

HDB MARKET PULSE

REAL ESTATE DATA TREND Q4 2018



Punggol Waterway Terrace

- The total number of HDB resale transactions reached a new high in 2018, with the largest year-on-year increase seen in Punggol and Sengkang.
- The proportion of flats being sold at higher prices had grown exponentially as more flats were transacted at \geq \$700,000 and constitute more than 15 per cent of the total HDB resale transaction value.
- Third priciest flat on record was sold in Q4 2018.
- New resale and rental hotspots may emerge as more than 26,000 flats will be reaching their Minimum Occupation Period (MOP) this year. Another estimated 50,000 could be reaching their MOP in 2020-2021.
- More million-dollar transactions could be expected as about 3,500 DBSS and 4,000 BTO flats would be reaching their five-year MOP in Queenstown, Ang Mo Kio and Bukit Merah this year.

Demand for HDB resale flats remained resilient in 2018

Demand for HDB resale flats remained resilient last year as the total resale volume rose 4.6 per cent year-on-year (y-o-y) to 23,099, reaching a new high since 2012 (Chart 1). Tampines, Bedok and Ang Mo Kio in the mature estates and Jurong West, Yishun and Woodlands in the non-mature estates had the most transactions (see page 5) last year.

Sales volume of standard flats rose the most for Punggol (47 per cent y-o-y), followed by Sengkang (23 per cent). These numbers are poised to rise further this year (see page 6) as more than 6,000 and 4,000 flats will be reaching their Minimum Occupation Period (MOP) this year in Sengkang and Punggol respectively. With more than 26,000 HDB flats reaching their MOP, new resale and rental hotspots could emerge this year (see page 9).

Prices continued to see weakness quarter-on-quarter (q-o-q) as the HDB resale price index edged down 0.2 per cent in the final quarter of last year, making for a full-year decrease of 0.9 per cent. The fall in prices had not been as significant as the previous year (-1.5 per cent) as there were more transactions of newer flats which have just reached their MOP and fetched good prices. More flats were also being sold for \geq S\$700,000 last year, with a record 71 flats transacted above S\$1 million, and they constitute 15.6 per cent of the total resale transaction value last year (see page 4).

Prices were hovering between -0.2 per cent and 0.1 per cent percentage change per quarter from Q2 to Q4 2018, indicating that prices have largely stabilised for the past three quarters.

Indicators	Q3 2018	Q4 2018
Resale		
HDB Resale Index	131.6	131.4
Q-o-Q	-0.1%	-0.2%
Transaction volume	7,063	5,637
Q-o-Q	18.9%	-20.2%
Rental		
SRX Rental Index	116.6	117.0
Q-o-Q	0.2%	0.3%
Transaction volume	11,216	11,479
Q-o-Q	-6.7%	2.3%

Source: HDB, SRX, OrangeTee & Tie Research & Consultancy
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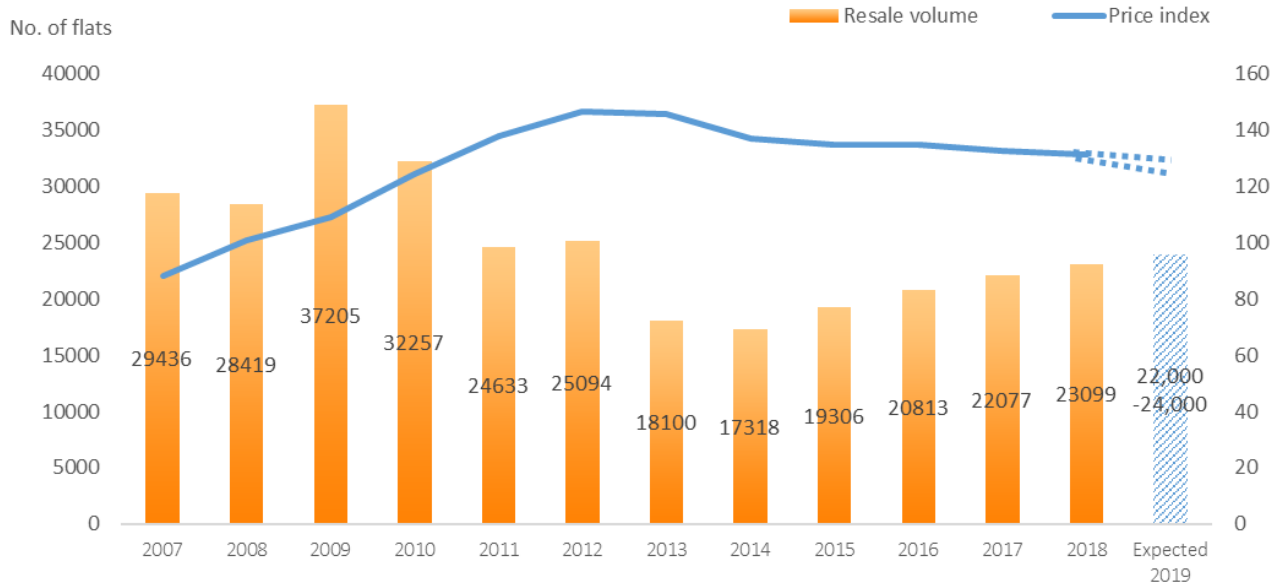
The widening price gap between newer and older flats may turn the tide in favour of owners of older flats as some buyers may be drawn to their price affordability, larger-living spaces and upgrading potential once the government announces their plans for the Voluntary Early Redevelopment Scheme and Home Improvement Programme. We estimate that 22,000 to 24,000 HDB resale flats may be transacted and prices may dip marginally by 1 to 2% this year (see page 10).

“ HDB resale flats being sold at \geq S\$700,000 constituted 15.6 per cent of the total resale transaction value last year, a remarkable increase from the 0.4 per cent in 2008. This indicates that the proportion of flats being sold at higher prices had grown exponentially in recent years. ”

-Christine Sun

Chart 1 HDB resale transactions at a new high since 2012

HDB Resale Volume



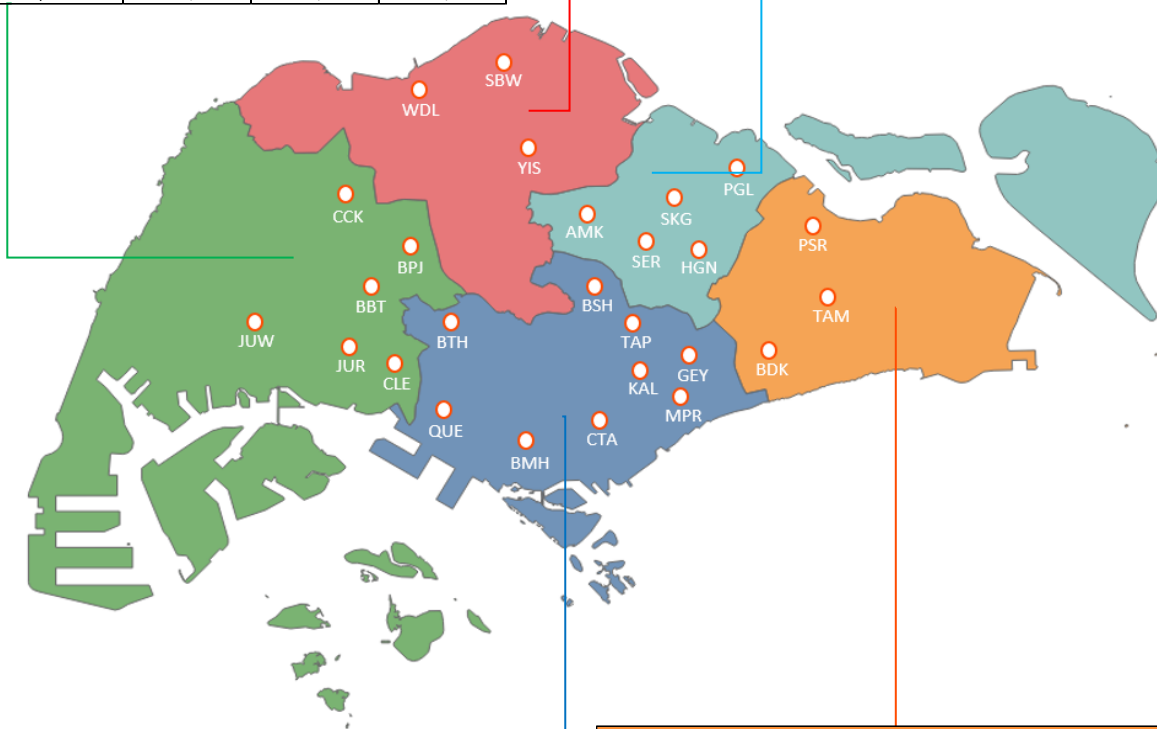
Source: HDB, OrangeTee & Tie Research & Consultancy
Prices are based on Q4 HDB price index for each year

Chart 2 HDB resale transactions and median resale prices for Q4 2018

North Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Sembawang (SBW)	*	\$330,000	\$382,000
Woodlands (WDL)	\$253,000	\$322,800	\$398,000
Yishun (YIS)	\$260,000	\$338,000	\$450,000

West Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bukit Batok (BBT)	\$258,000	\$365,000	\$528,000
Bukit Panjang (BPJ)	\$278,000	\$358,000	\$484,000
Choa Chu Kang (CCK)	*	\$338,000	\$394,000
Clementi (CLE)	\$310,900	\$600,000	*
Jurong East (JUR)	\$270,000	\$390,000	\$526,500
Jurong West (JUW)	\$250,000	\$350,000	\$433,000

North-East Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	\$280,000	\$420,000	\$735,900
Hougang (HGN)	\$280,000	\$396,000	\$470,000
Punggol (PGL)	\$343,000	\$455,000	\$445,000
Sengkang (SKG)	\$342,500	\$408,000	\$442,500
Serangoon (SER)	\$318,000	\$416,000	\$560,000



Central Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bishan (BSH)	*	\$536,500	\$745,000
Bukit Merah (BMH)	\$330,000	\$680,000	\$744,400
Bukit Timah (BTH)	*	*	*
Central Area (CTA)	*	*	*
Geylang (GEY)	\$280,000	\$480,000	*
Kallang / Whampoa (KAL)	\$305,000	\$563,000	\$690,000
Marine Parade (MPR)	*	*	*
Queenstown (QUE)	\$340,000	\$700,000	*
Toa Payoh (TAP)	\$265,000	\$581,500	\$813,000

East Region			
Planning Area	Median Resale Price		
	3-Room	4-Room	5-Room
Bedok (BDK)	\$285,000	\$400,000	\$603,800
Pasir Ris (PSR)	*	\$405,000	\$478,000
Tampines (TAM)	\$326,000	\$426,000	\$529,000

Asterisks (" * ") refer to cases where there are less than 20 resale transactions in the quarter for the particular town and flat type. The median prices of these cases are not shown as they may not be representative.

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TRENDING

The proportion of HDB resale flats being sold for S\$700,000 and above has been climbing steadily over the last four years. According to data.gov.sg, 1,836 flats or 8.5 per cent of all HDB resale flats were transacted \geq S\$700,000 last year (Chart 3), reaching a record high since 1990. These flats constituted 15.6 per cent of the total resale transaction value last year (Table 1)

The increasing number of HDB flats being sold at higher prices indicates that selected market segments or flat models are still performing well. Of the 1,836 flats transacted \geq S\$700,000, 52.1 per cent (956 units) were standard flats (i.e. improved, model A, multi generation, new generation and standard models), while the rest were non-standard flats (i.e. DBSS, Premium Apartments, Maisonettes, Apartments, and Type S1/S2). 47.2 per cent were \geq 20 years.

A record number of 71 flats were sold \geq S\$1 million last year. Although they constitute only 0.3 per cent of all HDB resale transactions last year, there seems to be a consistent uptrend in demand for such flats (Chart 3). 20 million-dollar flats were transacted in Q4 2018 despite the typical year-end marketing slowdown. The number sold was above the million-dollar sales in Q1 (12 units) and Q2 (17 units). The third priciest flat on record was also transacted in October last year at S\$1,168,000 for a 106 sqm 5 room flat at Duxton at Pinnacle. A 112 sqm 5 room standard flat at Boon Tiong Road and a 114 sqm 5 room DBSS at Toa Payoh were sold for S\$1.15 million in December. 16 standard flats were sold at \geq 1m last year, mostly at Boon Tiong Road (7 flats), Commonwealth Drive (3 flats) and Holland area (3 flats).

The uptrend in demand is poised to continue this year as more HDB flats in prime locations like Queenstown (758 units), Bukit Merah (2,966 units) and Ang Mo Kio (256 units) are reaching their five-year MOP (Chart 9 of Page 9) and can be put up for resale. About 3,500 DBSS will also be reaching their MOP this year.

Chart 3 Growing number of resale flats sold for S\$700,000 and above

Resale transactions by price range (standard + non-standard flats)

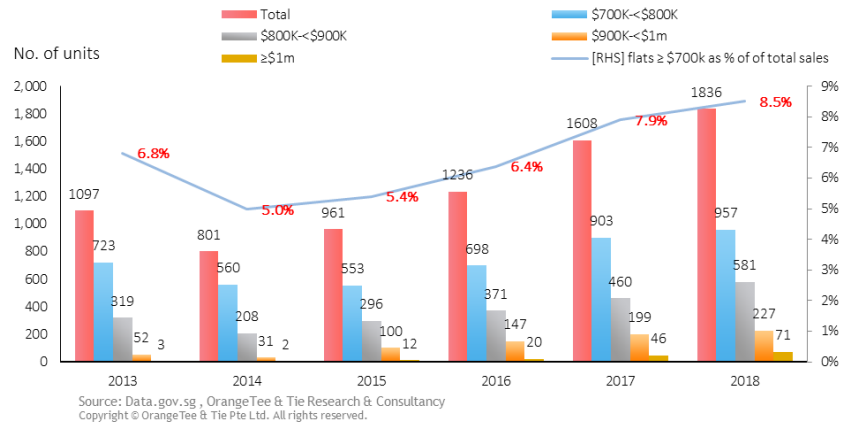


Table 1 Growing proportion of total transaction value from HDB resales sold \geq S\$700,000

Total HDB resale transaction value (standard + non-standard flats)

Year	All HDB resale transactions (A)	HDB sold \geq \$700k (B)	% (B/A)
2007	\$7,076,747,454	\$9,518,000	0.1%
2008	\$8,645,921,753	\$36,947,855	0.4%
2009	\$10,300,273,381	\$19,646,000	0.2%
2010	\$13,242,409,244	\$221,973,303	1.7%
2011	\$9,477,942,979	\$385,447,878	4.1%
2012	\$10,705,704,553	\$787,161,103	7.4%
2013	\$7,669,270,904	\$852,472,592	11.1%
2014	\$7,125,957,541	\$617,399,200	8.7%
2015	\$7,729,135,941	\$764,580,638	9.9%
2016	\$8,501,627,260	\$986,089,472	11.6%
2017	\$9,030,014,410	\$1,289,965,503	14.3%
2018	\$9,526,886,076	\$1,486,069,984	15.6%

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Table 2 Almost similar number of new and older flats transacted at S\$700,000 and above

HDB resale transactions by price range in 2018

Price Range	Age of flat (<20 years)			Age of flat (\geq 20 years)			Grand Total
	Non-standard	Standard	TOTAL	Non-standard	Standard	Total	
\$700K-<\$800K	110	345	455	275	227	502	957
\$800K-<\$900K	139	178	317	150	114	264	581
\$900K-<\$1m	87	58	145	64	18	82	227
\geq \$1m	40	13	53	15	3	18	71
Total	376	594	970	504	362	866	1836

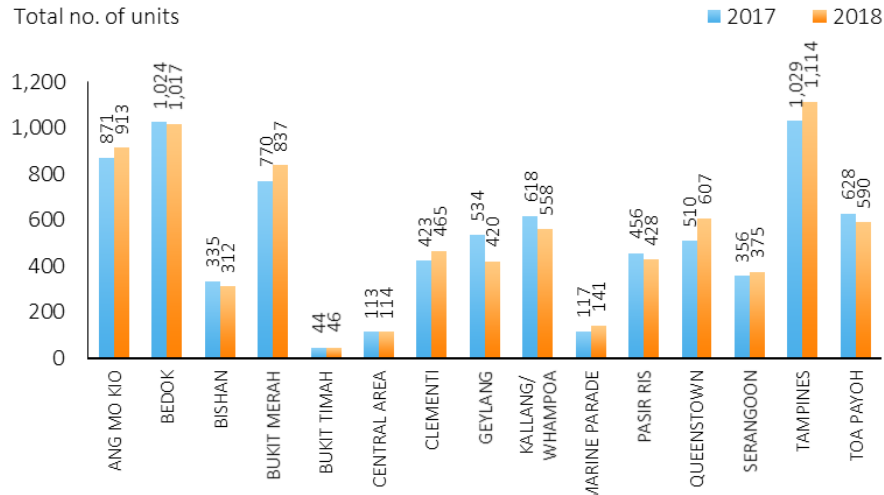
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NOTE: Standard flats exclude adjoined flats, DBSS< improved-maisonette, maisonette, Model A-Maisonette, New Generation, Premium Apartments and Maisonette, Terrence, Type S1&S2

MATURE ESTATES

Chart 4 Tampines, Bedok and Ang Mo Kio had most transactions in 2018

HDB resale applications for standard flats



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The most active towns were Tampines, Bedok and Ang Mo Kio which saw the most transactions last year. Standard flats in Marine Parade saw the largest y-o-y increase in transaction volume in 2018 (20.5 per cent), followed by Queenstown (19.0 per cent) and Clementi (9.9 per cent). Geylang saw the largest drop (-21.3 per cent) in transactions (Chart 4).

Prices fell across most towns for 3-room flats (except Bukit Timah, Geylang and Tampines) while they rose for half the mature towns for 5-room flats y-o-y in 2018 (Table 3). Price movement was more marginal for 4-room flats, fluctuating within a -3 per cent to 3 per cent price change for most of the towns.

Table 3 Smaller flats generally had larger price falls in 2018

Average resale price of standard* flats

Towns	3 ROOM			4 ROOM			5 ROOM		
	2017	2018	% diff	2017	2018	% diff	2017	2018	% diff
ANG MO KIO	\$315,698	\$294,965	-7%	\$477,231	\$464,561	-3%	\$664,476	\$664,212	-0.04%
BEDOK	\$306,876	\$296,447	-3%	\$435,906	\$426,261	-2%	\$577,693	\$581,436	1%
BISHAN	\$364,453	\$354,878	-3%	\$558,722	\$544,168	-3%	\$747,512	\$739,759	-1%
BUKIT MERAH	\$392,877	\$367,583	-6%	\$641,332	\$637,723	-1%	\$758,862	\$779,951	3%
BUKIT TIMAH	\$412,083	\$423,056	3%	\$648,799	\$640,798	-1%	\$821,364	\$819,000	-0.3%
CENTRAL AREA	\$418,983	\$408,846	-2%	\$575,050	\$547,567	-5%	\$643,333	\$607,481	-6%
CLEMENTI	\$346,528	\$330,677	-5%	\$561,740	\$578,682	3%	\$741,700	\$693,087	-7%
GEYLANG	\$291,531	\$293,021	1%	\$513,917	\$521,627	2%	\$655,551	\$673,707	3%
KALLANG/WHAMPOA	\$320,872	\$311,270	-3%	\$538,440	\$540,955	0.5%	\$689,805	\$684,530	-1%
MARINE PARADE	\$403,903	\$395,526	-2%	\$526,405	\$523,387	-1%	\$831,727	\$824,624	-1%
PASIR RIS	\$296,833	\$285,714	-4%	\$404,566	\$406,051	0.4%	\$475,440	\$482,042	1%
QUEENSTOWN	\$376,533	\$374,177	-1%	\$685,353	\$688,478	0.5%	\$837,533	\$847,854	1%
SERANGOON	\$321,427	\$309,610	-4%	\$461,866	\$457,019	-1%	\$566,100	\$543,373	-4%
TAMPINES	\$328,321	\$331,236	1%	\$433,027	\$430,854	-1%	\$524,710	\$531,886	1%
TOA PAYOH	\$307,748	\$279,190	-9%	\$561,037	\$549,623	-2%	\$704,770	\$723,393	3%

*Standard flats exclude adjoined flats, DBSS+ improved-maisonette, maisonette, Model A-Maisonette, New Generation, Premium Apartments and Maisonette, Terrence, Type S1&S2

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NON-MATURE ESTATES

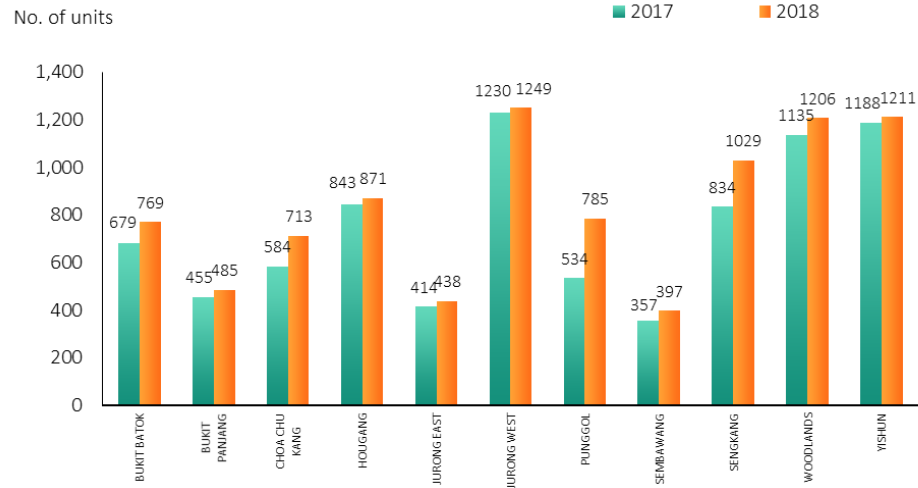
The number of resale applications in Punggol rose the most by 47.0 per cent from 534 units to 785 units last year. This is followed by Sengkang (23.4 per cent) and Choa Chu Kang (22.1 per cent) (Chart 5).

The number of HDB transactions is poised to rise further this year in Punggol and Sengkang as there will be many flats that will reach MOP this year and ready for resale. Many private condominiums will be reaching their 4- year SSD may also see many sellers putting up their units for resale which may spur more HDB owners to upgrade to private condominiums there.

Despite the big supply of HDB flats in Punggol, the 4 and 5-room flats in the town saw the largest y-o-y price increase in 2018 of 3 per cent and 7 per cent respectively (Table 4).

Chart 5 Punggol and Sengkang registered the highest increase in resale transactions

HDB resale applications for standard flats



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Table 4 3-room flats generally had larger price falls while 5-room flats had bigger price gains

Average resale price of standard* flats

Non-Matured	3 ROOM			4 ROOM			5 ROOM		
	2017	2018	% diff	2017	2018	% diff	2017	2018	% diff
BUKIT BATOK	\$274,559	\$262,982	-4%	\$396,995	\$380,351	-4%	\$547,873	\$512,938	-6%
BUKIT PANJANG	\$283,741	\$282,522	-0.4%	\$374,761	\$368,982	-2%	\$490,312	\$489,982	-0.1%
CHOA CHU KANG	\$278,374	\$275,894	-1%	\$348,507	\$336,765	-3%	\$413,783	\$401,783	-3%
HOUGANG	\$291,307	\$282,254	-3%	\$389,585	\$385,322	-1%	\$486,740	\$491,578	1%
JURONG EAST	\$292,722	\$285,680	-2%	\$420,761	\$413,002	-2%	\$537,031	\$534,557	-0.5%
JURONG WEST	\$269,681	\$253,273	-6%	\$367,390	\$356,539	-3%	\$448,935	\$427,516	-5%
PUNGGOL	\$347,962	\$346,959	-0.3%	\$416,208	\$430,295	3%	\$427,019	\$457,849	7%
SEMBAWANG		\$288,200	NA	\$345,798	\$335,377	-3%	\$410,496	\$393,491	-4%
SENGKANG	\$347,870	\$332,077	-5%	\$388,469	\$392,887	1%	\$436,662	\$444,724	2%
WOODLANDS	\$267,365	\$258,239	-3%	\$341,516	\$326,040	-5%	\$416,241	\$405,478	-3%
YISHUN	\$281,051	\$267,413	-5%	\$354,177	\$344,150	-3%	\$461,222	\$447,517	-3%

*Standard flats exclude adjoining flats, DBSS< improved-maisonette, maisonette, Model A-Maisonette, New Generation, Premium Apartments and Maisonette, Terrence, Type S1&S2

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The number of HDB flats sold above S\$1 million is poised to increase further this year as more of flats in prime locations like Queenstown, Bukit Merah and Ang Mo Kio are reaching their five-year MOP .

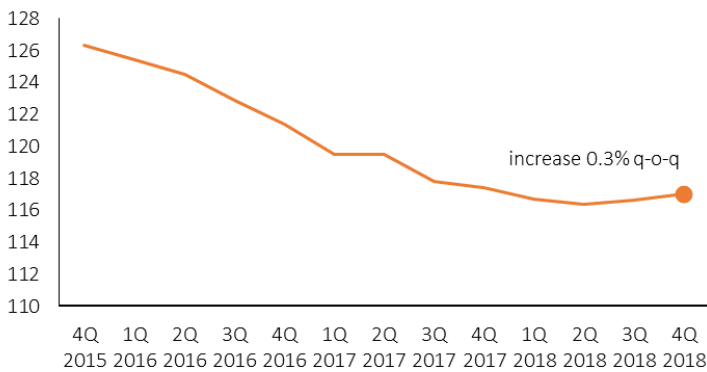
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Chart 6 Slight uptick in rents

Rental Index

Index, Base = 1Q09



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RENTAL

According to HDB, the number of approved applications to rent out HDB flats rose 2.3 per cent to 11,479 cases in 4Q 2018. Y-o-Y, the number of approved applications rose 1.8 per cent (Chart 7).

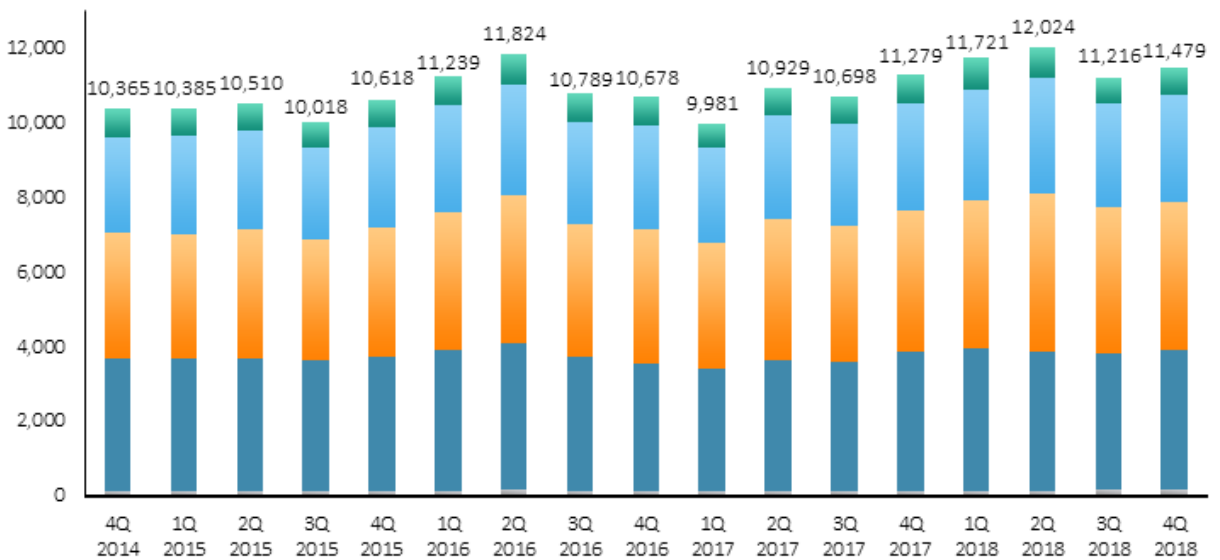
Using the SRX HDB rental index, rents saw a slight uptick of 0.3 per cent q-o-q in Q4 2018. On a y-o-y basis (based on figures for last month of the quarter), rents slipped marginally by 0.3 per cent. (Chart 6).

Chart 7 Slight increase in rental volume in Q4 2018

HDB rental applications

Total no. of units

1 Room 2 Room 3 Room 4 Room 5 Room Executive



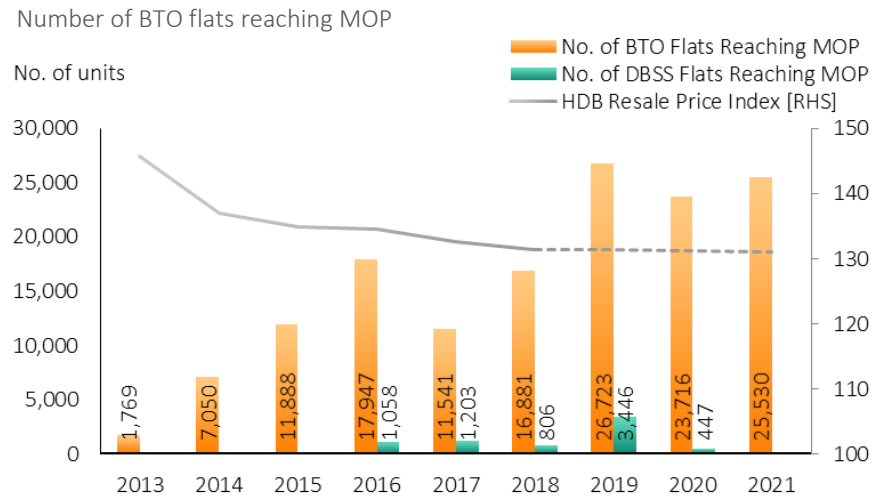
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FLATS REACHING MOP

Based on HDB's record of completed HDB residential developments, an estimated 26,723 flats (excl. DBSS) may be reaching their five-year MOP this year. This is a 58.3 per cent y-o-y increase. Another almost 50,000 flats may be reaching MOP in the next two years. Further, about 3,450 DBSS flats will be reaching MOP this year, in contrast with 800 in 2018 and 1,200 in 2017.

Sengkang and Punggol may likely see an increased in HDB resale transactions this year with more than 10,000 flats reaching MOP this year. In the mature estates, Bukit Merah, Queenstown and Ang Mo Kio will see almost 4,000 HDB resale flats reaching MOP as well. Therefore, there could be more flats being sold above S\$700,000 this year.

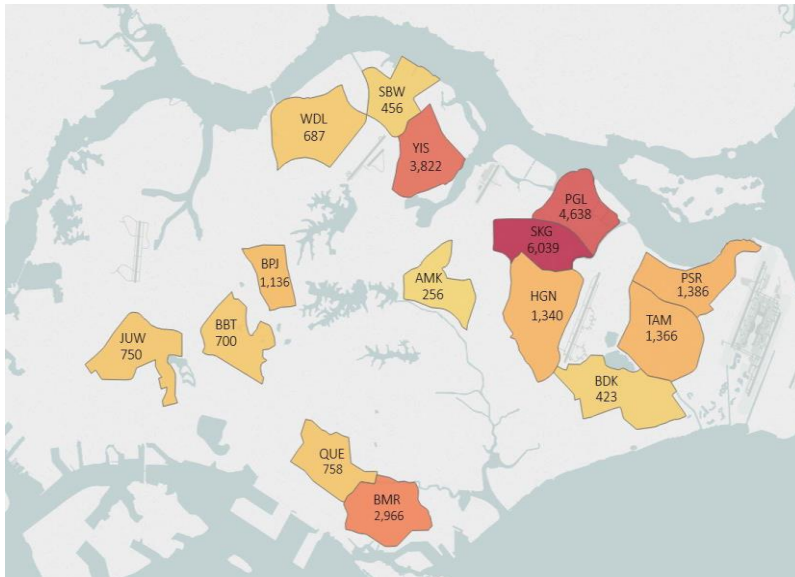
Chart 8 Growing number of flats reaching MOP



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Chart 9 Hotspots – Towns likely to see more resale transactions in 2019

Estimated number of HDB resale flats (excl. DBSS) reaching MOP in 2019



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Town	Abbreviation	Estimated no. of BTO flats reaching MOP	Estimated no. of DBSS flats reaching MOP
Sengkang	SKG	6,039	0
Punggol	PGL	4,638	0
Yishun	YIS	3,822	0
Bukit Merah	BMR	2,966	0
Pasir Ris	PSR	1,386	0
Tampines	TAM	1,366	708
Hougang	HGN	1,340	680
Bukit Panjang	BPJ	1,136	0
Queenstown	QUE	758	0
Jurong West	JUW	750	682
Bukit Batok	BBT	700	0
Woodlands	WDL	687	0
Sembawang	SBW	456	0
Bedok	BDK	423	488
Ang Mo Kio	AMK	256	0
Clementi	CLE	0	888
Total		26,723	3,446

Source: Data.gov.sg, OrangeTee & Tie Research & Consultancy
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OUTLOOK FOR 2019

The increased number of HDB resale flats last year could be a silver lining for the market. Demand for HDB resale flat may continue to be resilient this year and maybe supply-led as more than 26,000 HDB flats are reaching MOP this year and will be eligible for resale. These flats will also be eligible for rental, thus possibly uplifting the HDB leasing market. We estimate that between 22,000 and 24,000 HDB resale flats could be transacted this year, while the number of HDB leases could hover between 46,000 and 48,000 flats (Table 5).

Areas like Punggol, Sengkang, Yishun, Bukit Merah, Pasir Ris and Tampines, may possibly see more resale and rental activities this year. Further, as many new condominiums in Punggol and Sengkang are reaching their fourth year after their OTP (option to purchase) date, where many sellers will no longer be subjected to the seller's stamp duties, more condominium units could be put up for resale which may spur some HDB owners in these areas to sell their flats for upgrading.

Price weakness may continue to affect some market segments, especially smaller and older flats due to the lease decay issue and growing supply of newer HDB resale flats in non-mature estates. Therefore, resale prices and rents may experience some downward pressure in selected towns. We estimate that the island-wide resale price may continue to fall but at a slower pace of between 1 and 2 percent, while rents may dip by 1 to 3 per cent for the whole of this year.

Table 5 Market forecast for 2019

Indicators	2018	2019 (forecast)
Resale price	-0.9%	-1% to -2%
Resale volume	23,099	22,000 to 24,000
Rents	0.3%	-1% to -3%
Rental volume	46,440	46,000 to 48,000

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