

HDB MARKET PULSE

REAL ESTATE DATA TREND Q1 2019



- Demand for HDB resale flats remained resilient as sales volume reached the highest first quarterly sales in seven years with 4,835 flats being transacted in Q1 2019.
- Older flats aged 40-year and above are still in demand as sales defied prevailing headwinds with a record 2,537 flats being sold last year. For the first quarter of this year, 628 older flats were sold, constituting 13.9 per cent of total resale transactions, the highest percentage of older flats sold on record.
- A five-room BTO HDB flat has been sold for a record S\$1.2 million in April this year. This is the first time that the price of a standard HDB flat has surpassed the priciest non-standard flats (e.g. DBSS units, Maisonettes, Terraces or flats at Pinnacle@ Duxton) ever transacted.
- Resale prices continued to stabilise as the HDB price index declined marginally by 0.3 per cent in Q1.

Record \$1.2 million HDB BTO at 9A Boon Tiong Road / OrangeTee & Tie Research & Consultancy Photo

Resale volume remained resilient amid price decline

Demand remained resilient as the number of HDB resale transactions reached the highest first quarterly sales in seven years with 4,835 flats sold in Q1 2019 (Chart 1). Compared with the same period last year, the number of transactions rose 8.5 per cent. However, on a quarterly basis, resales declined 14.2 per cent (Table 1). The quarter-on-quarter (q-o-q) decline is within expectation as the number of resale applications is usually lowest in the first quarter of the year due to slower marketing activities immediately after the year-end holidays and during the Chinese New Year period.

HDB resale prices declined at a marginally faster pace of 0.3 per cent in Q1, compared to the 0.2 per cent decrease in the previous three-month period. Although prices have dipped for a third consecutive quarter, the cumulative decrease over the last nine months is only 0.5 per cent. This is lower than the 0.8 per cent decline seen in Q1 2018, indicating that the resale price of HDB flats may have stabilised.

Demand for older flats had defied prevailing headwinds as a record number of flats aged 40-year and above were inked last year (Page 3). The market share of older flats has also been increasing, which now constitutes 13.9 per cent of total resale transactions for Q1.

Table 1 Market summary

Indicators	Q4 2018	Q1 2019
Resale		
HDB Resale Index	131.4	131.0
Q-o-Q	-0.2%	-0.3%
Transaction volume	5,637	4,835
Q-o-Q	-20.2%	-14.2%
Rental		
SRX Rental Index	117.0	117.0
Q-o-Q	0.3%	0.3%
Transaction volume	11,479	11,775
Q-o-Q	2.3%	2.6%

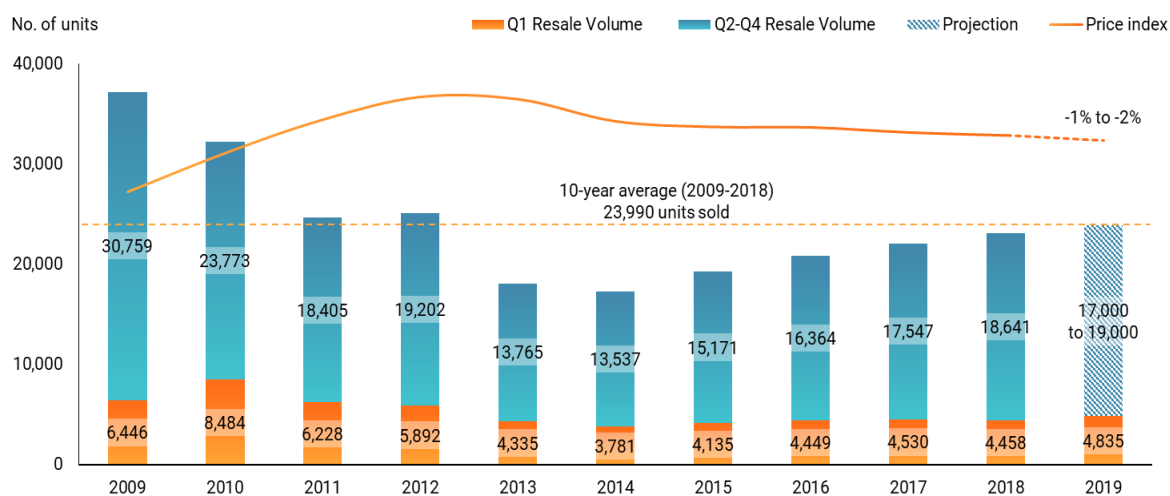
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A five-room BTO HDB flat has been sold for a record S\$1.2 million in April this year. This is the first time that the price of a standard HDB flat has surpassed the priciest non-standard flats (e.g. DBSS units, Maisonettes, Terraces or flats at Pinnacle@Duxton) ever sold. (Page 4).

We anticipate that HDB resale volume may rise in tandem with more flats reaching their five-year Minimum Occupation Period (MO) this year. With the increasing supply of completed flats, prices may flatline or fall marginally by 1 to 2 per cent this year (Page 10).

Chart 1 HDB resale volume for the first quarter reached a seven-year high since 2012

Projection for HDB resale market



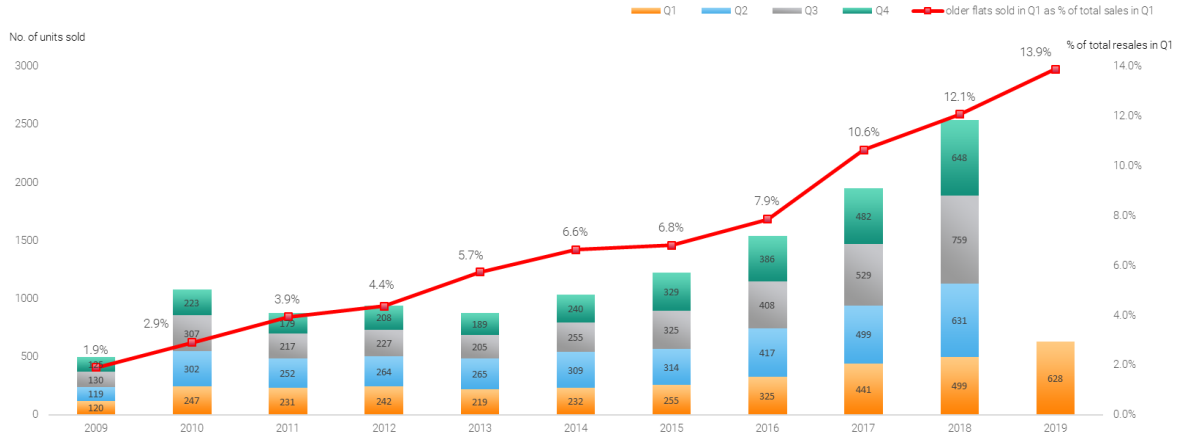
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TRENDING

1. Older flats are still in demand

Chart 2 Demand for older flats defies prevailing headwinds

Resale transactions of HDB flats 40 years & above



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Demand for older flats aged 40-year and above has defied prevailing headwinds as a record 2,537 flats were transacted last year (Chart 2). This is despite lingering concerns about the depreciating value of older flats and some adverse impact from the latest cooling measures.

Demand for older flats has been rising over the years. In 2018, older flats sold in the second, third and fourth quarters were all at their highest levels for the respective quarters (Chart 2). In Q1 2019, 628 older flats were sold, which was also the highest first quarterly sales on record. Sales of older flats can be observed across many towns (Table 2), indicating that older flats are generally quite well-received island-wide. The market share of older flats has also been rising. Sales of older flats as a percentage of total resale transactions increased from 1.9 per cent in Q1 2009 to 13.9 per cent in Q1 2019. This is also the highest percentage ever recorded.

There could be various factors behind the higher sales of older flats. First, the price expectation gap between buyers and sellers could have narrowed as prices of older flats had been moderating over the years. In Q1 2019, the average price of older flats declined about 6 per cent when compared to 1Q 2017 and around 7 per cent when compared to 1Q 2018.

Second, there could simply be more flats growing older, resulting in more transactions in general.

Third, older flats that are currently transacted tend to be smaller than those between 20 to and less than 40-year old. For instance, older 4-room standard flats sold in Q1 2019 averaged around 90 sqm, smaller than the 20 to 40-year-old counterparts which averaged around 99 sqm. Similarly, older 5-room standard flats were around 119 sqm, smaller than the average 124 sqm for flats between 20 to and less than 40-year old. The smaller older flats translate to lower price quantum and better price affordability for buyers. Some buyers may now view older flats to be of good value for money given their lower price tags.

Fifth, the announcement of the Voluntary Early Redevelopment Scheme (VERS) and Home Improvement Programme (HIP II), and possibly some policy tweaks to allow buyers to use more Central Provident Funds to purchase older flats may have started to instil some market confidence in older flats.

Table 2 Sales of older flats over the last four quarters

Town	No. of older flats sold	As % of total older flats sold
Bedok	384	14.4%
Bukit Merah	316	11.9%
Toa Payoh	315	11.8%
Queenstown	282	10.6%
Kallang/Whampoa	250	9.4%
Ang Mo Kio	249	9.3%
Geylang	178	6.7%
Clementi	144	5.4%
Jurong West	138	5.2%
Marine Parade	130	4.9%

Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy
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2. Standard flat sold at record price

Based on data.gov.sg and HDB website, a standard five-room HDB flat at Boon Tiong Road has been sold for S\$1.2 million in April this year, smashing the previous records set by a 237 sqm HDB Terrace at Jalan Bahagia sold in September last year and a five-room DBSS at Boon Keng Road in January this year, both of which were transacted at S\$1.185 million. The 112 sqm five-room HDB flat is between 34 and 36 storeys with 95-year lease remaining.

This is the first time that the price of a standard HDB flat has surpassed the priciest non-standard flats (e.g. DBSS units, Maisonettes, Terraces or flats at Pinnacle@Duxton) ever sold (Chart 3). Although only 26 standard flats have been sold for ≥ \$1 million as of April 2019, the numbers have been inching up steadily through the years. We may expect more of such transactions to be inked as many new flats in mature estates like Bukit Merah and Queenstown will be reaching MOP in the coming months.



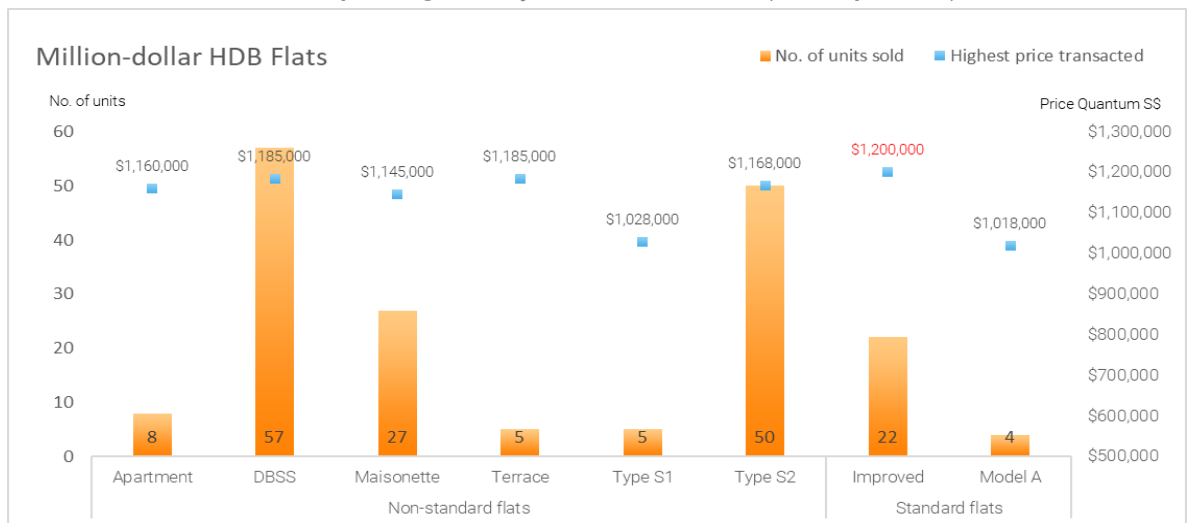
HDB BTO at 9A Boon Tiong Road / OrangeTee & Tie Research & Consultancy Photo

Table 3 Standard BTO flats sold ≥ S\$1 million
Description of flat

Town	Street Name	No. of units sold	Floor level	Unit size range (sqm)	Age of flat
Bukit Merah	Boon Tiong Rd	7	25-39	92-112	< 10 yrs
Clementi	Clementi Ave 3	4	16-39	116-119	< 10 yrs
Queenstown	C'wealth Dr, Ghim Moh Link, Holland Close, Holland Drive, Strathmore Ave	14	16-24	113-125	11 units: < 10 yrs 3 units: 20-<30 yrs

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Chart 3 Record S\$1.2 million price tag inked by a standard HDB flat* (1990-April 2019)



Note: Type S1 / S2 are units at Pinnacle@Duxton

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Schemes like the Home Improvement Programme (HIP II), Voluntary Early Redevelopment Scheme (VERS) and policy tweaks to allow buyers to use more Central Provident Funds to purchase older flats may instil market confidence and bring greater price stability for older flats.

- *Christine Sun*

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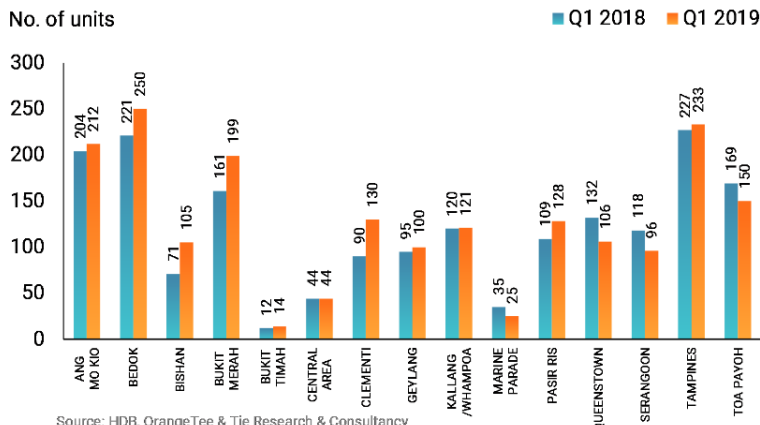


Belvia DBSS / OrangeTee & Tie Research & Consultancy Photo

MATURE ESTATES

Chart 4 Surge in number of transactions in Bishan and Clementi

HDB resale applications for standard flats



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Bedok, Tampines and Ang Mo Kio remained to be the most popular towns with the highest number of sales transactions recorded last quarter. There was a significant surge in the number of standard flats being transacted in Bishan in Q1 2019 (47.9 per cent), followed by Clementi (44.4 per cent), Bukit Merah (23.6 per cent) and Pasir Ris (17.4 per cent) (Chart 4).

Some towns like Queenstown and Bukit Merah saw prices increases across the three, four and five-room standard flats. Prices of five-room flats in Serangoon had also risen the most, by 13.3 per cent q-o-q in Q1. However, prices dipped across the three, four and five-room flats in Ang Mo Kio, Bedok, Clementi and Marine Parade last quarter (Table 4).

Table 4 Prices rose across all flat types in Queenstown and Bukit Merah

Average resale price of standard* flats

Towns	3 Room			4 Room			5 Room		
	Q1 2018	Q1 2019	% Diff	Q1 2018	Q1 2019	% Diff	Q1 2018	Q1 2019	% Diff
Ang Mo Kio	\$298,191	\$281,419	-5.6%	\$490,571	\$443,879	-9.5%	\$704,608	\$679,200	-3.6%
Bedok	\$311,890	\$284,941	-8.6%	\$436,729	\$435,277	-0.3%	\$601,948	\$561,802	-6.7%
Bishan	\$350,000	\$374,714	7.1%	\$551,934	\$547,601	-0.8%	\$801,263	\$745,952	-6.9%
Bukit Merah	\$364,495	\$372,419	2.2%	\$633,846	\$634,669	0.1%	\$765,875	\$769,243	0.4%
Bukit Timah	-	\$450,000	N.A.	\$663,500	\$621,178	-6.4%	\$831,500	\$796,250	-4.2%
Central Area	\$418,909	\$418,882	0.0%	\$764,180	\$638,935	-16.4%	\$956,808	\$970,250	1.4%
Clementi	\$349,284	\$321,123	-8.1%	\$626,178	\$550,626	-12.1%	\$700,000	\$674,688	-3.6%
Geylang	\$292,694	\$288,370	-1.5%	\$549,412	\$507,778	-7.6%	\$686,412	\$689,667	0.5%
Kallang/Whampoa	\$346,176	\$337,455	-2.5%	\$540,281	\$564,050	4.4%	\$737,747	\$715,162	-3.1%
Marine Parade	\$383,253	\$368,530	-3.8%	\$528,648	\$494,250	-6.5%	\$846,069	\$777,000	-8.2%
Pasir Ris	\$312,500	-	N.A.	\$408,235	\$397,805	-2.6%	\$479,408	\$486,391	1.5%
Queenstown	\$354,678	\$380,900	7.4%	\$686,477	\$691,689	0.8%	\$825,505	\$837,349	1.4%
Serangoon	\$308,549	\$310,881	0.8%	\$470,106	\$458,709	-2.4%	\$518,750	\$587,600	13.3%
Tampines	\$331,811	\$325,137	-2.0%	\$430,743	\$433,223	0.6%	\$549,042	\$552,269	0.6%
Toa Payoh	\$284,967	\$263,239	-7.6%	\$574,619	\$577,549	0.5%	\$805,583	\$780,240	-3.1%

*Standard flats exclude adjoined flats, DBSS< improved-maisonette, maisonette, Model A-Maisonette, New Generation, Premium Apartments and Maisonette, Terrence, Type S1&S2

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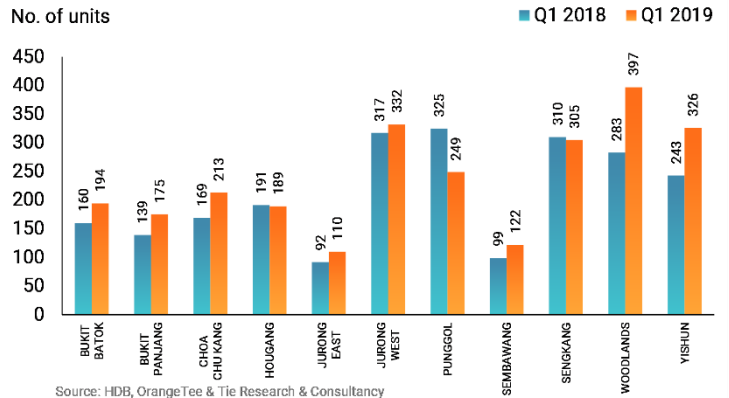
NON-MATURE ESTATES

Woodlands (397 units), Jurong West (332 units) and Yishun (326 units) had the highest number of transactions last quarter. The number of resale applications in Woodlands surged the most by 40.3 per cent q-o-q in Q1, followed by Yishun (34.2 per cent), Choa Chu Kang (26.0 per cent) and Bukit Panjang (25.9 per cent) (Chart 5).

Prices of standard HDB flats had moderated across the three, four and five-room types last quarter in Woodlands, Jurong West, Hougang and Bukit Batok (Table 5). We also observed the only double-digit price increase (11.7 per cent) for five-room standard flats in Punggol. Prices rose q-o-q across three, four and five-room for standard flats in Choa Chu Kang and Punggol in Q1.

Chart 5 Woodlands, Jurong West and Yishun had the highest resale volume

HDB resale applications for standard flats



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Table 5 Prices of standard flats in Choa Chu Kang and Punggol rose across all 3 room types

Average resale price of standard* flats

Towns	3 Room			4 Room			5 Room		
	Q1 2018	Q1 2019	% Diff	Q1 2018	Q1 2019	% Diff	Q1 2018	Q1 2019	% Diff
Bukit Batok	\$267,405	\$254,353	-4.9%	\$390,269	\$368,778	-5.5%	\$525,431	\$521,725	-0.7%
Bukit Panjang	\$293,899	\$285,611	-2.8%	\$375,515	\$387,909	3.3%	\$491,758	\$479,730	-2.4%
Choa Chu Kang	\$280,053	\$285,727	2.0%	\$335,490	\$341,343	1.7%	\$399,059	\$407,307	2.1%
Hougang	\$282,551	\$279,910	-0.9%	\$383,144	\$379,904	-0.8%	\$499,422	\$494,694	-0.9%
Jurong East	\$285,516	\$275,774	-3.4%	\$425,900	\$400,071	-6.1%	\$532,323	\$541,125	1.7%
Jurong West	\$257,364	\$249,807	-2.9%	\$368,037	\$357,503	-2.9%	\$437,025	\$428,419	-2.0%
Punggol	\$350,045	\$353,876	1.1%	\$448,189	\$461,918	3.1%	\$469,816	\$524,872	11.7%
Sembawang		\$284,849	N.A.	\$339,715	\$342,788	0.9%	\$389,343	\$392,041	0.7%
Sengkang	\$334,931	\$332,780	-0.6%	\$400,607	\$414,128	3.4%	\$441,662	\$471,234	6.7%
Woodlands	\$269,520	\$261,315	-3.0%	\$334,769	\$332,216	-0.8%	\$409,125	\$401,907	-1.8%
Yishun	\$272,278	\$270,673	-0.6%	\$343,578	\$359,034	4.5%	\$461,359	\$469,073	1.7%

*Standard flats exclude adjoined flats, DBSS< improved-maisonette, maisonette, Model A-Maisonette, New Generation, Premium Apartments and Maisonette, Terrence, Type S1&S2

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Chart 6 Slight uptick in rents

SRX HDB Rental index

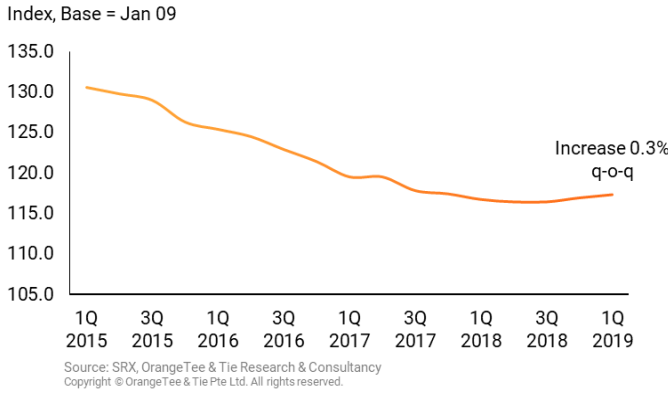
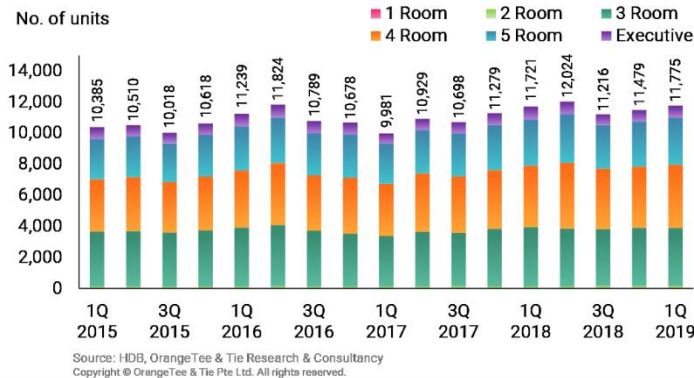


Chart 7 Slight increase in rental volume in Q1 2019

HDB rental applications



RENTAL

The number of approved applications to rent out HDB flats rose 2.6 per cent to 11,775 units in the first quarter of this year (Chart 7). This is also 0.5 per cent higher y-o-y.

Using the SRX HDB rental index, rents also saw a slight uptick of 0.3 per cent q-o-q in Q1 2019. (Chart 6).

We may expect rental volume to pick-up further for the coming months as the peak rental season is usually in the second and third quarters of the year. Many flats will also be reaching their five-year MOP island-wide, possibly resulting in more units being put up for rental in the coming months.

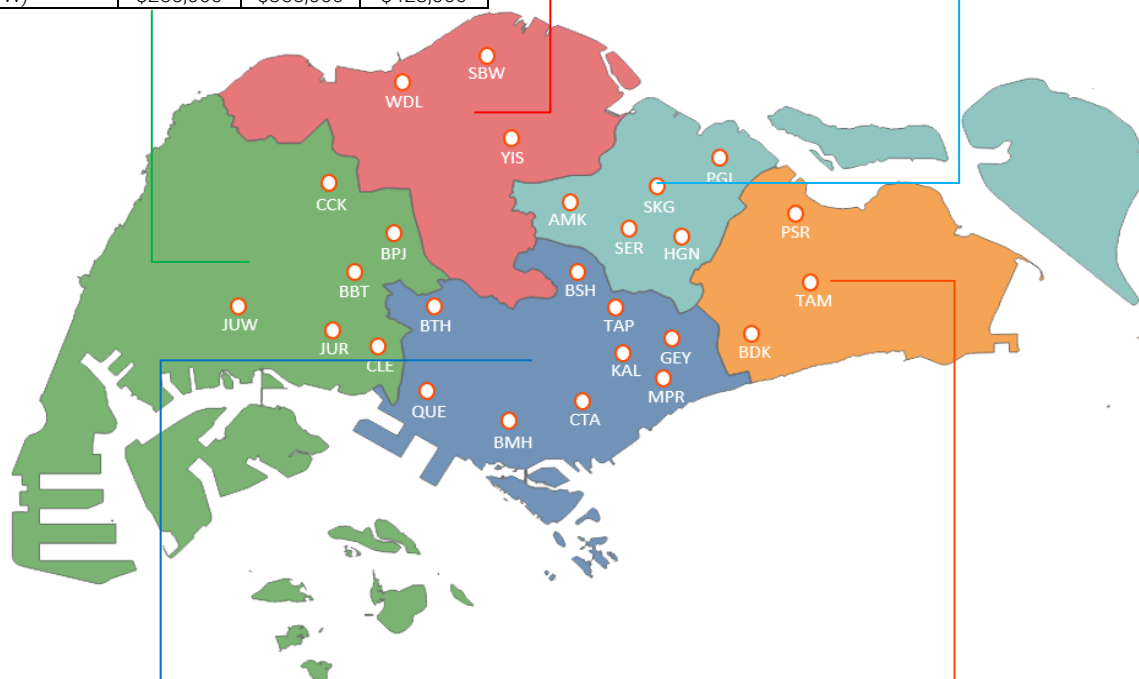
The expansion of the two integrated resorts here will continue to enhance Singapore's vibrancy and tourism appeal globally. The rental market is poised to benefit as more than 5,000 jobs may be created and around a third of these jobs are expected to be filled by non-locals.

Chart 8 HDB resale transactions and median resale prices for Q1 2019

North Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Sembawang (SBW)	*	\$338,000	\$392,000
Woodlands (WDL)	\$257,000	\$323,000	\$398,000
Yishun (YIS)	\$264,900	\$342,000	\$456,900

West Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bukit Batok (BBT)	\$255,000	\$365,000	\$527,500
Bukit Panjang (BPJ)	*	\$385,000	\$475,000
Choa Chu Kang (CCK)	*	\$339,000	\$405,000
Clementi (CLE)	\$315,000	\$510,000	*
Jurong East (JUR)	\$270,000	\$390,000	\$553,500
Jurong West (JUW)	\$255,000	\$355,000	\$428,000

North-East Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Ang mo Kio (AMK)	\$271,500	\$406,500	\$677,500
Hougang (HGN)	\$278,000	\$370,100	\$488,000
Punggol (PGL)	\$355,000	\$453,900	\$475,000
Sengkang (SKG)	\$336,500	\$410,000	\$465,000
Serangoon (SER)	\$310,000	\$431,500	\$533,000



Central Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bishan (BSH)	*	\$549,000	\$718,000
Bukit Merah (BMH)	\$313,800	\$675,000	\$784,000
Bukit Timah (BTH)	*	*	*
Central Area (CTA)	*	*	*
Geylang (GEY)	\$265,500	\$518,000	*
Kallang / Whampoa (KAL)	\$315,000	\$520,000	\$660,000
Marine Parade (MPR)	*	*	*
Queenstown (QUE)	\$369,000	\$720,000	*
Toa Payoh (TAP)	\$250,000	\$557,000	\$818,000

East Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bedok (BDK)	\$280,000	\$390,000	\$556,400
Pasir Ris (PSR)	*	\$397,000	\$479,000
Tampines (TAM)	\$325,000	\$430,000	\$520,000

Asterisks ("*") refer 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.

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Centrale 8 DBSS / OrangeTee & Tie Research & Consultancy Photo

OUTLOOK

A number of housing precincts have been highlighted for revitalization in the Draft Master Plan 2019, including an injection of new community spaces, amenities, business and innovation hubs and new transport networks. Such initiatives will improve the liveability, vibrancy and convenience for many existing flats, which may enhance the attractiveness of these flats and increase buying interest in the long term. Further, policy changes in May which may allow buyers to use more Central Provident Fund for older flat purchases may also increase the attractiveness and spur demand for some older flats.

HDB resale volume may rise in tandem with more flats reaching their five-year MOP this year. With more flats possibly being placed on the resale market, prices may face downward pressure for some flats. However, we anticipate that the number of flats sold at higher price quantum may increase as around 3,500 flats built under the DBSS and almost 4,000 flats in mature estates like Bukit Merah, Queenstown and Ang Mo Kio will be reaching MOP. This may have an uplifting effect on the overall price index. The net effect could result in further price stabilisation, where the overall price index may flatline or fall marginally by 1 to 2 per cent this year (Table 6).

Table 6 Market forecast for 2019

Indicators	2018	2019 (forecast)
Resale price	-0.9%	-1% to -2%
Resale volume	23,099	22,000 to 24,000
Rents	0.3%	-1% to -3%
Rental volume	46,440	46,000 to 48,000

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