

Key indicators at a glance

Indicators	4Q17	1Q18
Economy (year on year growth, %)		
GDP at 2010 prices	3.6	4.3
Property Market Indicators		
Overall property price index	138.7	144.1
Q-o-q change (%)	0.8	3.9
Overall rental index (non-landed)	103.3	103.6
Q-o-q change (%)	-0.8	0.3
Overall Occupancy (%)	92.2	92.6
Q-o-q change (%age points)	0.6	0.4

Note: 1Q18 GDP figures are advance estimates.

Source: URA, MTI, OrangeTee & Tie Research & Consultancy



Singapore | Residential |

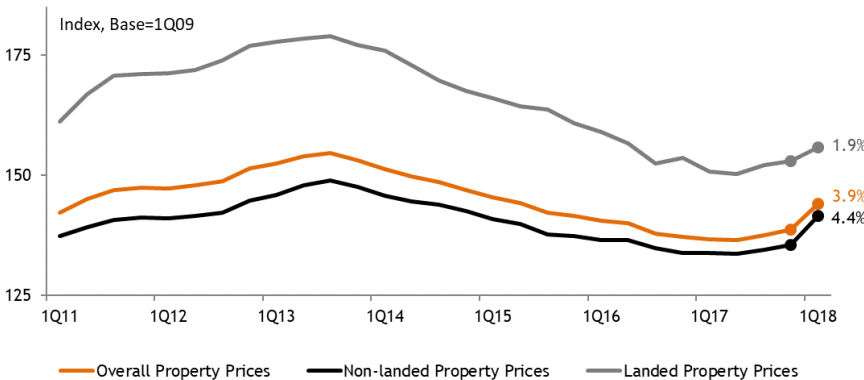
Market recovery continues to gain traction with strong resale demand and surging home prices

Sentiment in the private residential market continued to be buoyant in the first quarter of this year. Overall private property prices rose across most market segments, with the largest price surge seen in the Core Central Region (5.5%) and Outside of Central Region (5.6%). As developers' existing stock continues to diminish and supply of completed homes remain low, many projects especially those in the CCR have raised prices of their unsold units, some by even double-digits this year. Individual re-sellers have also seized the opportunity of increasing their asking prices in light of the more positive market sentiment fueled by the recent collective sales frenzy.

Higher launch prices at some new projects slowed the buying momentum in the primary market, as sales volume dipped 15.2% q-o-q. Some developers have also held back their launches in the first quarter in anticipation of higher asking prices. While overall sales had slipped 14.2% q-o-q, volume rose 2.4% on a y-o-y basis. Sales is expected to pick up significantly in the months ahead as more projects are slated to be launched and the prevailing market valuations be supported by banks at the higher benchmark prices. As it seems, demand for resale homes had rebounded strongly by 67.3% y-o-y, the highest number of Q1 resales since 2012. Owing to higher land cost, stronger economic growth and pent-up demand, we expect prices to trend even higher. Some new homes may even see prices rise beyond 15%, going by the recent pricier enbloc acquisitions.

Median rents for private homes are expected to stabilize this year as there is less supply of completed homes now as compared to the last two years. The limited supply coupled by the positive macroeconomic conditions will mitigate further downward pressure on the private rental market.

Exhibit 1: Private Residential Property Prices



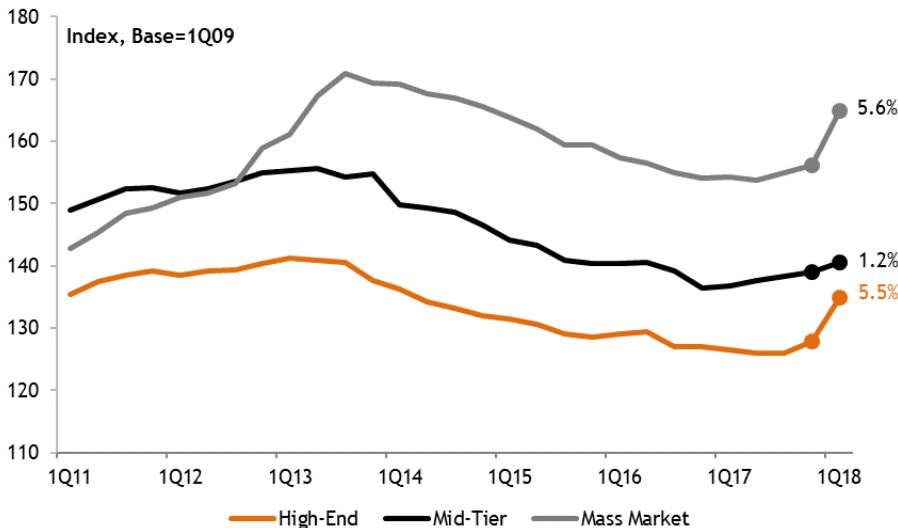
Source: URA, OrangeTee & Tie Research & Consultancy

Property prices continued to rise

Overall property prices rose by 3.9% q-o-q in 1Q18, the fastest quarterly increase since 2Q10.

Non-landed property prices surged 4.4% while landed property prices rose 1.9%.

Exhibit 2: Non-landed Property Prices, Breakdown by Segment



Source: URA, OrangeTee & Tie Research & Consultancy

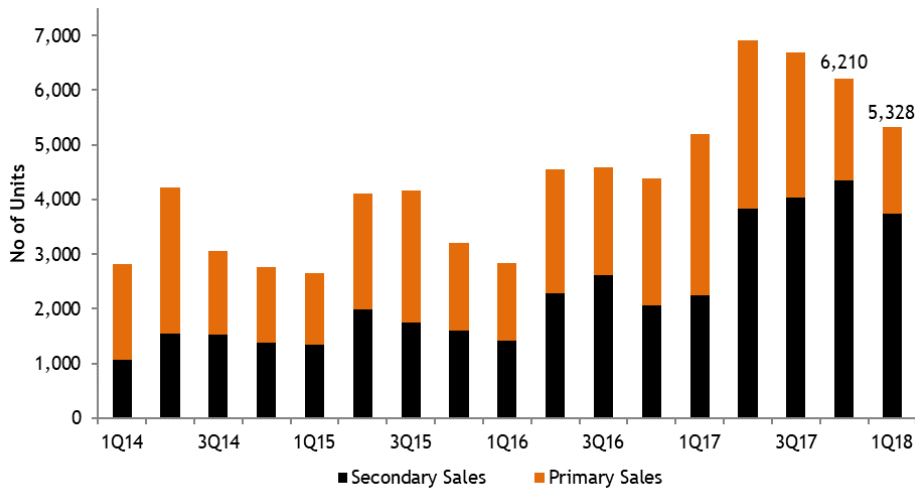
Prices of high-end and mass market non-landed homes rose significantly

High-end home prices skyrocketed by 5.5% q-o-q this quarter, registering the largest quarterly increase since 4Q09.

Mass market property prices also rose by 5.6%, the largest increase since 2Q10.

Mid-tier property prices rose moderately by 1.2%, the highest increase registered in the past 11 quarters.

Exhibit 3: Private Residential Units Sold in Primary and Secondary Market



Source: URA, OrangeTee & Tie Research & Consultancy

Strongest 1Q sales volume since introduction of TDSR

A total of 5,328 units were transacted in 1Q18, the highest 1Q sales volume seen since the introduction of TDSR in 2013.

Volume of sales is expected to remain robust as many projects are slated to be launched this year.

Exhibit 4: Best-Selling Non-Landed Projects for 1Q18

	Project name	District	Tenure	No. of Transactions	Median Price (\$psf)
Primary Market	The Tapestry	18	99 Year	325	\$1,408
	Kingsford Waterbay	19	99 Year	95	\$1,365
	Queens Peak	3	99 Year	85	\$1,757
	Parc Botannia	28	99 Year	84	\$1,283
	Gem Residences	12	99 Year	77	\$1,513
Secondary Market	D'Nest	28	99 Year	28	\$1,071
	The Minton	26	99 Year	26	\$1,032
	The Crest	24	99 Year	24	\$1,983
	The Interlace	21	99 Year	21	\$1,265
	New Futura	19	Freehold	19	\$3,313

* Secondary sales from some projects may be developer sales

Source: URA, OrangeTee & Tie Research & Consultancy

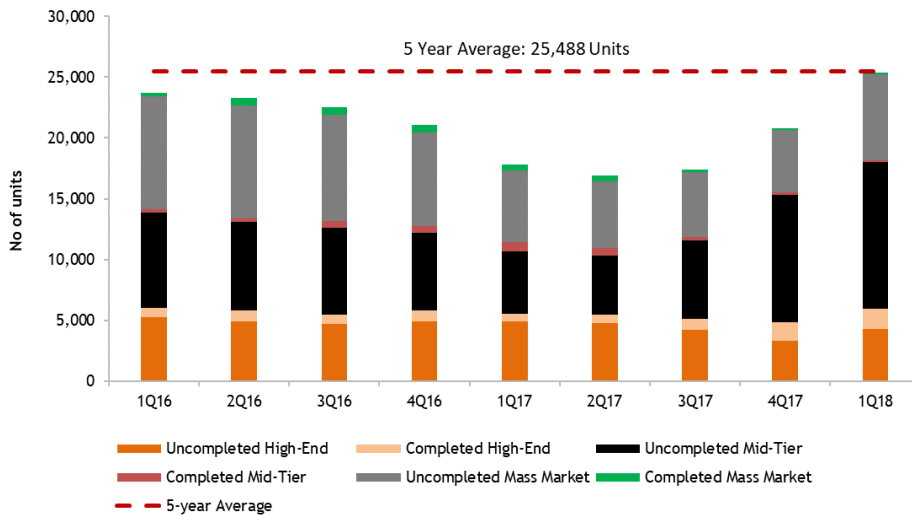
Top Sellers for 1Q18

The Tapestry, which was launched in March 2018, moved 325 units at a median price of \$1,408 psf.

In the secondary market, the top selling project was D'Nest which moved a total of 28 units at a median price of \$1,071 psf.

The high-end project New Futura has also moved 19 units at a median price of \$3,313 psf.

Exhibit 5: Private Residential Unsold Inventory



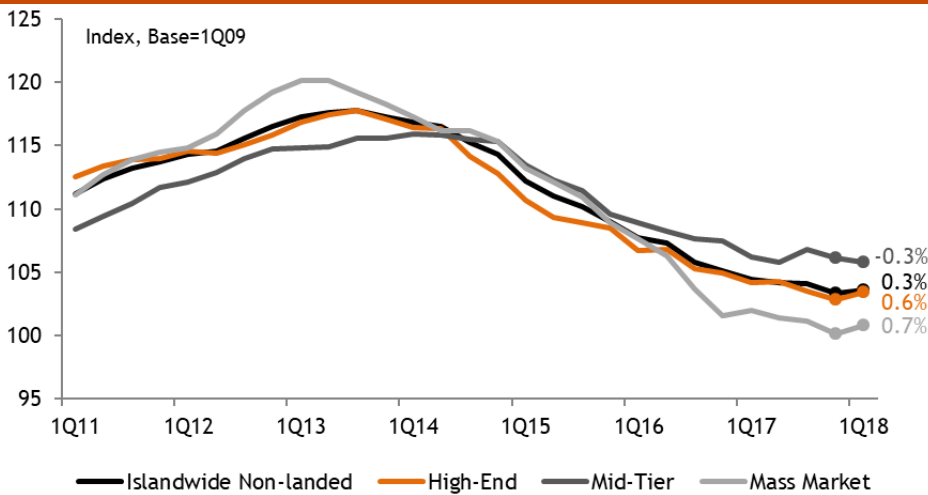
Step increase in unsold stock

Unsold inventory rose significantly in 1Q18 as stock continues to build up from more enbloc deals that were completed in recent months.

Unsold inventory is now just shy of the 5-year average of approximately 25.5 thousand units.

Source: URA, OrangeTee & Tie Research & Consultancy

Exhibit 6: Private Residential Property Rental Index, Breakdown by Segment



Rents continue to slide

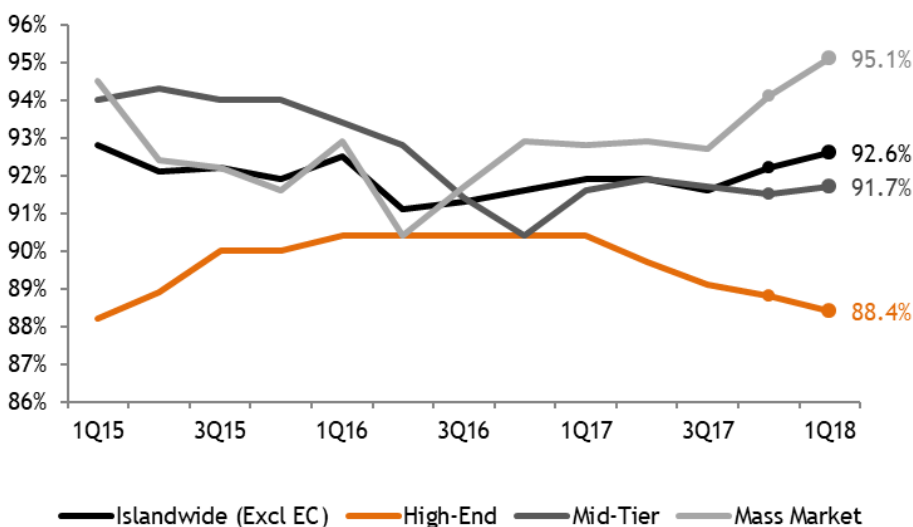
Overall rents rose marginally by 0.3% in 1Q18, after sliding 17 consecutive quarters.

High-end and mass market rentals rose 0.6% and 0.7% respectively. On the other hand, mid-tier rents slipped for a second quarter by 0.3%.

Rents are likely to stabilize in 2018 as private home completions are expected to taper by the second hand of this year.

Source: URA, OrangeTee & Tie Research & Consultancy

Exhibit 7: Occupancy Rates, Break down by Segment



Most segments see rising occupancy rates

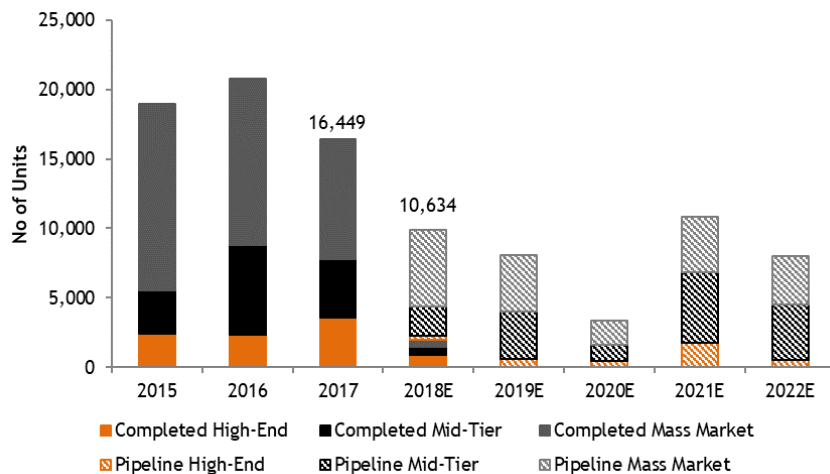
Overall occupancy rates rose 0.4 percentage points q-o-q, from 92.2% to 92.6% in 1Q18.

Mass Market home occupancy rates remain the highest, at 95.1%. This is the highest level registered since 1Q14.

Occupancy rates slid marginally q-o-q in the high-end segment by 0.4 percentage points.

Source: URA, OrangeTee & Tie Research & Consultancy

Exhibit 8: Completions and Expected Completions, Breakdown by Segment



Expected completions set to fall significantly

The number of completions is expected to fall significantly in 2018, with just 10,634 units in the pipeline.

Overall rents are expected to stabilize subsequently by the second half of this year as a result of the shrinking completed homes.

Source: URA, OrangeTee & Tie Research & Consultancy

Exhibit 9: Private Non-Landed Residential Supply in the Pipeline Breakdown by Planning Area (1Q18 to >2022)

Planning Area	Existing Stock	Incoming Supply	Planning Area	Existing Stock	Incoming Supply	Planning Area	Existing Stock	Incoming Supply
Central			East			North East		
Bukit Merah	11,101	1,091	Bedok	29,358	1,734	Ang Mo Kio	5,222	117
Bishan	6,390	1,532	Pasir Ris	13,770	930	Hougang	11,625	3,297
Bukit Timah	19,387	1,232	Tampines	8,638	1,487	Punggol	3,632	128
Downtown Core	7,737	848	West			Sengkang	5,916	2,125
Geylang	15,240	2,758	Bukit Batok	11,275	694	Serangoon	8,162	3,086
Kallang	13,422	1,370	Bukit Panjang	6,631	381	North		
Marine Parade	10,465	1,660	Choa Chu Kang	3,657	-	Sembawang	1,381	130
Museum	1,055	15	Clementi	8,497	1,777	Woodlands	2,422	-
Newton	7,701	419	Jurong East	3,218	-	Yishun	4,007	1,827
Novena	14,531	604	Jurong West	4,808	710			
Outram	1,455	26	Note: Some planning areas have been omitted in this dataset					
Orchard	2,263	343						
Queenstown	8,467	3,319						
Rochor	3,996	458						
River Valley	10,211	1,166						
Singapore River	4,747	-						
Tanglin	13,273	529						
Toa Payoh	6,771	3,510						

Source: URA, OrangeTee & Tie Research & Consultancy

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