

Q4 2022 RESIDENTIAL PROPERTY REPORT



JERRY HAN SIN
CEA No. : R007949B

PRIVATE RESIDENTIAL PROPERTY Q4 2022

Overview

Private home prices slowed in Q4 2022, weighed down mainly by a dearth of major project launches, limited resale supply, which in turn resulted in muted sales activity and moderated growth in home prices.

Prices

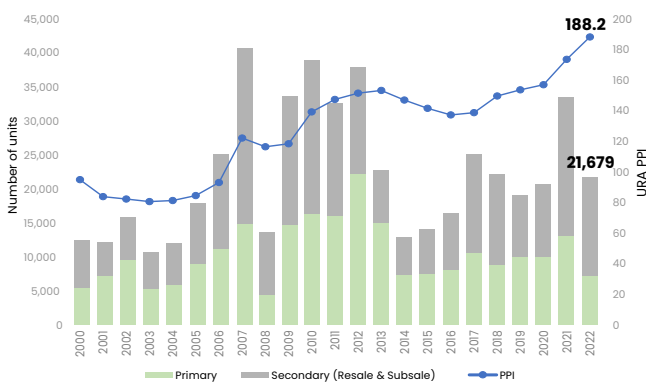
- URA's flash estimates showed that overall private home prices rose for the eleventh straight quarter in Q4 2022, growing at 0.2% QOQ – following a 3.8% growth in Q3. Since the end of 2021, private home prices have risen by 8.4% in 2022.
- The price increase in Q4 2022 was led by the landed homes segment, where values rose by 0.5% QOQ, slowing from the 1.6% increase in the previous quarter. Based on URA Realis caveat data, the average transacted unit price for terrace houses rose by 5.9% QOQ in Q4, while that of detached and semi-detached homes fell by 2% and 1.5% QOQ respectively.
- Meanwhile prices of non-landed private homes inched up by 0.1% in Q4 2022. The price increase in Q4 2022 was mainly driven by the Rest of Central Region (RCR), where prices rose by 2.6% QOQ, after a 2.8% QOQ growth in Q3.
- Owing to a lack of new launches in the RCR, buyers picked up units at previously launched projects – Riviere was the best-selling RCR project in Q4, selling 47 units at an average price of \$3,000 psf.
- Core Central Region (CCR) non-landed home prices rose at a slower pace of 0.5% QOQ in Q4, compared to the 2.3% QOQ growth in Q3 2022. The larger proportion of CCR new private homes sold during quarter likely helped to sustain prices in this sub-market.
- Prices of non-landed homes in the Outside Central

Region (OCR) contracted by 2.6% QOQ in Q4 – coming off a high base in Q3, where several OCR launches boosted prices in this sub-market. With no major fresh projects (ex. EC) being put on the market in Q4, the price growth in OCR likely lost some steam. According to caveats lodged, only 123 new OCR private homes (ex. EC) were sold in Q4, down sharply from over 1,200 shifted in the previous quarter.

Transactions

- Preliminary figures showed that developers sold 741 new private homes (ex. EC) in Q4 – representing a 66% drop from 2,187 units shifted in Q3. This is the lowest quarterly tally since Q4 2008 where developers sold 419 units – when the market was grappling with the global financial crisis. For the whole of 2022, about 7,100 new homes were sold.
- Projects in the CCR drove new home sales in Q4 2022, making up 55.2% of new homes sold. Of note, the top selling project during the quarter was from the CCR (see Table 1). Meanwhile, the RCR and CCR accounted for 28.1% and 16.7% of sales, respectively. PropNex expects new home sales activity in these regions to pick up with several launches lined up in 2023.
- There were 2,478 private homes sold on the resale market in Q4 2022 – down by 33.4% QOQ where 3,719 units were resold in Q3 2022. Resale activity may pick up as more new completions enter the market this year.
- Sub-sales remained relatively low at 158 units, taking total private homes transactions to 3,377 units (including new sale and resale) in Q4 2022.
- For the whole of 2022, 21,679 homes were sold – significantly lower than the 33,557 homes sold in 2021 where the market was buoyant.

Total Private Home Sales & Property Price Index



Source: PropNex Research, URA (based on flash estimates in 3 Jan 2023), URA Realis (*Data up to 31 Dec 2022)

Table 1: Top selling projects (excl. ECs) in Q4 2022*

Project Name	Region	Units Sold in Q4 2022	Average Unit Price (\$PSF) in Q4 2022
Perfect Ten	CCR	59	\$3,015
Riviere	RCR	47	\$3,000
Leedon Green	CCR	34	\$2,859
Pullman Residences Newton	CCR	26	\$3,106
One Holland Village Residences	RCR	26	\$2,872
One Pearl Bank	RCR	26	\$2,625

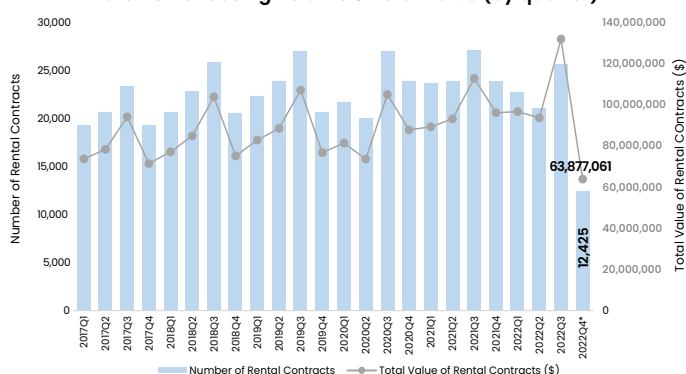
Source: PropNex Research, URA Realis (*Data up to 31 Dec 2022)

HDB RESALE Q4 2022

Private Home Leasing

- According to the URA rental index for all private residential properties (including ECs), home rentals in the first 9 months of 2022 have grown by 20.8% since the end of 2021.
- Leasing activity eased in Q4 2022 owing to the limited supply of rental stock as well as other seasonal factors. Slightly under 12,500 rental contracts, amounting to \$63.9 million were signed in October and November. In the first 11 months of 2022, nearly 82,000 rental contracts valued at \$389 million were signed.

Private Home Leasing Volume & Total Value (by quarter)



Source: PropNex Research, URA Realis (*Data includes up to November 2022 figures)

- The strong rental growth witnessed in 2022 is expected to moderate in 2023, with an ample supply of new completions (approximately 18,000 units) slated to enter the market.

Private Residential Market Outlook

Following the strong 10.6% price growth in 2021, a slower pace of increase in 2022 points towards a more sustainable price trend. PropNex expects private home prices to rise by about 9% in 2022, and to continue to moderate in 2023, rising at 5% to 6% this year.

There are some 12,000 private residential units (incl. EC) in the supply pipeline that could be launched in 2023. Some notable projects hitting the market in Q1 2023 include: Sceneca Residence, Terra Hill, Lentor Hills Residences, The Botany @ Dairy Farm, and The Reserve Residences. Buyers who have held back from purchasing due to the lack of suitable options in Q4 2022, may find interest in these launches, which will go some way to satiate the pent-up demand.

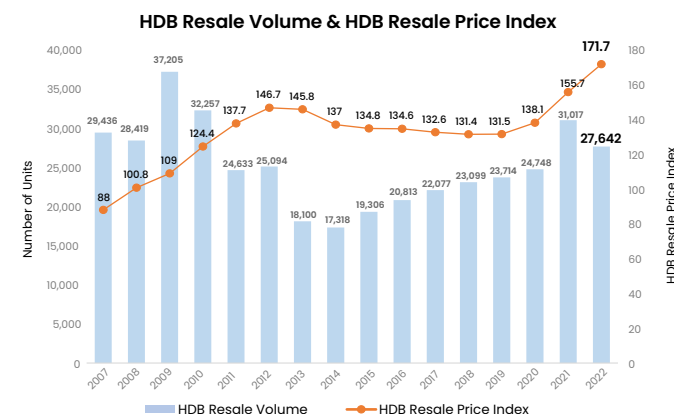
Home sales will continue to be supported predominantly by Singaporean buyers, including HDB upgraders. As China steps away from its zero-Covid policy, demand from mainland Chinese buyers are expected to rise gradually in 2023 – particularly for new launches in the CCR and RCR. Overall, the demand for homes is expected to remain stable in 2023, barring a deep recession.

Overview

HDB resale price growth eased further in Q4 2022 from Q3. The slowdown in the pace of increase is not surprising given that most of the cooling measures in September 2022 are targeted at the public housing segment. Factoring in Q4's price growth, HDB resale flat prices have grown by 10.3% in 2022 from 2021 – broadly in line with PropNex's projection of a 9% to 10% increase for the full-year.

Transactions and Prices

- The flash estimates released by the HDB showed that resale prices rose by 2.1% QOQ in Q4, with an index reading of 171.7.
- Based on transaction data, 6,342 HDB flats were resold in Q4 2022 – down by about 16% from the 7,546 units sold in Q3 2022. This takes the resale volume to 27,641 for the whole of 2022.
- Of note, 93 HDB resale flats were transacted for at least \$1 million in Q4 – this takes the annual tally of million-dollar resale flats to 370 deals –surpassing the 259 million-dollar deals in 2021.



Source: PropNex Research, HDB, data.gov.sg (based on flash estimates in 3 Jan 2023)

HDB Resale Market Outlook

The latest curbs, in particular, the 15-month wait-out period – which temporarily restricts the ability of private home owners to buy an unsubsidised HDB resale flat – could moderate the number of million-dollar resale deals. In view of the cooling measures, elevated interest rates, and price resistance on buyers' part, HDB resale prices are expected to grow at a slower clip of between 6% and 8% in 2023.

Some 27,000 to 28,000 flats could be resold in 2023 – relatively on par with 2022. However, resale flat supply may be constrained as fewer flats are expected to exit their 5-year minimum occupation period (MOP) in 2023 (15,748 flats) compared to 2022 (31,325 flats). Also, around 23,000 BTO flats are expected to be launched in 2023 to meet the burgeoning housing needs of Singaporeans – this could divert some buyers away from the resale market. Families who want move-in-ready flats will continue to tap the resale market for options.

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