)	Average Quantum
1-18 June	7.3%	42.2%	50.6%	\$1,714	\$1.43 million
19-30 June	8.5%	44.0%	47.5%	\$1,721	\$1.51 million

Source: URA Caveats, Huttons Research

A breakdown of the deals in June revealed that there were more deals done in the CCR after physical viewing was allowed and this pushed the average quantum up to \$1.51 million from \$1.43 million.

2 BUYER'S PROFILE

Figure 2: Comparison of Nationalities Among Buyers



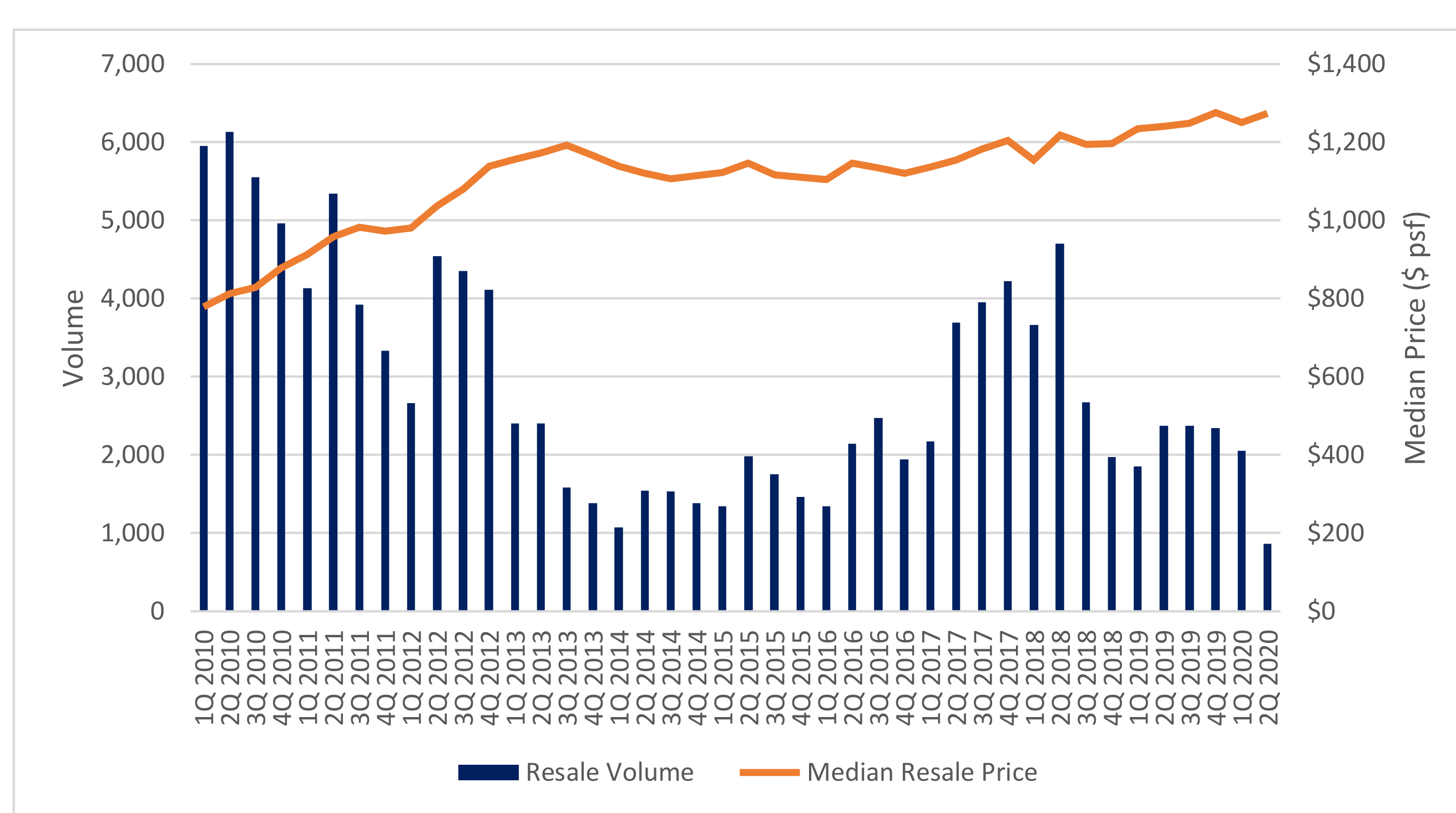
The percentage of foreigners buying properties (new and resale) in Singapore continued to contract due to the travel restrictions (14 days quarantine) imposed by the Government. The local property market is still very much supported by Singaporeans and thus a small adjustment in foreigner buying is unlikely to have a significant impact on the market.

3 RESALE MARKET

Transactions in the resale market dived almost 60% as curbs on physical viewing took hold. The nature of the resale market is such that physical viewing is preferred or necessary before a sale. As such, many deals were put on hold till 19 June.

Upon resumption of physical viewing, sales in June 2020 was almost 65% higher than May 2020. Although resale prices were slightly higher in 2Q 2020, this was achieved on the back of record low volume and may not be truly reflective of the market.

Figure 3: Resale Volume and Prices



Source: URA, Huttons Research as of 15 April 2020

4 EXECUTIVE CONDOMINIUMS

As there is no new EC launch in 2Q 2020, sales of new EC units slowed markedly to around 50 units. Although there are restrictions placed on the sale of ECs, ECs are an attractive alternative to private properties and more buyers are attracted to ECs.

5 MARKET OUTLOOK

There could be up to 20 new launches (around 6,000 units) in 2H 2020 with Cairnhill 16 first to hit the road on 17th July, followed by Forett At Bukit Timah and Penrose. While the economy contracted by 12% in 2Q 2020, economists agreed that the worst is over and recovery is on the cards. The resilience in the market and property as an endearing asset class among investors will drive sales in the market. The market may see sales of between 8,000 and 8,500 units in 2020.

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