

Private Residential Market

REAL ESTATE DATA TRENDS AND ANALYTICS Q3 2021

- The overall price index for private residential properties rose by 1.1 per cent in Q3, rising for sixth straight quarter.
- As Singapore boosts its efforts to re-open its borders fully, the rental market is poised to benefit when hiring ramps up in the aviation, MICE, hospitality and tourism sectors.
- Sales rebounded last quarter as buyers were unfazed by the hungry ghost month and safe tightening management measures.
- Among Singapore's Vaccinated Travel Lane scheme, we may expect more positive sales impact from the United States, United Kingdom, Korea, France and Canada.



Artist Impression of CanningHill Piers

Prices climbed for the sixth straight quarter

The real estate market has witnessed a significant upswing in demand this year. Home owners are selling their units at a quicker pace given the current fast-moving market. Stellar sales have been observed across all market segments with resale transactions almost doubling from last year's numbers; while new sales are poised to surpass 2020's figures.

As, demand has outstripped supply in many locations, prices of private residential properties have been rising this year. The overall price index for private residential properties rose 1.1 per cent in Q3 2021, at a faster pace than the 0.8 per cent price growth in the previous quarter, data from the Urban Redevelopment Authority (URA) showed (Chart 1).

This is a sixth consecutive quarterly price increase. Year on year, prices are up 7.5 per cent and overall prices have increased 5.3 per cent year-to-date.

The price increase in Q3 was mainly driven by gains in non-landed homes in the Rest of Central Region (RCR) which rose by 2.6 per cent quarter-on-quarter (q-o-q). In the Core Central Region (CCR), prices dipped 0.5 per cent, versus a 1.1 per cent increase in Q2, while prices of non-landed homes in the Outside Central Region (OCR) slipped 0.1 per cent versus a 1.9 per cent gain in Q2.

Prices rose moderately last quarter as resale and mass-markets home sales accounted for a higher proportion of total sales. These homes typically fetch lower prices, thus lowering the overall average price for the entire market.

Based on URA Realis data, sales in the OCR made up 55.6 per cent of total purchases (exclude EC) in Q3. This is higher than the 47.1 per cent in the preceding quarter. In terms of absolute numbers, 4,777 private homes were sold in OCR, a 23.9 per cent increase from the 3,854 units sold last quarter.

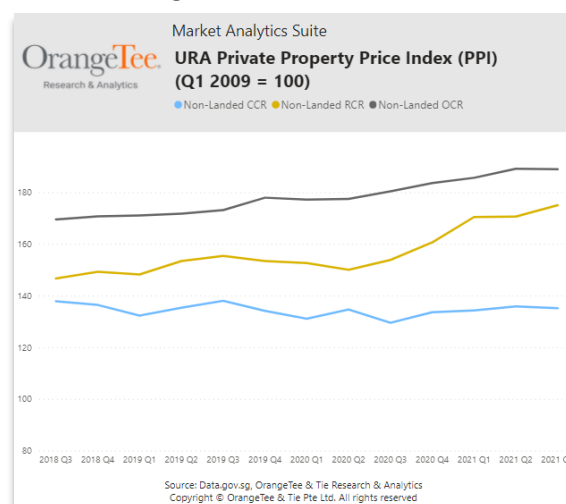
Chart 1 Market summary



Table 1 Average price of non-landed homes

Market Segment	Type of Sale	Q2 2021	Q3 2021	Q-o-Q % change
Overall	All	\$1,659	\$1,632	-1.6%
CCR	New Sale	\$2,661	\$2,739	2.9%
	Resale	\$1,974	\$2,009	1.7%
	Sub Sale	\$2,667	\$2,754	3.3%
	Overall	\$2,304	\$2,272	-1.4%
RCR	New Sale	\$2,042	\$2,033	-0.4%
	Resale	\$1,442	\$1,483	2.9%
	Sub Sale	\$1,774	\$1,865	5.1%
	Overall	\$1,728	\$1,744	0.9%
OCR	New Sale	\$1,589	\$1,610	1.4%
	Resale	\$1,119	\$1,151	2.9%
	Sub Sale	\$1,639	\$1,551	-5.4%
	Overall	\$1,273	\$1,382	8.6%

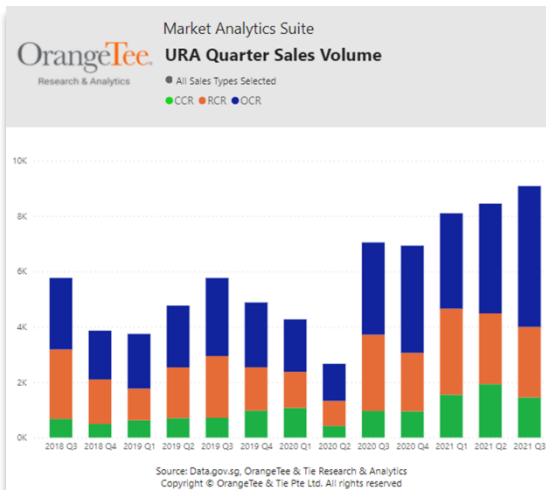
Chart 2 Prices grew the most in RCR



Moreover, there is a growing demand for resale properties. Resale transactions accounted for more than half the transactions (57.2 per cent) last quarter. There were more resale transactions than new sales across all three market segments (CCR, RCR, OCR).

As resale homes formed a higher proportion of transactions last quarter, the overall price index may be 'pulled down' by the lower transacted prices. Currently, the average price of new sales (exclude EC) is 35.2 per cent, 36.9 per cent and 38 per cent higher than resales in RCR, OCR and CCR respectively.

Chart 3 Sales rose three consecutive quarters



Last quarter, buyers were unfazed by the hungry ghost month, and safe tightening management measures imposed during the heightened alert period and stabilisation phase that were put in place to curb the spread of Covid-19.

Perhaps developers and agents were more prepared to handle the market disruptions caused by the tightened measures through the use of digital tools to engage customers and ensure business continuity.

According to the quarterly statistics released by the Urban Redevelopment Authority (URA), 9,083 private homes excluding EC were sold in Q3 2021, 7.5 per cent higher than the 8,449 units transacted in the preceding quarter (Chart 3). Last quarter, new home sales rose 19.7 per cent from 2,966 units in Q2 to 3,550 units in Q3.

The sales increase was mainly driven by major launches in the suburban area like Pasir Ris 8 and The Watergardens at Canberra. Other best-selling new projects in the third quarter include Normanton Park, Midwood, Parc Clematis, Treasure at Tampines and The Florence Residences (Table 2).

A growing number HDB upgraders are turning to the resale market in the suburbs as these condominiums are more affordable and supply of new homes have been dwindling in recent months.

The number of resale transactions rose by 0.5 per cent q-o-q from 5,333 units in Q2 2021 to 5,362 units in Q3 2021. This is the highest quarterly resale volume registered since Q3 2009 when 5,809 units were sold.

Table 2 Best-selling condominiums in Q3 2021

Project Name	Units Sold	Median Unit Price (\$S\$PSF)
New Sale		
PASIR RIS 8	425	\$1,627
NORMANTON PARK	320	\$1,830
THE WATERGARDENS AT CANBERRA	285	\$1,469
MIDWOOD	176	\$1,686
PARC CLEMATIS	163	\$1,706
TREASURE AT TAMPINES	141	\$1,385
THE FLORENCE RESIDENCES	131	\$1,655
SENGKANG GRAND RESIDENCES	124	\$1,727
DAIRY FARM RESIDENCES	106	\$1,613
KI RESIDENCES AT BROOKVALE	104	\$1,860
AVENUE SOUTH RESIDENCE	98	\$2,254
LEEDON GREEN	90	\$2,649
Resale		
D'LEEDON	36	\$1,692
REFLECTIONS AT KEPPEL BAY	32	\$1,625
RIVERSAILS	30	\$1,099
PARC ROSEWOOD	27	\$1,123
HIGH PARK RESIDENCES	27	\$1,296
EIGHT RIVERSUITES	26	\$1,483
MARINA ONE RESIDENCES	25	\$2,431
COCO PALMS	25	\$1,247
D'NEST	25	\$1,128
MELVILLE PARK	24	\$714

Source: URA, OrangeTee & Tie Research & Analytics

LUXURY SEGMENT

Last quarter, luxury home sales dipped after four consecutive quarters of increase. According to URA Realis data, overall sales volume decreased by 24.6 per cent to 1382 units in Q3 (Chart 4). However, sales are above the 897 annual average sales for the past 3 years (Q3 2018 to Q2 2021). The resale market made up the bulk of luxury transactions last quarter. 935 resale homes were sold and this constituted 67.7 per cent of the total transactions in CCR in Q3.

Prices of both new and resale non-landed homes in the CCR were higher when compared to the previous quarter. The average price of new condos increased 2.9 percent from S\$2,661 psf in Q2 2021 to S\$2,739 psf in Q3 2021. Likewise, for resale condos, the average price grew 1.8 per cent from S\$1,974 psf to S\$2,009 psf (Chart 5).

New condo sales in CCR dipped to 443 units last quarter as a result of fewer launches last quarter. Only one new luxury project, Klimt Cairnhill, was launched in Q3 2021. The best-selling new luxury condos were Leedon Green (90 units), Fourth Avenue Residences (63 units), Irwell Hill Residences (41 units), Irwell Hill Residences (41 units), The Avenir (37 units), Royalgreen (25 units), Martin Modern (21 units), and Kopar at Newton (16 units) (Charts 6 and 7).

Chart 4 Luxury sales volume dipped last quarter

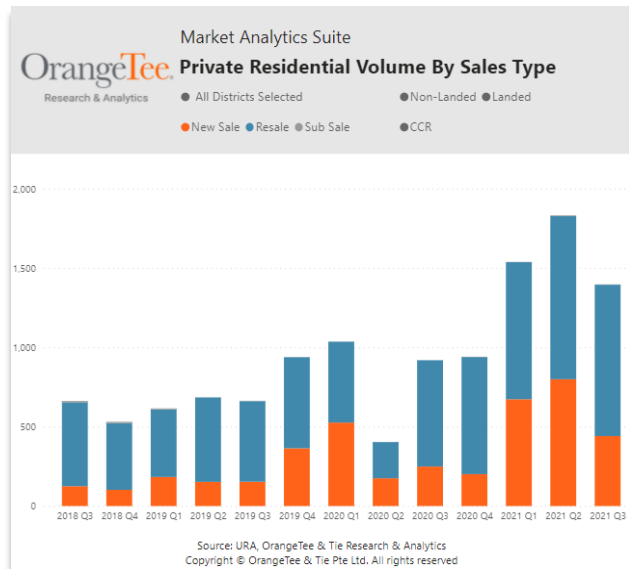


Chart 5 Prices of both resale and new condos rose

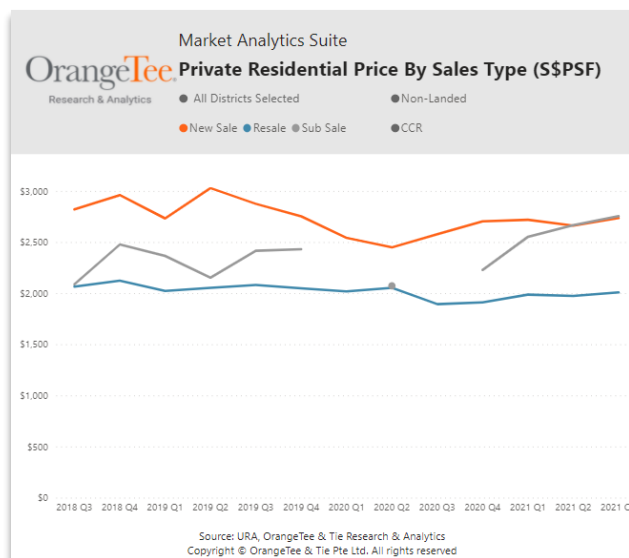


Chart 6 Best-selling projects in CCR

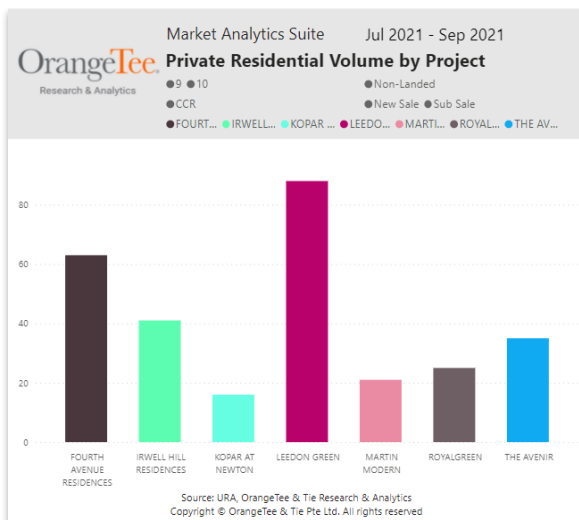


Chart 7 Best-selling projects in CCR (\$\$psf)

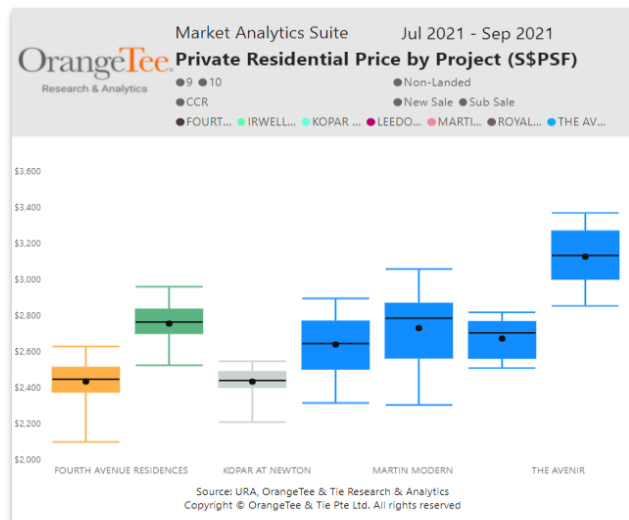


Chart 8 Sales held steady last quarter

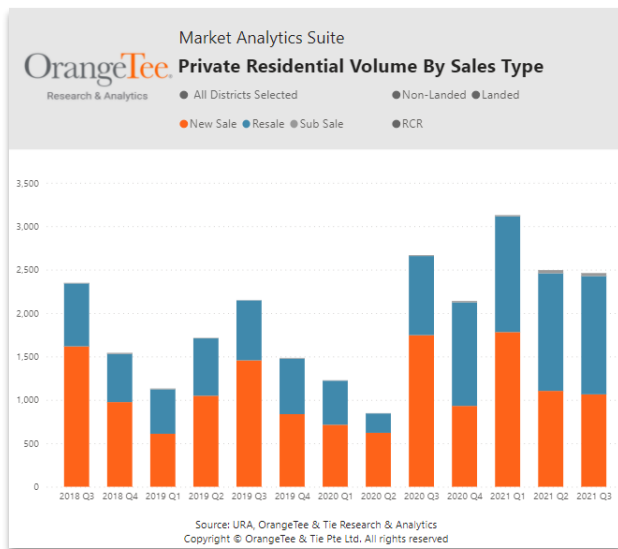


Chart 9 Prices of resale condos rose by 0.9 per cent

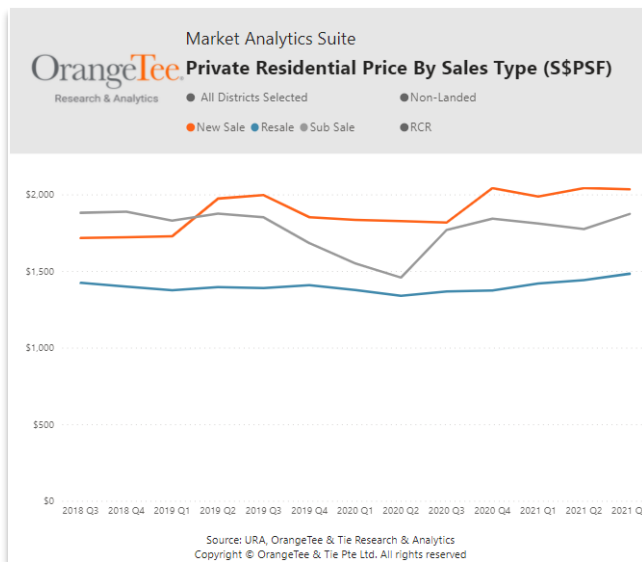
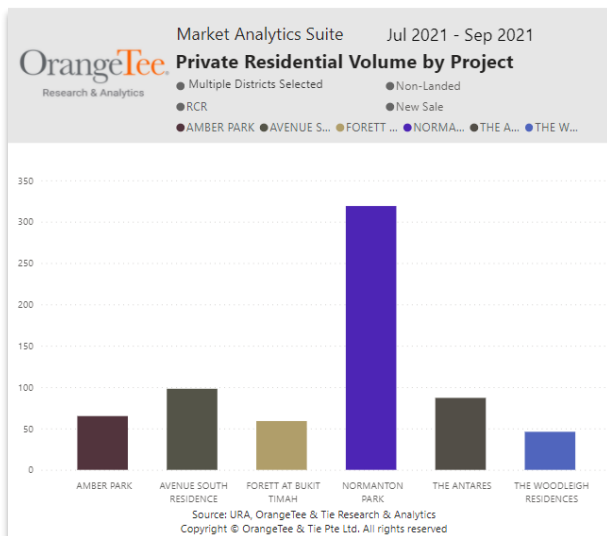


Chart 10 Best-selling projects in Q3 2021



MID-TIER SEGMENT

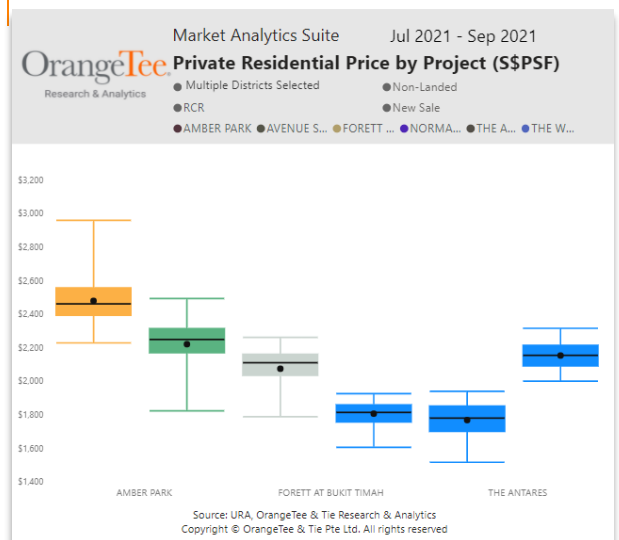
Despite a dearth of new launches, demand for city fringe homes held relatively steady in Q3 2021. 2,430 private homes (excluding EC) private homes were sold, a marginal decrease of 2.5 percent compared to the 2,493 units sold in Q2 2021, data from URA Realis showed (Chart 8).

Resale units formed the majority of the RCR transactions in Q3 2021 with 1330 units transacted, making up 54.7 per cent of the private homes sold in RCR last quarter.

While the overall average prices and resale prices of non-landed homes rose, average prices for new sales dipped slightly. The overall average price of city fringe condominiums rose slightly by 0.9 per cent, from S\$1,728 psf in Q2 2021 to S\$1,744 psf in Q3 2021. Over the same period, average prices of resales rose by 2.8 per cent from S\$1,442 psf to S\$1,483, psf while new sales decreased by 0.4 per cent from S\$2,042 psf to S\$2,033 psf (Chart 9).

The best-selling new condominiums in the RCR were Normanton Park (329 units), Avenue South Residence (98 units), The Antares (87 units), Amber Park (65 units), Forrett at Bukit Timah (59 units), and The Woodleigh Residences (47 units) (Charts 10 and 11).

Chart 11 Best-selling projects in Q3 2021 (\$\$psf)



MASS MARKET SEGMENT

Demand was strong in the mass market segment last quarter. More new sales (excluding EC) were inked last quarter. Based on URA Realis data, 4,777 units were transacted last quarter, a 23.9 per cent increase from the 3,854 units sold in Q2 2021 (Chart 12).

New homes led the sales surge last quarter. The sales volume for new homes grew from 973 units to 2,027 units. This is a 108.3 per cent q-o-q increase. The number of resale homes held relatively steady at 2,647 in Q3 2021, a slight fall of 5.2 per cent from the 2,793 units transacted in Q2 2021 (Chart 12).

The average prices for both new and resale mass-market non-landed homes saw an increase last quarter. For new private condos, the average price increased 1.3 per cent from S\$1,589 psf in Q2 2021 to S\$1,610 psf in Q3 2021. Over the same period, the average price of resale condos rose 2.9 per cent from S\$1,119 psf to S\$1,151 psf (Chart 13).

There were a few large projects launched last quarter. The best-selling new projects were Pasir Ris 8 (425 units), The Watergardens at Canberra (285 units), Midwood (176 units), Parc Clematis (163 units), Treasure at Tampines (141 units), and The Florence Residences (131 units) (Chart 14).

Chart 12 More mass-market homes were sold

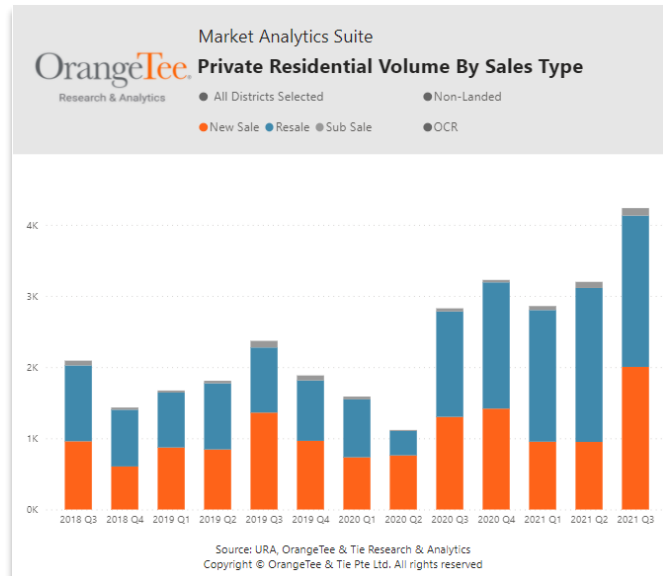


Chart 13 Prices rose for both new and resale condos

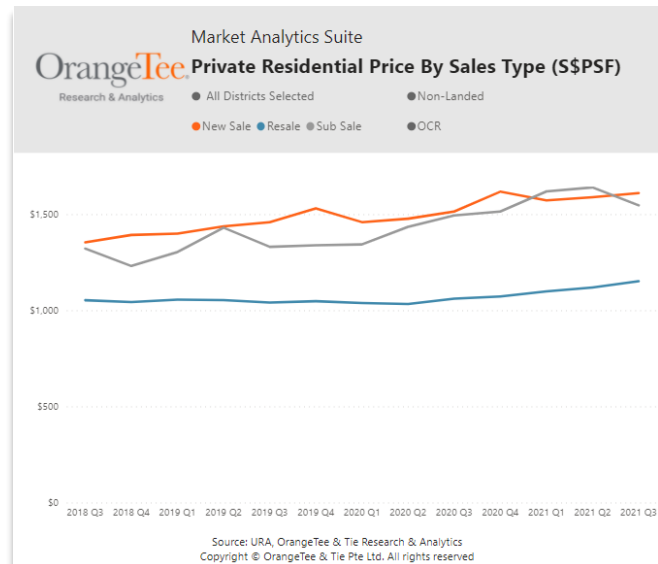
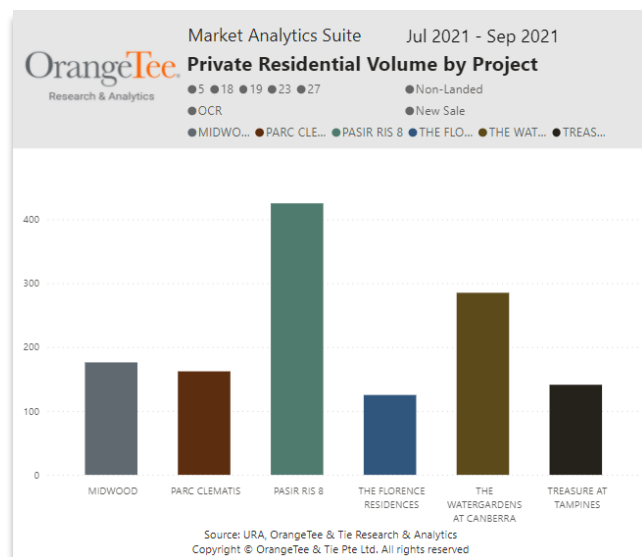


Chart 14 Best-selling new projects in Q3 2021



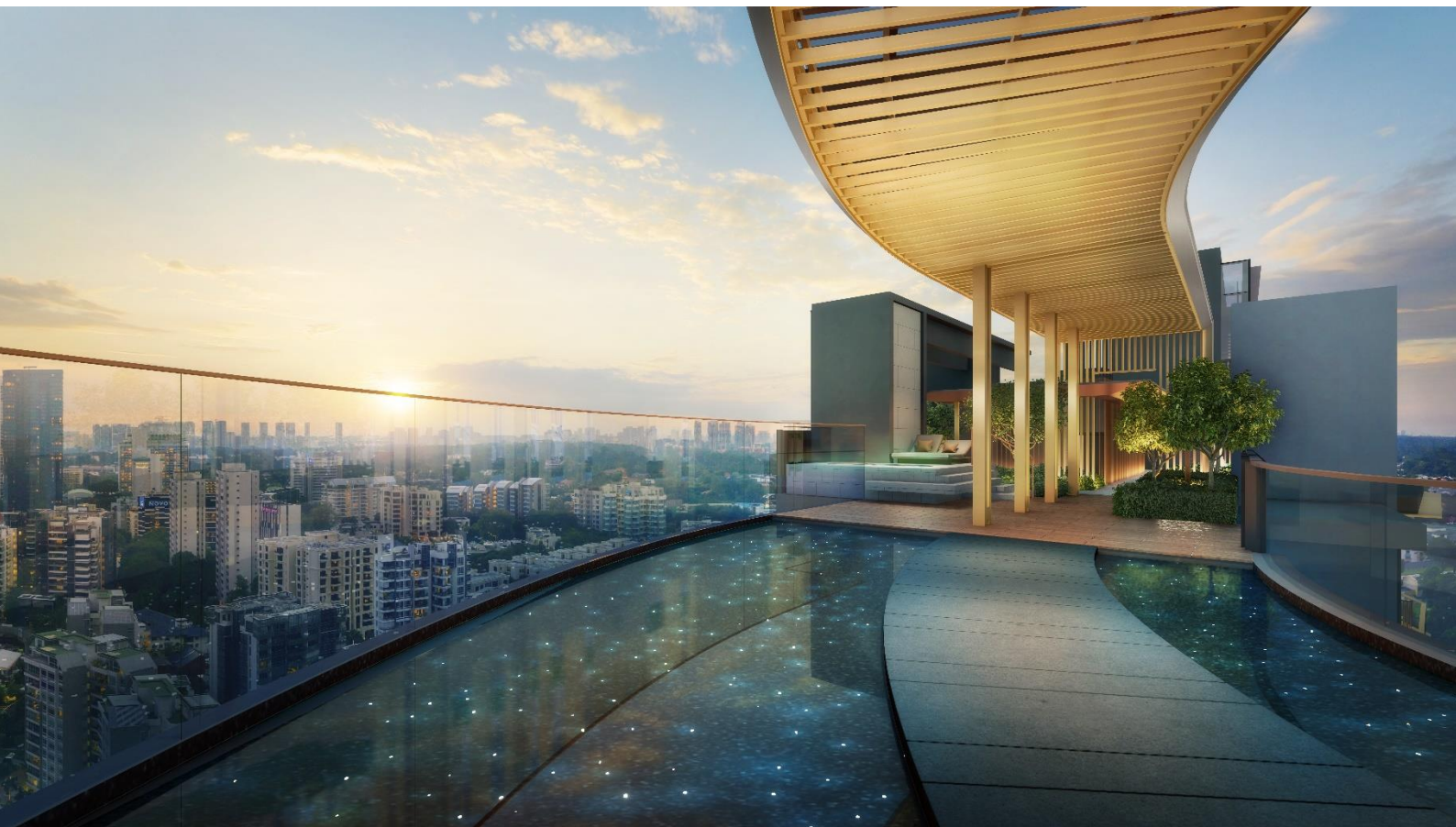


As Singapore boosts its efforts to re-open its borders fully, the rental market is poised to benefit when hiring ramps up in the aviation, MICE, hospitality and tourism sectors.

~ Christine Sun



Artist's Impression of Klimt Cairnhill



Artist's Impression of Perfect Ten

Chart 15 Rental volume rebounded 11.9 per cent q-o-q

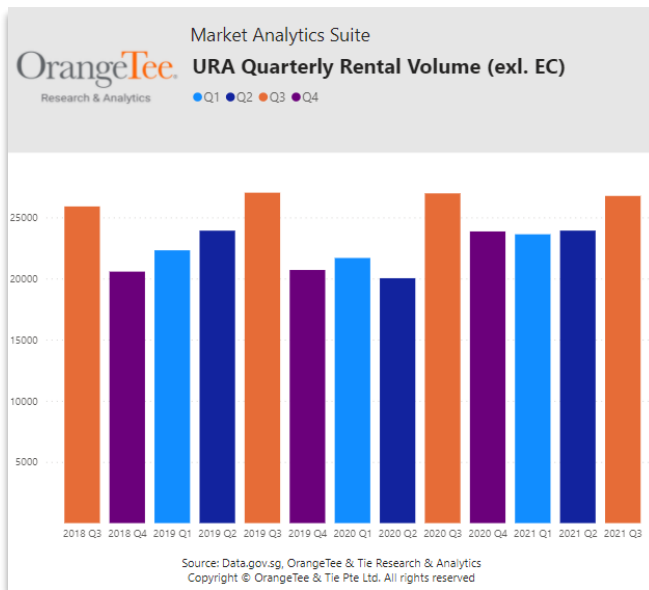


Chart 16 Rents rose by 1.8 per cent q-o-q

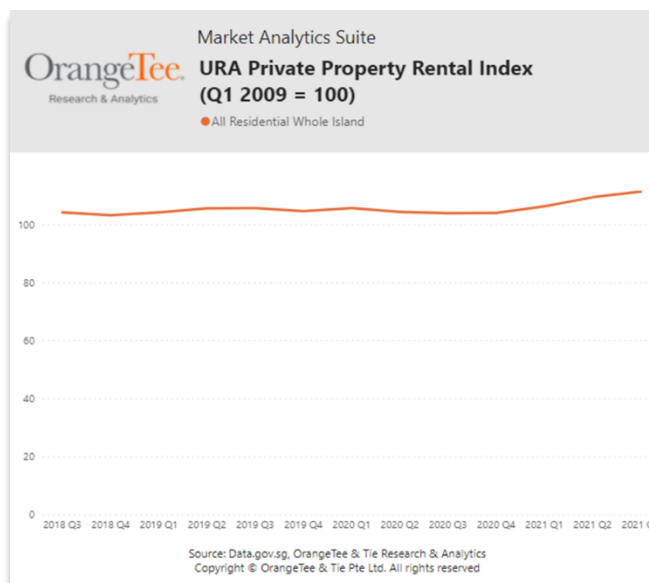
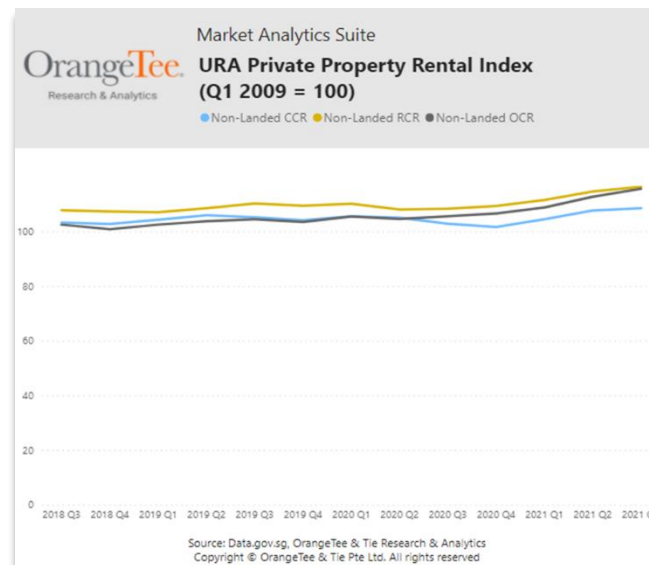


Chart 17 Overall occupancy rate at 93.6 per cent



RENTAL

Demand has been rising in recent months. According to URA data, rental volume excluding EC rebounded by 11.9 per cent q-o-q from 23,923 units in Q2 2021 to 26,759 private homes in Q3 2021 (Chart 15). Compared to a year ago, rental volume is down 0.8 per cent y-o-y from 26,969 units in Q3 2020.

More Singaporeans and Permanent Residents (PRs) have been returning to Singapore over the past few months. Further, some would-be buyers rented temporarily as property prices have been climbing in both the private and public housing markets.

Rents are rising amid a tight supply of completed homes and robust demand. Rental stock is shrinking as a growing number of landlords have sold their units amid the resale price appreciation. Completions have also slowed as housing projects continue to grapple with labour shortages and construction delays.

According to URA data, rents rose by 1.8 per cent last quarter (Chart 16). Occupancy remained healthy at 93.6 per cent (Chart 17).

As Singapore boosts its efforts to re-open its borders fully, the rental market is poised to benefit when hiring ramps up in the aviation, MICE, hospitality and tourism industries. Further, rental demand is likely to improve when more Singaporeans, PRs and foreign expats return, and companies ramp up their hiring of foreign expats.

NATIONALITY

Singapore has launched quarantine-free travel lanes with a few countries under the expanded Vaccinated Travel Lane (VTL) Scheme. The scheme will likely have some positive impact on our residential property market as more foreign buyers, PRs and Singaporeans residing overseas would be returning to the market.

Among the countries with VTL arrangements, we may see more positive sales impact from the United States, United Kingdom, Korea, France and Canada whose citizens were among the top 12 foreign purchasers (Non-PRs and PRs) here (Chart 18).

Based on URA Realis data, citizens from USA bought 516 condominiums from 2019 to the third quarter of this year 2021, and was ranked as the fifth largest group of foreign buyers. This is followed by United Kingdom (239 units and ranked top six), Korea (190 units and ranked top 9), France (101 units and ranked top 11) and Canada (98 units and ranked top 12). These five groups of buyers make up about 12 per cent of the total foreign purchases.

In terms of market segment, these five countries recorded 467 transactions collectively in CCR over the same period, versus 394 units in RCR and 283 units in OCR. Therefore, the VTL arrangements may benefit the luxury and city fringe markets. Americans, Koreans and Canadians in particular registered more than 40 per cent of their total condominium purchases in CCR (Chart 19) from 2019 to July this year.

Even with the VTL, Mainland Chinese will likely remain as the top foreign buyer. They purchased 3,415 non-landed homes over the same period. This is followed by buyers from Malaysia (1,979 units), India (1,255 units) and Indonesia (708 units) (Chart 20).

Chart 18 Greater sales impact from these countries with the VTL

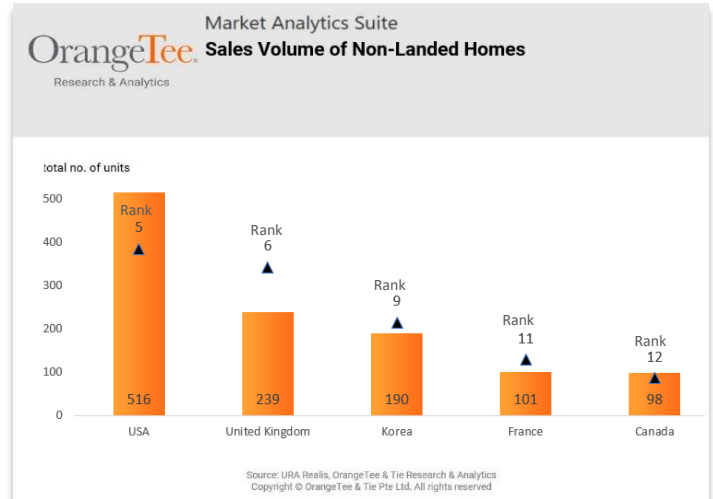


Chart 19 CCR and RCR may benefit more from the VTL scheme

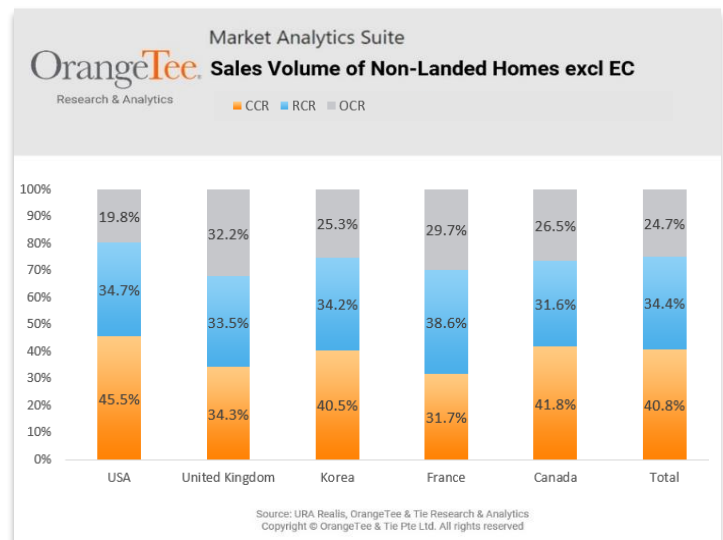


Chart 20 Top 6 foreign buyers should remain even with VTL



OUTLOOK

Private Residential Market Projection (landed and non-landed exclude EC)

Indicators	2018	2019	2020	H1 2021	Q3 2021	Projection for 2021	Projection for 2022
Overall							
URA Property Price Index (Price Change) (incl. EC)	7.9%	2.7%	2.2%	4.1%	0.8%	6% to 7%	6% to 9%
Sales Volume (units)	22,139	19,150	20,909	16,549	9,083	32,000 to 33,500	26,500 to 28,500
New Sale (excl. EC)							
Price Change	10.8%	7.6%	0.7%	11.0%	-10.4%	8% to 10%	8% to 11%
Sales Volume (units)	8,795	9,912	9,982	6,459	3,550	12,000 to 12,500	9,000 to 10,000
Resale (excl. EC)							
Price Change	2.7%	3.6%	-3.8%	6.0%	2.3%	8% to 11%	8% to 11%
Sales volume (units)	13,009	8,949	10,729	9,852	5,362	19,500 to 20,500	17,000 to 18,000
Rental							
URA Rental Index (Price Change) (incl. EC)	0.6%	1.4%	-0.6%	5.2%	1.8%	6% to 8%	8% to 11%
Leasing volume (units)	89,904	93,960	92,537	47,545	26,759	92,000 to 97,000	95,000 to 100,000

Source: URA, OrangeTee & Tie Research & Analytics

The property market will be ending the year on a high note. Demand has strengthened for both the primary and secondary markets. New home sales excluding EC are expected to hit an eight-year high with around 12,000 to 12,500 transactions this year. The previous high was in 2013 with 14,948 units.

The number of resale transactions may double to around 19,500 and 20,500 units this year from 10,729 units last year, amid stronger demand for resale properties and rising new home prices.

In the first three quarters of this year, 25,632 units excluding EC has been sold which has surpassed the full-year sales in 2020 (20,909 units) and the pre-pandemic 2019 (19,150 units) and 2018 (22,139 units). This year, the total sales volume is expected to hit between 32,000 and 33,500 units.

Market sentiment may improve further as the global economy is expected to do better next year. The expansion of Singapore's border reopening will likely spur employment growth and boost the economy further.

Since fewer projects are slated to be launched next year, around 9,000 to 10,000 new homes could be sold in the whole of 2022. Resale volume may reach about 17,000 to 18,000 units next year. Overall sales transactions may hit between 26,500- and 27,000-units next year.

Barring unforeseen circumstances, overall prices may grow 6 to 7 per cent this year and a further 6 to 9 per cent next year, which will be higher than the 2.2 per cent in 2020 and 2.7 per cent in 2019.

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