

Investment Summary

- **1Q26 new launch market saw strong performance in a few projects.** Six projects launched; developers collectively sold close to 2,000 private homes (ex-Executive Condominiums (ex-EC)). Rivelle Tampines EC and Pinery Residences both achieved 92.5% sell-outs, validating deep HDB upgrader demand in Tampines West and reinforcing PropNex's 1H26 commission pipeline.
- **HDB resale volume recovery is underway.** The 1Q26 HDB Resale Price Index dipped a marginal 0.1% QoQ, the first decline in nearly seven years, but resale volumes rebounded 17.6% QoQ. With about 13,500 Minimum Occupancy Period (MOP)-eligible flats entering the market in 2026 (up from 8,000 in 2025), the volume-driven commission recovery has begun.
- **Rising rates are key risks to monitor.** PropNex carries zero debt, and its earnings are driven by transaction volumes, making it structurally insulated to rising rates. However, the indirect impact of rising rates may dampen buyers' affordability, leading to slower transaction activity.
- **1Q26 Government Land Sales (GLS) bids signal a higher 2027 launch price floor.** Five GLS sites awarded in 1Q26 at land rates implying future launch prices of SGD 1,750 to SGD 3,200+ per square foot (psf) across Outside Central Region (OCR) and Rest of Central Region (RCR) precincts. Higher launch prices expand PropNex's absolute commission pool per transaction on a structural basis.
- **BUY reiterated at SGD 2.70 (+51.8%).** The multi-year MOP pipeline, OCR-heavy launch calendar and record GLS bids supporting new launch prices remain firmly on track.

Analyst

Tan Qiuyi Charmaine
 Research Analyst
charmaine.tan@fundsupermart.com

Basic Information

Stock name	PropNex Limited
Ticker code	OYY
Exchange	SGX
Target Price	SGD 2.70
Upside Potential	51.8%

PropNex: The Middle East war is not stopping Singaporeans from buying new launches

Synopsis: Three material developments have emerged since our initiation on PropNex. We address each development and explain why our structural thesis remains unchanged.

Singapore's residential property market entered 2026 on a selective but firm footing. Across six new private residential launches in 1Q26, demand concentrated sharply in projects with the right location, product, and price positioning, while stepping back where supply had outrun fundamentals.

The quarter's defining theme was the Minimum Occupancy Period (MOP)-driven upgrader wave, which produced two near-simultaneous sell-outs in Tampines West, reinforced a firming private price floor, and was consistent with the structural commission growth story underpinning our investment case on PropNex.

Record Government Land Sales (GLS) bids signal higher 2027 launch prices, and HDB resale volume rebounded even as prices softened marginally — a combination that expands PropNex's commission pool on both legs of the transaction cycle.

Overall, three developments have emerged since our last update, and we address each below and explain how they sit against our original thesis.

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Singapore Residential Property Market in 1Q26

1. 1Q26 New Launch Market: Demand is Alive and Selective

Six new private residential projects launched over 1Q26, two Executive Condominium (EC), two mixed-use developments, and two condominiums, injecting more than 3,100 new homes into the market. PropNex estimates that developers collectively sold close to 2,000 private homes (excluding ECs) during the quarter. The headline picture is one of persistent but increasingly selective demand: buyer interest is strong, but it is concentrating on projects that offer the right combination of location, pricing, and product positioning.

The Tampines West Sweep: What 92.5% Units Sold Means for PropNex

The standout result of the quarter was the simultaneous sell-out of two adjacent Tampines West projects: **Rivelle Tampines EC** (529 of 572 units, 92.5%, at SGD 1,893 psf) on 21 March, and **Pinery Residences** (544 of 588 units, 92.5%, at SGD 2,546 psf) on 28 March. The Rivelle result is the strongest EC launch since Hundred Palms Residences in 2017; the Pinery result makes it the best-selling integrated development in Tampines by percentage to date. Both projects were approximately two times oversubscribed ahead of launch.

The demand drivers behind both results are linked to one of our investment theses for PropNex: a rebound in MOP-eligible HDB supply. As the largest property agency in Singapore, with the most extensive agent network, PropNex is well-positioned to capture this increase in resale activity.

Tampines is Singapore's largest HDB town, with over 84,200 flats under management. A sharp increase in MOP-eligible flats in Tampines from 527 units in 2025 to 2,133 units in 2026 created a concentrated pool of equity-rich, upgrade-ready owners who translated into buyers.

Rivelle's sell-out was further accelerated by spillover into Pinery Residences: buyers who missed out on, or were income-ineligible for, the EC (qualifying income ceiling is SGD 16,000) turned to the private development next door. This spillover dynamic is commission-accretive for PropNex, which captures both legs of the transaction cycle.

Pinery Residences' pricing warrants particular note. At an average of SGD 2,546 psf on a 99-year leasehold OCR asset, Pinery achieved a price premium that has historically been associated with city-fringe or RCR-tier projects. That HDB upgraders in Tampines West demonstrated willingness to commit at this price point, with all two-bedroom and four-bedroom units sold out, signals that upgrader purchasing power has structurally deepened.

Table 1: 1Q26 New Launch Scorecard

Project	Region	Type	Units	Units Sold (%)	Avg PSF (SGD)	Additional comments
Coastal Cabana	OCR (Pasir Ris)	EC	748	504 (67%)	1,734	Solid EC demand; location lacks Tampines MOP tailwind
Narra Residences	OCR (Dairy Farm)	Condo	540	122 (23%)	2,148	Gradual take-up; 5th launch in precinct causes buyer fatigue
Newport Residences	CCR (Anson Rd)	Mixed-use	246	140 (57%)	3,370	Freehold CBD play; compact units broaden buyer pool
River Modern	CCR (River Valley)	Condo	455	410 (90%)	3,266	Near sell-out; prime D9 scarcity + family-friendly positioning
Rivelle Tampines	OCR (Tampines)	EC	572	529 (92.5%)	1,893	Best EC launch since 2017 in terms of sellout rate on its launch weekend; full MOP tailwind + MRT access
Pinery Residences	OCR (Tampines)	Mixed-use	588	544 (92.5%)	2,546	Best-selling integrated dev in Tampines; EC spillover captured

Source: Stacked Homes, PropNex, EdgeProp. Data as of 2–6 April 2026.

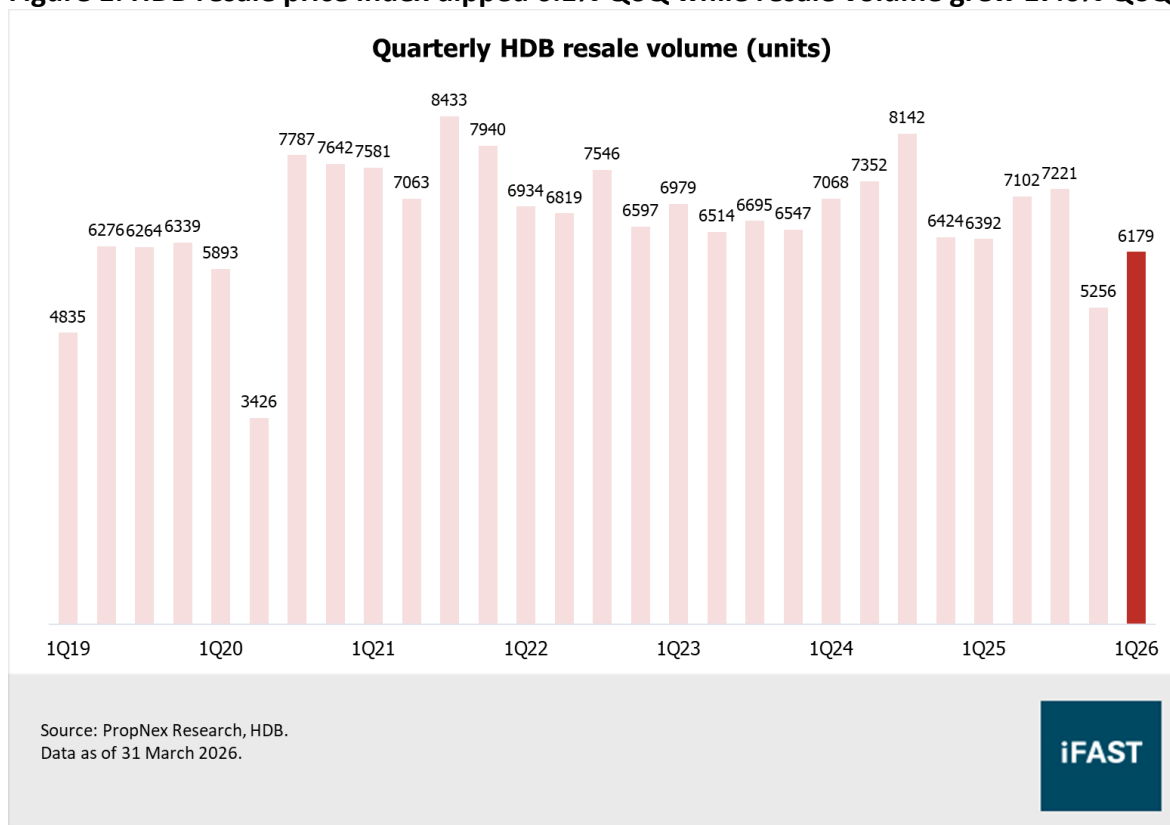
Note: The Urban Redevelopment Authority (URA) classifies Singapore's residential market into three segments based on location: Rest of Central Region (RCR) and Outside Central Region (OCR). The RCR acts as a "buffer zone" between the city centre (CCR) and suburbs, while the OCR comprises suburban areas outside the Central Region. PSF refers to per square foot.

2. HDB Resale Flash Estimate: Volume Recovers; Price Softness is a Feature, Not a Bug

The HDB released its Q1 2026 Resale Price Index flash estimate on 1 April 2026, showing a 0.1% QoQ decline to 203.4. Notably, it is the first quarterly drop since 2Q19. We argue against reading this as a negative data point for PropNex.

Commissions are a function of both price and volume. Even at a modestly lower average transaction price, a step-change increase in the number of transacting units creates a materially larger commission pool. The 1Q26 data confirms this: resale volume rebounded 17.6% QoQ to 6,179 units from 5,256 units, and PropNex projects full-year HDB resale volume of approximately 26,000 to 27,000 units in 2026.

Figure 1: HDB resale price index dipped 0.1% QoQ while resale volume grew 17.6% QoQ



The primary catalyst for the price softening is the same force driving the volume recovery: more MOP-eligible flats entering the resale market. This is structurally supportive of PropNex, not a headwind.

Context on the price decline itself is important. HDB resale prices have appreciated approximately 54.8% over the six years through end-2025. A 0.1% QoQ dip from this elevated base does not represent demand destruction; it represents a natural rebalancing as supply expands. Nine towns, including Tampines, set new all-time high resale prices in 1Q26, and at least 412 flats transacted at or above SGD 1 million in the quarter, which is approximately 18% more than in 4Q25 (350 flats).

Most importantly, the MOP pipeline is the gateway to PropNex's most profitable commission cycle. When a HDB flat reaches MOP, the owner is simultaneously eligible to sell in the resale market and may purchase a new EC or private condominium.

MOP completions of about 13,500 flats in 2026 versus just 8,000 in 2025 mean PropNex stands to earn commissions on both legs of the transaction: the HDB sale and the private or EC purchase. The sell-out performances of Rivelle Tampines and Pinery Residences in Tampines West are the real-world expression of exactly this dynamic playing out in the quarter.

3. Rising Interest Rates: A Monitoring Risk, Not a Thesis Breaker

The US-Iran conflict has materially changed the interest rate outlook. Brent crude prices have risen above USD 110 per barrel, the SGS 10-year yield has increased approximately 40 basis points in March to around 2.3%, and the Federal Reserve has adopted a noticeably more hawkish tone. We think rates could stay higher for longer as inflationary pressures from higher oil prices flow through.

[Related article: We're witnessing a turn in the interest rate cycle. Be prepared for rate hikes.](#)

PropNex carries zero debt on its balance sheet. As a result, rising interest rates do not directly impair PropNex's financing position. However, the indirect risk is clear: higher mortgage rates raise the cost of home ownership and could, at the margin, dampen buyer affordability and transaction volume, particularly among leveraged first-time buyers. We acknowledge this risk. However, three mitigating factors reduce its severity in the near term.

- **First, PropNex's near-term commission pipeline is substantially locked in through projects already launched in 1Q26**, including Rivelle Tampines and Pinery Residences, providing revenue visibility independent of the rate environment.
- **Second, the structural driver of HDB upgrader demand**, the surge in MOP-eligible flats, is a supply-side phenomenon largely independent of the rate cycle: owners who have met their MOP and accumulated six years of home equity gains (HDB resale price index gained more than 50%) are motivated to transact for lifecycle reasons, not purely financial ones.
- **Third, the availability of deferred payment schemes (DPS) in selected EC launches helps ease the impact of higher interest rates.** Buyers do not need to take on a home loan or pay interest during the construction period, which lowers the upfront financial burden. This makes it easier for buyers to commit despite higher rates, supporting demand for new launches and, in turn, sustaining PropNex's transaction volumes and commission income.

Why the Structural Growth Story Remains Intact

1. The MOP Surge Creates a Multi-Year, Dual-Commission Tailwind

After a cyclical trough of just 8,000 MOP-eligible flats in 2025, the pipeline surges to an estimated 13,500 in 2026, 15,000 in 2027, and 19,500 in 2028. Over the full three-year period, approximately 48,000 flats will reach MOP, 28.1% more than in the prior three years of 2023 to 2025 (37,474 units).

In 2026, areas that would see a relatively larger increase in MOP-eligible flats include Punggol (3,222) and Tampines (2,133). This could translate into meaningful upgrader demand, supporting new launches for both ECs and private condominiums.

This is not merely a volume story for PropNex's HDB resale segment; it is a dual-commission story. Every MOP completion unlocks a potential HDB resale transaction and, for a meaningful proportion of those owners, an EC or private condo purchase thereafter.

Figure 2: A rebound of MOP-eligible HDB flats is expected in 2026

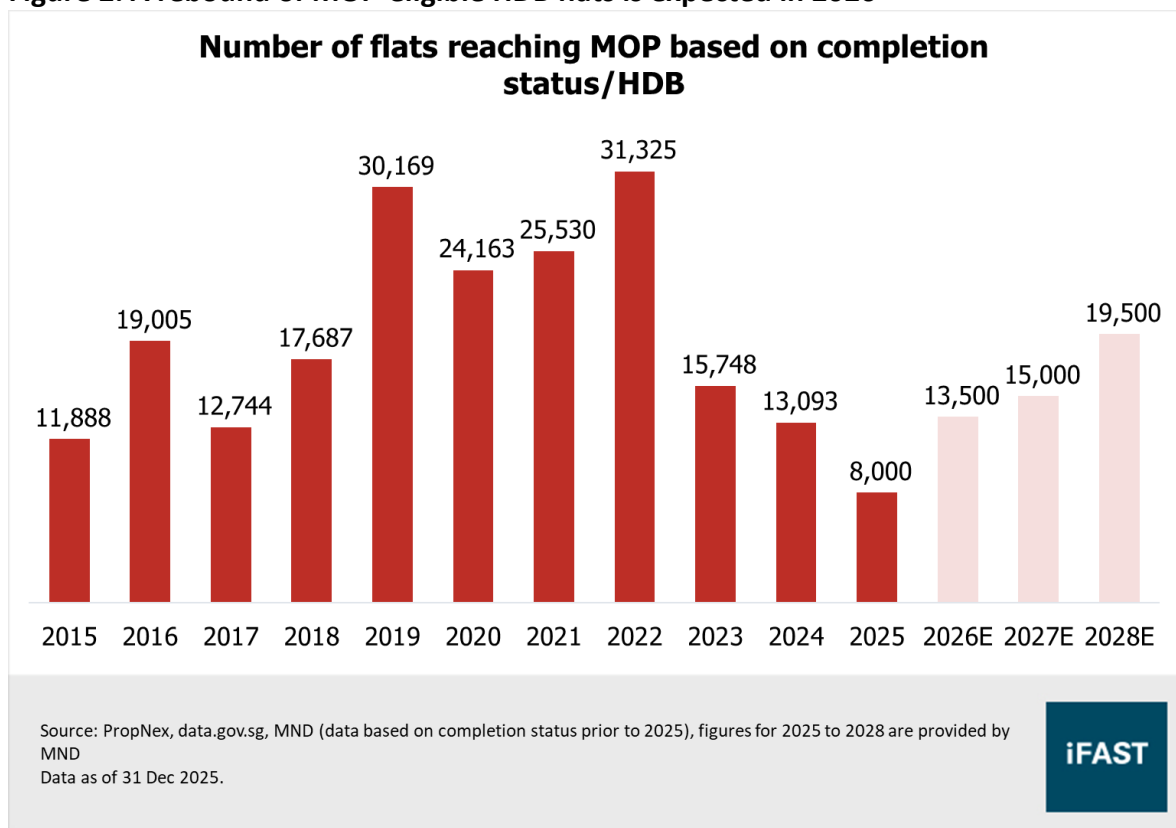


Table 2: HDB MOP Pipeline (2025A–2028E)

Metric	2025A	2026E	2027E	2028E
HDB flats reaching MOP	8,000	13,500	15,000	19,500
YoY Growth	-38.9%	+68.8%	+11.1%	+30.0%
Cumulative 2026–2028 vs 2023–2025	48,000 units entering the HDB resale market, which is 28.1% more than the prior 3-year period (2023–2025)			
Source: HDB, PropNex Research, data.gov.sg. Data as of 1 April 2026.				

Table 3: About 13,500 HDB flats to reach minimum occupation period in 2026, rebounding from a low of 8,000 units in 2025

Town	2-room flat	3-room flat	4-room flat	5-room flat	Total
Bedok	409	0	757	274	1,440
Bukit Batok	187	34	0	0	221
Bukit Panjang	51	17	203	79	350
Geylang	136	183	0	0	319
Hougang	0	0	155	130	285
Kallang/Whampoa	0	85	158	0	243
Punggol	890	313	1,334	685	3,222
Queenstown	408	1,094	659	244	2,405
Sembawang	0	83	131	96	310
Sengkang	0	0	198	132	330
Tampines	0	244	1,162	727	2,133
Toa Payoh	218	340	800	236	1,594
Woodlands	0	72	100	0	172
Yishun	0	96	252	108	456

Note: Estimations may vary slightly due to different sources of data
Source: 99.co.

2. The 2026 Launch Calendar is OCR-Heavy and Upgrader-Driven

Approximately 58.1% of 2026 new launch units are in the OCR, up from 42.0% in 2025. This shift is deliberate: developers are positioning their pipelines to capture the wave of MOP-driven upgrader demand. The sell-out results of Rivelle Tampines and Pinery Residences validate this positioning.

Total available inventory, including unsold units carried over from 2025, remains broadly stable at approximately 16,597 units (2025: 16,931 units), providing PropNex with a resilient addressable market even in a year of lower new launch volumes.

3. Record 1Q26 GLS Bids Signal a higher floor for 2027 Launch Prices

URA's 1Q26 private residential price flash estimate showed a 0.3% QoQ increase, which is a moderation from 0.6% in 4Q25 but still reflecting positive growth.

Five GLS sites were awarded in 1Q26, four private residential plots and one EC site, adding approximately 2,750 homes to the forward new launch pipeline and collectively drawing 21 bids across four private tenders.

More importantly for PropNex, the land rates achieved in 1Q26 are a reliable forward indicator of new launch prices when these projects enter the market in 2027, and every incremental dollar of launch price translates into a larger absolute commission per transaction.

Table 4: 1Q26 GLS Sites — Land Rates and Estimated Launch Prices

GLS Site	District	Type	Est. Units	Award Date	Land Rate (SGD psf ppr)	Est. Launch Price (SGD psf)	Commission Relevance for PropNex
Dairy Farm Walk	D23 (OCR)	Condo	480	Jan 2026	962 (5.7% below Narra site)	\$2,020–\$2,200	Gradual seller pool; broadly in line with existing Dairy Farm benchmarks
Tanjong Rhu Road	D15 (RCR)	Condo	525	Feb 2026	1,455	\$2,700–\$3,100	First new D15 GLS in about 30 years; scarcity premium supports high average selling price (ASP) and commission quantum
Lentor Central	D26 (OCR)	Condo	562	Mar 2026	1,278 (Lentor estate record)	\$2,450–\$2,700	PropNex appointed across Lentor precinct; rising PSF floor directly expands per-unit commission
Dover Drive	D5 (RCR)	Mixed-use	625	Mar 2026	1,556 (2nd-highest RCR ever)	\$2,830–\$3,200+	First GLS in Dover-Medway; 31% land cost step-up vs prior Bloomsbury site in same precinct
Woodlands Drive 17	D25 (OCR)	EC	560	Jan 2026	794 (record EC)	\$1,750–\$2,000	2,700+ MOP-eligible flats in North by 2027; no EC in Woodlands since 2016

Source: URA, Stacked Homes, Knight Frank. Data as of 31 March 2026.

Est. launch prices based on analyst projections; actual prices subject to developer discretion.

Valuation

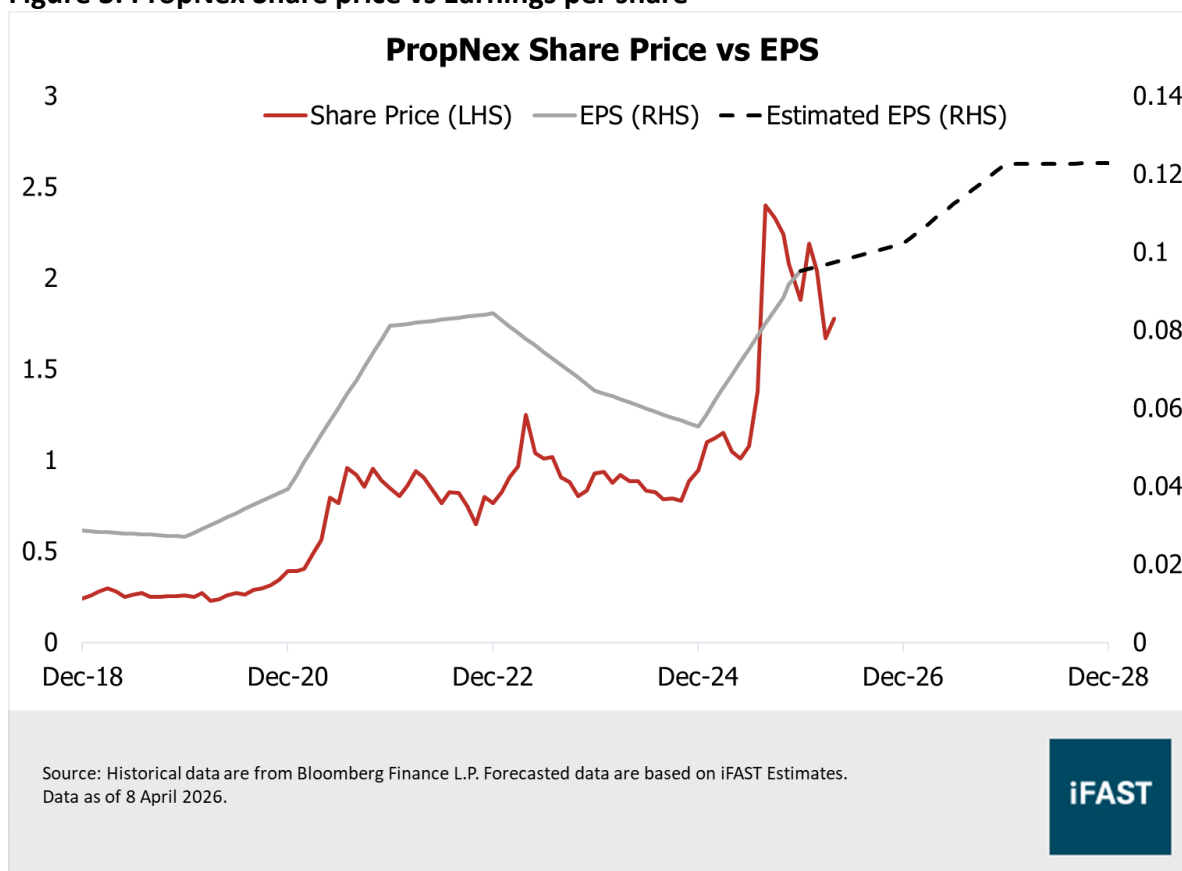
We maintain our earnings estimates and target price. Applying a fair P/E multiple of 22X to our FY2028E EPS yields a target price of **SGD 2.70** by the end of 2028, implying **51.8%** upside from the current price of SGD 1.78 as of 8 April 2026. We also estimate an average annual dividend yield of approximately **5.3%** over the next three years.

Table 5: PropNex Earnings Summary and Target Price

PropNex	2025A	2026E	2027E	2028E
P/E Ratio (X)	19.8	17.4	14.5	14.5
Earnings Growth (%)	72.0%	7.4%	19.9%	0.2%
EPS (SGD)	0.0951	0.1022	0.1225	0.1228
DPS (SGD)	0.0950	0.0817	0.0980	0.0982
Dividend Yield (%)	5.1%	4.6%	5.5%	5.5%
Target Price (Fair P/E: 22X)	SGD 2.70			
Current Price	SGD 1.78			
Upside Potential	51.8%			

Source: Bloomberg Finance L.P. (historical); iFAST Estimates (forecasts). Data as of 8 April 2026.

Figure 3: PropNex Share price vs Earnings per share



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