

RESALE PRICES ROSE AT A FASTER PACE ON STRONGER DEMAND

HDB Resale Trends Q1 2024



HDB resale prices rose at a faster pace in the first quarter of 2024. HDB resale volume for the first quarter exceeded the previous quarter, which was an anomaly. The number of million-dollar transactions reached a new pinnacle in the first quarter, and the priciest flat was sold for S\$1.57 million in January.





PRICE TREND

HDB resale prices rose at a faster pace, as demand strengthened in the first quarter of this year. According to flash estimates released by the Housing Development Board (HDB), resale prices rose by 1.7 per cent for the 16th consecutive quarter, compared to 1.1 per cent in the previous quarter (Q4 2023). Prices grew by 5.7 per cent compared to the same period last year.

There has been a surge in demand for resale flats as more first-time buyers chose to purchase flats from the secondary market instead of waiting for the BTO sales launches. HDB modified the frequency of BTO sales launches to three times a year from the previous four, and the Sales of Balance Flat (SBF) exercise will be conducted once a year.

In addition, an increasing number of private property owners have now completed the mandatory 15-month wait-out period implemented in September 2022 for those looking to downgrade to a resale flat. This could have led to a surge in flat demand, particularly larger units.

According to data.gov.sg, average prices rose in 19 out of 26 towns in Q1 2024, compared to just 14 towns in the preceding quarter. The biggest gains were in Serangoon (7.9 per cent), Bishan (6.4 per cent), Kallang/ Whampoa (5.7 per cent) and Toa Payoh (5.4 per cent) (Table 1).

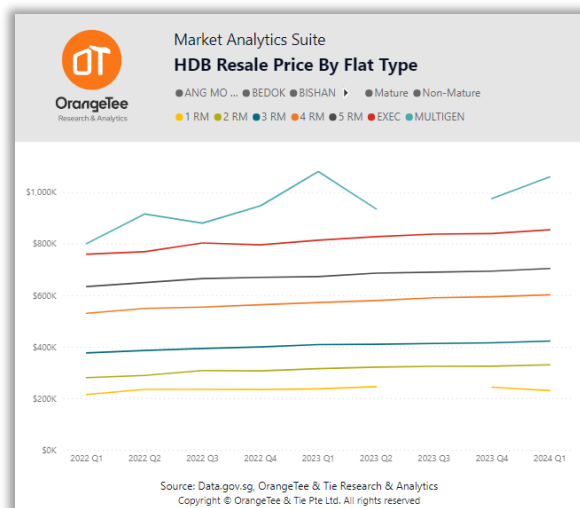
Table 1 Avg prices rose in 19 towns in Q1 2024

Towns	Q4 2023	Q1 2024	q-o-q% price change
SERANGOON	\$617,539	\$666,240	7.9%
BISHAN	\$780,744	\$830,927	6.4%
KALLANG/WHAMPOA	\$635,888	\$672,116	5.7%
TOA PAYOH	\$583,001	\$614,631	5.4%
JURONG WEST	\$497,011	\$519,244	4.5%
TAMPINES	\$608,599	\$632,207	3.9%
PUNGGOL	\$607,510	\$628,020	3.4%
YISHUN	\$513,894	\$530,249	3.2%
HOUgang	\$559,341	\$577,089	3.2%
CLEMENTI	\$602,849	\$621,498	3.1%
BUKIT PANJANG	\$566,704	\$582,147	2.7%
PASIR RIS	\$659,084	\$677,002	2.7%
QUEENSTOWN	\$665,233	\$679,812	2.2%
CHOA CHU KANG	\$545,752	\$557,168	2.1%
SENGKANG	\$594,786	\$605,859	1.9%
BEDOK	\$536,138	\$545,849	1.8%
BUKIT MERAH	\$711,295	\$722,681	1.6%
WOODLANDS	\$552,168	\$559,328	1.3%
BUKIT TIMAH	\$880,452	\$887,889	0.8%
GEYLANG	\$530,343	\$527,955	-0.5%
SEMBAWANG	\$558,283	\$553,589	-0.8%
BUKIT BATOK	\$568,944	\$562,079	-1.2%
ANG MO KIO	\$549,484	\$539,634	-1.8%
CENTRAL AREA	\$656,873	\$643,928	-2.0%
JURONG EAST	\$519,946	\$506,161	-2.7%
MARINE PARADE	\$578,944	\$541,942	-6.4%
Grand Total	\$578,417	\$590,956	2.2%

Source: Data.gov.sg, OrangeTee & Tie Research & Analytics

By flat type, average prices of 5-room and executive flats rose by 1.5 per cent and 1.8 per cent respectively in Q1 2024, which was more than the 1.3 per cent registered for 4-room flats (Chart 1). 2-room flats increased by 1.8 per cent while 3-room flats climbed by 1.7 per cent.

Chart 1 4-room flat prices rose by 1.3% in Q1 2024



SALES VOLUME

The number of HDB resale flats sold in the first quarter of this year increased moderately on a year-on-year basis. According to HDB flash estimates, the resale volume grew by 5.5 percent from 6,567 units in Q1 2023 (up to 27 March) to 6,928 units in Q1 2024 (up to 27 March). It is uncommon for sales in the first quarter to exceed those of the previous quarter. Historical transaction records show that Q1 sales were lower than Q4 sales (of the preceding year) from 2010 to 2022. During the first quarter of most years, sales tend to be slower due to the Chinese New Year festivities and March school holidays. However, it appears that there has been an increase in sales this year, possibly driven by more first-time buyers moving into the HDB resale market.

Further, more private homeowners downgraded to HDB flats, pushing up demand for big flats. Based on caveat records from data.gov.sg, the proportion of 5-room and executive flats climbed from 27.8 per cent in Q4 2023 to 29.9 per cent in Q1 2024. In absolute numbers, 2,034 5-room and executive flats were sold last quarter, the highest volume since Q3 2022 (2,389 units) (Chart 2). Specifically, 5-room flat transactions rose the most by 15.9 per cent from 1,384 units in Q4 2023 to 1,604 in Q1 2024, followed by executive flats by 13.8 per cent from 378 to 430 units over the same period. Comparatively, 4-room flats increased by 4.5 per cent from 2,808 to 2,934 units, while 3-room flats rose by 4.5 per cent from 1,569 to 1,639 units (Chart 3).

Chart 2 Big flat transactions at highest level since Q3 2022

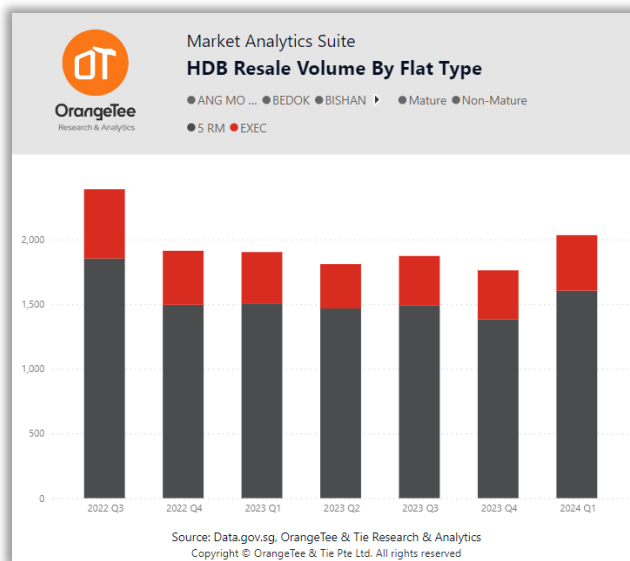
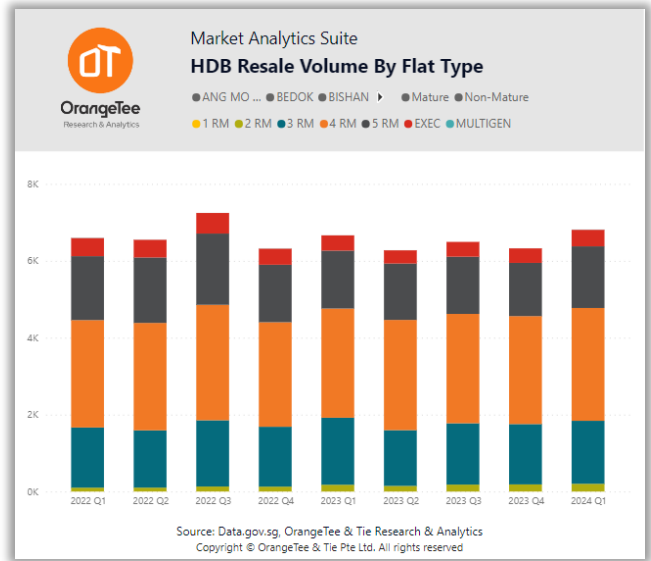


Chart 3 Total resale volume rose in Q1 2024



MILLION-DOLLAR FLATS

A record-breaking 185 resale flats were sold for at least a million dollars in Q1 2024, surpassing the previous quarterly record of 133 units sold in the last quarter of 2023. 8.1 per cent (15 units) of last quarter's million-dollar transactions were from the non-mature estates, up from 7.7 per cent (36 units) in 2023 and 6 per cent (22 units) in 2022.

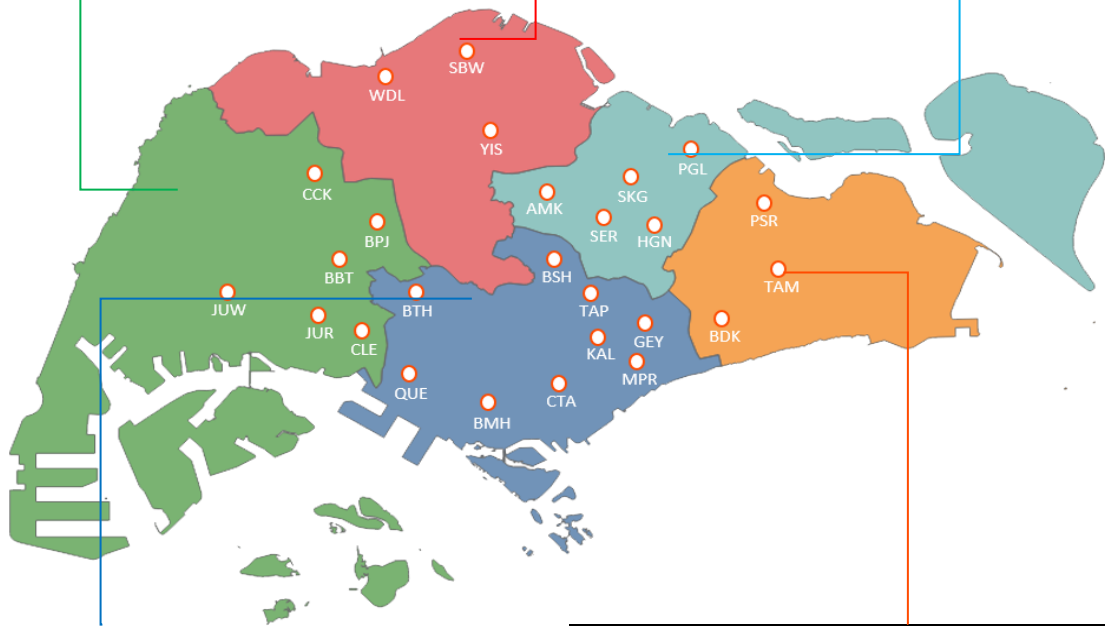
The number of big flats sold for at least a million dollars each rose to fresh highs this year. In Q1 2024, 76 5-room and 53 executive flats sold for at least a million dollars each, both being record numbers. The most expensive flats were also transacted in Q1 2024, and both were 5-room DBSS units in Toa Payoh, sold for S\$1.57 million and S\$1.54 million in January 2024.

HDB RESALE TRANSACTIONS IN Q1 2024

North Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	264	\$449,896	\$556,509	\$610,219
Woodlands (WDL)	493	\$395,753	\$517,352	\$629,765
Yishun (YIS)	489	\$412,401	\$526,656	\$648,387

West Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	416	\$402,309	\$580,703	\$741,470
Bukit Panjang (BPJ)	208	\$398,662	\$533,440	\$655,436
Choa Chu Kang (CCK)	308	\$408,324	\$514,655	\$600,020
Clementi (CLE)	138	\$440,805	\$688,065	\$1,040,235
Jurong East (JUR)	136	\$376,208	\$510,494	\$659,846
Jurong West (JUW)	523	\$365,884	\$508,489	\$596,601

North-East Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	241	\$417,449	\$600,835	\$878,261
Hougang (HGN)	410	\$408,726	\$571,435	\$718,677
Punggol (PGL)	504	\$487,674	\$635,086	\$723,656
Sengkang (SKG)	500	\$469,098	\$586,148	\$652,719
Serangoon (SER)	107	\$417,789	\$626,354	\$779,860



Central Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	81	\$450,778	\$719,167	\$1,007,346
Bukit Merah (BMH)	261	\$476,587	\$852,409	\$914,551
Bukit Timah (BTH)	19	\$473,333	\$690,500	\$1,028,148
Central Area (CTA)	46	\$473,912	\$820,635	\$1,175,378
Geylang (GEY)	133	\$386,577	\$652,912	\$858,255
Kallang / Whampoa (KAL)	187	\$465,111	\$807,079	\$891,658
Marine Parade (MPR)	26	\$439,192	\$543,750	\$897,950
Queenstown (QUE)	166	\$456,788	\$863,063	\$1,030,914
Toa Payoh (TAP)	189	\$405,264	\$779,319	\$936,318

East Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	309	\$387,622	\$568,819	\$750,380
Pasir Ris (PSR)	182	\$525,214	\$589,879	\$688,153
Tampines (TAM)	478	\$459,535	\$620,475	\$729,863

Source: Data.gov.sg, OrangeTee & Tie Research & Analytics

HDB Market Projections

Indicators	2021	2022	2023	Q4 2023	Q1 2024	Projection for 2024
Resale						
Price Change	12.7%	10.4%	4.9%	1.1%	1.7%*	3% to 5%
Sales Volume (units)	31,017	27,896	26,735	6,547	6,928*	26,000 to 28,000
Rental						
Rental Price Change (SRX-99.co)	7.0%	28.5%	10.1%	1.2%	0.4% ^	-3% to 0%
HDB Rental Applications	42,623	36,166	39,138	9,787	5,978**	33,000 to 35,000

Source: HDB, data.gov.sg, SRX-99.co, OrangeTee & Tie Research & Analytics
 *HDB flash estimates, ^up to February 2024 **HDB rental caveats

Outlook

Demand from first-time homebuyers and private homeowners who are downsizing from private properties may continue to prop up prices of HDB resale flats. Demand for resale flats, particularly in popular locations, such as mature estates or near amenities like schools, public transportation, and shopping malls remains strong.

Moreover, the limited supply of flats in some locations is likely to keep prices stable or even trend higher in the upcoming years. For example, the number of flats that have reached their five-year Minimum Occupation Period (MOP) has decreased from 30,920 units in 2022 to 15,549 units in 2023. It is projected to drop further in 2024 to 11,952 units, which means that there will be fewer flats available for resale.

However, competition in the housing market may increase in the latter half of this year with the launch of the new Plus flats by the government. Although these flats come with stricter buying and selling restrictions and a longer minimum occupation period of ten years, their good location may attract some first-time buyers.

Taking various factors into consideration, it is expected that resale prices may rise moderately by up to 5 per cent in 2024. This increase is comparable to, or slightly lower than, the 4.9 per cent growth observed in 2023.

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