

Press Release

For Immediate Release

Hong Leong Group Sold 1,398 Residential Homes In 2020 Amid Improved Buyer Confidence Since Q3

Singapore, 21 December 2020 – Hong Leong Group said today that it had sold 1,398 residential units with a total sales value of S\$2.11 billion this year (as at 6pm, 20 December 2020) amid clear indications of pent-up demand and buyer confidence returning after earlier COVID-19 uncertainty, especially since the Circuit Breaker was lifted six months ago.

The Group's property-related companies include its flagship, SGX-listed City Developments Limited (CDL), Hong Leong Holdings Limited (HLHL), Hong Realty (Private) Limited and TID Pte. Ltd.

The Group launched two new residential projects in 2020 – the 566-unit Penrose (in September), a joint venture (JV) between HLHL and CDL, located along Sims Drive near Aljunied MRT Station, and luxury condominium 376-unit The Avenir (in January), a JV by HLHL, GuocoLand Limited and Hong Realty located in River Valley.

Almost 75% of the Group's sales this year took place after July 2020. In Q3 2020 (July – September), the Group sold 728 units from its existing inventory as well as Penrose which was launched on 26 September. Since 1 October, the Group sold 319 additional units to date, building on the recovery momentum that started in the preceding quarter.

As at 20 December, sales at Penrose reached 413 (73% of 566 units), with total sales value of S\$530.26 million, making it the most successful and best-selling property launch for Q3 2020 in Singapore.

Sales of the Group's residential homes this year were largely mass market projects such as Penrose, Piermont Grand, The Tapestry and Whistler Grand. Steady uptake of luxury projects such as Amber Park, Boulevard 88, The Avenir and South Beach Residences was also noted.

The Group's total sales this year (as at 20 December) compare with 1,113 units valued at \$2.2 billion recorded in 2018 and 1,575 units valued at \$3.3 billion recorded in 2019.

The decline in 2020 should be viewed against the backdrop of existing property cooling measures, COVID-19-related uncertainty, and restrictions during the Circuit Breaker – which led to closure of show flats between 7 April and 19 June.

During this period, all viewings were conducted virtually, which slowed take-up rates. However, the Group noted a 30% increase in online viewings across properties such as CDL's Boulevard 88, South Beach Residences and The Tapestry, as well as HLHL projects for The Avenir, The Jovell and Midwood.

“Sales activity increased significantly across the board after the Circuit Breaker was lifted. Several buyers bought units after viewing our virtual showflats and e-collaterals with various technologies such as Virtual 3D Walkthrough. But we have also observed that buyers still prefer to visit physical show flats before finalising a purchase,” said a Hong Leong Group spokesman.

New digital initiatives such as the virtual handover of units are also being piloted at Forest Woods to ensure the safety of home buyers and staff. These measures have seen an encouraging take-up rate, with around 20% of buyers choosing to hand over virtually.

With the easing of restrictions, more units of larger condominiums have been sold. Notable sales since Q3 2020 included 5-bedroom units at Whistler Grand, The Tapestry and Piermont Grand, as well as luxury units. Take-up rates for smaller units also saw a slight increase.

The spokesman said, "Supply of apartments for the next two years has been moderated, which points to demand remaining resilient. In a low-interest rate environment competitively priced projects will see a healthy take-up rate. As developers' stock is decreasing, local builders can be expected to look into replenishing their inventory."

"With more people working from home, sustainable design concepts that are innovative and flexible will likely gain traction as the local economy recovers further next year, buoyed by the availability of vaccines."

The Group is geared to launch several new projects in 2021, starting with TID's One-North Eden and CDL's Irwell Hills Residences in 1H 2021.

TID, a JV between Hong Leong Group and Japanese developer Mitsui Fudosan, submitted the winning bid of S\$155.7 million or S\$1,001 per square foot (psf) for the 62,201-square foot site on which One-North Eden will be built. Located in District 5, One-North Eden is a mixed-use boutique residential property with 165 units and commercial spaces on the first floor. The project is within walking distance to Buona Vista MRT Station and one-north MRT Station.

CDL's Irwell Hills Residences is located in District 9 at the junction of Irwell Bank Road and River Valley Road, near Great World City. CDL had secured the winning bid of S\$583.9 million or S\$1,515.10 psf per plot ratio for the 137,632-square foot site. The project will have an estimated 540 units and just minutes' walk to the upcoming Great World City MRT Station.

For media enquiries, please contact:

Gerry De Silva
Head, Group Corporate Affairs
Hong Leong Group Singapore
Tel: (65) 6877 8538
Mobile: (65) 9731 7122
Email: gerry@cdl.com.sg

Louisa Cheong
Manager, Group Corporate Affairs
Hong Leong Group Singapore
Tel: (65) 6877 8536
Email: louisacheong@cdl.com.sg