

Residential Market Watch 2022Q4

MUTED PERFORMANCE IN 2022Q4

DASHBOARD

	Price Index	Rental Index	New Sales (units)	Resales (units)	All Residential Sales (units)	Vacancy Rate (%)
Q-o-q Change	▲ +0.4%	▲ +7.4%	▼ -68%	▼ -28%	▼ -42%	▼ -20 basis pts
Y-o-y Change	▲ +8.6%	▲ +29.7%	▼ -77%	▼ -43%	▼ -55%	▼ -50 basis pts

Price increase slowed as sales plunged

Against the headwinds of weakening global economy, rising interest rates, persistent inflation, fresh round of cooling measures and a dearth of new launches, 2022Q4 turned in the smallest price increase since 2020Q1 and the lowest home sales volume since 2016Q1.

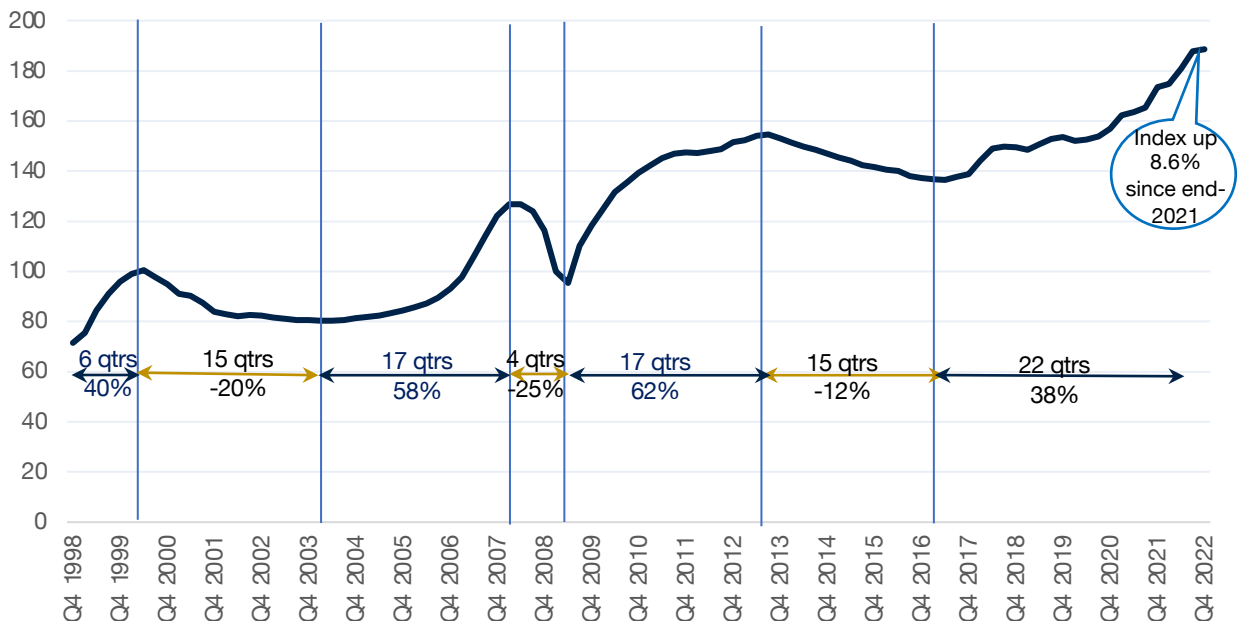
The URA private residential price index inched up by a mere 0.4% q-o-q, a stark contrast to the 3.8% and 3.5% rise in preceding two quarters. For the whole year, the price index rose by 8.6%, slowing down from the 10.6% rise in 2021.

By property types, the price index of landed homes rose by 0.6% q-o-q while the index of non-landed homes rose by 0.3% over the same period. For the whole year, prices of landed homes rose by 9.6%, slower than the 13.3% growth in 2021. As for non-landed homes, prices gained 8.1% in 2022, compared to the 9.8% gain in 2021.

With the absence of mega new projects to set pricing and stimulate sales in 2022Q4, prices of non-landed homes in Outside Central Region (OCR) suffered the biggest contraction of 2.6% q-o-q. However, prices of non-landed homes in the Core Central Region (CCR) and Rest of Central Region (RCR) registered positive growth of 0.7% and 3.1% q-o-q respectively. For the whole of 2022, prices in CCR, RCR and OCR gained 4.8%, 9.7% and 9.3% respectively. Back in 2021, the respective price gains in the three regions were 2.7%, 16.3% and 8.8% y-o-y. In both years, the RCR turned out to be the best performer.

A total transaction of 3,588 homes were sold in 2022Q4, much lower than the 6,148 and 6,811 units sold in Q3 and Q2 of 2022. The main drag was new homes, which numbered only 690 units, the lowest quarterly sales volume since 2008Q1 when there were only 419 new sales. In total, 21,890 homes were sold in the whole 2022, compared to 33,557 homes sold in 2021.

CYCLES OF THE URA RESIDENTIAL PRICE INDEX





Market dynamics

As more dark clouds gathered on the economy, home buyers, sellers and developers all took a cautious stance in 2022Q4. Developers launched only 504 new homes for sale, comprising mostly the remaining units of existing projects. There were four new project launches of smaller scale: Hill House (72 units), Kovan Jewel (34 units), Pollen Collection (132 landed units) and Sophia Regency (38 units). Response to these new projects seemed lukewarm probably because they are targeted at a niche market rather than at the masses.

The best performing project in 2022Q4 was Perfect Ten, with 58 units sold, followed by Riviere with 46 units sold and Leedon Green with 33 units sold. In total 690 new homes were sold, much lower than the 2,187 new homes sold in 2022Q3. Of the 690 units sold, 381 units (55%) were from projects in CCR and 186 units (27%) from those in RCR. Only 123 units (18%) were in OCR as most of the projects were close to being sold out.

For the whole year, developers launched 4,528 new homes for sale and sold 7,099 units. These were way below the 10,496 units launched and 13,027 units sold in 2021 when the market was more upbeat.

Due to the lack of new supply in OCR, buyers turned to the resale market. The 2,694 resale transactions in 2022Q4 comprised 1,472 units (55%) in OCR, 728 units (27%) in RCR and 494 units (18%) in CCR. In comparison, 3,719 resale homes were sold in 2022Q3.

As at the end of 2022, 14,026 resale homes were sold, 30% below the resale volume of 19,962 homes in 2021. The decline in resale transactions could be attributed to rising prices, higher borrowing costs and the 15-month wait-out period imposed on private home owners before they could buy a non-subsidized resale HDB flat.

The slowdown in sales volume was also reflected in the HDB resale market. Buyers showed a greater resistance to the higher prices, as their financing is being crimped by the tighter loan-to-value limit in the latest cooling measures as well as the rising interest rates.

Including subsales, a total of 3,588 private homes were sold in 2022Q4. This brings the full year sales volume to 21,890 homes, some 35% lower than the 33,557 homes sold in 2021.

Caveat data provided by URA showed that 77% of the homes were bought by Singaporeans, down from 80% in the preceding two years. Singapore permanent residents bought around 18% of the properties, compared to 16% and 15% in 2021 and 2020 respectively. The proportion bought by foreigners remained at 4%, consistent with the previous two years. The top five foreign buyers came from China, Malaysia, India, USA and Indonesia.

Some 98 luxury homes were sold in 2022Q4, down from the 153 deals in 2022Q3. For the whole of 2022, there was a total of 518 transactions. The most expensive property sold in each segment in the year was a GCB at Chancery Lane which fetched \$66.06mil, a villa at Ocean Drive which fetched \$34.50 mil and a penthouse at Les Maisons Nassim sold for \$68.00 mil.

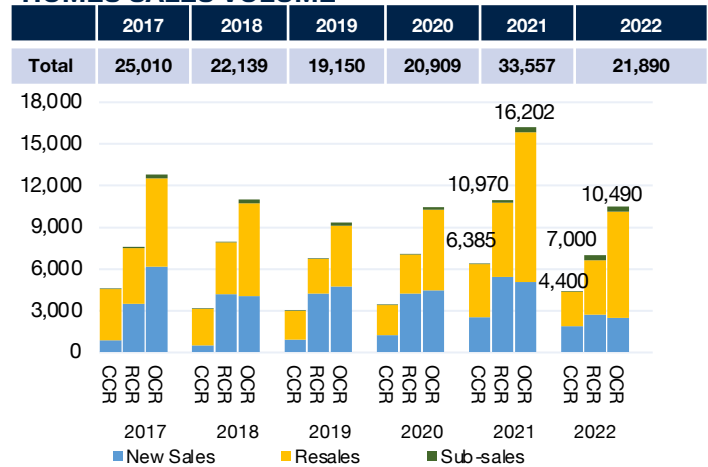
PROJECTS THAT SOLD WELL IN 2022Q4

Name	Total Units	Units Sold#	Median psf#	Total Sold by Dec'22
Core Central Region				
Perfect Ten	230	58	\$2,994	177
Leedon Green	638	33	\$2,860	504
One Holland Village Residences	296	26	\$2,882	233
Pullman Residences	340	25	\$3,128	213
Hyll On Holland	319	21	\$2,759	243
Rest of Central Region				
Riviere	455	46	\$2,998	410
One Pearl Bank	774	26	\$2,581	704
The Landmark	396	22	\$2,501	211
Bartley Vue	115	12	\$2,043	76
Zyanya	34	10	\$1,873	20
Outside Central Region				
Lentor Modern	605	21	\$2,132	521
The Commodore	219	15	\$1,479	211
Parc Clematis	1,468	13	\$1,823	1,441
The Gazania	250	11	\$2,316	209

Source: URA, List SIR

#Units sold and median price in 2022Q4

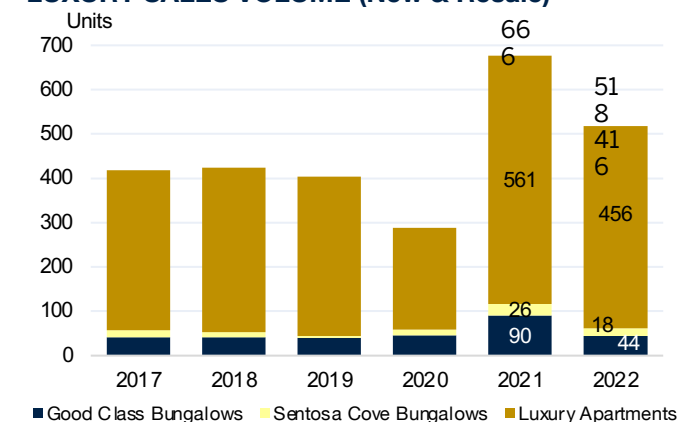
HOMES SALES VOLUME



Source: URA, List SIR

CCR= Core Central Region; RCR= Rest of Central Region; OCR= Outside Central Region

LUXURY SALES VOLUME (New & Resale)



Source: URA, List SIR

Note: Luxury apartments defined as quality (and/or branded) developments in Core Central Region with price quantum above \$5 mil each.



Rental market

The rental market continued its red-hot state in 2022Q4 as the economy reopened to allow more business and leisure travel as well as the hiring of more foreign talent. As demand outstripped supply, landlords seized the opportunity to raise rents to offset higher mortgage costs and property taxes. The URA rental index climbed 7.4% q-o-q, following an 8.6% q-o-q rise in 2022Q3. For the whole year, the index chalked up 29.7%, surpassing the 9.9% rise in 2021. This is the highest annual y-o-y increase since 2008Q1 when it rose by 39.2%.

In 2022Q4, the rents of non-landed homes climbed 7.5% q-o-q while those of landed homes rose by 6.3%. Through the year, the rental index of non-landed homes gained a total of 29.8% followed closely by the landed rental index which rose 28.1%.

By regions, the OCR non-landed rental market was the best performer, rising 8.2% q-o-q and 31.8% y-o-y. The rental index of non-landed homes in both RCR and CCR rose by 7.3% q-o-q in 2022Q4, but for the whole year, the RCR index gained 30.3% while the CCR index gained 28.2%. Based on URA's rental data for 2022, the highest rent of \$150,000/month was fetched a bungalow at Dalvey Road and another at Fourth Avenue. In the non-landed segment, the record rental deals were \$100,000/month for a four-bedroom apartment at The Marq (CCR), \$36,000/month for a penthouse at MeyerHouse (RCR) and \$16,500/month for a penthouse at Grand Duchess At St Patrick's.

A total of 4,423 new homes were completed in 2022Q4, the highest number since 2018Q4. The big projects completed in the quarter were Jadescape (1,206 units), The Tre Ver (729 units), Fourth Avenue Residences (476 units) and Daintree Residence (327 units). The total residential stock stood at 391,198 units at end-2022.

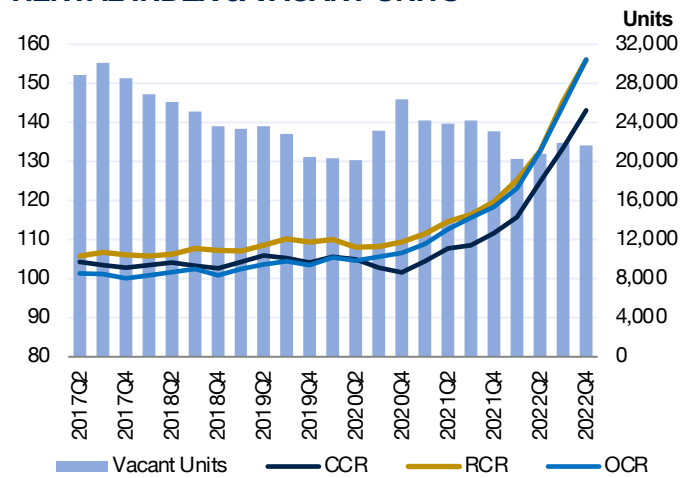
The high completion number will help to free up more housing to meet rental demand as more families move into their new homes in the next few months. Vacant units eased slightly to 21,647 from 21,898 in 2022Q3 which was also reflected in a drop of 20 bps in the vacancy rate to 5.5% from 5.7% in 2022Q3.

Supply in the pipeline

As at the end of 2022Q4, there was a total of 46,041 uncompleted private homes in the pipeline with planning approvals, down from 49,384 units in 2022Q3. Of this number, 16,024 units (35%) were unsold, slightly higher than the 15,677 units at end-September. The 16,024 unsold units comprised 5,496 units (34%) from projects that were either launched or not launched yet and 10,528 units (66%) from projects without the prerequisites for sale.

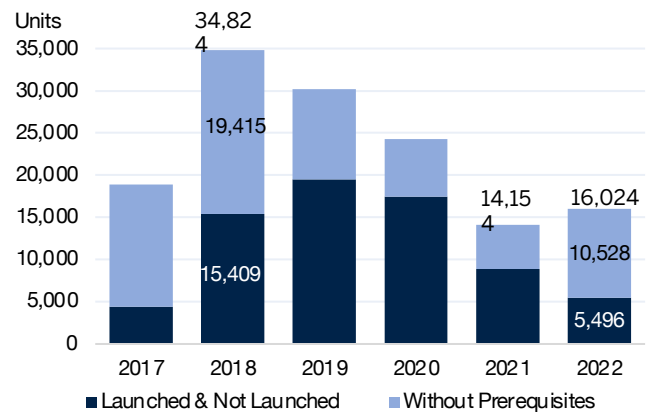
In 2022Q4, two residential sites from the government land sales (GLS) programme were successfully sold. The first is a 49,633 sq ft site at Bukit Timah Link close to Beauty World MRT Station. The top bidder, Bukit One, clinched the site with a bid of \$200 mil or

RENTAL INDEX & VACANT UNITS



Source: URA, List SIR

UNSOLD UNITS IN THE PIPELINE



Source: URA, List SIR

Note: Above figures refer to uncompleted residential units with planning approvals. Those without pre-requisites are not released for sale yet.

\$1,343 psf/plot ratio. The second site at Hillview Rise was awarded to the joint venture of Far East Civil Engineering and Sekisui House at \$320.78 mil or \$1,024 psf/plot ratio.

Separately, a 16,379 sq ft site at Pasir Panjang Road was sold to boutique developer Silver Edge Investments for \$18.48 mil or \$1,128 psf/plot ratio.

Outlook

The first half of 2023 is expected to move slowly as uncertainties persist in the global economy with regards to the impact of rising interest rates and the ongoing war in Ukraine. Hopefully, China's re-opening could pave the way for rebound in activity in 2023H2.

For now, Singapore's stable political environment and pro-business policies will continue to attract foreign investors to our shores. This will help to boost residential demand. With a stronger pipeline of new projects to offer to potential homebuyers, demand for new homes could improve to 8,000-9,000 units. We expect a moderate rise of 1-3% in home prices.

Developers will continue land-banking activities, participating more in GLS programme while being more measured and selective in buying private sites via collective sales.



List

Sotheby's
INTERNATIONAL REALTY

NEW PROJECTS LAUNCHED IN 2022

Launch Date	Name	Total Units	Units Sold by Dec 2022	Median psf*	Developer
Jan-22	Belgravia Ace	107	82	From \$4.1 mil	Fairview Developments Pte Ltd
Jan-22	Ikigai	16	5	\$2,180	Opulent Development Pte Ltd
Feb-22	Royal Hallmark	32	19	\$1,930	H Homes Pte Ltd
May-22	Piccadilly Grand	407	344	\$2,170	City Developments & MCL
May-22	Liv @ MB	298	248	\$2,420	BSEL Development Pte Ltd
May-22	Baywind Residences	24	17	\$2,080	ABR Holdings & LWH Holdings
May-22	Atlassia	31	20	\$2,080	K16 Development
Jul-22	Amo Residence	372	367	\$2,110	United Venture Development
Aug-22	The Jardine Residences	6	2	From \$5.8 mil	JGL Property Pte Ltd
Aug-22	Mount Rosie Signature collection	6	1	From \$10.8 mil	Mount Rosie Development
Sep-22	Sky Eden @ Bedok	158	122	\$2,118	Chempaka Development
Sep-22	Lentor Modern	605	521	\$2,108	GuocoLand
Oct-22	Pollen Collection	132	4	From \$3.5 mil	Singapore United Estates
Nov-22	Hill House	72	13	\$3,031	Mequity Hills Pte Ltd
Nov-22	Kovan Jewel	34	4	\$2,120	Soon Lian Realty Pte Ltd
Nov-22	Sophia Regency	38	0	-	East Asia Sophia Development
Total		2,338	1,769		

LAND SALES IN 2022

Date of Sale	Property	Location	Tenure	Proposed Units	Price Mil	Land psfppr	Buyer
Private Land Sales							
Jan-22	Gloria Mansion	Pasir Panjang Rd	Fh	59	\$70.30	\$1,098	Fraxtor Capital & partners
Apr-22	Apartment block	Haig Rd/ Seraya Lane	Fh	38	\$49.30	\$1,286	Nanshan Group
May-22	Golden Mile Complex	Beach Road	99y	Subject to approval	\$700.00	-	Perennial Holdings, Sino Land, Far East Org
May-22	Lakeside Apartments	Yuan Ching Rd	99y	307	\$273.89	\$1,226	Winville Investments
Jun-22	East Court	Koon Seng Rd	Fh	20	\$19.88	\$1,063	Macly Pte Ltd
Jun-22	Jansen Mansions	Jansen Road	999y	21	\$19.10	\$822	Macly Capital
Jul-22	Chuan Park*	Lorong Chuan	99y	900	\$890.00	\$1,254	Kingsford & MCC Land
Jul-22	Euro-Asia Apts	Serangoon Road	Fh	172	\$222.18	\$1,405	KSH Ultra Unity
Jul-22	Park View Mansions	Yuan Ching Road	99y	440	\$260.00	\$1,050	CEL Development, Sing-Haiyi Pearl, TK 189 Devt
Jul-22	Apartment block	Jalan Ulu Siglap	Fh	3	\$10.30	\$1,499	Sevens Group
Sep-22	Development site	Holland Road	Fh	NA	\$18.63	\$1,725	NA
Oct-22	Development site	Pasir Panjang Road	Fh	NA	\$18.48	\$1,128	Silver Edge Investment
Estimated Total Supply				2,400	\$2,552.06		
Government Land sales							
Jan-22	Parcel A	Lentor Hills Road	99y	595	\$586.59	\$1,060	Intrepid Investments, GuocoLand & TID
Jan-22	Residential site	Jalan Tembusu	99y	640	\$768.00	\$1,302	CDL Triton Pte Ltd
Mar-22	Residential site	Dairy Farm Walk	99y	385	\$347.00	\$980	Sim Lian Land Pte Ltd & Sim Lian Development
Mar-22	Exec Condo	Bukit Batok West Ave 8	99y	375	\$266.00	\$662	CNQC-OS (2) Pte. Ltd. & SNC Realty Pte. Ltd.
Jun-22	Parcel A	Pine Grove	99y	520	\$671.50	\$1,318	United Venture Devt
Jun-22	Residential site	Dunman Road	99y	1,040	\$1,283.89	\$1,350	Sing-Haiyi Jade Pte Ltd
Sep-22	Residential site	Lentor Central	99y	470	\$481.03	\$1,108	Forsea Residence, UED Alpha & Soilbuild Group
Sep-22	Residential site	Lentor Hills Road	99y	265	\$276.36	\$1,130	TID Residential Pte. Ltd.
Sep-22	Exec Condo	Bukit Batok West Ave 5	99y	495	\$336.07	\$626	CDL Zenith Pte. Ltd.
Nov-22	Residential site	Bukit Timah Link	99y	160	\$200.00	\$1,343	Bukit Sembawang
Nov-22	Residential site	Hillview Rise	99y	335	\$320.78	\$1,024	Far East Civil Engineering & Sekisui House
Supply from GLS sites excluding ECs				4,410			
Estimated Total Supply (private & public)				6,800			

Source: URA, List SIR

* Sale of Chuan Park is still pending



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