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# THE MONTHLY BUILD GUILD

A NEWSLETTER ON REAL ESTATE AND URBAN LIVING

by Ed Mika

## PROPERTY MARKET TRENDS

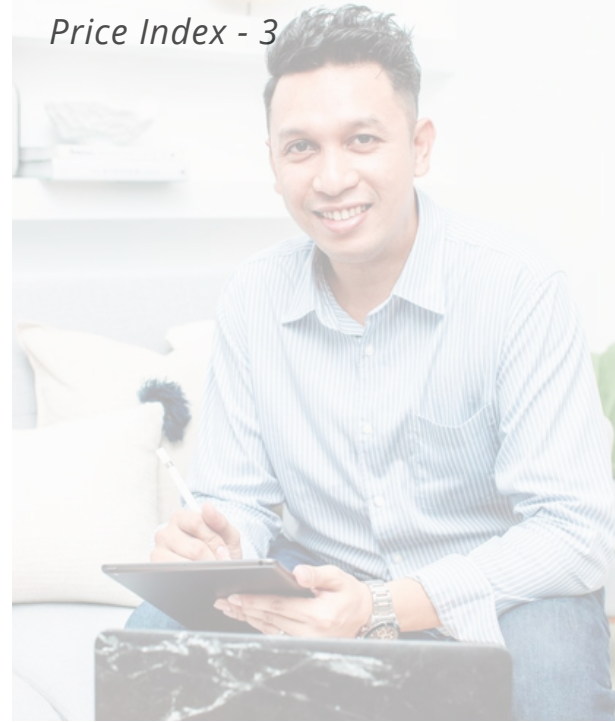
***Moderate Growth in Home Prices in Q3 2023;  
Hesitant Buying Sentiment Amidst Uncertain  
Economic Outlook, High Interest Rates, and  
Impact of Property Cooling Measures***

**27 October 2023, SINGAPORE** – Residential property prices grew at a moderate pace in Q3 2023, as cooling measures continued to bite and stronger buyer hesitancy amidst macroeconomic uncertainties and elevated interest rates. While still resilient, home sales and prices could face some pressure in the near-term given the choppy landscape owing to the ongoing conflict in the Middle East. Market confidence appears to be still holding up and home buyers are expected to remain cautious as geopolitical tensions heighten uncertainties.

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*Q3 2023 URA Private  
Residential Property  
Price Index - 2*

*Q3 2023 HDB Resale  
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# Q3 2023 URA PRIVATE RESIDENTIAL PROPERTY PRICE INDEX

Data from the Urban Redevelopment Authority (URA) showed that overall private home prices inched up by 0.8% QOQ in Q3 2023, overturning the 0.2% QOQ decline in the previous quarter (see Table 1). This takes the cumulative price increase in the first nine months of 2023 to 3.9%, slowing from the 8.2% for the corresponding period in 2022. The final print published today is higher than the flash estimates of a 0.5% QOQ growth announced earlier this month.



**Table 1: URA Private Property Price Index (Q3 2023)**

Price Indices	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	9M 2023
	(QOQ % Change)				(YOY % Change)	(QOQ % Change)			
<b>Overall PPI</b>	0.7	3.5	3.8	0.4	8.6	3.3	-0.2	<b>0.8</b>	<b>3.9</b>
<b>Landed</b>	4.2	2.9	1.6	0.6	9.6	5.9	1.1	<b>-3.6</b>	<b>3.2</b>
<b>Non-Landed</b>	-0.3	3.6	4.4	0.3	8.1	2.6	-0.6	<b>2.2</b>	<b>4.2</b>
• <b>CCR</b>	-0.1	1.9	2.3	0.7	4.8	0.8	-0.1	<b>-2.7</b>	<b>-2.0</b>
• <b>RCR</b>	-2.7	6.4	2.8	3.1	9.7	4.4	-2.5	<b>2.1</b>	<b>4.0</b>
• <b>OCR</b>	2.2	2.1	7.5	-2.6	9.3	1.9	1.2	<b>5.5</b>	<b>8.8</b>

Source: PropNex Research, URA

Non-landed home prices also grew in the OCR, rising at a faster pace of 5.5% QOQ in Q3 2023, compared with the 1.2% growth in Q2 2023. There were several OCR launches in the quarter, including Lentor Hills Residences, The Arden, The Lakegarden Residences, and The Myst. According to URA data, developers sold 725 new private homes (ex. EC) in the OCR Q3 2023 – the highest quarterly new sales in the OCR since 1,244 units were sold in Q3 2022.

Over in the Core Central Region (CCR), non-landed private home prices fell by 2.7% in Q3 2023 – the second consecutive quarter of price decline, following the 0.1% QOQ drop in the previous quarter. In 9M 2023, CCR non-landed home prices fell by 2% from the end of 2022, compared with the 4.1% price growth posted in 9M 2022.

# BY ISMAIL GAFOOR

## ***CEO of PropNex***

"Looking at the URA PPI for Q2 and Q3 2023, it is fair to say that the three rounds of cooling measures since December 2021 have achieved their intended outcome of taking the buzz out of the housing market and to keep prices from becoming out of sync with economic fundamentals. We expect a handful of new launches (including J'den and Hillock Green) to help to support sales and home prices in the fourth quarter. For the whole of 2023, we project that the overall private home price growth could come in at between 4% and 5%. Meanwhile, we have recently revised downwards our sales volume projections to 6,500 to 7,000 units (ex. EC) for new home sales and 12,000 to 13,000 units for resale private residential properties.

One of the key factors that drives property market performance is buyer/investor sentiment. Generally, people tend to feel more comfortable to enter the market when others are doing likewise, but of late, we have seen transaction volumes cooled due to fresh cooling measures in April, macroeconomic uncertainties, and geopolitical tensions. Buyers turn cautious, which leads to a pull-back in sales activity, and this cautious sentiment then feeds on itself and may prompt others to defer their purchase. We reckon some prospective buyers are holding out for market catalysts (such as interest rates stabilisation), or are perhaps strategising on opportunistic buys (including looking at options in the CCR segment).

Based on our observations, we do not anticipate a sharp correction in home prices in the near-term. For developers, it is because they have already locked in their land cost; interest rates and construction costs are still high and the new rules on gross floor area (GFA) definitions will eat into the project's saleable area. For sellers in the resale market, they could be open to negotiation but may not substantially lower asking price as they need to consider the cost of their replacement home. For 2024, we are expecting private home prices to stay in the positive territory, with a 3% to 4% increase next year.

We note that the median transacted unit price of CCR non-landed new sales has stabilised at the around the \$2,910 psf level in Q3 2023, while that of RCR and OCR hovered at about \$2,510 psf and \$2,080 psf respectively (see Table 2). Meanwhile, median unit prices of non-landed resale homes in RCR and OCR rose by 1.4% and 1.0% respectively from Q2 to Q3, while CCR resale prices fell by 4.2% QOQ, according to caveats lodged.

The tightening of the ASBD rates in April 2023 has weighed on foreign investment demand. Private non-landed new and resale home sales (ex. EC) to foreigners (non-PR) fell to 1.8% of the total transactions in Q3 2023 (see Table 3) – the lowest quarterly figure on record since 1995. Over 81% of the sales in Q3 were to Singaporean buyers – whom we expect to continue to account for a lion's share of home sales going forward."



# Q3 2023 HDB RESALE PRICE INDEX

The quarterly data released by the Housing and Development Board (HDB) showed that resale prices of public housing flats rose by 1.3% QOQ in Q3 2023, easing slightly from the 1.5% QOQ increase in the previous quarter (see Table 4). This marks the 14th straight QOQ growth in the HDB Resale Price Index. Cumulatively, HDB resale prices have risen by 3.8% in 9M 2023 – slower than the 8% growth in the corresponding period in 2022.

The HDB said that 6,695 resale flats were transacted in Q3 2023 – up by 2.8% QOQ from the 6,514 HDB flats resold in Q2 2023. However, sales underperformed on a year-on-year basis, falling by 11.3% from 7,546 units resold in Q3 2022.



**Table 4: HDB Resale Price Index**

Quarter	QOQ % change	YOY % change
Q1 2021	3.0%	8.1%
Q2 2021	3.0%	11.0%
Q3 2021	2.9%	12.5%
Q4 2021	3.4%	12.7%
Q1 2022	2.4%	12.2%
Q2 2022	2.8%	12.0%
Q3 2022	2.6%	11.6%
Q4 2022	2.3%	10.4%
Q1 2023	1.0%	8.8%
Q2 2023	1.5%	7.5%
Q3 2023	1.3%	6.2%

Source: PropNex Research, HDB

"Owning a home is a keystone of wealth — both financial affluence and emotional security."  
—Suze Orman



# BY WONG SIEW YING

## Head of Research & Content PropNex Realty

"The up-tick in HDB resale flat volume in Q3 2023 has helped to support resale prices during the quarter. Based on transaction data, the price increase in Q3 2023 was driven by 4-room flats, which posted a 1.8% QOQ growth in average transacted price to \$590,019; this was followed by executive flats which achieved an average price increase of 1.2% QOQ to \$837,138 (see Table 5). In Q3 2023, we also observed that the average resale price in 14 towns (out of a total of 26 towns) had touched new highs across a mix of mature and non-mature estates, according to transaction data.

Meanwhile, there were 128 resale flats that were transacted for at least \$1 million in Q3 2023, taking the tally to 336 such flats in the first nine months of the year. Factoring the 35 units of million-dollar flats that changed hands so far in October, there were 371 such flats resold thus far – already exceeding the record 369 units resold in the whole of 2022 with two months to spare."

**Table 5: Average transacted resale price of HDB flats by Flat Type by Quarter**

	Average transacted HDB resale prices						QOQ % change in average resale prices					
	1 ROOM	2 ROOM	3 ROOM	4 ROOM	5 ROOM	EXECUTIVE	1 ROOM	2 ROOM	3 ROOM	4 ROOM	5 ROOM	EXECUTIVE
2020Q1	\$160,667	\$231,588	\$303,590	\$430,511	\$529,857	\$626,399	-	4.6%	0.9%	-0.5%	0.9%	1.1%
2020Q2	\$183,333	\$229,217	\$298,174	\$438,987	\$527,928	\$607,990	14.1%	-1.0%	-1.8%	2.0%	-0.4%	-2.9%
2020Q3	\$186,500	\$230,177	\$312,668	\$445,472	\$535,462	\$629,205	1.7%	0.4%	4.9%	1.5%	1.4%	3.5%
2020Q4	\$197,500	\$245,395	\$327,820	\$470,396	\$560,791	\$657,507	5.9%	6.6%	4.8%	5.6%	4.7%	4.5%
2021Q1	\$191,000	\$256,960	\$335,612	\$483,098	\$586,586	\$681,768	-3.3%	4.7%	2.4%	2.7%	4.6%	3.7%
2021Q2	\$200,000	\$257,205	\$350,502	\$501,417	\$596,635	\$696,863	4.7%	0.1%	4.4%	3.8%	1.7%	2.2%
2021Q3	\$220,000	\$273,532	\$355,166	\$510,025	\$608,531	\$709,418	10.0%	6.3%	1.3%	1.7%	2.0%	1.8%
2021Q4	-	\$282,229	\$368,832	\$524,136	\$622,221	\$731,587	-	3.2%	3.8%	2.8%	2.2%	3.1%
2022Q1	\$215,000	\$280,335	\$376,231	\$529,882	\$633,541	\$759,428	-	-0.7%	2.0%	1.1%	1.8%	3.8%
2022Q2	\$235,000	\$289,175	\$385,756	\$548,977	\$649,436	\$768,775	9.3%	3.2%	2.5%	3.6%	2.5%	1.2%
2022Q3	\$235,000	\$308,171	\$393,440	\$554,323	\$664,935	\$802,736	0.0%	6.6%	2.0%	1.0%	2.4%	4.4%
2022Q4	\$234,444	\$306,964	\$399,920	\$563,146	\$669,537	\$795,430	-0.2%	-0.4%	1.6%	1.6%	0.7%	-0.9%
2023Q1	\$237,000	\$315,344	\$408,922	\$571,995	\$672,674	\$813,736	1.1%	2.7%	2.3%	1.6%	0.5%	2.3%
2023Q2	\$245,500	\$321,255	\$410,084	\$579,740	\$685,707	\$827,549	3.6%	1.9%	0.3%	1.4%	1.9%	1.7%
2023Q3	-	\$324,315	\$413,327	\$590,019	\$689,830	\$837,138	-	1.0%	0.8%	1.8%	0.6%	1.2%

Source: PropNex Research, Data.gov.sg

For the full-year 2023, we expect that HDB resale volume could come at around 26,000 to 27,000 units, amidst price resistance among buyers and potentially some resale demand being funnelled to HDB's Build-to-Order (BTO) sales exercise, taking place in December 2023. The December BTO launch will offer about 6,000 flats in a wide variety of locations, such as Bukit Panjang, Jurong West, Woodlands, Bedok, Bishan, Bukit Merah and Queenstown. Price-wise, we are maintaining our HDB resale price growth projection at 5% to 6% for 2023, and at 4% to 5% for 2024 – easing from the double-digit price increase witnessed in 2021 and 2022."



# WHY YOU NEED A REAL ESTATE AGENT

*Hiring experts makes things easier*

Well, having a real estate agent is like having a personal guide through the maze of property transactions. They know the market, the paperwork, and the ins and outs of negotiations. Plus, they can save you from drowning in a sea of confusing terms and processes. It's like having a seasoned navigator for your home-buying or selling adventure!



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Ed Mika has brought a lot to the table. He helped me set a competitive price, market my property effectively, and navigate the tricky world of negotiations. His experience and knowledge can be the secret sauce to getting the best deal possible. Plus, Ed saves you time and stress by handling all the nitty-gritty details. It's like having a real estate superhero on your side!y and efficiently do the job - including pesky paperwork.

**Rahim & Herneda**  
Eastlawn @ 108A Canberra Walk







## Book A Slot with Ed Mika

**MON** 2:00 pm, 8:00 pm

**TUE** ~~2:00 pm~~, 5:00 pm, 8:00 pm

**WED** 2:00 pm, ~~5:00 pm~~, 8:00 pm

**THU** 8:00 pm

**FRI** 2:30 pm, 8:00 pm

**SAT** 10:00 am, 2:00 pm, ~~4:00 pm~~

**SUN** 10:00 am, 2:00 pm, 4:00 pm

