

Private Residential Market

REAL ESTATE DATA TRENDS AND ANALYTICS Q1 2021

- The overall price index for private residential properties rose by 3.3 per cent in Q1 2021, the steepest quarterly increase since Q2 2018.
- Sales of luxury and city fringe homes increased significantly due to a few mega launches in the Core Central Region and Rest of Central Region.
- Luxury homes hit their highest quarterly sales in over three years (since Q3 2017) as more ultra-high net worth individuals and foreign investors return.
- Foreign buying activities rose to a one-year high as more non-landed private homes were bought by non-permanent residents. Private home purchases by permanent resident surged almost 30 per cent quarter-on-quarter.
- Foreign demand is expected to return with more economies re-opening and prospects of further price growth.



Artist Impression of Irwell Hill Residences

Singapore property prices rising in tandem with the global trend

Investors around the world are pouring money into the real estate and equity markets in hopes of a broad-based economic recovery. Pent-up demand bolstered by massive fiscal stimulus and still-low mortgage rates is propping up home prices worldwide. Property prices are accelerating across many countries including Australia, China, the U.S., parts of Europe, India and Canada. Home prices are hitting new highs in some cities.

Prices of private homes in Singapore have similarly increased in tandem with the uptrend observed globally. A combination of strong domestic demand for private homeownership and the resurgence of foreign investment demand has pushed home prices higher last quarter.

The overall price index for private residential properties rose by 3.3 per cent, higher than the 2.1 per cent increase in the fourth quarter of 2020, data from the Urban Redevelopment Authority (URA) showed (Charts 1 & 2). This is the fourth consecutive price increase and the steepest quarterly rise since Q2 2018 (3.4 per cent).

The price increase in Q1 2021 was mainly driven by non-landed homes in the Rest of Central Region (RCR) which rose by 6.1 per cent quarter-on-quarter (q-o-q). In contrast, the price increment was less significant for the Outside of Central Region (OCR) at 1.1 per cent while prices rose by 0.5 per cent in the Core Central Region (CCR). Prices of non-landed homes in RCR and OCR have reached their record highs last quarter.

The price increase in Q1 2021 was driven by more sales of pricier city fringe homes. Normanton Park, which registered the highest transaction of 731 units were sold at an average price of S\$1,765 psf. Further, many projects were transacted at an average price of S\$2,000 psf and above. Among them were The Reef at King's Dock sold at an average price of S\$2,304 psf (341 units), followed by Amber Park (S\$2,438 psf, 97 units), Avenue South Residence (S\$2,131 psf, 54 units) and One Pearl Bank (S\$2,458 psf, 43 units). 8 units at Sky Everton were sold at S\$2,740 psf while 4 units at Meyer Mansion were transacted at S\$2,659 psf.

Chart 1 Market summary

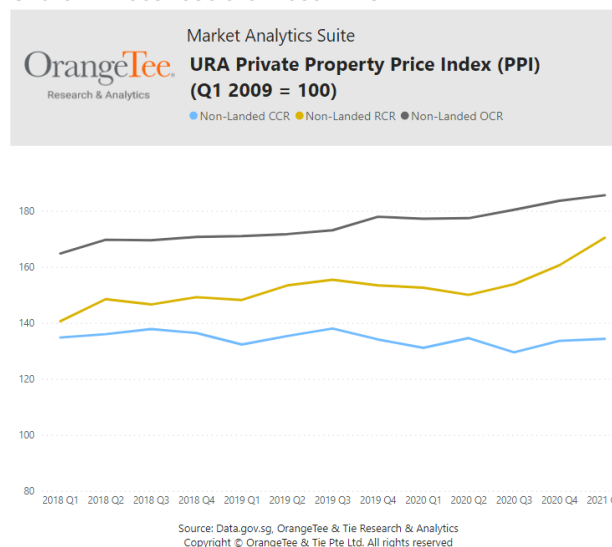


Table 1 Median price of non-landed homes

Market Segment	Type of Sale	Q4 2020	Q1 2021	Q-o-Q % change
Overall	All	\$1,544	\$1,682	8.9%
CCR	New Sale	\$2,703	\$2,675	-1.0%
	Resale	\$1,772	\$1,853	4.5%
	Sub Sale	\$2,227	\$2,553	14.6%
	Overall	\$1,974	\$2,467	25.0%
RCR	New Sale	\$2,025	\$1,827	-9.8%
	Resale	\$1,361	\$1,416	4.0%
	Sub Sale	\$1,823	\$1,845	1.2%
	Overall	\$1,704	\$1,768	3.8%
OCR	New Sale	\$1,632	\$1,605	-1.7%
	Resale	\$1,065	\$1,082	1.6%
	Sub Sale	\$1,535	\$1,605	4.6%
	Overall	\$1,328	\$1,290	-2.9%

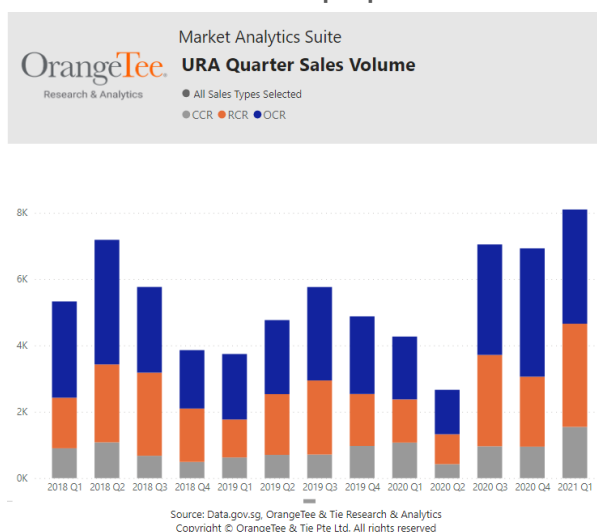
Source: URA, OrangeTee & Tie Research & Analytics

Chart 2 Prices rose the most in RCR



Source: Data.gov.sg, OrangeTee & Tie Research & Analytics
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Chart 3 Sales exceeded the pre-pandemic 2019



More luxury new projects were transacted at an average price of S\$2,400 psf. Some of these projects include Midtown Modern (S\$2,774 psf, 366 units), RV Altitude (S\$2,695 psf, 84 units), The M (S\$2,637 psf, 36 units), Royalgreen (S\$2,714 psf, 19 units), Leedon Green (S\$2,652 psf, 23 units) and The Avenir (S\$3,039 psf, 18 units).

Table 2 Best-selling projects in Q1 2021

Project Name	Units Sold	Average Unit Price (S\$PSF)
New Sale		
NORMANTON PARK	730	\$1,766
MIDTOWN MODERN	366	\$2,774
THE REEF AT KING'S DOCK	341	\$2,304
TREASURE AT TAMPINES	180	\$1,385
KI RESIDENCES AT BROOKVALE	154	\$1,768
AMBER PARK	97	\$2,438
PARC CLEMATIS	95	\$1,656
RV ALTITUDE	84	\$2,695
JADESCAPE	74	\$1,804
FORETT AT BUKIT TIMAH	70	\$1,967
MIDWOOD	65	\$1,644
THE FLORENCE RESIDENCES	62	\$1,630
AVENUE SOUTH RESIDENCE	54	\$2,131
Resale		
REFLECTIONS AT KEPPEL BAY	22	\$1,638
8 SAINT THOMAS	22	\$2,795
EDEN	20	\$5,039
THE MINTON	19	\$1,077
WATERTOWN	19	\$1,358
SIMS URBAN OASIS	19	\$1,534
CARIBBEAN AT KEPPEL BAY	19	\$1,511
WATERBANK AT DAKOTA	18	\$1,571
PARC ROSEWOOD	18	\$1,122
BOTANIQUE AT BARTLEY	18	\$1,533

Source: URA, OrangeTee & Tie Research & Analytics

According to the quarterly statistics released by the Urban Redevelopment Authority (URA), 8,100 private homes excluding EC were sold in Q1 2021, 16.9 per cent higher than the 6,929 units transacted in the preceding quarter (Chart 3).

New home sales rose 34.2 percent from 2,603 units in Q4 2020 to 3,493 units last quarter. The number of resale transactions increased 6.4 per cent quarter-on-quarter (q-o-q) from 4,249 units in Q4 2020 to 4,519 units in Q1 2021.

Rumours of new cooling measures sparked some panic buying at the beginning of the year as some buyers rushed to secure units for fear that their buying eligibility could be affected by new measures. This also coincided with the launch of the mega projects Normanton Park and the Reef at King's Dock. Sales later slipped in February due to the Chinese New Year festivals but picked up slightly in March with the launch of the integrated project Midtown Modern.



Artist's Impression of The Atelier

LUXURY SEGMENT

According to URA Realis data, 1,469 luxury homes were sold last quarter (Chart 4). This is the highest quarterly sales recorded since Q4 2012 (1,474 units). Of this number, 675 units were new sales and 792 units were resale homes.

The average price of new non-landed luxury homes in CCR rose marginally by 0.5 per cent from S\$2,704 psf in Q4 2020 to S\$2,718 psf in Q1 2021. Prices of resale non-landed homes rose at a faster pace of 3.9 per cent over the same period from S\$1,907 psf to S\$1,982 psf (Chart 5).

Last quarter, 675 new luxury condominiums were sold, highest since Q4 2013 (738 units). Midtown Modern constituted more than half of the new sales inked last quarter with 366 units, followed by RV Altitude (84 units), The M (36 units), Fourth Avenue Residences (32 units), Kopar at Newton (24 units), Leedon Green (23 units), Royalgreen (19 units), and The Avenir (18 units) (Chart 6).

Sales of luxury resale condominiums rose slightly. Last quarter, resale volume increased 3.3 per cent from 635 units in Q4 2020 to 656 units. The most popular resale luxury project was 8 Saint Thomas with 22 units transacted at an average price of S\$2,795 psf, D'Leedon with 15 units transacted at S\$1,670 psf and Marina One Residences with 14 units transacted at S\$2,556psf. The 20-unit Eden was fully sold at S\$5,039 psf.

Sales of luxury landed properties remained robust last quarter. 136 landed homes changed hands in Q1 2021, the third consecutive quarter with more than 100 transactions.

Chart 4 Highest luxury sales since Q4 2012

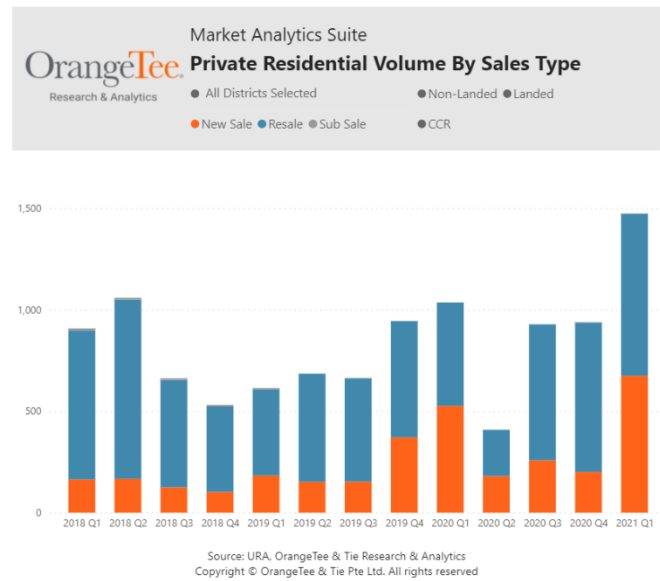


Chart 5 Prices rose for both resale and new sale condos

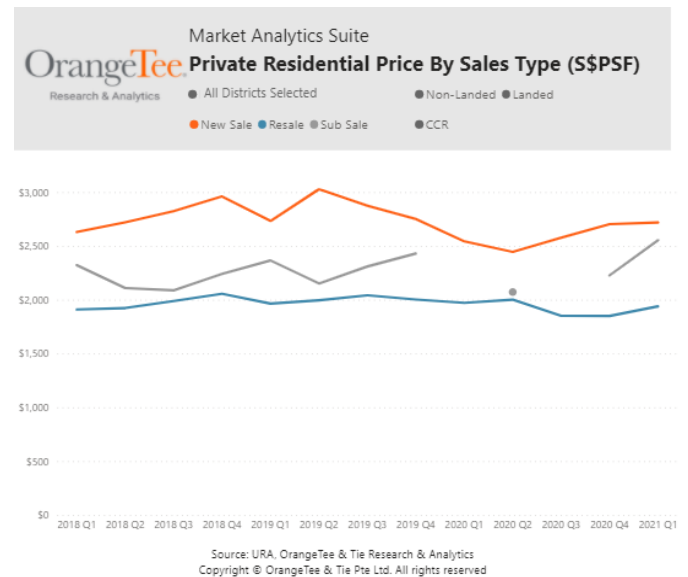


Chart 6 Best-selling new projects in CCR (highest sales volume)

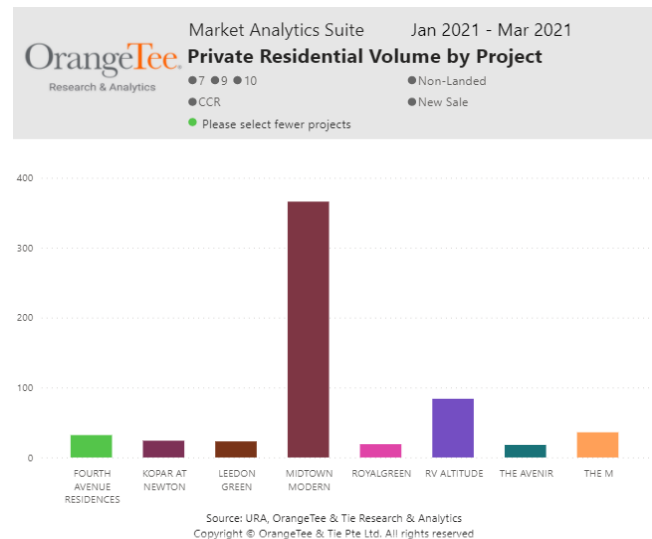


Chart 7 Sales remained strong for third consecutive quarter



Chart 8 Resale prices rose 3.5 per cent

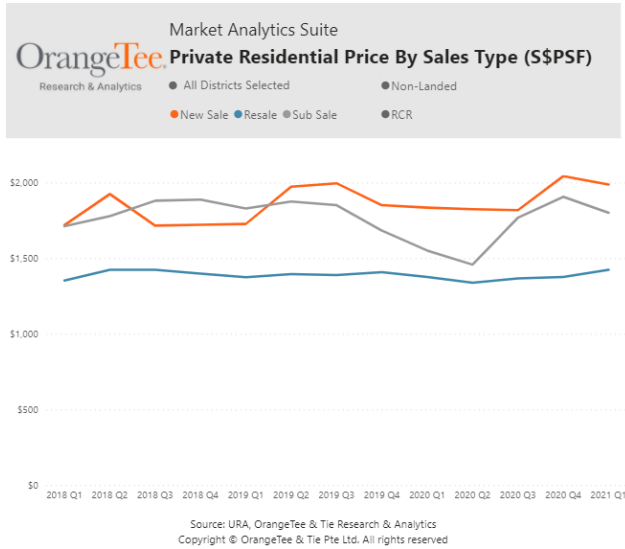
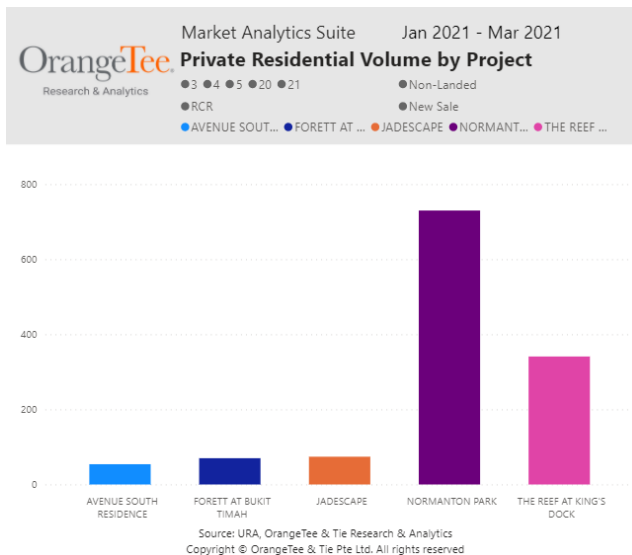


Chart 9 Best-selling new projects in RCR (highest sales volume)



MID-TIER SEGMENT

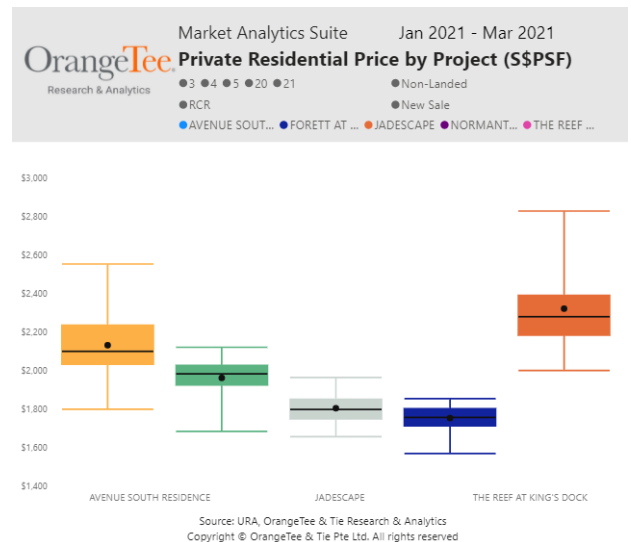
Demand for city fringe homes remained strong for the third consecutive quarter. According to URA Realis data, 2,981 private homes (excluding EC) in RCR were sold, up 39.7 per cent from the 2,134 units sold in Q4 2020 (Chart 7).

The average price of new non-landed homes dipped 2.7 per cent from S\$2,043 psf in Q4 2020 to S\$1,988 psf in Q1 2021 (Chart 8). Conversely, prices of resale homes rose 3.5 per cent from S\$1,375 psf to S\$1,423 psf over the same period.

Last quarter, the most popular new projects were Normanton Park which sold 730 units at an average price of S\$1,766 psf, followed by The Reef at King's Dock (341 units, S\$2,304 psf), Amber Park (97 units, S\$2,438 psf), Jadescape (74 units, S\$1,804 psf), Forett at Bukit Timah (70 units, S\$1,967 psf) and Avenue South Residence (54 units, S\$2,131 psf) (Charts 9 and 10).

The best-selling resale projects were Reflections at Keppel Bay (22 units, S\$1,638 psf), Sims Urban Oasis (19 units, S\$1,534 psf) and Caribbean at Keppel Bay (19 units, S\$1,511 psf).

Chart 10 Best-selling new projects in RCR S\$psf



MASS MARKET SEGMENT

Fewer mass-market private homes were sold as there were no new launches in OCR last quarter. According to URA Realis data, 3,119 private homes excluding EC in OCR were sold in Q1 2021, 18.5 per cent lower than the 3,828 sold in the preceding quarter (Chart 11).

Resale homes formed the majority of sales (66.3 per cent, 2,067 units) in Q1 2021, as opposed to 32.4 per cent new sales (1,009 units). More resale homes were sold as supply of new homes in the OCR is dwindling and the unsold stock is fast diminishing.

Last quarter, the best-selling resale projects were The Minton (19 units, S\$1,077 psf), Watertown (19 units, S\$1,358 psf), Parc Rosewood (18 units, S\$1,122 psf), and Botanique at Bartley (18 units, S\$1,533 psf).

The most popular new projects were Treasure at Tampines which sold 180 units at an average price of S\$1,385 psf, followed by Ki Residences at Brookvale (154 units, S\$1,768 psf), Parc Clematis (95 units, S\$1,656 psf), Midwood (65 units, S\$1,644 psf), The Florence Residences (62 units, S\$1,630 psf), The Jovell (53 units, S\$1,275 psf) and Riverfront Residences (46 units, S\$1,340 psf) (Chart 13).

The average price of non-landed mass-market new homes slipped by 3.0 per cent q-o-q to S\$1,572 psf in Q1 2021 while the average price of resale homes rose by 2.3 per cent to S\$1,099 psf over the same period (Chart 12).

501 landed properties were transacted in OCR last quarter, fewer than the 603 units transacted in Q4 2020.

Chart 11 Fewer mass-market homes were sold

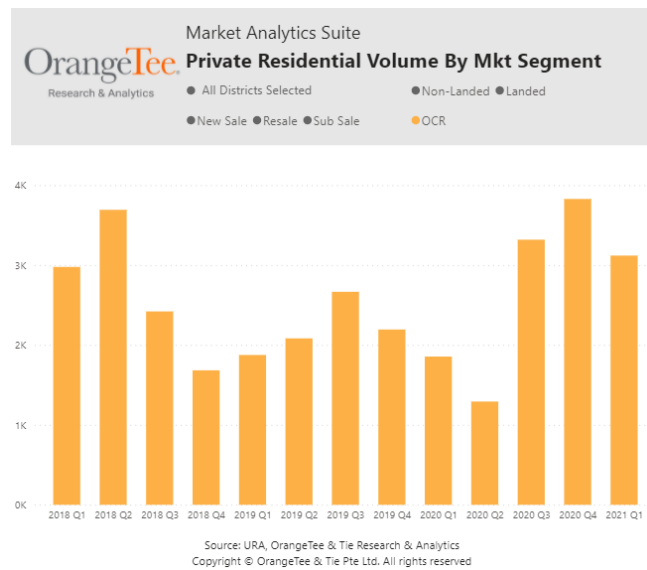


Chart 12 Prices rose for resale condominiums

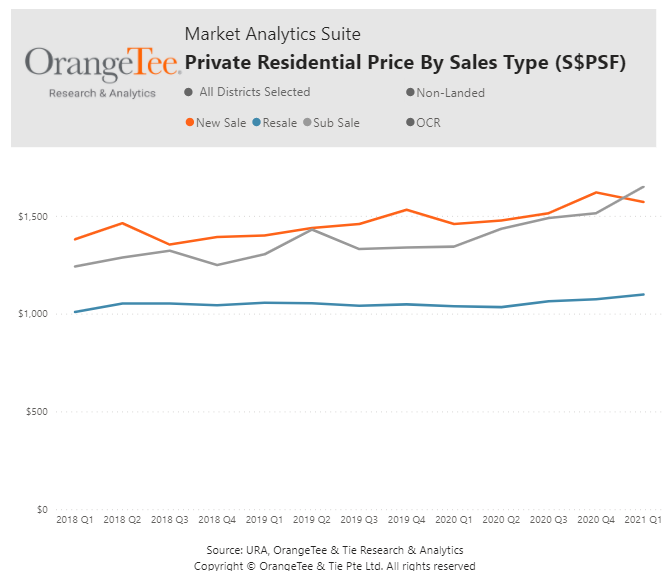
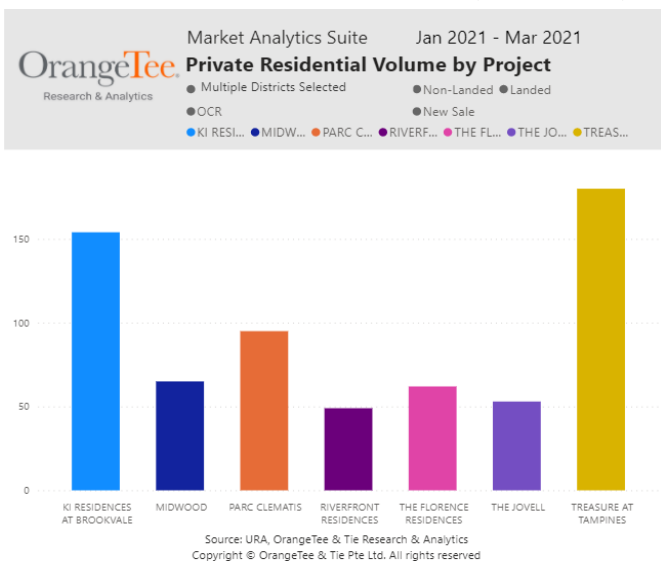


Chart 13 Best-selling new projects in OCR (sales volume)





Pent-up demand bolstered by massive fiscal stimulus and still-low mortgage rates are propping up home prices worldwide. Property prices in Singapore are rising in tandem with the global trend.

~ Christine Sun



Artist's Impression of Penrose



Artist's Impression of Midtown Modern

Chart 14 Rental volume dipped last quarter

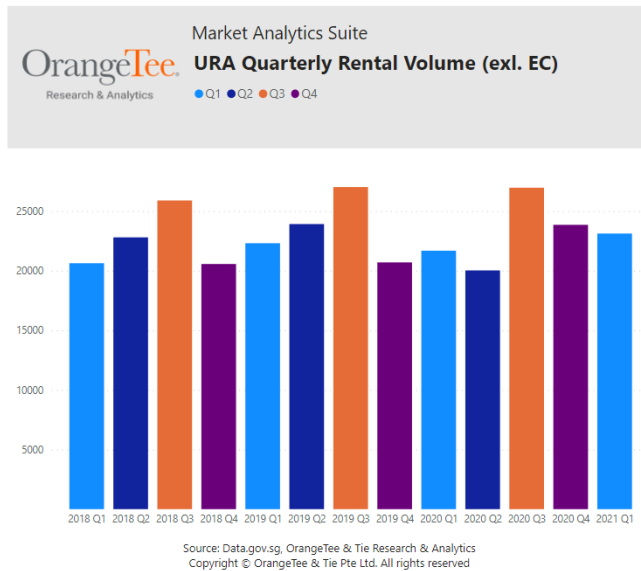


Chart 15 Rents rose last quarter

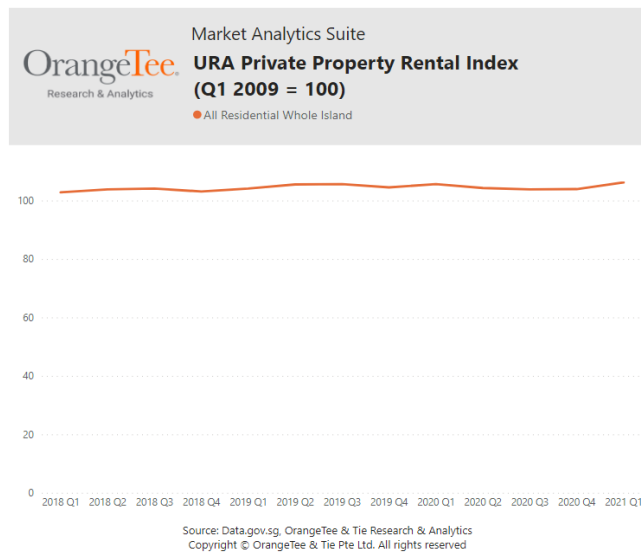
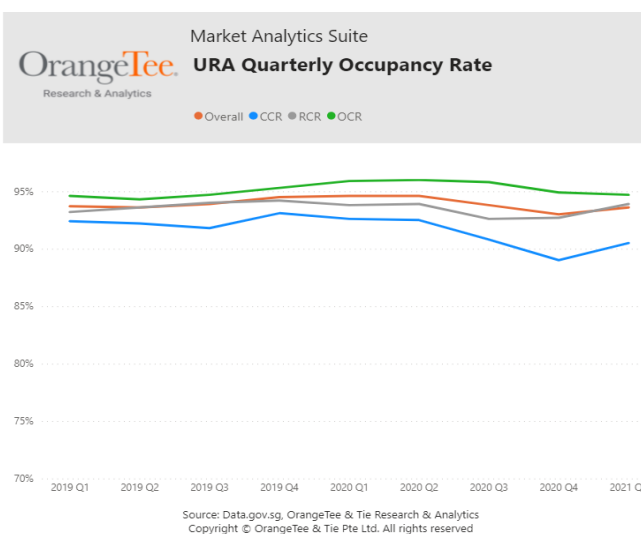


Chart 16 Overall occupancy rate rose to 93.6 per cent



RENTAL

According to URA data, rents rose higher by 2.2 per cent q-o-q in Q1 2021 compared with 0.1 per cent in the preceding quarter (Chart 15). Fewer homes are available for lease in recent months and the reduced stock has helped prop up rents in recent months. Rental volume dipped 3.1 per cent q-o-q to 23,123 private homes in Q1 2021 from 23,854 units in Q4 2020 (Chart 14). Compared to a year ago, rental volume rose 6.6 per cent y-o-y from 21,684 units in Q1 2020.

More Singaporeans have shifted back from overseas and are currently working in Singapore. Many PRs and long-term pass holders have also returned, which have pushed rental demand higher. There seem to be more inbound students, work pass holders and long-term visit pass holders looking for rental units as well. Many of these people are looking for accommodation near their schools and workplaces, which have helped prop up leasing demand for HDB resale flats and private homes in the city fringe and suburban areas.

Many tenants have renewed their leases and are staying put in Singapore as travel restrictions remain in place for many countries. Therefore, occupancy rates for private residential properties excluding EC remains high at 93.6 per cent last quarter (Chart 16).

Progressive changes have been made to re-open our country for international travel. As more travel restrictions continue to be lifted, rental demand may continue to improve in the coming months.

NATIONALITY

Foreign buyers seem to be coming back to Singapore. Last quarter, 281 non-landed homes (excluding EC) were bought by non-permanent residents, higher than the 199 units transacted in Q4 2020 (Chart 18). This is also the highest volume inked since Q4 2019 when 284 units were sold then. In terms of proportion, the percentage of non-landed homes bought by non-PRs rose to 4.1 per cent in Q1 2021, from 3.3 per cent in Q4 2020 and 3.6 per cent in Q3 2020 (Chart 17).

The number of non-landed homes bought by PRs increased by 28.2 per cent q-o-q from 872 units in Q4 2020 to 1,118 units in Q1 2021 (Chart 18). The proportion of non-landed homes bought by PRs rose to 16.4 per cent last quarter from 14.4 per cent in Q4 2020. Consequently, the proportion of Singaporean purchases fell to 79.3 per cent from 81.9 per cent over the same period.

Mainland Chinese (Non-PRs and PRs) remained as the top foreign buyer. They purchased 339 non-landed homes in Q1 2021 (Chart 19). This is followed by buyers from Malaysia (198 units), and India (170 units). All these numbers are expected to be higher as 398 units are still pending reclassification when caveats are being lodged and are currently stated as Foreign Unspecified.

More Americans are buying private homes here and they have displaced Indonesians as the top-four foreign buyer here. Last quarter, buyers from the USA bought 58 non-landed homes, more than 45 units in Q4 2020 and 40 units in Q1 2020. There were also more Taiwanese and Korean buyers. The number of Taiwanese buyers rose to 31 units in Q1 2021 from 20 units in Q4 2020 and 13 units in Q1 2020 and Korean buyers to 22 units in Q1 2021 from 20 units in Q4 2020 and 9 units in Q1 2020.

Chart 17 Higher proportion of homes bought by non-PRs and PRs

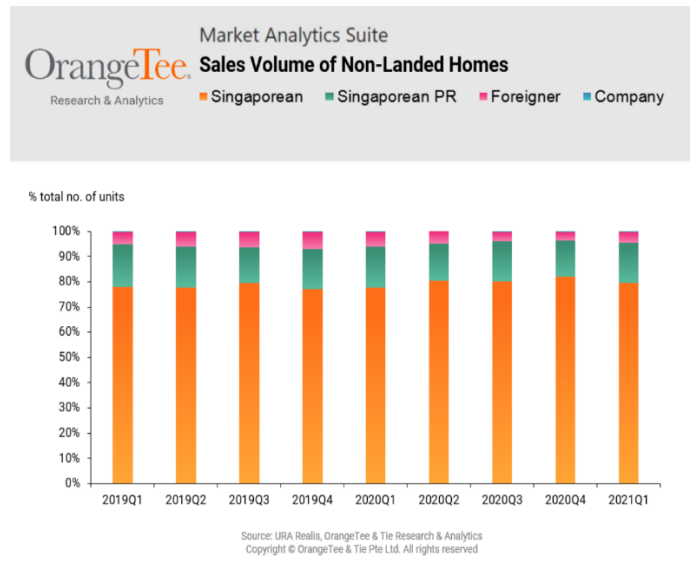


Chart 18 Foreign buyers are coming back

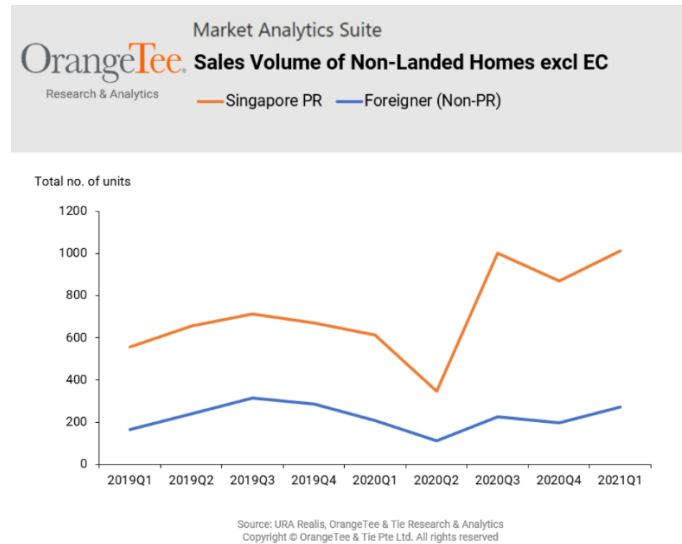
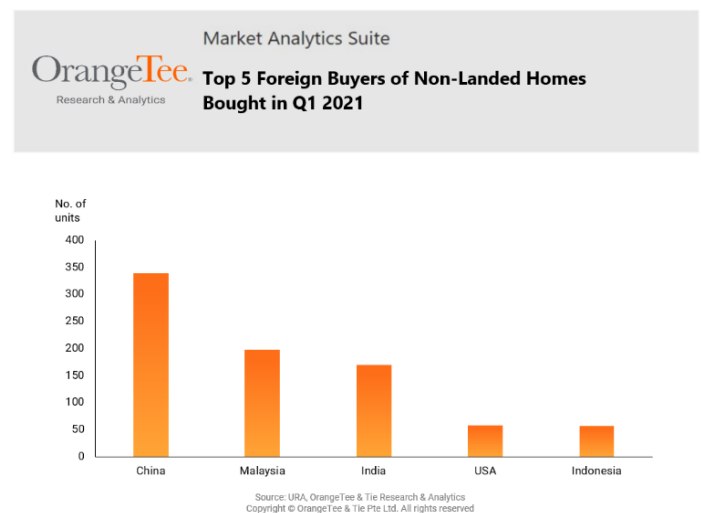


Chart 19 Americans are now the top 4 foreign buyers



OUTLOOK

Indicators	2018	2019	2020	Q1 2021 (Q-o-Q)	Projection for 2021
Overall					
URA PPI Price Change	7.9%	2.7%	2.2%	3.3%	6% to 9%
Sales Volume (excl.EC) (units)	22,139	19,150	20,909	8,100	23,000 to 26,000
New Sale (excl. EC)					
Price Change	10.8%	7.6%	0.7%	8.2%	6% to 9%
Sales Volume (units)	8,795	9,912	9,982	3,493	10,000 to 11,000
Resale (excl. EC)					
Price Change	2.7%	3.6%	-3.8%	5.4%	6% to 9%
Sales volume (units)	13,009	8,949	10,729	4,519	13,000 to 15,000
Rental (excl. EC)					
URA Rental Index	0.6%	1.4%	-0.6%	2.2%	0% to 2%
Leasing volume (units)	89,904	93,960	92,537	23,123	85,000 to 95,000

Source: URA, OrangeTee & Tie Research & Analytics

A recovering economy and still-low mortgage rates may propel demand and prices of private homes further. The rock-bottom interest rates may mitigate the impact of property price increases and keep mortgages affordable for borrowers. Despite the improving economic outlook and expectations of higher inflation, interest rate hikes are unlikely to occur in the near term. The Fed has reiterated its commitment to keep benchmark interest rates low through 2023. The lower interest rates may continue to draw new buyers to the property market.

Further, Singapore's economy is expected to see a strong rebound this year on higher growth prospects for the manufacturing and service sectors. According to the Ministry of Trade and Industry (MTI), our GDP growth forecast is at 4.0 to 6.0 per cent for 2021. Strong external demand for electronics amid the global tech up-cycle and higher pharmaceuticals output on surging vaccine roll-out, may sustain our GDP growth. The higher economic growth forecast will lift buyer sentiment and lend support to Singapore's property market.

Backed by the prospects of further price growth and better leasing environment, foreign demand is expected to return stronger in the coming months. Countries across the world are stepping up their coronavirus immunisation drive and the vaccination regime is paving way for more cross-border travels to be restored this year. Many countries are having ongoing discussions on the mutual recognition of vaccine certificates and to set up travel corridors for vaccinated passengers. With the re-opening of global economies, we may see more property buying and rental activities from foreigners this year.

Barring new cooling measures, overall home prices may rise by 6 to 9 per cent in 2021. The supply of new mass-market homes will remain limited. In contrast, more luxury and city fringe projects are slated to be launched. The increased sales of such homes with higher price tags may uplift the overall priced index in the next few quarters. Buyers looking for affordable homes may turn to the resale market in the suburban regions or selected city fringe areas. Therefore, this year's resale volume will likely surpass the number sold in 2019 and 2020.

Please contact us for research inquiries



Christine Sun
Senior Vice President
christine.sun@orangetee.com



Timothy Eng
Research Analyst
timothy.eng@orangetee.com



Daniel Chiang
Senior Data Analyst
daniel.chiang@orangetee.com