

**MEDIA RELEASE**

**PropNex reports net profit of \$19.0 million  
on revenue of \$345.6 million in 1H2024**

- *Proposes interim cash dividend of 2.25 cents a share, reflecting a payout ratio of 87.6%*
- *Cautious optimism in 2H2024 given upcoming new launches, stabilising home prices, possible pent-up demand, and a potential easing of borrowing costs*

\$'000	1H2024	1H2023	% Change
<b>Revenue</b>	<b>345,586</b>	364,283	(5.1)
<b>Gross Profit</b>	<b>33,441</b>	35,778	(6.5)
<b>Net Attributable Profit</b>	<b>19,001</b>	22,054	(13.8)
<b>EPS (cents)</b>	<b>2.57</b>	2.98	(13.8)

**SINGAPORE – 13 August 2024** – PropNex Limited (“**PropNex**”, or the “**Company**”, and together with its subsidiaries, the “**Group**”) has demonstrated a resilient performance for the six months ended 30 June 2024 (“**1H2024**”), despite facing headwinds from limited new property launches and the impact of property cooling measures. For 1H2024, the Group reported a net attributable profit of \$19.0 million, with revenue dipping by 5.1% to \$345.6 million.

The decline in revenue was primarily attributed to a 19.6% year-on-year (“**YoY**”) decrease in commission income from project marketing services, which fell to \$91.3 million in 1H2024 from \$113.5 million in the same period last year (“**1H2023**”). This drop reflected the reduced number of private new home sales amidst fewer launches in the primary market. In contrast, the secondary market showed strength, with the Group’s commission income from real estate agency services increasing by 1.3% to \$251.9 million in 1H2024, up from \$248.7 million in 1H2023.

Notably, the private resale homes segment accounted for 77.4% of total private residential transactions, including new sales, resale and sub-sales, in 2Q2024. During the quarter, this segment experienced a significant 41.4% quarter-on-quarter (“**QoQ**”) increase, with 3,802 transactions excluding executive condominiums (“**ECs**”). The surge in private resale volume was attributed to the limited new project launches and a substantial price gap between private new and resale homes. Similarly, transactions for HDB resale flats remained resilient. In 2Q2024, 7,352 HDB resale flats were resold, marking a 4.0% QoQ increase from 7,068 flats in 1Q2024. For 1H2024, 14,420 HDB resale flats were resold, reflecting a 6.9% increase from 13,493 in 1H2023.

In the primary market, developers sold 725 new units (excluding ECs) in 2Q2024, a 37.7% QoQ decline from 1,164 units in 1Q2024. This pullback was largely due to fewer launches, with developers placing 634 new units (excluding ECs) for sale in 2Q2024, compared to 1,304 units in 1Q2024.

Cumulatively, 6,491 private resale homes were transacted in 1H2024, 16.0% more than the 5,598 resold in 1H2023. In comparison, 1,889 private new homes were sold in 1H2024, marking a 44.2% decrease from the 3,383 units moved in 1H2023.

Mr. Ismail Gafoor, Executive Chairman and Chief Executive Officer of PropNex, commented, “Although the lack of new launches and the impact of cooling measures have restrained activities in the primary market in 1H2024, the private resale market has been a standout accounting for 70.9% of overall private residential transactions in 1H2024 and rising 16.0% in terms of number of homes resold comparing 1H2024 and 1H2023. We expect the resale market to drive private home sales this year, and project that about 13,000 to 14,000 resale private homes could be transacted in the whole of 2024. Thanks to our robust sales network, PropNex was able to maximise opportunities in this active secondary market, which helped cushion the shortfall in private new home launches. We are optimistic about 2H2024, with over 6,501 private new units expected to launch, offering a promising outlook for the market.”

Signalling its confidence, the Board of Directors has proposed an interim cash dividend of 2.25 cents a share for 1H2024, reflecting a payout ratio of 87.6% of the Group’s net attributable profit.

### **Market Outlook and Plans**

Singapore's residential property market continues to experience price growth, but at a slower pace, largely due to the introduction of new market-cooling measures last year<sup>1</sup>. Private residential prices rose by 0.9% QoQ in 2Q2024, a slower pace than the 1.4% increase in 1Q2024. On a half year basis, private home prices increased by 2.3% in 1H2024, moderating from 3.1% in 1H2023. Meanwhile, private home rentals declined by 0.8% in 2Q2024 and by 2.7% in 1H2024, due to an influx of rental stock from completions in 2023, continuing a trend of rental decline since 3Q2023.

With the latest data, the Group has adjusted its forecast for private new home sales in 2024 to 5,500 to 6,000 units, down from an estimate of 6,000 to 6,500 units made in July 2024. Despite this revision, the Group remains cautiously optimistic due to several upcoming project launches, which will collectively offer over 3,300 new units. Projects include recent launches such as Sora and Kassia, as well as upcoming launches such as Emerald of Katong, The Chuan Park, Arina East Residences, the Bukit Timah Link project, Meyer Blue, and Union Square Residences. The Group anticipates a 4% to 5% increase in overall private home prices for 2024, moderating from a 6.8% rise in 2023.

In the public housing resale segment, demand is expected to remain resilient throughout the year, with the overall annual HDB resale volume projected to range between 28,000 to 29,000 units in 2024, compared to 26,735 HDB resale units that were transacted in 2023.

With 12,700 salespersons as at 7 August 2024 (1 January 2024: 11,999), the Group, continues to scale up its salesforce and information technology development and training programmes to drive operational productivity and business growth.

Mr. Ismail said, "PropNex remains cautiously optimistic about the private residential property outlook for 2024 given the new supply slated to enter the market. Moreover, stabilising home prices, possible pent-up demand, and a potential easing of borrowing costs from Federal Reserve rate cuts could bode well for the residential market as home choices and affordability for buyers improve. With a committed leadership team and the largest team of real estate salespersons in Singapore, PropNex is well-positioned to expand our market share across various revenue segments and deliver value to our clients and shareholders."

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<sup>1</sup> [DBS](#), 2 February 2024

### **Other Developments in 1H2024**

The Group was recognised for various financial and business accomplishments in 1H2024. PropNex was named a top-earning company in the inaugural Fortune Southeast Asia 500 List in 2024. Based on its revenue of US\$624.2 million<sup>2</sup> for fiscal year 2023, PropNex was ranked number 395 and the only real estate agency in Singapore to receive this honour. The Group was also the winner for PropTech in the Real Estate category at the Singapore Business Review Technology Excellence Awards 2024. The accolade highlights the Group's success in equipping its salesforce with cutting-edge digital tools to enhance their efficiency and effectiveness in the real estate market.

In May 2024, PropNex launched a pioneering new feature within its Business Suite app, named "Templates.AI". This innovative module, powered by ChatGPT's OpenAI technology, empowers salespersons to effortlessly craft compelling social media posts and property descriptions for their listings, thereby enhancing their marketing capabilities and broadening their outreach.

On the business front, PropNex's international property sales team presented Waterhouse Gardens in Manchester, United Kingdom, in April 2024 to Singaporeans amidst their growing interest in real estate investments overseas. Waterhouse Gardens is a 999-year leasehold development comprising 556 residential units and approximately 31,000 sq ft of commercial and retail space. To date, over 20 units were sold. PropNex also formed a strategic partnership with global real estate leader, Jones Lang LaSalle, to bring more United Kingdom projects to market, including the highly anticipated One Thames Quay in London's Canary Wharf.

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<sup>2</sup> [https://fortune.com/asia/ranking/southeast-asia-500/2024/search/?fg500\\_country=Singapore](https://fortune.com/asia/ranking/southeast-asia-500/2024/search/?fg500_country=Singapore)

### **About PropNex Limited**

PropNex Limited is Singapore's largest listed group with 12,700 (as at 7 August 2024) sales professionals. As an integrated real estate services group, PropNex's key business segments include real estate brokerage, training and real estate consultancy.

The Group has an established presence in Singapore's residential market, even as it continues to expand its suite of real estate services in Singapore and grow operations regionally. PropNex already has presence in Indonesia, Malaysia, Vietnam, Cambodia and Australia.

With a strong commitment to service excellence and quality, PropNex is the proud recipient of numerous accolades and is the recognised leader in real estate agency services.

For more information, please visit [www.propnex.com](http://www.propnex.com)

**Issued by August Consulting on behalf of PropNex Limited**

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