

# Singapore Property Market Index

Q1 2021



PropertyGuru



**Dr. Tan Tee Khoon**

Country Manager - Singapore,  
PropertyGuru

## Country Manager's Note

2020 was definitely a year to remember, marked by the COVID-19 outbreak and the resultant global recession. But while Singapore's economy continues to contract, the property sector remained surprisingly resilient – some would even say, bullish – in 2020.



**113.48 (0.98%)**

Q1 2021 Price Index



**135.09 (32.69%)**

Q1 2021 Supply Index



**\$1,605 psf (0.97%)**

Q1 2021 Median Asking Price

In particular, the final quarter closed with a +0.98% or 1.10-point increase in our Property Market Index (PMI) Q1 2021. This is the third consecutive quarter where we are seeing an increase in non-landed private property prices, showing a strong and consistent upward trend. Our PropertyGuru Property Supply Index (PPSI) also saw a 28.9% or 55.0-point decline, as more properties were sold and their listings removed.

Yet, in the same period, our economy shrank by 2.4% year-on-year (YoY). When we look at the full year, although we outperformed initial forecasts, Singapore still recorded a devastating 5.4% decline, which is our worst annual contraction since 2001 and the worst recession since independence.

While a booming property market may seem counter-intuitive in the face of a recession, for many homeowners and home buyers, the current climate may present a golden window of opportunity.

“For those with savings and whose incomes are unaffected by the recession, the low interest rate environment may have brought their ambitions forward, explaining the vibrant market.”

Dr. Tan Tee Khoon

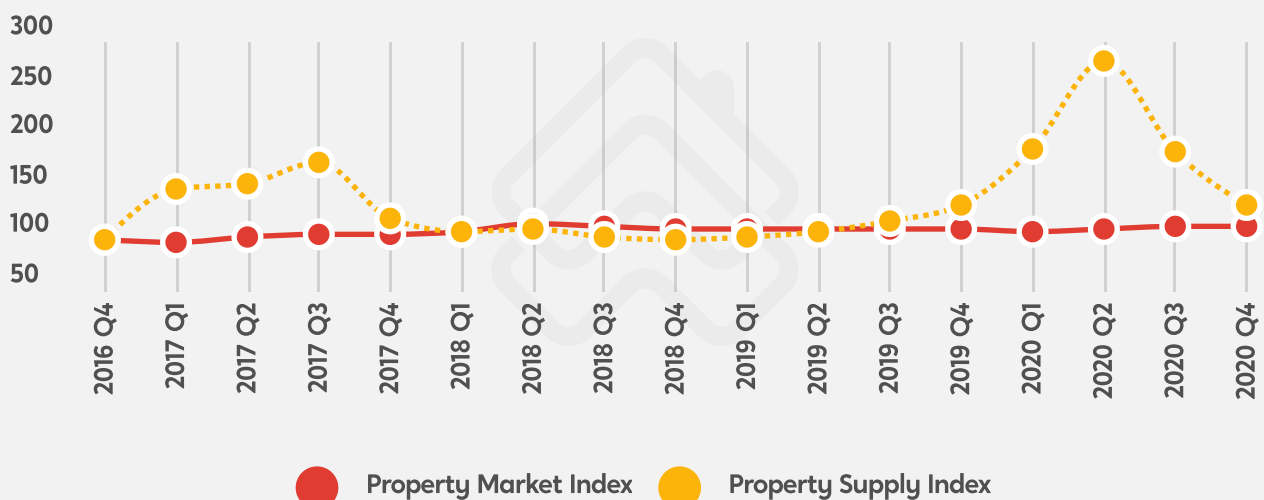
Country Manager - Singapore, PropertyGuru

A word of caution though: While it is good to have aspirations, we must always remember that a mortgage is a long-term loan and low interest rates do not actually improve affordability.

On the back of such robust activity, the Government has also hinted at possible intervention. If there is a new round of property cooling measures, we expect the curbs to focus on preventing new buyers from overleveraging and biting off more than they can chew. Instead of increasing taxes like the Additional Buyer's Stamp Duty (ABSD), they are likely to tighten policies like the Loan-to-Value limit.

PropertyGuru Singapore Property Market Index

## QoQ Property Market Index & Supply Index



Source: PropertyGuru

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## Property prices continue to inch upwards



The PropertyGuru Property Price Index (SPPI) rose by 0.98% to 113.5 points. While the increase seems slight, this is the third consecutive quarter that non-landed private property prices have risen.

## Year-end sales unaffected by the usual seasonal dip



The fourth quarter of the year is typically a slow one for the property sector, but Q4 2020 bucked the trend. As year-end festivities were muted and the travel restrictions remained in place, developers continued to launch new projects that did well.

## Resale market fast gaining momentum



In the non-landed private residential market, resale transactions accounted for 54.5% of all transactions. This is a significant change from the previous quarter, when resale only made up for 42.7% of all transactions. This may be due to the widening gap between new and resale prices, as well as construction delays associated with uncompleted projects.

## Developer sales remain strong



Although the secondary market did exceedingly well in the quarter, the primary market still performed reasonably well. Developers sold a total of 2,574 non-landed private residential units, with new launch project Clavon at Clementi selling 70% of its units on launch day, making it the best-selling project not just in Q4 2020, but in the entire 2020.

## Buyers continue to favour affordable yet spacious units



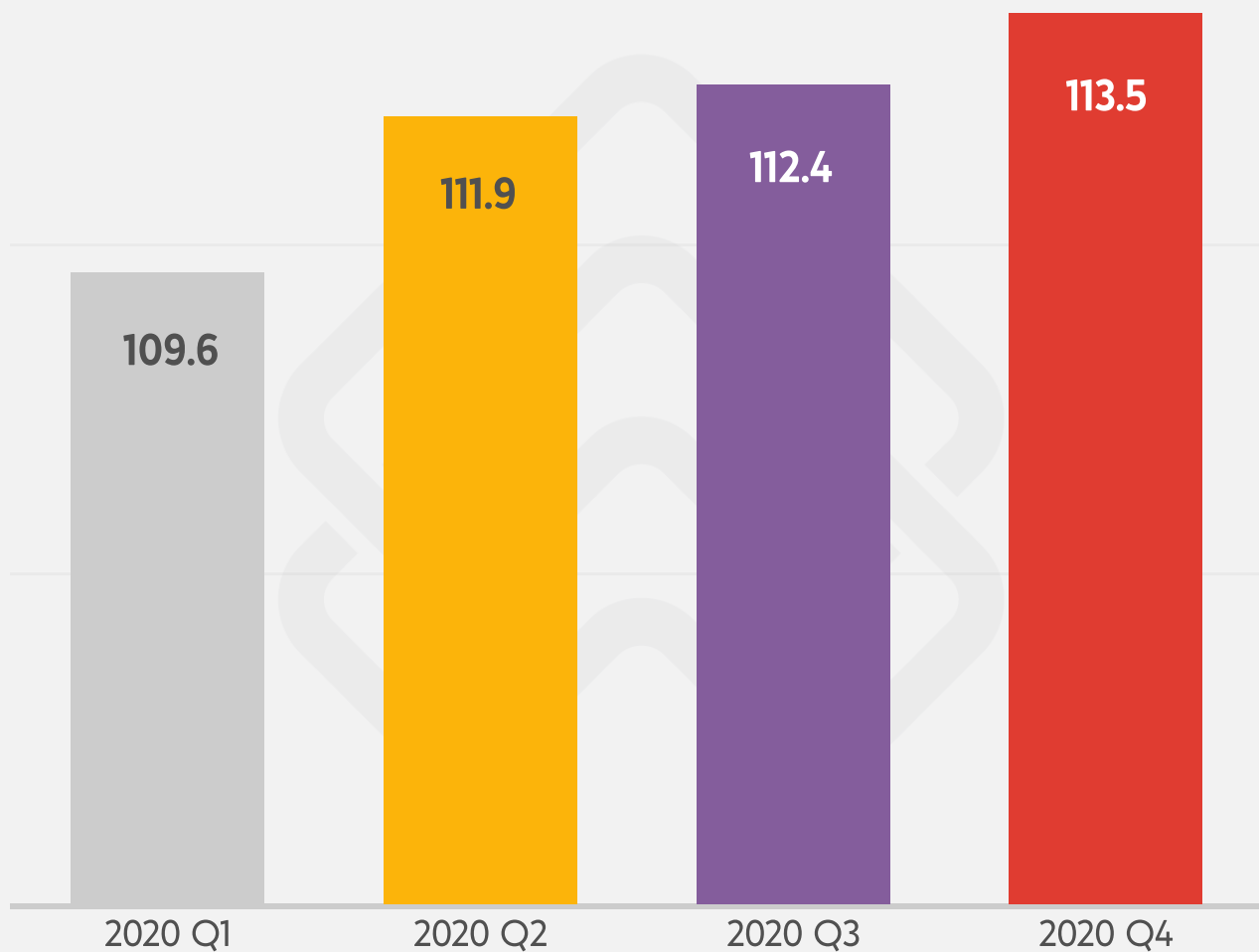
As with the previous quarter, buyers remained cautious in their purchases, favouring properties in the \$1,000,000 to \$1,500,000 range. They also seem to lean towards more spacious units that are between 1,000 to 1,300 sq ft, which is about the size of a 4-room to 5-room flat.

# Property Price Index and Analysis

Property prices record slight increase for the third consecutive quarter in 2020

PropertyGuru Singapore Property Market Index

## Property Price Index



Source: PropertyGuru

The PropertyGuru Singapore Property Price Index (SPPI), which tracks asking prices in the non-landed private residential market, recorded yet again a slight QoQ gain of 0.98% to 113.5 points.



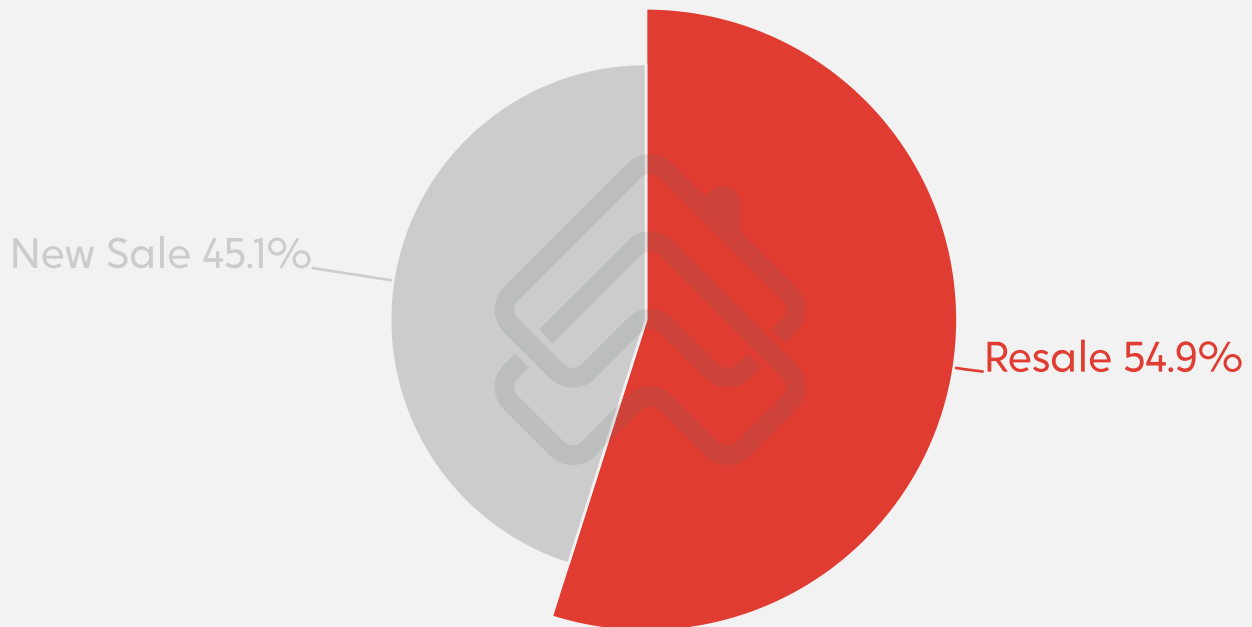
In terms of actual transacted prices, URA recorded a 3% increase in private non-landed residential property prices. For both asking prices and transacted prices, this is the third consecutive quarter of increase.

Right after the circuit breaker period, Q3 2020 saw a burst of activity that was explained as the release of pent-up demand. Although sales volumes began to taper down in Q4 2020, the euphoria lasted longer than expected.

The quarter seemed largely unaffected by any seasonal declines typically associated with the year-end festivities and travel season. Q4 2019 recorded dips in both asking and transacted prices, whereas Q4 2020 recorded increases.

While the previous quarter saw greater demand for new launch projects, resale properties seem to have quickly caught up in the quarter, comprising 54.5% of all non-landed private residential property transactions. This is atypical – the ratio is typically closer to 50-50, with new launches generally favoured.

## New Sale vs Resale



Source: URA | Note: Breakdown excludes sub-sale transactions

The revival of interest in resale properties can be explained by several observations: firstly, developers seem to be adjusting their prices upwards, in line with the growing buyer confidence. This is widening the price gap between new and resale properties, making resales seem more attractive, especially in our extremely price-sensitive market.

Adding to that, many new and uncompleted projects (Buildings Under Construction, or BUCs) are also experiencing COVID-19-related construction delays, which may not be ideal for the large group of genuine buyers with a time horizon of two years at most.

Agents on the ground have also observed a growing preference for larger, more spacious properties, which are more easily found in the resale market.

Compared to developer sales, resale transactions may also take longer to be recorded in URA's data set, as the option period can be extended if needed. This means that there may have been a potential lag, explaining why the resale market seems to only be picking up now.

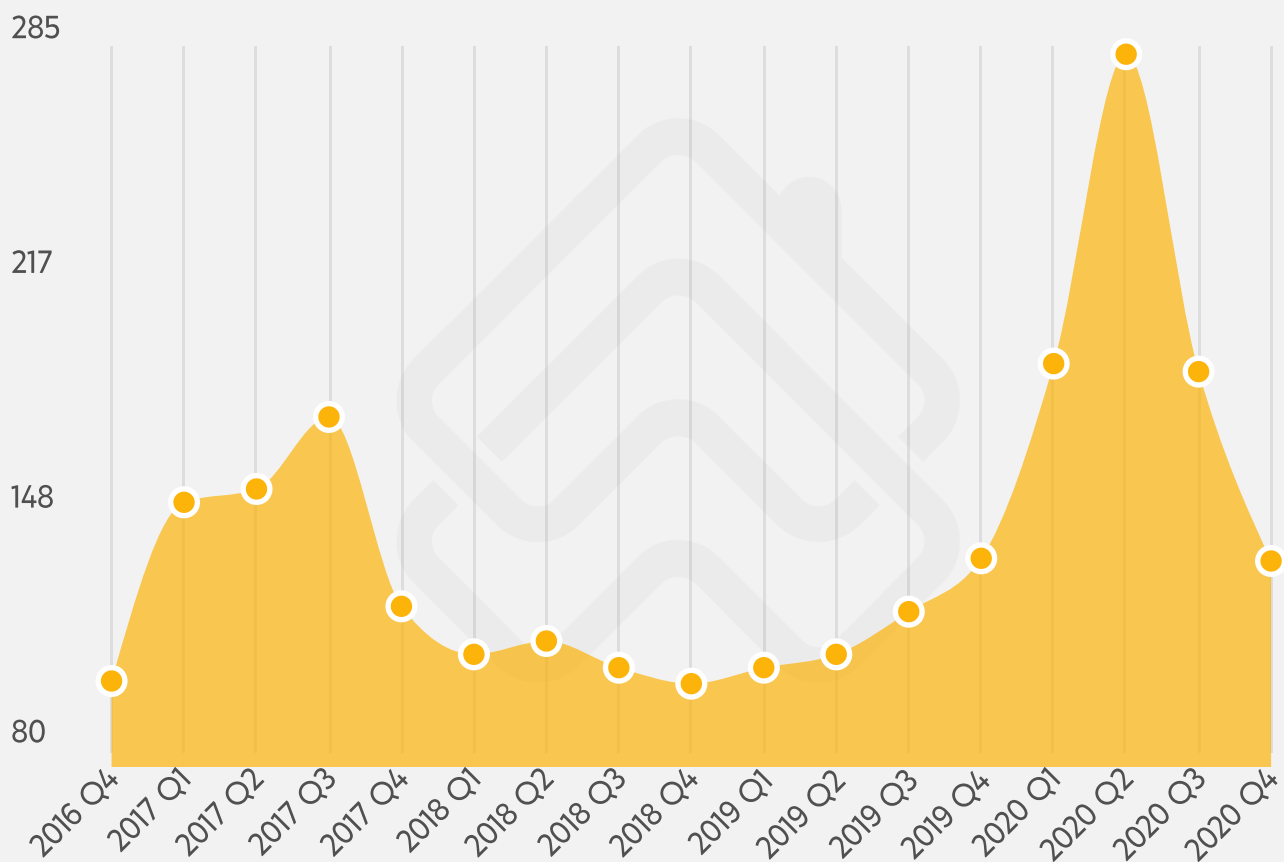
# Property Supply Index and Analysis

## Housing supply glut clearing slowly and steadily

The PropertyGuru Singapore Property Supply Index (SPSI), which tracks the number of non-landed private residential listings posted on PropertyGuru, dipped by 32.7%, from 282.4 to 190.1 points this quarter.

PropertyGuru Singapore Property Market Index

## Property Supply Index



Source: PropertyGuru

Last quarter, the SPSI fell by 32.7% after the number of listings rose dramatically in the preceding "circuit breaker" quarter. This quarter, the listings count fell yet again by a similar measure.

By tracking the listings on PropertyGuru, we gain insight on the movement of properties for sale. Such continued and sharp declines over the past two quarters suggest a healthy take-up rate as more advertisements are taken down once the properties have been sold.



This trend and the supporting numbers indicate that the housing supply glut is slowly but surely clearing up. When we look at the uncompleted private residential units in the pipeline (including Executive Condominiums, or ECs), there were 26,426 units unsold, compared to 32,272 last year. At this rate, the supply overhang is expected to take about another three years to clear.

Most of these are slated for completion in 2023 and 2024, which means that developers will need to start looking to replenish their land banks soon. As predicted in our [Property Market Outlook 2021](#), we expect to see a soft en bloc season in 2021.

Senai

Ulu Tiram

# District Roundup

Johor Baharu

D25

D26

D23

D22

D10

D8

D18

D15

D2

Based on asking prices on PropertyGuru

Source: PropertyGuru

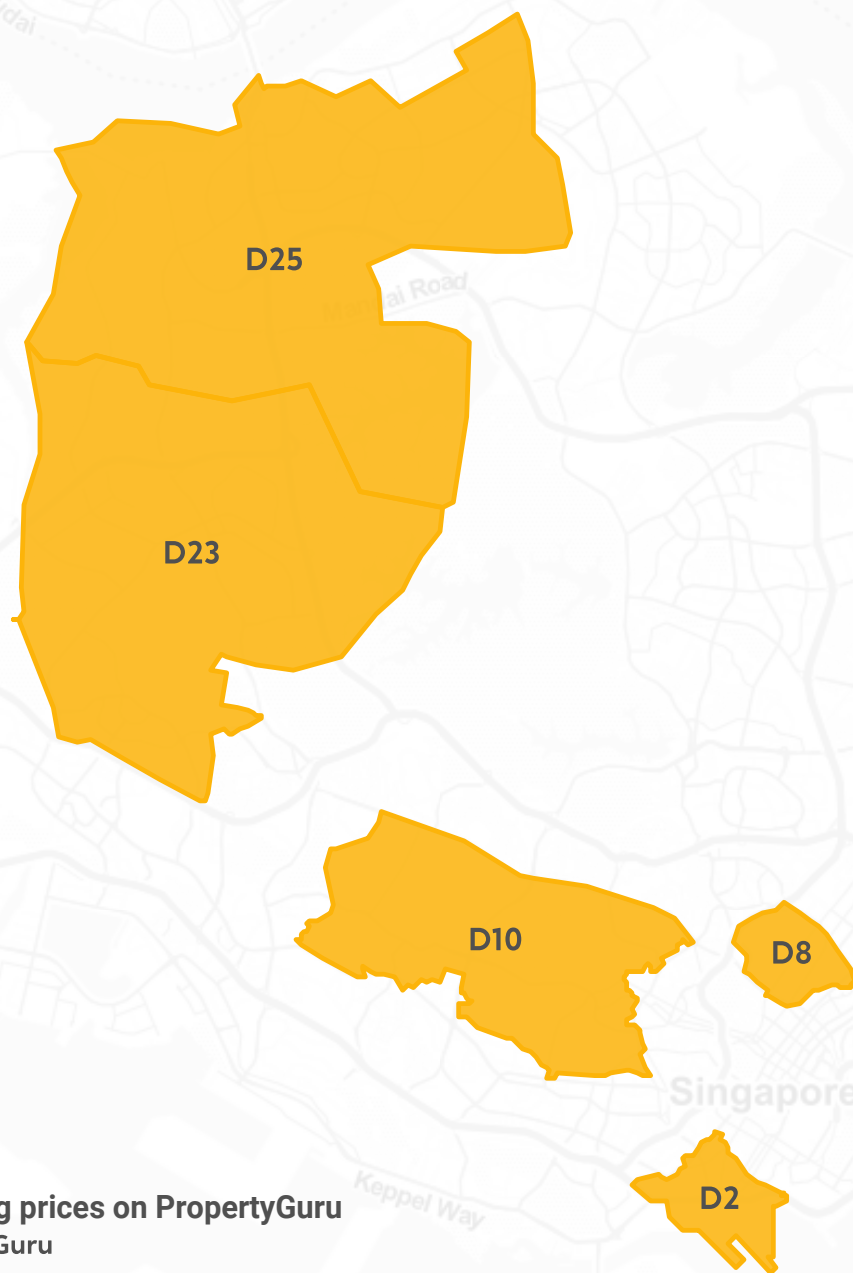


Top 5 Districts



Bottom 5 Districts

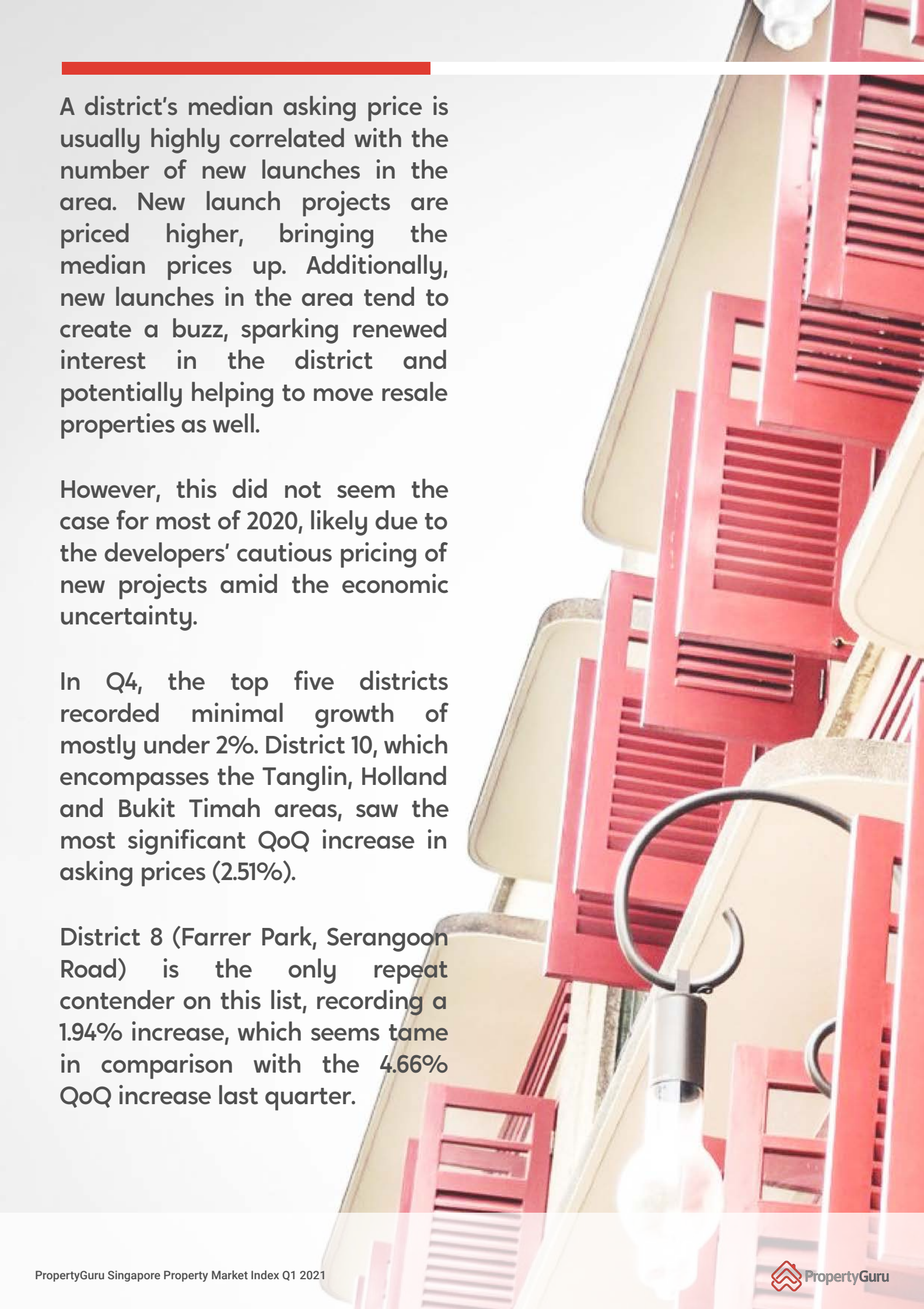
## 5 Best Performing Districts with Asking Price Growth



Based on asking prices on PropertyGuru

Source: PropertyGuru

District	Areas	Median Asking Price (PSF)		QoQ change
10	Tanglin / Holland / Bukit Timah	\$2,455	▲	2.51%
8	Farrer Park / Serangoon Rd	\$1,686	▲	1.94%
25	Admiralty / Woodlands	\$796	▲	1.78%
2	Chinatown / Tanjong Pagar	\$2,502	▲	1.78%
23	Dairy Farm / Bukit Panjang / Choa Chu Kang	\$1,250	▲	1.46%



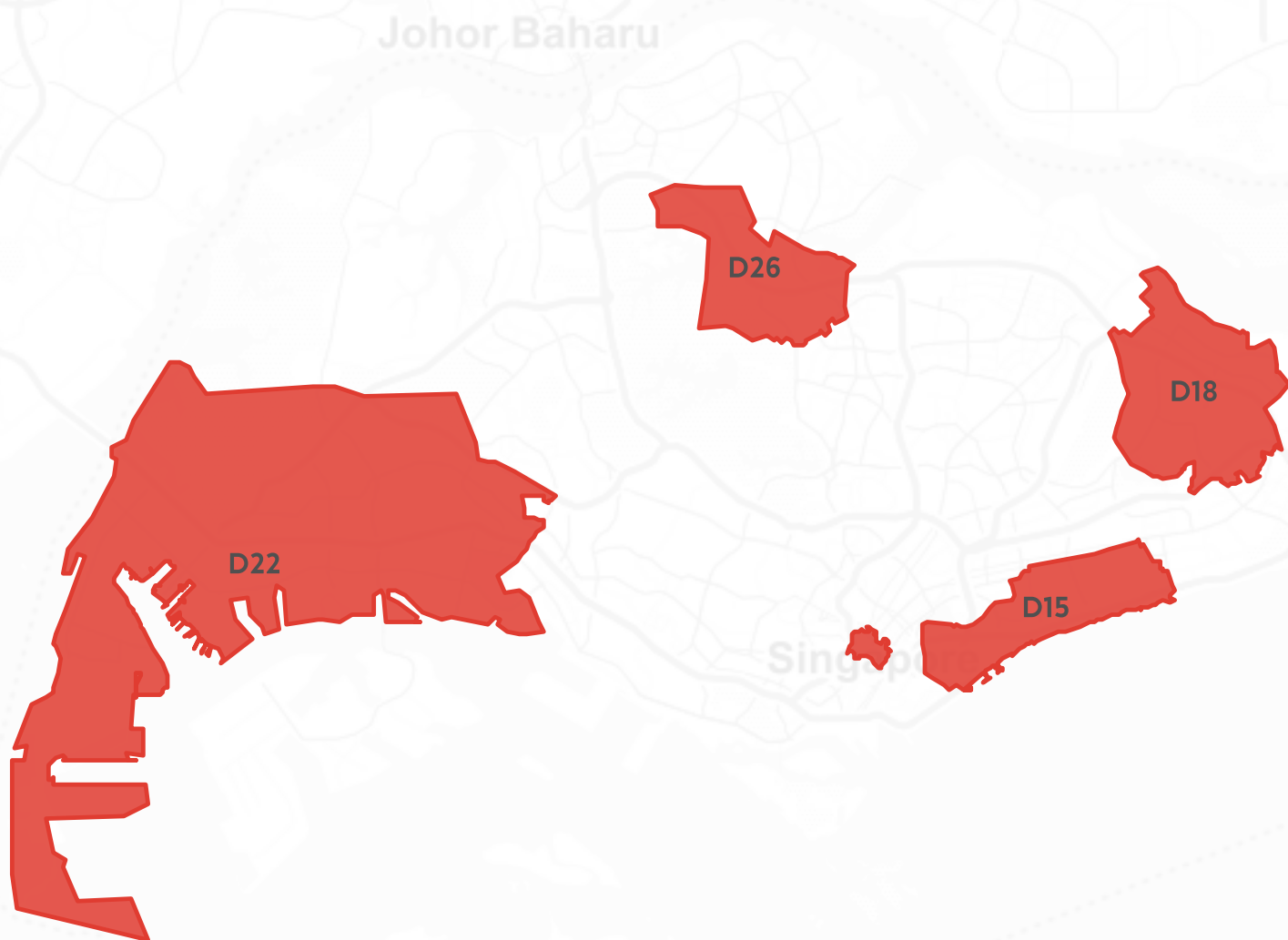
A district's median asking price is usually highly correlated with the number of new launches in the area. New launch projects are priced higher, bringing the median prices up. Additionally, new launches in the area tend to create a buzz, sparking renewed interest in the district and potentially helping to move resale properties as well.

However, this did not seem the case for most of 2020, likely due to the developers' cautious pricing of new projects amid the economic uncertainty.

In Q4, the top five districts recorded minimal growth of mostly under 2%. District 10, which encompasses the Tanglin, Holland and Bukit Timah areas, saw the most significant QoQ increase in asking prices (2.51%).

District 8 (Farrer Park, Serangoon Road) is the only repeat contender on this list, recording a 1.94% increase, which seems tame in comparison with the 4.66% QoQ increase last quarter.

## 5 Districts with the Highest Asking Price Declines



Based on asking prices on PropertyGuru  
Source: PropertyGuru

District	Areas	Median Asking Price (PSF)		QoQ change
18	Pasir Ris / Tampines	\$1,154	▼	-1.02%
15	East Coast / Marine Parade	\$1,792	▼	-1.52%
6	City Hall / Clarke Quay	\$2,948	▼	-2.01%
22	Boon Lay / Jurong / Tuas	\$1,149	▼	-4.70%
26	Mandai / Upper Thomson	\$1,079	▼	-11.8%



The bottom five districts are typically those that see little to no activity due to a lack of new launches and/or interest. In this case, District 22 (Boon Lay, Jurong, Tuas) and District 26 (Mandai, Upper Thomson) are good examples.

Surprisingly, popular districts 18 (Pasir Ris, Tampines) and 15 (East Coast, Marine Parade) recorded some of the highest price declines of 1.02% and 1.52% respectively.

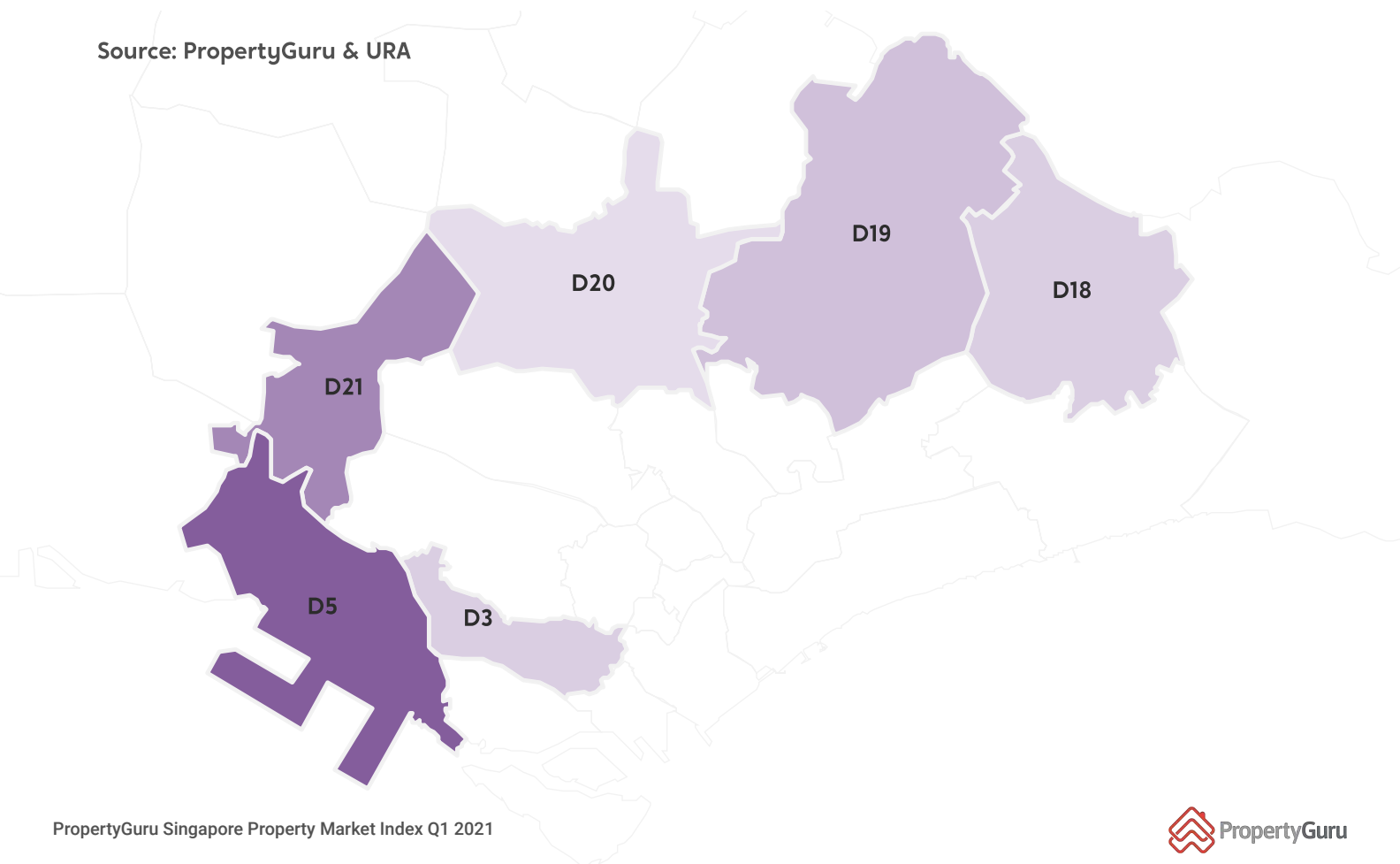
That's not to say that these areas are no longer in demand though – it is likely that prices are simply normalising after the previous years' hype. Prices in those districts rose in 2019 when popular launches like Amber Park had more inventory and choice units.

There continues to be activity in District 18, thanks to the strong continued sales of Treasure at Tampines. However, as the project is one of the most affordable private properties in the market, it is not expected to hold prices up.

# The Stars: Top 10 Best-selling Condos

Ranking by units sold	Project Name	Units Sold in Q4	District	Region	
1	Clavon	471	5	Clementi	OCR
2	Ki Residences at Brookvale	168	21	Sunset Way	OCR
3	Treasure at Tampines	129	18	Tampines	OCR
4	The Linq @ Beauty World	120	21	Upper Bukit Timah	OCR
5	The Garden Residences	119	19	Serangoon	OCR
6	Parc Clematis	111	5	Clementi	OCR
7	The Landmark	109	3	Tiong Bahru	RCR
8	Jadescape	80	20	Bishan	RCR
9	Forett At Bukit Timah	75	21	Bukit Timah	OCR
10	Piermont Grand	71	19	Punggol	OCR

Source: PropertyGuru & URA



The best-selling project of the quarter was Clavon at Clementi, selling 70% of its units on launch day and a total of 471 units in the quarter. Clavon was the best performing project in 2020 as well.

Located in Clementi, Clavon is appealing to both new upgraders and investors. It is situated just out of the city center, so it is reasonably accessible yet carries the affordable Outside Central Region (OCR) price tag. What's more, Clavon is jointly developed by UOL Venture Investment Private Ltd and United Industrial Corporation (UIC) Homes Private Ltd, two leading developers in Singapore.



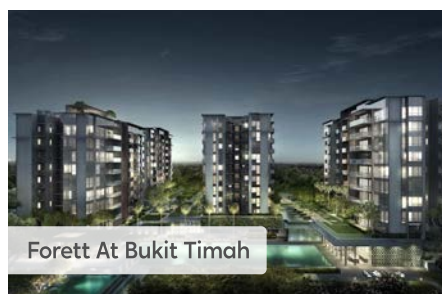
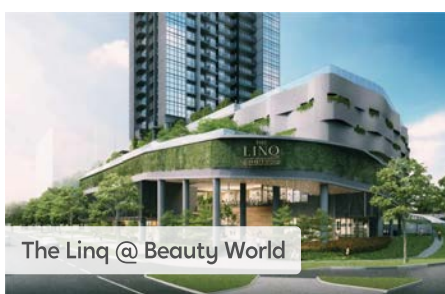
Coming in second is Ki Residences at Sunset Way, selling 168 units in the quarter. Ki Residences was yet another highly anticipated project due to the lack of launches in the area. Although not yet considered a luxury development, the buying demographic of Ki Residences is wealthier than that of the mass-market Clavon.

For example, agents have observed wealthy parents living in the prime Bukit Timah area buying units at Ki Residences as legacy properties for their children.

The same can be said for The Linq @ Beauty World and Forett at Bukit Timah, which are also mid to high-end projects in west Singapore.

A noteworthy entry into this list is Piermont Grand, an EC that launched back in July 2019. With the soaring HDB resale flat prices and a growing trend of Cash Over Valuation (COV) transactions, the price disparity between HDB resale flats and ECs is narrowing, possibly explaining the renewed interest in Piermont Grand.

Furthermore, the nearby Twin Waterfalls EC recently reached its MOP and entered the resale market. Buyers are likely to compare the two and find Piermont Grand to be more value for money.



# Rising Stars: Condos and Districts to Watch



## District 2 and 7

Chinatown, Tanjong Pagar  
Beach Road, Bugis, Rochor

The areas in and around the Central Business District are increasingly popular. This quarter, District 2 (Chinatown, Tanjong Pagar) saw a 1.78% rise in median asking prices. We expect this to increase further with the launch of the upcoming One Bernam. Nearby, District 7 (Beach Road, Bugis, Rochor) saw a slight dip in prices (-0.935%) this quarter, but this trend is likely to change once the highly anticipated Midtown Modern is launched.

## District 9

Orchard, River Valley

Although the CCR was performing poorly in the early months of 2020, interest in the prime District 9 (Orchard, River Valley) seems to be picking up. In Q4, median asking prices grew by 0.704%, while transaction prices rose by 3.2% QoQ. There are fewer new launches in District 9 (compared to suburban districts), but we can look forward to The Atelier in the coming months.



## District 5

Buona Vista,  
West Coast,  
Clementi New Town

We expect increased activity in District 5 (Buona Vista, West Coast, Clementi New Town). This quarter, Clavon launched in Clementi and prices rose by 1.22% QoQ. With Normanton Park and One North Eden also launching in the same district, prices are likely to continue upwards.

# Conclusion

Despite economic uncertainties, the Singapore property market is still going strong with surprisingly resilient demand and growing buyer confidence.

The local COVID-19 situation seems well under control, with community cases still in the single-digit range even during the festive season. Vaccines have also reached our shores and immunisation for frontline workers and vulnerable citizens has already begun. With such encouraging progress, it is no wonder the market sentiment remains optimistic.

Judging from the performance of early 2021 new launches such as Normanton Park and The Reef at King's Dock, the buying frenzy shows no signs of slowing down in 2021.

While this is encouraging, the sustainability of these trends is a key concern. With four Government Budget announcements and relief measures like mortgage moratoriums, the past year was characterised by pandemic aid that helped keep many afloat. But with the possibility of tighter property curbs and as the economic stimulus tapers off in the coming months, whether such resilience will continue remains to be seen.

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# About This Report

Buying a home is one of the most difficult decisions of our lives. It is also likely to be the most expensive decision. When committing to a home purchase, it is important to be equipped with relevant and sufficient information so that the decision can be made confidently.

PropertyGuru wants to simplify this process for property seekers, including first-time homebuyers and existing homeowners who might be looking into buying their second or third properties. In that vein, we created this report to help Singaporeans understand the movement of the property market better, so that property buyers can gain greater insight on current price trends that are in line with market sentiments, and to try to time their property purchases better.

As a leader in the real estate market in Singapore, PropertyGuru processes a vast amount of real estate data daily, providing us with the necessary data to crunch, and deliver in-depth insights to all Singaporean home seekers.

In this report, we look at pricing and supply indices of private residential properties in Singapore, in various locations, and across different property types, to provide a comprehensive overview of property market dynamics across the city-state.

## Methodology

Using a range of statistical techniques, the data from over 200,000 private home listings on PropertyGuru Singapore are aggregated and indexed, demonstrating the movement of supply-side pricing. The PropertyGuru Singapore Property Market Index shows seller optimism and indicates the price level that developers and homeowners feel that they can fetch for their respective properties.

An increase in the Property Market Index (PMI) may demonstrate buoyancy of sentiment while a decrease may indicate a moderation of expectations.

The SPPI is indexed using Q4 2016 as the Base Quarter. The index was previously (2019) computed using Q1 2015 as the Base Quarter.

We complement the price levels with a view on supply volumes in the market through the number of property listings on PropertyGuru Singapore. Our supply volumes not only take into account residential resale supply, but also new launch supply in Singapore.

# About PropertyGuru Singapore

**PropertyGuru.com.sg** was launched in 2007 and revolutionised the Singapore property market by taking it online and making property search transparent for the property seeker. For the last 13 years, **PropertyGuru.com.sg** has been helping people in Singapore make confident property decisions. With over 8 million monthly visits\* and 75%\*\* consumer market share, PropertyGuru is the No.1 destination for Singapore home seekers to find, finance, and own their dream home. The company is part of PropertyGuru Group, Asia's leading property technology company.

For more information about PropertyGuru Singapore, please visit **PropertyGuru.com.sg**.

## About PropertyGuru Group

PropertyGuru Group is Southeast Asia's leading property technology company and the preferred destination for 35 million property seekers to find their dream home, every month. PropertyGuru and its group companies empower property seekers with the widest option of more than 2.8 million homes, in-depth insights, and solutions that enable them to make confident property decisions across Singapore, Malaysia, Thailand, Indonesia, and Vietnam.

Over the decade, the Group has grown from a regional property media powerhouse to a high-growth technology company with a robust portfolio of No.1 property portals across its core markets; award-winning mobile apps; best-in-class developer sales enablement platform, **FastKey**; mortgage marketplace **PropertyGuru Finance**; and a host of industry-leading property offerings including **Awards**, events and publications across Asia.

For more information, please visit  
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\*Source – Google Analytics data, Jul-Dec 2020

\*\*Source - SimilarWeb - Relative Engagement Market Share, average of Jul-Dec 2020

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### Contact

For media or press enquiries, or to understand more about the PropertyGuru's Singapore Property Market Index Q1 2021, please email [mediaenquiry@propertyguru.com.sg](mailto:mediaenquiry@propertyguru.com.sg).

### With Thanks

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