

The property market returned to growth in 3Q 2023 backed by strong sales in project launches. Property prices grew by 0.8% quarter-on-quarter (QoQ) in 3Q 2023 and 3.9% year-on-year (YoY). Compared to the last peak in 3Q 2013, property prices are 26.8% higher.

The cooling measures on 27 April 2023 had a greater impact on the Core Central Region (CCR) as the proportion of foreigners buying residential properties tends to be higher. Sales in the CCR plunged by around 20.8% in 3Q 2023 compared to the previous quarter. Prices have also dropped by 2.7% in 3Q 2023.

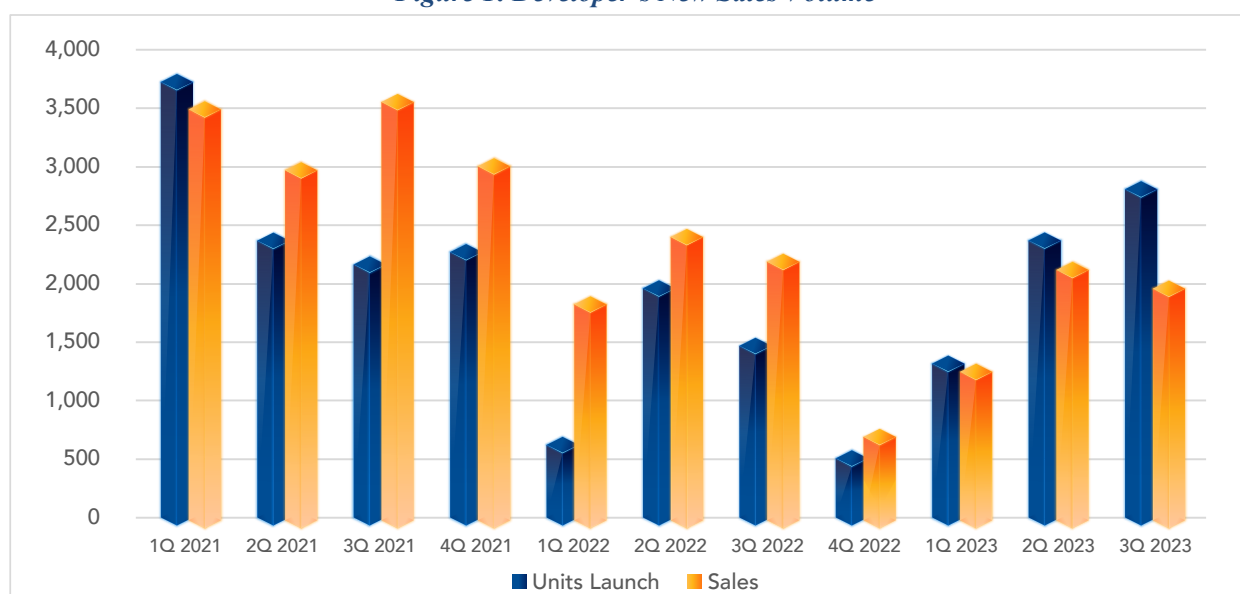
Prices in the Outside Central Region (OCR) jumped the most by 5.5% in 3Q 2023 while the Rest of Central Region (RCR) prices increased by 2.1%.

DEVELOPER SALES

A total of 2,805 units across nine projects were launched for sale in 3Q 2023. The nine projects were Grand Dunman, Lentor Hills Residences, Orchard Sophia, Pinetree Hill, The Arden, The Lakegarden Residences, The Myst, The Shorefront and TMW Maxwell. This is the largest launch by units in a quarter since 1Q 2021.

Developers sold a total of 1,946 units in 3Q 2023 which is slightly lower than the previous quarter. In the first nine months of 2023, developers have sold 5,329 units, 16.9% lower than the corresponding period a year ago. The nine project launches accounted for 1,417 units or 72.8% of sales in the third quarter of 2023.

Figure 1: Developer's New Sales Volume



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

The top three bestselling projects in 3Q 2023 are Grand Dunman, Lentor Hills Residences and The Myst.

Being the one and only mega launch in 2023, Grand Dunman generated a lot of buzz and attracted about 10,000 people on the first weekend of preview. Grand Dunman sold 580 units in 3Q 2023, making it the bestselling project in 2023 and in more than two years. Lentor Hills Residences recorded strong sales, selling almost 400 units. The 1- and 2-bedrooms are the most popular due to investment demand and family sizes getting smaller over the years. The Myst sold more than 150 units, attracting owner occupiers who like the area for its proximity to nature, good primary schools and Cashew MRT station.

Table 1: Top Ten Bestselling Projects in 3Q 2023

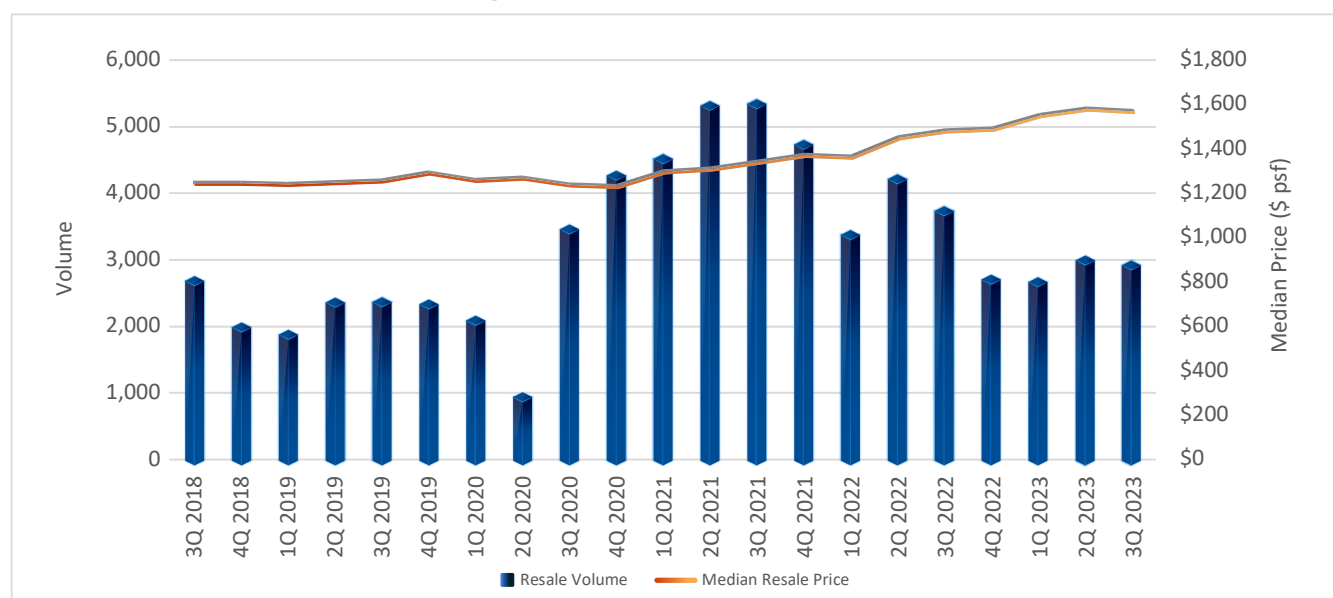
Project	Region	Units sold	Median Price
Grand Dunman	RCR	580	\$2,522 psf
Lentor Hills Residences	OCR	393	\$2,107 psf
The Myst	OCR	151	\$2,064 psf
Pinetree Hill	RCR	147	\$2,360 psf
The Lakegarden Residences	OCR	71	\$2,099 psf
The Continuum	RCR	62	\$2,761 psf
One Pearl Bank	RCR	40	\$2,824 psf
The Arden	OCR	37	\$1,777 psf
The Reserve Residences	RCR	34	\$2,532 psf
Pullman Residences Newton	CCR	30	\$3,252 psf

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

RESALE MARKET

The resale market bore the brunt of the higher for longer interest rate in 3Q 2023. The higher interest rate led to a slight dip in prices of 0.6% in the resale market. Transaction volume in 3Q 2023 is 2.6% lower than the previous quarter as price sensitive buyers are priced out.

Figure 2: Resale Volume and Prices



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

The subsale market continued to see good demand in 3Q 2023 as it offers buyers the opportunity to move into a new home either immediately or in a shorter time compared to new sale. The substantial price gap of 20% to 30% between a new sale and sub sale unit which is drawing more buyers to this segment of the market.

Table 2: Breakdown of Private Residential Sales

Type of Sale	2020	2021	2022	1Q 2023	2Q 2023	3Q 2023
New Sale	9,982	13,027	7,099	1,256	2,127	1,946
Resale	10,729	19,962	14,026	2,622	2,976	2,900
Sub Sale	198	568	765	243	285	355
Total	20,909	33,557	21,890	4,121	5,388	5,201

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

RENTS

There were 8,517 private residential units completed in 3Q 2023, 93.5% higher than 2Q 2023. In the first nine months of 2023, a total of 15,388 private residential units were completed. With little incremental demand to absorb the new supply of condos, landlords came under more pressure to retain tenants in 3Q 2023 and rents inched up by 0.8%. This is the slowest quarter growth in rents since 4Q 2020 and all segments of the residential market saw significantly lower increase in rents.

BUYER'S PROFILE

After the cooling measures, the proportion of foreigners purchasing residential properties in Singapore in 3Q 2023 more than halved to 1.7% compared to 4.0% a quarter ago. In 3Q 2023, US citizens are the number one foreign purchasers of residential properties in Singapore, followed by China citizens in second. Singaporeans and PRs made up a larger portion in 3Q 2023 as more buyers wait for either their PR or citizenship before buying a property in Singapore.

39.5% of the transactions in 3Q 2023 are priced below \$1.5 million, 28.2% are between \$1.5 million to \$2 million and 32.4% above \$2 million. More than 80% of purchases are by Singaporeans with PRs and foreigners making up 16.9% and 1.7%, respectively, in 3Q 2023.

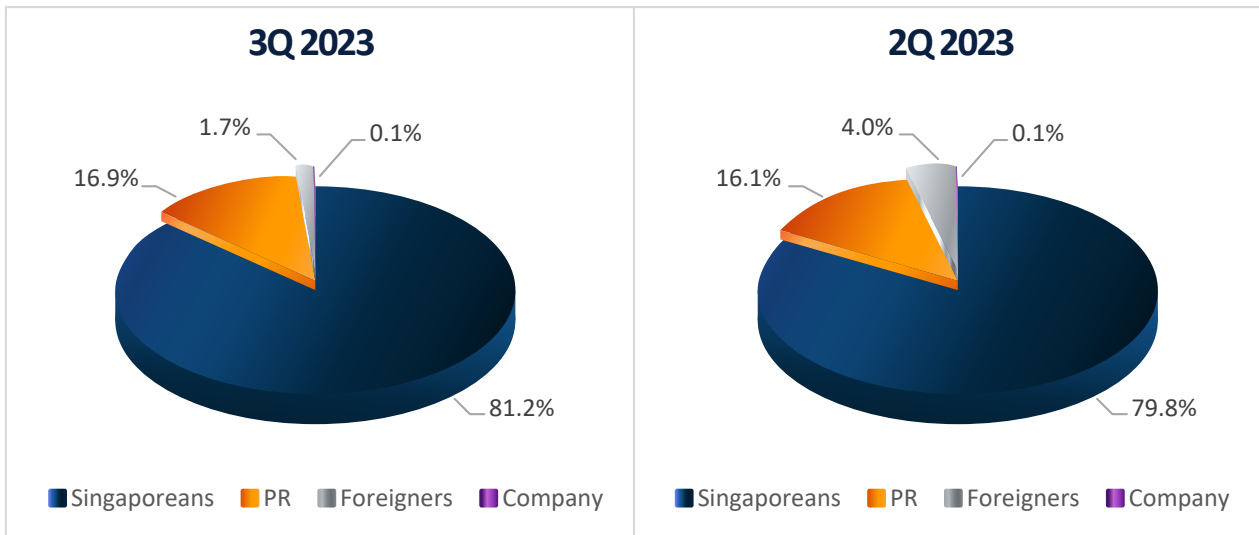
The number of non-landed deals worth \$10 million or more has more than halved from 20 in 2Q 2023 to 8 in 3Q 2023. In view of the higher taxes, some buyers have adjusted their budget.

Table 3: Comparison of Price Range and Residential Status (All Sale Types) in 3Q 2023

	<\$1.5 million	\$1.5 to <\$2 million	\$2 to <\$5 million	>\$5 million	Total
Companies	2	0	1	3	6
Foreigners	17	15	36	14	82
Permanent Residents	407	169	189	30	795
Singaporeans	1,425	1,138	1,216	29	3,808
Total	1,851	1,322	1,442	76	4,691

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

Figure 3: Comparison of Nationalities among Buyers (All Sale Types)



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

EXECUTIVE CONDOMINIUMS

The only EC launch in 2023, Altura saw strong sales in 3Q 2023 and is close to 90% sold. There had not been an EC in Bukit Batok for 22 years and many buyers were looking forward to it. North Gaia, an EC in Yishun also saw steady sales in 3Q 2023.

Developers have sold 420 EC units in 3Q 2023, the highest sales volume since 4Q 2022. As of 3Q 2023, 319 launched EC units remain unsold in the market.

MARKET OUTLOOK

Based on advance estimates, Singapore's economy grew by 0.7% on a year-on-year (YoY) basis in 3Q 2023, faster than the previous quarter 0.5% YoY growth.

Property prices are likely to stabilise after the high growth over the past two years.

This is due to the uncertain economic outlook and higher for longer interest rates. Growth in employment and wages have slowed leading to more cautious sentiments. The higher for longer interest rate environment is providing investors alternative options to property investment while at the same time pricing out some buyers and limiting the price gains.

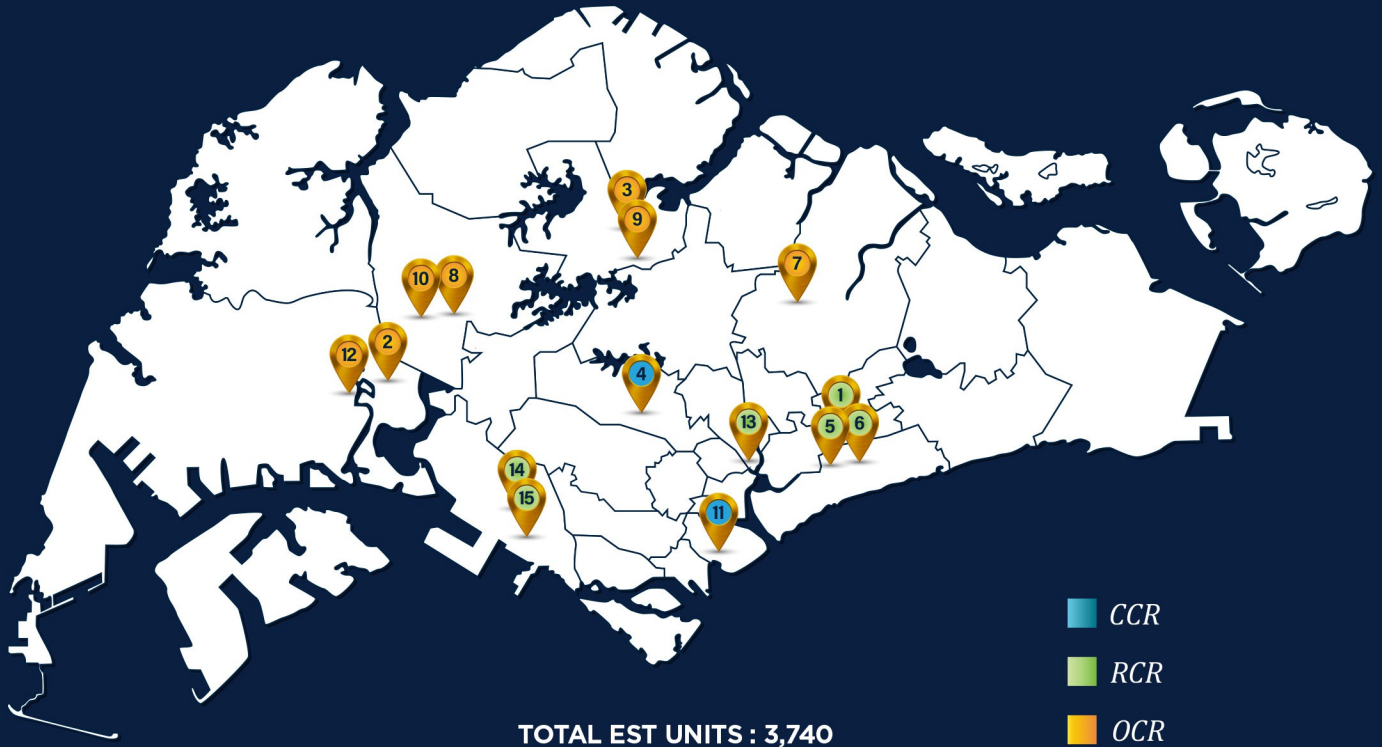
There will be another 4 project launches with a total of 1,048 units in the last quarter of 2023. This will bring launched units to an estimated 7,539 for 2023. This is less than the original forecast of up to 12,000 units launched for sale in 2023 but nevertheless 66.5% higher than the 4,528 units launched for sale in 2022.

Developer sales could end the year between 6,000 and 6,500 units as buyers turn cautious. Prices of new homes should trend higher by up to 5% in 2023 on the back of resilient demand.

In 1Q 2024, there may be another 11 projects with a total of 2,757 units slated for launch. 27% of the units are in the CCR, 16% in the RCR and the remaining 57% in the OCR. Barring unforeseen circumstances, prices are estimated to grow at a lower rate of up to 3% in 2024.

Map 1: Potential Upcoming Projects in 4Q 2023 and 1Q 2024

1: MATTAR RESIDENCES DEVELOPER: L.K. ANG CONSTRUCTION LOCATION: MATTAR ROAD TENURE EST UNITS EST LAUNCH MONTH FH 26 OCT 2023	2: J'DEN DEVELOPER: CAPITALAND DEVELOPMENT LOCATION: JURONG EAST CENTRAL 1 TENURE EST UNITS EST LAUNCH MONTH 99 368 NOV 2023	3: HILLOCK GREEN DEVELOPER: UNITED ENGINEERS, SOILBUILD GROUP HOLDINGS LTD AND FORSEA HOLDINGS PTE LTD LOCATION: LENTOR CENTRAL TENURE EST UNITS EST LAUNCH MONTH 99 474 NOV 2023	4: WATTEN HOUSE DEVELOPER: UOL GROUP LIMITED & SINGAPORE LAND GROUP LOCATION: SHELFORD ROAD TENURE EST UNITS EST LAUNCH MONTH FH 180 NOV 2023
5: 173-183 HAIG ROAD DEVELOPER: NANSHAN GROUP LOCATION: HAIG ROAD TENURE EST UNITS EST LAUNCH MONTH FH 35 1Q 2024	6: FORMER EAST COURT DEVELOPER: MACLY GROUP LOCATION: KOON SENG ROAD TENURE EST UNITS EST LAUNCH MONTH FH 19 1Q 2024	7: FORMER JANSEN MANSION DEVELOPER: MACLY GROUP LOCATION: JANSEN ROAD TENURE EST UNITS EST LAUNCH MONTH FH 22 1Q 2024	8: HILLHAVEN DEVELOPER: FAR EAST ORGANIZATION AND SEKISUI HOUSE LOCATION: HILLVIEW RISE TENURE EST UNITS EST LAUNCH MONTH 99 341 1Q 2024



9: LENTORIA DEVELOPER: TID RESIDENTIAL PTE. LTD. LOCATION: LENTOR HILLS ROAD TENURE EST UNITS EST LAUNCH MONTH 99 267 1Q 2024	10: LUMINA GRAND (EC) DEVELOPER: CITY DEVELOPMENTS LOCATION: BUKIT BATOK WEST AVE 5 TENURE EST UNITS EST LAUNCH MONTH 99 512 1Q 2024	11: MARINA VIEW RESIDENCES DEVELOPER: IOI PROPERTIES LOCATION: MARINA VIEW TENURE EST UNITS EST LAUNCH MONTH 99 683 1Q 2024	12: SORA DEVELOPER: CEL DEVELOPMENT, SING-HAIYI PEARL AND TK 189 DEVELOPMENT LOCATION: YUAN CHING ROAD TENURE EST UNITS EST LAUNCH MONTH 99 440 1Q 2024
13: THE ARCADY @ BOON KENG DEVELOPER: KSH ULTRA UNITY PTE LTD LOCATION: SERANGOON ROAD TENURE EST UNITS EST LAUNCH MONTH FH 172 1Q 2024	14: THE HILL @ ONE-NORTH DEVELOPER: KINGSFORD REAL ESTATE DEVELOPMENT PTE LTD LOCATION: SLIM BARRACKS RISE TENURE EST UNITS EST LAUNCH MONTH 99 142 1Q 2024	15: THE HILLSHORE DEVELOPER: HILLSIDE VIEW DEVELOPMENT PTE LTD LOCATION: PASIR PANJANG ROAD TENURE EST UNITS EST LAUNCH MONTH FH 59 1Q 2024	<i>* in alphabetical order followed by chronological order</i>

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

CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS

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