

# HDB Market Pulse

## REAL ESTATE DATA TRENDS AND ANALYTICS Q1 2020

- HDB Resale Price Index remained unchanged amid the pandemic and economic uncertainties.
- Although the number of resale transactions declined 7.0 per cent quarter-on-quarter (q-o-q) in Q1 2020, it is the highest first-quarter sales recorded in 8 years.
- Price of flats in non-mature estates rose last quarter.
- Rents rose 0.6 per cent q-o-q while the number of rental applications fell 4.0 per cent.
- Fewer small flats were transacted in Q1 2020.



West Edge / OrangeTee & Tie Research & Consultancy Photo

## HDB resale price index remained unchanged amid the current pandemic

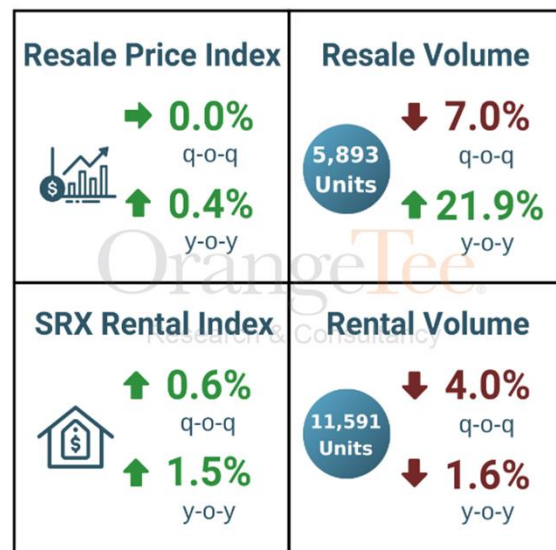
The price recovery of HDB resale flats was brought to an abrupt halt amid the pandemic and global economic uncertainties. According to HDB public housing data, the HDB Resale Price Index was flat last quarter when compared to the preceding quarter (Chart 1).

Previously, the overall price index rose two consequent quarters by 0.5 and 0.1 per cent in Q4 and Q3 of 2019 after a number of policy changes were made last year to enhance the housing affordability for buyers and improve demand of flats. Some of the changes include allowing buyers greater flexibility in using CPF to buy older flats, enhancing the CPF Housing Grant, rising the income ceiling and allowing larger home loans for eligible buyers.

While housing demand could slow down further if the pandemic continues to drag on, prices of HDB resale flats may not correct excessively in the coming months. HDB resale prices are usually not subjected to volatile swings as most people purchase flats for their own occupation and not for speculation. In fact, major price fluctuations had been few and far between in recent years, with the q-o-q price change ranging between a narrow band of -1 and 1 per cent over the past 20 quarters.

Further, the number of home owners defaulting on their housing loans may also not be high. A number of measures had been put in

Chart 1 Market summary



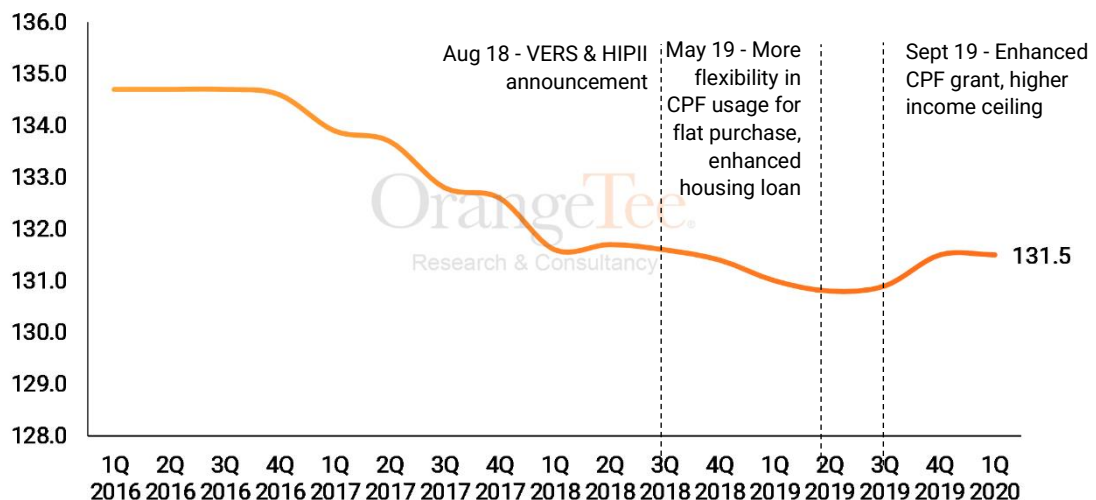
Source: HDB, SRX, OrangeTee & Tie Research & Consultancy

place to instil financial prudence among borrowers and ensure the property market is well grounded in market fundamentals. For instance, financial institutions need to certify that borrowers are within the thresholds of the mortgage servicing ratio when extending a housing loan under the Mortgage Servicing Ratio (MSR) rules. Currently this is being capped at 30 per cent of a borrower's gross monthly income for housing loans for the purchase of an HDB flat or an executive condominium bought directly from a developer.

Chart 2 Prices have been fluctuating within a narrow band of between -1 and 1 per cent

### HDB Resale Price Index

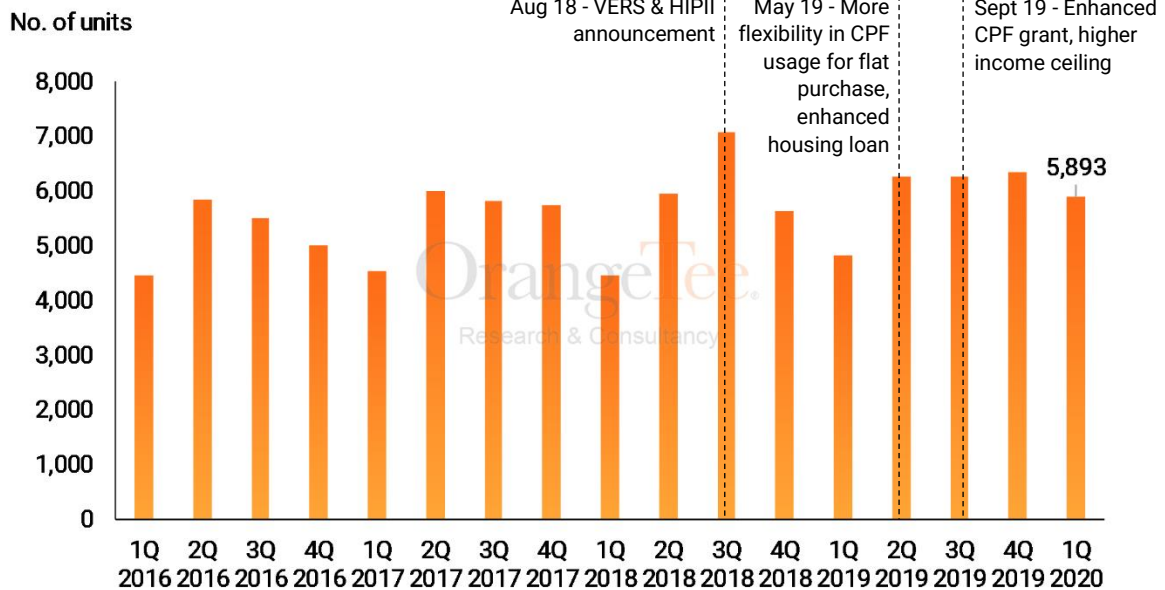
Index, Base = 1Q 2009



Source: HDB, OrangeTee & Tie Research & Consultancy  
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Chart 3 Resale volume dipped 7.0 per cent q-o-q

### HDB Overall Sales Volume



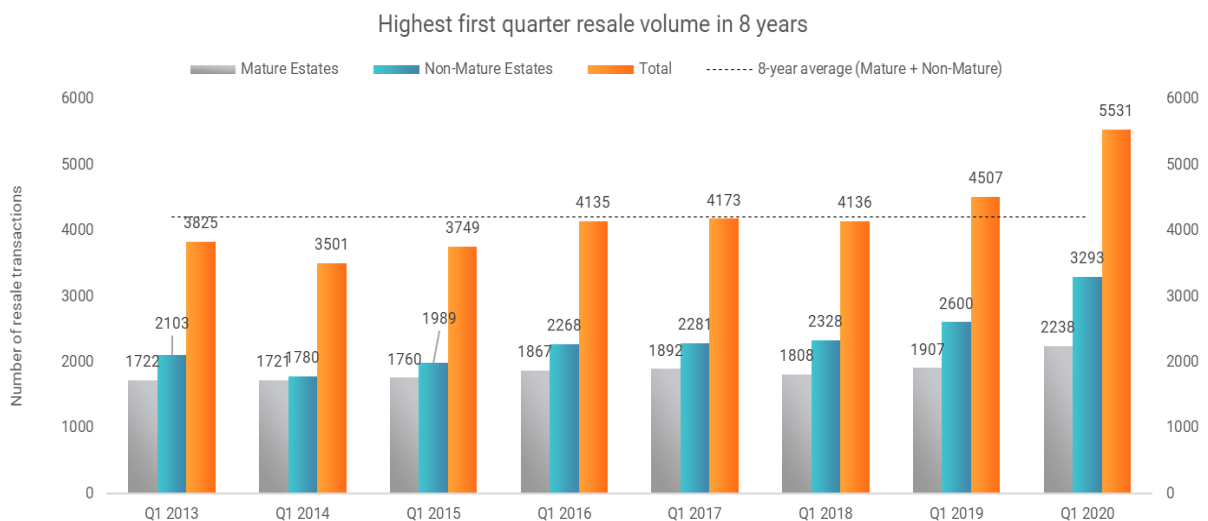
Source: HDB, OrangeTee & Tie Research & Consultancy  
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According to the first quarter public housing data released by HDB, the total resale volume declined 7.0 per cent to 5,893 units in Q1 2020 from 6,339 units in Q4 2019 (Chart 3). However, on a year-on-year basis, resale volume rose 21.9 per cent.

Demand had remained buoyed prior to the onset of the pandemic, indicating that the policy changes were effective in boosting the housing market last year.

In fact, based on caveat records from another official source at data.gov.sg, 5,531 caveats were recorded for Q1 2020. This is the highest first-quarter resale volume inked in 8 years and above the 8-year average of 4,195 units (Chart 4). In tandem with more flats reaching their five-year Minimum Occupation Period in non-mature estates, the number of non-mature resale flat transactions rose higher at 26.7 per cent y-o-y (year-on-year) when compared to the 17.4 per cent recorded for mature estates in Q1 2020.

Chart 4 Last quarter's resale volume was the highest first-quarter sales recorded in 8 years



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

According to HDB quarter 1 public housing data, fewer small flats were sold in Q1 2020 when compared to the preceding quarter. Last quarter, there were 1,531 resale applications for 1-, 2- and 3- bedroom flats, a 10.2 per cent decline from the 1,704 applications received in Q4 2019 (Chart 5). Conversely, the number of resale transactions for larger flats like 4-, 5- bedroom and executive units fell by a smaller magnitude of 5.9 per cent over the same period from 4,635 resale applications in Q4 2019 to 4,362 in Q1 2020.

Using information from data.gov.sg, the average price of both non-standard and standard flats in mature estates dipped 0.6 per cent and 0.1 per cent q-o-q in Q1 2020 (Table 2). On a yearly basis, prices slipped by -3.3 and -1.0 per cent y-o-y for non-standard and standard flats. Conversely, prices of both flat types rose in the non-mature estates, possibly due to their longer balance lease. Prices increased 0.5 per cent q-o-q and 2.6 per cent y-o-y. Standard flats in non-mature estates have also increased on a quarterly (0.8 per cent) and yearly (2.5 per cent) basis.

**Table 1 Number of resale flat transactions**

Quarters	Mature Estates			Non-Mature Estates			Grand Total
	Non-standard flats	Standard flats	Total	Non-standard flats	Standard flats	Total	
Q1 2019	199	1,708	1,907	590	2,010	2,600	4,507
Q4 2019	248	2,184	2,432	848	2,687	3,535	5,967
Q1 2020	267	1,971	2,238	813	2,480	3,293	5,531
q-o-q % change	7.7%	-9.8%	-8.0%	-4.1%	-7.7%	-6.8%	-7.3%
y-o-y % change	34.2%	15.4%	17.4%	37.8%	23.4%	26.7%	22.7%

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

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

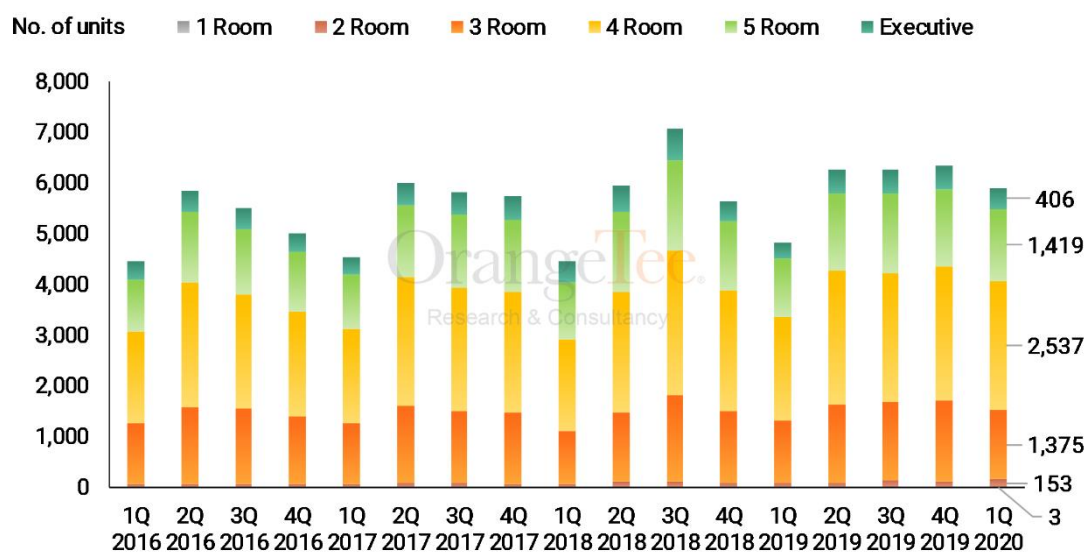
**Table 2 Average price of resale flats transacted**

Quarters	Mature Estates			Non-Mature Estates			Grand Total
	Non-standard flats	Standard flats	Total	Non-standard flats	Standard flats	Total	
Q1 2019	\$749,690	\$447,105	\$478,680	\$496,732	\$366,041	\$395,698	\$430,809
Q4 2019	\$729,585	\$443,246	\$472,445	\$504,816	\$372,082	\$403,923	\$431,851
Q1 2020	\$724,934	\$442,767	\$476,431	\$499,519	\$375,237	\$405,921	\$434,451
q-o-q % change	-0.6%	-0.1%	0.8%	-1.0%	0.8%	0.5%	0.6%
y-o-y % change	-3.3%	-1.0%	-0.5%	0.6%	2.5%	2.6%	0.8%

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

**Chart 5 Fewer small flats transacted last quarter**

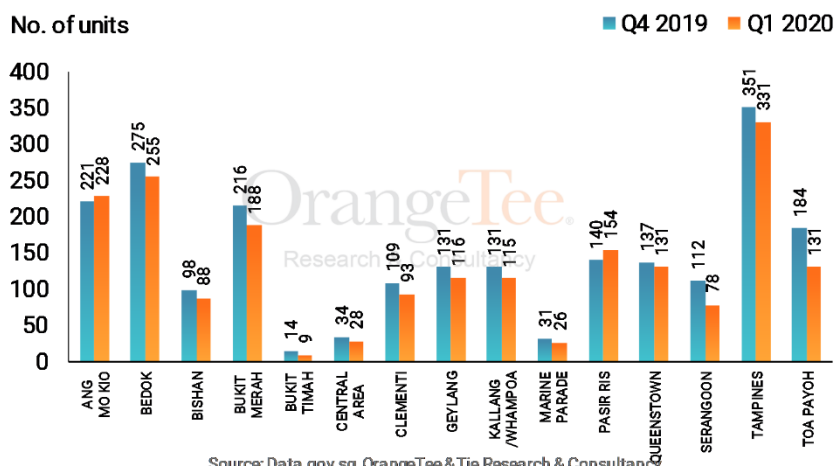
**HDB Resale Volume by Room Types**



Source: HDB, OrangeTee & Tie Research & Consultancy  
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Chart 6 Resale transactions declined across many towns

### HDB resale applications for standard flats



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

## MATURE ESTATES

Resale transactions of HDB flats fell across most mature estates last quarter. Toa Payoh saw the largest decrease of 53 units from Q4 2019 to Q1 2020. Last quarter, Pasir Ris and Ang Mo Kio were the only towns with a q-o-q increase in resale volume (Chart 6).

Prices of standard flats had similarly dipped across many towns last quarter (Table 3). Bedok, Central Area, Geylang, Kallang / Whampoa, and Toa Payoh saw resale prices fall across the 3-, 4-, 5-room types in Q1 2020. Bukit Merah was the only town which saw prices increase across all three flat types.

Table 3 Prices of standard flats dipped across many towns

Towns	3 Room			4 Room			5 Room		
	Q4 2019	Q1 2020	% Diff	Q4 2019	Q1 2020	% Diff	Q4 2019	Q1 2020	% Diff
Ang Mo Kio	\$282,169	\$288,790	2.3%	\$426,038	\$426,764	0.2%	\$619,118	\$590,697	-4.6%
Bedok	\$278,087	\$273,451	-1.7%	\$407,816	\$392,378	-3.8%	\$546,500	\$537,350	-1.7%
Bishan	\$345,422	\$350,250	1.4%	\$533,916	\$525,096	-1.7%	\$730,311	\$706,530	-3.3%
Bukit Merah	\$351,998	\$386,565	9.8%	\$647,380	\$660,608	2.0%	\$758,231	\$780,874	3.0%
Bukit Timah	\$455,000	\$437,944	-3.7%	\$608,127	\$604,353	-0.6%	\$804,167	\$858,250	6.7%
Central Area	\$416,100	\$397,685	-4.4%	\$561,491	\$537,300	-4.3%	\$699,000	\$560,000	-19.9%
Clementi	\$310,082	\$334,127	7.8%	\$553,148	\$522,529	-5.5%	\$673,565	\$699,607	3.9%
Geylang	\$272,215	\$255,784	-6.0%	\$503,571	\$485,342	-3.6%	\$743,000	\$600,865	-19.1%
Kallang/Whampoa	\$324,888	\$300,733	-7.4%	\$574,355	\$515,397	-10.3%	\$672,495	\$666,513	-0.9%
Marine Parade	\$362,267	\$342,400	-5.5%	\$495,765	\$476,100	-4.0%	\$770,000	\$860,000	11.7%
Pasir Ris	\$337,000	\$370,530	9.9%	\$449,245	\$455,078	1.3%	\$519,203	\$512,803	-1.2%
Queenstown	\$357,966	\$337,340	-5.8%	\$693,011	\$678,405	-2.1%	\$828,876	\$830,257	0.2%
Serangoon	\$301,962	\$311,317	3.1%	\$443,715	\$443,375	-0.1%	\$581,527	\$546,920	-6.0%
Tampines	\$335,202	\$330,183	-1.5%	\$444,145	\$434,752	-2.1%	\$540,438	\$545,573	1.0%
Toa Payoh	\$271,667	\$269,283	-0.9%	\$514,774	\$506,564	-1.6%	\$650,299	\$644,947	-0.8%

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

\*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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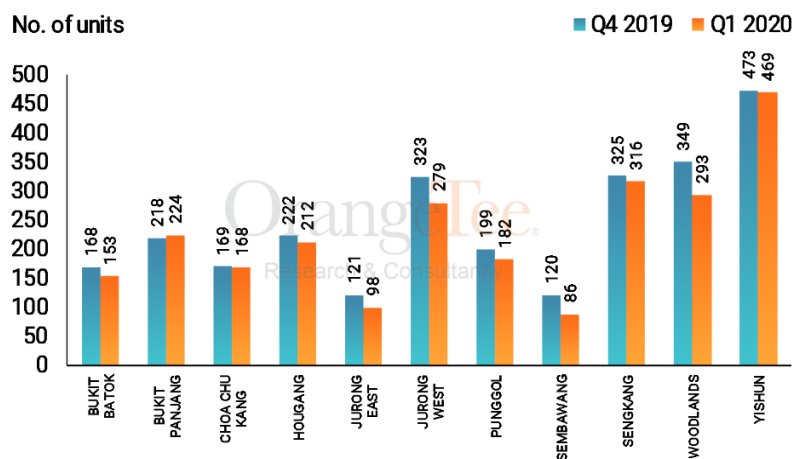
## NON-MATURE ESTATES

Resale transactions dipped across most towns except Bukit Panjang in Q1 2020 (Chart 7). Some of the larger declines could be observed in Woodlands, Jurong West and Sembawang.

The weaker sales volume came on the back of an increase in resale prices across many towns last quarter (Table 4). For instance, prices of 3-, 4-, 5-room types rose in Bukit Panjang, Sengkang and Woodlands in Q1 2020. Prices of 5 room flats had also increased for most non-mature estates except Jurong East and Jurong West.

Chart 7 Resale transactions declined across most towns

### HDB resale applications for standard flats



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

Table 4 Prices of standard flats rose across many towns especially 5 room flats

Towns	3 Room			4 Room			5 Room		
	Q4 2019	Q1 2020	% Diff	Q4 2019	Q1 2020	% Diff	Q4 2019	Q1 2020	% Diff
Bukit Batok	\$252,976	\$252,776	-0.1%	\$366,778	\$355,361	-3.1%	\$506,573	\$510,972	0.9%
Bukit Panjang	\$291,995	\$303,072	3.8%	\$390,315	\$399,470	2.3%	\$494,667	\$511,206	3.3%
Choa Chu Kang	\$273,900	\$274,154	0.1%	\$343,327	\$341,064	-0.7%	\$416,181	\$421,008	1.2%
Hougang	\$278,980	\$276,797	-0.8%	\$395,017	\$393,863	-0.3%	\$488,324	\$506,995	3.8%
Jurong East	\$271,142	\$270,970	-0.1%	\$378,894	\$378,784	0.0%	\$513,036	\$482,518	-5.9%
Jurong West	\$247,101	\$254,342	2.9%	\$354,443	\$354,555	0.0%	\$438,410	\$430,420	-1.8%
Punggol	\$352,235	\$345,657	-1.9%	\$450,772	\$444,693	-1.3%	\$503,634	\$508,864	1.0%
Sembawang	\$297,455	\$297,000	-0.2%	\$355,638	\$362,946	2.1%	\$402,870	\$410,661	1.9%
Sengkang	\$332,806	\$339,720	2.1%	\$408,948	\$409,143	0.0%	\$485,593	\$488,442	0.6%
Woodlands	\$244,101	\$258,068	5.7%	\$332,046	\$338,444	1.9%	\$397,428	\$407,985	2.7%
Yishun	\$266,455	\$272,514	2.3%	\$352,908	\$351,714	-0.3%	\$460,905	\$472,600	2.5%

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

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



### **Sales may pick up when the crisis subsides**

Property sales may pick up speed and regain some momentum when the crisis subsides and safe distancing measures are gradually eased. Genuine buyers and those with urgent housing needs may return to the market when flat viewings resume

- *Christine Sun*



Fernvale Lea / OrangeTee & Tie Research & Consultancy Photo

Chart 8 Rental prices rose last quarter

**SRX HDB Rental index**



Source: SRX, OrangeTee & Tie Research & Consultancy

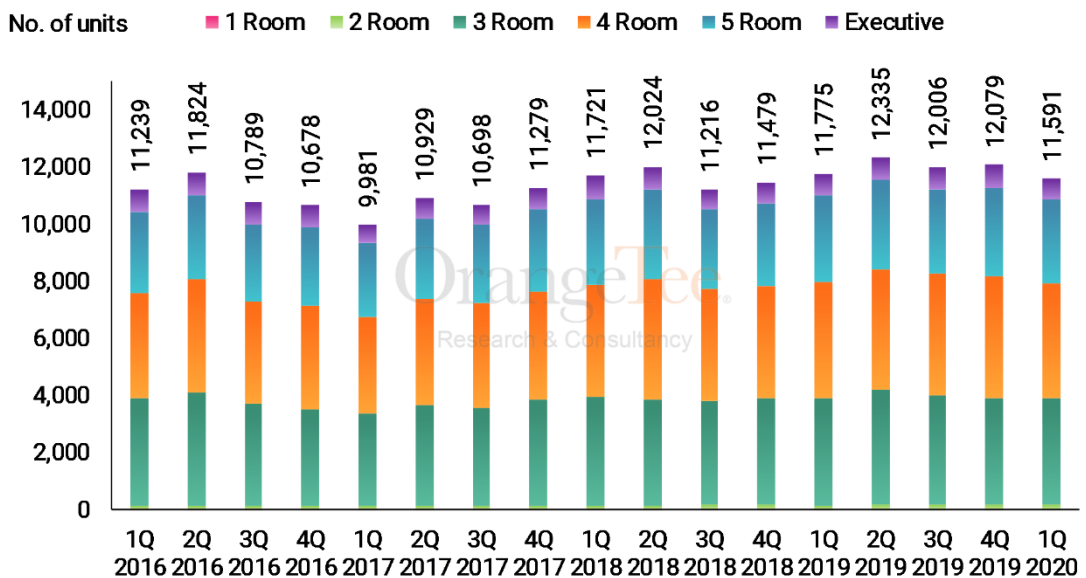
**RENTAL**

According to SRX Rental Index, rents rose 0.6 per cent q-o-q (Chart 8). However, the number of approved applications to rent out HDB flats fell by 4.0 per cent from 12,079 units in Q4 2019 to 11,591 units in Q1 2020.

Compared to Q1 2019, the number of approved applications was also 1.6 per cent lower from the 11,775 units (Chart 9). The drop in applications could be attributed to fewer owners planning to lease out their units in light of the current pandemic. Some may prefer to lease their flats after the pandemic subsides to avoid a potential virus spread in their units.

Chart 9 Rental applications dipped 4.0 per cent q-o-q

**HDB Rental Applications by Room Types**



Source: HDB, OrangeTee & Tie Research & Consultancy

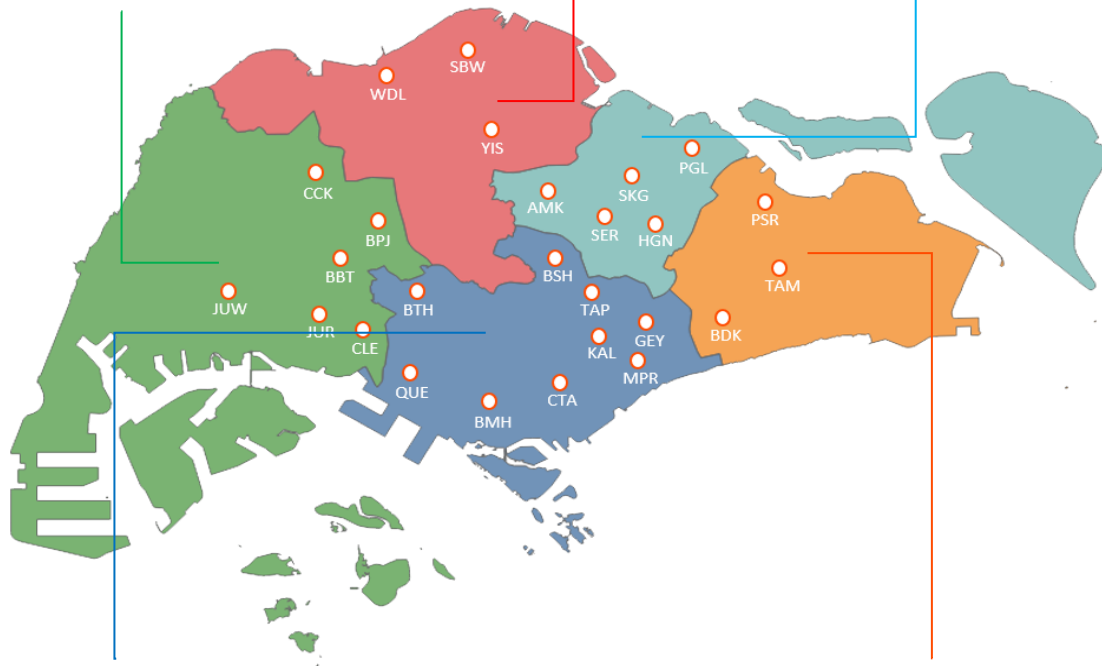


Chart 10 Summary of HDB resale transactions and average resale prices for Q1 2020

North Region				
Planning Area	Total no. of units	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	124	\$297,000	\$359,532	\$409,735
Woodlands (WDL)	376	\$267,059	\$343,925	\$408,826
Yishun (YIS)	522	\$278,910	\$360,502	\$478,953

West Region				
Planning Area	Total no. of units	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	176	\$252,776	\$355,361	\$510,972
Bukit Panjang (BPJ)	292	\$303,785	\$399,602	\$506,790
Choa Chu Kang (CCK)	219	\$274,154	\$340,652	\$423,095
Clementi (CLE)	126	\$354,114	\$598,082	\$767,068
Jurong East (JUR)	110	\$270,970	\$378,784	\$482,518
Jurong West (JUW)	380	\$259,065	\$368,264	\$446,594

North-East Region				
Planning Area	Total no. of units	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	244	\$288,790	\$445,384	\$638,485
Hougang (HGN)	283	\$292,732	\$414,558	\$548,046
Punggol (PGL)	309	\$353,892	\$461,775	\$519,858
Sengkang (SKG)	502	\$347,077	\$430,995	\$490,278
Serangoon (SER)	94	\$311,317	\$443,375	\$546,920



Central Region				
Planning Area	Total no. of units	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	107	\$350,250	\$541,086	\$725,775
Bukit Merah (BMH)	191	\$395,871	\$660,608	\$780,874
Bukit Timah (BTH)	9	\$437,944	\$604,353	\$858,250
Central Area (CTA)	35	\$397,685	\$678,400	\$912,667
Geylang (GEY)	124	\$255,784	\$488,044	\$611,436
Kallang / Whampoa (KAL)	132	\$336,650	\$524,900	\$721,296
Marine Parade (MPR)	27	\$342,400	\$476,100	\$814,000
Queenstown (QUE)	138	\$337,340	\$684,288	\$838,804
Toa Payoh (TAP)	144	\$275,312	\$530,828	\$705,916

East Region				
Planning Area	Total no. of units	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	299	\$280,961	\$425,238	\$556,194
Pasir Ris (PSR)	186	\$370,530	\$455,078	\$512,803
Tampines (TAM)	382	\$332,033	\$447,376	\$560,368

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

**Table 5 Market projection**

Indicators	2018	2019	Projection for 2020
<b>Resale</b>			
Price Change	-0.9%	0.1%	-3% to -1%
Sales Volume (units)	23,099	23,714	21,000 to 22,000
<b>Rental</b>			
Rental Price Change (SRX)	-0.4%	1.3%	-2% to 0%
Leasing volume (units)	46,440	48,195	48,000 to 50,000

Source: Data.gov.sg, HDB, SRX, OrangeTee & Tie Research & Consultancy

While the economy may take a while to be back on regular footing given the scale of the pandemic outbreak, property sales may pick up speed and regain some momentum when the crisis subsides and safe distancing measures are gradually eased. Genuine buyers and those with urgent housing needs may return to the market when flat viewings resume.

The price affordability of HDB flats may be deemed attractive to some buyers, especially those who prefer a cheaper housing option or a smaller housing loan in light of the current economic uncertainties. The number of resale transactions could be slightly lower than last year. We estimate that around 21,000 to 22,000 units could be sold in 2020 (Table 5).

Overall price of resale flats may enter the negative territory should the health crisis persist and unemployment creeps up. However, the property value of some flats may hold steady in areas with higher demand such as those located near MRT stations, amenities or city centre.



Toa Payoh Crest / OrangeTee & Tie Research & Consultancy Photo

**Please contact us for further inquiries**

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