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Two weekend property launches see keen take-up rates

Lynette Khoo , Two weekend property launches see keen take-up rates

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STRONG buying momentum continued in last weekend's property launches, for which robust take-up rates bode well for upcoming launches this year.

Australian developer Lendlease sold another 149 units in the Phase 2 launch of Park Place Residences in Paya Lebar, while homegrown developer Oxley Holdings sold 129 units or 76 per cent of the 170-unit The Verandah Residences in Pasir Panjang at an average S\$1,815 per square foot (psf) over the two days.

Including the 210 units sold by Lendlease in a day in Phase 1 last year before it closed the show suite, the Australian developer has sold 84 per cent of the entire 429-unit residential component, sited at the mixed-use project Paya Lebar Quarter (PLQ) as of Sunday.

Sources note that the S\$2,000 per sq ft (psf) average pricing for units sold in the Phase 2 launch of Park Place Residences reflects an 11 per cent rise from the average S\$1,800 psf for units sold in Phase 1.

Lendlease said prices for Phase 2 of Park Place Residences, which comprises one- to three-bedroom units, range from S\$900,000 to S\$2.2 million.

The strong showing at the two launches comes on the heels of the strong take-up at City Developments Ltd's The Tapestry in Tampines, where buyers snapped up 315 of the units released at the 861-unit project during the launch weekend in March. To date, 338 units (or more than three-quarters of the 450 units released) have been sold at an average S\$1,310 psf.

Savills Singapore research head Alan Cheong noted that the sales take-up in these projects is underpinned by strong home-buying demand.

"There's a big pot of wealth waiting to be invested in real estate. Developers who have bought sites at higher land prices can take heart from this encouraging performance; they may be able to sell their units at expected selling prices," he said.

JPMorgan property analyst Brandon Lee said he believes the prices achieved in these new launches "will further exert upside pressure on the official property price index, which could result in a high single-digit to a low double-digit jump in property prices in 2018 and heighten policy risks".

The 3.1 per cent quarter-on-quarter increase in the Urban Redevelopment Authority's private home price index, based on its first-quarter flash estimate, was the steepest quarter-on-quarter rise since Q2 2010, when the index rose 5.3 per cent.

This has prompted property consultants to raise their forecasts for the whole of this year from 3-8 per cent in the benchmark property price index to a rise of between 7 and 15 per cent.

At Oxley Holding's The Verandah Residences, located at the junction of Pasir Panjang Road and South Buona Vista Road, smaller units proved to be more popular.

Oxley said balloting was carried out for the one- and two-bedroom units. All one-bedroom, one-bedroom with study, two-bedroom and two-bedroom premium units have been sold.

The freehold development - with a design inspired by black-and-white colonial bungalows - comprises 167 apartments in four blocks of five-storey buildings, and three strata houses.

Oxley disclosed that the strong demand came from both homebuyers and investors, including overseas investors. Some 85 per cent of the buyers are Singaporeans, with the remainder being permanent residents and foreigners.

"There were a lot of enquiries for the project before the launch and the sales progress proved that the pent-up demand was real," said Oxley Holdings executive chairman and chief executive Ching Chiat Kwong.

UOL Group is slated to open the showflat of Amber 45 for preview before starting sales in early May. It is believed to be looking at an average price of above S\$2,300 psf for the 139-unit freehold project, which sits on a former nursery site that UOL bought from Sin Lian Huat Co.

The crowd at the launch of Phase 2 of Park Place Residences. The development is in the Paya Lebar Quarter. Following the sale of 210 units under Phase 1 last year, another 149 were moved last weekend; 84 per cent of the 429-unit residential component in this mixed-use project has been sold.

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