



## APAC REALTY REPORTS 1H2022 TURNOVER OF S\$343 MILLION AMIDST HEALTHY DEMAND FROM HOMEBUYERS AND INVESTORS

- Singapore residential property market buoyed by strong demand from local buyers and foreign investors;
- Secured marketing agent appointments for 25 residential projects with more than 8,200 new home units;
- Declared interim dividend of 3.5 cents per share, representing a payout ratio of 75%;
- Well-positioned with a strong balance sheet and healthy cash balance of S\$42.6 million as at 30 June 2022.

"It was an eventful first half as the market faced a number of critical global challenges which heightened uncertainty and affected economies across the world: from the emergence and outbreak of new COVID variants, to the impact of the Russia-Ukraine war, to the extended lockdowns in China. Whilst these factors elevated inflation and interest rate, Singapore's property market remained relatively healthy underpinned by strong demand from local home buyers and foreign investors. Amidst this backdrop, our 8,400 ERA trusted advisors put in a strong performance, allowing us to maintain a healthy 40% share of the market," said Mr Jack Chua, Executive Chairman of APAC Realty Limited.

### Financial Highlights

S\$'000	1H2022	1H2021	Change (%)
Revenue	342,604	358,431	(4.4)
Profit before tax	20,198	20,378	(0.9)
Profit after tax	16,547	17,023	(2.8)
Earnings per share (cents)	4.70	4.80	(2.1)
	As at 30 Jun 22	As at 31 Dec 21	Change (%)
Net asset value per share (cents)*	46.0	45.3	1.5

\* Based on 355,197,700 weighted average number of shares as at 30 June 2022 and 31 December 2021.

**SINGAPORE, 8 August 2022 – APAC Realty Limited** ("APAC Realty", the "Company" or together with its subsidiaries, the "Group"), a leading real estate services provider which operates a market-leading real estate brokerage in Singapore under the ERA brand, announced revenue of S\$342.6 million and profit after tax of S\$16.5 million for the six months ended 30 June 2022 ("1H2022").

The marginal decrease in 1H2022 revenue of 4.4% or S\$15.8 million was largely attributed to lower property transactions completed during the period. Revenue from resale and rental of properties declined 9.6% or S\$21.1 million to S\$199.0 million in 1H2022 from S\$220.1 million in 1H2021. This was partially offset by higher revenue from new home sales of S\$139.3 million in 1H2022, an increase of S\$5.6 million or 4.2% from S\$133.7 million in 1H2021.

"In line with the Group's dividend policy of distributing 50% to 80% of profits as dividends on a semi-annual basis, the Board of Directors have declared an interim dividend of 3.5 Singapore cents per share for 1H2022. This represents a dividend payout ratio of 75% based on the Group's 1H2022 net profit after tax of S\$16.5 million, and an annualised dividend yield of 9.9%<sup>1</sup>," said Mr Chua.

<sup>1</sup> Based on the closing share price of S\$0.705 on 5 August 2022



## **Market Leader In Singapore's Resilient Residential Property Market**

In 1H2022, developers in Singapore sold 4,546 private residential units (including ECs), a decline of 40.2% from 7,601 units sold in 1H2021. The decrease in transactions is largely due to fewer new home launches in 1H2022.

Testament to ERA's status as a preferred marketing agency for developers, ERA was appointed marketing agent to 25 new home projects with more than 8,200 units. Based on market data, ERA's estimated share of the new homes market was 30.6% in 1H2022 compared with 32.3% in 1H2021.

Singapore's private residential resale market recorded sales of 7,932 units in 1H2022, 21.4% lower than 10,090 units transacted in 1H2021. The HDB resale market recorded 13,753 transactions during the period, compared with 14,644 units transacted in 1H2021.

"We are delighted that our ERA trusted advisors have once again turned in a strong performance in spite of the prevailing challenges. Our digital first strategy has empowered ERA trusted advisors with leading-edge tools and applications to better serve an increasingly digital and sophisticated customer base – one which demands service excellence and bespoke quality advice," said Mr Marcus Chu, CEO of APAC Realty Limited.

In aggregate, ERA trusted advisors delivered 10,466 property transactions in 1H2022, compared to 13,290 property transactions in 1H2021<sup>2</sup>. Based on market data, ERA ended 1H2022 with a 40.0% share of Singapore's residential property market."

## **Rapid Progress with Capital Markets & Investment Sales**

In February 2022, ERA established its Capital Markets & Investment Sales ("CMIS") business unit to engage high-net-worth individuals, family offices, developers, institutional investors and real estate investment trusts with services related to commercial and industrial buildings, strata offices and retail spaces, retail malls, collective sales, land for redevelopment, shophouses and Good Class Bungalows.

In a short period of four months, CMIS has recorded over S\$26 million in transactions. This business unit is currently appointed as marketing agent for 21 New Industrial Road, a freehold 5-storey industrial building, and the collective sales of Villa De West, Meyer Place and Parkshore.

## **Innovating for the Future**

ERA continues to innovate and adopt the industry's best practices to be future-ready in today's competitive landscape. With a focus on digital innovation, ERA aims to equip its trusted advisors with the latest digital technology in providing real estate market trends and property analysis that will ultimately enhance their professional development.

ERA will be unveiling SALES+, a powerful tool for its trusted advisors during ERA's Career Advancement Day on 18 August 2022. A proprietary and highly advanced super-app, SALES+ is expected to be a game-changer for the industry, providing ERA trusted advisors with one-tap access to data, market trends, financial and property analysis which makes for a great prospecting tool. Its seamless user-client interface will allow for easy adoption and effortless training to enable all ERA trusted advisors with an efficient digital tool to manage and grow their business.

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<sup>2</sup> Excluding leasing transactions



## Outlook for the Singapore Market

“While the Singapore market continues to face challenges of rising interest rates, higher inflation and rising GLS land cost, we believe that the Singapore market will remain relatively resilient in 2022,” said Mr Chu.

“With increasing interest from local home buyers and foreign investors to the Singapore market, demand for quality residential spaces continues to outweigh supply, especially for new homes. We believe that this demand will negate the impact of some of these challenges.”

Based on advanced estimates by the Ministry of Transport and Industry, Singapore’s economy grew 4.8% year-on-year in 2Q2022<sup>3</sup>, and is expected to grow 3%-5% in 2022<sup>4</sup>.

## Regional Outlook

The Group has presence in five of the top six largest economies in Southeast Asia with strong real estate fundamentals, namely Indonesia, Thailand, Singapore, Malaysia and Vietnam. In aggregate, our five regional markets have a real estate transaction value of approximately US\$154 billion, a significant 3-fold increase compared to Singapore’s real estate transaction value of approximately US\$53 billion. This presents APAC Realty with an attractive upside as these economies normalize in a post pandemic situation.

Indonesia presents significant long-term promise as the world’s fourth most populous nation and the world’s 10th largest economy in terms of purchasing power parity. The country’s economy is projected to grow 5.1% in 2022 and to 5.3% in 2023 due to the release of pent-up demand, stronger consumer confidence, and improved trade<sup>5</sup>.

Thailand’s economic growth picked up modestly since the surge in COVID-19 cases in 2021, however, economic activity remained below pre-pandemic levels in 1H2022. The country’s economy is projected to grow 2.9% in 2022<sup>6</sup>.

Vietnam was one of only few countries to post GDP growth in 2020 when the pandemic hit, demonstrating the strength of the middle-income economy. While GDP growth slowed to 2.6% in 2021 due to the emergence of the Delta variant, the economy is expected to rebound to 5.5% in 2022<sup>7</sup>.

Malaysia’s central bank, Bank Negara Malaysia, has forecast the economy to grow between 5.3% to 6.3% in 2022.

APAC Realty continues to be well-positioned with a strong balance sheet and healthy cash flows, and remains cautiously optimistic for second half 2022.

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<sup>3</sup> “Singapore’s GDP Grew by 4.8 Per Cent in the Second Quarter of 2022”, Ministry of Transport and Industry, 14 July 2022

<sup>4</sup> “MTI Maintains 2022 GDP Growth Forecast at “3.0 to 5.0 Per Cent””, Ministry of Transport and Industry, 25 May 2022

<sup>5</sup> “Indonesia Economic Prospects (IEP), June 2022: Financial Deepening for Stronger Growth and Sustainable Recovery”, World Bank, 22 June 2022

<sup>6</sup> “Thailand Economic Monitor June 2022: Building Back Greener: The Circular Economy”, World Bank, 29 June 2022

<sup>7</sup> “The World Bank In Vietnam”, World Bank, 14 April 2022



### ***About APAC Realty Limited***

APAC Realty is a leading real estate services provider, holding the exclusive ERA regional master franchise rights for 17 countries in Asia Pacific. Through its ERA franchisee network, the Group has one of the largest brand footprints in Asia with more than 20,600 trusted advisors across 654 offices, and is the largest ERA Member Broker globally by transaction value.

The Group has a market-leading position in the Singapore real estate brokerage business through its wholly-owned subsidiary ERA Realty Network Pte Ltd ("ERA Realty"). Established in 1982, ERA Realty is one of Singapore's largest real estate agencies with more than 8,400 trusted advisors as at 30 June 2022, providing property brokerage services for primary and secondary home sales, as well as rental of residential, commercial and industrial properties. Through its Capital Markets & Investment Sales business unit, the Group delivers corporate real estate services for sizeable assets to high-net-worth individuals, family offices, developers, institutional investors and real estate investment trusts.

As an industry pioneer, ERA Realty has constantly been at the forefront of technological innovations with an emphasis of enhancing agent productivity and service excellence for the past 40 years. The Group empowers its trusted advisors with the latest proptech, training, and proprietary super apps such as RealtyWatch, allowing each to extend best-in-class advice and service to customers.

APAC Realty's wholly-owned subsidiary Realty International Associates Pte Ltd ("RIA") operates training programmes and courses for real estate trusted advisors in preparation for professional certification exams and as part of continuing professional development regulations. RIA also undertakes valuation work on behalf of clients such as financial institutions, government agencies and property owners, and provides management services for real estate developments.

APAC Realty is listed on the Mainboard of the Singapore Exchange Limited since 2017. For more information, please visit [www.apacreality.com.sg](http://www.apacreality.com.sg).

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