MARKET INSIGHTS

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ERA REAL ESTATE

4Q 2023
Private Residential Market Update

4Q 2023 URA Private Residential Market Update

Private home prices

According to URA, the All Residential Price Index expanded 2.8% quarter-on-quarter (q-o-q) in 4Q 2023 to 201.5, registering a faster pace of q-o-q growth compared to 3Q 2023. For the whole of 2023, the All Residential Price Index rose 6.8% on the back of higher new home prices. This was the second year of moderation in price momentum.

Non-landed property prices in OCR reported the fastest pace of growth among the three regions, expanding by 4.5% q-o-q and 13.7% year-on-year (y-o-y) with the launch of J'den and Hilllock Green. J'den achieved a benchmark median price of $2,577 per square foot (psf) in December 2023, while Hillock Green's median selling price was $2,112 (as of November 2023).

Correspondingly, non-landed home prices at CCR were lifted 3.9% q-o-q with the launch of Watten House which reached a median price of $3,258 psf. In contrast, non-landed new home prices in RCR slipped 0.8% q-o-q on the back of no new home launches.

Landed property prices grew 4.6% q-o-q in 4Q, reversing the 3.6% q-o-q decline in 3Q due to higher landed home prices and a lack of inventory. Landed home owners, who have stronger holding power and face higher costs of replacement homes, are inclined to set higher prices and show little urgency to sell. Demand, on the other hand, has remained fairly resilient.

Table 1: URA Private Residential Indices

	All Residential	Landed Property	Non-landed property	CCR Non-landed property	RCR Non-landed property	OCR Non-landed property
4Q 2022	188.6	216.0	182.1	145.4	204.9	218.2
1Q 2023	194.8	228.7	186.8	146.6	213.9	222.3
2Q 2023	194.4	231.2	185.7	146.5	208.6	225.0
3Q 2023	196.0	222.9	189.8	142.5	213.0	237.4
4Q 2023	201.5	233.2	194.2	148.1	211.3	248.1
4Q 2023 q-o-q	2.8%	4.6%	2.3%	3.9%	-0.8%	4.5%
4Q 2023 y-o-y	6.8%	8.0%	6.6%	1.9%	3.1%	13.7%

Source: URA, ERA research and Market Intelligence

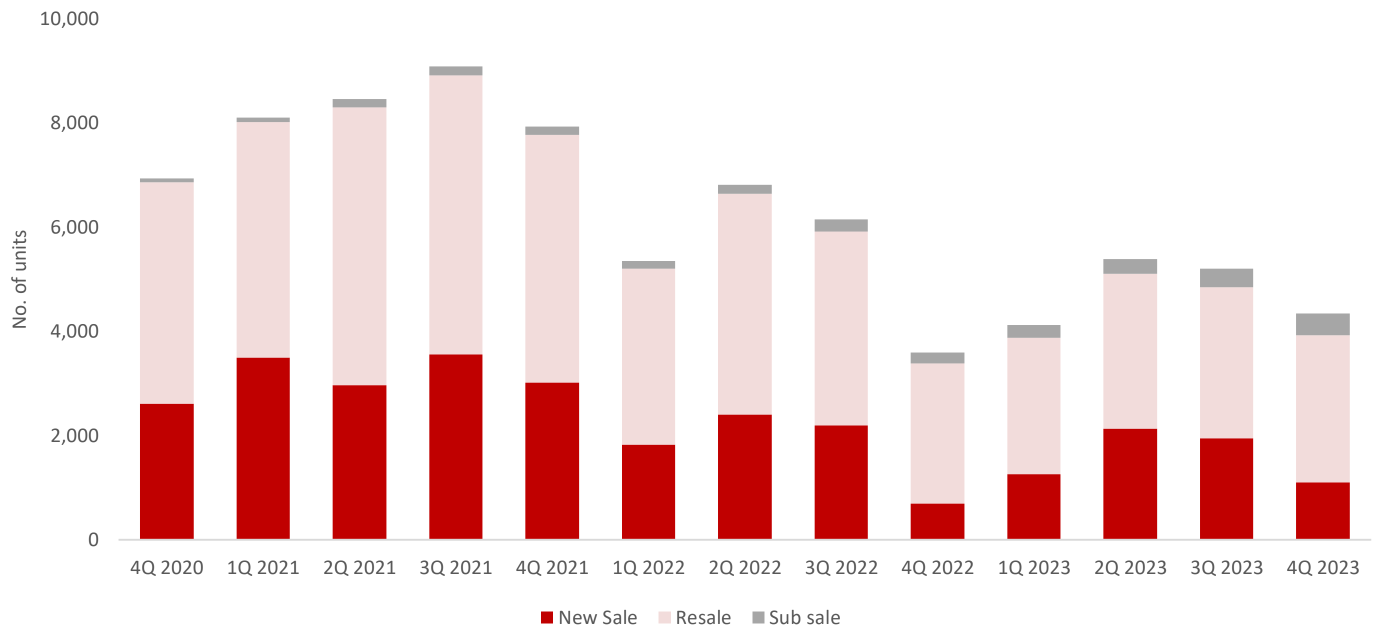
Transaction Volume

New sale volume fell by 43.9% q-o-q, from 1,946 in 3Q to 1,092 in 4Q. Developers only launched 1,060 units (excluding ECs) in 4Q. This was 62.2% lower than in 3Q, leading to fewer new sale transactions.

Resale volume fell by a more marginal 2.4% q-o-q, from 2,900 in 3Q 2023 to 2,831 in 4Q 2023.. Sub-sale transactions increased 15.8% q-o-q to 411, due to more projects attaining Temporary Occupation Permit (TOP) status in the preceding months.

Newly completed homes, given their pristine condition and readiness for immediate occupancy, continue to be popular among buyers These newly completed homes offer a strong value proposition for buyers who seek to take immediate possession of the units. There are a few mega-developments (more than 1,000 units) that attained TOP in 2023, including Parc Clematis (1,468 units), Affinity at Serangoon (1,012 units) and Riverfront Residences (1,451 units).

Chart 1: Transaction Volume by Sales Type



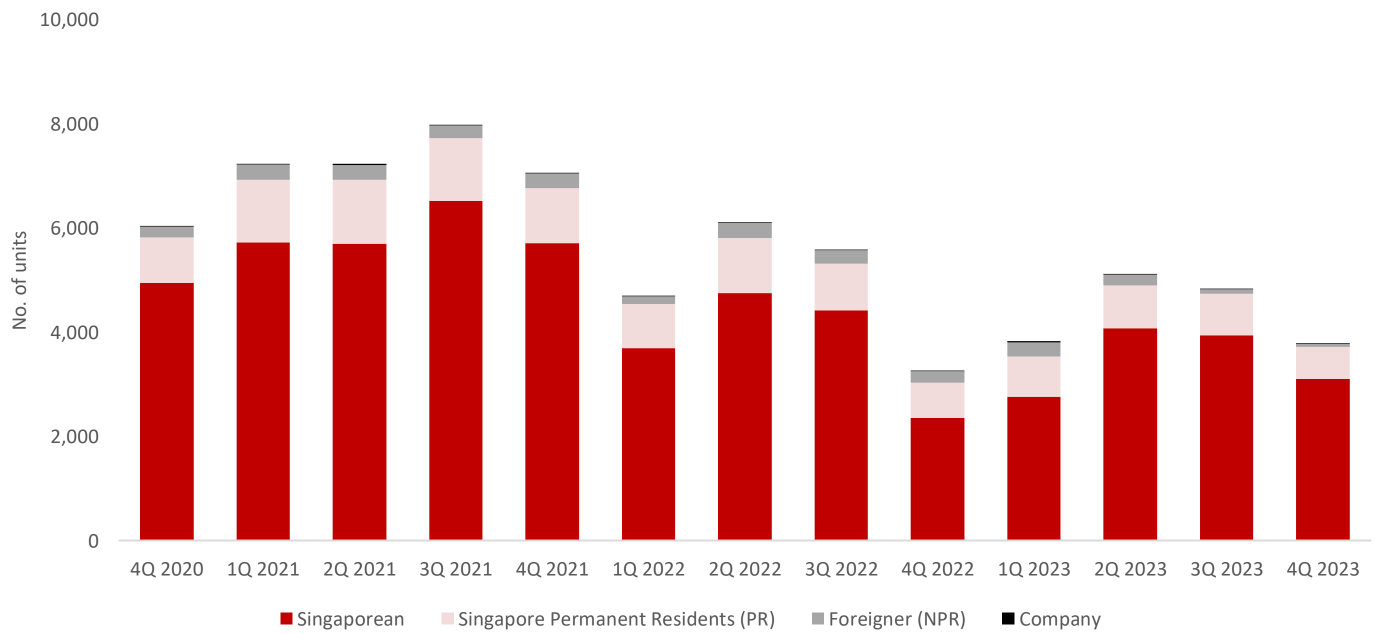
Source: URA, ERA research and Market Intelligence

Dwindling interest from foreign buyers and companies

The number of foreign buyers and companies purchasing non-landed residential properties has dwindled since 2Q 2023 after the hike in ABSD introduced in April 2023.

While the April ABSD hike was a curveball for the real estate sector in 2023, the residential sector may have found its footing with the gradual return of local buyers in 4Q and could forge ahead towards a more promising outlook.

Chart 2: Buyers' Profile For All Non-landed Residential Transactions



Source: URA, ERA research and Market Intelligence

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Outlook

Buyers can expect more home options with some 32 new home launches and one Executive Condominium launch scheduled for 2024. Beyond this, those with immediate housing needs could look to the resale market with the slew of new home completions.

The upcoming launches will have something for every buyer, from prime locations to the city fringe to suburban locations. Prices of new homes will continue inching upwards as developers endeavour to price at the sweet spot price range while being constrained by rising land, construction and interest costs. Even though home buyers remain fairly cautious and price sensitive amid elevated interest rates, homebuying interest could return with the projected interest rate cut in the second half of 2024.

With another 4,085 private residential units (including ECs) being completed in 4Q, this brings the total home completions in 2023 to 21,284. This was the highest annual completions since 2016. Another 11,793 units are expected to be completed in 2024. This could further regulate the pace of non-landed resale price growth and drive transaction volume. Non-landed resale prices could increase by up to 6% y-o-y in 2024, with total resale and sub-sale transactions ranging between 12,000 and 13,000 units in 2024.

Table 2: Project launches in 2024

No.	Private Residential Projects	Region	Location	District	Tenure	Estimated number of units
1	Marina View Residences	CCR	Marina View	1	99 LH	683
2	TBC (Marina Gardens Lane GLS)	CCR	Marina Lane	1	99 LH	790
3	Skywaters Residences	CCR	Shenton Way	1	99 LH	215
4	Newport Residences	CCR	Anson Road	2	FH	246
5	Former Peace Centre	CCR	Sophia Road	9	99 LH	240
6	21 Anderson	CCR	Anderson Road	10	FH	18
7	32 Gilstead Road	CCR	Gilstead Road	11	FH	14
8	Former Kew Lodge	CCR	Kheam Hock Road	11	FH	TBC
9	Former Central Mall / Central Square	RCR	Havelock Road	1	99 LH	366
10	Keppel Bay Plot 6	RCR	Keppel Island	4	99 LH	86
11	Former Golden Mile Complex	RCR	Beach Road	7	99 LH	TBC
12	The Arcady at Boon Keng	RCR	St Barbabas Lane	12	FH	172
13	TBC (Lorong 1 Toa Payoh GLS)	RCR	Lorong 1 Toa Payoh	12	99 LH	800
14	Ardon Residence	RCR	Haig Road	15	FH	35
15	Former Meyer Park	RCR	Meyer Road	15	FH	230
16	TBC (Jalan Tembusu GLS)	RCR	Jalan Tembusu	15	99 LH	840
17	The Hill @ One-North	RCR	Slim Barracks Rise	5	99 LH	142
18	The Hillshore	RCR	Pasir Panjang Road	5	FH	59
19	TBC (Bukit Timah Link GLS)	RCR	Bukit Timah Link	21	99 LH	160
20	TBC (Pine Grove GLS)	RCR	Pine Grove	21	99 LH	565
21	Former La Ville	RCR	Tanjong Rhu Road	15	FH	107
22	Former Bagnall Court	OCR	Upper East Coast Road	16	FH	113
23	Kassia	OCR	Flora Drive	17	FH	276
24	TBC (Tampines Avenue 11 GLS)	OCR	Tampines Avenue 11	18	99 LH	1,190
25	Former Chuan Park	OCR	Lorong Chuan	19	99 LH	900
26	TBC (Champions Way GLS)	OCR	Champions Way	25	99 LH	350
27	Lentor Mansion	OCR	Lentor Gardens	26	99 LH	533
28	Lentoria	OCR	Lentor Hills Road	26	99 LH	267
29	TBC (Lentor Central GLS)	OCR	Lentor Central	26	99 LH	475
30	TBC (Clementi Avenue 1 GLS)	OCR	Clementi Avenue 1	5	99 LH	501
31	Sora	OCR	Yuan Ching Road	22	99 LH	440
32	Hillhaven	OCR	Hillview Rise	23	99 LH	341
	Lumina Grand (EC)	OCR	Bukit Batok West Avenue 5	23	99 LH	496

Source: ERA research and Market Intelligence

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