

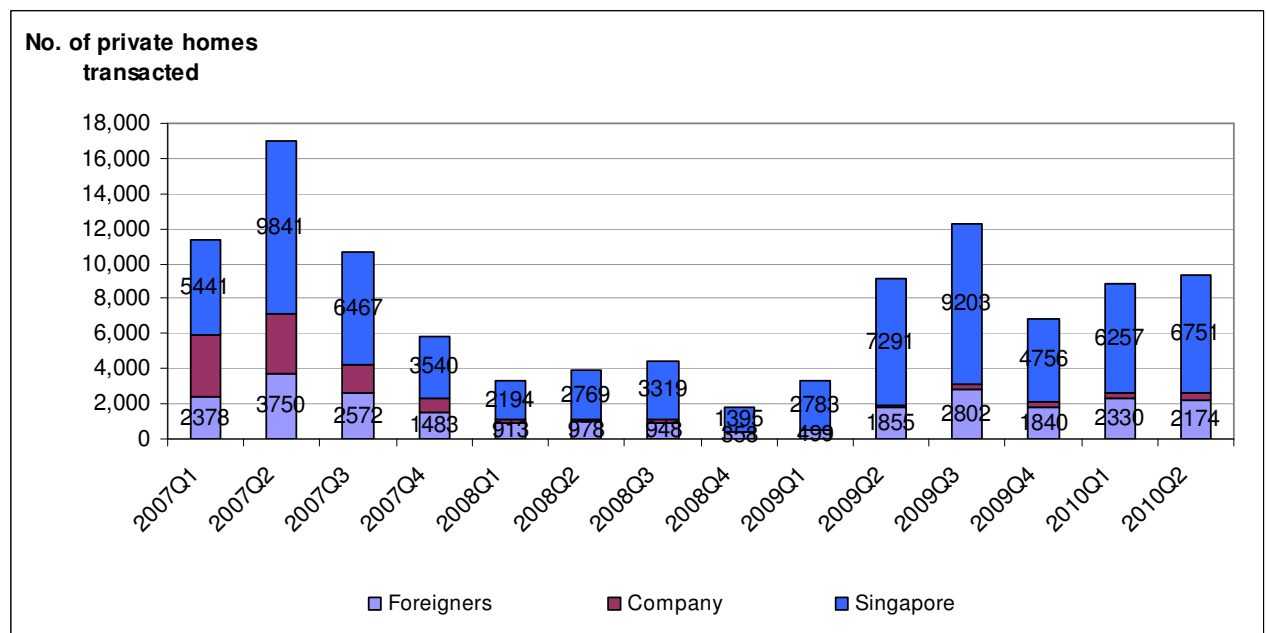


Analysis of sale transactions¹ of foreign homebuying in Singapore

1. Encouraging foreign homebuying in Singapore

- A total of 9,326 private residential properties², were sold in 2Q 2010, reflecting a 6% qoq increase compared to 1Q 2010 (8,833 units were transacted in 1Q 2010). In total, 18,159 private homes were transacted in 1H 2010, 45% higher than that sold in 1H 2009.
- Of these 9,326 units transacted in 2Q 2010, 23%, or 2,174 units, were transacted by foreign buyers. Although the share of foreign buyers have reduced from 26% in 1Q 2010 to 23% in 2Q 2010, this still fell in the usual share which foreign buyers accounted for, i.e. above 20%. The last period where foreign buyers have retreated to the sidelines was 1Q 2009, where the worldwide economic recession severely affected foreigners in making overseas investments. In 1Q 2009, foreigners accounted for 15% of overall private residential purchases.

Fig. 1: Transactions of all private residential properties



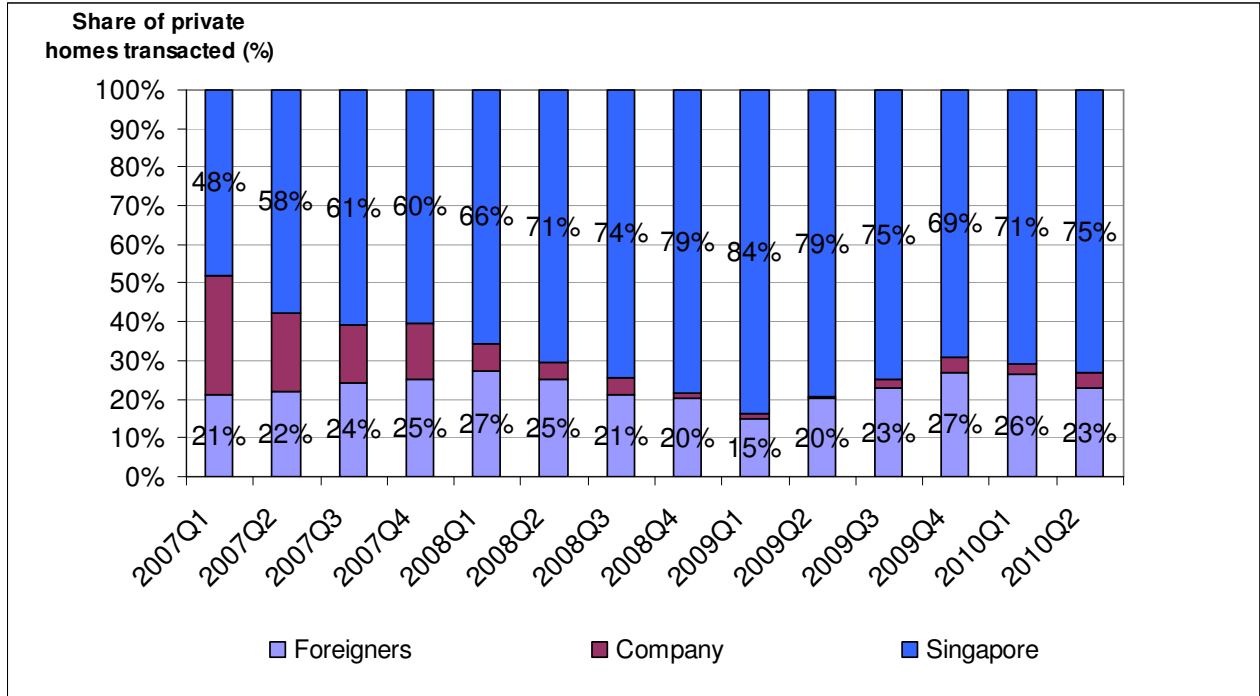
Source: URA REALIS, Knight Frank Research

¹ Transactions are based on caveats captured by URA's REALIS. Please note the transactional database is incremental and it is not compulsory for a buyer to lodge a caveat after buying a property. Transactions, represented by caveats, are proxies to the actual demand and sales activity.

² In this report, the terms residential properties, private residential properties and private homes are used interchangeably.

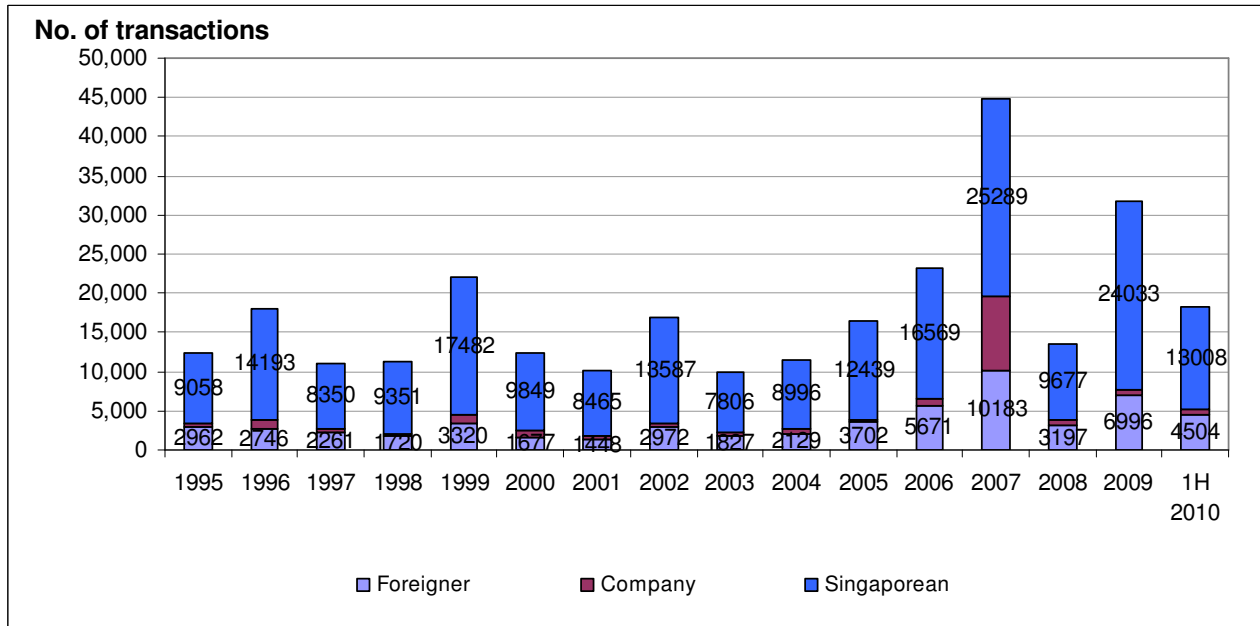


Fig. 2: Share of transactions of all private residential properties



Source: URA REALIS, Knight Frank Research

Fig. 3: No. of transactions of all private residential properties (by year)

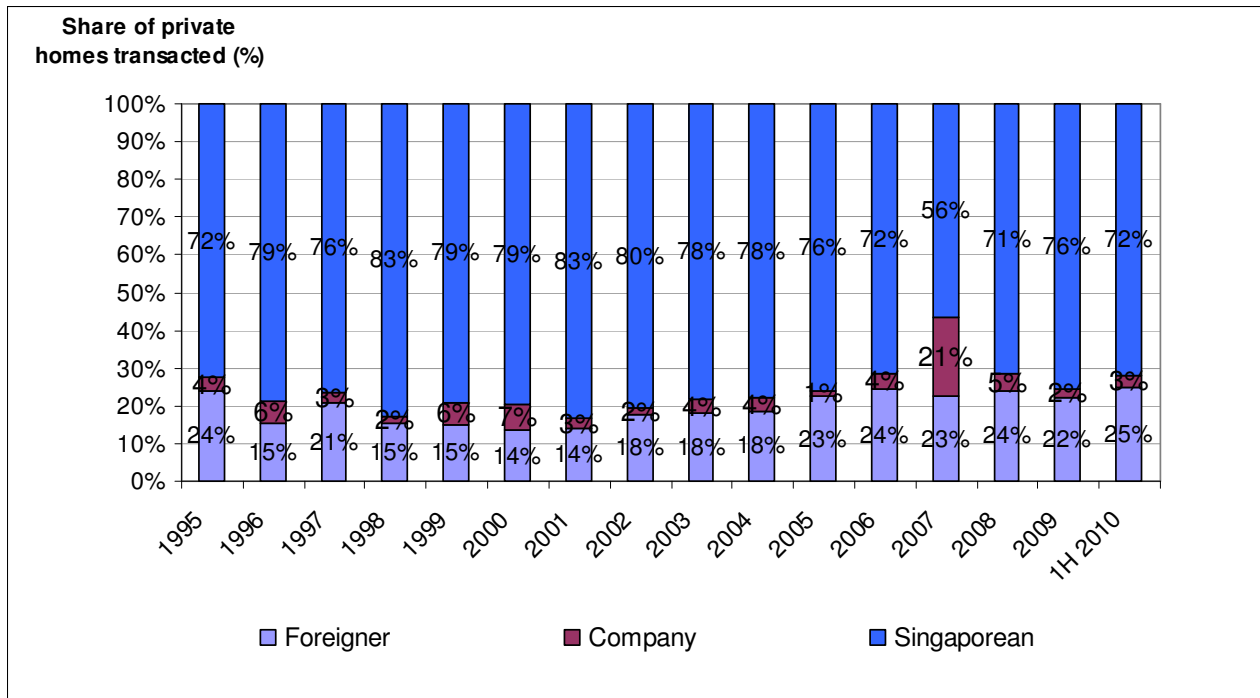


Source: URA REALIS, Knight Frank Research



- For 1H 2010, foreigners accounted for 25% of all residential purchases. This share was among the highest in the last five years.

Fig. 4: Share of transactions of all private residential properties (by year)



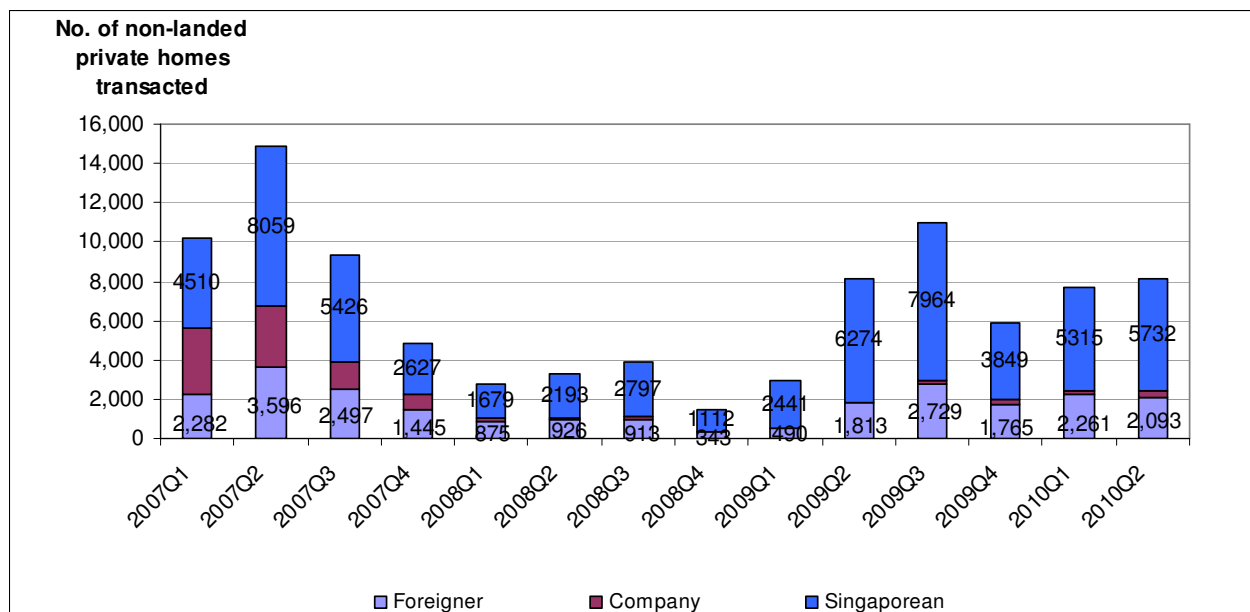
Source: URA REALIS, Knight Frank Research



2. Decrease in non-landed residential properties bought by foreigners in 2Q 2010

- A total of 8,161 non-landed private residential properties were transacted in 2Q 2010, reflecting a 6% qoq increase. However, the number of non-landed private residential properties bought by foreigners decreased by 7% qoq, totaling 2,093 transactions.
- The decline was in line with an increasingly cautious economic outlook, where the Euro-zone economic problems became more pronounced. Although the euro-zone crisis did not develop into a severe worldwide economic crisis like that of the US a year ago, the world tend to be more careful, having after all just recovered from a severe economic recession. Together with a slowdown in project launches in May and June 2010 and a moderation in homebuying frenzy which was seen in the first four months of 2010 in Singapore, slightly less foreigners were drawn to buying non-landed residential properties in Singapore in 2Q 2010.

Fig. 5: No. of transactions of non-landed private residential properties

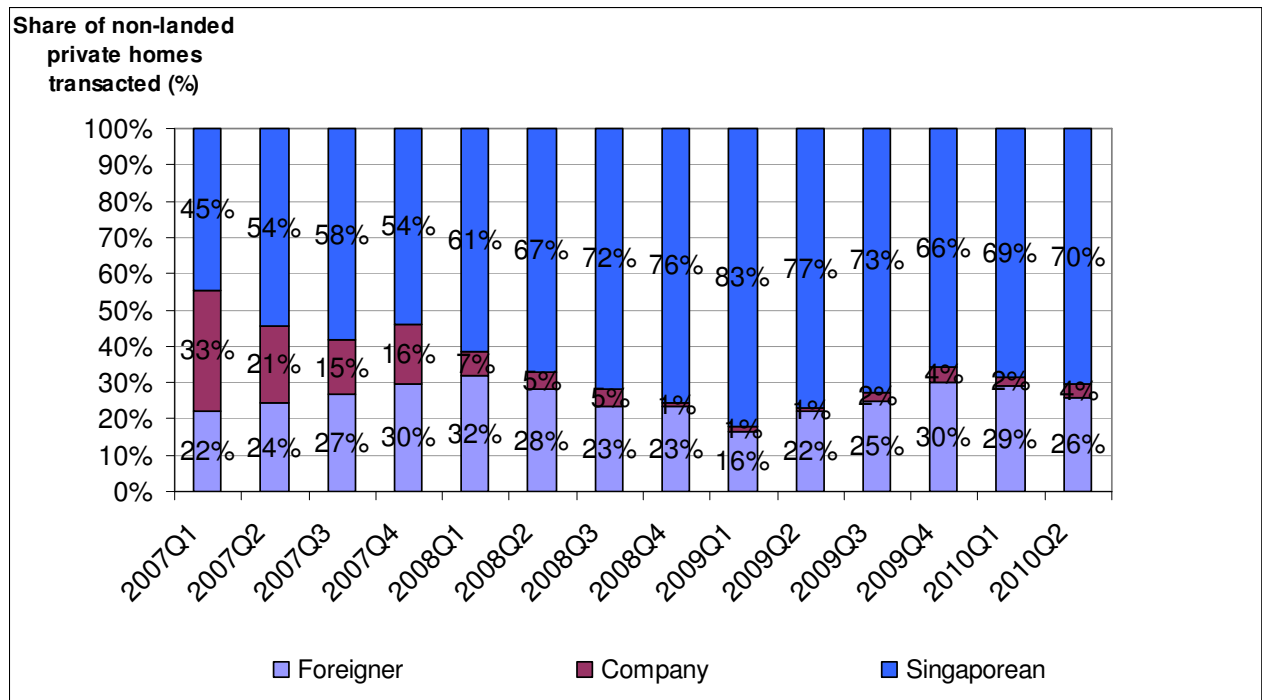


Source: URA, Knight Frank Research

- Meanwhile, the share which foreigners account for non-landed properties transacted slipped from 29% in 1Q 2010 to 26% in 2Q 2010.



Fig. 6: Share of foreigners in non-landed private residential properties transacted in the quarter



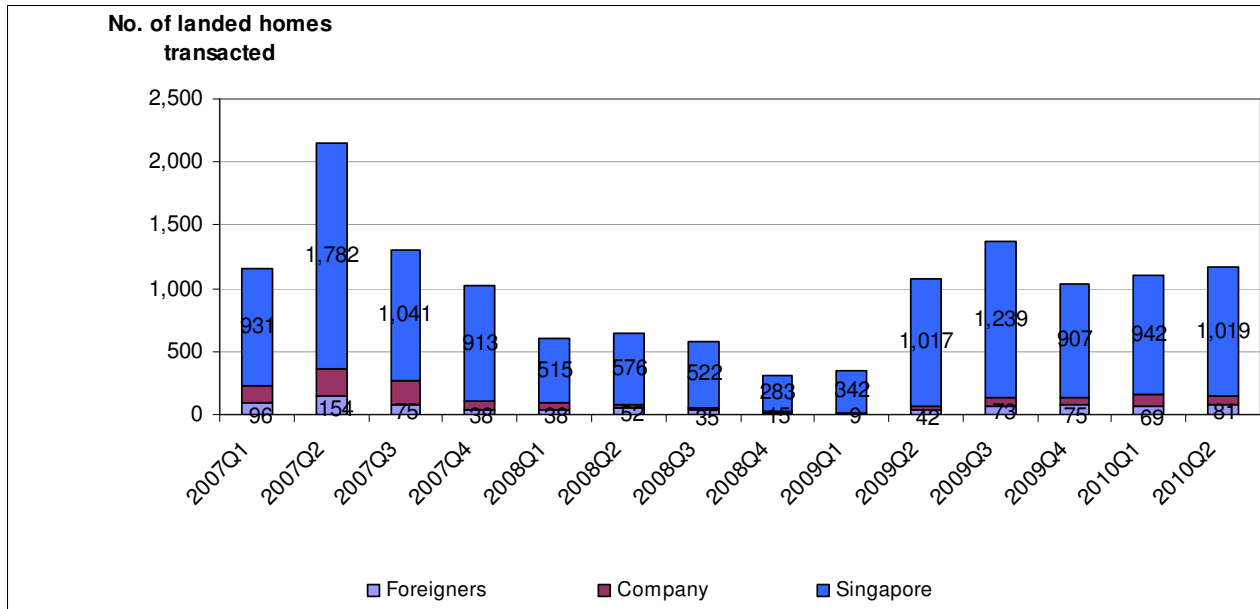
Source: URA, Knight Frank Research



3. Slight Rise in foreign interest for landed homes

- Unlike non-residential properties where foreigners lowered their purchases in 2Q 2010, the number of landed homes bought by foreigners in 2Q 2010 increased qoq. It increased from 69 units in 1Q 2010 to 81 units in 2Q 2010. At 81 units, this was also the largest no. of landed homes bought quarterly by foreigners since 2H 2007.
- Foreigners accounted for 7% of the 1,165 landed homes transacted in 2Q 2010.

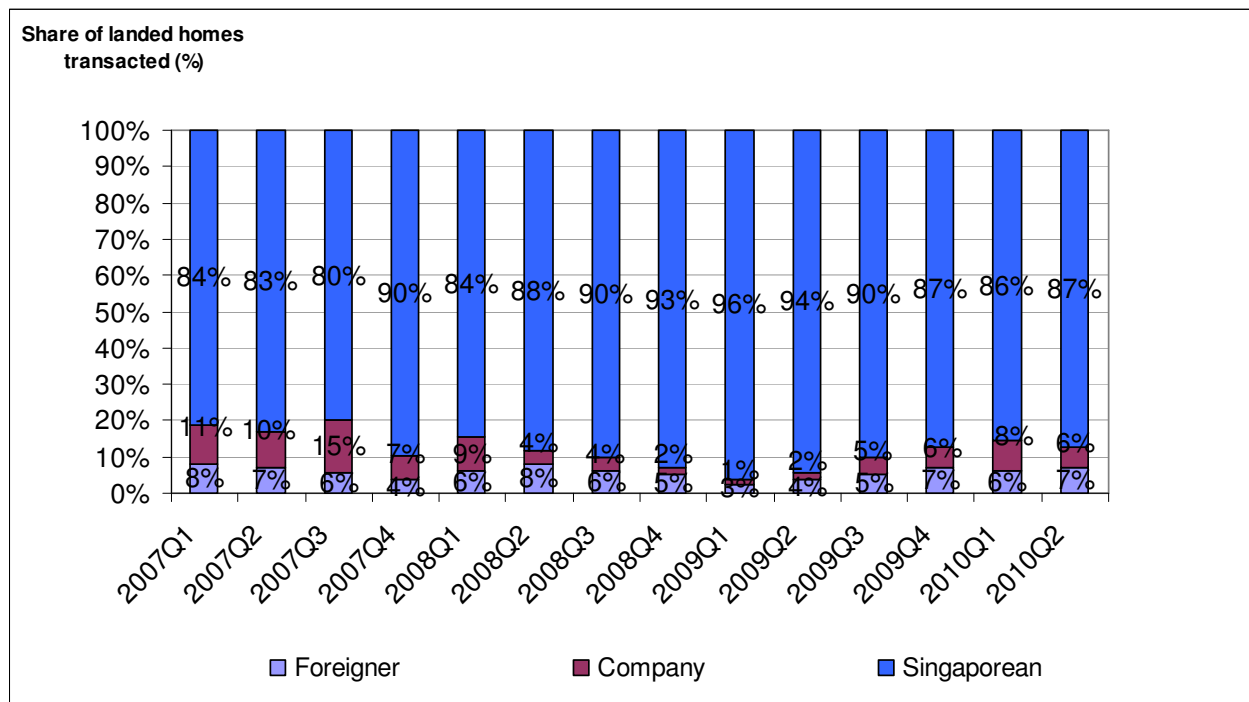
Fig. 7: No. of landed private residential properties transacted in the quarter



Source: URA, Knight Frank Research



Fig. 8: Foreigners' share in landed private residential properties transacted in the quarter

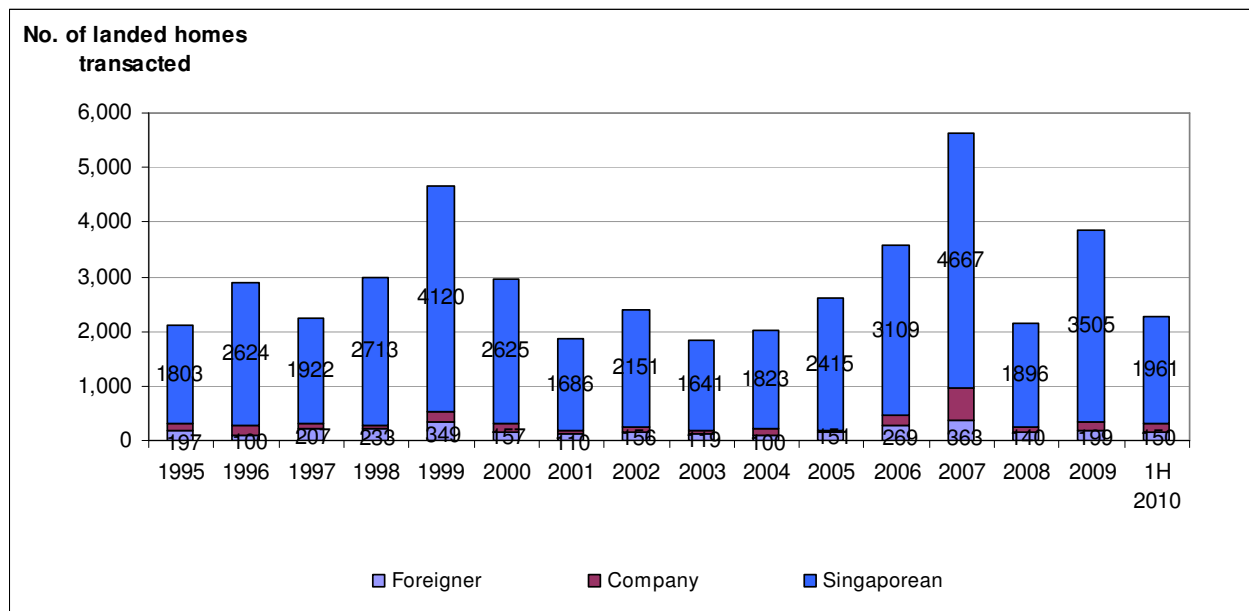


Source: URA, Knight Frank Research

- As such, foreign interest for landed homes recovered in 1H 2010. A total of 2,265 landed homes were sold in 1H 2010, of which 150 units were purchased by foreigners. At 150 units in just 1H 2010, this number surpassed that which were transacted for the whole of 2008 (140 landed homes were bought by foreigners in 2008). The number of homes which foreigners bought in 1H 2010 is also just 25% fewer than that transacted in the whole of 2009. The number of landed homes bought by foreigners for the whole of 2010 is thus expected to possibly exceed that in 2009 by 50%, if a total of 300 units were bought by foreigners in 2010.



Fig. 9: No. of landed homes transacted (by year)

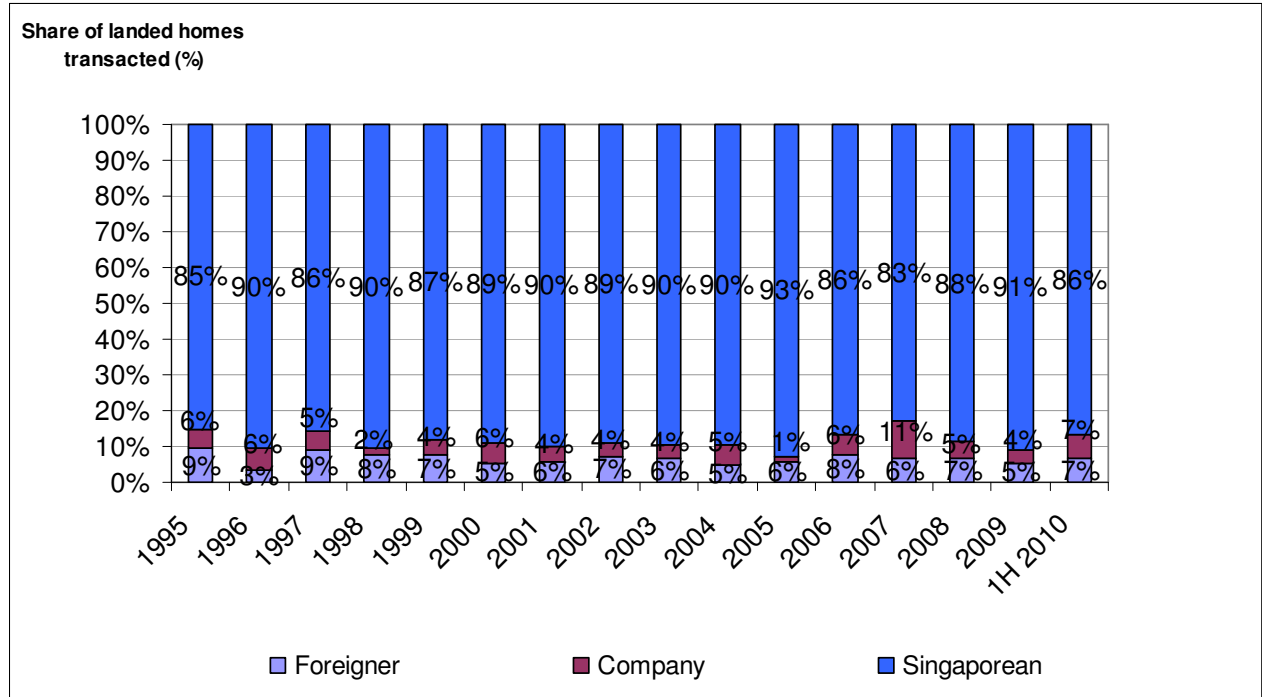


Source: URA REALIS, Knight Frank Research

- With the rebound in the number of foreigners' buying for landed homes, the share which foreigners accounted for overall landed home purchase has reverted to 7% in 1H 2010, from 5% in 2009. The strong interest for landed homes is in line with an increasing recognition for landed homes as a priced commodity in land-scarce Singapore. Although new residential properties are continually launched, the majority embraced the appeal of vertical city living, and newer choices from landed homes are diminishing but increasingly priced as a scarce commodity. Landed homes continue to see their relevance especially for those who are seeking exclusive projects in quieter locations away from main activity/town centres.
- The recovery in the number of landed homes foreigners purchased is also reflective of the strong interest of foreigners for landed homes in choice locations – where recently, a Chinese national purchased a detached home in Paradise Island (Sentosa Cove), for record price of \$36 million, or \$2,404 psf of land area, in June.



Fig. 10: Share of landed homes transacted by foreigners (by year)



Source: URA REALIS, Knight Frank Research



4. Top developer projects among foreigners in 1H 2010

- Urban Suites, The Estuary and The Shore Residences were top developer projects among foreigners in 1Q 2010, while 76 Shenton, Costa Del Sol and Caribbean at Keppel Bay received the largest foreign interest in 2Q 2010.
- However, for the mass-market project, the Estuary, the majority, or 41 buyers were Permanent Residents (PRs). For 76 Shenton, about half, or 12 out of the 22 caveats lodged by foreigners were by non PRs.

Table 1: Top selling developer projects among foreigners in 1Q 2010

	Singaporean	Foreigners	Company	Total	Share of transactions by foreigners (%)
URBAN SUITES	36	73	4	113	65%
THE ESTUARY	393	57	0	450	13%
THE SHORE RESIDENCES	116	45	1	162	28%
PARVIS	55	40	0	95	42%
CUBE 8	103	31	1	135	23%
CYAN	20	25	7	52	48%
THE LAURELS	33	24	5	62	39%
TRILIGHT	19	22	0	41	54%
ALTEZ	51	21	33	105	20%
LIVIA	50	21	0	71	30%

Source: URA Realis, Knight Frank Research



Table 2: Top selling developer projects among foreigners in 2Q 2010

	Singaporean	Foreigners	Company	Total	Share of transactions by foreigners (%)
76 SHENTON	107	22	1	130	17%
COSTA DEL SOL	26	19		45	42%
CARIBBEAN AT KEPPEL BAY	16	17	1	34	50%
CENTENNIA SUITES	21	16	0	37	43%
CITY SQUARE RESIDENCES	12	16	1	29	55%
CITYLIGHTS	13	15	1	29	52%
COSTA RHU	8	13	0	21	62%
AQUARIUS BY THE PARK	9	12	0	21	57%
CHANGI RISE CONDOMINIUM	8	12	0	20	60%
CYAN	10	12	0	22	55%

Source: URA Realis, Knight Frank Research



5. Price band analysis of non-landed residential properties purchased by foreigners

- Foreigners continued to purchase the most non-landed residential properties which are priced at \$500,000 to less than \$1 million, and those priced at \$1.5 mil to less than \$5 mil in 2Q 2010.

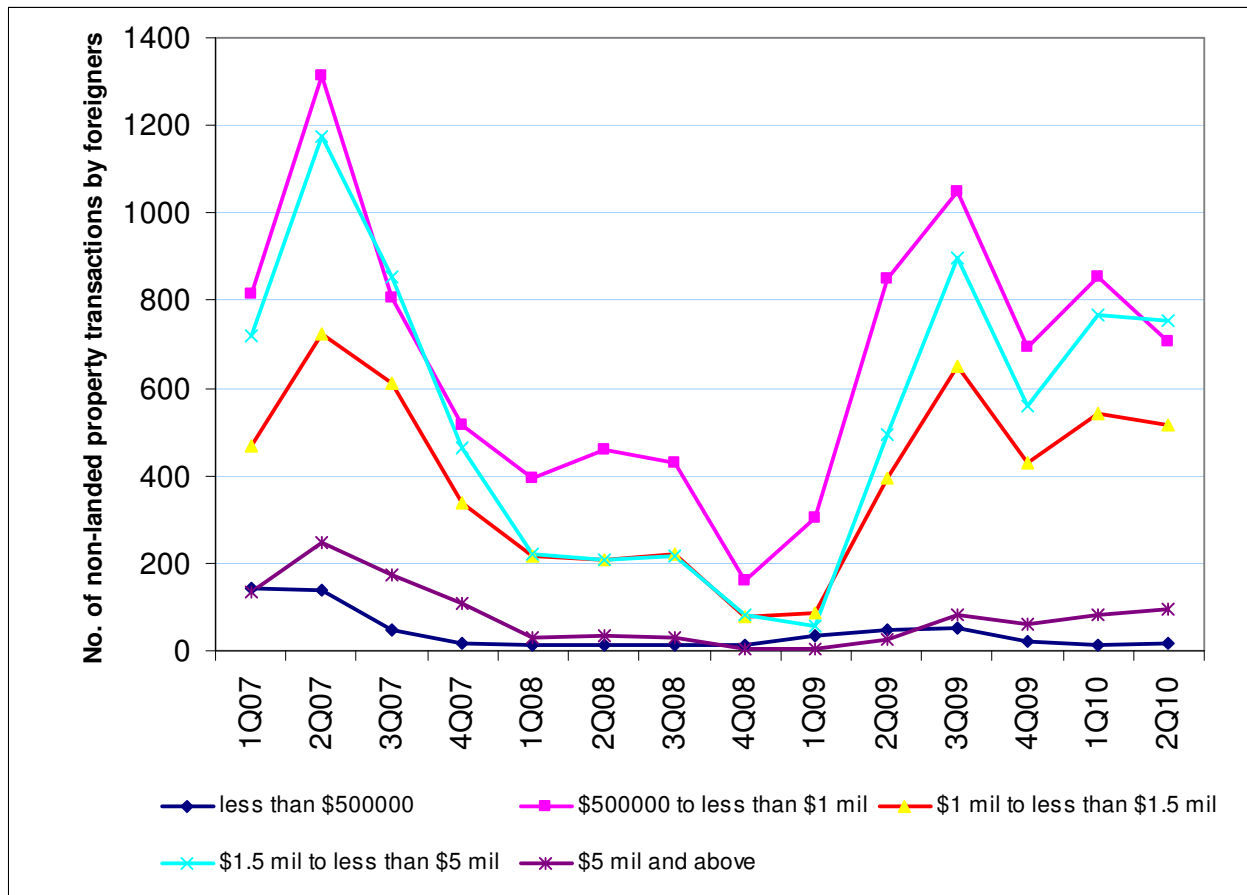
Table 3: No. of properties bought by foreigners in each price band

	less than \$500000	\$500000 to less than \$1 mil	\$1 mil to less than \$1.5 mil	\$1.5 mil to less than \$5 mil	\$5 mil and above
1Q07	143	816	467	721	135
2Q07	139	1314	723	1173	247
3Q07	48	806	613	856	174
4Q07	17	516	338	464	110
1Q08	12	394	218	219	32
2Q08	14	460	206	210	36
3Q08	15	429	223	217	29
4Q08	15	160	80	84	4
1Q09	36	305	87	57	5
2Q09	47	851	394	496	25
3Q09	53	1049	650	896	81
4Q09	22	695	428	558	62
1Q10	13	855	542	769	82
2Q10	19	706	516	756	96

Source: URA Realis, Knight Frank Research



Fig. 11: Price range analysis of sales activity of foreigner purchase

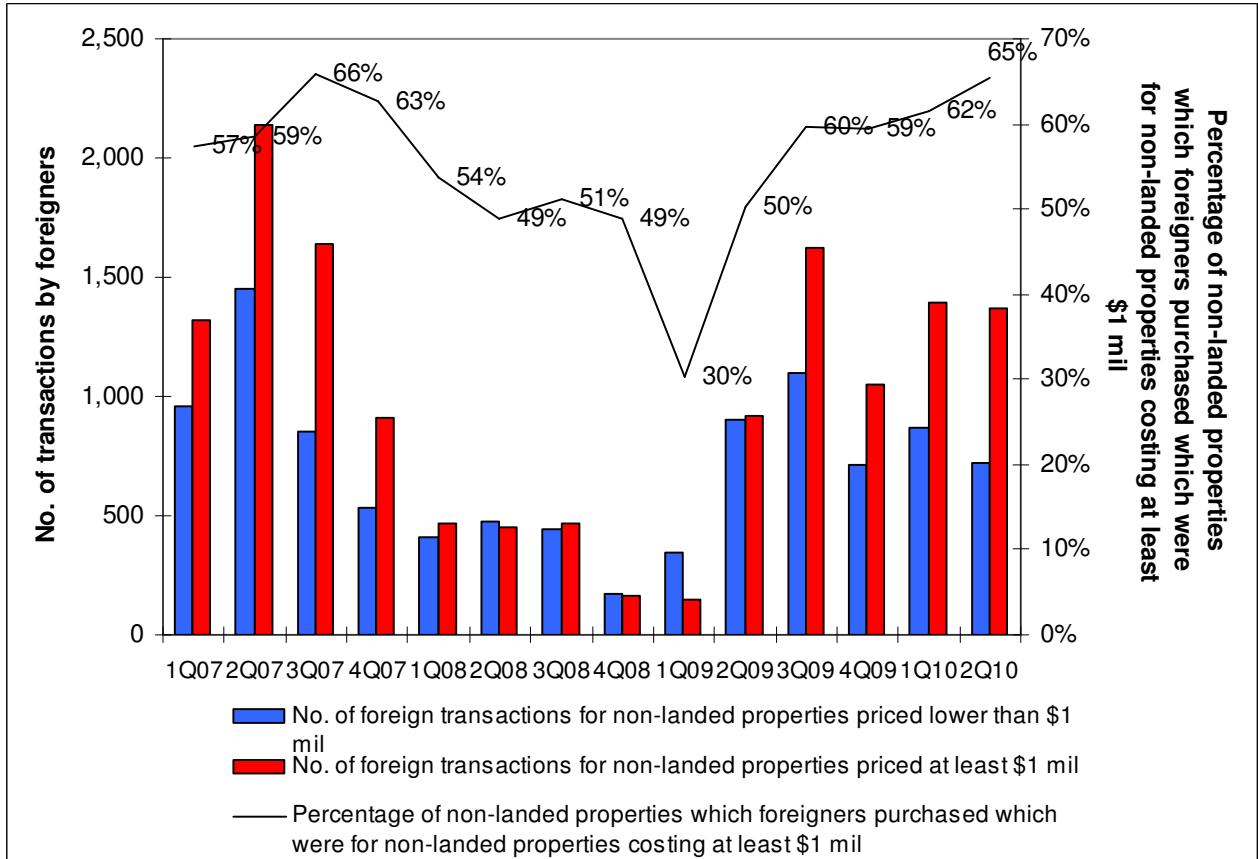


Source: URA Realis, Knight Frank Research

- Additionally, the % of non-landed properties which foreigners purchased in 2Q 2010 which were for non-landed properties costing at least \$1 mil was the highest in the past 3 years. Fig. 12 illustrates that 65% of properties which foreigners purchased in 2Q 2010 were for properties costing at least \$1 mil. This was almost the highest since 2007, trailing only 3Q 2007 where such share was 66%. The increased share in 1Q 2010 and 2Q 2010 could be partly due to prices of private residential properties which have generally increased. Previously in 2007, the record high share was largely due to the high prices of prime residential properties but in 2010, the record high price of mass-market homes also contributed to an increasing share of pricier homes picked up by foreigners in 1H 2010.



Fig. 12: Percentage of non-landed properties which foreigners purchased which were for non-landed properties costing at least \$1 mil



Source: URA Realis, Knight Frank Research



6. Outlook for foreign homebuying in Singapore

- Foreign homebuying have staged an encouraging rebound in 1H 2010, due to our strong economic recovery which added confidence for foreign investors. Going forward, foreign homebuying can possibly sustain or reflect subtle correction from the current momentum, underpinned by Singapore's sound economic fundamentals but increasing cautiousness arising from uncertainty in the Euro-zone economy.
- The profile of buyers is likely to remain similar, in that Malaysians will account for the bulk of foreign home purchases, followed by Indonesians. A number of GLS sites have been awarded in 1H 2010 and are expected to be launched within a year, i.e. 2H 2010 and 1H 2011. This is likely to continually interest foreign buyers, especially Malaysians and Chinese nationals who are usually attracted to mass-market private homes.
- On a brighter note, it is that in the months ahead, the private residential market should be able to enjoy more direct benefit from the integrated resorts, which would be operational for awhile. The integrated resorts should radically enhance the overall attraction of Singapore and widen Singapore's international exposure. Visitors will be increasingly familiar with the Republic and interested in the living context of Singapore, and encouraged to invest in residential properties here.
- Meanwhile, landed homes in choice locations, especially those which offer exclusive lifestyle concepts and where permission to own landed homes can be easily granted by the Land Dealings Unit, should entice foreigners who are also increasingly aware that landed homes are rare in land-scarce Singapore.

For further information, please contact:

Ong Kah Seng, Manager, Consultancy & Research, Knight Frank, +65 6228 7312

Notes to Editors

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