

MIXED PERFORMANCE OF LUXURY MARKET



Singapore Luxury Homes Market 2024H2

January 2025



SINGAPORE

BUNGALOW MARKET ACTIVITY PICKED UP IN 2024H2

Sales activity in the residential market moved at a faster pace in the second half of 2024 as seen in the robust take-up of new projects as well as the Good Class Bungalow (GCB) market. This could be attributed to improved sentiments due to the three rounds of interest rates cut by the US Federal Reserve. The first round was a 50-basis-point (bps) cut in September, followed by a reduction of 25 bps in November and finally, another cut of 25 bps in December.

The interest rates cut induced confidence in home buyers and investors as it enhanced both affordability and the long-term value of real estate assets. There has been a noticeable flow of wealth into the GCB market since July 2024. Statistics provided by the URA showed that there were 14 bungalow deals in 2024H2, up from nine deals each in the first half of the year and in 2023H2.

The total tally of 23 GCBs sold in 2024 clearly outperformed the 18 deals done in 2023. Hence the total investment value of \$652.05 mil for 2024 is 51% higher than the \$432.51 mil achieved in 2023.

Unfortunately, the positive sentiment was not seen in the bungalow market at Sentosa Cove. Statistics showed that only two transactions took place in the whole year, the lowest sales volume since 2008, when there was only one sole transaction. The lacklustre performance at Sentosa Cove could be attributed to the absence of foreign purchasers who were hit by the hike in the additional buyer's stamp duty (ABSD) from 30% to 60% with effect from 27 April 2023. The slowdown began since 2023H2 with two bungalow deals, trickling down to one each in the first and second half of 2024.

The two bungalows at Sentosa Cove were sold for a total of \$30.16 mil which works out to \$1,812 psf on land area.

The luxury apartments market also did not perform as well as in 2023. The 125 units sold in 2024H2, was lower than the 141 units sold in 2024H1 and 167 units sold in 2023H2. While the hike in ABSD kept foreign buyers away, the absence of significant new luxury projects launched in the Orchard Road area resulted in a drop of 30% in the 2024 sales volume compared to 2023. The total investment value of \$1.96 billion reflects \$2,724 psf, which is 9% lower than the average price of \$2,908 psf for the deals done in 2023.

Advanced estimates by the Ministry of Trade and Industry (MTI) showed that the Singapore economy expanded by 4% in 2024, supported by broad-based growth across the goods-producing and services sectors. For 2025, MTI expects Singapore's economy to grow by 1 to 3 per cent in view of challenges coming from a more protectionist global economic landscape. Nevertheless, geopolitical conflicts and trade wars could make Singapore more attractive as a safe haven for UHNWIs (ultra-high-net-worth individuals) from the USA, Europe and Asia.

In 2025, we expect the GCB market to strengthen in 2025 and the luxury apartments segment to maintain its current performance. Challenges will remain for the Sentosa Cove bungalow market.

KEY INDICATORS				
Period	Sales Volume	Total Value (Mil)	Average Price/Unit (Mil)	Price psf
Good Class Bungalows[^]				
2024H2 vs. 2023H2	14 vs. 9	\$440.65 vs. \$201.94	\$31.47 vs. \$22.44	\$2,049 vs. \$1,962
2024 vs. 2023	23 vs. 18	\$652.05 vs. \$432.51	\$28.35 vs. 24.03	\$2,014 vs. \$1,924
Sentosa Cove Bungalows				
2024H2 vs. 2023H2	1 vs. 2	\$14.16 vs. \$35.66	\$14.16 vs. \$17.83	\$1,777 vs. \$2,384
2024 vs. 2023	2 vs. 9	\$30.16 vs. \$175.05	\$15.08 vs. \$19.45	\$1,812 vs. \$2,247
Luxury Apartments*				
2024H2 vs. 2023H2	125 vs. 167	\$898.92 s. \$1,227.31	\$7.19 v s. \$7.35	\$2,705 s. \$2,908
2024 vs. 2023	266 vs. 383	\$1,956.05 vs. \$2,964.87	\$7.35 vs. \$7.74	\$2,724 vs. \$2,989

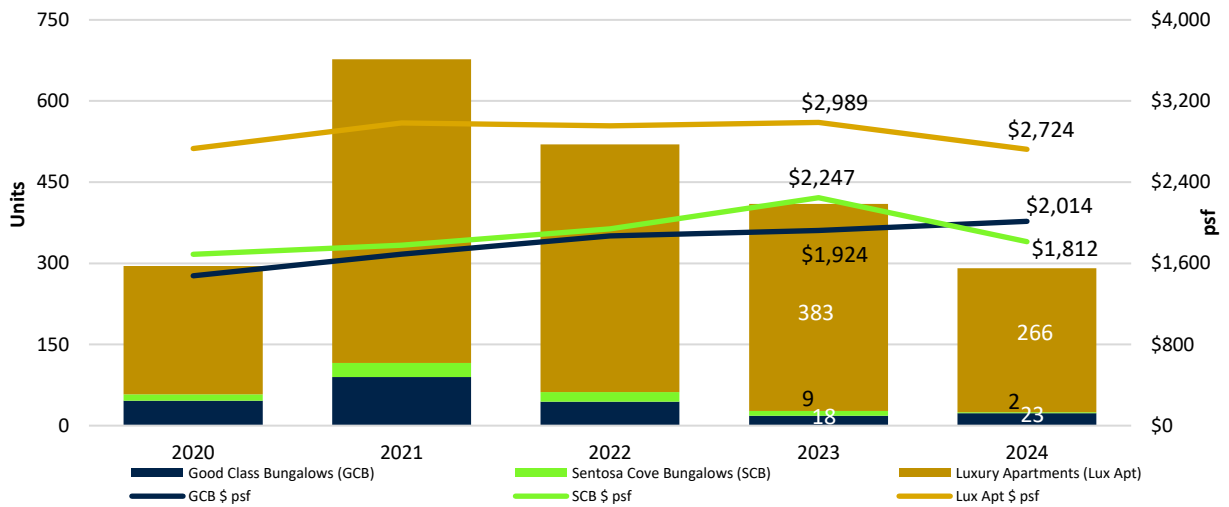
Source: URA; List SIR

[^] These are bungalows located within the 39 gazetted GCB Areas and include those with land areas smaller than 15,070 sq ft.

* Luxury apartments are defined as good quality (and/or branded) developments in the Core Central Region (CCR) with price quantum of \$5mil and above.

Note: The above statistics were downloaded on Jan 7, 2025 and the latest caveats were dated Dec 30, 2024

LUXURY SALES VOLUME & PRICE PSF



Source: URA; List SIR

Note: The GCB figures were based on caveats lodged for bungalow transactions within the 39 gazetted GCB Areas regardless of land area. Luxury apartments are defined as good quality (and/or branded) developments in the Core Central Region (CCR) with price quantum of \$5 mil and above. The above statistics were downloaded on Jan 7, 2025 and the latest caveats were dated Dec 30, 2024.

GOOD CLASS BUNGALOWS (GCBs)

The GCB market had a slow start in 2024 with nine deals based on caveat data in the first six months. The slowdown started in 2023 due to the mismatch between buyers and sellers' price expectations as well as the hike in ABSD in April 2024.

However, buying interest in GCB picked up from July 2024 onwards as some owners lowered their price expectations to more reasonable levels to entice buyers to return to the market. Still, the per square foot yardstick for GCB prices showed an increase 5% y-o-y to \$2,014 psf. The downward correction of interest rates was another booster to the market. Between July and November, caveats for 14 transactions were lodged bringing the total to 23 transactions.

Besides these, another 12 GCB deals, totalling over \$700 million, were reportedly completed this year without caveats lodged, as buyers sought anonymity. One such deal was the sale of a yet-to-be-completed bungalow at Tanglin Hill at the price of \$93.89 mil (\$6,197 psf). It was the most expensive bungalow to be sold in 2024.

The sustained buying activity of this trophy asset through the year showed that GCBs are still coveted by the ultra-rich despite external economic factors. GCB prices are still rising because buyers have come to terms that prices of such highly sought-after properties would not ease. Most of the buyers in 2024 were a mix of self-made entrepreneurs, second or third generations of successful local business owners and new citizens.

SENTOSA COVE BUNGALOWS

Statistics provided by the URA showed that only two caveats were lodged for bungalow sales at Sentosa Cove in 2024. This is the lowest sales volume since 2008 when the Global Financial Crisis hit and only one bungalow was sold. In 2023, there were nine bungalow deals. The bungalow market at this resort island is largely dependent on the support of foreigners as it is the only location in Singapore where they are allowed to own landed homes.

The hike of ABSD from 30% to 60% for foreigners who buy residential property in April 2023 and the crackdown on money laundering activity in 2023Q3 were the main reasons for the stalemate at Sentosa Cove. Besides the two bungalows listed with URA, a third bungalow which belonged to one of the money launderers was put up for sale by the bank. Located at Ocean Drive, it is one of the rare big bungalow plots with a land area of 19,551 sq ft. After two failed attempts at auction, it was finally sold for \$22 million (\$1,125 psf).

Caveat data showed that the two bungalows in 2024 were sold to a Singaporean and a Singapore permanent resident (SPR). For comparison, the nine purchasers in 2023 were two foreigners, two SPRs and five Singaporeans.

The rental market was also facing challenges. Rental data showed that 24 bungalows were leased in 2024, down from 31 bungalows in 2023. The average rental for 2024 was \$36,250 per month, whereas in 2023, it was \$41,600 per month.

We expect the sluggish sales in Sentosa Cove's bungalow market to continue in 2025 unless sellers are prepared to accept lower offers for their homes.

LUXURY APARTMENTS

In 2024, the only new high-end projects were launched. The first is the 14-unit freehold Gilstead 32, which is located in district 11. All the units are of sizes from 3,800 sq ft to 4,200 sq ft and come with four bedrooms, quality fixtures and fittings. From its launch in April till the end of 2024, caveats showed that six units have been sold between \$14.4 mil and \$14.7 mil each. The second project is 99-year leasehold Skywaters Residences which is located at Prince Edward Road in the Downtown. The sole unit sold is also the most expensive unit sold in the year: a 7,761-sqft penthouse on the 57th storey that was bought by a foreigner for \$47.34 mil (\$6,100 psf). When completed, The Skywaters will comprise retail space (basement to level 2), Grade A offices (levels 3 to 22), Aman hotel (levels 24 to 26) and Skywaters Residences (levels 27 to 63).

Based on caveat data, 125 luxury apartments were sold in 2024H2, slightly lower than the 141 transactions in the first half of the year. The total sales volume of 266 units is 30% lower than the 383 units sold in 2023. The lower sales in 2024 could be attributed to the loss of foreign investors due to the hike in ABSD as well as the lack of new projects. As some 75% of the luxury apartments were resale properties, the average price softened by 9% y-o-y to \$2,724 psf.

The profile of homebuyers in 2024 comprised 33 foreigners (12%), 94 PRs (35%), 137 Singaporeans (52%) and two purchases by company (1%). Compared with 2023, the 383 units were sold to 122 foreigners (32%), 118 PRs (31%), 134 Singaporeans (35%) and nine companies (2%). Clearly, there was a significant drop in the number of foreign and PR buyers in 2024.

The top five foreign investors (including PRs) in 2024 came from PRC, USA, India, Indonesia and Australia. In recent years, nationals from the USA have risen to become the second most active investors as it is one of the nations under the Free Trade Agreement which entitled them to be accorded the same stamp duty treatment as Singaporeans.

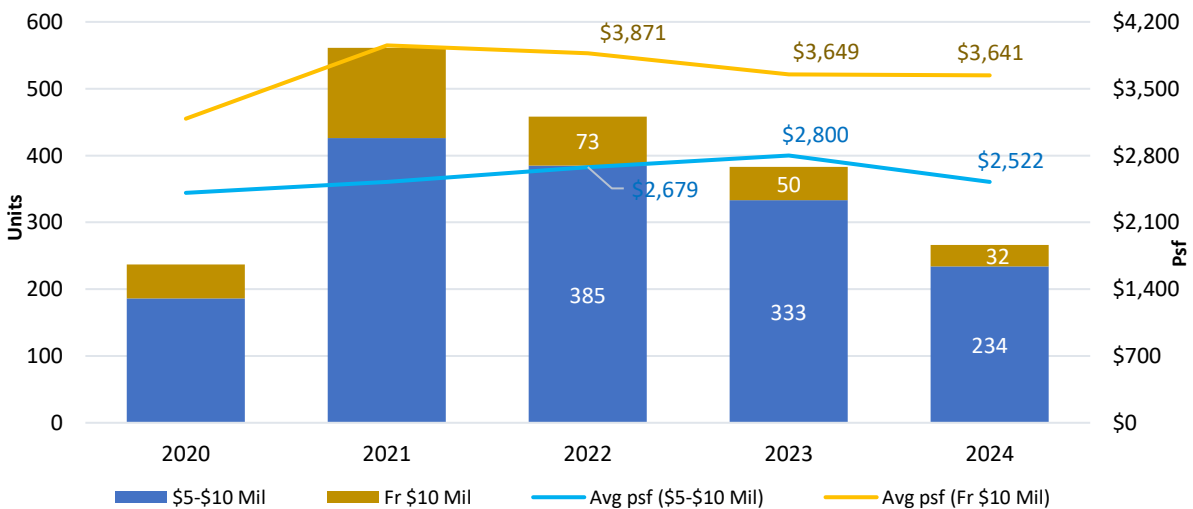
Rents in prime locations have been falling as confirmed by five consecutive quarters of decline in the rental index for Core Central Region (CCR). As at end of 2024, CCR rents have declined by 4.8% since end-2023. The highest rent achieved in 2024 was for a four-bedroom unit at The Marq On Paterson Hill for \$80,000/ month. For comparison, the highest rent achieved in 2023 and 2022 had been \$100,000/month for similar four-bedrooms in the same development. We expect to see more corrections in prime rents going forward. The positive outcome is that this could encourage more expatriates, who had moved to the suburbs due to the high rents in CCR during the pandemic, to relocate back to CCR.

Outlook

Of the three segments in the luxury residential market, the GCB market is expected to benefit from the rise of wealthy new citizens and the transfer of wealth to the second and third generations of local wealthy families. The bungalow market at Sentosa Cove would remain subdued unless prices are attractive enough to bring buyers back. As for the luxury apartment segment, the high ABSD will remain a deterrent to foreign buyers from countries without FTA with Singapore.

LUXURY APARTMENT MARKET

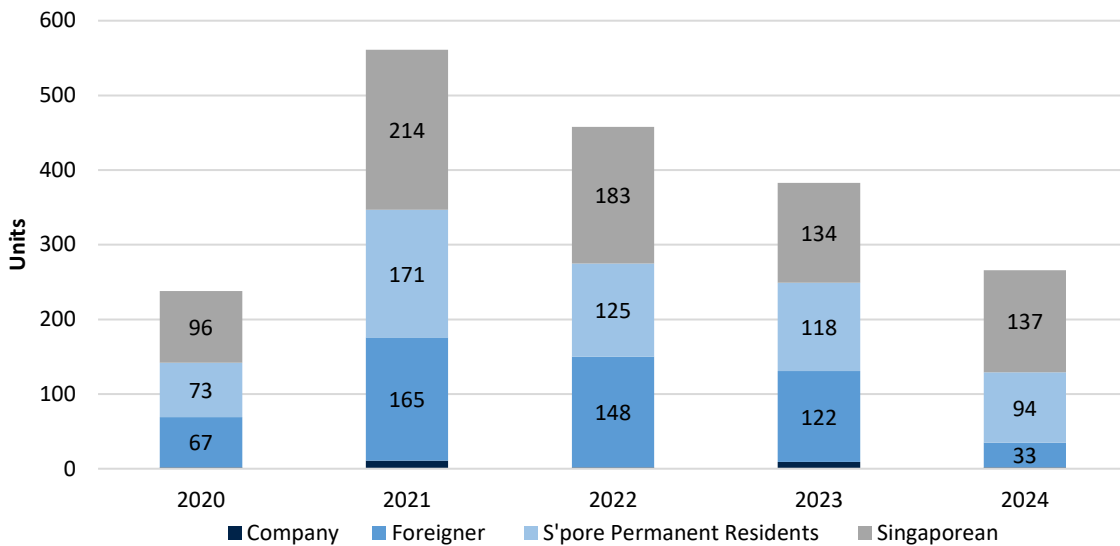
Avg Price	2020	2021	2022	2023	2024
Fr \$10M	\$13.90M	\$15.48M	\$15.28M	\$16.08M	\$14.74M
\$5M-\$10M	\$6.72M	\$6.66M	\$6.65M	\$6.49M	\$6.34M



Source: URA; List SIR

Note: The above statistics were downloaded on Jan 7, 2025 and the latest caveats were dated Dec 30, 2024.

PROFILE OF BUYERS OF LUXURY APARTMENTS IN CORE CENTRAL REGION



Source: URA; List SIR

Note: The above statistics were downloaded on Jan 7, 2025 and the latest caveats were dated Dec 30, 2024.

KNOWN LUXURY TRANSACTIONS IN 2024

Location	Transacted Price \$	Land Area (sq ft)	Price \$psf	Sale Date
GOOD CLASS BUNGALOW (GCB) AREAS				
GALLOP PARK ROAD	26,500,000	12,871	2,059	5-Jan-24
GARLICK AVENUE	19,500,000	10,345	1,885	8-Feb-24
CHESTNUT DRIVE	15,500,000	14,526	1,067	23-Feb-24
KINGSMEAD ROAD	17,420,000	6,924	2,516	26-Feb-24
FORD AVENUE	39,500,000	19,554	2,020	22-Mar-24
CORNWALL GARDENS	36,018,888	19,207	1,875	9-Apr-24
SIXTH AVENUE	27,500,000	9,214	2,985	17-May-24
FIFTH AVENUE	15,012,888	10,068	1,491	20-May-24
LEWIS ROAD	14,450,000	6,034	2,395	10-Jun-24
CLUNY HILL	52,000,000	15,141	3,434	1-Jul-24
EWART PARK	23,000,000	15,121	1,521	2-Jul-24
ASTRID HILL	49,000,000	21,116	2,321	9-Jul-24
CHESTNUT CRESCENT	12,680,000	9,446	1,342	10-Jul-24
REBECCA ROAD	38,000,000	20,449	1,858	11-Jul-24
CHESTNUT DRIVE	25,000,000	17,184	1,455	5-Aug-24
TANGLIN HILL	39,200,000	15,636	2,507	16-Aug-24
ORIOLE CRESCENT	20,000,000	10,116	1,977	24-Sept-24
OEI TIONG HAM PARK	23,000,000	10,849	2,120	4-Nov-24
FORD AVENUE	35,500,000	15,071	2,356	11-Nov-24
CHESTNUT CLOSE	14,188,888	11,283	1,258	12-Nov-24
HOLLAND PARK	44,380,000	21,834	2,033	20-Nov-24
REBECCA ROAD	24,700,000	12,272	2,013	9-Dec-24
BELMONT ROAD	40,000,000	19,549	2,046	20-Dec-24
Total (23 bungalows)	652,050,664	323,809	2,014	
SENTOSA COVE				
OCEAN DRIVE	16,000,000	8,675	1,844	19-Feb-24
COVE DRIVE	14,155,000	7,968	1,777	2-Sept-24
Total (2 bungalows)	30,155,000	16,642	1,812	

Source: URA; List SIR

Note: The above statistics were downloaded on Jan 7, 2025 and the latest caveats were dated Dec 30, 2024.

SELECTED LUXURY TRANSACTIONS IN 2024

Location	Transacted Price \$	Land (sq ft)	Average Price \$psf	Sale Date
LUXURY APARTMENTS				
THE RITZ-CARLTON RESIDENCES #33	16,500,000	3,056.98	5,397	9-Jan-24
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ARDMORE II #20	6,750,000	2,023.63	3,336	24-Jan-24
THE TRILLIUM #05	5,450,000	2,217.38	2,458	6-Feb-24
ARDMORE PARK #26	12,900,000	2,884.75	4,472	16-Feb-24
PATERSON SUITES #14	5,951,000	2,163.56	2,751	23-Feb-24
WATTEN HOUSE #02	7,883,000	2,368.08	3,329	1-Mar-24
8 NAPIER #06	7,000,000	2,012.87	3,478	20-Mar-24
19 NASSIM #04	5,838,000	1,733	3,369	27-Mar-24
MARINA ONE RESIDENCES	18,000,000	8,309.81	2,166	28-Mar-24
DALVEY HAUS	5,300,000	1,560.78	3,396	1-Apr-24
THE MARQ ON PATERSON HILL #32	13,000,000	3,056.98	4,253	12-Apr-24
32 GILSTEAD #03	14,506,000	4,197.96	3,455	15-Apr-24
DALVEY HAUS #03	7,500,000	2,163.56	3,467	22-Apr-24
THE LADYHILL #03	7,228,000	2,271.20	3,182	7-May-24
LEEDON RESIDENCE #12	8,650,000	3,745.87	2,309	9-May-24
3 ORCHARD BY-THE-PARK #06	12,643,000	3,250.73	3,889	16-May-24
SKYWATERS RESIDENCES #57	47,342,000	7,760.84	6,100	20-May-24
MIDTOWN MODERN #03	5,488,000	1,733	3,167	11-Jun-24
THE AVENIR #26	8,888,000	2,411.14	3,686	20-Jun-24
THE TATE RESIDENCES #20	9,000,000	3,218.44	2,796	21-Jun-24
BOULEVARD 88 #27	5,400,000	1,313.21	4,112	25-Jun-24
SOUTH BEACH RESIDENCES #23	7,680,000	2,260.44	3,398	8-Jul-24
THE ARCADIA #02	5,200,000	3,821.22	1,361	17-Jul-24
NASSIM PARK RESIDENCES #04	14,200,000	3,175.38	4,472	26-Jul-24
WALLICH RESIDENCE #53	5,080,000	1,765.30	2,878	29-Jul-24
NASSIM MANSION #09	12,080,000	3,412.19	3,540	6-Aug-24
ST REGIS RESIDENCES SINGAPORE #11	11,000,000	3,896.57	2,823	16-Aug-24
19 NASSIM #06	5,258,000	1,474.67	3,566	27-Aug-24
SCOTTS HIGH PARK #22	7,800,000	3,466.01	2,250	9-Sept-24
THE ORCHARD RESIDENCES #46	10,250,000	2,852.46	3,593	10-Sept-24
8 SAINT THOMAS #28	5,100,000	1,743.77	2,925	16-Sept-24
ORCHARD VIEW 317	7,000,000	2,529.54	2,767	1-Oct-24
CAPE ROYALE #17	9,548,000	3,110.80	3,069	9-Oct-24
TURQUOISE #06	9,000,000	6,899.72	1,304	15-Oct-24
PARK INFANIA AT WEE NAM #29	5,000,000	2,755.58	1,814	30-Oct-24
TOMLINSON HEIGHTS #19	8,250,000	2,744.82	3,006	19-Nov-24
THE CLAYMORE #21	7,900,000	2,680.24	2,948	29-Nov-24
JUNIPER AT ARDMORE #05	9,000,000	3,196.91	2,815	13-Dec-24
EDEN RESIDENCES CAPITOL #11	19,750,000	5,801.80	3,404	23-Dec-24
Total (40 apartments)	406,813,000	124,098	3,278	

Source: URA; List SIR

Note: The above statistics were downloaded Jan 7, 2025 and the latest caveats were dated Dec 30, 2024.



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