

ASIAN PRIME

SINGAPORE REAL ESTATE MARKET UPDATES

AUGUST 2024 ISSUE

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JUNE 2024 MONTHLY REPORT



June 2024 Sees Slight Uptick in Private Home Sales Amidst Lack of New Launches and Holiday Market Lull

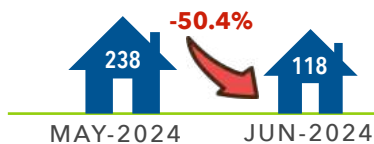
Artist's Impression



Overview of Sales Performance

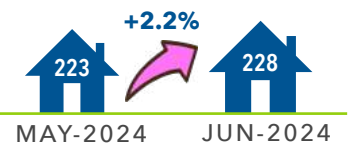
- **Record Low H1 2024 Sales:** The first half of 2024 experienced a significant decline in new private home sales, reaching a record low due to a lack of new project launches and price resistance among buyers.
- **Month-On-Month Increase:** Data from the Urban Redevelopment Authority (URA) reveals that in June 2024, developers sold 228 new private homes, not including executive condominiums (ECs), marking a slight increase of 2.2% from May's 223 units, primarily driven by a heightened demand for suburban homes.
- **Year-on-Year Decline:** However, this was an 18% decrease compared to June 2023, reflecting ongoing market challenges.

UNITS LAUNCHED

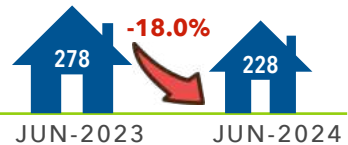


M-O-M

UNITS SOLD



Y-O-Y





Key Projects Sales Performance

- **Suburban Projects Lead Sales:** Suburban areas dominated sales, with 57.9% of transactions. The Lakegarden Residences and The Botany at Dairy Farm were notable performers, driven by spillover interest from nearby developments like Sora.



Market Dynamics

- **Record Low in H1 2024 Sales:** The first half of 2024 saw a significant downturn in new private home sales, with only 1,916 units sold—a 43.4% decline year-on-year.
- **Reasons for decline in market activity:** The reduction in new launches, particularly with only 1,938 units rolled out, has been a key factor in the market's subdued performance. The market is further constrained by elevated interest rates.



Buyer Trends

- **Cautious Buyer Sentiment:** The market remains cautious, with buyers hesitating and selective amid high prices and limited options.
- **Preference for Larger Units:** Buyers showed a marked preference for larger units, especially those exceeding 100 square meters, was evident, with these units making up a significant portion of sales.
- **Preference for OCR:** Suburban areas dominated sales, with 57.9% of transactions.
- **Foreign Buyers:** Increased purchases, especially in the Core and Rest of Central Regions.



Developer Strategy

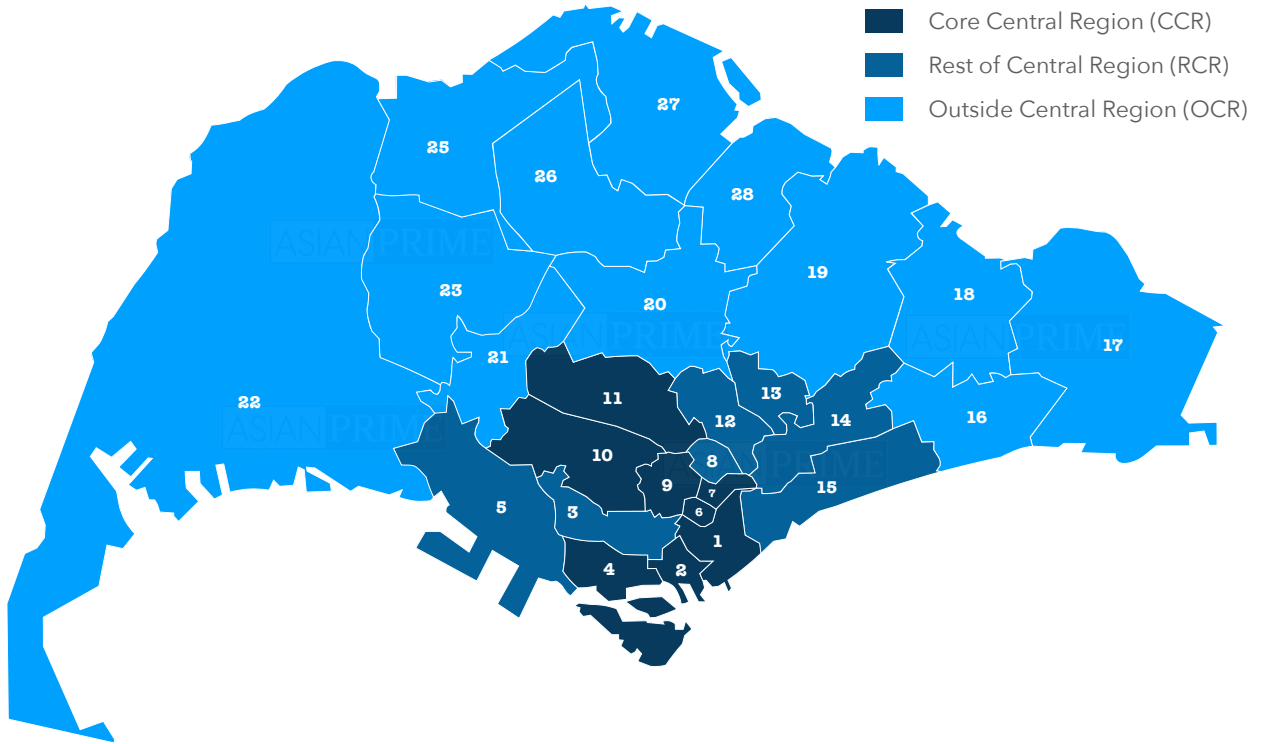
- **Focus:** Developers have responded to market conditions by focusing on smaller and lower quantum units.
- **Strategic Delay in Project Launches:** The anticipation of new projects, such as the upcoming Kassia in Flora Drive and the large-scale developments like the Emerald of Katong and Union Square Residences, suggests a strategic delay in releases, possibly awaiting more favourable market conditions.



Comparative Analysis and Future Projections

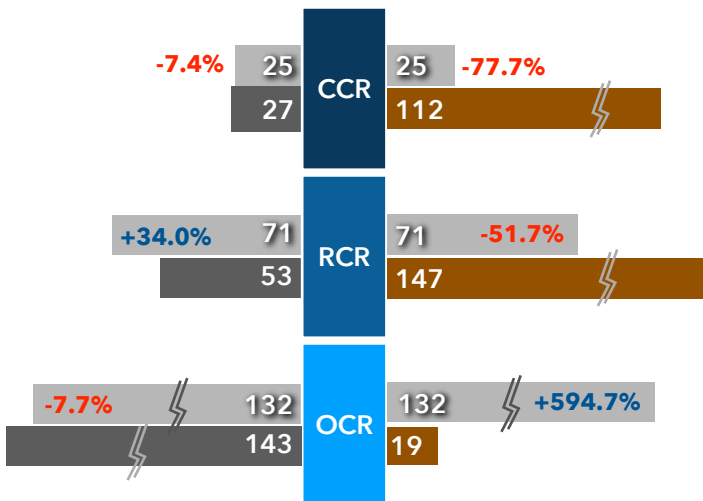
- **Historical Context and Price Outlook:** Compared to previous years, the current market is experiencing one of its lowest activity levels since 2008 and 2020, during the global financial crisis and the COVID-19 lockdown, respectively. Despite these challenges, private home prices are expected to grow by 3-5% for the year, driven by elevated land and construction costs. The market's future trajectory will likely depend on interest rate movements and the success of upcoming project launches in reinvigorating buyer interest.

BY REGION

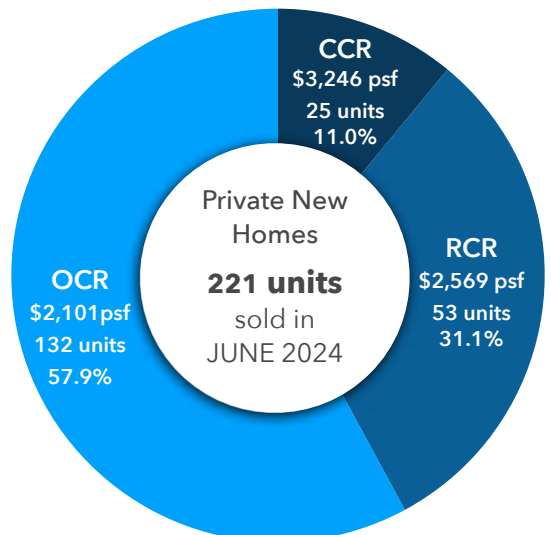


- Core Central Region (CCR)
- Rest of Central Region (RCR)
- Outside Central Region (OCR)

M-O-M | UNITS SOLD | Y-O-Y



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

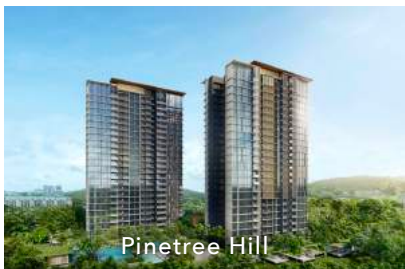


MAY 2024 JUN 2024 JUN 2023

BEST SELLING PROJECTS

BEST SELLING PROJECTS IN JUNE 2024										
#	PROJECT NAME	REGION	DISTRICT	TENURE	TOTAL UNITS	UNITS SOLD in JUN-24	TOTAL UNITS SOLD	BALANCE UNITS	% SOLD	Median Price \$\$\$PSF
1	North Gaia (EC)	OCR	D27	99-yr	616	29	507	109	82.3%	\$1,311
2	The Lakegarden Residences	OCR	D22	99-yr	306	23	140	166	45.8%	\$2,119
3	The Botany At Dairy Farm	OCR	D23	99-yr	386	21	365	21	94.6%	\$2,140
4	Tembusu Grand	RCR	D15	99-yr	638	20	417	221	65.4%	\$2,542
5	Hillhaven	OCR	D23	99-yr	341	18	146	195	42.8%	\$2,124
6	Lumina Grand (EC)	OCR	D23	99-yr	512	16	387	125	75.6%	\$1,508
7	Pinetree Hill	RCR	D21	99-yr	520	15	229	291	44.0%	\$2,548
8	Lentor Hills Residences	OCR	D26	99-yr	598	14	541	57	90.5%	\$2,104
9	Hillock Green	OCR	D26	99-yr	474	13	225	249	47.5%	\$2,132
10	Lentoria	OCR	D26	99-yr	267	11	87	180	32.6%	\$2,096

SOURCE: URA



UPCOMING LAUNCHES



23% SOLD
Launched on 6/17

99-YEAR

Sora

DEVELOPER	Lakeside Residential Pte Ltd
TYPE	Residential
TOTAL UNITS	440
SITE AREA	17,835 sqm (est)
EXP TOP	Oct 2028
ADDRESS	Yuan Ching Road
DISTRICT	D22 - Boon Lay / Jurong / Tuas



52% SOLD
Launched on 20/7

FREEHOLD

Kassia

DEVELOPER	Tripartite Developers Pte Ltd
TYPE	Residential
TOTAL UNITS	276
SITE AREA	14,013.4 sqm
EXP TOP	Nov 2027
ADDRESS	Flora Drive
DISTRICT	D17 - Loyang / Changi



99-YEAR

The Chuan Park

DEVELOPER	Kingsford Huray & MCC Land (Singapore)
TYPE	Residential
TOTAL UNITS	900 approx
SITE AREA	37,215 sqm
TOP	TBC
ADDRESS	Serangoon Avenue 3
DISTRICT	D19 - Serangoon Garden / Hougang / Punggol

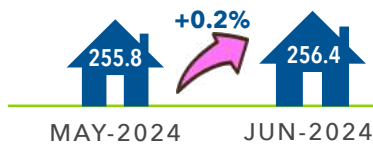
Private Resale Volume Drops Amid Mixed Price Trends & Changing Buyer Preferences



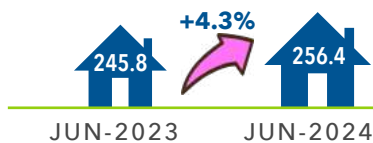
Overview of Condo Resale Performance

In June 2024, the resale condo market in Singapore witnessed a notable decline in transaction volumes, which fell by 29.9% month-on-month, from 1,153 units in May to 809 units. This marked a 5.2% decrease compared to June 2023. Despite the drop in volume, overall resale prices edged up by 0.2% month-on-month and increased by 4.3% year-on-year, indicating a mixed market performance across different regions.

RESALE PRICE INDEX

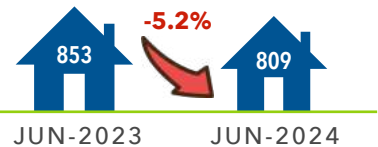
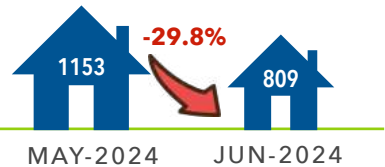


M-O-M



Y-O-Y

RESALE VOLUME





Month-on-Month (MoM) Price and Volume Analysis

- **Core Central Region (CCR):** Resale prices decreased by 0.7%, reflecting subdued demand, particularly among foreign buyers. The CCR accounted for 17.8% of total resale volume.
- **Rest of Central Region (RCR):** Prices rose by 1.3%, showing resilience in mid-tier locations. The RCR represented 31.7% of total transactions.
- **Outside Central Region (OCR):** Prices remained stagnant, with the region accounting for 50.5% of total sales volume, despite experiencing the largest decline in transaction volume at 37.5%.



Year-on-Year (YoY) Price and Volume Analysis

- **CCR:** Prices declined by 0.2%, indicating a weaker market segment.
- **RCR:** Experienced a 6.4% increase in prices, highlighting robust demand.
- **OCR:** Prices rose by 5.7%, maintaining steady growth.



Factors Influencing Resale Price and Volume

- The decline in resale volume is linked to the June school holidays, traditionally a slower period for real estate transactions.
- Additionally, the launch of new Build-To-Order (BTO) flats in desirable locations like Tanjong Rhu and Holland Village likely diverted potential buyers from the resale market, particularly impacting demand for mass market condominiums.
- Additionally, market sentiments were influenced by potential future interest rate cuts by the US Federal Reserve, which some buyers might be waiting for before making a purchase.



High-Value Transactions

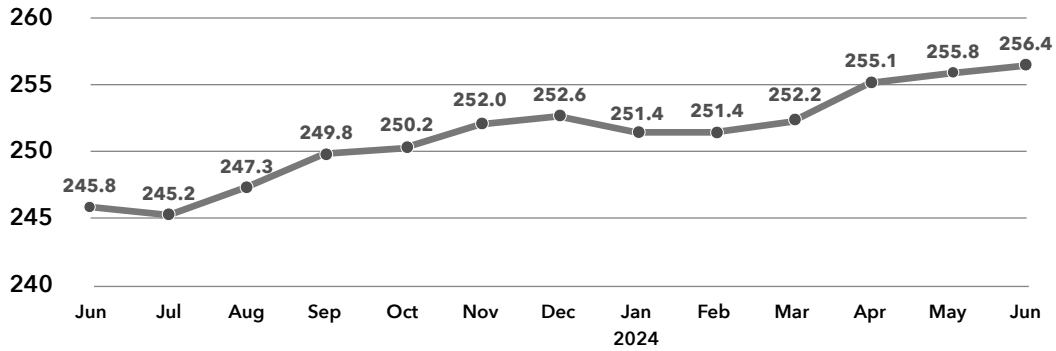
- The highest recorded resale transaction was a unit at Reflections at Keppel Bay, sold for \$13.6 million.
- In the CCR, a unit at The Tate Residences sold for \$9 million
- In the OCR, the top transaction was at Waterfront Key, at around \$4 million.



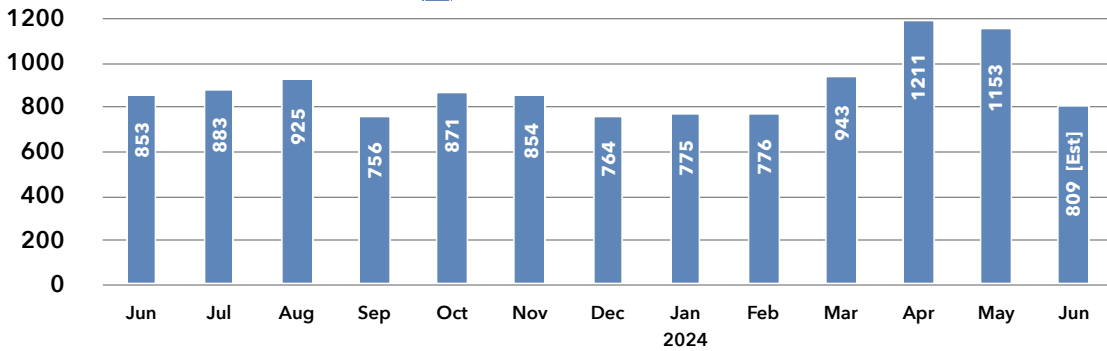
Market Sentiments and Predictions

- Looking ahead, potential interest rate cuts by the US Federal Reserve could boost the Singapore condo resale market by enhancing affordability and increasing buyer confidence. Analysts anticipate that a more favourable borrowing environment may encourage buyers who were previously hesitant to enter the market, potentially stabilising or even increasing transaction volumes in the near future.
- The narrowing price gap between resale and sub-sale properties also shifted buyer interest towards newer units, with sub-sale transactions accounting for 11.1% of all secondary sales.

— Condo RESALE PRICE INDEX



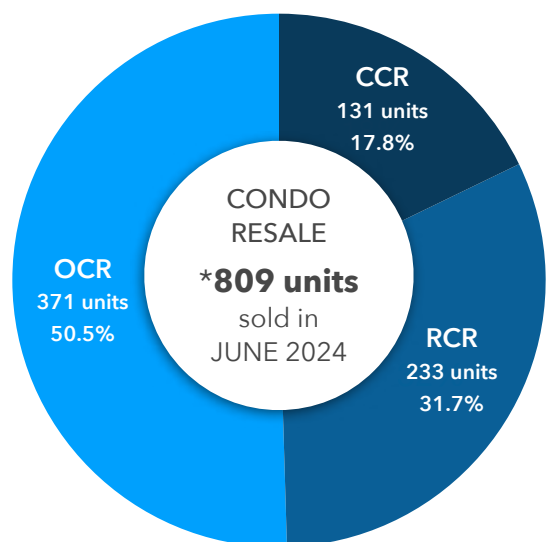
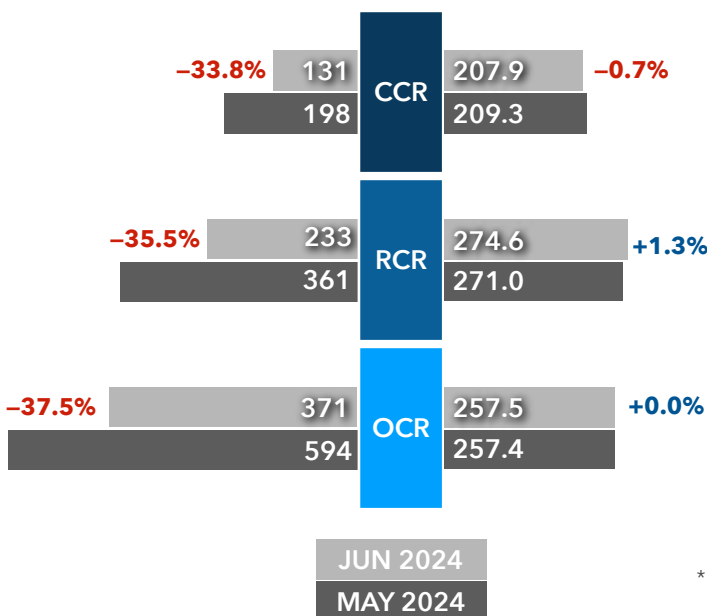
■ Condo RESALE VOLUME



UNITS SOLD M-O-M

RESALE PRICE INDEX

UNITS SOLD BY REGION % OF TOTAL SALE



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

SOURCE: 99.co, SRX

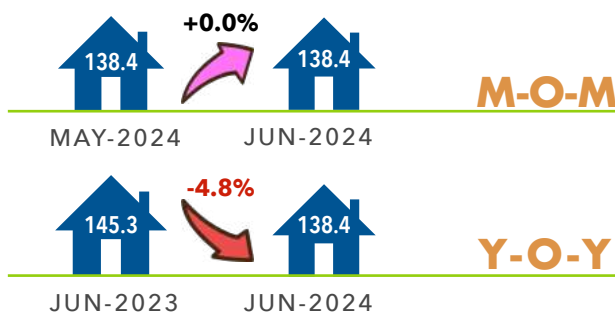
June Condo Rental: Rising Volumes Amidst Mixed Rental Trends and Economic Uncertainties



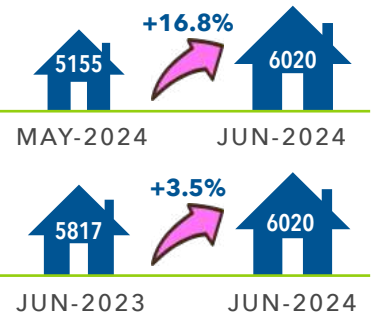
Overview of Condo Leasing Market

- In June 2024, the condo leasing market saw a resurgence, with leasing volumes increasing by 16.8% month-on-month, reaching a total of 6,020 units rented. This recovery followed a decline in May and was characterised by mixed rental price trends across different regions. Year on year, condo rents were down 4.8%.

RENTAL PRICE INDEX



RENTAL VOLUME





Condo Leasing Price and Volume Trends

- **Overall Rental Price Movement:** Rental prices remained largely stagnant comparing to May. But there was a 4.8% decrease in condo rents compared to June 2023.
- **Total Units Rented:** Leasing volumes rose significantly by 16.8%, with 6,020 units rented in June, up from 5,155 units in May. Compared to June 2023, the number of units rented was 3.5% higher, however, this was 4.2% lower than the five-year average volume for June.
- **Core Central Region (CCR):**
 - **Rental Prices:** Decreased by 1.2% month-on-month and 5.6% year-on-year.
 - **Leasing Volume:** Represented 29.6% of total rentals, indicating stable demand despite the price decline. Volume increased by 11.9% month-on-month and 5.8% year-on-year.
- **Rest of Central Region (RCR):**
 - **Rental Prices:** Slightly declined by 0.4% month-on-month and decreased by 4.7% year-on-year.
 - **Leasing Volume:** Accounted for 32.9% of total rental volume, showing a balanced leasing activity. Volume increased by 14.5% month-on-month and 0.6% year-on-year.
- **Outside Central Region (OCR):**
 - **Rental Prices:** Increased by 0.8% month-on-month but decreased by 4.0% year-on-year.
 - **Leasing Volume:** Comprised 37.5% of total rentals, the highest among the regions, reflecting strong demand for suburban living. Volume increased by 23.2% month-on-month but decreased by 4.4% year-on-year.



Factors affecting Leasing Market

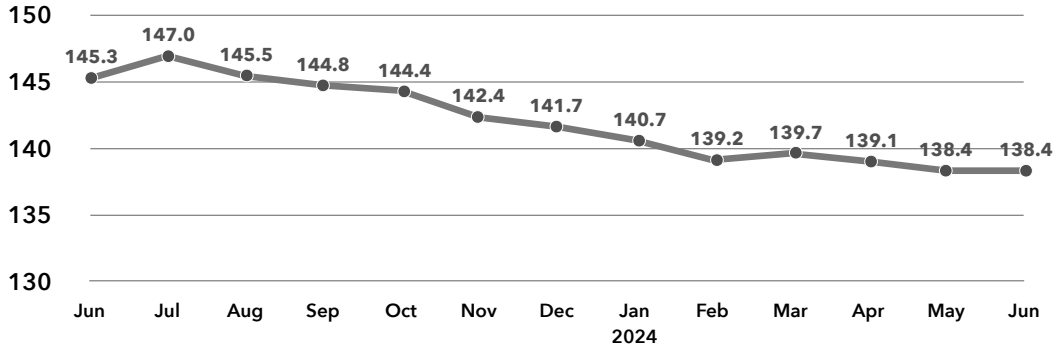
- The leasing market's resurgence in volume is attributed to seasonal factors and slight adjustments in rental expectations. However, the overall rental price decline is driven by an increasing supply of rental units, high-interest rates, and economic uncertainties. Additionally, stricter regulations on hiring foreign talent and a softened job market have contributed to the pressure on rental prices.



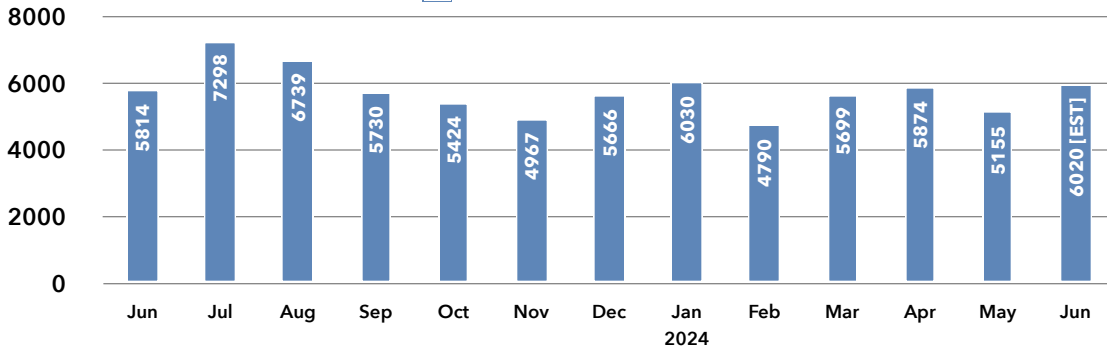
Market Sentiments and Predictions

- **Rising Supply and Economic Challenges:** Looking ahead, market analysts anticipate continued pressure on rental prices due to the rising supply and ongoing economic challenges. Potential interest rate cuts could provide relief by improving affordability, thereby supporting leasing demand. However, the overall market sentiment remains cautious as adjustments in both volume and pricing are expected to continue

— Condo RENTAL PRICE INDEX



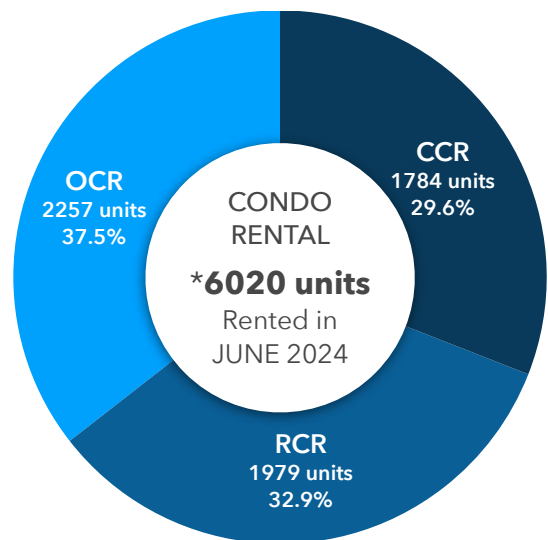
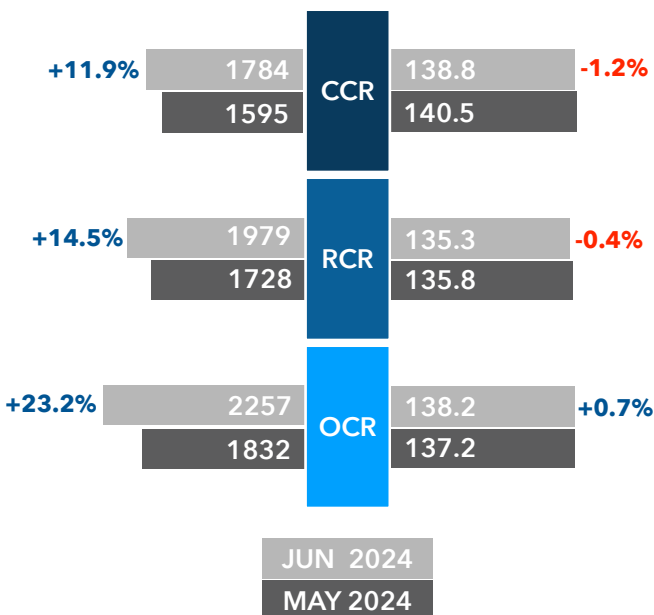
■ Condo RENTAL VOLUME



UNITS RENTED

RENTAL PRICE INDEX

UNITS RENTED BY REGION



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

SOURCE: 99.co, SRX, URA

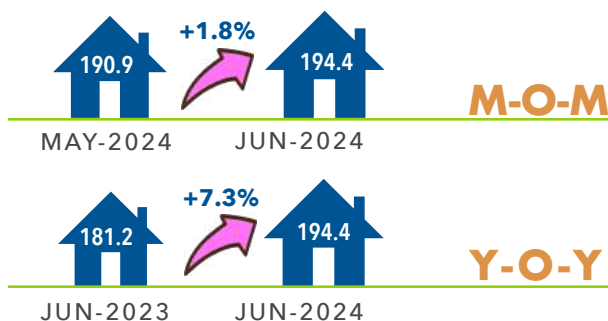
HDB Resale Market: Record Million-Dollar Flats Sales Amidst Rising Prices and Volumes"



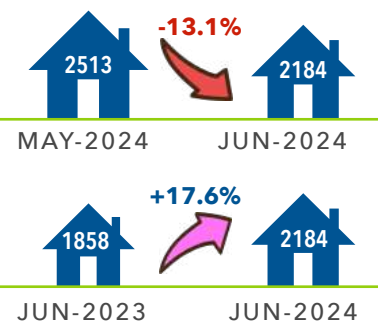
Overview of the HDB Resale Market

- The HDB resale market continued its upward trajectory in June 2024, with prices rising for the twelfth consecutive month. This trend highlights the resilience of the market despite broader economic uncertainties. A notable development was the record number of million-dollar flats sold, further underscoring the market's strength.

HDB RESALE PRICE INDEX



HDB RESALE VOLUME





Resale Price Trends

- **Month-on-Month (MoM):** HDB resale prices increased by 1.8% in June compared to May 2024.
- **Year-on-Year (YoY):** Prices rose by 7.3% from June 2023, reflecting significant appreciation across all room types.



Transaction Volume

- **Month-on-Month (MoM):** The total number of HDB resale transactions decreased by 13.1%, with 2,184 units sold in June.
- **Year-on-Year (YoY):** There was a 17.5% increase in transactions compared to June 2023, indicating strong demand despite the monthly decline.



Million-Dollar Flats Performance

- June 2024 saw a new record with 96 HDB flats transacted at or above the million-dollar mark, accounting for 4.4% of total resale volumes.
- The highest transacted price was \$1,588,000 for a five-room flat in Boon Tiong Road.
- This surge in high-value transactions reflects growing demand for premium HDB units in central and well-connected locations.



Market Analysis

- The sustained price increase can be attributed to several factors, including limited supply of new flats, ongoing construction delays in Build-To-Order (BTO) projects, and the rising attractiveness of HDB flats as a more affordable alternative to private housing. The market also witnessed increased instances of cash-over-valuation (COV) as buyers competed for limited available units.

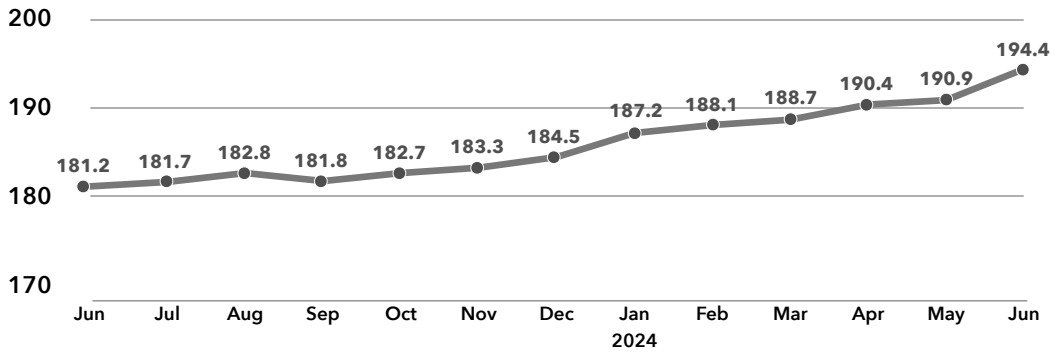


Market Sentiments and Predictions

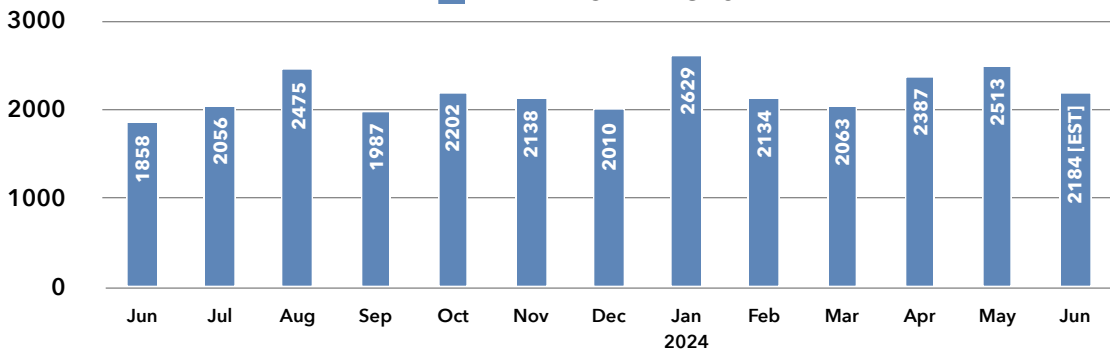
- Analysts predict that the HDB resale market will continue to experience price appreciation in the near term, driven by ongoing BTO delays and strong demand. However, there are concerns that continued price increases could affect affordability, potentially pushing some buyers out of the market. The future trajectory will also depend on economic conditions and government policies regarding housing.



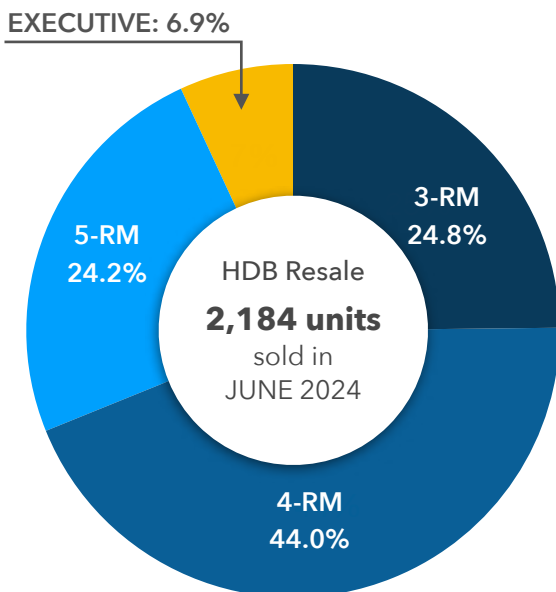
HDB RESALE PRICE INDEX



HDB RESALE VOLUME

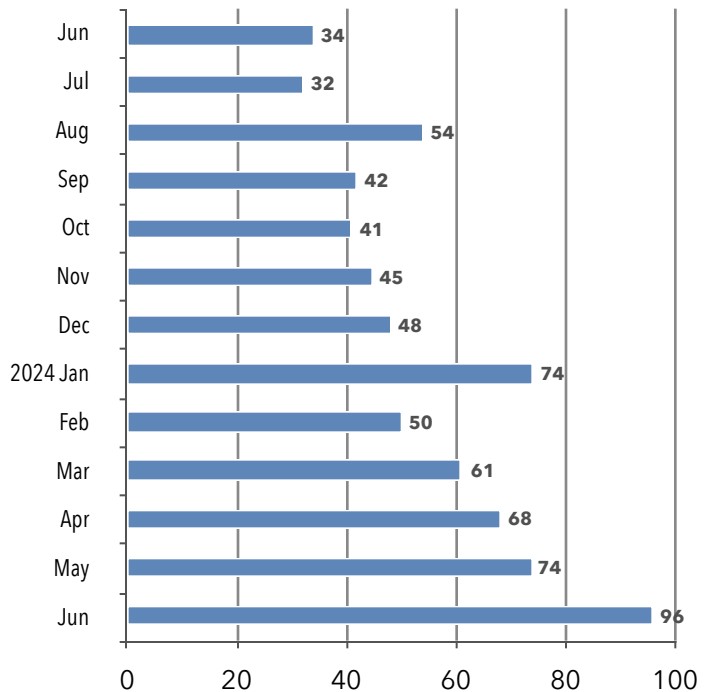


% OF TOTAL SALE TRANSACTIONS BY ROOM TYPE



Number of Million-Dollar Resale Flats Sold

Number of Million-Dollar Resale Flats Sold in the past 12 months: **685**



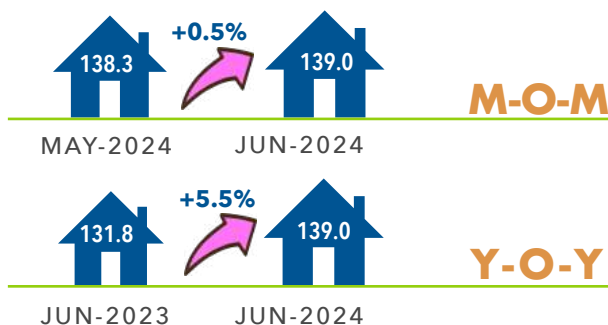
HDB Rental Market: Modest Price Increases Amidst Fluctuating Demand



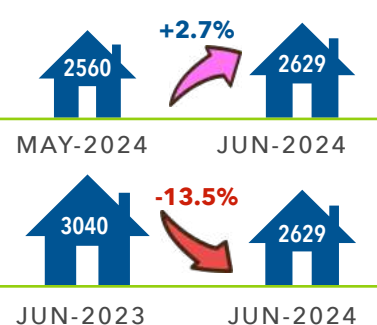
Overview of HDB Rental Market

- In June 2024, the HDB rental market saw moderate activity, with slight increases in both rental prices and volumes. This trend was observed across different room types, with some fluctuations in rents between mature and non-mature estates.

HDB RENTAL PRICE INDEX



HDB RENTAL VOLUME





Rental Price Trends

- **Overall Movement:** HDB rents rose by 0.5% from May 2024, marking a continued increase in rental prices. While the rent has increased by 5.5% compared to June 2023.
- **Room Type Breakdown:**
 - **Executive Flats:** Rents increased by 1.6% M-o-M, the highest growth among room types. Year on year, rents rose significantly by 7.3%.
 - **Three-Room Flats:** Rents rose by 1.2% from May. Compared to June 2023, rents rose by 5.2%
 - **Four-Room Flats:** Rents increased marginally by 0.1% M-o-M, while rents increased by 5% Y-o-Y.
 - **Five-Room Flats:** Rents decreased by 0.6% from May. Y-o-Y, rents increased by 5.8%..



Rental Volume Trends

- **Month-on-Month (MoM):** Rental volumes increased by 2.7%, with 2,629 flats rented in June compared to 2,560 in May.
- **Year-on-Year (YoY):** Despite the monthly increase, rental volumes were down 13.5% from June 2023 and were 12.4% lower than the five-year average for June.



Market Analysis

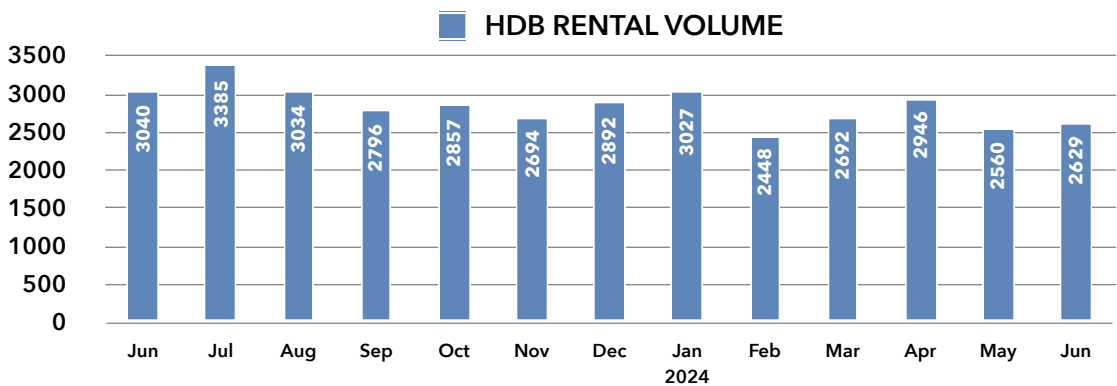
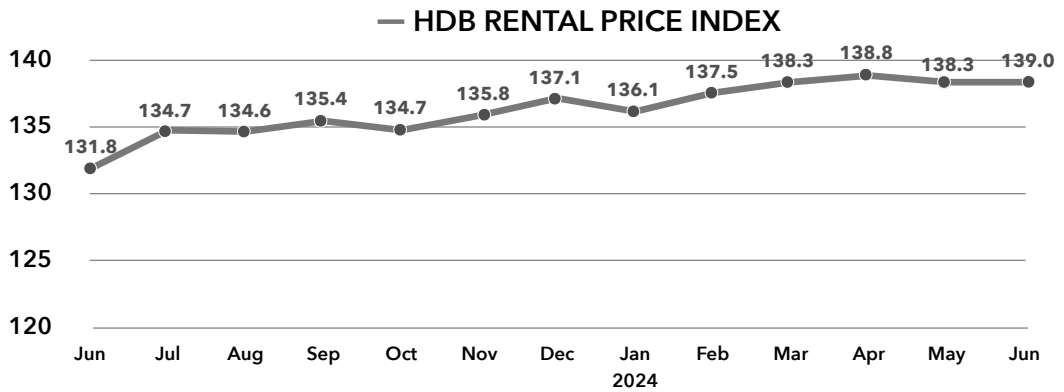
- The HDB rental market's performance in June 2024 reflects a balancing act between rising rental prices and fluctuating demand. The increase in prices, particularly in mature estates and larger flat types, indicates a steady demand despite broader economic challenges. The overall decline in rental volumes compared to the previous year and the five-year average suggests a shift in market dynamics, possibly influenced by an increasing supply of rental units and changes in tenant demographics.



Market Sentiments and Predictions

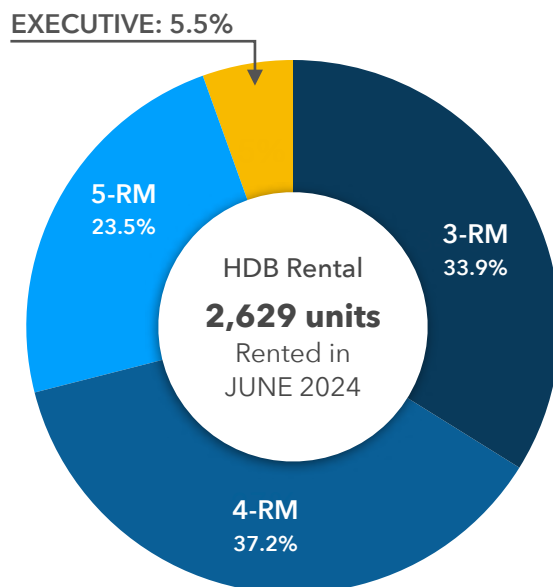
Market analysts anticipate that the rental market may continue to experience moderate price increases, particularly if demand remains stable. However, the ongoing economic uncertainties and potential changes in immigration and employment policies could impact future demand. The possibility of expats returning to Singapore as rents stabilise may also influence the market's direction.





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

% OF TOTAL RENTAL TRANSACTIONS BY ROOM TYPE



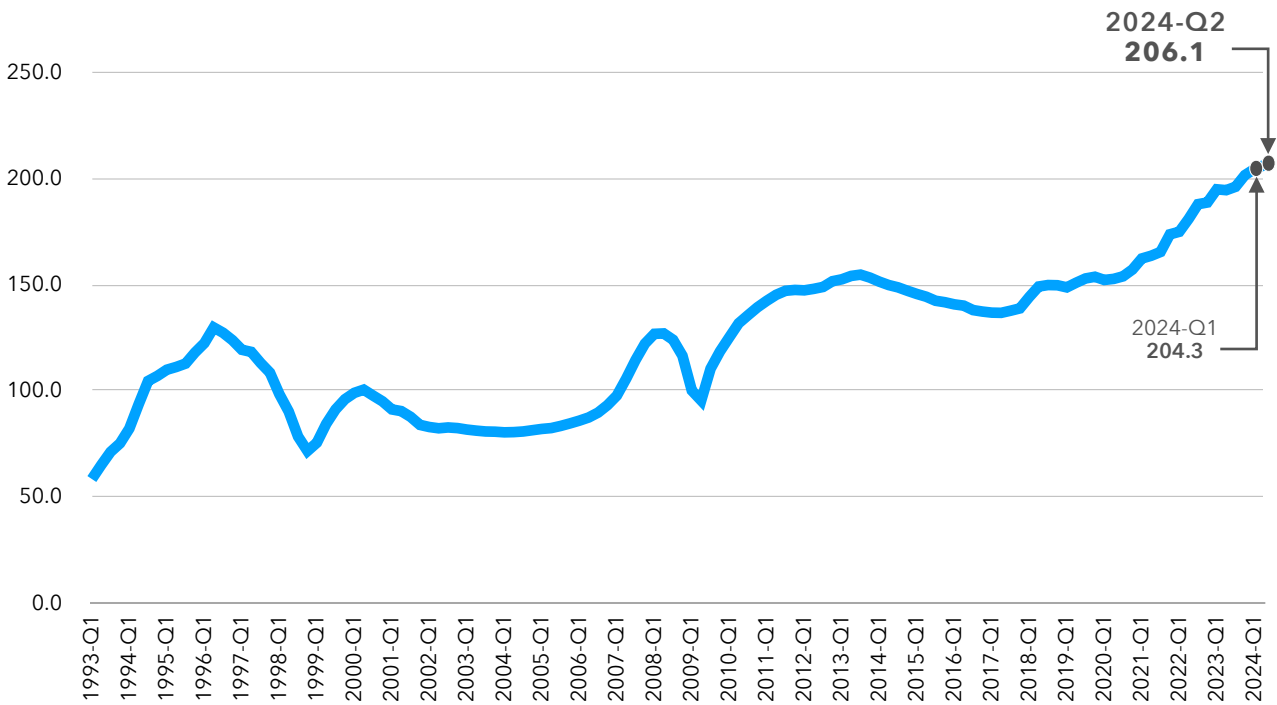


**2024/Q2
REPORT**



Private Residential Market Experiences Further Moderation in Price and Rental Trends in Q2 2024

OVERALL PRIVATE RESIDENTIAL PROPERTIES PRICE INDEX



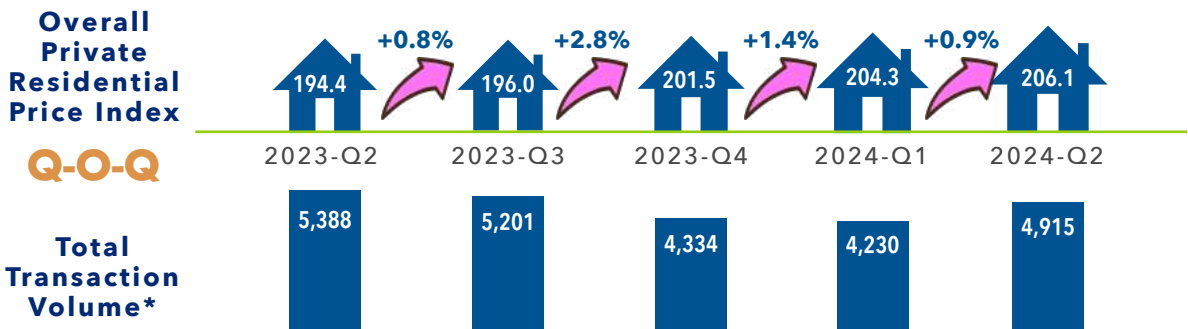
Overall Private Residential Market Performance

The Singapore private residential market witnessed further moderation in Q2 2024, with prices and rental indices showing signs of stabilisation amid cautious buyer sentiment and economic uncertainty.



Price & Transaction Volumes

According to the Urban Redevelopment Authority (URA), private residential property prices rose by 0.9% in Q2 2024, down from 1.4% in Q1. This slower growth reflects a shift towards price sensitivity among buyers. The sales transaction volume for new private homes fell to 725 units, a 37.7% decrease from the previous quarter, marking the lowest quarterly sales since Q4 2022.



* Including New Sale, Sub-Sale and Resale



Regional Performance

The City Fringe (Rest of Central Region) saw the highest price increase at 1.6%, while the Prime District (Core Central Region) experienced a 0.3% decline, largely due to fewer new launches and foreign buyers' hesitation amidst a 60% additional buyer's stamp duty. Suburban areas (Outside Central Region) reported a marginal increase of 0.2%.



Resale and Sub-Sale

Resale transactions surged by 41.4% to 3,802 units in Q2 2024, comprising 77.4% of overall private home sales, a significant increase compared to previous periods. Subsals also rose slightly by 2.9% to 388 units, indicating a robust secondary market driven by a widening price gap between new and resale properties.



New Sale by Developers

New launches were sparse, with only 634 units introduced in Q2, down from 1,304 in Q1. The slowdown in new launches and cautious buyer behaviour were notable, leading to predictions of an upturn in sales if economic conditions improve and new launches increase in the second half of the year.



2024-Q2 Non-Landed Private Residential Property



Overview of Non-Landed Private Residential Property Performance

Non-landed private residential properties exhibited a mixed performance, with overall prices increasing by 0.6% in Q2, down from 1% in Q1. The City Fringe continued to outperform other regions.



Price & Transaction Volumes Analysis

New non-landed home sales dropped significantly, while resale volumes increased, highlighting a shift in buyer preference towards more affordable secondary market options.



Regional Performance

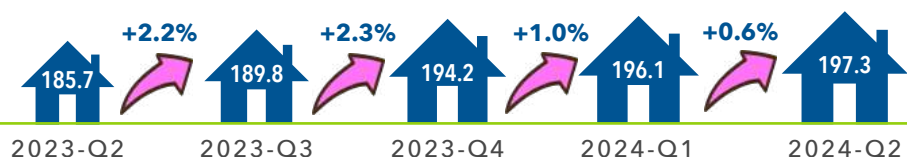
The City Fringe (RCR) recorded the highest growth in non-landed property prices, while the Prime District (CCR) experienced a decline. Suburban areas (OCR) maintained a stable but modest price increase.



Market Outlook

- **Price Growth:** Price increases are expected to remain moderate, with cautious buyer sentiment and economic uncertainties influencing the market. Developers may offer attractive pricing to stimulate demand amidst a steady supply of new launches.
- **Supply and Demand:** A steady influx of new units is likely to keep prices and rents subdued. Demand is expected to focus on well-priced resale properties due to the price gap with new units.
- **Interest Rates and Economic Factors:** Potential interest rate cuts could boost demand and improve affordability, though overall market sentiment will depend on broader economic conditions.

Non-Landed
Private
Residential
Q-O-Q



2024-Q2 Landed Properties



Overview of Non-Landed Private Residential Property Performance

In the second quarter of 2024, the Singapore landed residential property market experienced significant transaction activity, with S\$2.3 billion worth of properties changing hands, reflecting a 54.7% year-on-year increase. This surge in transactions highlights the narrowing of price expectations between buyers and sellers, which has facilitated more sales.

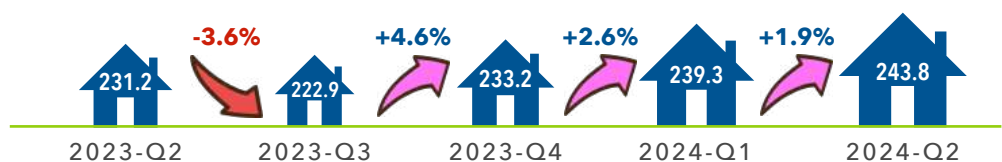


Price & Transaction Volumes Analysis

A total of 430 landed property transactions were recorded in Q2 2024, up 58.1% from the previous year. The most notable increase was seen in the semi-detached homes segment, where 136 units were sold, marking an 81.3% rise. Despite this increase in volume, prices of semi-detached homes eased slightly by 1.9% quarter-on-quarter, averaging S\$1,776 per square foot on land, compared to S\$1,811 psf in Q1.

Transaction values varied widely, with 99-year leasehold properties selling for between S\$500,000 and S\$6 million, while 999-year leasehold and freehold homes ranged from S\$2.2 million to S\$32.5 million. The highest transaction recorded was a S\$32.5 million freehold detached home on Jalan Tupai, while the lowest was a semi-detached home with a short remaining lease on Jalan Chempaka Kuning, sold for S\$500,000.

**Landed
Private
Residential**
Q-O-Q





Factors Influencing the Market Landed Property Market

The market dynamics for landed properties in Q2 2024 have been influenced by several factors:

1. **Narrowing Price Expectations:** The alignment of buyer and seller price expectations has been a critical driver of increased transaction volumes.
2. **Interest Rates:** Anticipation of lower interest rates in the coming months may encourage more transactions, as financing becomes more affordable.
3. **Stamp Duties:** High stamp duties, particularly on properties priced above S\$5 million, continue to be a deterrent for potential buyers, especially in the high-end market segment.



Market Outlook

- Looking ahead, the market for landed properties is expected to stabilise.
- The deceleration in price growth indicates a move towards a more balanced market. While prices rose by 1.9% in Q2, this was a slowdown compared to previous quarters.
- For the remainder of 2024, prices are expected to stabilise further, with gains likely not exceeding 6% for the year.
- This trend towards stability, coupled with potential lower interest rates, may spur increased transaction activity, providing opportunities for both buyers and sellers in the landed property market.



2024-Q2 Private Residential Property Rental Market: Stabilisation Amidst Declining Rents



Market Performance

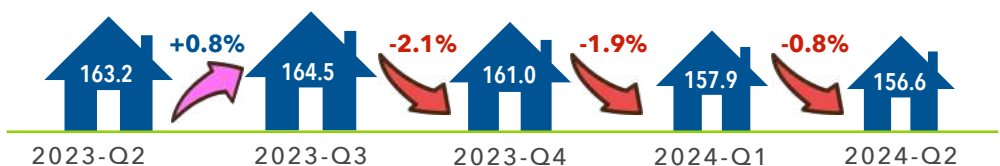
In the second quarter of 2024, the rental market for non-landed private residential properties in Singapore continued to stabilise, albeit with a slight decline in overall rents. According to Savills Singapore, rents dipped by 0.7% in Q2, an improvement from the 1.8% decline observed in the first quarter. This marks the third consecutive quarter of rental decreases, with a cumulative fall of 4.8% from the peak in Q3 2023.



Rental Price & Transaction Volumes Analysis

- Rents for one to three-bedroom units saw a year-on-year decline of 6.2% in Q2, reflecting a broad-based adjustment across various market segments.
- The most significant rental drops were recorded in District 2 (Chinatown/Tanjong Pagar) and District 26 (Mandai/Upper Thomson), with declines of 6.3% and 5.2%, respectively.
- However, certain submarkets such as District 1 (Boat Quay/Marina/Raffles Place) and District 4 (Harbourfront/Telok Blangah) experienced modest rent increases for three-bedroom units.
- Rental rates for landed properties have softened in Q2 2024. This trend mirrors the broader residential rental market, which has been affected by an increased supply of new completions and shifting tenant preferences. The most substantial declines were observed in high-end districts, where rental values have been more sensitive to market fluctuations.

Private
Residential
Rental
Q-O-Q



Factors influencing the Rental Market

- **Supply Dynamics:** The market is absorbing the high supply from the 19,968 units completed in 2023, which has contributed to downward pressure on rents. The vacancy rate has improved slightly to 6.1% from 6.8%, indicating a gradual absorption of available units.
- **Economic Conditions:** The rental market remains influenced by broader economic factors, including changes in employment and disposable income levels. Landlords are encouraged to be flexible in lease negotiations, particularly in light of higher property taxes and the need to avoid prolonged vacancies.
- **Public Housing Competition:** The easing of private rents may attract tenants away from the public housing rental market, where rents have been comparatively stable.

Market Outlook

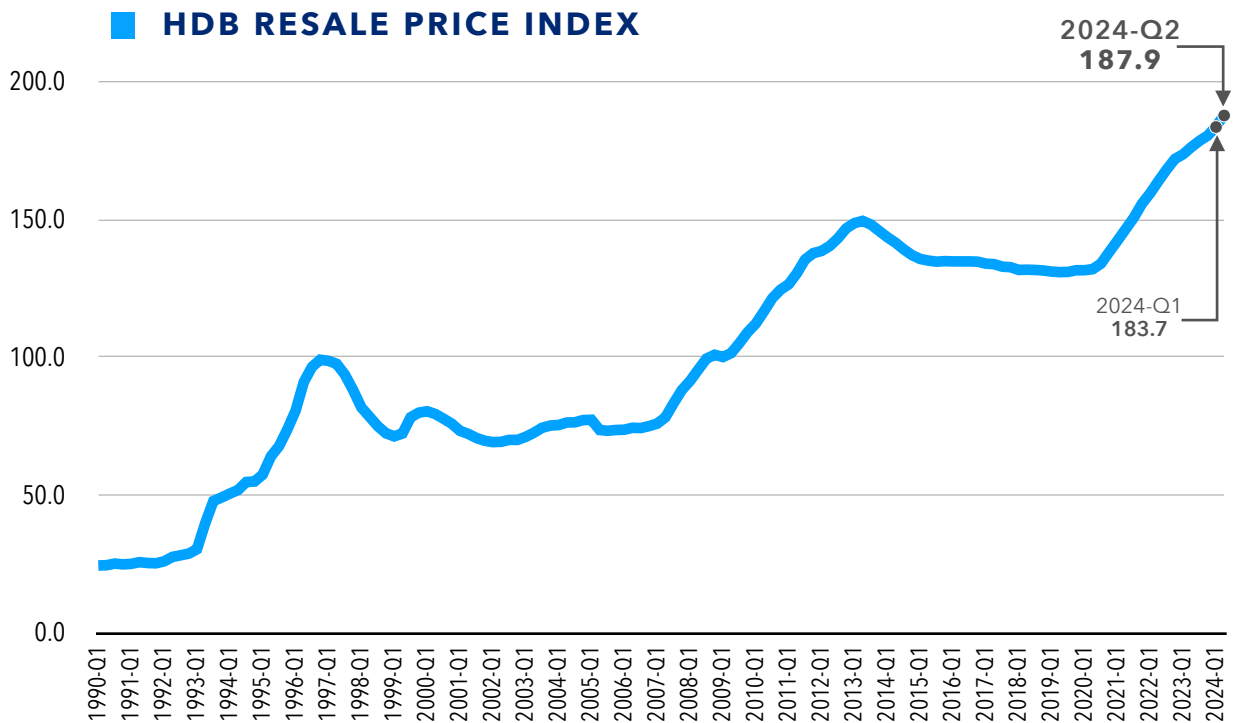
Looking forward, the rental market is expected to remain under pressure, with a forecasted overall decline of 5% for 2024. This outlook is influenced by the upcoming completion of approximately 6,975 new units in the second half of the year, which will continue to add to the supply. The most affected areas are likely to be the Rest of Central Region (RCR) and Core Central Region (CCR), where higher vacancy rates and new completions are anticipated.

As the market stabilises, landlords may need to adjust expectations and consider more flexible rental terms to attract and retain tenants. While the current trend shows a moderation in rental declines, the market remains cautious, with a focus on achieving a balance between supply and demand.





2024-Q2 HDB Resale Market: Robust Demand and Price Growth Amidst Tight Supply



Overview of HDB Resale Market

In the second quarter of 2024, the HDB resale market in Singapore demonstrated robust performance, characterised by rising prices and increased transaction volumes. This trend reflects strong buyer demand and a tightening supply of available flats.



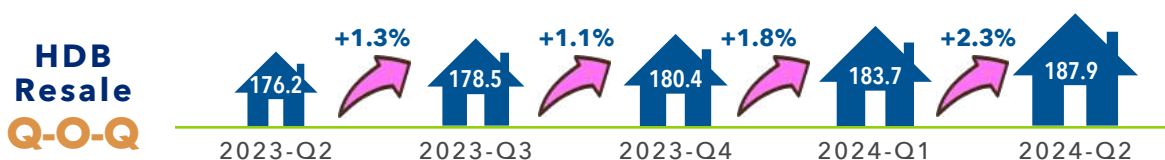
HDB Resale Market Performance

The Housing and Development Board (HDB) reported a 2.3% increase in resale flat prices from April to June 2024, a faster pace compared to the 1.8% growth in the first quarter. This marks the highest quarterly price increase since Q4 2022. The Resale Price Index (RPI) rose to 187.9, up from 183.7 in Q1, reflecting general price movements in the resale market.



Price & Transaction Volumes Analysis

The volume of resale transactions also increased, with 7,352 flats sold in Q2 2024, up 4% from the previous quarter and 12.9% year-on-year. This surge is attributed to robust demand, particularly for larger flats, as well as supply constraints due to fewer new flats reaching their Minimum Occupation Period (MOP) in 2024.





Million Dollar Flats

The quarter saw a notable rise in million-dollar transactions, with 236 flats sold for at least S\$1 million, nearly 30% increase from the previous quarter's 183 units. While these high-value transactions attract significant attention, they account for only a small proportion of the total resale market, indicating a broad range of price points within the sector.



Factors Influencing HDB Resale Market

- **Demand and Supply Dynamics:** The demand for resale flats has been strong, particularly in mature estates where flats are not subject to new resale conditions and subsidies. The supply side, however, is constrained by the lower number of flats reaching MOP, down from 15,700 units in 2023 to around 13,000 in 2024.
- **Economic and Policy Factors:** Economic stability, coupled with policy changes affecting BTO flat classifications, has influenced buyer preferences. The anticipation of future restrictions on resale flats in prime locations has spurred demand for existing resale options.
- **Buyer Behaviour:** There is a growing sentiment among buyers to secure properties quickly, driven by fears of being priced out of the market due to the rapid pace of price increases.



Market Outlook

Looking ahead, the HDB resale market is expected to remain buoyant, with continued price growth projected. Analysts predict that resale flat prices could increase by up to 10% in 2024, reflecting strong underlying demand and tight supply conditions. The gap between BTO and SBF exercises may also direct more buyers towards the resale market, further supporting price stability and growth.

The government's focus on maintaining a stable and sustainable property market will continue, with close monitoring and potential policy adjustments as needed. Households are advised to approach their property purchases with caution, considering long-term affordability amidst an environment of rising prices and economic uncertainties.



2024-Q2 Commercial Office Market Vacancy Rates and Rents Reflect Mixed Signals





Overview of Commercial Office Market

In the second quarter of 2024, Singapore's commercial office market displayed mixed signals, with a slight increase in vacancy rates coupled with a continued rise in rents for premium office spaces. This period saw both market resilience and emerging challenges.



Overall Market Performance

- **Vacancy Rates:** According to data from Savills, the vacancy rate for CBD Grade A offices in Singapore increased marginally to 6.0% in Q2 2024, after two consecutive quarters of decline. This rise represents a 0.1 percentage point (ppt) increase quarter-on-quarter. Year-on-year, the overall CBD Grade A vacancy rate fell by 0.3 ppt. The vacancy rates for Grade AAA and A offices remained steady at 5.9% and 7.3%, respectively, while Grade AA offices saw a slight increase to 4.9%.
- **Net Absorption:** Net absorption turned negative at -20,000 sq ft in Q2 2024, the first such occurrence after three quarters of positive growth. Despite this, the net demand for the first half of the year remained positive at 163,000 sq ft, an improvement from -96,000 sq ft in the same period last year.



Analysis: Rent and Capital Values

- **Rental Trends:** Core CBD Premium and Grade A office rents continued to rise, increasing by 0.5% quarter-on-quarter to SGD 11.63 per sq ft. This growth is driven by lease renewals at higher rates and landlords maintaining rental levels. However, there is an emerging trend where landlords are more willing to offer rental incentives or support fit-out costs to attract tenants amidst increasing competition.
- **Capital Values:** Average capital values for this office segment declined slightly to SGD 3,050 per sq ft. The cautious sentiment among investors, spurred by delayed interest rate cuts and cautious occupier sentiment, has limited growth in capital values.



Factors Influencing the Office Market

- **Global Economic Uncertainty and Elevated Costs:** Persistent global economic uncertainties and high-interest rates have led some companies to delay or scale back expansion plans. Despite these challenges, sectors such as emerging tech, non-bank financial services, and professional services continue to drive demand.
- **New Supply and Corporate Restructuring:** The completion of Phase 1 of IOI Central Boulevard Towers added nearly 1 million sq ft of prime office space, contributing to a slight increase in Core CBD (Grade A) vacancy rates to 6.1%. Upcoming developments like Keppel South Central and Shaw Tower, expected by 2025, add to the future supply pipeline. The market also faces challenges from corporate restructuring, with significant backfill space expected from companies like Meta and BNP Paribas.



Market Outlook for Commercial Office Market

Looking ahead, the commercial office market is expected to experience modest rental growth for the remainder of 2024. The combination of weakened external demand and upcoming supply pressures is likely to temper rental growth expectations. Capital values are projected to remain stable until there is a reduction in interest rates and a broader recovery in the office occupier market.

The overall market environment suggests a period of adjustment, with opportunities for tenants to negotiate favourable terms. Landlords and investors are advised to monitor economic indicators closely and adapt strategies to the evolving market conditions.





2024-Q2 Shophouse Market: Sales Slowdown Amidst Steady Interest



Overview of Shophouse Market

The Singapore shophouse market experienced a notable slowdown in Q2 2024, with significant declines in both sales volume and transaction values. However, industry experts highlight that this dip does not fully reflect the underlying market interest, which remains robust.



Overall Market Performance

- **Sales Volume and Value Decline:** In the second quarter of 2024, shophouse sales fell by 30.4% quarter-on-quarter (QoQ) and 66.0% year-on-year (YoY), with only 16 transactions reported. The total transaction value was \$163.7 million, a decrease from \$185 million in Q1 2024 and \$432.3 million in Q2 2023. Notably, District 8, encompassing Little India and Jalan Besar, saw the highest concentration of sales, accounting for half of the quarter's transactions..



Factors Influencing the Shophouse Market

- **Market Sentiment and Transaction Reporting:** While the reported figures show a decline, market insiders note that actual sales may be higher, as some transactions were not registered with caveats. This trend, where buyers opt not to lodge caveats, suggests a preference for privacy or strategic considerations.
- **Economic and Market Conditions:** The broader economic environment, characterised by global uncertainties and high-interest rates, has influenced buyer behaviour, leading to cautious investment strategies. The market also witnessed subdued activity due to seasonal factors and stringent due diligence processes.
- **Impact of Notable Sales and High-Profile Cases:** High-profile cases, such as the sale of shophouses linked to a significant money laundering scandal, have drawn substantial interest. However, the completion of these sales has been gradual, potentially influencing market dynamics. For instance, The Rail Mall in Upper Bukit Timah was sold for \$78.5 million, highlighting continued interest in high-value properties.



Market Sentiment and Price Trends

- **Buyer Preferences and Market Activity:** Despite the lower transaction volumes, there is optimism in the market. Property agents report increased inquiries and interest, particularly in prime areas like Kampong Glam and the Central Business District. Buyers, both local and foreign, are becoming more selective, focusing on properties that meet specific criteria.
- **Price Adjustments and Future Outlook:** Shophouse prices showed a mixed performance, with some areas experiencing price declines. Freehold and 999-year leasehold properties in Districts 1/2 saw a 30% YoY drop, while Districts 14/15 experienced a 51% decline. However, some segments, particularly those involving long-term lease properties, maintained price resilience due to their scarcity.



Market Outlook for Shophouse Market

- Projected Sales and Economic Recovery:** Looking ahead, the completion of pending high-profile sales is expected to bolster market activity in the second half of 2024. However, overall market performance is anticipated to remain subdued compared to 2023, with forecasted declines in transaction volume and value by 30% to 40%.
- Investor Sentiment and Strategic Opportunities:** The shophouse market's appeal remains strong among investors, particularly those seeking properties exempt from additional buyer's stamp duties. The potential for interest rate cuts could further stimulate market activity. Analysts predict that transaction volumes could reach 75 to 85 units for the year, with total sales value between \$800 million and \$900 million.

The shophouse market in Singapore, despite recent challenges, continues to offer strategic opportunities for investors, especially as the market adjusts to current economic conditions and anticipates future growth.

2024-Q2 TOP 5 SHOPHOUSE TRANSACTIONS

ADDRESS	LAND AREA (sq ft)	AMOUNT	TENURE
The Rail Mall	105,563	78,500,000	99-year
182 Telok Ayer	1,439	1,650,000	999-year
187 Upper Thomson	1,607	10,000,000	Freehold
68 Arab Street	1,187	7,100,000	Freehold
11 Rowell Road	1,191	5,300,000	Freehold



A photograph of a modern, blue and grey industrial building with the word 'AIRBUS' in large, white, 3D letters on its facade. The building has a curved roofline and large windows. In the foreground, there are two tall, black, modern streetlights with circular shades. The sky is overcast with grey clouds. The overall scene is an industrial or corporate setting.

AIRBUS

2024-Q2 Industrial Property Market: Steady Growth Amidst Evolving Demand



Overview of Industrial Property Market

In the second quarter of 2024, Singapore's industrial property market continued to show resilience with rising prices and rents, albeit at a slower pace compared to previous quarters. The market dynamics reflected strong demand in certain segments, counterbalanced by an increase in supply and cautious economic sentiment..



Overall Market Performance

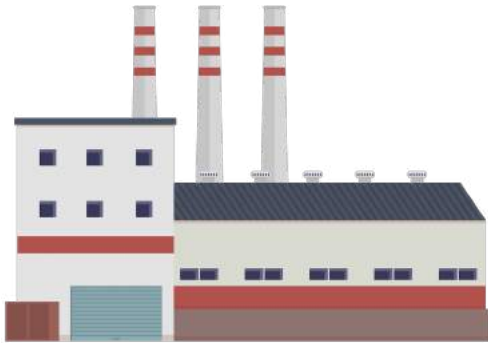
- **Prices and Rents:** According to JTC's quarterly market report, industrial rents rose by 1% quarter-on-quarter (QoQ) in Q2 2024, down from a 1.7% increase in Q1. Year-on-year (YoY), rents grew by 6.6%. The industrial price index also increased by 1.2% QoQ, reversing a slight decline from the previous quarter. This period marked the slowest rental growth in ten quarters, primarily influenced by softer performance in the business parks and warehouse segments.






Analysis: Rental and Price Trends

- **Multiple-User Factory Space:** This segment experienced a 1.5% increase in rents QoQ, driven by demand from the biomedical and semiconductor sectors.
- **Single-User Factory Space and Warehouses:** These spaces saw rental increases of 1.3% and 0.5% QoQ, respectively.
- **Business Parks:** Rents declined by 0.1% QoQ, with a high vacancy rate of 21.7%. The business park segment continues to face challenges, including right-sizing by tenants and a preference for newer, better-located facilities.
- **Occupancy Rates and Sales Activity:** The overall occupancy rate for industrial space improved to 89%, with warehouses achieving the highest occupancy at 91.3%. Industrial sales activity increased significantly, with 509 transactions valued at S\$949.6 million, a 25.1% rise QoQ.





2024 Q2 Month-on-Month

	Price	↑ 1.2%
	Rental	↑ 1.0%
	Occupancy Rate	↑ 0.3%



Factors Influencing the Industrial Market

- **Demand and Supply Dynamics:** An analyst noted that the sharp rise in demand for industrial space, especially from advanced manufacturing sectors, contributed to price and rental increases. However, the market faces potential pressure from upcoming supply, with approximately 800,000 square metres of industrial space expected to be completed in H2 2024 and an additional 1.7 million square metres in 2025.
- **External Economic Factors:** The slowdown in rental growth is partially attributed to softer external demand, particularly from Europe, impacting warehouse and business park segments. The market also saw more renewals and consolidations rather than expansions, indicating financial constraints among occupiers.



Market Outlook for Industrial Properties

- **Future Growth Prospects:** Despite the challenges, there is optimism for a positive economic outlook in the latter half of 2024, which could bolster demand for industrial space. JLL anticipates a potential uptick in manufacturing and trade activity, supporting rental demand. However, rental growth is expected to moderate due to incoming supply and cost sensitivities among occupiers.
- **Projected Market Activity:** With an expected increase in industrial space supply, including significant additions in single-user factories and warehouses, the market will likely see more competitive leasing conditions. Market watchers forecast industrial prices and rents to grow between 3% and 5% for the entirety of 2024, with specific segments such as cold-storage space showing stronger demand.

The industrial property market remains a key sector in Singapore's economy, adapting to evolving global and local conditions. Investors and occupiers are advised to stay informed on market trends and opportunities as the landscape continues to develop.



Record-Breaking HDB Resale Market Transaction in June 2024

A New Milestone: \$1.73 Million HDB Resale at SkyOasis @ Dawson

The HDB resale market has witnessed a record-breaking transaction this month. A five-room flat at SkyOasis @ Dawson, located on Margaret Drive, was sold for an unprecedented \$1.73 million, setting a new benchmark for HDB resale prices in Singapore.

The Property Details

The unit, situated on the 45th floor with a floor area of 1,195 square feet, attracted significant attention due to its unique attributes:

- **Remaining Lease:** 96 years remaining on its 99-year lease.
- **Previous Ownership:** Originally a replacement flat under the Selective En Bloc Redevelopment Scheme (SERS), the unit was acquired by the former owners from Tanglin Halt for approximately \$900,000.
- **Premium Features:** The flat boasts unblocked panoramic views, modern amenities, and proximity to Queenstown MRT station.

Competitive Bidding

Despite an initial asking price of \$1.838 million, the property eventually sold for \$1.725,888 after competitive bidding between two motivated buyers. The successful buyers, a family with young children, were particularly drawn to the spacious layout, strategic location, and modern conveniences nearby.

Comparative Market Analysis

This transaction surpasses the previous record set by a five-room unit at City Vue @ Henderson, which was sold for \$1.588 million just last month. The escalating prices reflect the high demand for well-located and well-appointed HDB flats in Singapore.

Expert Insights

Eugene Lim, Key Executive Officer at ERA Realty, highlighted the exceptional nature of this transaction. He noted that while such high-priced sales are rare, the unique characteristics of this unit contributed to its premium price. Furthermore, he predicts more transactions at similar price levels in the Margaret Drive and Dawson Road areas due to their desirable locations and quality developments.

Market Implications

The record-setting sale at SkyOasis @ Dawson has sparked discussions about the future trajectory of HDB resale prices. While such transactions remain outliers, they signal a trend of increasing values in certain prime locations. This raises questions about affordability and the potential for future policy interventions to manage the resale market dynamics.

Conclusion

The record-breaking sale at SkyOasis @ Dawson exemplifies the dynamic nature of Singapore's HDB resale market. As demand for prime location and high-quality flats continues to grow, it will be crucial to monitor market trends and potential policy responses to ensure balanced and sustainable development.





HDB Terrace sells for S\$1.33M, Singapore's most expensive 3-room resale

As featured on <https://www.99.co/singapore/insider/59-jalan-mamor-hdb-terrace-ath/>

The new record-setting HDB terrace, closed by **Sherry Tang** from AsianPrime Properties, is a 52-year-old property located at Block 59, Jalan Ma'mor. Spanning 1,949 sqft across two storeys, it was sold for S\$1.33 million. This results in a price per square foot (psf) of S\$682.40, establishing a new benchmark in the HDB terrace market. Despite being 290 sqft smaller than the previous record holder, this property achieved a psf that is S\$110.40 higher, representing a 16.2% increase. This transaction has made it the most expensive 3-room HDB unit, the priciest HDB terrace sold to date, and the oldest million-dollar home at the time of the sale, with only 47 years remaining on the lease.

INSIDE THE S\$1.33M HDB TERRACE

This unit blends modern living with classic charm. Positioned to face northeast, it offers a quiet and peaceful living environment, away from the hustle and bustle of traffic. Six years ago, the property underwent a major renovation, featuring designer decorations estimated at S\$300,000. This renovation enhanced the home's overall aesthetics and functionality, showcasing high-quality craftsmanship and design.

WHAT'S AROUND JALAN MA'MOR?

The area is well-served by several MRT stations, including Boon Keng (NE19), Toa Payoh (NS19), and Novena (NS20). Multiple bus stops are conveniently within walking distance. Residents have access to several grocery stores and markets for daily conveniences. Prime Supermarket and NTUC Fairprice Other nearby amenities include SAFRA Toa Payoh, a recreational club with various sports and leisure activities, and the Whampoa Park Connector, which offers a scenic route for jogging, cycling, and other outdoor activities.



LISTINGS



FOR SALE - GOLDEN HILL ESTATE Corner Terrace at Li Hwan Terrace

Freehold | Well-Maintained
2 Storey, Suitable for Rebuild

\$5,080,000

ASKING PRICE

 3  3  [Listing Link](#)



FOR SALE - BURGUNDY HILL Semi-D at Burgundy Drive

99 Years | Very Well Maintained
3 Storey, Corner, Unblock, Functional

\$3,100,000

ASKING PRICE

 5  4  [Listing Link](#)



FOR RENT - GOLDENHILL VILLAS Semi-D at Golden Rise

Rare Maisonette with Garden View
Renovated, Bright and Airy

\$10,000

ASKING PRICE

 4  5  [Listing Link](#)



FOR SALE - BAYSHORE PARK 60 Bayshore Road Singapore 469982

99 Years | High Floor and Unblock
5 Mins to Bayshore MRT

\$2,550,000

ASKING PRICE

 4  4  [Listing Link](#)



LISTINGS



FOR SALE - SPRINGDALE CONDO

51 Hindhede Walk Singapore 587975

999 Years | High Floor, Nature Reserve
Near Upcoming Hume MRT

\$1,550,000

ASKING PRICE

 2  3  [Listing Link](#)



FOR SALE - ICON

10 Gopeng Street Singapore 078878

99 Years | High Floor, Well Renovated
City Living, Next to Tanjong Pagar MRT

\$1,200,000

ASKING PRICE

 1  1  [Listing Link](#)



FOR SALE - UE SQUARE

205 River Valley Road Singapore 238274

929 Years | Very Well Maintained, Tenanted
Next to Fort Canning MRT, Amenities

\$1,680,000

ASKING PRICE

 1  2  [Listing Link](#)



FOR SALE - REGENTVILLE

6 Hougang Street 92 Singapore 538685

99 Years | Within 1km of Rosyth School
7 Mins to Upcoming Serangoon North MRT

\$1,138,000

ASKING PRICE

 2  2  [Listing Link](#)



LISTINGS



FOR SALE - THE RED HOUSE

63 East Coast Road Singapore 428776

99 Years | Designer Unit, Heart of Katong
5 Mins to Upcoming Marine Parade MRT

\$899,999

ASKING PRICE

 1  1  [Listing Link](#)



FOR SALE - THE RED HOUSE

63 East Coast Road Singapore 428776

99 Years | Integrated Heritage Development
5 Mins to Upcoming Marine Parade MRT

\$940,000

ASKING PRICE

 1  1  [Listing Link](#)



FOR SALE - RIVERVALE CREST

5 Rivervale Crescent Singapore 545084

99 Years | Integrated Development
Rivervale Mall and Next to Rumbia LRT

\$1,280,000

ASKING PRICE

 3  2  [Listing Link](#)



FOR RENT - SLOANE RESIDENCES

17 Balmoral Road Singapore 307465

Modern and Cosy with High Ceiling, located
In the heart of Balmoral, great amenities

\$5,880

ASKING PRICE

 2  2  [Listing Link](#)



LISTINGS



FOR RENT - MON JERVOIS

41 Jervois Road Singapore 249094

Fully Furnished with Premium Designer Furniture and Fittings, Pool Facing

\$7,500

ASKING PRICE

 3  3  [Listing Link](#)



FOR RENT - NEWTON 18

18 Newton Road Singapore 307989

Partially Furnished, Modern and Cosy Newton Food Centre and MRT

\$5,300

ASKING PRICE

 2  2  [Listing Link](#)



FOR RENT - DEVONSHIRE RESIDENCES

55 Devonshire Road Singapore 239855

Opposite of 111 Somerset and Somerset MRT Famous Eateries along Killiney Road

\$3,500

ASKING PRICE

 1  1  [Listing Link](#)





FOR SALE - WINTECH CENTRE

6 Ubi Road 1 Singapore 408726

Ground Floor, 2 Units Side by Side Good Yield, 5 Mins to Macpherson MRT

\$2,400,000

ASKING PRICE

 B1 Industrial  [Listing Link](#)



LISTINGS



FOR SALE - HDB SHOPHOUSE

61 Telok Blangah Heights Singapore 100061

99 Years, Good Rental Yield
Walking Distance to Telok Blangah MRT

\$1,700,000

ASKING PRICE



Commercial



[Listing Link](#)



FOR SALE - SHOPHOUSE

Mosque Street

Freehold, 3 Storey Conservation Shophouse
4 mins walk to Chinatown MRT Station

\$32,000,000

ASKING PRICE



Commercial



[Listing Link](#)



FOR SALE - SHOPHOUSE

Circular Road

999 Years, 4 Storey Conservation Shophouse
Charming Boat Quay Area, Renovated

\$30,000,000

ASKING PRICE



Commercial



[Listing Link](#)



FOR SALE - SHOPHOUSE

Teo Hong Road

Freehold, 3.5 Storey Conservation Shophouse
Rare and Spacious shophouse, Renovated

\$33,000,000

ASKING PRICE



Commercial



[Listing Link](#)



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