

NUMBER OF PRIVATE RESIDENTIAL UNITS LAUNCHED REBOUNDED BY 23% QUARTER-ON-QUARTER IN Q1

LAUNCHES IN CORE CENTRAL REGION DECLINED SIGNIFICANTLY BY 84%, LOWEST IN SIX YEARS

SECONDARY SALES DECLINED FURTHER FOR THIRD CONSECUTIVE QUARTER, DECREASE LARGER THAN LAST TWO QUARTERS

Savills Singapore Pte Ltd
30 Cecil Street
#20-03
Prudential Tower
Singapore 049712

REG NO: 198703410D
T: +65 6836 6888
savills.com

For Immediate Release – Savills Research revealed that the number of private residential units launched has rebounded in the first quarter, increasing 23% quarter-on-quarter (QoQ).

This growth was attributed to the Rest of Central Region (RCR) and Outside Central Region (OCR). Across the three market segments, the OCR saw an increase by 19.8% QoQ, whilst the RCR saw an increase of 174 units from Q4/2023 (50 units) to Q1/2024 (224 units).

Launches in Core Central Region (CCR) declined significantly by 84% in Q1/2024, the lowest in six years since Q3/2018. A mere 20 units were launched in Q1/2024 compared to 125 units launched in Q4/2023. In Q3/2018, only 19 units were launched.

Take-up rate for these new releases was also slower, even though there were more launched units and new launches this quarter. Compared to Q4/2023, where two of the three new launches recorded more than half of their total units sold in the quarter of launch, only Lentor Mansion recorded a strong take-up rate of 76%, while the other new launches only had around 3% to 30% of their units sold. Lentoria, another new launch in the quarter, had a take-up rate of 22.5%. (see Table 1)

Table 1: New Launches In Q1/2024

PROJECT NAME	LOCATION	DEVELOPER	LOCALITY	TOTAL NO. OF UNITS	TOTAL NO. OF UNITS SOLD BY Q1/2024	TAKE-UP	PRICE RANGE (\$\$ PSF)
Hillhaven	Hillview Rise	East Residences Pte Ltd	OCR	341	79	23.2%	1,955 – 2,246
The Arcady At Boon Keng	Saint Barnabas Lane	KSH Ultra Unity Pte Ltd	RCR	172	50	29.1%	2,410 – 2,721
Lentor Mansion	Lentor Gardens	Lentor Mansion Pte Ltd	OCR	533	405	76.0%	2,104 – 2,476
Lentoria	Lentor Hills Road	Lentor View Pte Ltd	OCR	267	60	22.5%	1,965 – 2,318
Koon Seng House	Koon Seng Road	Mequity K Pte Ltd	RCR	17	1	5.9%	2,303
Ardor Residence	Haig Road	NS Property (Haig) Pte Ltd	RCR	35	1	2.9%	2,465

Source: URA, Savills Research & Consultancy

This large discrepancy in numbers could imply that buyers were adopting a ‘wait-and-see’ approach and being more discerning and cautious in their purchasing decisions as uncertain economic conditions persist.

Secondary sales had also fallen for the third consecutive quarter by a larger margin at 5.4% QoQ in Q1/2024, compared to less than 1% in the last two quarters.

All three market segments recorded declines in secondary sales volume, with secondary sales in RCR experiencing the largest contraction, falling 6.5% QoQ. Secondary sales in CCR and OCR also decreased for the second consecutive quarter by 5.7% and 4.8% QoQ respectively in Q1. For CCR, this was the lowest in five years since Q2/2020 when the pandemic struck and borders were closed, resulting in a lack of demand from foreign buyers, which make up a large proportion of CCR home purchases.

New sales rebounded in Q1/2024, a turnaround after a decline in the previous quarter. New sales volume rose 6.6% QoQ. However, on a yearly basis, this was still a 7.3% decrease.

Most (70.7%) of the new sales in the quarter was from OCR, while new sales in RCR and CCR comprised 20.2% and 9.1% of total new sales respectively.

George Tan, Managing Director, Livethere Residential, Savills Singapore says, “While the resale market may have declined, ground activities and viewings are still healthy. We are optimistic that new sales volume may improve in the later part of the year. With more projects in the pipeline that will be launching this year and the possibility of lower interest rates in the second half, potential homebuyers may be holding out and adopting a wait-and-see approach to purchasing decisions.”

Alan Cheong, Executive Director, Research & Consultancy, Savills Singapore comments, “This year is likely to be one where we see how challenging business conditions may affect home buyers’ sentiments or whether it is a case where demand still holds strong arising from the store of wealth held by those who are unaffected by fluctuations in the job market. In terms of new sales pricing, we may need to consider at what levels developers may sell their projects built on GLS sites that were awarded this year at prices below expectations. For this, it may not necessarily mean that developers will adjust selling prices down when they are launched in 2025. Much depends on the cost of construction and market sentiments at the point of launch. For now, if things remain constant, it may simply mean that developers are building in a slightly larger buffer to account for greater uncertainties expected in future.

“Private property demand should, setting aside near-term sentiment volatilities, continue to remain strong, especially those who buy for investment. For 2024, given job security fears, we maintain our forecast for prices at 0%. The resale market may exhibit some weakness while new sale prices are still expected to increase given cost push pressures.”

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For further information, please contact:

Alan Cheong, Executive Director, Research & Consultancy

Tel: +65 9389 9250 | alan.cheong@savills.com.sg

George Tan, Managing Director, Livethere Residential

Tel: +65 9792 8913 | gtan@savills.com.sg

Jacke Chye, Head of Marketing and Communications, Savills Singapore

Tel: +65 9678 6761 | Jacke.Chye@savills.com.sg

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By applying world research data and trends to local and global settings, we are able to empower our clients with insights from the forefront of the industry – bringing their aspirations to life through innovative, tailor-made solutions.

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