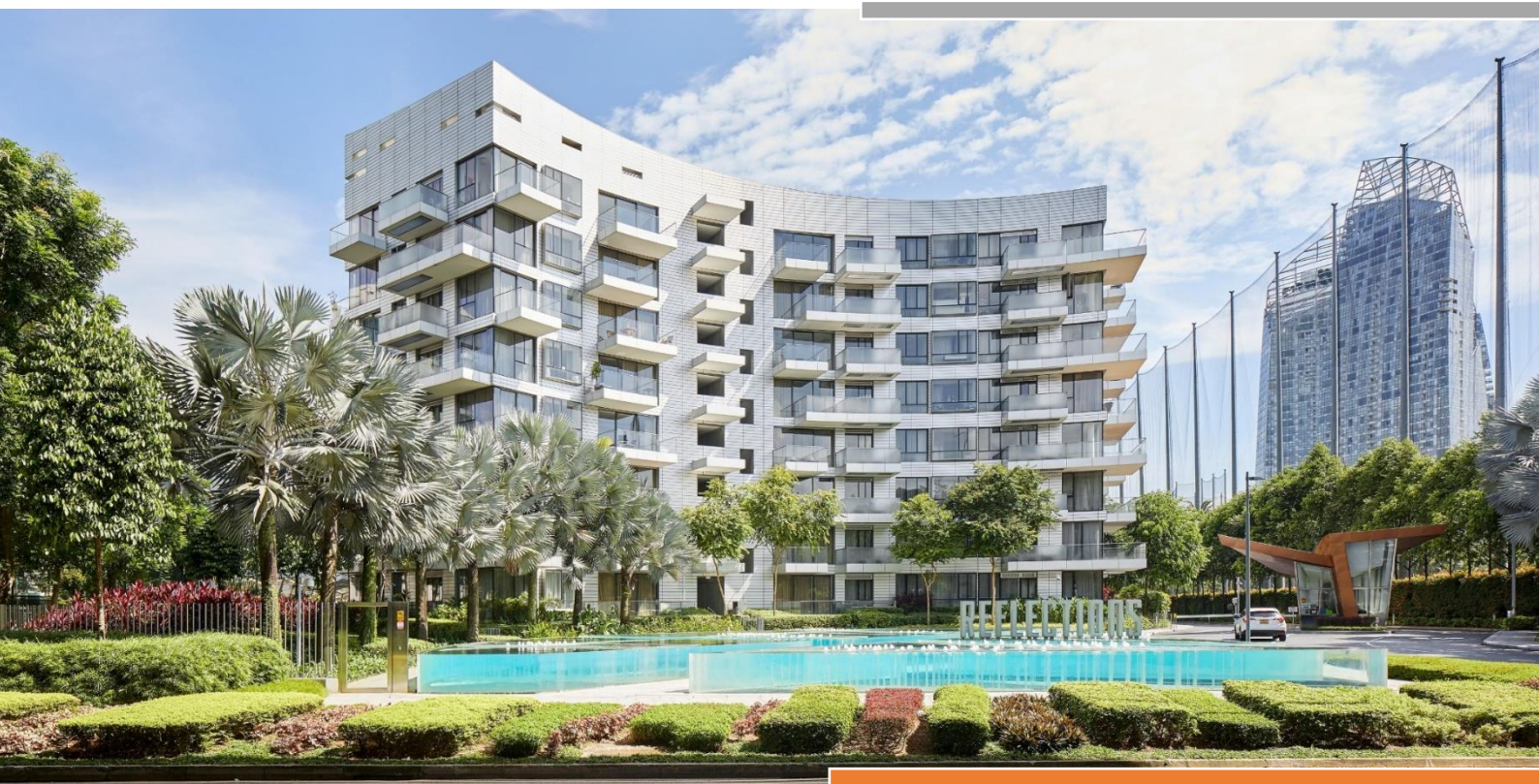


# RESALE HOME PRICES PICK UP IN Q4; VOLUME DIPS TO A 3-YEAR LOW

## Private Resale Trends Q4 2023



Reflections at Keppel Bay

Overall resale home prices climbed at a faster pace in Q4 2023, as prices rose across all market segments. Sales volume, on the other hand, dipped to 2,586 units, which is the lowest quarterly sales since Q2 2020.



Marina Collection

## PRICE TREND

Overall resale prices grew at a faster pace in the fourth quarter of 2023 as prices rose in the luxury, city fringe and suburban areas.

According to the Urban Redevelopment Authority (URA) Realis data, the average price of resale homes, excluding executive condominiums (EC), rose by 2.7 per cent from S\$1,630 psf in Q3 2023 to S\$1,674 psf in Q4 2023 (Chart 1). Last quarter's price increment was higher than the 0.8 percent growth in the preceding quarter. The non-landed segment saw a 3.7 per cent quarter-on-quarter (q-o-q) price increase, while the landed segment experienced a 3.1 per cent q-o-q decrease in resale prices in Q4 2023.

The average price of non-landed and landed homes in the prime districts or Core Central Region (CCR) increased by 2.2 per cent from S\$2,081 psf in Q3 2023 to S\$2,127 psf in Q4 2023. Over the same period, prices in the city fringe or Rest of Central Region (RCR) rose by 2.3 per cent from S\$1,742 psf to S\$1,782 psf, while those in the suburbs or Outside of Central Region (OCR) grew by 2 per cent from S\$1,423 psf to S\$1,451 psf (Chart 2).

Chart 1 Resale prices grew at a faster pace in Q4 2023

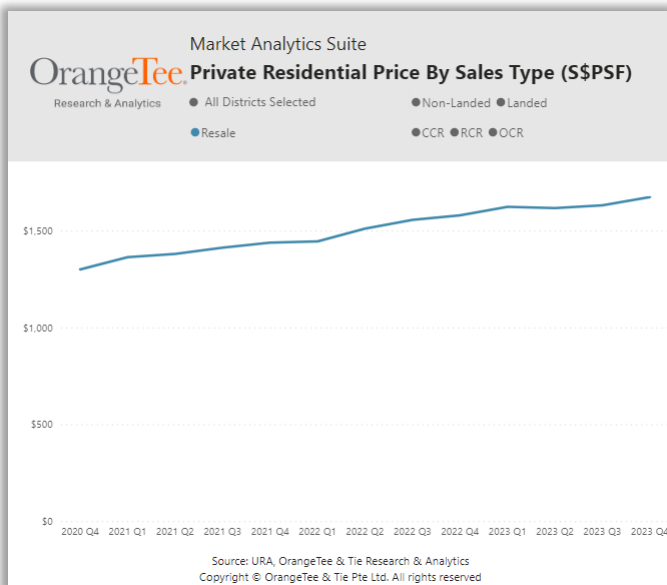
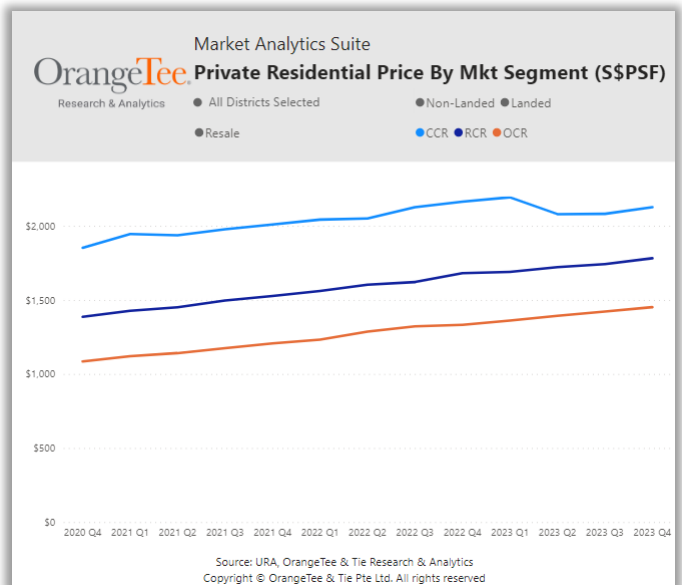


Chart 2 Resale prices rose across all market segments





## RESALE VOLUME

Resale volume slipped last quarter owing to slower sales during the year-end lull, macroeconomic uncertainty and elevated interest rates. Based on URA Realis data, 2,586 resale homes (2,288 non-landed, 298 landed) excluding EC were sold in Q4 2023, slipping by 12.5 per cent from 2,957 units (2,559 non-landed, 398 landed) in Q3 2023 (Chart 3). Last quarter registered the lowest quarterly resale transactions since Q2 2020, when only 943 resale homes were sold.

Resale volume in the CCR dropped by 7.9 per cent from 504 units in Q3 2023 to 464 units in Q4 2023, while those in the RCR declined by 10.1 per cent from 880 units to 791 units during the same period. Resale transactions in the OCR dipped the most by 15.4 per cent, from 1,573 units in the third quarter to 1,331 units in the fourth quarter of 2023.

For the whole of 2023, resale volume dipped by 18.4 per cent from 14,003 units in 2022 to 11,426 units (Chart 4). This is the lowest resale volume in three years since 2020 when 10,800 units changed hands. The number of resale transactions in 2023 is also lower than the five-year average of 13,353 units from 2018 to 2022.

Chart 3 Resale volume dipped by 12.5 per cent in Q4

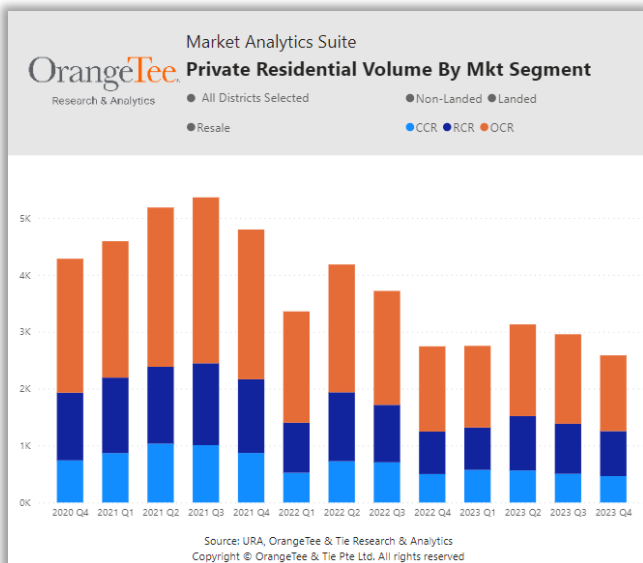
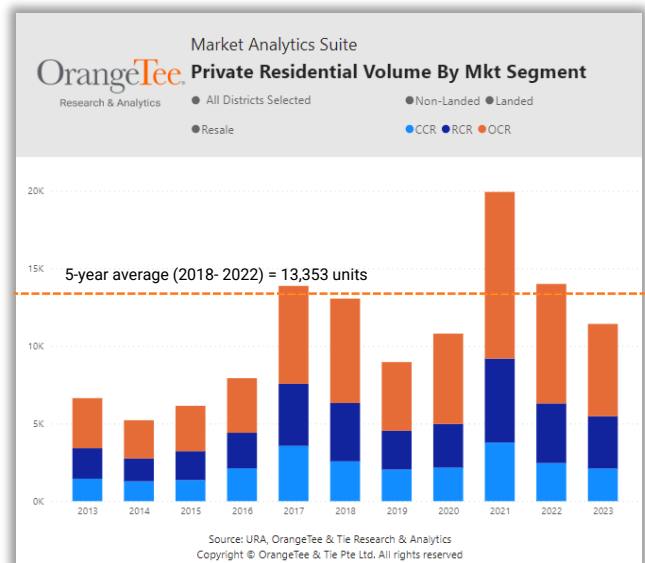
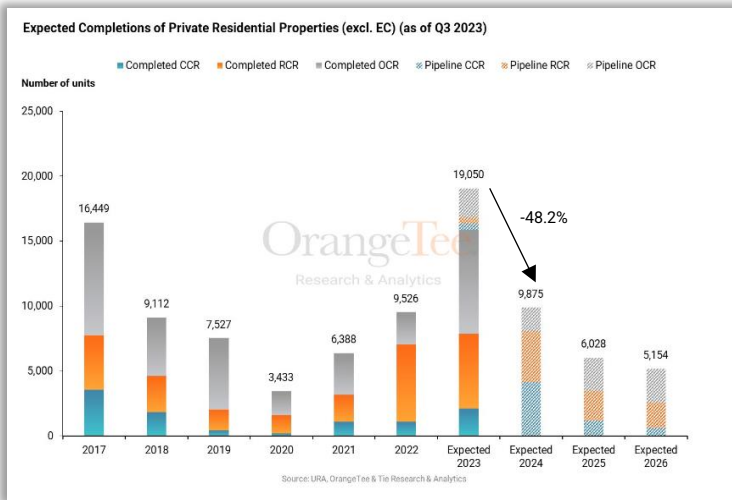


Chart 4 2023 Resale volume lowest since 2020



# SUPPLY FOR 2024

Chart 5 Number of completions expected to fall in 2024



Prices of resale homes are projected to increase moderately in 2024 as supply will be dipping significantly. After a bumper crop of more than 19,000 private properties, excluding ECs, being completed in 2023, supply will fall by 48.2 per cent to 9,875 homes in 2024 (Chart 5).

Most of the completions will be in the CCR (4,100 units). Slightly over 3,900 homes will be completed in the RCR while the number of completions in the OCR is expected to fall substantially from around 10,000 units in 2023 to approximately 1,800 units in 2024.

## Outlook

Looking ahead, the property market is expected to remain stable in view of the prevailing property curbs, buyer prudence and cost concerns. The increased supply of condos had already stabilized prices in 2023, and we expect market stability to continue into 2024.

Due to the completion of around 16,000 new homes from 2022 to 2024, homeowners in the city fringe areas will face steeper competition for buyers. Similarly, the total new completions in CCR will be around 7,700 over the same period, which may exert some downward pressure on prices in the luxury segment. Conversely, resale prices may rise moderately in OCR in view of the lower supply in 2024, especially for larger units which are currently in high demand.

Since a decrease in private home completions will lead to fewer homes available for resale, we estimate that the total resale volume (excluding EC) may decline slightly to 9,000 to 11,000 units this year. Overall resale prices may rise at a slower pace of 3 per cent to 5 per cent in 2024, down from 7.5 per cent in 2023.

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