

Huttons

SINGAPORE'S LARGEST
PRIVATE REAL ESTATE AGENCY

***PRESTIGE
REPORT***

3Q 2023

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The luxury homes market was rocked by another negative news in Aug 2023.

The Singapore Police Force arrested 10 foreigners who were suspected of money laundering. More than \$2.8 billion of assets were seized or issued with prohibition of disposal orders. Among the 152 properties, 60 are completed residential properties, 34 are uncompleted residential properties while the remaining are commercial and industrial properties. Many of the residential properties are luxury homes on both the main island of Singapore and Sentosa.

This further eroded sentiments in the luxury homes market after the 60% Additional Buyer's Stamp Duty (ABSD) on the purchase of a residential property by a foreigner in April 2023.

Transactions of luxury homes in 3Q 2023 slowed further to an estimated 37 units, 41.3% lower than the previous quarter of 63 transactions.

Based on caveats, the total value of luxury non-landed homes was \$295.8 million, 50.9% lower than 2Q 2023's \$601.9 million. In the first nine months of 2023, a total of 222 luxury non-landed homes worth \$1.82 billion was sold. The transacted amount from 1Q to 3Q 2023 was almost 25% lower than the same period in 2022.

The Top 3 selling luxury non-landed projects in 3Q 2023 are Goodwood Residence, Beverly Hill and Nassim Park Residences. Based on caveats, the most expensive unit sold was a 10,710 sq ft penthouse in Goodwood Residence to a Chinese PR for \$32 million. Such units are scarce and seldom available for sale.



Table 1: Top 10 Non-Landed Ultra-Luxury Homes Sold in 3Q 2023 by Quantum

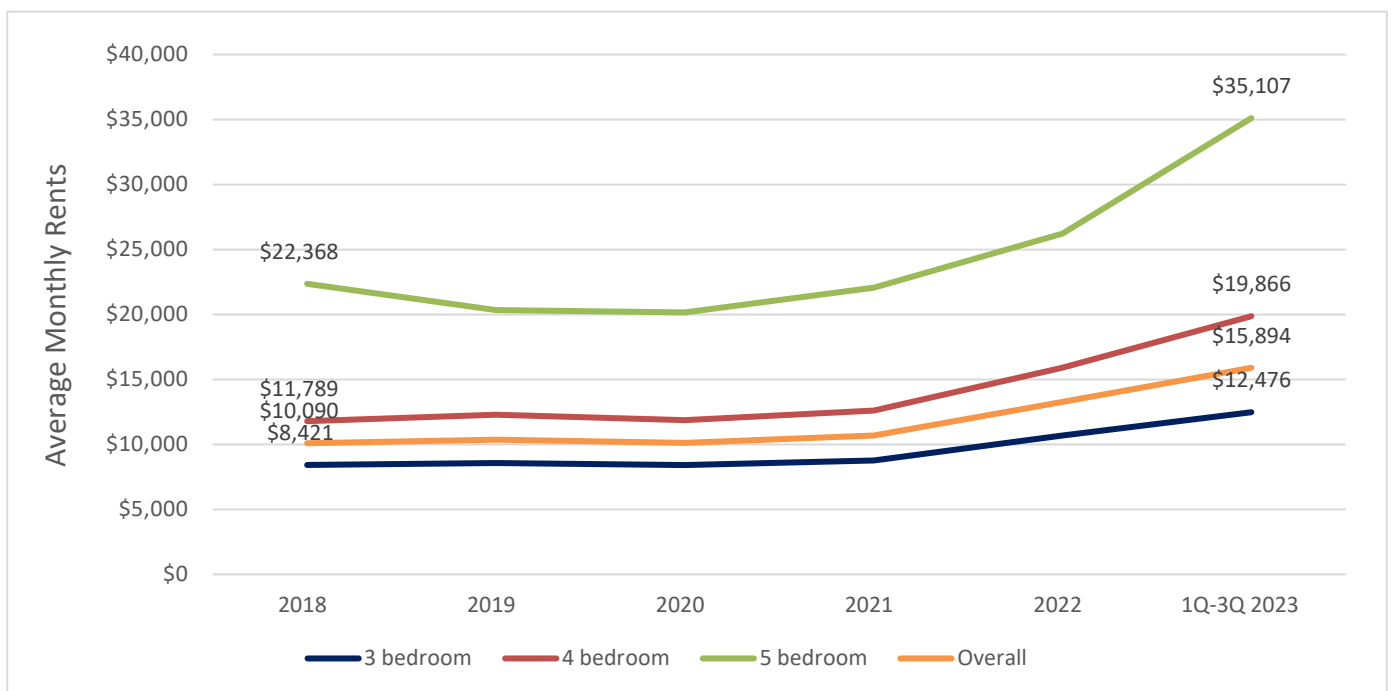
Project	Price	Size (sq ft)	Price (psf)
Goodwood Residence	\$32,000,000	10,710	\$2,988
Beverly Hill	\$18,000,000	7,556	\$2,382
Nassim Park Residences	\$14,000,000	3,477	\$4,027
Ardmore Park	\$12,800,000	2,885	\$4,437
3 Orchard By-The-Park	\$11,000,000	2,831	\$3,886
Bishopsgate Residences	\$10,698,888	2,949	\$3,628
Bishopsgate Residences	\$9,398,888	2,433	\$3,864
Wing On Life Garden	\$8,430,000	3,498	\$2,410
Gallop Green	\$7,850,000	3,229	\$2,431
The Oliv	\$7,600,000	3,337	\$2,278

Source: URA, Huttons Data Analytics as of 27 Oct 2023

The lower transaction volume of luxury non-landed homes may be due to more foreigners choosing to rent while they wait for the approval of their permanent residency status before buying.

An estimated 701 luxury non-landed homes in Huttons Data Analytics' luxury homes basket were rented out in 3Q 2023, 13.6% higher than 2Q 2023. Rents of luxury non-landed homes edged up by 1.8% in 3Q 2023 on the back of higher demand. The 5-bedroom luxury non-landed homes saw the biggest increase of 16.6% to \$35,107 per month. In the first nine months of 2023, rents of luxury non-landed homes were up by almost 20% to \$15,894 per month.

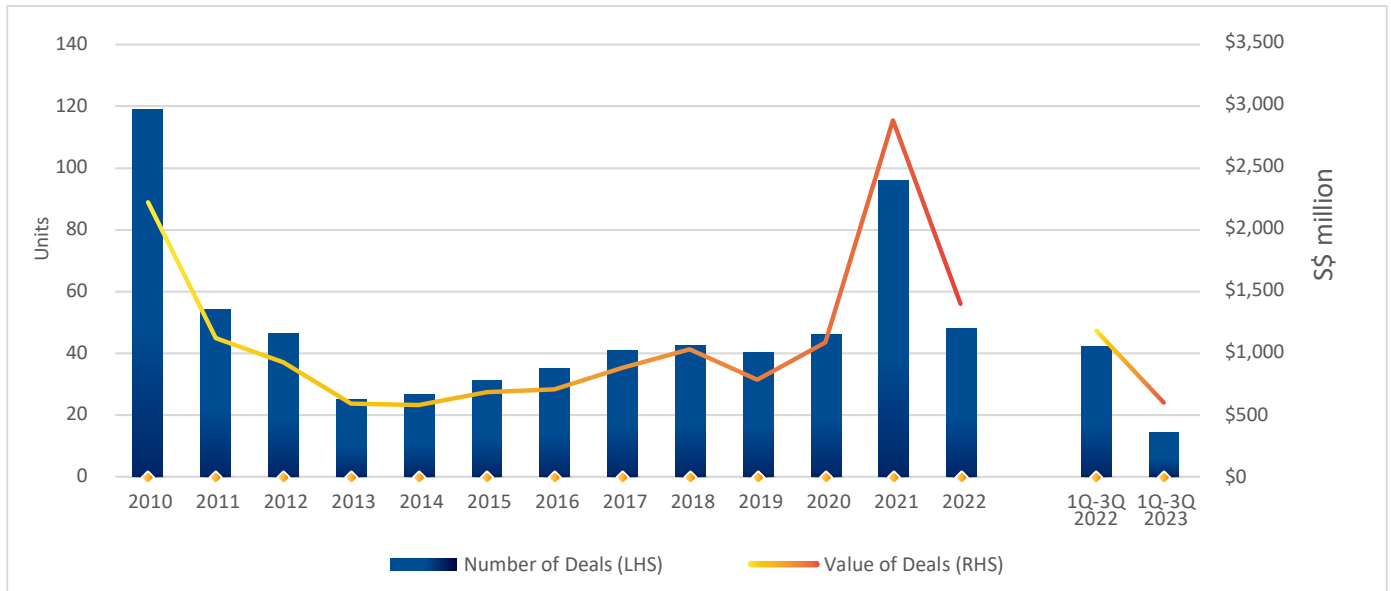
Figure 1: Average Monthly Rents of Luxury Non-landed Homes in 3Q 2023



Source: URA, Huttons Data Analytics as of 27 Oct 2023

Activities in the Good Class Bungalow (GCB) market in 3Q 2023 plunged to its lowest point since 4Q 2013. An estimated 3 GCBs were sold in 3Q 2023. The total value of GCBs sold in 3Q 2023 was \$69.55 million, 82.3% lower than the previous quarter and 85.0% lower year-on-year.

Figure 2: Transactions in Good Class Bungalow Areas



Source: URA, Huttons Data Analytics as of 27 Oct 2023

The top deals by quantum in the GCBA in 3Q 2023 are listed in the table below. 2 of the transactions are in the Caldecott Hill Estate GCBA while the other is in the Raffles Park GCBA.

Table 2: Top Deals in GCB areas in 3Q 2023 by Price

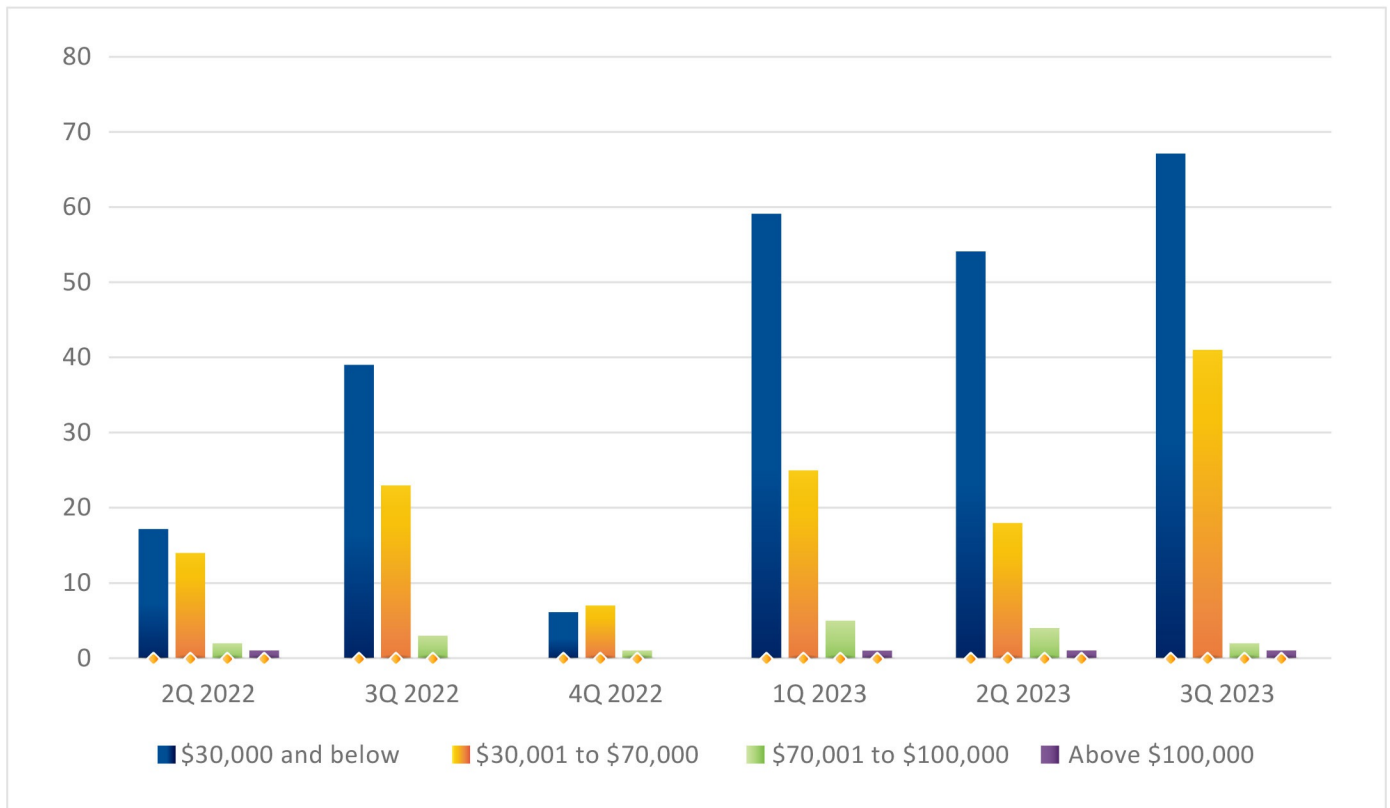
Location	Price	Size (sq ft)	Price (psf)
2A Caldecott Close	\$22.25 million	10,931	\$2,036
11 Caldecott Close	\$22 million	11,803	\$1,985
17 Cassia Drive	\$25.3 million	11,071	\$2,285

Source: URA, Huttons Data Analytics as of 27 Oct 2023

Similarly in the GCB market, the number of rental transactions increased by an estimated 44.2% as foreigners chose to rent while they wait for their citizenship. The highest transacted rent was \$120,000 per month for a detached house in the Nassim Road GCBA.



Table 3: Breakdown of GCB Rent by Quantum



Source: URA, Huttons Data Analytics as of 27 Oct 2023

OUTLOOK

After the arrests of money laundering suspects in GCBs, owners of GCBs are increasingly wary of renting their GCB to Chinese foreigners. The rental market is likely to remain subdued in the coming months. Many owners of GCBs are holding back from selling as they do not think buyers are willing to match their asking prices.

Once the dust from the impact of 60% ABSD on foreigners has settled, the luxury non-landed homes market is likely to see a return of interest. There is a slight uptick in foreigners buying luxury non-landed homes in recent months. However, the level of transactions is unlikely to return to pre-60% ABSD level.

CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS



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