

HDB Market Pulse

Prices and rentals of HDB flats continue their downward trajectory

Q1/2018

Key indicators at a glance

HDB Indicators	4Q17	1Q18
<b>Resale</b>		
HDB Resale Index	132.6	131.6
Q-o-q change (%)	-0.2	-0.8
Resale Volume (units)	5,738	4,458
Q-o-q change (%)	-1.2	-22.3
<b>Rental</b>		
SRX Rental Index	117.4	116.6
Q-o-q change (%)	-0.3	-0.7
Rental Volume (units)	11,279	11,721
Q-o-q change (%)	5.4	3.9

Note: 1Q18 SRX's HDB Rental Index figures are advance estimates

Source: HDB, SRX, OrangeTee & Tie Research & Consultancy



Singapore | Residential |

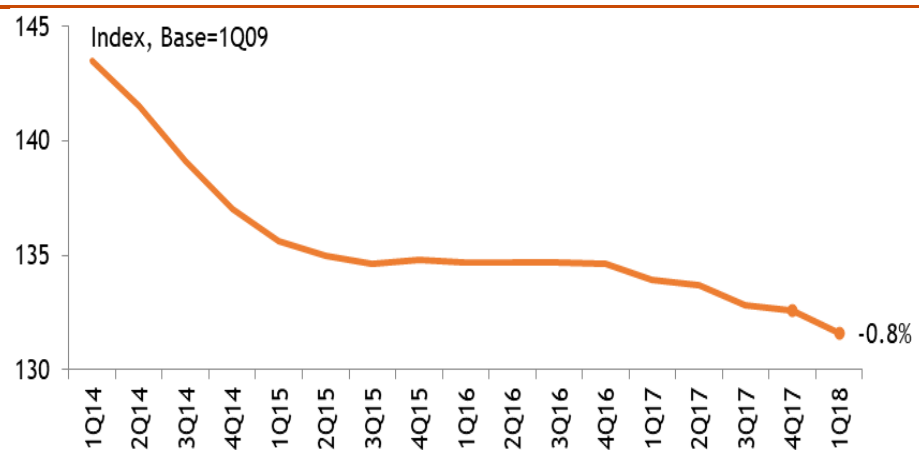
Prices and rentals of HDB flats continue their downward trajectory

Prices and rentals of HDB flats continued their decline in the first quarter of this year. According to data from HDB, prices of resale flats slipped 0.8% q-o-q and 1.7% y-o-y. This is also the fastest quarterly decline since Q1/2015. Resale volume has also dipped 22.3% from 5,738 units in Q4/2017 to 4,458 units in Q1/2018. Resale prices of HDB flats in various towns such as Bukit Merah, Toa Payoh, Jurong East and Jurong West fell across most room types.

Rents similarly fell this quarter by 0.7%, after two preceding quarters of decline. The oversupply of resale flats and the closing gap between public and private home rentals (especially mass-market homes) are likely to add further downward pressure on rents. Leasing volume rose 3.9% q-o-q, and 17.4% y-o-y in Q1/2018.

We expect HDB prices to stabilize in the months ahead on the back of more positive macroeconomic conditions. Resale volume should also pick up as prices continue to moderate and more HDB owners put up their units for lease as they wait for a market recovery.

Exhibit 1: HDB Resale Price Index



Source: HDB, OrangeTee & Tie Research & Consultancy

**Prices fell 0.8%**

HDB resale prices fell 0.8% q-o-q. This is the fastest pace of decline since 1Q15.

The index is now 11.9% lower than the recent peak in 2Q13. The median resale price of HDB flat also fell the most in the central area.

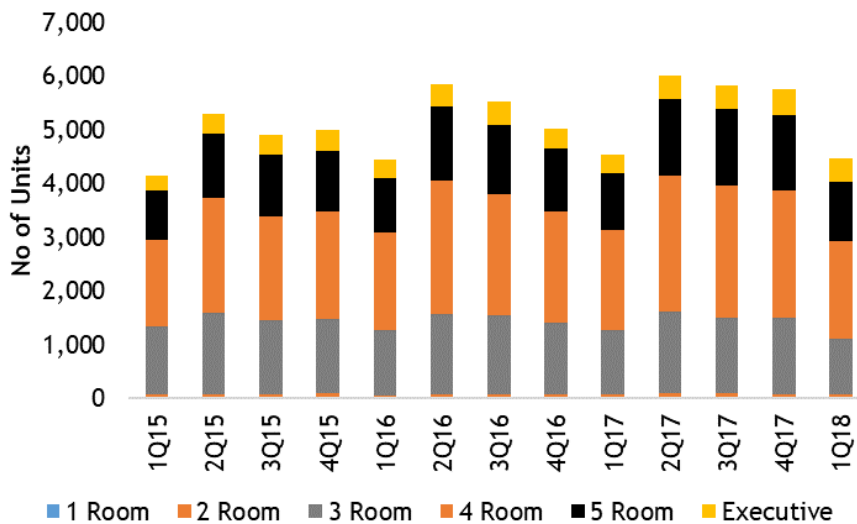
Exhibit 2: HDB Towns median resale price by room type

Date		2018Q1			3 Room			4 Room			5 Room		
Region	Town	Median Resale Price (\$psf)	Median Resale Price	QoQ Absolute Change	Median Resale Price (\$psf)	Median Resale Price	QoQ Absolute Change	Median Resale Price (\$psf)	Median Resale Price	QoQ Absolute Change			
Central	Bishan	*	*	*	\$531	\$544,000	-\$ 16,000	\$553	\$769,000	-\$ 46,000			
	Bukit Merah	\$498	\$333,500	-\$ 31,500	\$630	\$650,000	-\$ 40,000	\$609	\$760,000	-\$ 8,000			
	Bukit Timah	-	-	-	*	*	*	*	*	*			
	Central	*	*	*	-	-	-	-	-	-			
	Geylang	\$420	\$290,000	\$ 10,000	\$510	\$537,000	\$ 32,000	*	*	*			
	Kallang/Whampoa	\$469	\$313,000	\$ 3,000	\$485	\$500,000	-\$ 6,300	\$491	\$702,500	\$ 12,500			
	Marine Parade	*	*	*	*	*	*	*	*	*			
	Queenstown	\$493	\$328,000	-\$ 17,000	\$710	\$722,500	\$ 6,500	*	*	*			
North	Toa Payoh	\$373	\$275,000	-\$ 26,900	\$533	\$579,500	-\$ 40,500	\$653	\$850,000	-\$ 5,000			
	Sembawang	*	*	*	\$340	\$343,500	\$ 3,500	\$322	\$375,000	-\$ 30,000			
	Woodlands	\$343	\$270,900	\$ 11,900	\$316	\$330,000	\$ 0	\$326	\$406,000	-\$ 2,000			
North-East	Yishun	\$365	\$271,000	\$ 3,000	\$334	\$343,000	\$ 2,000	\$355	\$475,300	\$ 10,300			
	Ang Mo Kio	\$380	\$288,400	-\$ 11,600	\$447	\$452,000	-\$ 12,000	\$504	\$659,000	-\$ 1,000			
	Hougang	\$390	\$282,500	-\$ 500	\$357	\$380,000	\$ 0	\$369	\$475,000	\$ 3,000			
	Punggol	\$470	\$344,000	-	\$448	\$445,000	\$ 5,000	\$368	\$435,000	-\$ 3,000			
	Sengkang	*	*	*	\$396	\$399,000	-\$ 6,000	\$361	\$438,400	-\$ 1,600			
East	Serangoon	*	*	*	\$505	\$470,000	\$ 8,500	\$397	\$507,500	-			
	Bedok	\$401	\$300,000	\$ 0	\$416	\$412,000	-\$ 6,000	\$448	\$575,000	-\$ 11,000			
	Pasir Ris	*	*	*	\$358	\$412,000	\$ 9,500	\$354	\$480,000	\$ 5,000			
West	Tampines	\$421	\$330,000	-\$ 4,000	\$398	\$429,000	-\$ 1,000	\$399	\$525,000	-\$ 9,000			
	Bukit Batok	\$362	\$268,000	\$ 0	\$377	\$390,000	-\$ 1,000	\$388	\$538,000	-\$ 7,000			
	Bukit Panjang	*	*	*	\$359	\$364,500	-\$ 1,000	\$367	\$469,000	\$ 12,100			
	Choa Chu Kang	*	*	*	\$304	\$331,000	-\$ 7,000	\$308	\$380,000	-\$ 30,000			
	Clementi	\$444	\$320,000	-\$ 23,500	\$624	\$640,000	\$ 118,500	*	*	*			
	Jurong East	\$376	\$283,000	-\$ 7,000	\$406	\$417,500	-\$ 17,500	\$418	\$526,900	-\$ 14,600			
Jurong West	\$346	\$248,000	-\$ 22,000	\$339	\$350,000	-\$ 8,000	\$347	\$430,000	-\$ 19,800				

\*Refers to cases where there are less than 20 resale transactions in the quarter for the particular town and flat type. The median prices of these cases are not shown as they may not be representative.

Source: HDB, OrangeTee & Tie Research and Consultancy

Exhibit 3: HDB Resale volume by room type



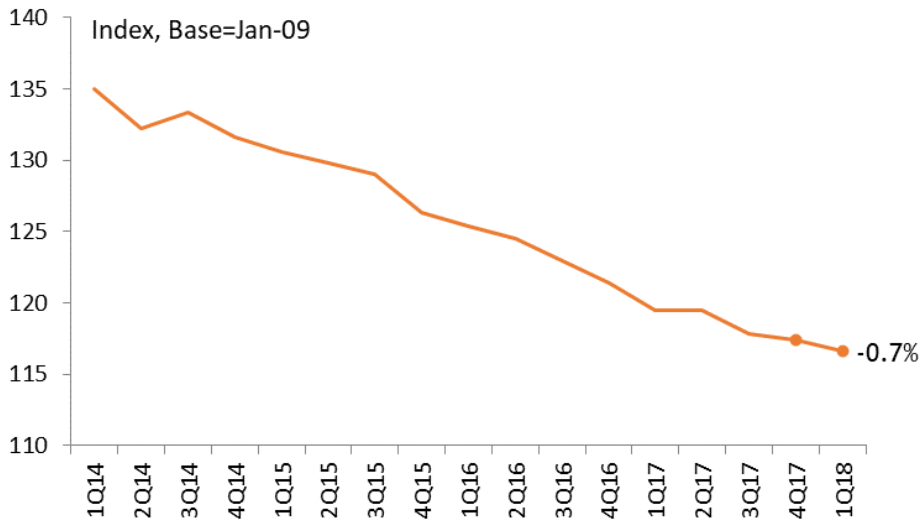
1Q18 resale volumes fell 1.6% y-o-y

Resale volume dipped 22.3% from 5,738 units in Q4/2017 to 4,458 units in Q1/2018.

Resale volume fell 1.6% y-o-y but is still slightly above the 5-year average of approximately 4,250 units typically sold in the first quarter of each year.

Source: HDB, OrangeTee & Tie Research and Consultancy

Exhibit 4: SRX HDB Rental Index



Rent index is 0.7% lower

Rents have been trending downwards since the sep-2013 peak. SRX flash figures showed a 0.7% q-o-q decline in rentals.

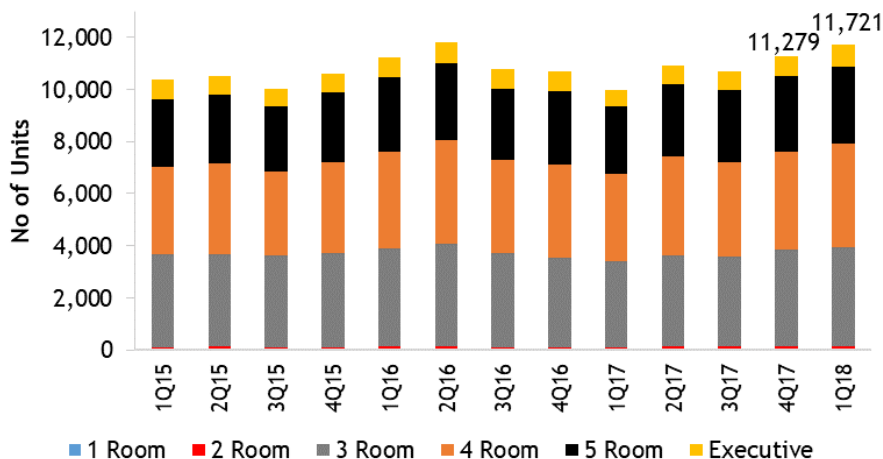
Source: SRX, OrangeTee & Tie Research and Consultancy

Exhibit 5: HDB Towns Median Rents by Room Type

Date	2018Q1		3-Room		4-Room		5-Room	
Region	Town	Median Rents	QoQ Absolute Change	Median Rents	QoQ Absolute Change	Median Rents	QoQ Absolute Change	
Central	Bishan	\$1,800	-\$ 100	\$2,250	-\$ 50	\$ 2,500	-\$ 100	
	Bukit Merah	\$1,900	\$ 0	\$2,500	-\$ 100	\$ 2,800	-\$ 50	
	Bukit Timah	*	*	*	*	*	*	
	Central	\$2,100	-\$ 100	\$2,580	-\$ 170	*	*	
	Geylang	\$1,750	-\$ 50	\$2,300	-\$ 80	\$ 2,550	\$ 20	
	Kallang/Whampoa	\$1,850	-\$ 50	\$2,500	\$ 0	\$ 2,600	-\$ 80	
	Marine Parade	\$1,800	\$ 0	\$2,200	\$ 0	\$ 2,500	-	
	Queens town	\$1,850	-\$ 50	\$2,600	\$ 0	\$ 2,800	\$ 0	
	Toa Payoh	\$1,800	\$ 0	\$2,250	-\$ 100	\$ 2,600	\$ 0	
North	Sembawang	-	-	\$1,850	\$ 50	\$ 1,900	\$ 0	
	Woodlands	\$1,400	\$ 0	\$1,800	\$ 50	\$ 1,900	\$ 0	
	Yishun	\$1,530	-\$ 20	\$1,890	\$ 10	\$ 2,000	\$ 0	
North-East	Ang Mo Kio	\$1,700	\$ 0	\$2,100	-\$ 100	\$ 2,300	-\$ 150	
	Hougang	\$1,600	\$ 0	\$1,900	\$ 0	\$ 2,100	\$ 0	
	Punggol	*	*	\$1,800	\$ 0	\$ 1,800	\$ 0	
	Sengkang	*	*	\$1,800	\$ 0	\$ 1,900	\$ 0	
	Serangoon	\$1,750	-\$ 50	\$2,200	\$ 0	\$ 2,350	\$ 150	
East	Bedok	\$1,700	\$ 0	\$2,050	-\$ 50	\$ 2,300	\$ 100	
	Pasir Ris	*	*	\$2,000	\$ 100	\$ 2,100	\$ 0	
	Tampines	\$1,700	\$ 0	\$2,000	\$ 0	\$ 2,200	\$ 0	
West	Bukit Batok	\$1,600	\$ 0	\$1,900	-\$ 100	\$ 2,100	\$ 0	
	Bukit Panjang	\$1,500	\$ 0	\$1,700	\$ 0	\$ 1,800	-\$ 50	
	Choa Chu Kang	*	*	\$1,750	-\$ 50	\$ 1,900	\$ 10	
	Clementi	\$1,800	\$ 0	\$2,300	-\$ 100	\$ 2,500	-\$ 30	
	Jurong East	\$1,700	\$ 0	\$2,100	\$ 0	\$ 2,300	\$ 0	
	Jurong West	\$1,650	-\$ 50	\$2,000	\$ 0	\$ 2,150	-\$ 50	

Source: URA, OrangeTee & Tie Research and Consultancy

Exhibit 6: HDB Rental Volume by Room Type



**Rental volume inched up**

Rental volume rose by 3.9% q-o-q and is 17.4% higher on a y-o-y basis.

Source: HDB, OrangeTee & Tie Research and Consultancy

**Please contact us for further enquiries**

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