

# RESALE PRICES SLIP IN 12 HDB TOWNS AS DEMAND STAYS MUTED IN Q4

## HDB Resale Trends Q4 2023



HDB resale prices slipped in 12 towns as demand remained subdued in Q4. In addition, more buyers may have been diverted from the secondary market to the primary market as more than 12,000 new flats were released for sale last quarter.

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## PRICE TREND

HDB resale prices grew at a slower pace last quarter as demand was relatively subdued. According to flash estimates released by HDB, resale prices rose for the 15th quarter in a row by 1.0 per cent, compared to 1.3 per cent in the third quarter of 2023. For the entire year, prices grew by 4.8 per cent in 2023, which is significantly less than the 10.4 per cent price gain in 2022 and the 12.7 per cent increase in 2021.

Prices either dropped or grew marginally in most towns last quarter as buyers remained cautious due to inflationary and affordability concerns. More buyers may have also been diverted from the secondary market to the primary market. Buyers were offered more housing options with more than 12,000 new flats launched for sale in Q4. This figure is double the usual number of new flats released per quarter due to a delay in the August Build-To-Order (BTO) sales launch, which resulted in two BTO sales exercises being held in Q4 alone. Furthermore, many of the new flats were in prime or good locations, and most of these projects had relatively shorter construction periods compared to past launches.

According to [data.gov.sg](https://data.gov.sg), average prices slipped in 12 towns in Q4, compared to just 10 towns in the preceding quarter. On the other hand, average prices in Q4 grew in 14 towns, which is down from 16 towns in Q3. Last quarter's price gains were mostly less than 2 per cent (Table 1).

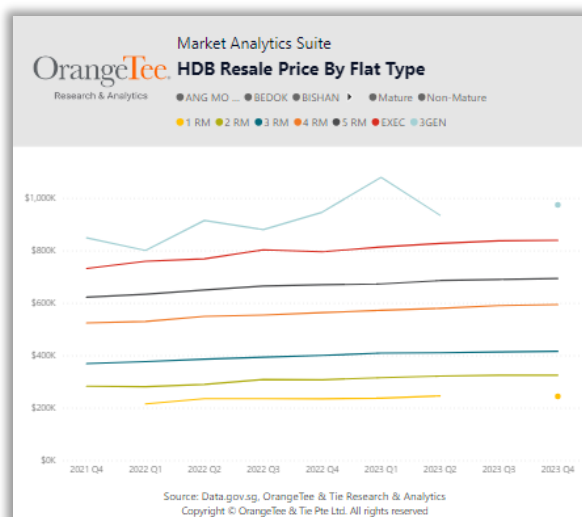
Table 1 Avg prices dipped in 12 towns in Q4 2023

Towns	Q3 2023	Q4 2023	q-o-q % price change
BUKIT TIMAH	\$ 982,571	\$ 880,452	-10.4%
CENTRAL AREA	\$ 718,417	\$ 656,873	-8.6%
GEYLANG	\$ 555,399	\$ 528,764	-4.8%
BISHAN	\$ 814,931	\$ 780,744	-4.2%
JURONG WEST	\$ 518,637	\$ 497,011	-4.2%
JURONG EAST	\$ 536,845	\$ 518,253	-3.5%
HOUGANG	\$ 578,010	\$ 559,078	-3.3%
CLEMENTI	\$ 612,726	\$ 602,849	-1.6%
SERANGOON	\$ 627,583	\$ 617,539	-1.6%
MARINE PARADE	\$ 583,819	\$ 578,944	-0.8%
QUEENSTOWN	\$ 669,841	\$ 665,233	-0.7%
TOA PAYOH	\$ 589,766	\$ 587,699	-0.4%
PASIR RIS	\$ 654,548	\$ 659,084	0.7%
BUKIT BATOK	\$ 564,822	\$ 568,944	0.7%
BUKIT MERAH	\$ 705,083	\$ 711,295	0.9%
PUNGGOL	\$ 599,829	\$ 607,453	1.3%
SENGKANG	\$ 587,197	\$ 594,786	1.3%
KALLANG/WHAMPOA	\$ 627,630	\$ 635,888	1.3%
BEDOK	\$ 529,064	\$ 536,138	1.3%
BUKIT PANJANG	\$ 558,262	\$ 566,704	1.5%
YISHUN	\$ 505,966	\$ 514,219	1.6%
CHOA CHU KANG	\$ 536,197	\$ 545,752	1.8%
WOODLANDS	\$ 540,841	\$ 552,168	2.1%
TAMPINES	\$ 591,711	\$ 608,599	2.9%
ANG MO KIO	\$ 530,378	\$ 549,484	3.6%
SEMBAWANG	\$ 532,020	\$ 558,290	4.9%
Grand Total	\$ 576,756	\$ 578,433	0.3%

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

By flat type, the highest price gain was for 4-room flats which grew by just 0.7 per cent in Q4, followed by 3- and 5-room flats at 0.6 per cent. Executive flats rose by a marginal 0.3 per cent while 2-room flats increased by 0.1 per cent (Chart 1).

Chart 1 4-room flat prices rose the most by 0.7%



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

Owing to the large number of BTO flats launched in Q4, more Singaporeans have turned to the primary market to purchase a HDB flat. Consequently, fewer sales were observed in the HDB resale market last quarter.

Based on HDB flash estimates, resale volume decreased by 2.3 per cent from 6,592 units in Q3 2023 (up to 28 September) to 6,440 units in Q4 2023 (up to 28 December). For the whole year (up to 28 December), total resale volume is 26,628, 3.8 per cent lower than the same period in 2023 at 27,686 units.

Based on HDB transactions from data.gov.sg, the proportion of 5-room flats dipped from 22.9 per cent in Q3 2023 to 21.9 per cent in Q4 2023. Conversely, other flat types saw a rise in sales, such as executive flats which rose marginally from 5.9 per cent to 6.0 per cent. Similarly, smaller units like 2-room, 3-room and 4-room flats climbed from 2.8 per cent to 2.9 per cent, 24.6 per cent to 24.8 per cent, and 43.8 per cent to 44.4 per cent, respectively.

The most popular towns in Q4 2023 were Sengkang (497 units), Punggol (487 units), Woodlands (462 units), Hougang (431 units) and Tampines (407 units) (Chart 3).

Chart 2 Resale volume dipped in Q4 2023

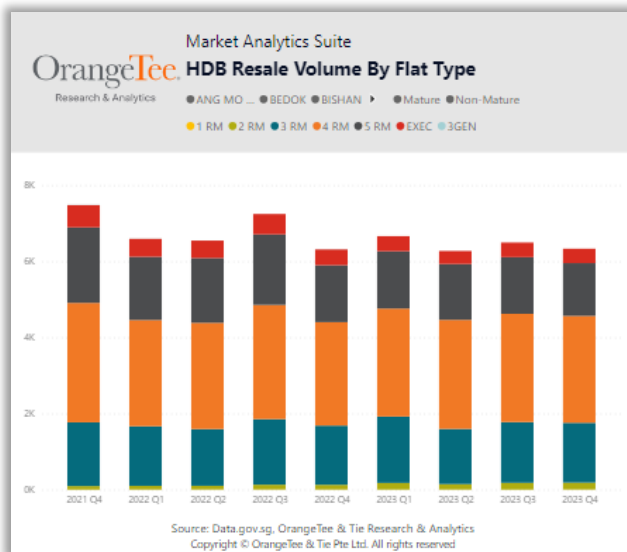
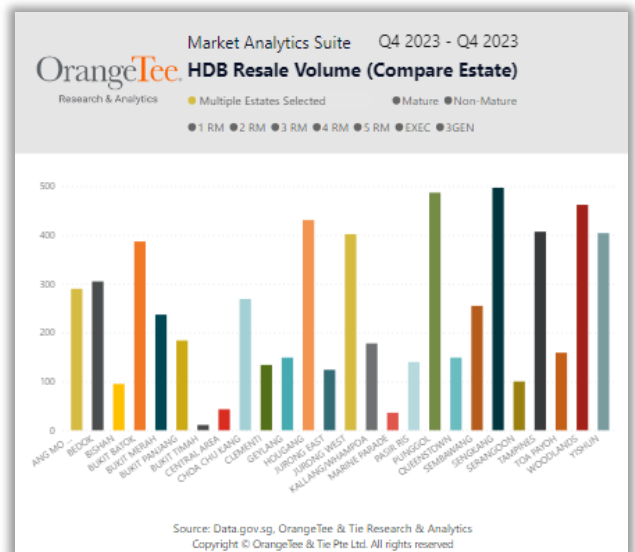


Chart 3 Sengkang was most popular in Q4 2023



# MILLION-DOLLAR FLATS

A record 134 resale flats were sold for at least a million dollars in Q4, surpassing the previous record of 128 units in Q3 2023. In 2023, 470 million-dollar flats were transacted, surpassing 2022's record of 369 units.

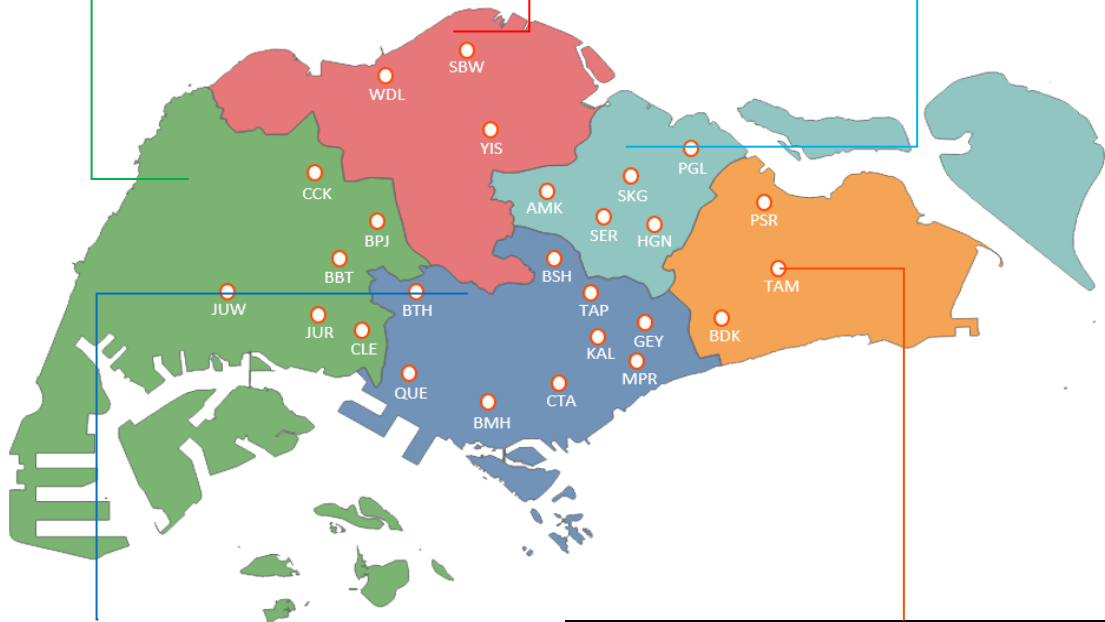
Flats in Choa Chu Kang, Jurong West, Sembawang and Sengkang have yet to have a million-dollar flat transaction. However, Sengkang may be the next town to see a million-dollar flat transaction as there were 12 units sold for at least S\$900,000 historically, whereas other towns like Jurong West (3 units), Choa Chu Kang (2 unit), Sembawang (0 units) have fewer or none of such transactions.

# HDB RESALE TRANSACTIONS IN Q4 2023

North Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	255	\$449,042	\$551,789	\$616,896
Woodlands (WDL)	462	\$392,070	\$518,470	\$601,994
Yishun (YIS)	404	\$404,856	\$511,434	\$663,272

West Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	387	\$395,125	\$583,748	\$769,825
Bukit Panjang (BPJ)	184	\$408,000	\$518,834	\$630,456
Choa Chu Kang (CCK)	269	\$403,582	\$511,518	\$601,315
Clementi (CLE)	134	\$437,569	\$668,173	\$930,125
Jurong East (JUR)	124	\$369,131	\$504,166	\$628,469
Jurong West (JUW)	402	\$359,328	\$503,423	\$591,469

North-East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	290	\$397,499	\$676,102	\$846,770
Hougang (HGN)	431	\$410,491	\$566,228	\$679,508
Punggol (PGL)	487	\$475,160	\$606,764	\$688,795
Sengkang (SKG)	497	\$473,514	\$580,532	\$637,173
Serangoon (SER)	100	\$400,018	\$612,533	\$738,210



Central Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	95	\$466,667	\$722,996	\$906,000
Bukit Merah (BMH)	237	\$485,301	\$813,116	\$1,003,225
Bukit Timah (BTH)	11	\$441,584	\$770,450	\$1,092,500
Central Area (CTA)	43	\$481,333	\$858,205	\$1,239,722
Geylang (GEY)	149	\$364,735	\$668,489	\$779,016
Kallang / Whampoa (KAL)	178	\$443,306	\$803,030	\$897,528
Marine Parade (MPR)	36	\$447,000	\$576,857	\$891,857
Queenstown (QUE)	149	\$447,830	\$892,581	\$924,625
Toa Payoh (TAP)	159	\$399,031	\$728,372	\$911,338

East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	305	\$390,057	\$582,256	\$715,354
Pasir Ris (PSR)	140	\$476,360	\$583,537	\$682,968
Tampines (TAM)	407	\$442,020	\$593,657	\$703,094

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

## HDB Market Projections

Indicators	2021	2022	Q3 2023	Flash Estimates Q4 2023	2023	Projection for 2024
<b>Resale</b>						
Price Change	12.7%	10.4%	1.3%	1.0%	4.8%	3% to 5%
Sales Volume (units)	31,017	27,896	6,695	6,440	26,628 (up to 28 Dec)	26,000 to 28,000
<b>Rental</b>						
Rental Price Change (SRX-99.co)	7.0%	28.5%	2.7%	Yet to be released	9.1% (Nov 2023)	1% to 3%
HDB Rental Applications	42,623	36,166	9,852	9,244*	38,595^	33,000 to 35,000

Source: HDB, Data.gov.sg, SRX-99.co, OrangeTee & Tie Research & Analytics  
 \*Data.gov.sg caveat data, ^Data.gov.sg caveat data and HDB quarterly data

## Outlook

Sellers will continue to face intense competition for buyers this year. An additional 37,000 flats may be launched by the government these two years to meet the target supply of up to 100,000 flats from 2021 to 2025, and this may cause some demand to shift away from the resale market. Over 63,000 Build-To-Order (BTO) flats have already been launched from 2021 to 2023.

Despite the increased competition from the BTO market, a significant drop in resale prices is unlikely in the near term. The scarcity of MOP (minimum occupation period) flats will help to support prices in certain locations. The number of flats reaching their five-year (MOP) has decreased from 30,920 units in 2022 to 15,549 units in 2023. The supply of MOP flats is projected to decrease further in 2024 to 11,952 units, resulting in fewer flats available for resale.

Nevertheless, the increase in BTO supply can help address the supply-demand imbalance and prevent further escalation of resale prices, leading to better price stability in the long term.

According to our estimations, resale prices are expected to rise modestly by 3 to 5 per cent for the entire 2024, which is comparable to or slightly lower than the 4.8 per cent increase observed in 2023.

Please contact us for research inquiries. For sales enquiries, please contact your preferred OrangeTee agents.



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