

ASIAN PRIME

SINGAPORE REAL ESTATE MARKET UPDATES

FEBRUARY 2024 ISSUE



<https://asianprimeproperties.sg/>



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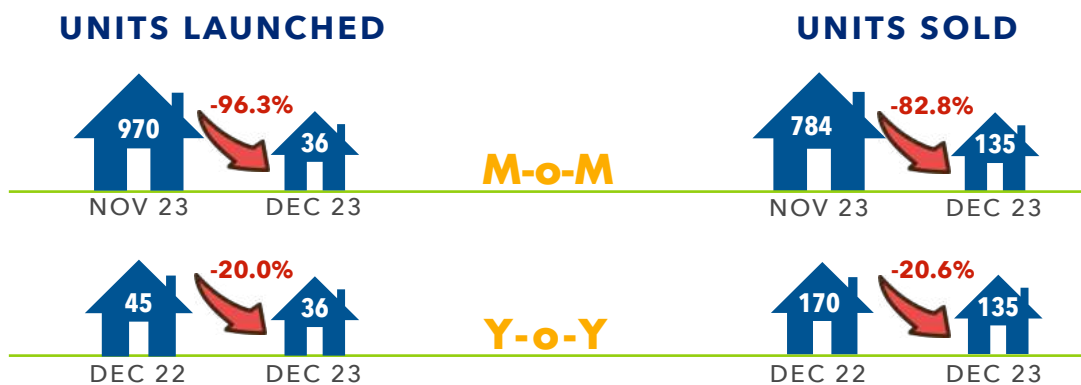
DECEMBER 2024 MONTHLY REPORT

December 2023 Sees New Private Home Sales Hit Lowest Levels in Over a Decade

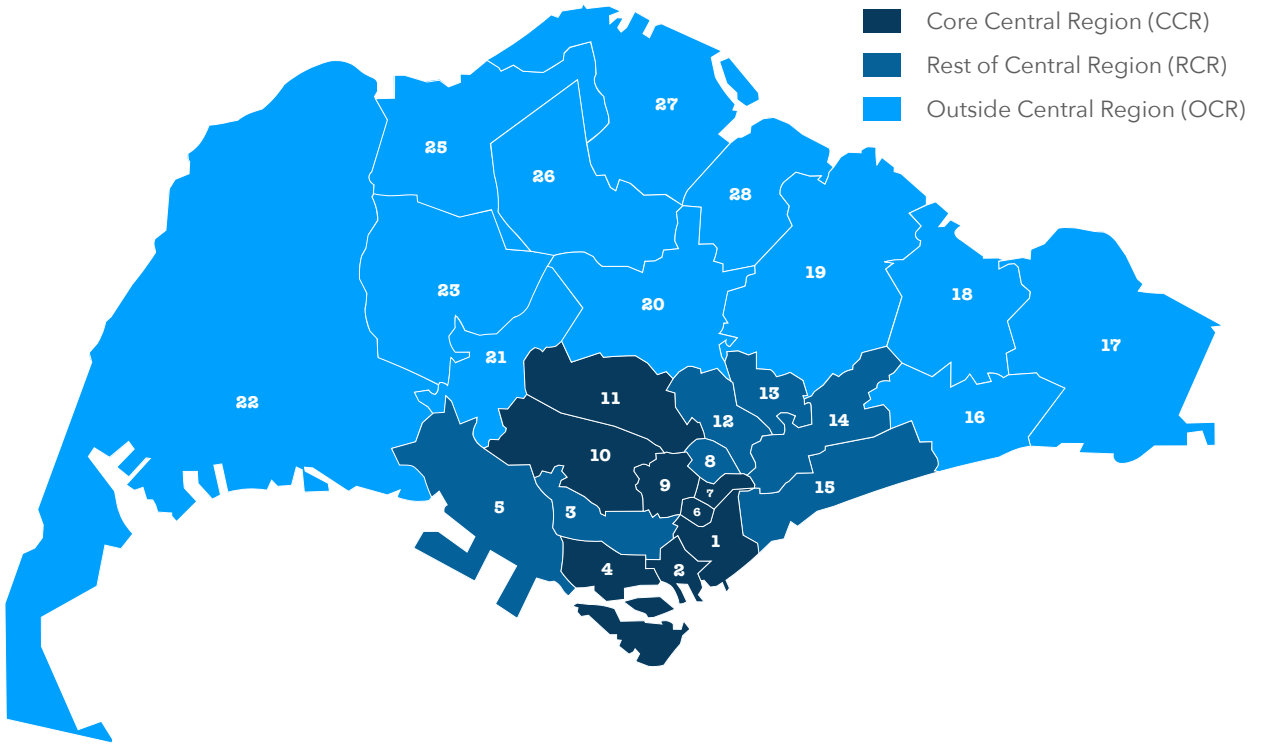
December saw a dramatic downturn of over 80% in new private home sales compared to the previous month, resulting in a mere 135 units sold.

Compared to the 784 units sold in November 2023, December's sales were 83% lower, and they were also 21% lower than the 170 units sold in the same month a year ago.

The decline in sales was not surprising, given that developers had restrained new project launches in response to successive market cooling measures and tepid buying sentiment last year. Coupled with the traditional year-end slowdown and the absence of new project launches, new home sales plummeted to their lowest monthly level since January 2009, when only 108 units were transacted.

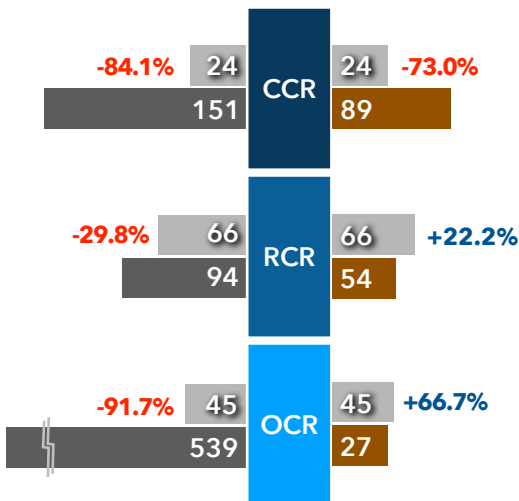


BY REGION

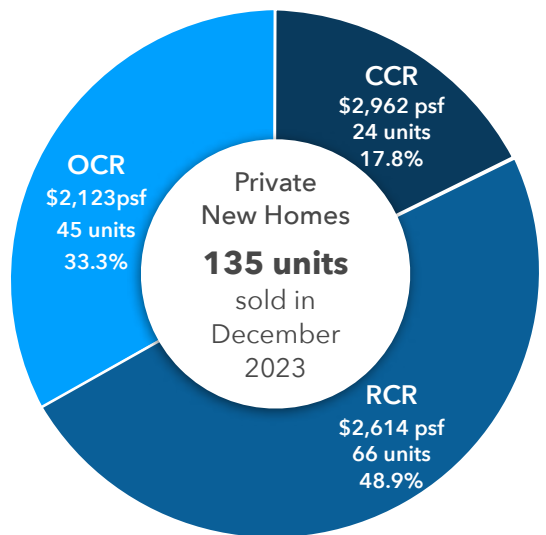


- Core Central Region (CCR)
- Rest of Central Region (RCR)
- Outside Central Region (OCR)

M-o-M | UNITS SOLD | Y-o-Y



UNIT MEDIAN PRICE (PSF)
UNITS SOLD BY REGION
% TOTAL SALE BY REGION



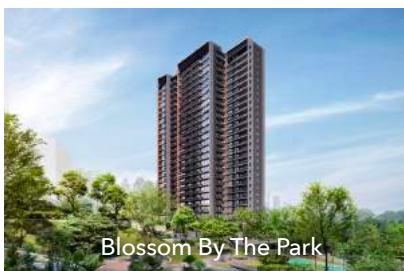
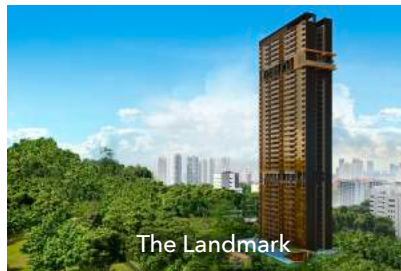
NOV 2023 | DEC 2023 | DEC 2022

BEST SELLING PROJECTS

BEST SELLING PROJECTS IN DECEMBER 2023

PROJECT NAME	REGION	TENURE	TOTAL UNITS	UNITS SOLD IN DEC	TOTAL UNITS SOLD	BALANCE UNITS	% SOLD	Median Price \$PSF
The Continuum	RCR	FH	816	17	304	512	37.3%	\$2,775
The Landmark	RCR	99-year	396	13	325	71	82.1%	\$2,853
The Myst	OCR	99-year	408	9	182	226	44.6%	\$2,182
North Gaia (EC)	OCR	99-year	616	9	379	237	61.5%	\$1,298
Lentor Modern	OCR	99-year	605	8	584	21	96.5%	\$2,119
J'den	OCR	99-year	368	7	329	39	89.4%	\$2,577
Blossoms By The Park	RCR	99-year	275	6	229	46	83.3%	\$2,489
Grand Dunman	RCR	99-year	1,008	6	616	392	61.1%	\$2,524
Lentor Hills Residences	OCR	99-year	598	6	438	160	73.2%	\$2,033
Midtown Modern	CCR	99-year	558	6	543	15	97.3%	\$2,882
Pinetree Hill	RCR	99-year	520	6	165	355	31.7%	\$2,423
Watten House	CCR	FH	180	6	109	71	60.6%	\$3,258

SOURCE: URA



UPCOMING LAUNCHES

30% SOLD
Launched on 2/1/1



FREEHOLD

The Arcady at Boon Keng

DEVELOPER	KSH Ultra Unity Pte Ltd
TYPE	Residential
TOTAL UNITS	172
SITE AREA	5,246 sqm (est)
EXP TOP	Dec 2028
ADDRESS	1037 Serangoon Road
DISTRICT	D12 / Kallang, Toa Payoh

33% SOLD
Launched on 2/1/1



99-YEAR

Hillhaven

DEVELOPER	East Residences Pte Ltd
TYPE	Residential
TOTAL UNITS	341
SITE AREA	10,395 sqm
EXP TOP	2027
ADDRESS	5 Hillview Rise
DISTRICT	D23 - Bukit Batok

53% SOLD
Launched on 2/1/1



99-YEAR

Lumina Grand

DEVELOPER	CDL Zenith Pte Ltd
TYPE	Residential
TOTAL UNITS	509
SITE AREA	16,623.7 sqm
EXP TOP	March 2029
ADDRESS	Bukit Batok West Avenue 5
DISTRICT	D23 - Bukit Batok

UPCOMING LAUNCHES



99-YEAR

Lentoria

DEVELOPER	Lentor View Pte Ltd
TYPE	Residential
TOTAL UNITS	267
SITE AREA	10,819 sqm
EXP TOP	2027
ADDRESS	Lentor Hills Road
DISTRICT	D26 - Upper Thomson / Mandai



99-YEAR

The Hill @ One North

DEVELOPER	Kingsford Real Estate Development Pte Ltd
TYPE	Residential
TOTAL UNITS	142
SITE AREA	5,936.6 sqm
EXP TOP	December 2027
ADDRESS	15, 17, 19, 21 Slim Barracks Rise
DISTRICT	D05 - Buona Vista / West Coast



Freehold

The Hillshore

DEVELOPER	Hillside View Development Pte Ltd
TYPE	Residential
TOTAL UNITS	59
SITE AREA	4,249 sqm (est)
EXP TOP	2026
ADDRESS	292 Pasir Panjang Road
DISTRICT	D05 - Pasir Panjang / Buona Vista / Clementi

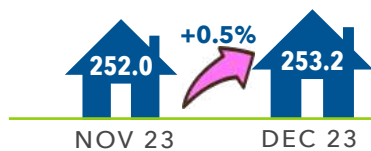
Condo Resale Prices Up As Volume Falls in December

In December 2023, condominium resale volumes saw a 10.4% decline compared to November, marking the second consecutive monthly decrease. According to flash data from SRX and 99.co released on January 25th, only 743 units changed hands, down from 829 in the previous month. This drop was attributed to the seasonal lull and the absence of major launches, dampening demand in the secondary market.

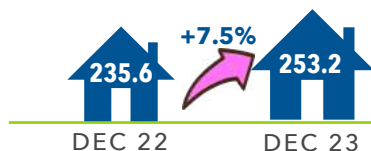
Resale condo transactions to foreign buyers remained subdued, following the tightening of Additional Buyer's Stamp Duty rates in April 2023. Although volume was 7.2% higher year-on-year, it stood 11.7% below the five-year average for December.

Despite the decline in volume, overall resale prices continued to rise, marking the fifth consecutive month of increase. Prices rose by 0.5% over the month and showed a significant 7.5% increase compared to the previous year.

RESALE PRICE INDEX

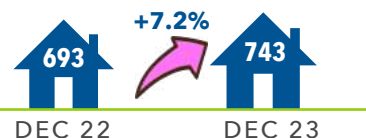
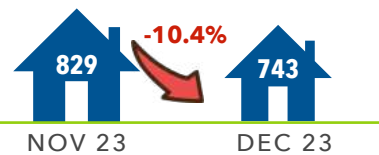


M-o-M

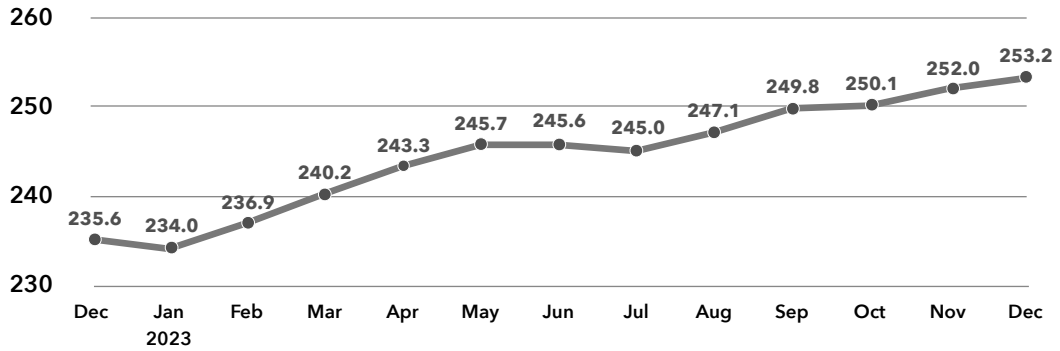


Y-o-Y

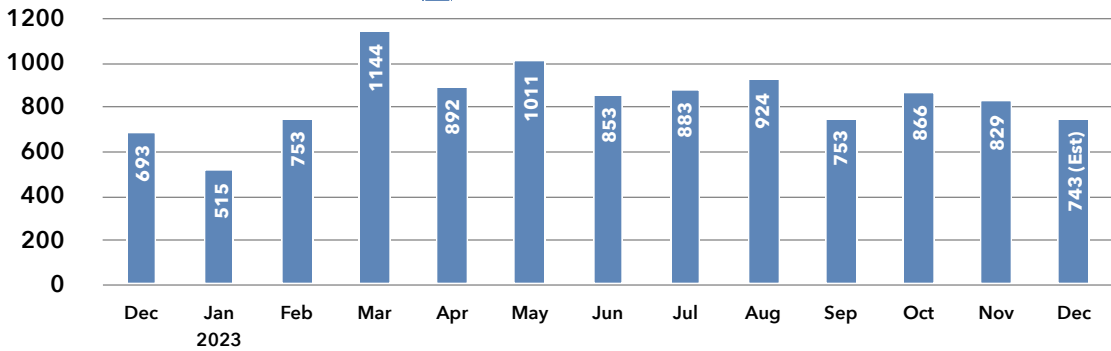
RESALE VOLUME



— Condo RESALE PRICE INDEX



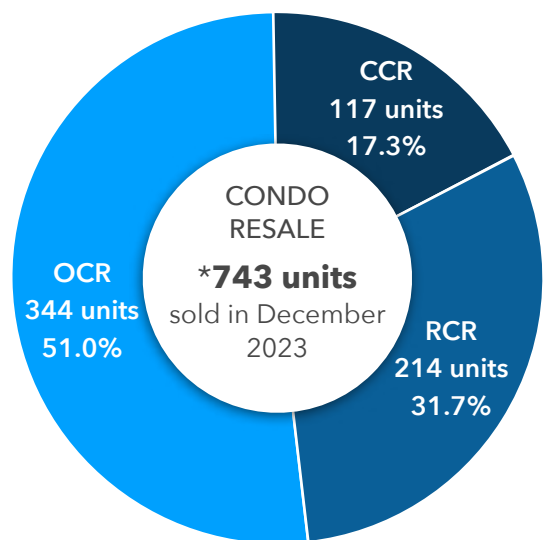
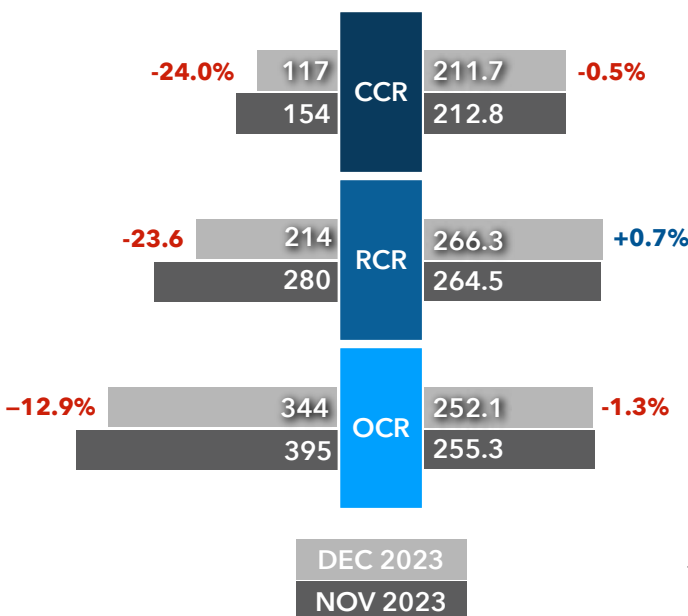
■ Condo RESALE VOLUME



UNITS SOLD M-O-M

RESALE PRICE INDEX

UNITS SOLD BY REGION % OF TOTAL SALE



* The most recent monthly figures are initial estimates derived from historical transaction patterns. The volume of transactions will be modified for accuracy in future months'

SOURCE: 99.co, SRX

Condo Rental Continued Softening Trends

In December, condominium rental prices continued to decline for the fifth consecutive month, erasing the growth observed in the first half of 2023. The overall decline was 0.5% from the previous month, with reductions observed across all regions. Despite this, condo rents remained 2.6% higher compared to December 2022 levels.

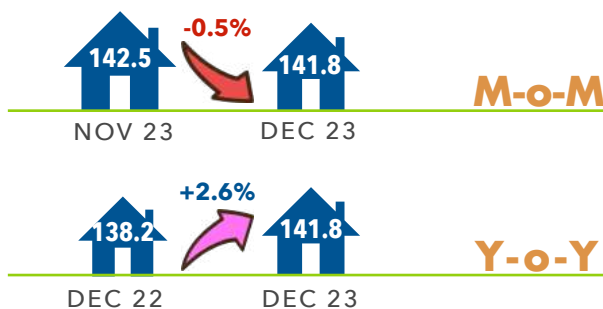
The decrease in private rentals in December was less severe than the previous month, possibly due to a slight increase in demand from new hires entering the workforce in the new year.

Condo leasing volumes saw a 14% increase month-on-month, reaching an estimated 5,644 units, as more landlords were willing to accept lower rents and more lease renewals occurred before the new year – similar to trends observed at the end of 2022 and 2021. Landlords are expected to face increased annual values and property taxes in 2024. With current high interest rates, more landlords may opt for lower rents rather than leaving units vacant.

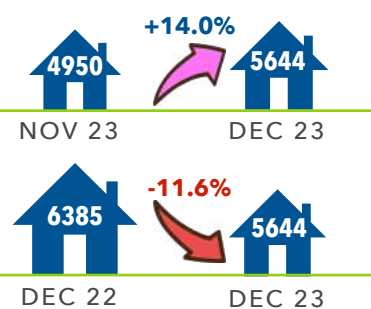
It is anticipated that demand will likely be sustained in January 2024 as tenants continue to sign new leases or renew existing ones at the start of the year.

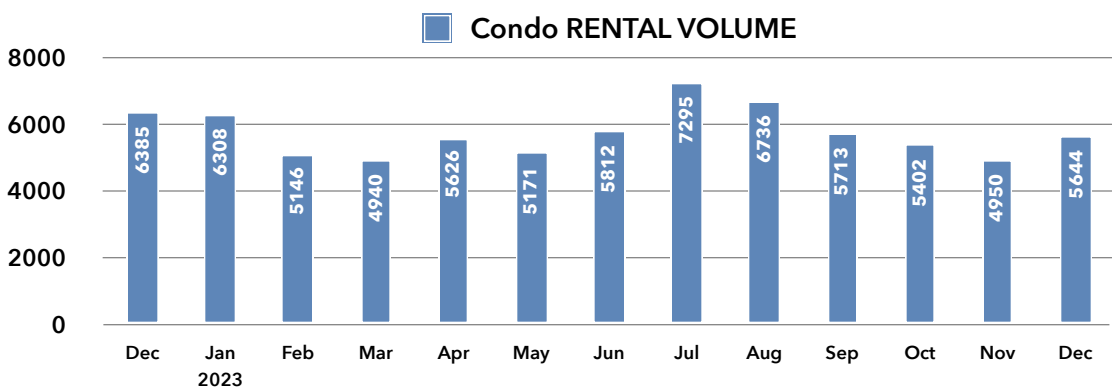
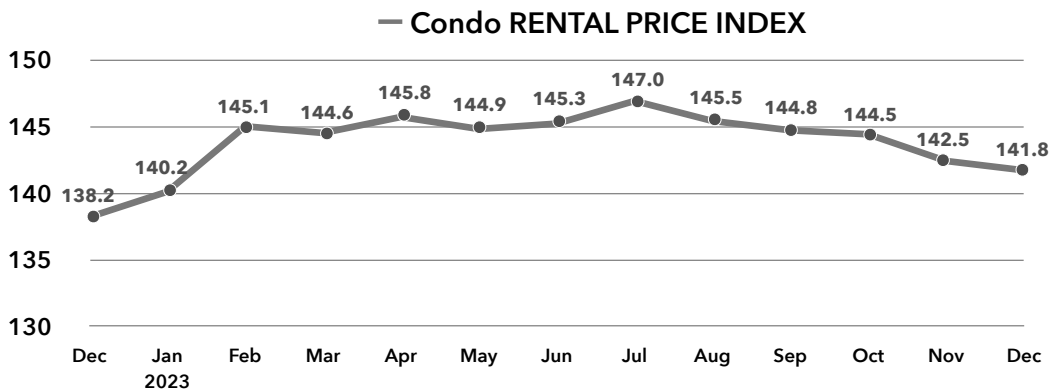
But private rentals are projected to ease further in 2024. As supply and demand in the rental housing market normalise, rental rates of private residential properties could decrease by 10 to 15% within the coming year, potentially approaching 2022 levels.

RENTAL PRICE INDEX



RENTAL VOLUME

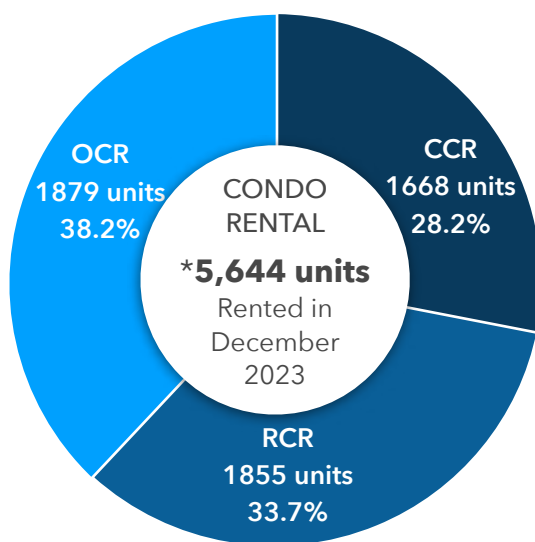
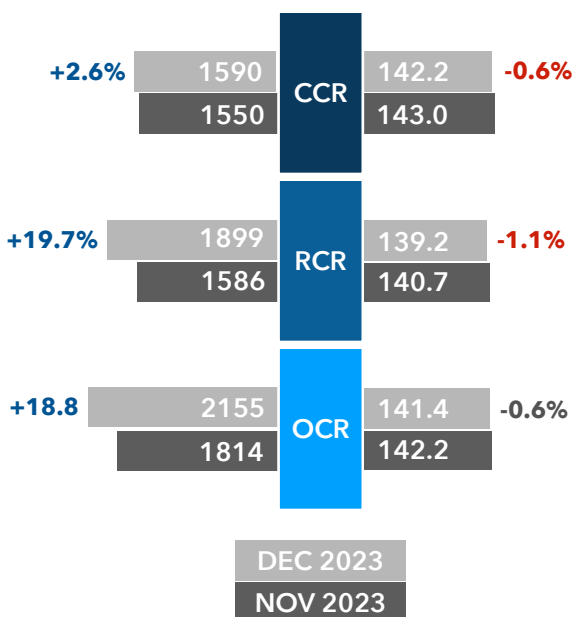




UNITS RENTED

RENTAL PRICE INDEX

UNITS SOLD BY REGION % OF TOTAL SALE



* Latest month figures are flash estimates based on past rental trends. Volumes will be adjusted for accuracy in subsequent months' flash reports as more transactions are confirmed and recorded

SOURCE: 99.co, SRX

HDB resale prices reach record high in 2023 despite market slowdown

HDB Flats @ Cantonment Close

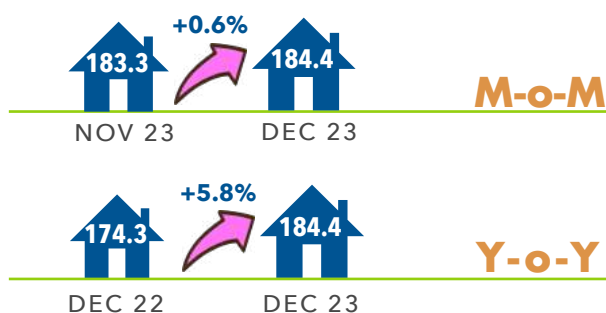
Based on the flash data from SRX and 99.co released on Monday (Jan 8), resale prices for Housing and Development Board (HDB) flats reached an all-time high, rising by 5.8% in December 2023 compared to December 2022. Additionally, HDB resale prices increased by 0.6% in December 2023 compared to November 2023.

When comparing December 2023 to December 2022, prices for all room types increased: 3 Room by 4%, 4 Room by 7.1%, 5 Room by 4.9%, and Executive by 5.1%. This suggests a slowdown in the HDB resale market since the year-on-year increase was lower than the 8.8% growth in the same period in 2022.

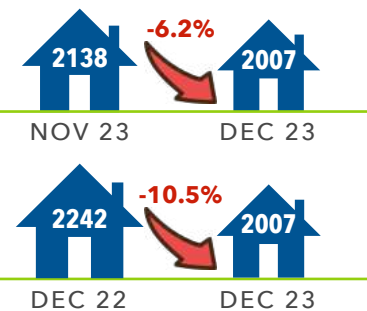
The total number of HDB resale flats transacted in December 2023 was 2,006, indicating a 6.2% decrease from November 2023. Year-on-year, the resale volume in December 2023 was 10.5% lower than the previous year.

As anticipated by market observers, volumes dropped in December amid the holiday slowdown, but an increase is expected in the first quarter of 2024.

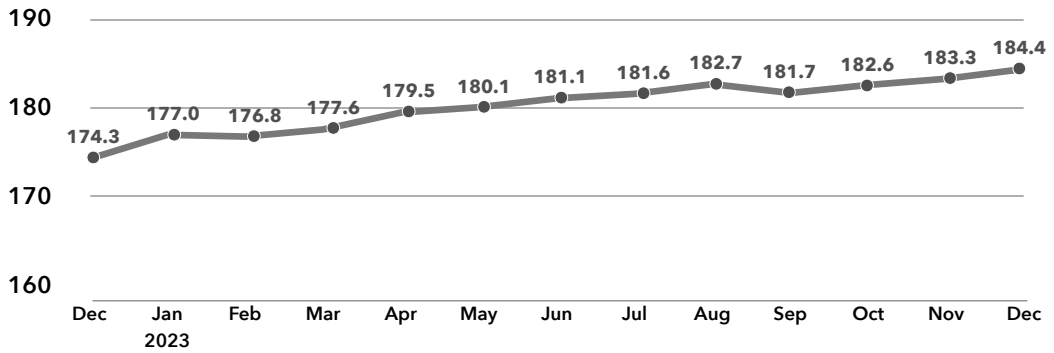
HDB RESALE PRICE INDEX



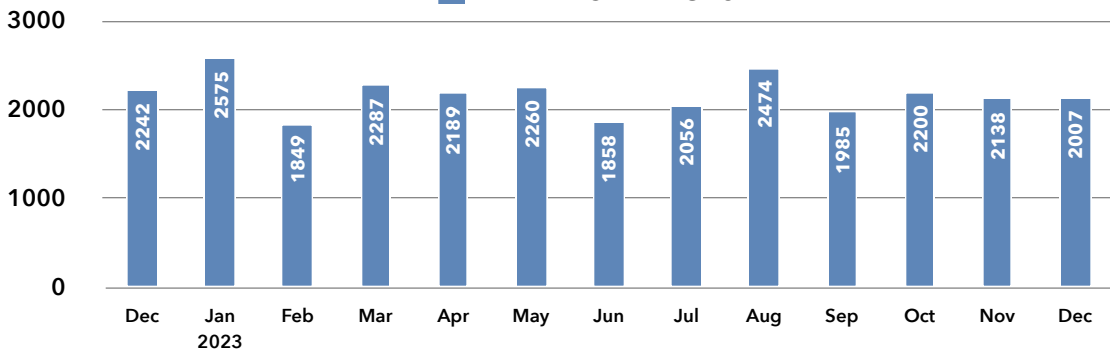
HDB RESALE VOLUME



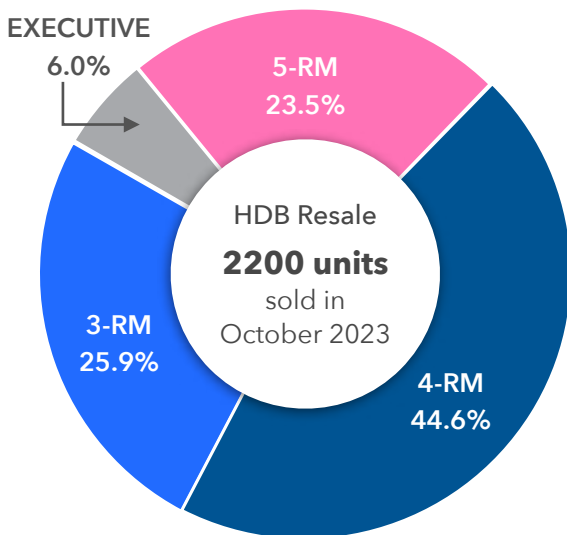
HDB RESALE PRICE INDEX



HDB RESALE VOLUME

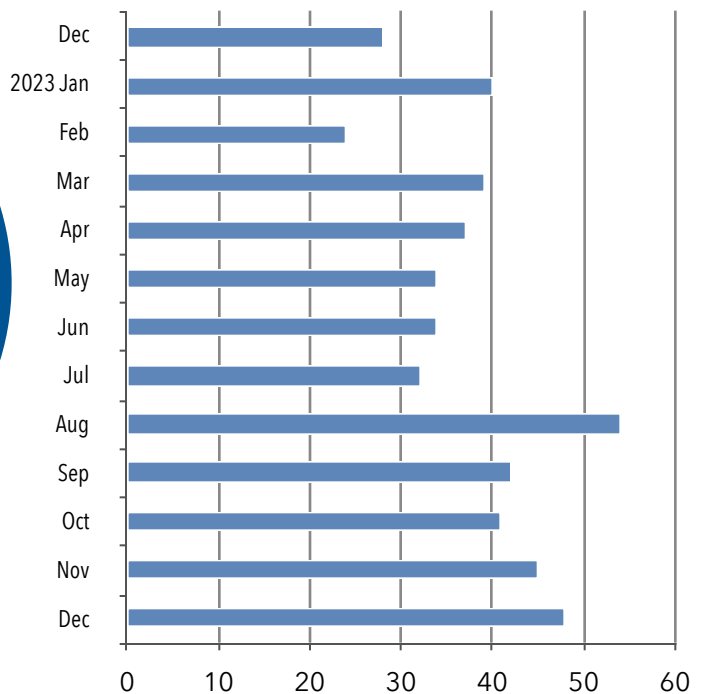


% OF TOTAL SALE TRANSACTIONS BY ROOM TYPE



2023 Number of Million-Dollar Resale Flats Sold

Number of Million-Dollar Resale Flats Sold to date: 470



SOURCE: 99.co, SRX

HDB Rental Market climbed 1% in December

HDB Flats @ Choa Chu Kang Crescent

The rental market for Housing Board properties continued to show growth in both rents and leasing volumes.

All room types saw increases in rents, with three-room flats experiencing a 2.1% rise, followed by five-room units (1%), executive flats (0.9%), and four-room units (0.1%).

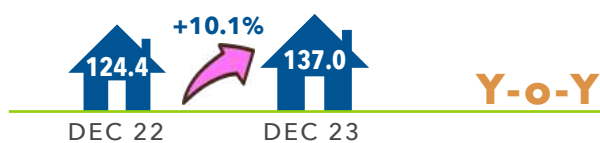
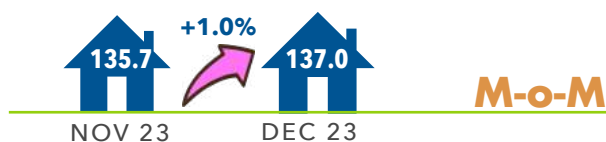
Year on year, overall HDB rents increased by 10.1%. Rents in mature estates saw a rise of 10.4%, while those in non-mature estates increased by 10.3%.

Executive flats recorded the largest rental increase at 14.7% over the year, followed by five-room flats (10.7%), three-room flats (10.5%), and four-room flats (8.9%).

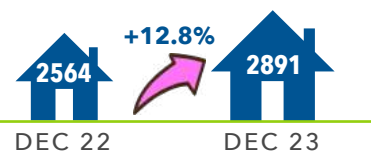
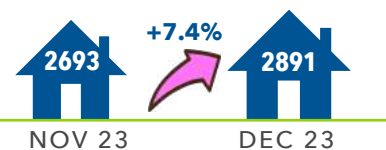
The leasing volume for HDB properties increased by 7.4% to an estimated 2,891 flats in December, up from 2,693 units in November. This figure was 12.8% higher compared to December 2022, but 0.1% lower than the average volume for December over the past five years.

Four-room flats contributed the most to the total leasing volumes at 36.2%, followed by three-room flats at 34.1%, five-room flats at 24%, and executive flats at 5.7%.

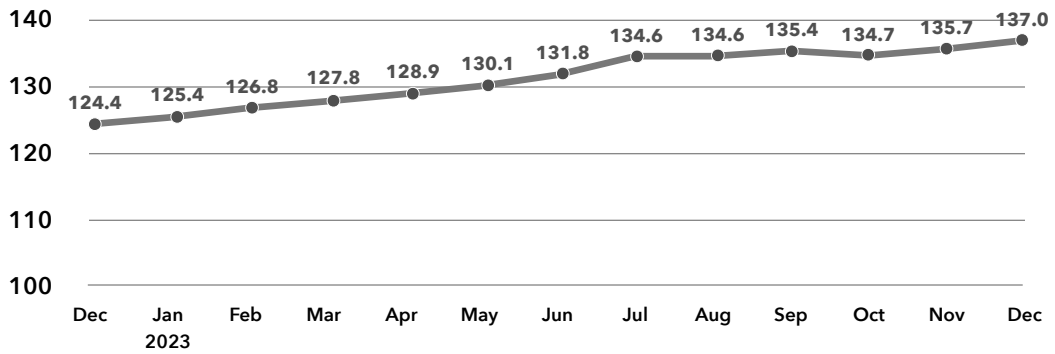
HDB RENTAL PRICE INDEX



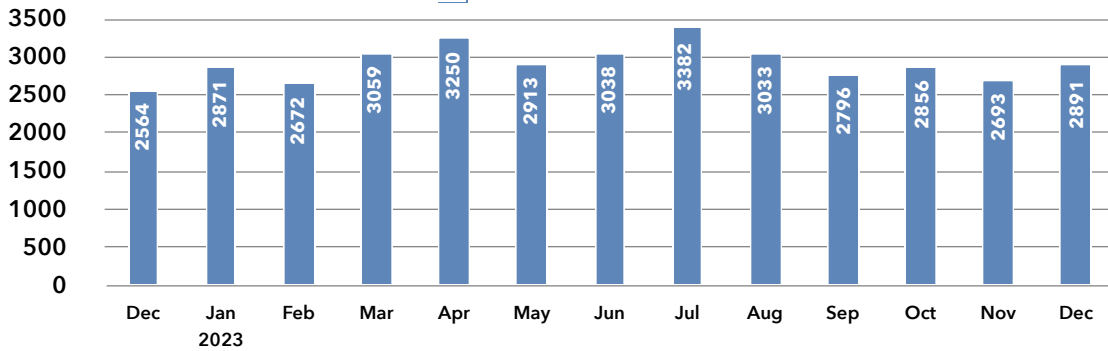
HDB RENTAL VOLUME



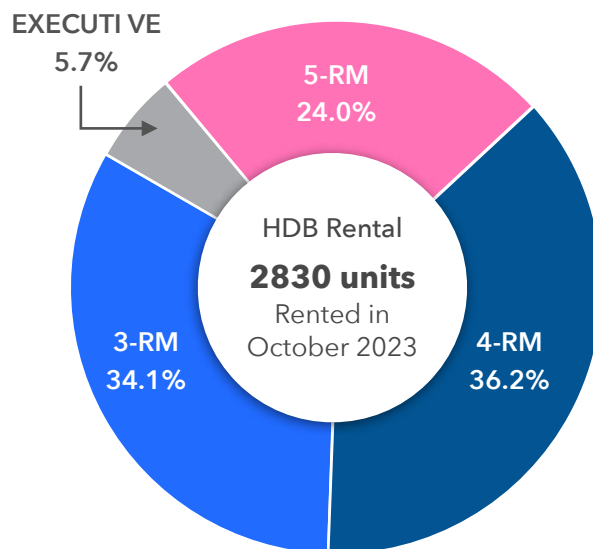
— HDB RENTAL PRICE INDEX



■ HDB RENTAL VOLUME



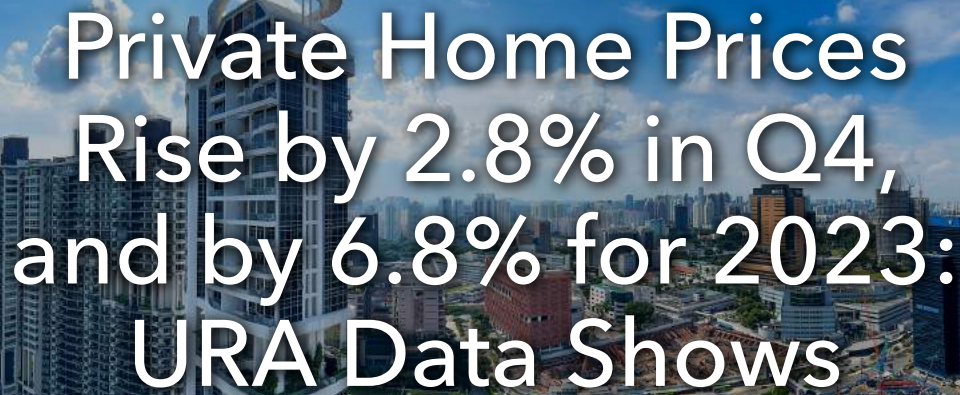
% OF TOTAL RENTAL TRANSACTIONS BY ROOM TYPE



SOURCE: 99.co, SRX

2023 Q4/ YEARLY REPORT





Private Home Prices Rise by 2.8% in Q4, and by 6.8% for 2023: URA Data Shows

Singapore's housing market may have reached its peak, with private home prices steady and rents declining for the first time in three years during the fourth quarter of 2023.

Data unveiled by URA indicated that private residential property prices rose by 2.8% in Q4 2023. This growth followed a 0.8% increase in the previous quarter. Over the year, prices saw a 6.8% hike, marking the 7th consecutive year of growth but at a more restrained pace compared with the 8.6% and 10.6% increases in 2022 and 2021, respectively. The deceleration in price growth is attributed to higher interest rates, several rounds of cooling measures, and reduced overall demand.

In contrast, rents witnessed a 2.1% decline in Q4 and registered an 8.7% increase for the year, a significantly slower pace than the 29.7% surge seen in 2022.

The housing market imbalance, with robust demand overwhelming limited supply, appears to have balanced out by the end of 2023, with approximately 21,300 private units, including executive condominiums (ECs), completed last year. Excluding ECs, almost 19,968 private homes were finished in 2023, marking the highest number of completions since 2017 – significantly surpassing the decade-long annual average of 12,600 units. The majority of completions, at 8,517 units, were recorded in Q3, with Q4 seeing fewer completions at just 4,085 units. This led to a drop in vacancy rates to 8.1% at the end of Q4, down from 8.4% in Q3. Consequently, the overall rental index experienced a 2.1% decrease in Q4 – its first drop in over three years and the most substantial quarterly decline since 2009.

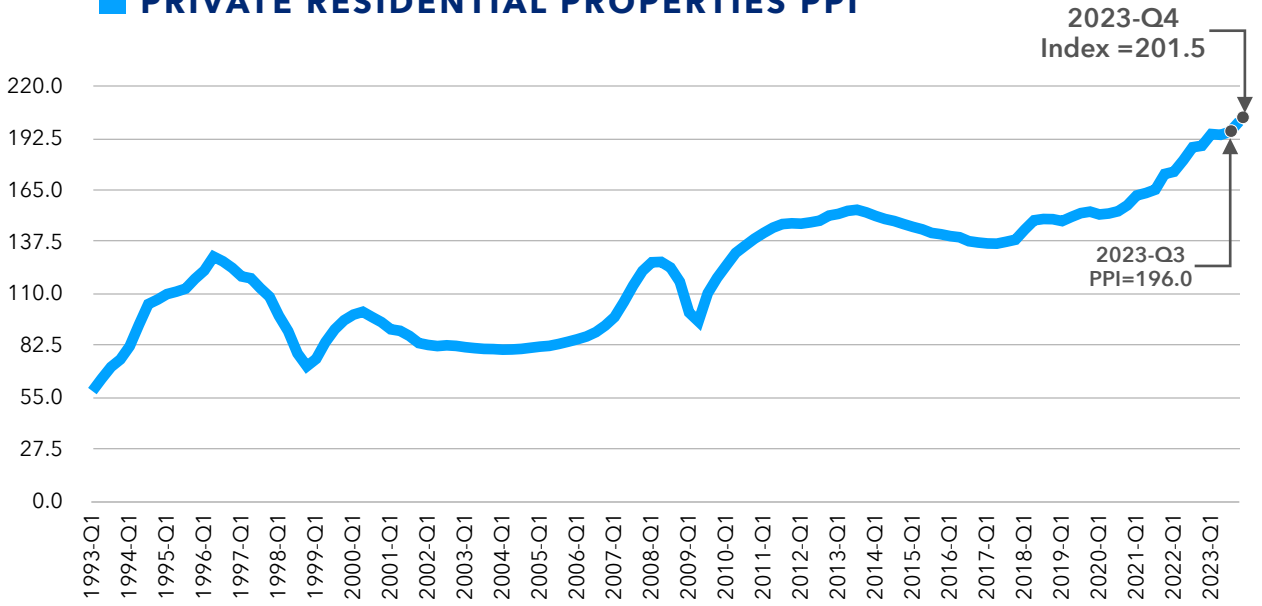
In the primary market, developers launched 1,060 private homes (excluding ECs) for sale in Q4, less than half of Q3's 2,805 units, new homes sales volumes consequently fell 43.9% to 1,092 units in Q4 compared to 1,946 units in Q3. A total of 7,551 units were introduced for sale in 2023, surpassing the 4,528 units brought to the market in 2022, but only 6,421 units sold throughout 2023, down from 7,099 units in the previous year.

Resale transactions remained relatively constant in Q4, with 2,831 units sold – marking a 2.4% decline from Q3's 2,900 units – accounting for 65.3% of all sales transactions. Overall, 11,329 resale transactions occurred in 2023, a reduction from the 14,026 units transacted in 2022, primarily influenced by rising resale home prices and interest rates.

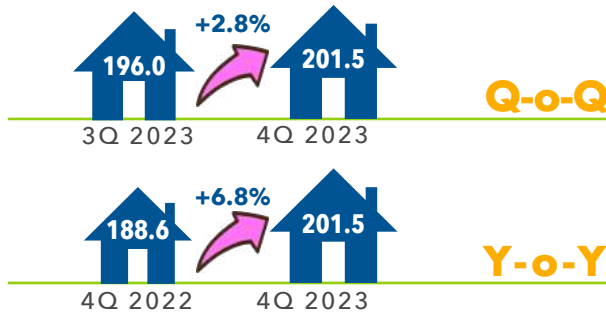
Looking ahead, it is expected that approximately 11,793 private homes, including ECs, will be completed in the coming year, with an additional 6,747 units ready in 2025. Overall, close to 100,000 public and private housing units are projected to be completed between 2023 and 2025. Prices are likely to remain high yet stable in the first half of 2024, amid geopolitical uncertainties and the persistent high interest rate environment, with demand, though subdued, expected to uphold a consistent upward trajectory, potentially leading to a 3% to 5% price growth in 2024.

Conversely, the higher number of project completions and softer leasing demand are anticipated to weigh on rents. Despite an increased property tax burden in 2024, landlords are unlikely to transfer the increment in property tax to tenants in a slowing rental market.

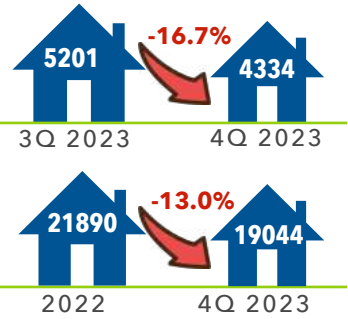
PRIVATE RESIDENTIAL PROPERTIES PPI



PRIVATE PROPERTY PRICE INDEX

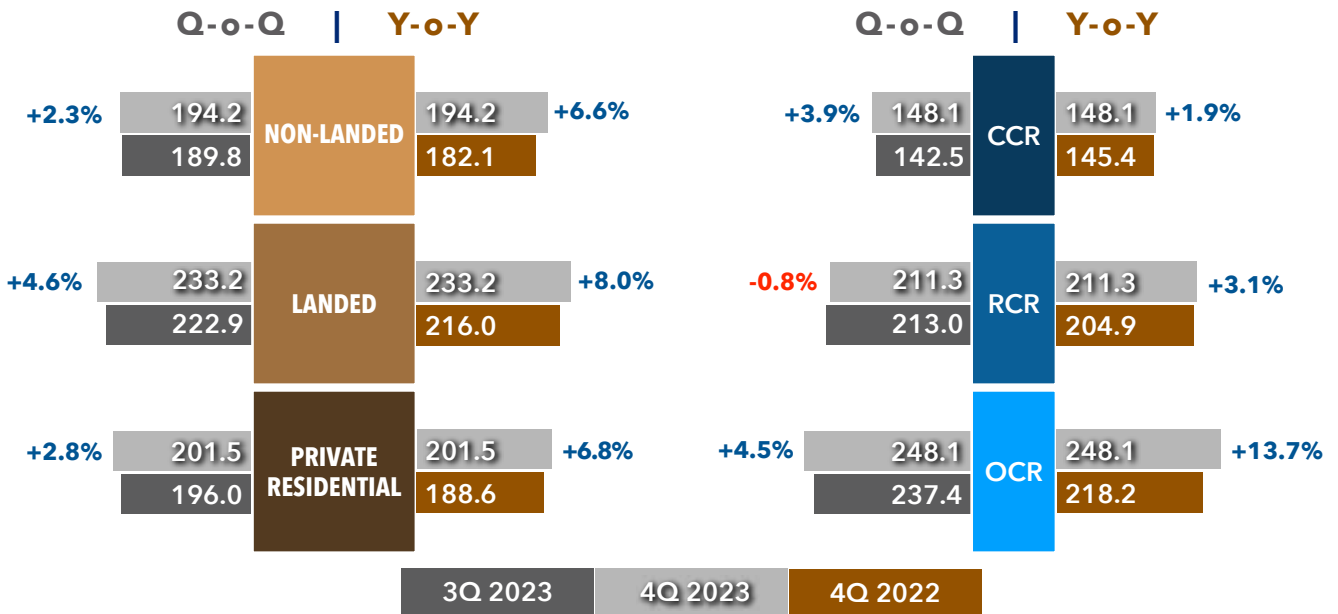


TOTAL UNITS TRANSACTED*



*Total unit sold inclusive of new homes and resale

4Q 2023 - PRIVATE HOME PRICES





HDB Resale Market Sees Moderate Growth Amidst Softening Demands: Prices Up 4.9% in 2023

In the fourth quarter of 2023, the resale prices of public housing flats continued their ascent, albeit at a more restrained pace compared to the previous period, as per data released recently by HDB. During this quarter, the resale prices saw a 1.1% increase, contrasting with the 1.3% growth recorded in the third quarter and falling behind the average quarterly growth of 2.5% for 2022. The overall growth for 2023 recorded a 4.9% increase, marking the slowest expansion since 2019 when prices rose by only 0.1%.

The deceleration in price growth in 2023 was attributed to reduced housing demand, inflationary concerns, and higher interest rates. As a result, overall resale volume for the year declined by 4.2% to 26,735 cases compared to 27,896 cases in 2022. In the fourth quarter alone, the number of resale transactions eased by 2.2% to 6,547 cases, marking the lowest volume for the fourth quarter since 2020. Year on year, resale transactions were down by 0.8%.

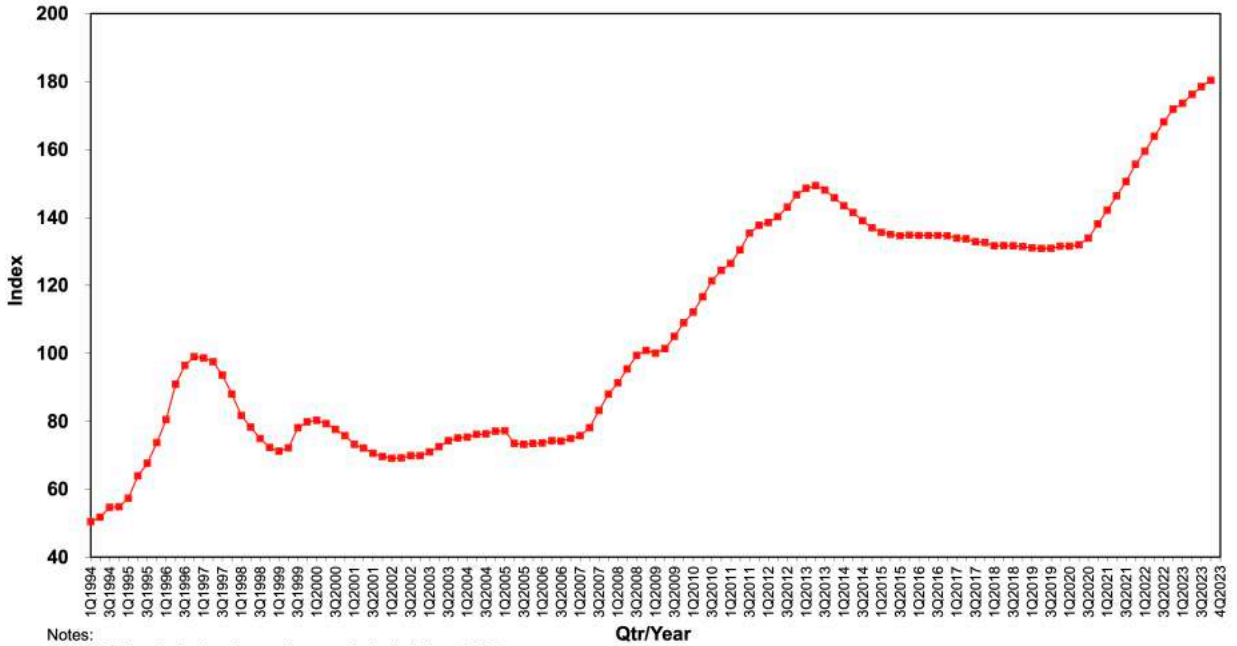
The Q4 slowdown was also attributed to a larger supply of Build-To-Order (BTO) flats and the traditional year-end lull. The government's aggressive increase in supply and shorter waiting times for new flats, as well as cooling measures, are seen to have helped "rein in the surge" in resale flat prices. Additionally, buyers have shown resistance to paying higher prices and cash-over-valuation for an HDB resale flat.

Notably, the number of million-dollar flats reached a historic high of 470 transactions, representing 2.1% of the market. It is expected that the number of million-dollar HDB resale transactions will remain elevated in 2024, as buyers continue to see good value in such properties due to their superior attributes and compelling locations.

Rental demand for HDB flats slightly eased in Q4, with the number of approved rental applications slipping by 0.7% to 9,787 cases from the previous quarter. However, the total number of rented units in the quarter increased by 0.6% to 58,159 units. The highest median rental price was S\$4,300 for a five-room flat in Queenstown, while the lowest recorded was S\$2,200 for two-room flats in Bukit Merah and three-room flats in Bukit Panjang.

Looking ahead, rental supply is anticipated to diminish further, with rental inventory potentially shrinking due to the increased Additional Buyer's Stamp Duty rates, which discourage homeowners from buying a second property while retaining their HDB flats for rental income. On the demand side, the number of local tenants may continue to decrease, while some may transition back to the private market if private rents show signs of moderation.

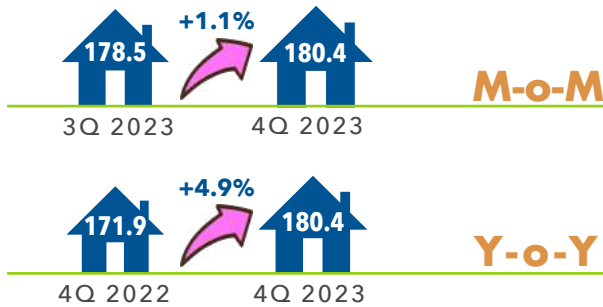
HDB RESALE PRICE INDEX



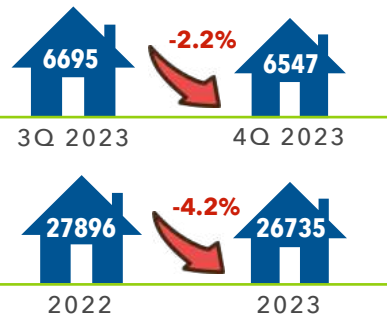
Notes:

- 1) 1Q2009 is adopted as the new base period with index at 100.
- 2) The index from 1Q1990 to 3Q2014 is rebased to the new base period at 1Q2009.
- 3) The index for 4Q2014 onwards is computed using the stratified hedonic regression method.


HDB RESALE PRICE INDEX



HDB SALES VOLUME



4Q 2023		HDB SALES VOLUME		2023	
3Q 2023				2022	
+0.5%	189	2-ROOM	729	+44.6%	
	188		504		
-1.2%	1633	3-ROOM	6644	+0.2%	
	1653		6632		
-1.1%	2901	4-ROOM	11759	-0.8%	
	2932		11852		
-6.3%	1435	5-ROOM	6050	-13.0%	
	1532		6951		
-1.0%	386	EXECUTIVE*	1547	-20.5%	
	390		1946		



Thriving shophouse market sees a decline amid money laundering scandal

Amid a significant money laundering case unfolding in Singapore in August, the commercial shophouse market experienced a noticeable pullback, culminating in the lowest quarterly sales in 13 years during the final quarter of 2023. According to a report released on January 19, only 15 transactions were filed in that quarter, a marked decrease from the 37 deals registered between July and September. Furthermore, the transaction value plummeted by 70%, reaching just \$95 million from October to December 2023, compared to nearly \$321 million recorded in the same period in 2022. This represents the lowest quarterly sales based on transaction data since 2010.

In light of the cautious market sentiment, the entire year witnessed a pronounced slowdown in the commercial shophouse segment. Specifically, 131 shophouses, worth about \$1.14 billion, changed hands in 2023, down from 191 deals valued at \$1.6 billion in 2022, marking the lowest sales volume since 2019 when 123 shophouses fetched a total of \$916 million.

The lacklustre performance during the final quarter of 2023 was attributed to various factors, including a soft economic outlook and heightened due diligence following the anti-money laundering efforts. This downturn also led to more open negotiations, as owners, previously confident about price hikes, adapted to the market conditions.

On the brighter side, the higher additional buyer's stamp duty (ABSD) rates on residential properties drove investors' interest towards the commercial shophouse market, with many foreign investors considering shophouses as a safe haven to preserve their wealth.

Despite the decline in sales, the shophouse leasing market in 2023 witnessed 3,660 transactions totalling \$37.9 million, surpassing the 3,589 transactions worth \$34.3 million in 2022. Looking forward, steady demand for shophouses in 2024 is anticipated, supported by their limited supply, historical significance, and potential for capital growth. These prospects are further reinforced by expectations of interest rate cuts and continual improvements in the tourism sector.



JTC Reports Industrial Rent Increase of 1.7% in Q4, Prices Climb by 0.6%

JTC's data released on Thursday (Jan 25) revealed that rents and prices for industrial space in Singapore continued to rise for the 13th consecutive quarter in Q4 2023, albeit at a slowing pace.

The industrial rents rose by 1.7% quarter-on-quarter and by 8.9% year-on-year, with the multiple-user factory segment being the key driver, experiencing a 10.7% increase year-on-year. However, the 1.7% quarterly increase in the all-industrial property rent index was the slowest in six quarters, while the 0.6% quarterly increase in the all-industrial property price index was the slowest in nine quarters. The deceleration in this sector may be attributed to resistance to further rent and price hikes.

The surge in industrial rent and prices, at 18.9% and 19.1% respectively, since their bottoms in Q3 of 2020, have been primarily driven by a supply crunch and investors' reallocation of capital towards higher-yielding assets amidst the elevated interest rate environment.

Warehouses experienced an 8.5% increase in rents, followed by single-user factories at 7% and business parks at 3.4%. Rental growth for multi-user factories was influenced by new and better-located stock, while warehouse rents were supported by significant demand from third-party logistics players, amid very tight supply conditions.

The overall occupancy rate stood at 89%, marking a 0.1 percentage point increase from the previous quarter, but 0.4 percentage points lower compared to the previous year. The business park occupancy rate, however, dropped further to 78.4% in Q4 2023, following five consecutive quarters of decline. The downward trend in business park demand may be due to qualified office occupiers choosing lease renewals instead of incurring capital expenditure to relocate to decentralised business parks, despite potential cost savings.

Looking forward, the expected recovery in global electronics demand for 2024 is predicted to drive a rebound in the manufacturing sector, supporting the demand for factory and warehouse space. However, rent growth may be tempered by the higher supply pipeline, and occupier resistance towards further rent hikes may intensify, given the high base. While rents for well-located business park space could see marginal growth in 2024, rents for older business parks in non-central areas are expected to level off.

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YEAR OF THE
DRAGON



2024

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NEW YEAR**

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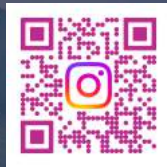
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