

# HDB Market Pulse

## REAL ESTATE DATA TRENDS AND ANALYTICS Q3 2020

Tampines Green Lane / OrangeTee & Tie Research & Consultancy Photo



- HDB resale market posted a stunning rebound as sales volume rose by 127.3 per cent quarter-on-quarter to 7,787 unit in Q3.
- The pandemic and economic uncertainties have not stopped the upgrading aspirations of Singaporeans as sales of new flats continue to rise this year.
- The HDB Resale Price Index climbed higher by 1.5 per cent when compared to the preceding quarter.
- Prices of resale flats rose across many housing estates last quarter, indicating that the price increase was rather broad-based.

## HDB resale market posts a stunning rebound in Q3

Singapore's public housing market posted a stunning rebound last quarter after clocking historically low sales in May when house viewings were barred during a two-month Circuit Breaker lockdown. Various catalysts may have driven the upswing in demand. The fast turnaround in the property market could be fuelled by the aggressive stimulus packages unleashed globally to weather the economic fallout of the pandemic. Capital piling up in the Asia Pacific region has increased the funding available for property investment. Strong government intervention and various financial assistance schemes such as loan deferments may have also prevented widespread mortgage defaults and flat prices from tumbling.

### Overall PRICES

According to the HDB public housing data for the third quarter of 2020, prices of HDB resale flats increased by 1.5 per cent quarter-on-quarter (q-o-q), after rising marginally by 0.3 per cent in the preceding quarter (Charts 1 and 2). Year-on-year (y-o-y), prices rose 2.3 per cent. For the first three quarters of this year, prices increased by 1.8 per cent, which has exceeded our prediction of between -2 and 1 per cent for the whole of this year. Comparatively, prices dipped 0.4 per cent over the same period in 2019.

The increase in prices could possibly be attributed to many newer HDB resale flats being sold last quarter. As newer flats tend to command higher prices than older ones, the overall price index could have been 'uplifted' by the newer flats. Some sellers have also raised their asking price since housing demand has returned.

Price of flats rose across all flat types in Q3 (Chart 3) The average price of 3 room flats rose the most by 4.8 per cent q-o-q. 4 room flats increased 1.5 per cent while 5 room flats climbed 1.4 per cent q-o-q. Last quarter, an HDB flat at the Pinnacle@Duxton was sold for a record S\$1.258 million. Such pricey flats could be the exception rather than the norm. 46 million-dollar transactions were inked in the first three quarters of this year, fewer than the 57 units transacted in 2019 and 51 in 2018 over the same period of time.

Chart 1 Market summary



Chart 2 Overall price index rose 1.5% q-o-q

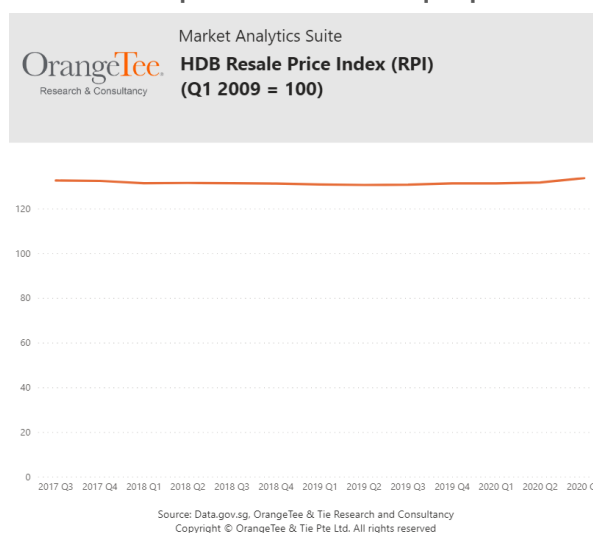
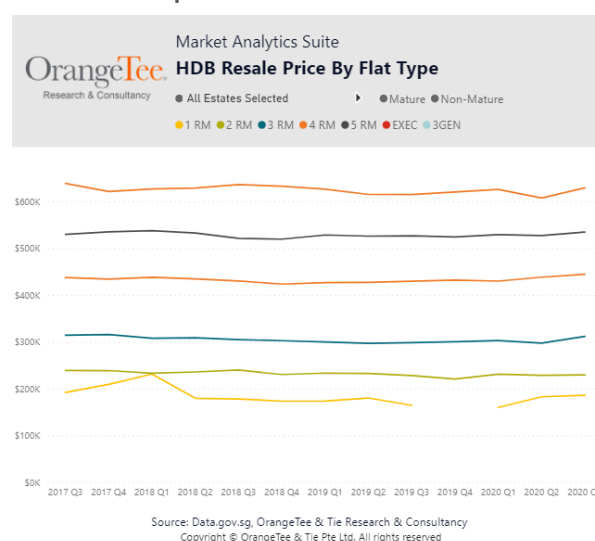


Chart 3 Resale prices rose across the board



## Overall SALES VOLUME

The HDB resale segment headed for a quick upswing as many buyers flocked back to the market after the Circuit Breaker period. Singapore shuttered under a two-month lockdown in April to prevent the spread of the coronavirus in the community, during which resale transactions plummeted by more than 40 per cent q-o-q in Q2 2020.

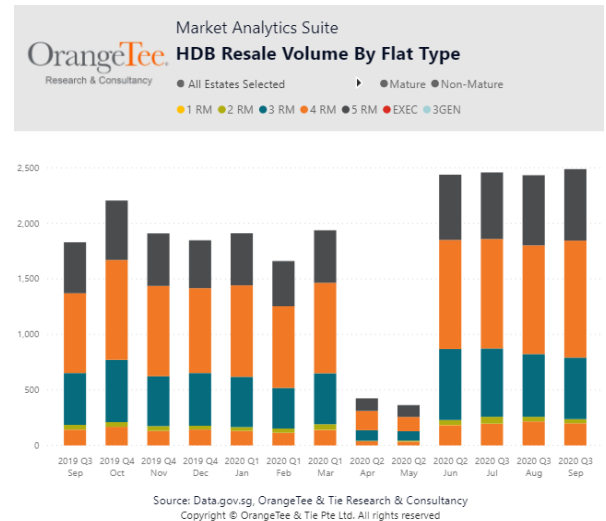
Sales subsequently rebounded from June. According to the HDB public housing data for the third quarter of 2020, 7,787 units were transacted, 127.3 per cent higher than the 3,426 units in the preceding quarter (Chart 4). On a year-on-year basis, resale volume rose by 24.3 per cent from 6,264 units in Q3 2019. Based on HDB data from data.gov.sg, Q3 2020 was the strongest quarter sales on record since Q3 2010 when 8,205 units were sold. For Q1-Q3 2020, 17,106 units were sold, slightly lower than the 17,375 units sold in Q1-Q3 2019. Demand for resale flats remained elevated above 2,400 units for four consecutive months since June 2020 (Chart 5).

The stellar sales indicate that demand is considered healthy in spite of the pandemic. Some demand could have been drawn from the Build-To-Order (BTO) market. Many BTO flats from recent launches were slated to be completed in four to five years' time and the long waiting period drove some buyers to the resale market especially for couples with urgent accommodation needs. Many BTO launches were also heavily oversubscribed and unsuccessful candidates may have bought resale flats as an alternative.

**Chart 4 Volume rebounded after Circuit Breaker**



**Chart 5 Volume remains above 2,000 units for 4 months**



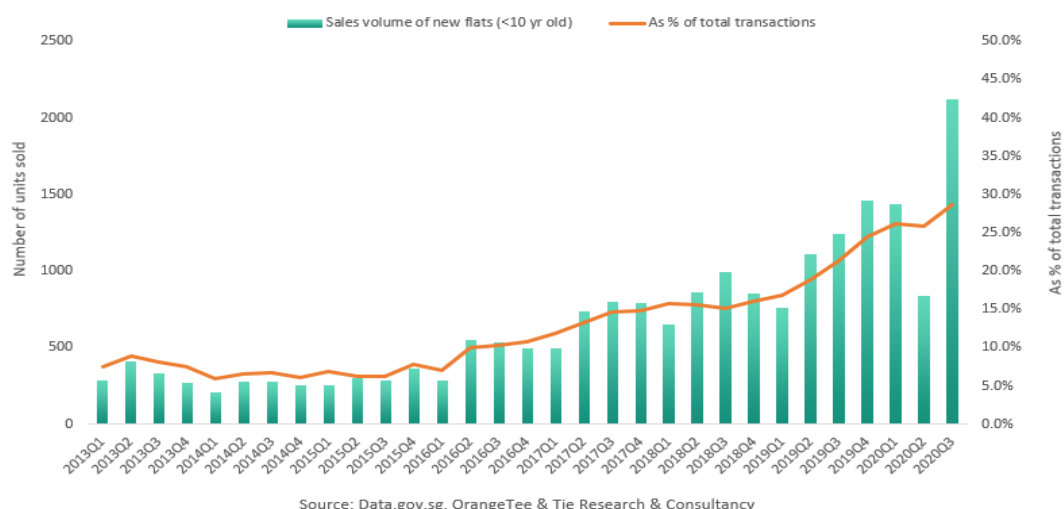
The pandemic and economic uncertainties have not stopped the upgrading aspirations of Singaporeans as sales of new flats continue to rise this year (Chart 6). Last quarter, 2,119 new flats (<10-year-old) were sold. They also constitute a higher proportion of total sales, rising from 25.9 per cent (836 new flats) in Q2 2020 to 28.7 per cent in Q3 2020. The proportion was 21.3 per cent (1,246 new flats) in Q3 2019.

Many owners sold their flats this year despite the uncertainties in the macroeconomy and job market. The rising transactions could be in tandem with more flats reaching the Minimum Occupation Period (MOP) in recent years. Owners continue to sell their flats immediately after MOP to lock-in the returns quickly when their flats are still new. Many families upgraded to private homes or bigger flats in recent months. Others sold their flats to avoid the Additional Buyers' Stamp Duty when they purchased a new private home, having moved in with their parents or rented elsewhere temporarily.

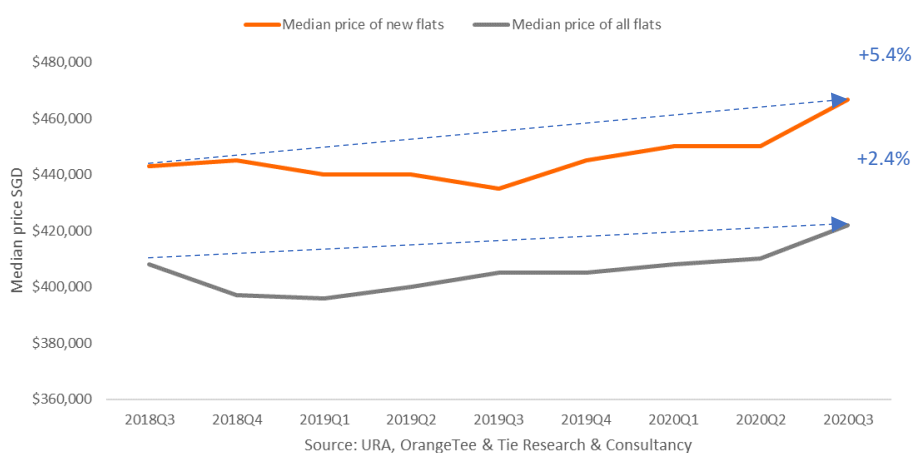
Prices of new flats rose at a faster rate of 5.4 per cent from Q3 2018 to Q3 2020 when compared to the 3.4 per cent increase for all flat types (Chart 7). Prices of new flats have also increased 3.7 per cent from Q2 2020 to Q3 2020, higher than the 2.9 per cent clocked for all flat types over the same period.

Sengkang, Punggol and Yishun had the highest number of new flat transactions in Q1-Q3 2020 (Chart 8). Many towns saw positive price gains this year when compared to last year, with new flats in Choa Chu Kang experiencing the highest 27.3 per cent y-o-y increase.

**Chart 6 Proportion of new flat transactions (<10-year-old) continue to rise amid the pandemic and economic uncertainties**



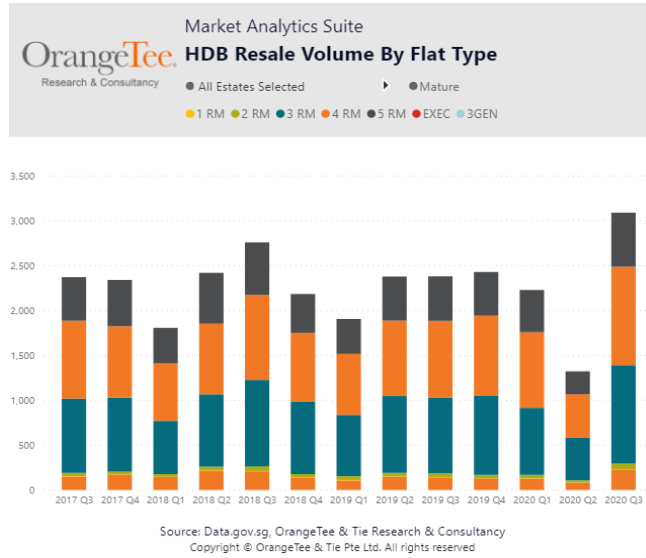
**Chart 7 Median price of new flats rose faster than the island-wide median price from Q3 2018 to Q3 2020**



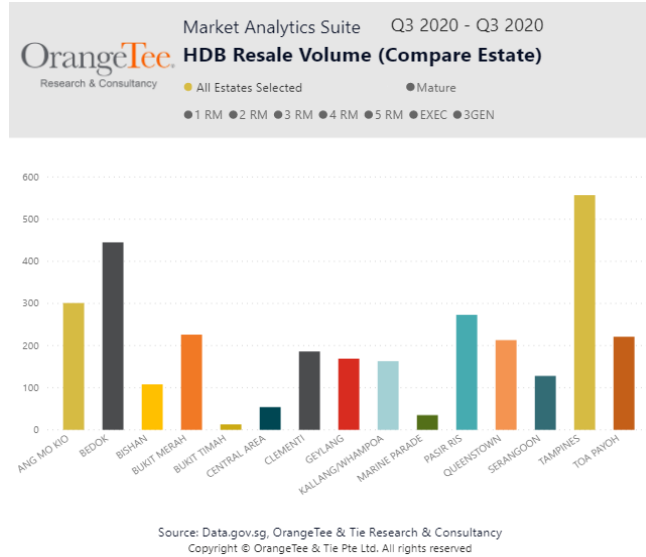
**Chart 8 Sengkang, Punggol and Yishun had the highest number of new flat transactions in Q1-Q3 2020**

Town	Number of new flats sold		Median price of new flats SGD		
	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	% diff
PUNGGOL	605	847	\$470,000	\$468,888	-0.2%
SENGKANG	644	810	\$430,000	\$445,000	3.5%
YISHUN	426	549	\$409,444	\$408,000	-0.4%
BUKIT PANJANG	172	417	\$410,000	\$431,888	5.3%
HOUANGANG	98	242	\$440,000	\$481,500	9.4%
TAMPINES	104	208	\$504,944	\$541,000	7.1%
PASIR RIS	11	165	\$530,000	\$520,000	-1.9%
CHOA CHU KANG	53	163	\$330,000	\$420,000	27.3%
WOODLANDS	226	160	\$377,500	\$380,000	0.7%
JURONG WEST	152	144	\$420,000	\$454,000	8.1%
QUEENSTOWN	113	135	\$742,000	\$810,000	9.2%
CLEMENTI	52	104	\$697,500	\$737,944	5.8%
BUKIT MERAH	62	78	\$750,000	\$741,500	-1.1%
SEMBAWANG	137	69	\$330,000	\$355,000	7.6%
ANG MO KIO	47	69	\$673,000	\$660,000	-1.9%
BEDOK	22	65	\$685,000	\$660,000	-3.6%
JURONG EAST	40	39	\$340,000	\$355,000	4.4%
TOA PAYOH	46	30	\$878,444	\$834,000	-5.1%
KALLANG/WHAMPOA	39	29	\$750,000	\$840,000	12.0%
CENTRAL AREA	42	28	\$979,000	\$988,000	0.9%
GEYLANG	8	27	\$694,500	\$680,000	-2.1%
BISHAN	17	17	\$920,000	\$888,888	-3.4%
<b>Overall Total</b>	<b>3116</b>	<b>4395</b>	<b>\$439,944</b>	<b>\$458,000</b>	<b>4.1%</b>

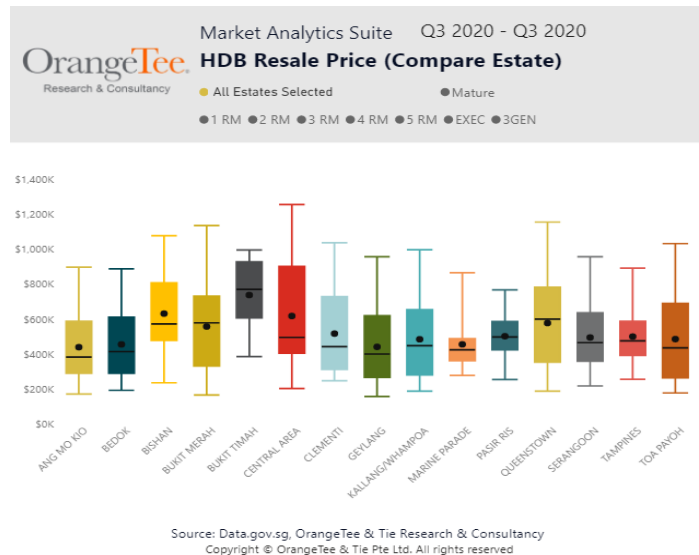
**Chart 9 Volume rebounded strongly**



**Chart 10 Tampines and Bedok were most popular among buyers**



**Chart 11 Flats in Bukit Timah fetched the highest price**



## MATURE ESTATES

Resale transactions of HDB flats in mature estates rebounded strongly last quarter. The total number of transactions surged by 133.7 per cent from 1,323 units in Q2 2020 to 3,092 units in Q3 2020 (Chart 9).

The most popular estate was Tampines with 557 units transacted last quarter. This is followed by Bedok with 445 transactions and Ang Mo Kio with 301 transactions in Q3 2020 (Chart 10).

The average price of flats was highest at Bukit Timah at S\$731,077, followed by Bishan at S\$630,499, and Central Area at S\$617,476 in Q3 2020 (Chart 11).

Flats in 10 of the 15 estates saw a quarterly increase in average prices in Q3. Resale flats in Clementi rose the most by 19.5 per cent, followed by Bukit Timah by 17.7 per cent.

## NON-MATURE ESTATES

Resale transactions of HDB flats surged 125.4 per cent last quarter from 1,903 units in Q2 2020 to 4,290 units in Q3 2020 (Chart 12). The increase in transactions was observed across all non-mature estates with the largest increase in Punggol (199.5 per cent q-o-q) and Sengkang (160.4 per cent q-o-q).

The most popular non-mature estates were Sengkang (677 units), Punggol (599 units), Yishun (512 units), Jurong West (449 units) and Woodlands (435 units) (Chart 13).

The average price of flats was highest at Punggol at S\$464,876, followed by Sengkang at S\$453,965, and Hougang at S\$447,968 in the third quarter of this year (Chart 14).

Flats in 9 of the 11 estates saw a quarterly increase in average prices in Q3. Resale flats in Bukit Batok rose the highest by 10.1 per cent, followed by Jurong East by 6.9 percent and Bukit Panjang by 4.7 per cent.

Chart 12 Sales surged 125.4% q-o-q

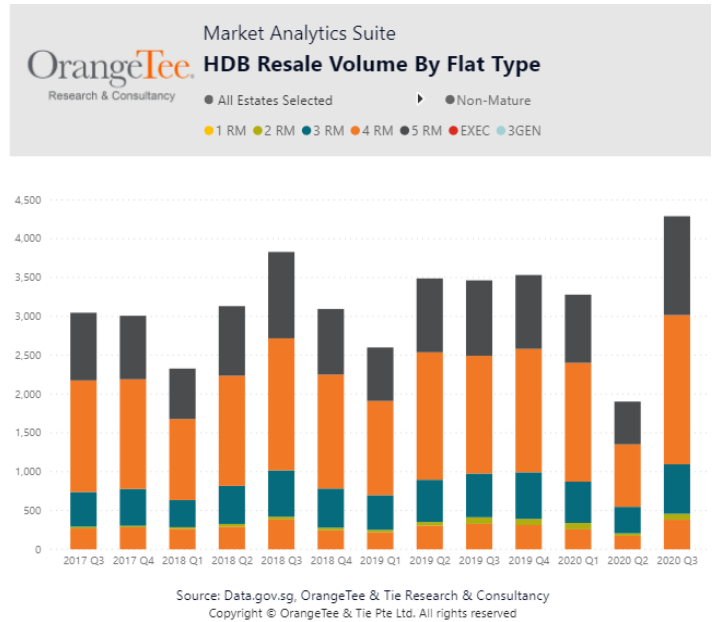


Chart 13 Sengkang and Punggol had the most transactions

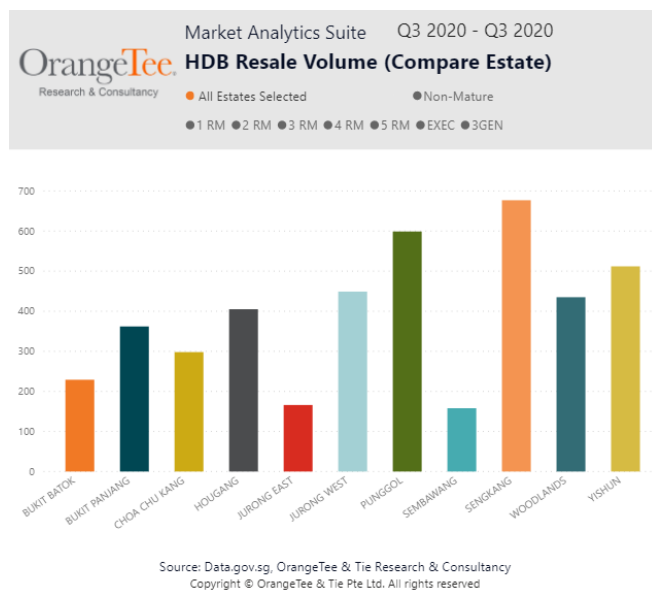
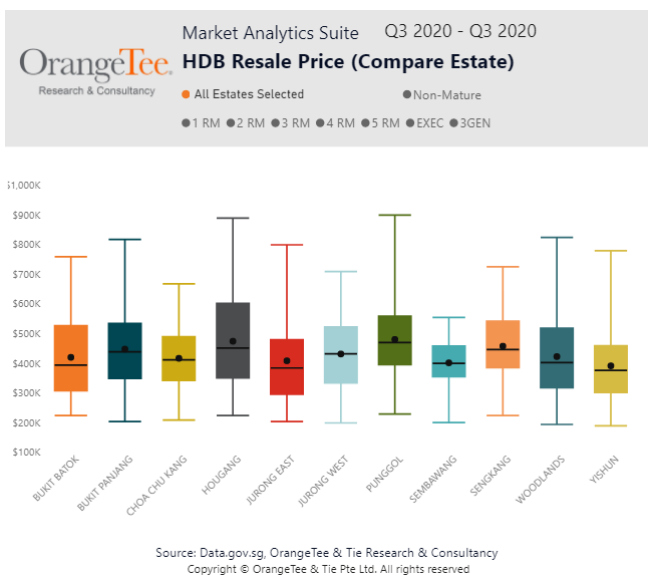


Chart 14 Punggol flats fetched the highest price





## Upswing in demand

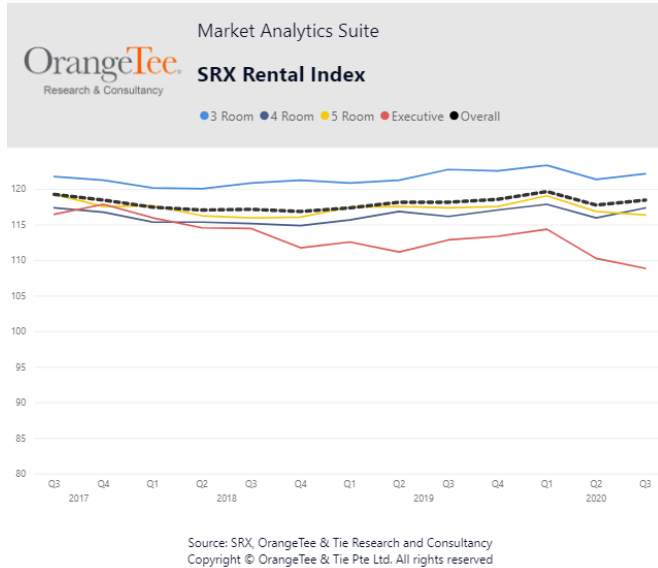
Singapore's public housing market posted a stunning rebound last quarter as many buyers flocked back to the market after the Circuit Breaker period.

- Christine Sun

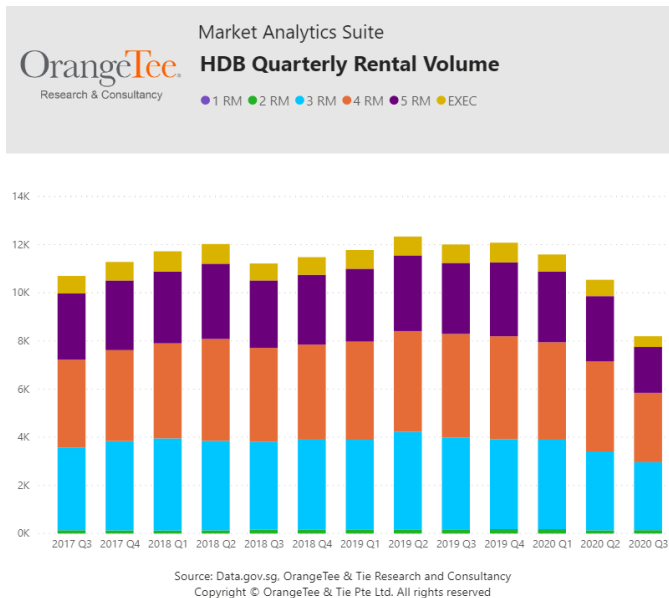


Trivelis DBSS / OrangeTee & Tie Research & Consultancy Photo

**Chart 15 Rental index rose 2.0% q-o-q**



**Chart 16 Rental applications continue to decline**



## RENTAL

According to the SRX Rental Index, rents of HDB resale flats rose 2.0 per cent q-o-q in Q3 (Chart 15). For the first three quarters of this year, rents dipped 0.1 per cent.

According to the HDB public housing data for the third quarter of 2020, the approved applications to rent out HDB flats decreased by 22.2 per cent from 10,539 units in Q2 2020 to 8,196 units in Q3 2020. Compared to Q3 2019, the number of approved applications was 31.7 per cent lower than the 12,006 units (Chart 16).

Strong housing needs from some non-construction firms and Malaysian workers returning to work in Singapore after the border reopened in August helped to mitigate the steep decline in leasing demand caused by the reduced inflow of foreign workers in some sectors.

Some employers were actively relocating their workers from dormitories to prevent them from being infected by the coronavirus and avoid the hassle of observing stringent regulations imposed in some dormitories. There was also an increase in demand for housing in residential areas located near selected industrial estates.

In light of the challenging employment climate and travel restrictions, the leasing market may remain soft with some rental price weakness in the coming months.

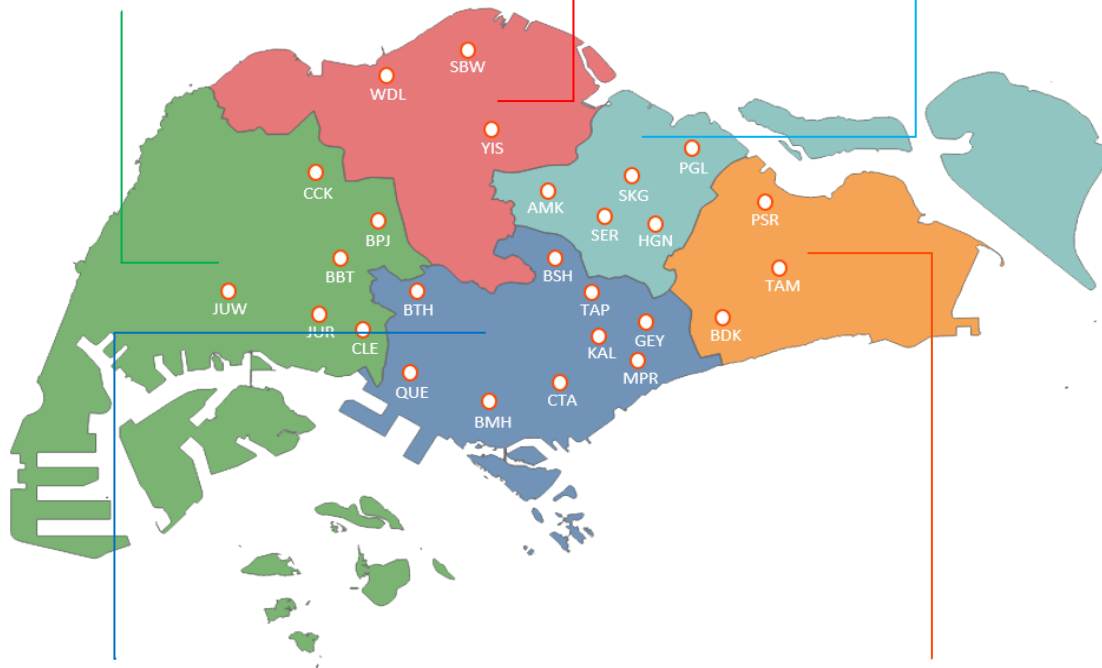


Chart 17 Summary of HDB resale transactions and average resale prices for Q3 2020

North Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	158	\$313,667	\$362,998	\$414,936
Woodlands (WDL)	435	\$265,286	\$350,082	\$424,210
Yishun (YIS)	512	\$285,404	\$368,369	\$478,725

West Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	229	\$263,536	\$370,992	\$517,808
Bukit Panjang (BPJ)	362	\$312,031	\$411,912	\$513,933
Choa Chu Kang (CCK)	298	\$297,383	\$374,949	\$448,591
Clementi (CLE)	186	\$325,647	\$567,222	\$777,158
Jurong East (JUR)	166	\$287,482	\$394,816	\$475,611
Jurong West (JUW)	449	\$282,800	\$378,422	\$455,676

North-East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	301	\$290,775	\$457,924	\$645,072
Hougang (HGN)	405	\$307,767	\$413,179	\$558,525
Punggol (PGL)	599	\$360,902	\$462,214	\$541,417
Sengkang (SKG)	677	\$348,395	\$435,695	\$494,229
Serangoon (SER)	128	\$318,566	\$449,353	\$595,370



Central Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	108	\$328,962	\$526,473	\$769,505
Bukit Merah (BMH)	226	\$374,743	\$655,755	\$768,447
Bukit Timah (BTH)	13	\$399,000	\$631,600	\$839,000
Central Area (CTA)	54	\$398,126	\$757,419	\$983,500
Geylang (GEY)	169	\$276,367	\$549,356	\$661,213
Kallang / Whampoa (KAL)	163	\$346,454	\$556,049	\$721,923
Marine Parade (MPR)	35	\$370,518	\$477,667	\$756,000
Queenstown (QUE)	213	\$382,735	\$736,248	\$838,841
Toa Payoh (TAP)	221	\$262,257	\$547,867	\$721,248

East Region				
Planning Area	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	445	\$286,578	\$438,472	\$590,591
Pasir Ris (PSR)	273	\$379,083	\$447,831	\$511,846
Tampines (TAM)	557	\$344,752	\$450,885	\$539,532

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

**Table 1 Market projection**

Indicators	2018	2019	Q3 2020 Q-o-Q	Q1-Q3 2020	Projection for whole of 2020
<b>Resale</b>					
Price Change	-0.9%	0.1%	1.5%	1.8%	1.5% to 3.5%
Sales Volume (units)	23,099	23,714	7,787	17,106	20,000 to 23,000
<b>Rental</b>					
Rental Price Change (SRX)	-0.4%	1.5%	2.0%	-0.1%	-2% to 0%
HDB Rental Applications (units)	46,440	48,195	8,196	30,326	38,000 to 42,000

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

Looking at the scale of the market disruption caused by the Circuit Breaker and the depth of economic scars from the pandemic, many market watchers were expecting the property market recovery to be long and arduous. The HDB resale market has instead averted a major price correction or market collapse this year.

However, the dawn of a market recovery may not have arrived as a confluence of economic challenges remains – the risk of a global economic slowdown, a grim employment outlook and adverse impact of the withdrawals of government support measures for businesses.

Nevertheless, tailwinds from strong upgrader demand remain firm and interest rates at new cyclical low levels may continue to prop up sales demand and sustain home prices in the near term.

Therefore, we are cautiously optimistic that around 20,000 to 23,000 resale flats could be transacted this year. Prices may trend between 1.5 and 3.5 per cent for the whole of 2020 (Table 1).



West Quarry @ Bukit Batok / OrangeTee & Tie Research & Consultancy Photo

**Please contact us for further inquiries**

OrangeTee & Tie Research and Consultancy



Christine Sun  
Head  
Research and Consultancy  
+65 6303 2662  
christine.sun@orangetee.com



Timothy Eng  
Research Analyst  
Research and Consultancy  
+65 6303 2662  
timothy.eng@orangetee.com



Daniel Chiang  
Data Analyst  
Research and Consultancy  
+65 6303 2662  
daniel.chiang@orangetee.com