

# HDB MARKET PULSE

REAL ESTATE DATA TREND Q3 2018



SkyTerrace @ Dawson

## Despite lingering concerns about the depreciating value of aging flats, the HDB resale volume hit a five-year high in Q1-Q3 2018

The HDB resale market outperformed market expectations as the number of HDB resale applications rose 18.9 per cent q-o-q to 7,063 units in Q3 2018 (Chart 1). According to HDB's third quarter public housing data, 17,462 resale applications were received in the first three quarters of this year, hitting a five-year high. The total number of resale transactions is poised to surpass 22,000 this year, likely a new high since 2013.

The better sales performance could be attributed to less BTO flats being launched this year, resulting in less competition for potential buyers. Some displaced enbloc owners may have turned to the HDB resale market for replacement homes for their size and affordability.

Although HDB resale prices have been on a general downtrend in recent years, prices of HDB resale flats have been fluctuating within a -1 per cent and 1 per cent q-o-q change since Q2 2015. Using the HDB resale price index, prices of HDB resale flats slipped marginally by 0.1 per cent q-o-q in Q3 2018. For the first three quarters of this year, prices have dipped 0.8 per cent.

Despite the general weakness in resale price growth, the number of HDB resale flats sold  $\geq$ S\$700,000 reached a seven-year high in the first three quarters of this year (See page 4).

The number of million-dollar HDB resale transactions had continued to rise as well, reaching an all-time high with 52 flats being transacted in Q1-Q3 2018. An HDB terrace at Jalan Bahagia was sold for nearly S\$1.2 million in September, setting a new record as the priciest HDB unit ever sold (See page 4).

In recent years, there has been a large supply of new BTO flats in Punggol and Sengkang but the increased competition did not affect market activities in those towns. Instead, the resale volume remained high in these towns and bigger flats have seen price increases compared to a year ago (See page 6).

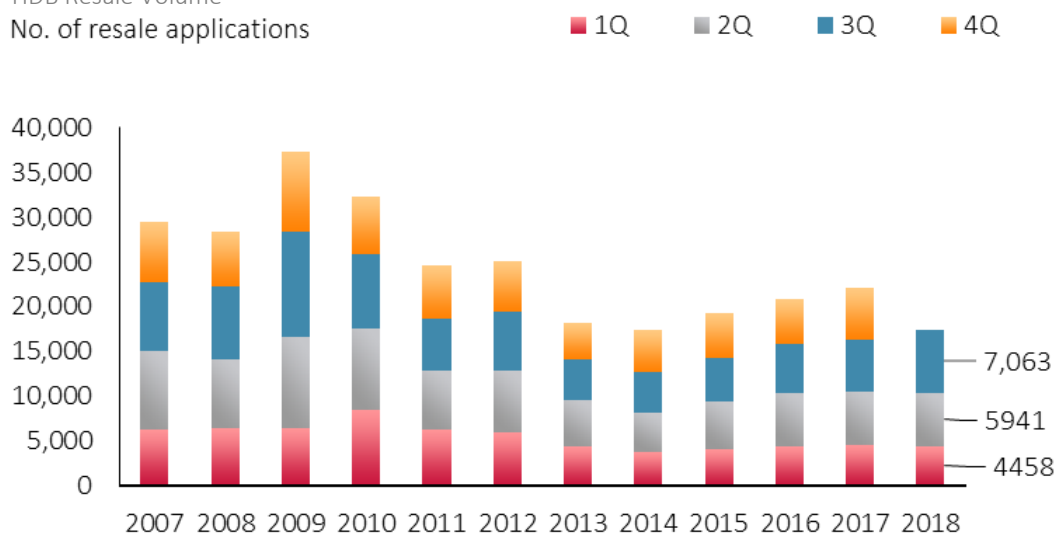
“ The number of million-dollar HDB resale flat transactions reached an all-time high with 52 units being sold this year. An HDB terrace was transacted at nearly S\$1.2 million in September, setting a new record.

- Christine Sun

Chart1 HDB resale transactions continued to rise in Q3

HDB Resale Volume

No. of resale applications



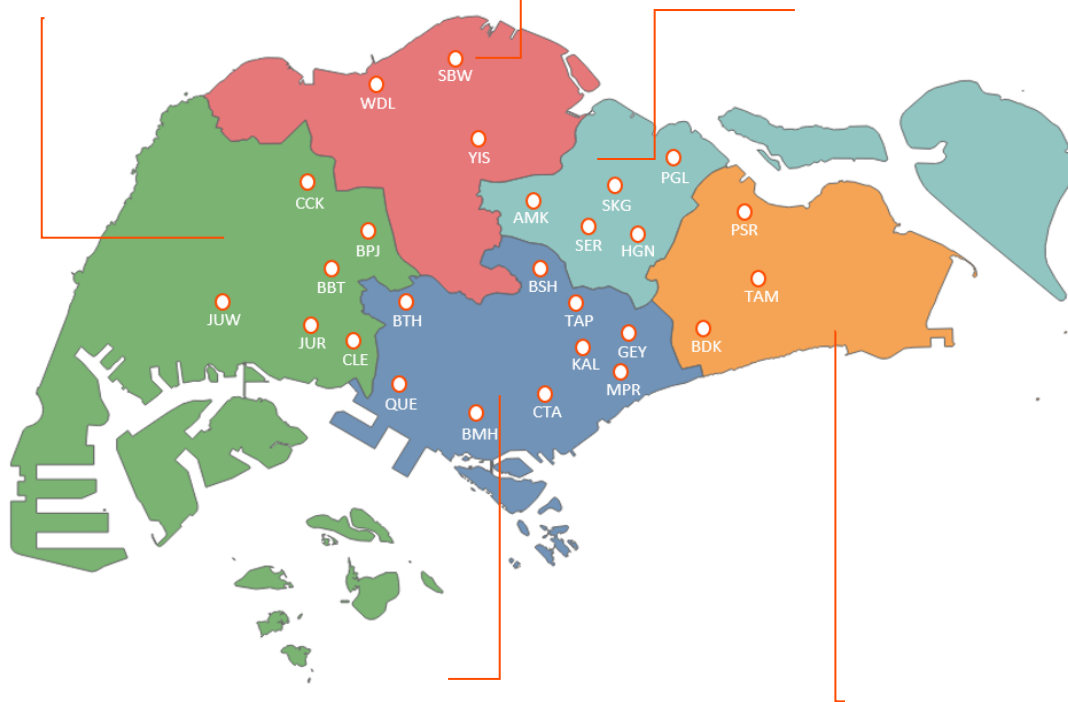
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Chart2 HDB resale transactions and median resale prices for Q3 2018

North Region				
Planning Area	Total Transactions	Median Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	185	*	\$336,500	\$390,000
Woodlands (WDL)	516	\$260,000	\$328,000	\$407,000
Yishun (YIS)	388	\$263,000	\$350,000	\$440,000

West Region				
Planning Area	Total Transactions	Median Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	259	\$258,000	\$378,400	\$520,000
Bukit Panjang (BPJ)	220	*	\$368,000	\$450,000
Choa Chu Kang (CCK)	269	\$268,000	\$338,500	\$400,000
Clementi (CLE)	151	\$310,500	\$504,000	\$635,500
Jurong East (JUR)	150	\$281,000	\$429,000	\$552,500
Jurong West (JUW)	505	\$240,000	\$350,000	\$435,000

North-East Region				
Planning Area	Total Transactions	Median Resale Price		
		3-Room	4-Room	5-Room
Ang mo Kio (AMK)	298	\$290,000	\$440,000	\$699,900
Hougang (HGN)	358	\$283,000	\$380,000	\$491,000
Punggol (PGL)	469	\$356,500	\$450,000	\$438,000
Sengkang (SKG)	528	\$337,500	\$410,000	\$445,000
Serangoon (SER)	129	\$307,500	\$470,000	\$487,000



Central Region				
Planning Area	Total Transactions	Median Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	129	*	\$558,000	\$741,500
Bukit Merah (BMH)	258	\$355,000	\$660,000	\$810,000
Bukit Timah (BTH)	20	*	*	*
Central Area (CTA)	53	\$404,000	*	*
Geylang (GEY)	136	\$270,000	\$472,500	*
Kallang / Whampoa (KAL)	193	\$300,000	\$500,000	\$699,900
Marine Parade (MPR)	43	*	*	*
Queenstown (QUE)	192	\$355,000	\$715,000	\$849,000
Toa Payoh (TAP)	217	\$279,000	\$615,000	\$823,000

East Region				
Planning Area	Total Transactions	Median Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	341	\$290,000	\$405,000	\$578,000
Pasir Ris (PSR)	199	*	\$405,000	\$470,000
Tampines (TAM)	414	\$335,000	\$425,000	\$532,500

\* Values not displayed as there are less than 20 resale transactions

Source: HDB, OrangeTee & Tie Research & Consultancy  
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# MARKET OVERVIEW

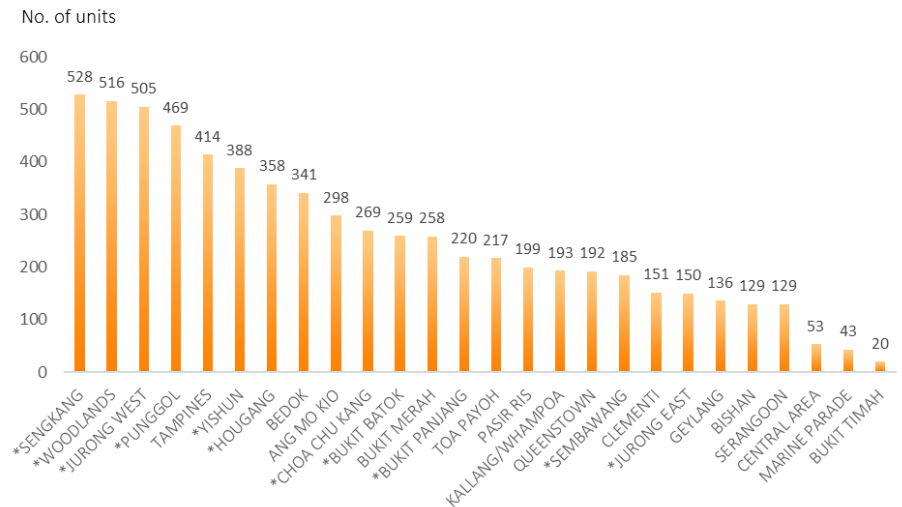
Non-matured towns tend to have more resale transactions in Q3 2018 (Chart 3). Sengkang (528 units) had the most resale transactions, followed by Woodlands (516 units), Jurong West (505 units) and Punggol (469). The resale market is more active in the non-matured towns possibly due to more flats reaching their Minimum Occupation Period (MOP) in recent years.

Based on data from data.gov.sg downloaded on 30 October 2018, the number of HDB resale flats sold for ≥ S\$700,000 reached a six-year high in the first three quarters of this year with 1,438 transactions (Chart 4). This is a 22.8 per cent y-o-y increase from the 1,171 flats sold in Q1-Q3 2017. Compared with Q1-Q3 2013, the number of resale transactions rose 68.6 per cent from the 853 units.

The number of flats sold ≥ S\$1 million and above also reached an all-time high with 52 units transacted in the first three quarters of this year. 40 of these were below 20 years old and 12 units were older than 20 years old (Table 1). 11 (i.e. 9 Improved model, 2 Model A) of the 52 units are standard flats\* while 41 are non-standard flats (i.e. 16 DBSS, 12 Type S2, 5 Maisonette, 4 Apartments, 3 Type S1, and 1 Terrace).

A 237 sqm HDB terrace at Jalan Bahagia hit a new record price of S\$1.185 million in September this year, smashing the previous S\$1.18 million record set by a 5-room Bishan DBSS unit sold in Feb 2017. The third priciest unit on record was also transacted in Q3 2018 for a 5-room 117 sqm DBSS unit at Lor 1A Toa Payoh sold for S\$1,160,888 in August this year. From Q1-Q3 2018, 69 standard\* flats and 168 non-standard flats were sold for ≥ S\$900,000. In the first three quarters of 2016 and 2017, only 39 and 40 standard flats were sold for ≥ S\$900,000.

Chart 3 Non-matured towns (\*) tend to have more resale transactions  
HDB resale applications in Q3 2018

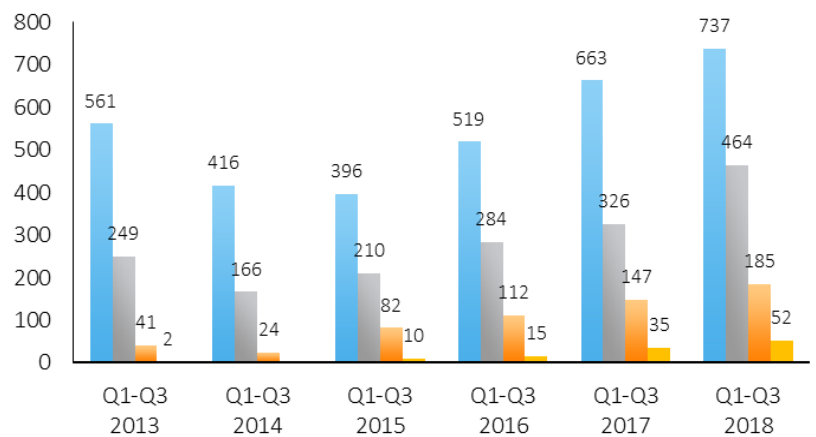


Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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Chart 4 Growing number of resale flats sold for ≥ S\$700,000

Resale transactions by price range

No. of units ■ \$700K-<\$800K ■ \$800K-<\$900K ■ \$900K-<\$1m ■ ≥\$1m



Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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Table 1 Almost similar number of new and old flats transacted at S\$700,000 and above

HDB resale transactions by price range in Q1-Q3 2018

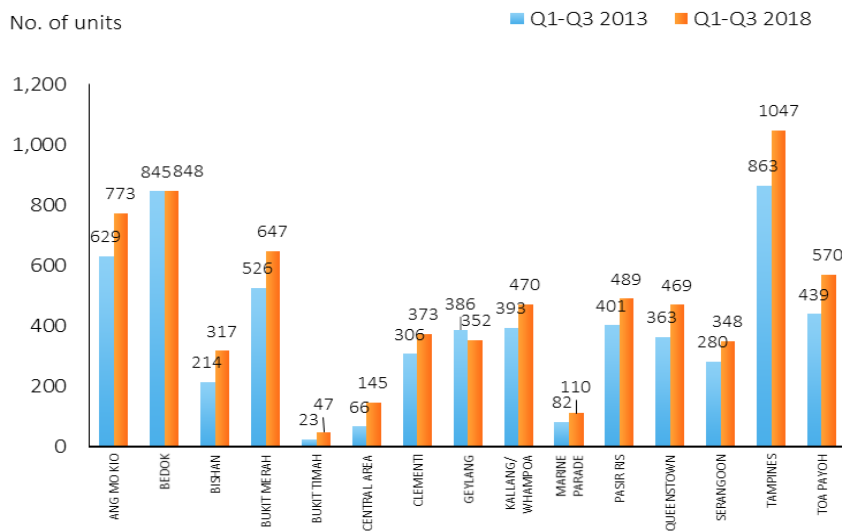
PRICE RANGE	Age of flat (<20 years)			Age of flat (≥20 years)				
	4 RM	5 RM	EXEC	3 RM	4 RM	5 RM	EXEC	MULTI-GEN
\$700K-<\$800K	250	87	12	3	30	154	196	5
\$800K-<\$900K	84	164		1	3	91	118	3
\$900K-<\$1m	22	97		3		22	41	
≥\$1m	5	35		1		2	9	
<b>TOTAL</b>	<b>361</b>	<b>383</b>	<b>12</b>	<b>8</b>	<b>33</b>	<b>269</b>	<b>364</b>	<b>8</b>

Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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\*Standard flats exclude adjoining flats, DBSS, improved-maisonette, maisonette, Model A-Maisonette, Premium Apartments, Apartments and Maisonette, Terrace, Type S1&S2

## MATURED ESTATES

Chart 5 Almost all matured towns had higher transactions this year  
HDB resale applications



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Almost all towns saw an increase in HDB resale transactions when compared to five years ago. Central Area had the largest 119.7 per cent increase in transactions while Ang Mo Kio, Bukit Merah, Clementi, Kallang/Whampoa, Marine Parade, Pasir Ris, Queenstown, Serangoon, Tampines and Toa Payoh had between 20 and 35 per cent increases (Chart 5).

Sales volume rose possibly due to a moderation in prices for some flat types. 5-room flats had more y-o-y price gains than losses while 3-room flats experienced more losses than gains in Q1-Q3 2018 (Table 2).

Table 2 3-room flats generally had larger price falls while 5-room flats had bigger price gains  
Average resale price of standard\* flats

Towns	3 ROOM			4 ROOM			5 ROOM		
	Q1-Q3 2017	Q1-Q3 2018	% diff	Q1-Q3 2017	Q1-Q3 2018	% diff	Q1-Q3 2017	Q1-Q3 2018	% diff
ANG MO KIO	\$317,441	\$297,368	-6%	\$478,856	\$468,702	-2%	\$666,197	\$659,130	-1%
BEDOK	\$307,167	\$297,550	-3%	\$434,684	\$425,468	-2%	\$571,359	\$576,634	1%
BISHAN	\$371,606	\$352,532	-5%	\$558,151	\$548,794	-2%	\$742,890	\$748,929	0.8%
BUKIT MERAH	\$387,813	\$370,593	-4%	\$637,030	\$635,944	-0.2%	\$754,322	\$787,439	4%
BUKIT TIMAH	\$413,500	\$430,000	4%	\$653,327	\$650,388	-0.4%	\$816,556	\$816,167	-0.05%
CENTRAL AREA	\$418,651	\$411,963	-2%	\$587,182	\$544,037	-7%	\$675,000	\$611,800	-9%
CLEMENTI	\$347,378	\$332,549	-4%	\$564,390	\$579,618	3%	\$745,226	\$676,287	-9%
GEYLANG	\$292,013	\$292,722	0.2%	\$505,156	\$518,414	3%	\$654,429	\$669,276	2%
KALLANG/WHAMPOA	\$326,669	\$310,582	-5%	\$548,140	\$533,208	-3%	\$688,742	\$686,998	-0.3%
MARINE PARADE	\$402,940	\$397,766	-1%	\$528,269	\$522,432	-1%	\$831,053	\$835,370	1%
PASIR RIS	\$296,833	\$285,000	-4%	\$403,055	\$406,667	1%	\$474,835	\$481,237	1%
QUEENSTOWN	\$377,886	\$375,972	-1%	\$686,891	\$691,675	0.7%	\$834,000	\$842,996	1%
SERANGOON	\$320,028	\$309,877	-3%	\$456,789	\$461,892	1%	\$565,017	\$528,733	-6%
TAMPINES	\$326,842	\$333,345	2%	\$433,499	\$431,766	-0.4%	\$522,258	\$532,077	2%
TOA PAYOH	\$308,645	\$279,991	-9%	\$565,014	\$551,371	-2%	\$707,092	\$724,870	3%

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

Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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## NON-MATURED ESTATES

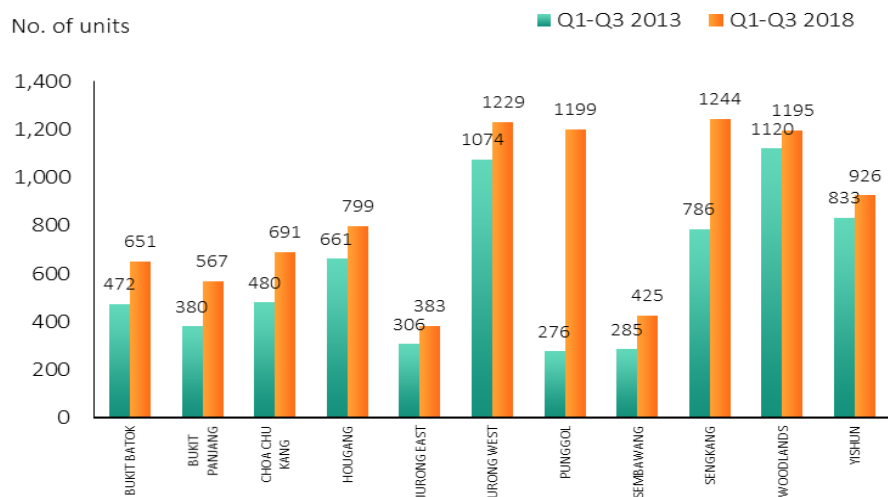
The number of resale applications in Punggol rose 334.4 per cent from 276 units in Q1-Q3 2013 to 1,199 units in Q1-Q3 2018. Sengkang saw the next highest 58.3 per cent increase to 1,244 units in Q3 over the same period (Chart 6).

The high transactions could be attributed to many BTO flats being built in both towns and have now reached the five-year MOP for resale. There are also many private condominiums built in these areas that might have spurred more HDB owners to upgrade to a private condominium. Transactions remained high at Woodlands (1,195 units) and Jurong West (1,229 units) in the first three quarters of this year.

Despite the big supply of HDB flats in Sengkang and Punggol, the 4 and 5-room flats in these town saw y-o-y price increases in Q1-Q3 2018. Flats in Bukit Batok, Jurong West, Choa Chu Kang, Woodlands and Yishun saw price falls across all room types over the same period (Table 3).

Chart 6 Punggol and Sengkang registered the highest increase in resale transactions

### HDB resale applications



Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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Table 3 3-room flats had larger price falls while 5-room flats had bigger price gains

### Average resale price of standard\* flats

Towns	3 ROOM			4 ROOM			5 ROOM		
	Q1-Q3 2017	Q1-Q3 2018	% diff	Q1-Q3 2017	Q1-Q3 2018	% diff	Q1-Q3 2017	Q1-Q3 2018	% diff
BUKIT BATOK	\$276,676	\$264,003	-5%	\$397,530	\$385,387	-3%	\$554,934	\$511,463	-8%
BUKIT PANJANG	\$284,576	\$285,551	0.3%	\$377,543	\$370,151	-2%	\$488,371	\$485,927	-1%
CHOA CHU KANG	\$279,581	\$275,499	-1.5%	\$350,204	\$334,226	-5%	\$411,582	\$401,888	-2%
HOUGANG	\$293,824	\$283,261	-4%	\$391,471	\$382,039	-2%	\$488,086	\$491,528	1%
JURONG EAST	\$292,342	\$288,086	-1%	\$415,109	\$419,297	1%	\$536,335	\$538,250	0.4%
JURONG WEST	\$269,990	\$254,473	-6%	\$368,040	\$357,163	-3%	\$453,064	\$428,218	-5%
PUNGGOL	\$350,528	\$348,244	-1%	\$414,453	\$427,792	3%	\$423,889	\$447,436	6%
SEMBAWANG		\$283,000	NA	\$346,464	\$334,822	-3%	\$411,700	\$395,300	-4%
SENGKANG	\$348,925	\$330,839	-5%	\$388,462	\$392,798	1%	\$436,884	\$444,674	2%
WOODLANDS	\$268,382	\$260,531	-3%	\$343,543	\$328,376	-4%	\$418,031	\$406,798	-3%
YISHUN	\$283,597	\$267,926	-6%	\$355,900	\$345,616	-3%	\$460,336	\$448,709	-3%

\*Standard flats exclude adjoined flats, DBSS, improved-maisonette, maisonette, Model A-Maisonette, Premium Apartments, Apartments and Maisonette, Terrence, Type S1&S2  
Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy  
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Prices of bigger or more premium HDB resale flats are holding up better in the current market when compared to smaller, standard flats.

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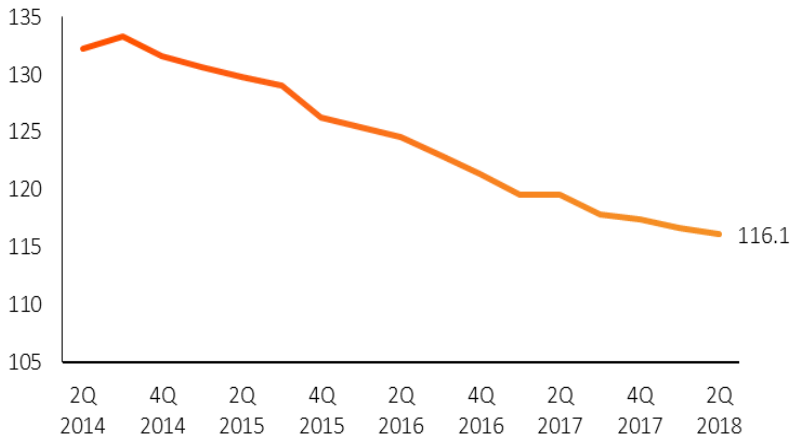


Skyville @ Dawson



Chart 7 Rent is generally on a downtrend

Rental Index  
Index, Base = 1Q09



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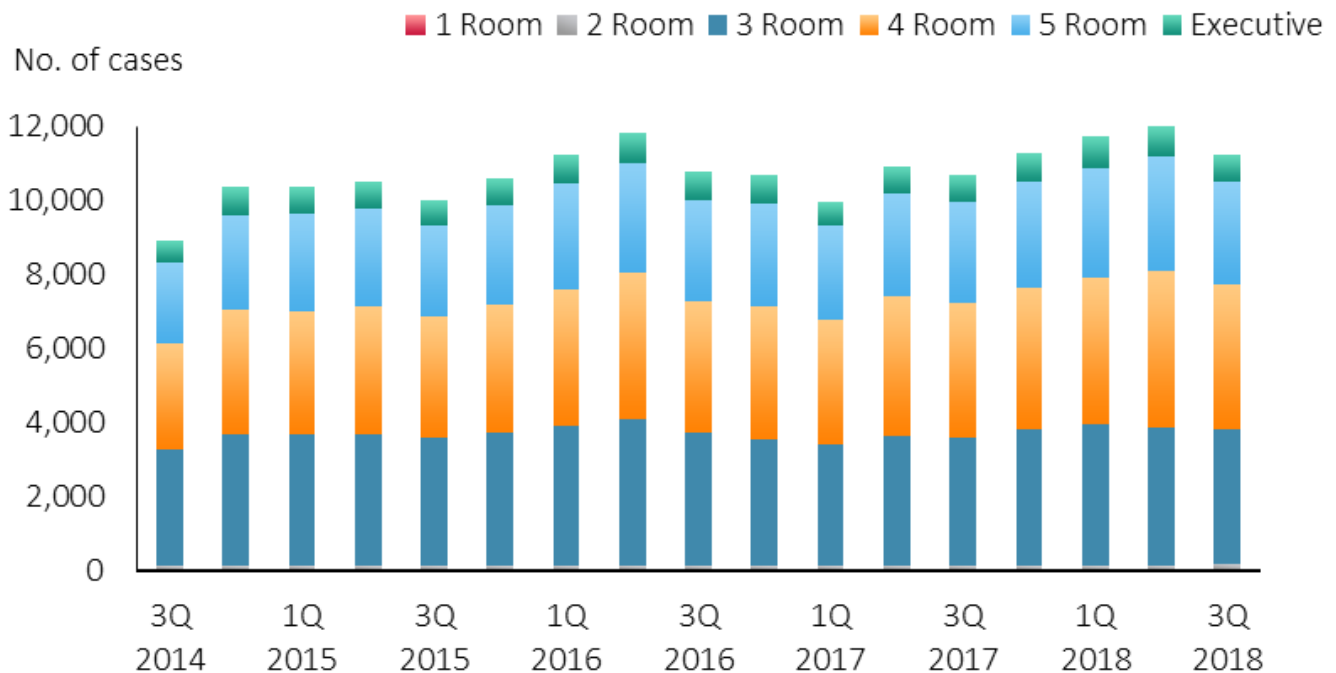
## RENTAL

The HDB rental market continued to show weakness as the number of approved applications to rent out HDB flats fell 6.7 per cent from 12,024 cases in Q2 2018 to 11,216 cases in Q3 2018. According to HDB, 56,074 HDB flats have been rented out as at 30 Sep 2018, an increase of 2.1 per cent over 30 Jun 2018 (54,896 units).

Rental prices have also been on a general downtrend. According to SRX HDB rental index, rents rose marginally by 0.2 per cent in Q3 2018, after falling 0.3 per cent q-o-q in Q2 (Chart 7).

Chart 8 Slight dip in rental volume in Q3 2018

HDB rental applications



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## BTO FLATS

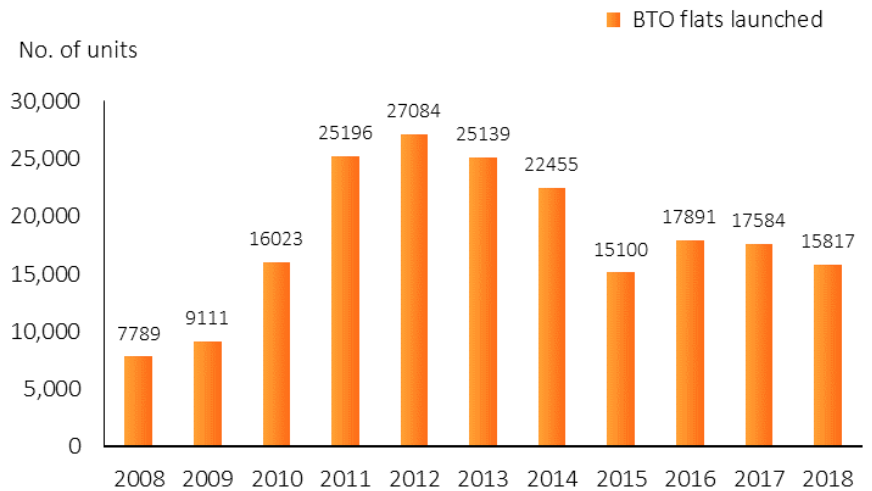
Based on our tracking of HDB BTO launches, the number of BTO flats released this year has decreased for the second consecutive year to 15,817 units (Chart 9). This is a 10.0 per cent y-o-y decrease and a 41.6 per cent fall from the high of 27,084 units launched in 2012.

There are around 17 BTO projects launched this year with the highest 1,693 units released at Yishun Glen, followed by 1,620 units at Plantation Grove and 1,271 units at Tampines Greenvines. The subscription rates have generally been lower as compared to a year ago, possibly due to the increased supply of BTO and resale flats in the market.

The number of flats reaching / have reached the five-year MOP is about 17,000 units this year. The towns with the most flats reaching MOP are at Sengkang, followed by Yishun and Punggol. Therefore, more resale flats can be expected to be put on sale in these towns in the coming months.

Chart 9 Lesser number of BTO flats launched in 2018

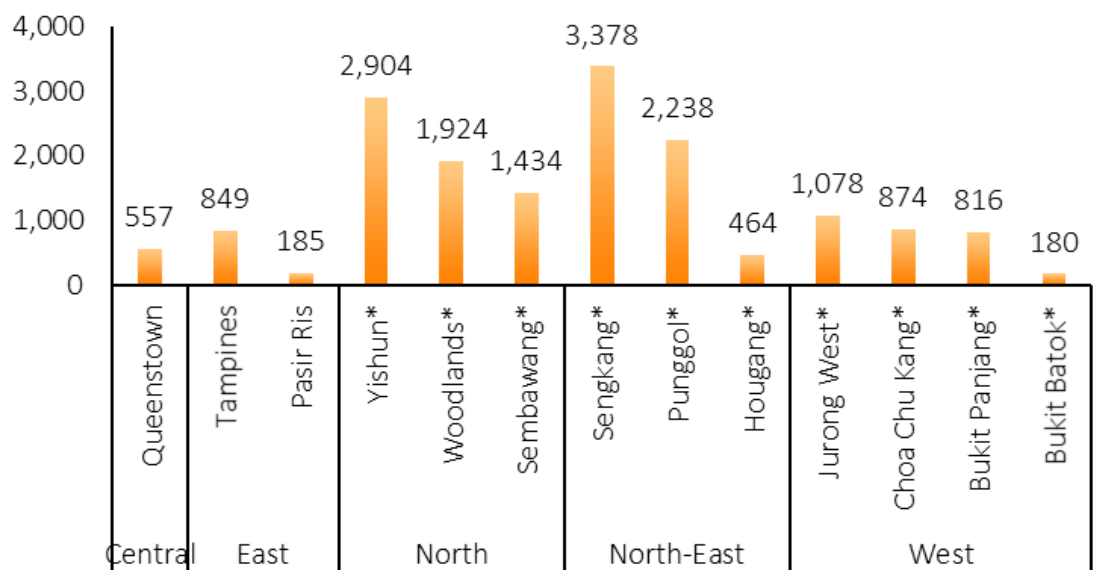
Number of BTO flats being launched



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Chart 10 Most of the flats reaching MOP this year are in non-matured towns

Number of completions according to the fiscal year in 2013



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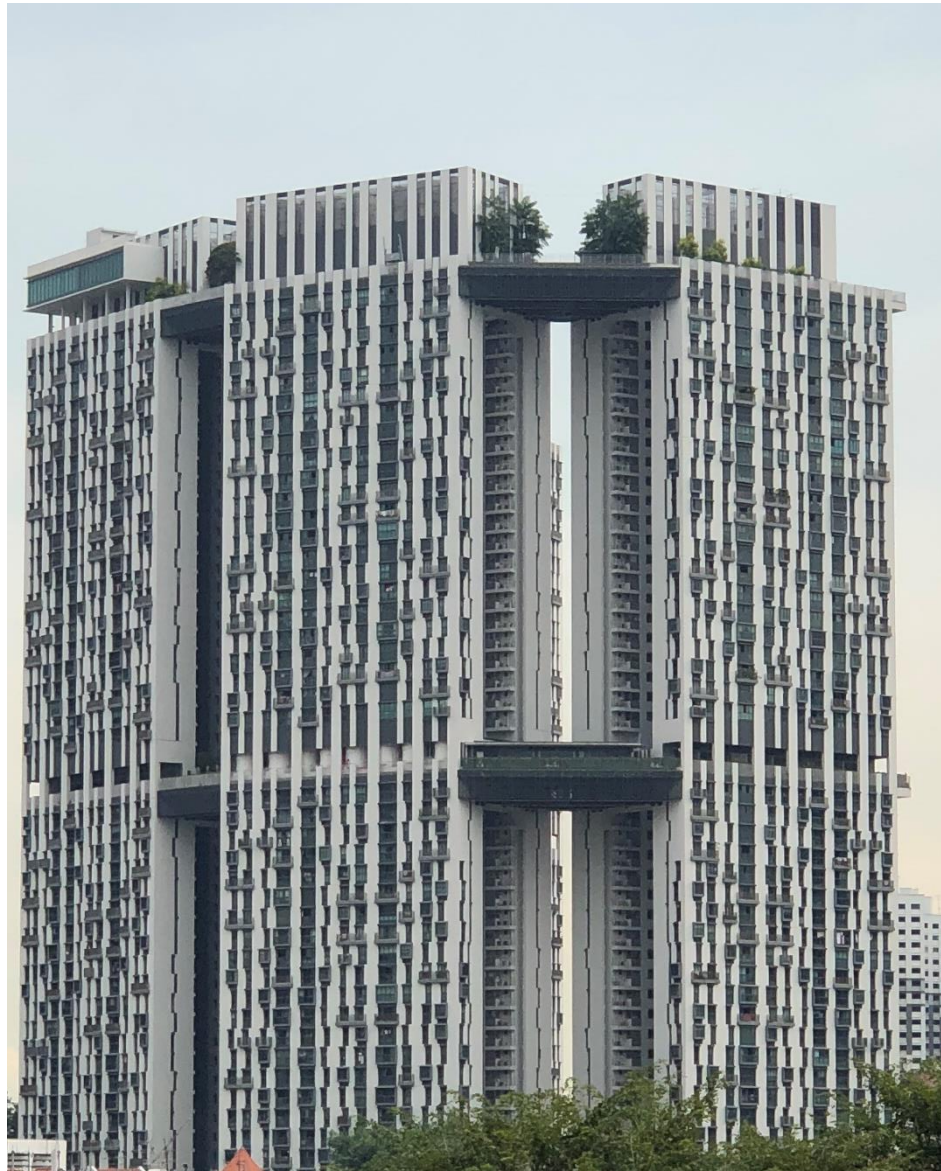


## OUTLOOK FOR 2019

The HDB resale market is currently performing better than last year. We are expecting the market to remain positive next year. Based on our projections, the number of resale transactions could reach around 23,000 this year.

Resale volume may increase further to about 24,000 units in 2019. The possible increase could be attributed to more BTO flats reaching MOP next year and subsequently ready for resale. The demand may continue to be supported by the healthy job market and robust economy.

Due to the increased supply of resale flats, HDB resale prices may continue to see weakness next year due to an increased competition for buyers from more flats reaching MOP.



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