

# OVERALL RESALE PRICES GROW SLOWER, AVERAGE PRICES DIP IN 10 TOWNS

## HDB Resale Trends Q3 2023



Overall HDB resale prices grew at a slower pace while average prices slipped in 10 towns last quarter. At the other end of the spectrum, the number of million-dollar flat transactions escalated to a record 128 units in Q3 2023.

## PRICE TREND

HDB resale prices grew at a slower pace last quarter as some price resistance set in amid inflationary concerns. Home buyers' affordability was hit by rate hikes as interest rates stayed higher for longer than anticipated.

According to flash estimates released by HDB, resale prices edged up for the 14th consecutive quarter by 1.2 per cent in the third quarter of 2023, compared with 1.5 per cent in the second quarter. Last quarter's gains were below the 2.5 per cent quarterly average in 2022 and 3.1 per cent quarterly average in 2021. Year-to-date, prices increased by 3.8 per cent in the first nine months of this year, which was less than the 8 per cent growth over the first three quarters of 2022 and the 9.1 per cent in the first three quarters of 2021.

Q3's price growth was largely driven by 4-room flats which saw average prices rising 1.8 per cent quarter-on-quarter (q-o-q) from S\$579,740 in the second quarter to S\$589,992 in the third quarter, based on HDB data from data.gov.sg. This was followed by executive flats, which grew by 1.2 per cent from an average of S\$827,549 to S\$837,138 and 2-room flats at 1.0 per cent from S\$321,255 to S\$324,315 over the same period (Chart 1).

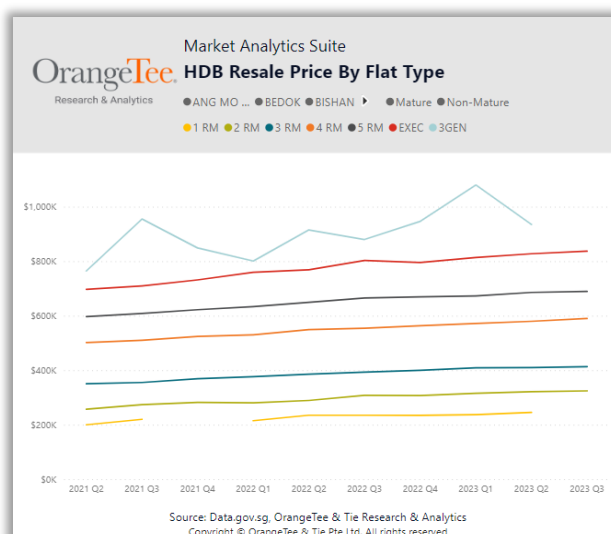
The average resale prices in 10 towns dipped last quarter, with the biggest q-o-q drop in Geylang (-3.6 per cent) and Central Area (-3.4 per cent) in Q3 2023 (Table 1). Another four towns rose 1 per cent or less. This is in contrast to six towns showing q-o-q price drops in Q2 2023.

Table 1 Avg prices dipped in 10 towns in Q3 2023

Towns	Q2 2023	Q3 2023	q-o-q % price change
GEYLANG	\$574,443	\$553,808	-3.6%
CENTRAL AREA	\$743,460	\$718,417	-3.4%
BUKIT BATOK	\$576,202	\$564,822	-2.0%
SEMBAWANG	\$541,964	\$532,020	-1.8%
CHOA CHU KANG	\$545,000	\$536,197	-1.6%
MARINE PARADE	\$588,248	\$579,793	-1.4%
TAMPINES	\$599,777	\$592,578	-1.2%
ANG MO KIO	\$532,502	\$530,378	-0.4%
KALLANG/WHAMPOA	\$628,922	\$627,630	-0.2%
SENGKANG	\$587,248	\$587,197	-0.01%
JURONG WEST	\$518,023	\$518,637	0.1%
BEDOK	\$526,489	\$528,544	0.4%
BUKIT MERAH	\$700,209	\$705,083	0.7%
BUKIT PANJANG	\$552,911	\$558,262	1.0%
QUEENSTOWN	\$661,789	\$669,841	1.2%
PUNGGOL	\$591,905	\$599,819	1.3%
HOUANGANG	\$569,887	\$578,010	1.4%
TOA PAYOH	\$579,712	\$588,929	1.6%
WOODLANDS	\$530,737	\$540,327	1.8%
YISHUN	\$495,319	\$505,799	2.1%
PASIR RIS	\$638,692	\$652,676	2.2%
CLEMENTI	\$596,243	\$612,726	2.8%
JURONG EAST	\$509,730	\$534,303	4.8%
BISHAN	\$759,897	\$814,931	7.2%
SERANGOON	\$566,622	\$627,583	10.8%
BUKIT TIMAH	\$711,535	\$982,571	38.1%
Grand Total	\$572,793	\$576,530	0.7%

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

Chart 1 4-room flat prices rose the most by 1.8%



# SALES VOLUME

Owing to more grants given to first-timers purchasing HDB resale flats and a delay in August's BTO sales launch, more Singaporeans purchased HDB resale flats last quarter.

Based on HDB flash estimates, resale volume rose by 2.9 per cent from 6,409 units in Q2 2023 (up to 28 June) to 6,592 units in Q3 2023 (up to 28 September). On a year-on-year basis, volume is 9.7 per cent lower than the same period in 2022 at 7,298 units.

In terms of proportion of sales, 4-room flats dipped from 45.7 per cent in Q2 2023 to 43.8 per cent in Q3 2023, while 5-room flats declined from 23.4 per cent to 22.9 per cent over the same period, based on HDB transactions from data.gov.sg. Conversely, more purchased big units like executive flats, which rose from 5.5 per cent to 5.9 per cent, as well as small units like 2-room flats, which climbed from 2.3 per cent to 2.8 per cent, and for 3-room flats, which increased from 23.1 per cent to 24.6 per cent.

The most popular towns in Q3 2023 were Sengkang (504 units), Punggol (499 units), Woodlands (497 units), Yishun (454 units), and Jurong West (439 units) (Chart 3).

Chart 2 Resale volume rose in Q3 2023

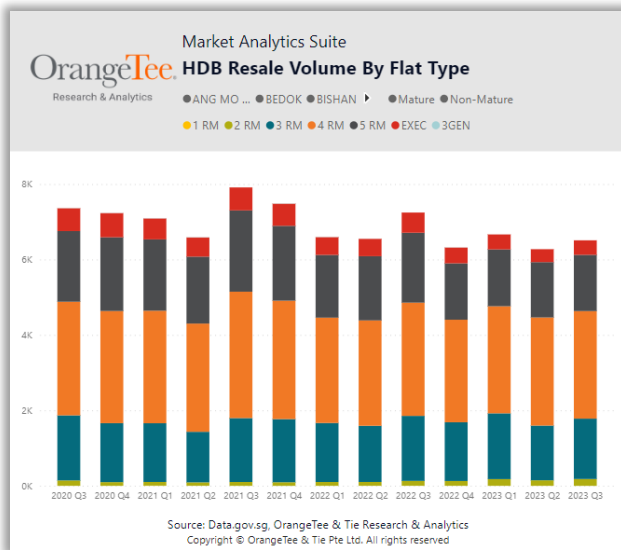
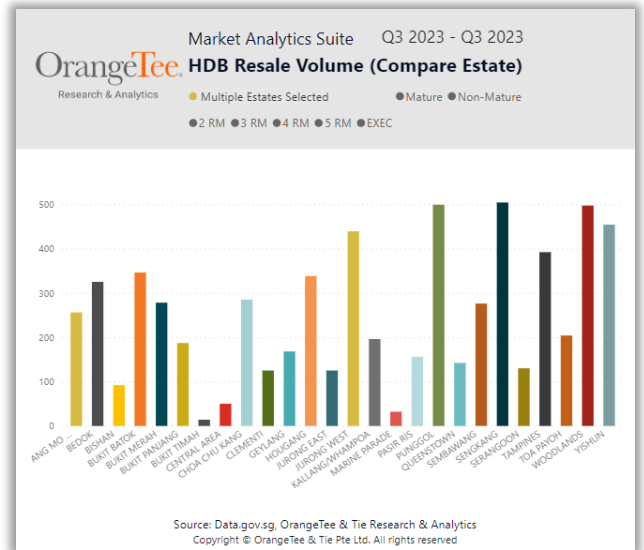


Chart 3 Sengkang and Punggol were most popular in Q3 2023



# MILLION-DOLLAR FLATS

A record 128 resale flats were sold for at least a million dollars in Q3, surpassing the previous quarterly record of 111 units in Q3 2022. 2023 will likely smash 2022's full-year record of 369 units, as 336 million-dollar flats have already been inked in the first nine months of this year.

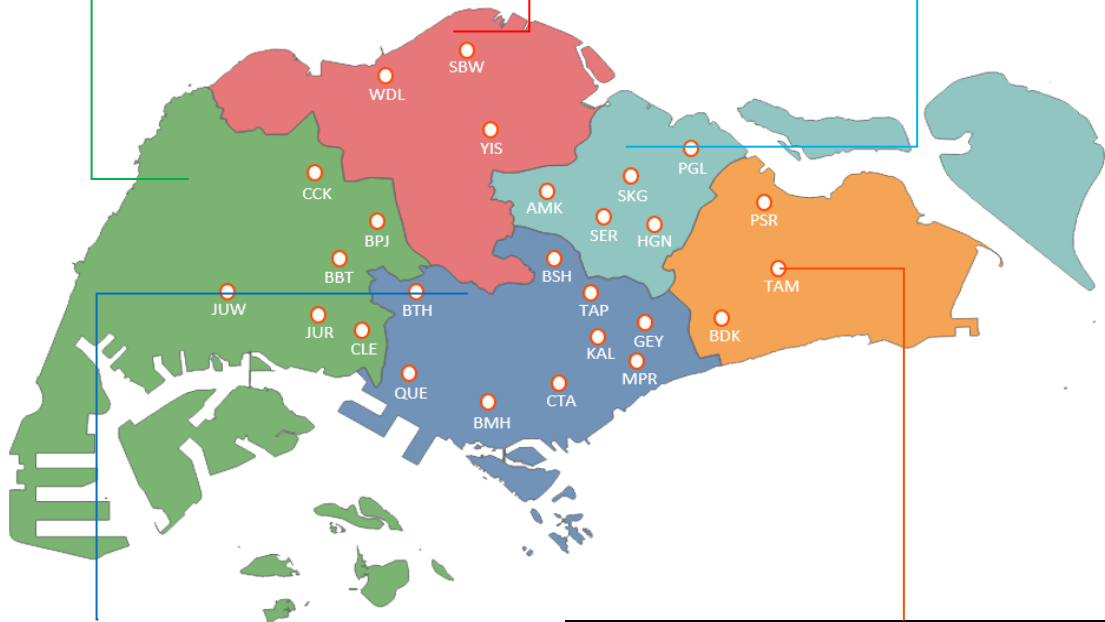
Last quarter, Bukit Panjang saw its first million-dollar flat transaction at S\$1.02 million for a 127 sqm executive flat at Jelevu Road. Currently, only four towns do not have a million-dollar flat transaction. Sengkang may be the next town to see a million-dollar flat transaction as there are 10 units sold for at least S\$900,000 historically, whereas other towns like Choa Chu Kang (2 units), Jurong West (2 unit), Sembawang (0 units) have fewer of such transactions.

# HDB RESALE TRANSACTIONS IN Q3 2023

North Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	276	\$444,803	\$547,027	\$591,752
Woodlands (WDL)	497	\$373,392	\$502,241	\$594,951
Yishun (YIS)	454	\$392,901	\$501,638	\$649,973

West Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	346	\$406,515	\$588,920	\$749,641
Bukit Panjang (BPJ)	187	\$405,800	\$519,591	\$646,194
Choa Chu Kang (CCK)	285	\$390,808	\$504,461	\$590,593
Clementi (CLE)	125	\$437,906	\$683,168	\$888,983
Jurong East (JUR)	125	\$382,869	\$486,964	\$635,222
Jurong West (JUW)	439	\$354,969	\$513,006	\$590,574

North-East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	256	\$408,286	\$625,350	\$791,868
Hougang (HGN)	338	\$402,547	\$549,008	\$692,762
Punggol (PGL)	499	\$466,557	\$601,197	\$685,564
Sengkang (SKG)	504	\$467,358	\$566,802	\$649,054
Serangoon (SER)	130	\$424,841	\$590,974	\$749,551



Central Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	92	\$467,555	\$733,506	\$940,003
Bukit Merah (BMH)	278	\$508,551	\$821,272	\$961,636
Bukit Timah (BTH)	14	\$470,000	\$759,500	\$1,060,000
Central Area (CTA)	50	\$468,565	\$1,004,713	\$1,186,000
Geylang (GEY)	168	\$377,830	\$660,230	\$795,138
Kallang / Whampoa (KAL)	196	\$418,972	\$777,387	\$903,906
Marine Parade (MPR)	32	\$438,100	\$546,333	\$883,111
Queenstown (QUE)	143	\$439,540	\$871,857	\$957,000
Toa Payoh (TAP)	204	\$389,181	\$751,974	\$915,130

East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	325	\$377,822	\$584,688	\$705,204
Pasir Ris (PSR)	156	\$512,000	\$581,947	\$666,902
Tampines (TAM)	392	\$427,887	\$580,126	\$694,365

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

## HDB Market Projections

Indicators	2019	2020	2021	2022	Q2 2023	Q3 2023	Q1 to Q3 2023	Projection for 2023
<b>Resale</b>								
Price Change	0.1%	5.0%	12.7%	10.4%	1.5%	1.3%	3.8%	4% to 5.5%
Sales Volume (units)	23,714	24,748	31,017	27,896	6,514	6,695	20,188	26,000 to 27,000
<b>Rental</b>								
Price Change (SRX-99.co)	1.3%	4.3%	7.1%	28.5%	3.1%	2.6%	8.7%	10% to 12%
HDB Rental Applications	48,195	38,798	42,623	36,166	9,842	9,852	29,351	36,000 to 38,000

Source: Data.gov.sg, SRX-99.co, OrangeTee & Tie Research & Analytics

## Outlook

Last quarter's slower price growth for the overall market and price falls in certain towns indicate more consumers are pushing back on further price hikes. Affordability will continue to be influenced by the interest rate environment. The HDB loan packages offered by many local banks are above 3 per cent, and not everyone qualifies to take a loan from HDB pegged at 2.6 per cent.

More demand may be diverted to the BTO market as more flats are slated for sale. As demand eases, prices may continue to rise at a moderate pace. The resale market may not see a repeat of the rapid price increases witnessed during the pandemic, where HDB resale prices rose by 12.7 per cent in 2021 and 10.4 per cent in 2022. The full-year price growth for 2023 is estimated at around 4 to 5.5 per cent.

Regulatory restrictions from the Additional Buyer's Stamp Duty have raised the upgrading hurdle for some families, which may lead to fewer upgraders. More may stay put in their HDB flats, leading to less housing stock put up for resale. On the other hand, HDB upgraders shifting into their new condominiums will need to sell their flats, resulting in more units being listed for sale. The net effect may see resale volume dipping slightly to about 26,000 to 27,000 units this year, compared to 27,896 units in 2022.

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