

PRICES EDGED UP AMID MORE TOWNS SEEING RECORD PRICES THIS YEAR

HDB Resale Trends Q2 2023



HDB resale prices picked up last quarter. Additional grants were given to first-timers purchasing resale flats which may have spurred demand. Further, 17 out of 26 towns saw record prices being set this year. However, the general market may still face some downward pressure as more BTO flats are slated for launch in 2H2023.



PRICE TREND

HDB resale prices picked up in the second quarter of this year, flash estimates released by HDB showed. Prices edged up for the 13th consecutive quarter, rising by 1.4 per cent in Q2 after growing 1 per cent in the preceding quarter.

The price increase was mainly driven by 5-room flats whose average prices rose by 1.9 per cent from S\$672,674 in Q1 2023 to S\$685,660 in Q2 2023. Prices of executive flats rose by 1.7 per cent from S\$813,350 to S\$827,549, while prices of 4-room flats increased by 1.3 per cent from S\$571,995 to S\$579,708 over the same periods (Chart 1).

The average resale price of flats increased in 21 out of 26 towns in Q2 2023. Geylang registered the biggest price growth of 18.7 per cent, followed by Central Area at 8.6 per cent, Bedok at 4.3 per cent and Tampines at 4.1 per cent.

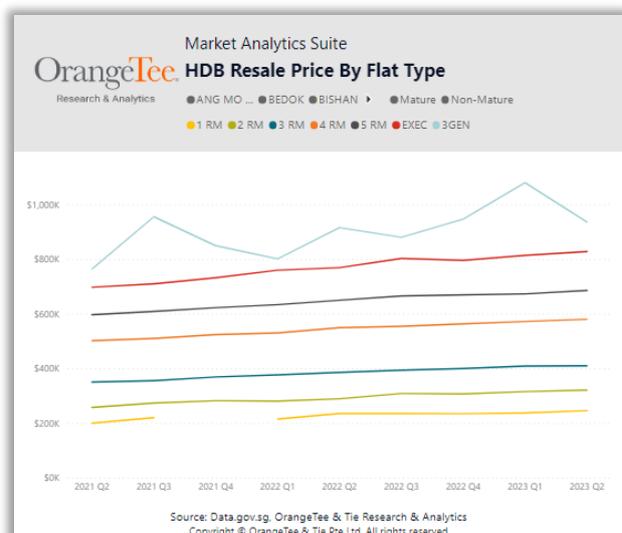
17 out of 26 towns saw prices hitting new records this year (Table 1). The highest record was S\$1.5 million in Bukit Merah, followed by S\$1.42 million in Toa Payoh, and S\$1.4 million in Bishan. Currently, only five towns have yet to see a million-dollar flat. Among them, Sengkang, Jurong West, and Bukit Panjang may see the first million-dollar transaction soon since there were flats sold above S\$900,000.

Table 1 Record prices observed in 17 of 26 towns this year (Jan-9Jul)

Towns	Highest price in 2023	Highest price ever achieved	No. of Million-dollar flats
ANG MO KIO	\$1,155,000	\$1,155,000	45
BEDOK	\$1,110,888	\$1,110,888	10
BISHAN	\$1,400,000	\$1,400,000	168
BUKIT BATO	\$1,088,000	\$1,088,000	3
BUKIT MERAH	\$1,500,000	\$1,500,000	117
BUKIT PANJANG	\$965,000	\$965,000	0
BUKIT TIMAH	\$1,288,000	\$1,300,000	36
CENTRAL AREA	\$1,400,000	\$1,400,000	244
CHOA CHU KANG	\$845,000	\$900,000	0
CLEMENTI	\$1,280,000	\$1,280,000	52
GEYLANG	\$1,105,000	\$1,105,000	13
HOUANG	\$1,010,000	\$1,080,000	7
JURONG EAST	\$1,018,000	\$1,018,000	4
JURONG WEST	\$920,000	\$920,000	0
KALLANG/WHAMPOA	\$1,262,000	\$1,288,888	98
MARINE PARADE	\$1,038,888	\$1,080,000	6
PASIR RIS	\$1,000,000	\$1,238,000	3
PUNGGOL	\$1,220,000	\$1,220,000	2
QUEENSTOWN	\$1,260,000	\$1,418,000	142
SEBRAWANG	\$795,000	\$795,000	0
SENGKANG	\$935,000	\$935,000	0
SERANGOON	\$1,130,000	\$1,150,000	29
TAMPINES	\$1,025,000	\$1,025,000	3
TOA PAYOH	\$1,420,000	\$1,420,000	138
WOODLANDS	\$1,090,000	\$1,100,000	16
YISHUN	\$1,080,000	\$1,080,000	9
Overall Market	\$1,500,000	\$1,500,000	1,145

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

Chart 1 Prices of 5-room flats rose the most by 1.9%



SALES VOLUME

The total resale volume dipped by 4.6 per cent from 6,720 units in Q2 2022 (up to 29 June) to 6,409 units in Q2 2023 (up to 29 June), based on flash estimates released by HDB. Demand is considered resilient given that cooling measures were implemented in September 2022. Demand could have been sustained by more grants given to first-timers purchasing resale flats.

In terms of proportion of sales, 4-room flats rose from 42.6 per cent in Q1 2023 to 45.7 per cent in Q2 2023, while 5-room flats increased from 22.6 per cent to 23.4 per cent over the same period, according to data.gov.sg. Private property down graders might have driven demand for 4-room flats higher as buyers above 55 years old are exempted from the 15-month wait-out period if they were to buy 4-room or smaller flats. HDB upgraders priced out of the private market may have bought bigger resale flats.

The most popular towns were Punggol (549 units), Woodlands (541 units), Sengkang (519 units), Yishun (451 units), and Bukit Batok (380 units) in Q2 2023 (Chart 3). The average price of resale flats in Punggol was S\$591,905, Woodlands at S\$530,841, Sengkang at S\$587,012, Yishun at S\$495,319, and Bukit Batok at S\$575,541.

Chart 2 Resale volume dipped slightly in Q2 2023

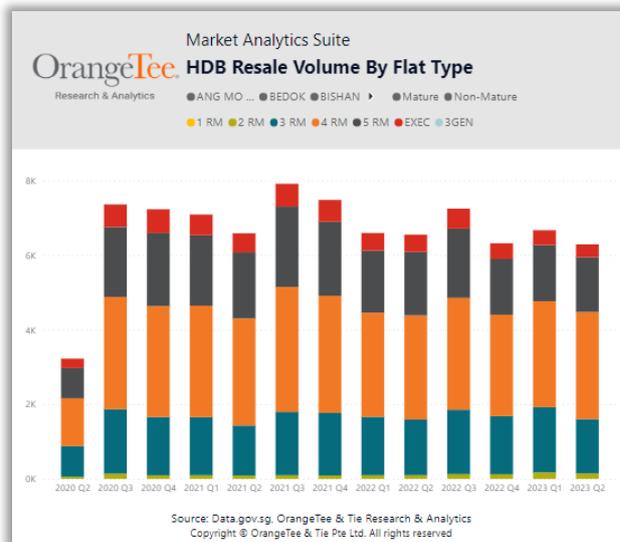
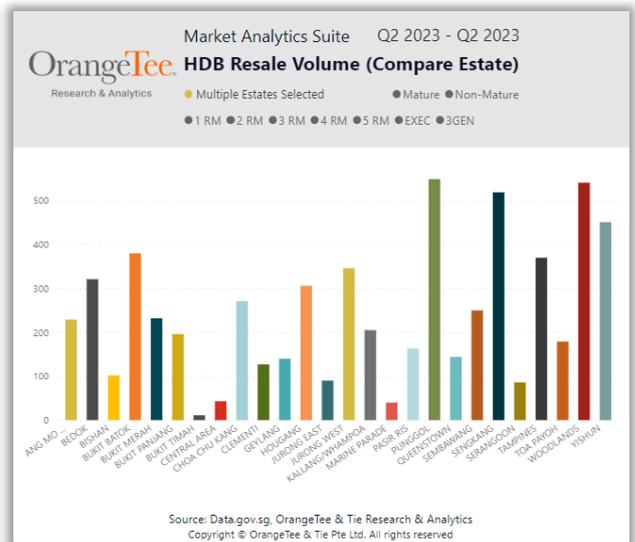


Chart 3 Punggol and Woodlands were most popular



MILLION-DOLLAR FLATS

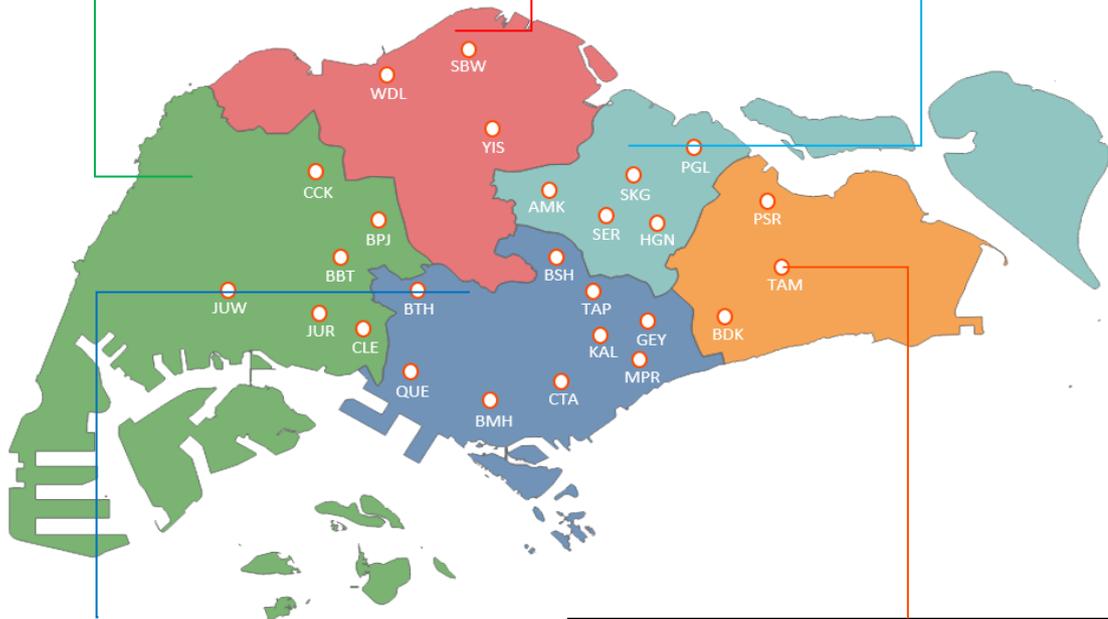
105 resale flats were sold for at least a million dollars in Q2, more than the 103 transactions in Q1. The priciest flat ever sold was a four-room jumbo flat at 50 Moh Guan Terrace transacted in June for S\$1.5 million. The fourth-floor unit occupies a strata area of 176 sqm with a 99-year lease from 1973. It is also attractively located at the city fringe and surrounded by amenities. The next priciest flat was a DBSS unit in Toa Payoh transacted for S\$1.42 million in June this year. Three flats were sold for S\$1.4 million last quarter at Pinnacle@Duxton and Bishan.

HDB RESALE TRANSACTIONS IN Q2 2023

North Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	250	\$436,158	\$544,830	\$620,372
Woodlands (WDL)	541	\$373,740	\$487,815	\$594,177
Yishun (YIS)	451	\$387,990	\$495,252	\$638,224

West Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	380	\$408,659	\$585,321	\$761,863
Bukit Panjang (BPJ)	196	\$399,736	\$514,633	\$631,956
Choa Chu Kang (CCK)	271	\$393,657	\$498,089	\$598,204
Clementi (CLE)	127	\$454,847	\$675,188	\$886,698
Jurong East (JUR)	90	\$360,517	\$496,788	\$667,688
Jurong West (JUW)	345	\$357,090	\$489,809	\$600,695

North-East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	229	\$399,054	\$625,355	\$755,028
Hougang (HGN)	306	\$389,774	\$531,795	\$686,999
Punggol (PGL)	549	\$451,596	\$593,316	\$682,856
Sengkang (SKG)	519	\$454,270	\$565,637	\$639,652
Serangoon (SER)	86	\$382,042	\$587,125	\$675,659



Central Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	102	\$422,289	\$691,847	\$880,251
Bukit Merah (BMH)	232	\$501,101	\$795,396	\$901,055
Bukit Timah (BTH)	11	\$475,500	\$810,000	\$984,629
Central Area (CTA)	43	\$438,253	\$910,000	\$1,087,500
Geylang (GEY)	140	\$370,028	\$658,557	\$816,725
Kallang / Whampoa (KAL)	205	\$414,883	\$753,519	\$876,161
Marine Parade (MPR)	40	\$438,911	\$563,286	\$902,806
Queenstown (QUE)	144	\$439,509	\$831,683	\$1,029,891
Toa Payoh (TAP)	179	\$413,655	\$721,930	\$937,718

East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	321	\$372,495	\$580,509	\$723,840
Pasir Ris (PSR)	163	\$468,333	\$554,734	\$658,266
Tampines (TAM)	370	\$432,242	\$570,172	\$709,368

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

HDB Market Projections

Indicators	2019	2020	2021	2022	Q1 2023	Flash Estimates Q2 2023	H1 2023	Projection for 2023
Resale								
Price Change	0.1%	5.0%	12.7%	10.4%	1%	1.4%	2.4%	4% to 6%
Sales Volume (units)	23,714	24,748	31,017	27,896	6,979	6,409	13,388	25,000 to 27,000

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

Outlook

Some demand may be diverted to the BTO market since HDB will continue to launch new flats in various locations in the second half of this year. About 6,700 BTO flats will be offered for sale in the August sales launch, while around 6,300 BTO flats will be offered in November.

Some first-timers may be enticed as HDB will launch more flats in mature estates like Kallang/Whampoa, Queenstown, Bedok, and Bukit Merah which are usually popular with buyers. The completion times for many of these projects may also be shortened.

Stricter rules will be imposed for the non-selection of BTO flats from August 2023. First-timers who lose their priority when they reject HDB's offer to pick BTO flats will likely turn to the resale market. Therefore, demand for resale flats may increase further in the second half of this year.

Resale buyers who do not qualify for HDB loans may find some reprieve if interest rates stabilise and moderate from the second half of this year. Buyer affordability may improve when financings costs are lower.

We estimate the total sales volume may reach 25,000 to 27,000 units this year. Resale prices may continue to rise but at a slower pace of 4 to 6 per cent in 2023 compared to 10.4 per cent in 2022 and 12.7 per cent in 2021.

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