Property

Bumper Sales In October

Highlights

- **Two new projects generated close to 83% of Oct 26's new-home sales.** According to URA data, new homes excluding executive condominiums (EC) for Oct 26 fell 29% yoy but surged 5.8x mom to 1,716 units, lifted by strong take-up at Thomson Reserve (81% sold) and Lucerne Grand (69% sold). Together, sales at these two projects accounted for just under 83% of monthly new-home sales. Including ECs, October's new-home sales would have totalled 1,731 units. Other top-selling developments during the month were Union Square Residences, Dunearn House, and The Serra Residences.
- **RCR accounted for bulk of monthly home sales.** Take-up in the Rest of Central Region (RCR) made up 67.4% of total ex-EC sales while Outside Central Region (OCR) transactions sales made up an additional 28.4%. Core Central Region (CCR) sales took up the remaining 4.2%.
- **Buyers remain selective.** Based on channel checks, popular units sold during the new launches were units priced below S$2.5m/unit at Thomson Reserve (accounting for half of sales) and well-located projects such as Lucerne Grand, near Lakeside MRT station and Jurong Lake Gardens). Meanwhile, The Serra Residences saw 5 units priced at S$5m and above, including a penthouse, changing hands. Maintain OVERWEIGHT.

Analysis

- **Maintain our forecast of 8,000-9,000 home sales…** Excluding ECs, primary home sales in 10M26 totalled 7,059 units. We believe that given the absence of sizeable new projects launches in November and December, new-homes sales could trend closer toward the low end of our projected 8,000-9,000 units for 2026.
- **…and 2-3% price appreciation for 2026.** We continue to expect private home prices to rise by 2-3% in 2026 (+2.8% for 9M26). With the 3-month SORA continuing to tick up mom in Nov 26 amid rising land cost, we think buying sentiment is likely to be shaped by developers' pricing strategy, absolute quantum affordability, and location considerations.

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OVERWEIGHT (Maintained)

Segmental Rating

Segment	Rating
Property	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (S$)	Target Price (S$)
City Developments	CIT SP	BUY	6.59	11.85
Capitaland Investment	CLI SP	BUY	2.35	3.80

Source: Bloomberg, UOB Kay Hian

Peer Comparison

			Price @	Target	Market	---------- PE ----------					------ P/B ------		----- Yield ------		----- ROE -----		Net
Company	Ticker	Rec	16-Nov-26	Price	Cap	2025	2026F	2027F	RNAV	P/RNAV	2025	2026F	2025	2026F	2025	2026F	Gearing
			(lcy)	(lcy)	(US$m)	(x)	(x)	(x)	(lcy)	(x)	(x)	(x)	(%)	(%)	(%)	(%)	(%)
Apac Realty	APAC SP	NR	0.45	n.a.	154	8.3	11.0	9.6	n.a.	n.a.	1.2	1.3	4.0	16.0	12.8	12.1	(7.5)
Bukit Sembawang	BS SP	NR	4.31	n.a.	866	8.7	n.a.	n.a.	n.a.	n.a.	0.7	n.a.	0.9	n.a.	7.9	n.a.	(12.5)
Centurion	CENT SP	BUY	1.21	2.05	790	8.9	10.4	8.1	n.a.	n.a.	0.8	0.8	3.3	3.3	9.6	7.9	22.9
City Dev	CIT SP	BUY	6.59	11.85	4,570	9.3	10.4	16.8	16.92	0.4	0.6	0.6	3.8	3.3	6.7	5.6	121.6
CLI	CLI SP	BUY	2.35	3.8	9,110	80.8	21.1	20.0	3.93	0.6	0.9	0.9	5.1	5.1	1.1	4.3	49.1
Frasers Property	FPL SP	NR	0.935	n.a.	2,850	15.8	22.4	20.3	n.a.	n.a.	0.4	0.4	4.8	4.8	2.4	1.7	82.1
Guocoland	GUOL SP	NR	1.97	n.a.	1,702	23.4	26.8	11.3	n.a.	n.a.	0.5	0.5	3.0	3.6	2.5	2.2	22.4
Ho Bee Land	HOBEE SP	NR	1.82	n.a.	937	12.1	10.7	9.6	n.a.	n.a.	0.3	n.a.	0.0	n.a.	2.7	n.a.	60.4
Propnex	PROP SP	BUY	1.63	2.55	936	17.1	15.5	15.4	n.a.	n.a.	10.4	9.7	4.9	6.1	58.8	64.7	(110.3)
UOL	UOL SP	NR	7.77	n.a.	5,111	13.6	13.6	12.3	n.a.	n.a.	0.6	0.5	2.3	2.7	4.1	4.2	20.4
Wing Tai	WINGT SP	NR	1.41	n.a.	837	n.a.	45.2	n.a.	n.a.	n.a.	0.4	0.4	2.1	2.1	(2.1)	0.8	15.4
Average						**19.8**	**18.7**	**13.7**			**1.5**	**1.7**	**3.1**	**5.2**	**9.7**	**11.5**	**24.0**

Source: Bloomberg, UOB Kay Hian

Top 5 Selling Projects In Oct 26

Project Name	Developer	Region	Total units	Cum. units sold to date	Units sold in Oct 26	Median price in Oct 26 ($psf)
Thomson Reserve	UOL/Capitaland Development	RCR	1,268	1,029	1,029	2,865
Lucerne Grand	City Dev	OCR	570	393	393	2,496
Union Square Residences	City Dev	RCR	366	282	41	2,865
Dunearn House	Frasers Property	CCR	380	264	27	3,108
The Serra Residences	Far East Organisation	CCR	133	25	25	3,311

Source: URA, UOB Kay Hian

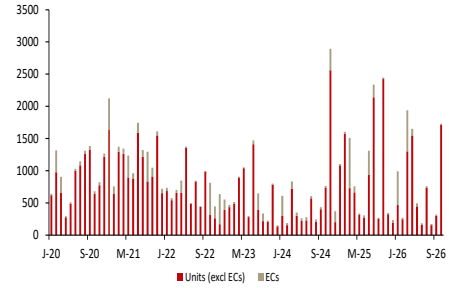
Valuation/Recommendation

- **Developers are trading below average P/B valuations.** Share prices of developer stocks have retraced mom in Oct-Nov 26, in tandem with the volatile broader market. The sector is trading at 0.58x P/B, which is just under -0.5SD to the long-term average. Valuations of developers are still inexpensive, as we expect NAV of developer stocks to be supported by still-firm residential prices and the robust outlook of commercial and retail property values in Singapore.
- **We maintain our OVERWEIGHT rating** on Singapore developers for their attractive P/B multiples as well as value-unlocking strategies from property companies such as CIT and CLI. During its 9M26 operational update, CIT's business segments showed operational resilience. Nonetheless, management guided for a weaker 2H26 yoy on a high 2H25 base, forex losses and potential property impairments as well as a delay in certain capital recycling transactions into 2027. However, it maintained its intent to monetise S$6b of assets, generate S$1b PATMI from divestment gains and lower its net debt-to-equity ratio to 55% during 2027-29. Meanwhile, CLI showed momentum in its fee business, delivering a 15% yoy fee revenue growth for 9M26. With S$4.3b of equity raised by its listed and private funds and S$9.6b of capital deployed for 11M26, we anticipate strong visibility for its fee income outlook. CLI established FeeCo and AssetCo to build scale for recurring fee income and drive monetisation of assets through various capital recycling platforms, particularly for its China assets.

Sector Catalyst/Risk

- **A key sector risk is the rising interest rate trend.** Although still lower yoy, the 3-month compounded SORA rate has risen from its Apr 26 low. A continuous rise in mortgage rates could erode affordability and dampen demand. Meanwhile, slower macro conditions could moderate employment and wage growth, which in turn, could moderate demand for big-ticket items such as housing.

Monthly Private New-Home Sales



Source: URA, UOB Kay Hian

Developers' P/B trend



Source: Bloomberg, UOB Kay Hian

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