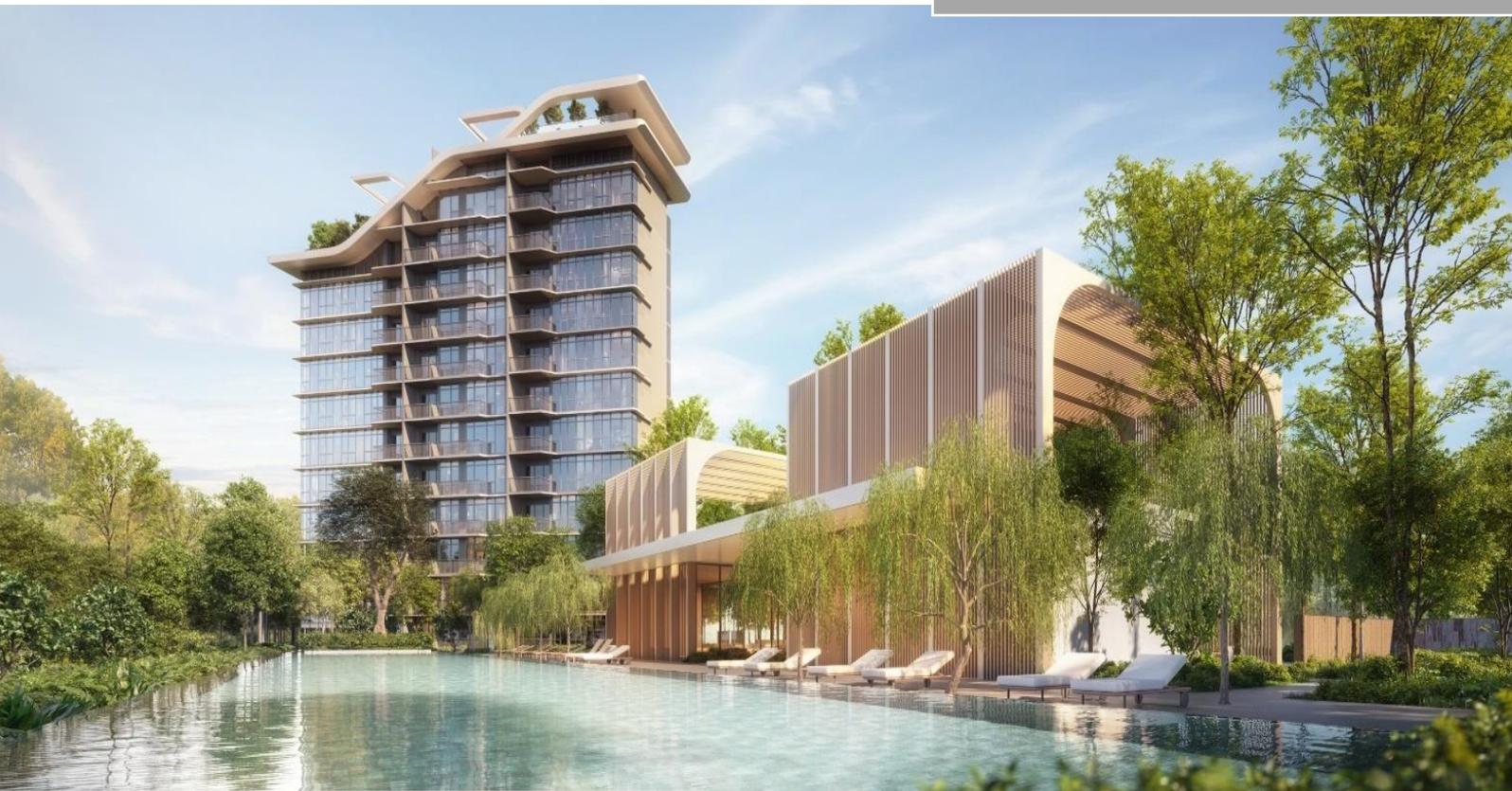


Suburban Market Back In The Spotlight With More Project Launches

Private Residential Trends Q4 2023



SORA at Yuan Ching Road

The suburban residential market is set to take centre stage this year with an expected launch of over 4,000 new private homes in the outside central region. These homes will account for more than 50 per cent of the total launched units in 2024.

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Lumina Grand

PRICE TREND

The property market experienced a significant slowdown in 2023. According to flash estimates from the Urban Redevelopment Authority (URA), the URA property price index (PPI) shows that prices stabilized at a more moderate rate of 6.7 per cent for the entire year of 2023, after rising by 8.6 per cent in 2022 and 10.6 per cent in 2021. This is despite prices growing at a faster rate of 2.7 per cent in the last quarter of 2023, up from 0.8 per cent in the third quarter (Chart 1).

Last quarter's growth was driven by price increases for condominiums in the suburban areas or outside central region (OCR) and the prime areas or the core central region (CCR) of 4.6 per cent and 4.2 per cent, respectively. In contrast, prices dipped 1.2 per cent in the city fringe or the rest of central region (RCR). Landed prices rose by 4.5 per cent in Q4 2023, reversing the 3.6 per cent decline in the preceding quarter.

For the entire year of 2023, prices rose the fastest by 13.8 per cent for condominiums in the OCR, which was the highest annual increase since 2010. In comparison, price growth slowed considerably in RCR, from 9.7 per cent in 2022 to 2.7 per cent in 2023. Similarly, smaller gains were observed in CCR, from 4.8 per cent to 2.1 per cent over the same periods.

Chart 1 URA PPI rose 2.7% q-o-q in Q4 2023



Chart 2 Prices rose the most for condos in OCR by 4.6%



PRICES BY MARKET SEGMENT

Based on URA Realis data, the average price of non-landed private homes in CCR rose by 3.4 per cent from S\$2,402 psf in Q3 to S\$2,484 psf in Q4 2023 (Table 1, Chart 3). The price increase was driven by a surge in new sale prices, which rose by 5.7 per cent from S\$2,988 psf to S\$3,157 psf over the same period.

The best-selling new CCR projects in Q4 2023 were Watten House, Midtown Modern, Klimt Cairnhill, Pullman Residences Newton and One Bernam.

Non-landed homes excluding executive condominiums (EC) in the city fringe or RCR dipped by 9 per cent from S\$2,155 psf in Q3 to S\$1,962 psf in Q4 2023. Prices were lower as resales, which tend to be transacted at lower prices, constituted the bulk of transactions in RCR at 69.7 per cent last quarter, up from 42.3 per cent in Q3. Moreover, new sale prices in RCR dropped by 1 per cent from S\$2,527 to S\$2,502 psf last quarter.

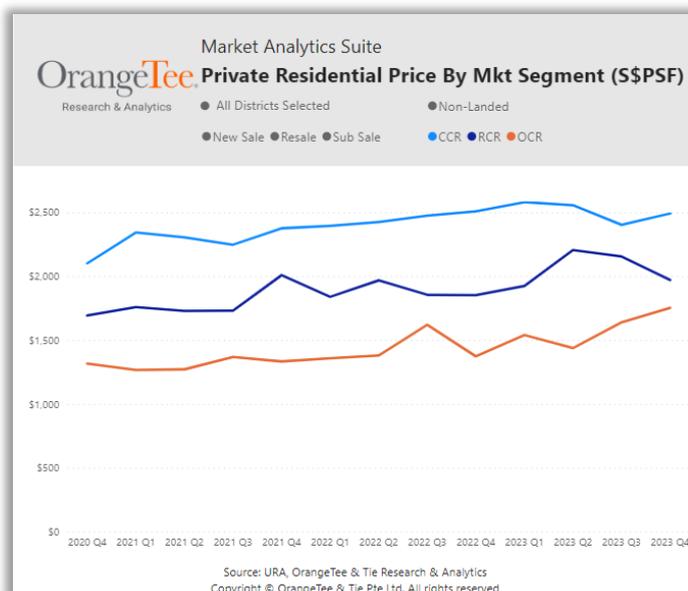
The best-selling new projects in the city fringe in Q4 2023 were The Reserve Residences which moved 40 units at an average price of S\$2,453 psf, Grand Dunman with 38 transactions at S\$2,531 psf, The Continuum with 36 transactions at S\$2,765 psf and Pinetree Hill with 29 transactions at S\$2,440 psf.

Table 1 Average price of non-landed Homes (excluding ECs)

Type of Sale	Q3 2023	Q4 2023	Q-o-Q % change
Core Central Region (CCR)			
New Sale	\$2,988	\$3,157	5.7%
Resale	\$2,067	\$2,127	2.9%
Sub Sale	\$2,633	\$3,307	25.6%
Overall	\$2,402	\$2,484	3.4%
Rest of Central Region (RCR)			
New Sale	\$2,527	\$2,502	-1.0%
Resale	\$1,710	\$1,769	3.5%
Sub Sale	\$2,133	\$2,145	0.6%
Overall	\$2,155	\$1,962	-9.0%
Outside Central Region (OCR)			
New Sale	\$2,077	\$2,287	10.1%
Resale	\$1,392	\$1,430	2.7%
Sub Sale	\$1,730	\$1,788	3.4%
Overall	\$1,639	\$1,745	6.5%
Total (CCR+RCR+OCR)			
New Sale	\$2,421	\$2,505	3.5%
Resale	\$1,607	\$1,667	3.7%
Sub Sale	\$1,897	\$1,919	1.2%
Overall	\$1,951	\$1,935	-0.8%

Source: URA, OrangeTee & Tie Research & Analytics

Chart 3 Prices of condos in OCR grew the most by 6.4%

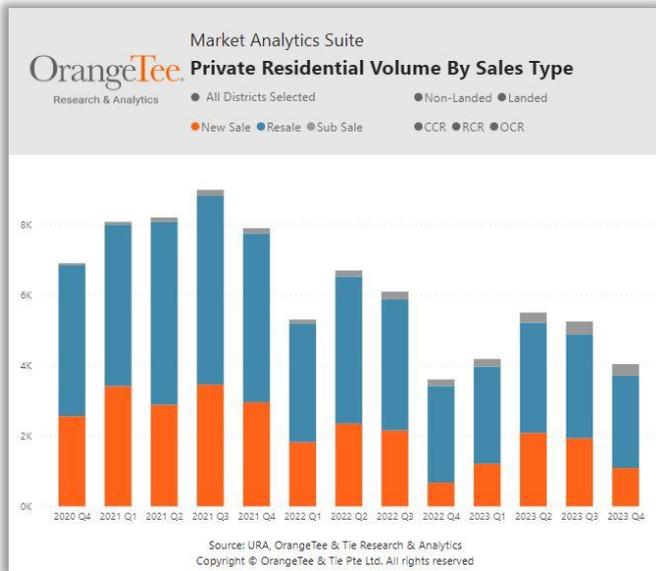


In the suburbs, prices of condos (excluding EC) grew the most by 6.5 per cent from S\$1,639 psf in Q3 2023 to S\$1,745 psf in Q4 2023. The price increase was driven by a 10.1 per cent jump in new home prices from S\$2,077 psf to S\$2,287 psf. The higher prices can be attributed to the launch of J'den sold at an average price of S\$2,475 psf.

Moreover, 639 new suburban condos (excluding EC) were sold last quarter. 584 units or 91.4 per cent were transacted at higher price tags of above S\$2,000 psf. The remaining units were sold for above \$1,500 psf to S\$2,000 psf. No new condos (excluding ECs) in OCR were transacted below S\$1,500 psf last quarter.

SALES VOLUME

Chart 4 Sales volume contracted in Q4 2023



According to the URA Realis data, private home sales contracted for the second consecutive quarter, declining by 23.9 per cent in the fourth quarter in 2023 to 4,000 units from 5,253 units in Q3 (Chart 4). However, compared to the same period last year, sales were up by 10.9 per cent from 3,607 units.

The sales decline was mainly due to slower demand and fewer project launches during the year-end. New sale volume decreased significantly by 43.6 per cent from 1,935 units in Q3 2023 to 1,092 units in Q4 2023, while resale volume fell by 12.5 per cent from 2,957 units to 2,586 units over the same period.

MORE SUBURBAN HOME LAUNCHES

In 2024, we are expecting a substantial number of new housing projects to be launched, with around 30 projected to be launch-ready. These projects are expected to add over 12,000 new homes, not including EC. Even if developers stagger their launches or face unforeseen circumstances, we still anticipate 23 launches, which could yield up to 8,800 units. This would represent a 16.5 per cent increase compared to the 7,551 units launched in 2023. Moreover, it is expected that between six to nine large projects with over 500 units may be launched this year. This could cause sales to exceed 1,000 units for certain months. In comparison, there was only one large project launched in 2022, four in 2021 and six in 2023.

Chart 5 More private homes will be launched for sale in 2024

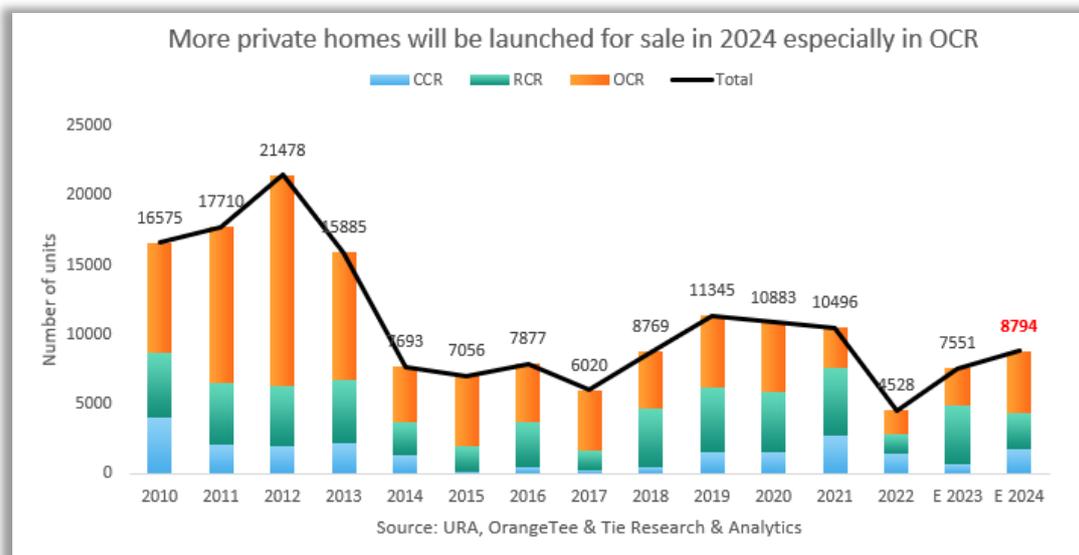
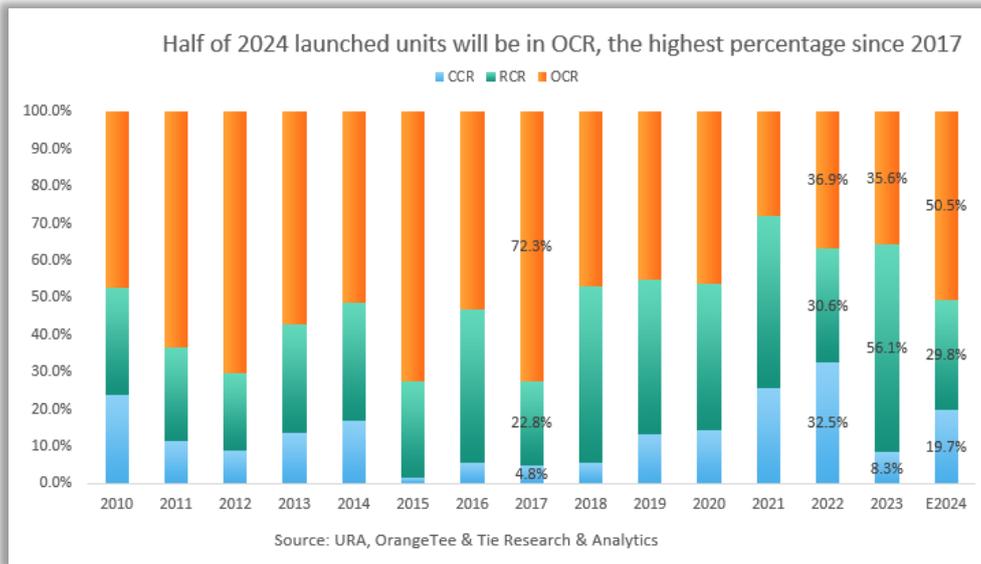


Chart 6 Half of 2024 launched units will be in the suburbs (OCR)



Over the past few years, the supply of new condominiums in the suburbs has been limited. From 2019 to 2023, an average of around 3,495 units were launched annually. Comparatively, a decade ago from 2009 to 2013, an average of 9,860 units were launched per year. The limited supply of new condos in the suburbs may have led to recent price surges, with prices exceeding S\$2,000 psf.

However, the number of condos expected to be launched in OCR is over 4,400 units this year. The increase in launched units may help meet the pent-up demand for private homes in the suburbs and slow down the pace of price growth for new condos, especially in the suburbs.

Around 50.5 per cent of launched units will be in the suburbs OCR, 29.8 per cent in the city fringe RCR, and 19.7 per cent in the prime CCR (Chart 6). The proportion of launched units in OCR in 2024 is higher than the units for 2023 (35.6 per cent) and 2022 (36.9 per cent). In fact, this will be the highest percentage of launched units in OCR since 2017.

Some of the key suburban property launches to watch include the 440-unit SORA, 533-unit Lentor Mansion, 512-unit Lumina Grand EC, and the 345-unit GLS (Government Land Sales) site at Champions Way.

Chart 7 2024 Potential launches in OCR

Project Name	Number of Units	Developer	District	Address
Tampines Avenue 11 GLS	1190	UOL Group & CapitaLand Group	18	Tampines Avenue 11
Former Chuan Park	916	Kingsford Development & MCC Land Ltd	19	Lorong Chuan
Lentor Mansion	533	GuocoLand Ltd & Hong Leong Holdings	26	Lentor Gardens
Lumina Grand (EC)	512	City Developments Ltd	23	Bukit Batok West Ave 5
Clementi Avenue 1 GLS	500	CSC Land Group Pte. Ltd & MCL Land	5	Clementi Avenue 1
Lentor Central GLS	475	Hong Leong Holdings, GuocoLand Ltd & CSC Land Group Pte Ltd	26	Lentor Central
SORA	440	CEL Development, SingHaiyi Group Ltd, KSH Holdings	22	Yuan Ching Road
Champions Way GLS	345	City Developments Ltd	25	Champions Way
Hillhaven	341	Far East Organization & Sekisui House Ltd	23	Hillview Rise
Kassia	276	Tripartite Developers Pte Ltd	17	Flora Drive
Lentoria	267	TID Residential Pte Ltd	26	Lentor Hills Road
Former Bagnall Court	113	Roxy Pacific Holdings Ltd	16	811 Upper East Coast Road

Source: URA, OrangeTee & Tie Research & Analytics

Private Residential Market Projections

Indicators (All exclude EC except for URA PPI and URA RI)	2021	2022	Q3 2023	Flash Estimates Q4 2023	2023	Projection for 2024
Overall						
URA Property Price Index (Price Change) (incl. EC)	10.6%	8.6%	0.8%	2.7%	6.7%	3% to 6%
Sales Volume (units)	33,557	21,890	5,201	4,000*	18,710^	16,000 to 19,000
New Sale						
Average S\$PSF Price Change *	13.2%	12.5%	-6.1%	3.6%	9.6%	2% to 4%
Sales Volume (units)	13,027	7,099	1,946	1,092*	6,421^	6,500 to 7,500
Resale						
Average S\$PSF Price Change*	5.8%	8.7%	0.8%	2.7%	7.5%	3% to 5%
Sales volume (units)	19,962	14,026	2,900	2,586*	11,084^	9,000 to 11,000
Rental						
URA Rental Index (Price Change) (incl. EC)	9.9%	29.7%	0.8%	NA	11.1% (As of Q3 2023)	2% to 5%
Leasing volume (units)	98,604	90,291	23,422	18,777	82,005	70,000 to 75,000

Source: URA, OrangeTee & Tie Research & Analytics

* URA Realis caveat data, ^ URA quarterly real estate and URA Realis caveat data

Outlook

Although there are property curbs in place and buyers are more cautious due to cost concerns, the property market is expected to remain stable. The increased supply of completed private homes has already helped stabilize prices in 2023, and this trend is expected to continue in 2024.

Furthermore, the property market is also expected to benefit from an improving economy and better job prospects, which will help drive demand for properties. We estimate that price growth may continue to moderate, rising by around 3 to 6 per cent for the whole of 2024. Total sales volume (excluding EC) is projected to be between 16,000 and 19,000 units, which will be lower than the 21,890 units sold in 2022.

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