

Singapore Property Market Index Q3 2021



PropertyGuru

Executive Summary

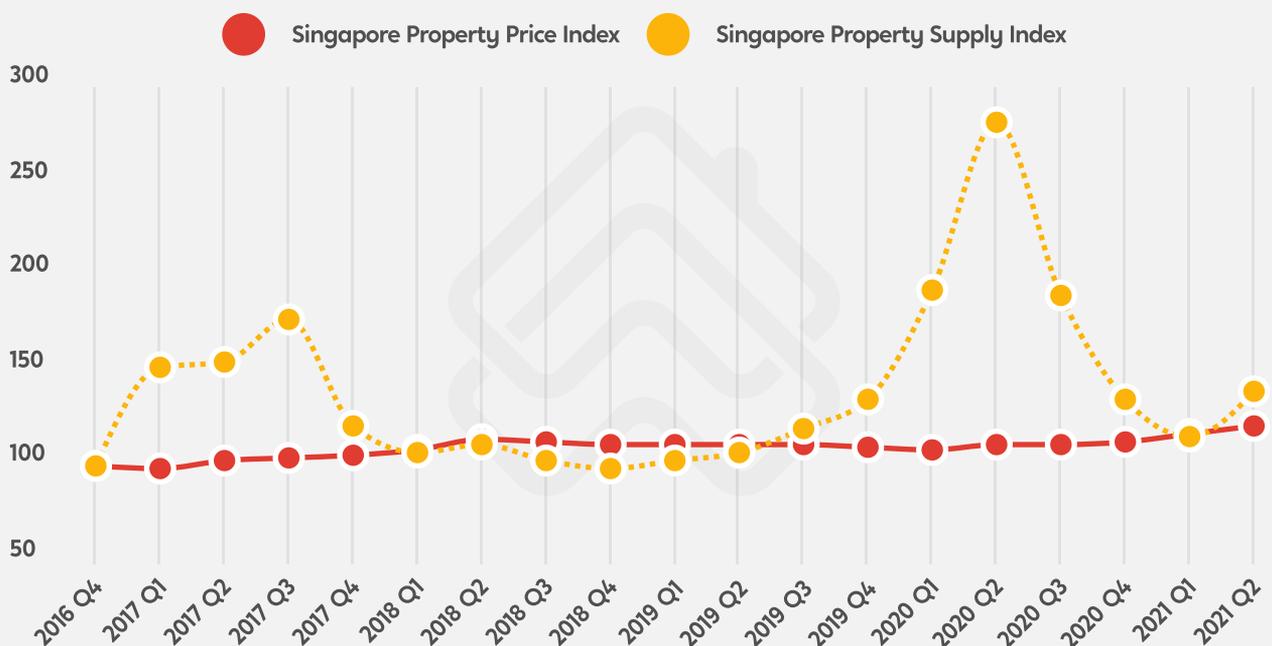
For the three quarters following the Circuit Breaker 'lockdown', the Singapore property market had remained resilient. However, the emergence of a new COVID-19 variant and a spike in community cases in late April this year set Singapore a few steps back in its progress to overcome the pandemic and economic recession.



The second quarter of the year closed with a 3.60% or 4.08-point increase in our PropertyGuru Singapore Property Market Index (PMI Q3 2021) to 121.9 points. This marks the fifth consecutive quarter of growth in asking prices in the non-landed private residential property sector.

The PropertyGuru Singapore Property Supply Index (SPSI) recorded a much more significant increase of 17.6% or 23.8 points. This is the first time the number of listings on PropertyGuru has grown quarter-on-quarter (QoQ) since Q3 2020.

PropertyGuru Singapore Property Market Index Q3 2021



Source: PropertyGuru, URA.

There is a clear trend that property prices are rising—and not just in the private market. HDB resale prices have also recorded significant growth amid the pandemic and economic uncertainty.

However, it seems that the Government will not be intervening yet as they “do not think the market is overheated”. This is welcome news for those who were worried after multiple warning shots were fired earlier this year, hinting at the possibility of tighter property curbs.

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There was fear that history may repeat itself, and that the Government may introduce property cooling measures in H2 2021, on the back of four quarters of significant price growth.

But if we look at the last 30 years, the price increases are actually in line with our economic fundamentals and there are already sufficient safeguards in place such as the Total Debt Servicing Ratio and Additional Buyer's Stamp Duty to rein in property prices.

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Dr. Tan Tee Khoon
Country Manager - Singapore
PropertyGuru

A key event in the quarter was the implementation of the Phase 2 (Heightened Alert) measures, which were effective from 16 May to 13 June 2021. These measures put a damper on the property market for about a month and directly impacted the PropertyGuru Singapore Property Supply Index.

That said, the increase in the number of listings on PropertyGuru is more likely due to the disruption of property activity, rather than a lack of demand for housing. With property viewings put on hold and transactions taking longer to complete, an increase in the number of property listings online was expected.

As a result, we expect a slight correction in the upcoming quarter when these restrictions are to be lifted. Although not as dramatic as post-Circuit Breaker one year ago, there is likely to be a release of pent-up demand. Additionally, many new projects initially planned for launch in Q2 2021 have tentatively been postponed to Q3 2021.



Contents

- 1 The Guru View**
- 2 Singapore Property Price Index and Analysis**
- 3 Singapore Property Supply Index and Analysis**
- 4 District Roundup**
- 5 The Stars: Top 10 Best-selling Condos**
- 6 Rising Stars: Condos and Districts to Watch Out for**
- 7 Conclusion**
- 8 About This Report Methodology**
- 9 About PropertyGuru**

Private property market cooled by Phase 2 (Heightened Alert) measures



Private property prices are still trending upwards, but at a slower pace. The PropertyGuru Singapore Property Price Index (SPPI) recorded a 3.60% QoQ increase, slightly less than the previous quarter (3.84%). Likewise, the URA private residential price index grew by 0.8%, compared to 3.3% in the previous quarter.

HDB resale market still bullish despite COVID-19 situation



On the other hand, the public housing market remains bullish despite the worsening of the pandemic. The HDB Resale Price Index saw a significant 3.0% increase in Q2 2021. The Government seems to be monitoring the situation closely, ready to intervene if needed

Resales overtake developer sales due to fewer new launches



There were no major new launches from the start of the Phase 2 (Heightened Alert) till the end of the quarter. As a result, the quarter eventually closed with resales making up 59.6% of all transactions (excluding sub-sales).

Buyers spending more on private property



While the biggest proportion of transactions (34.2%) are in the \$1 million to \$1.5 million price range, there was an increase in the number of transactions (27.5%) above \$2 million. This increase could be attributed to buyers preferring larger properties, and more new projects launching in pricier regions.

Clearing of supply overhang slightly delayed

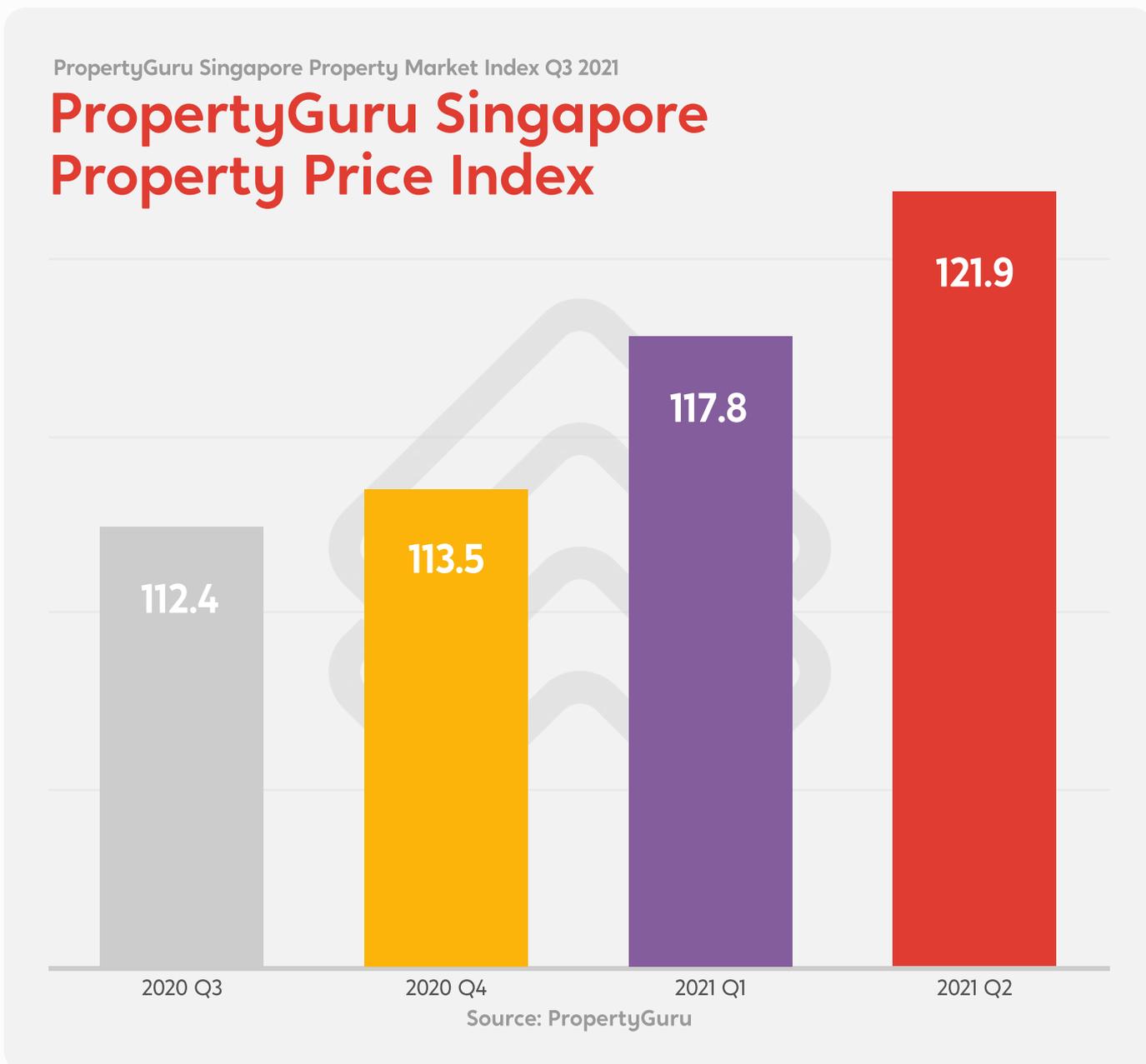


Our Property Market Index Q2 2021 reported that the supply overhang looks set to clear in about two years. This may be slightly delayed due to the slowdown in the market caused by tightened COVID-19 measures. However, assuming that the buying sentiment is still strong, it is unlikely a cause for concern.

Singapore Property Price Index and Analysis

Market Disrupted by Second Wave of COVID-19, but Demand Remains Strong

The PropertyGuru Singapore Property Price Index (SPPI), which tracks asking prices in the non-landed private residential market, recorded a quarter-on-quarter (QoQ) gain of 3.60%.





This upward trend aligns with URA's private residential price index, which rose by 0.8%. The marginal growth is in stark contrast to the past two quarters when the same price index grew by 2.1% in Q4 2020 and 3.3% in Q1 2021.

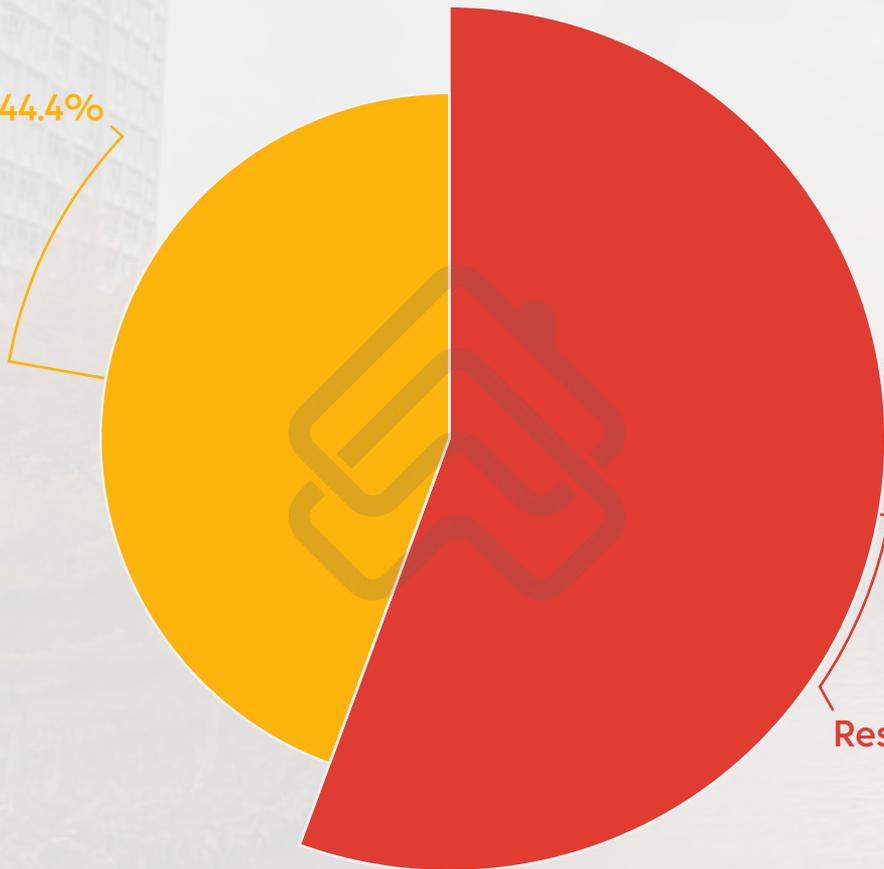
For non-landed private residential property specifically, URA recorded a 1.1% increase in the price index. This is the same segment the SPPI tracks, which explains why the two figures are closer.

Although transaction prices slowed down, the strong growth of asking prices on PropertyGuru suggests continued confidence among property sellers in Singapore, who do not seem to see the need to lower their property prices just yet.



New Sale vs Resale

New Sale 44.4%



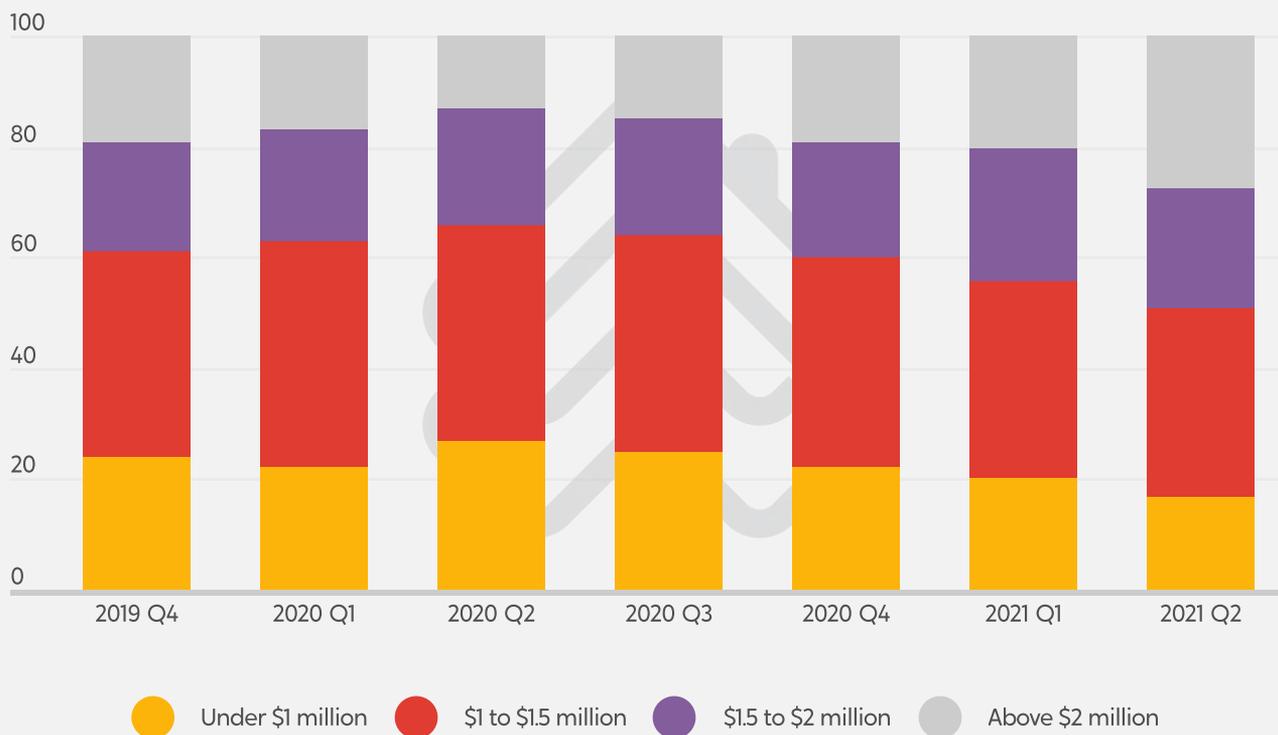
Resale 55.6%

Source: URA

Note: Breakdown of non-landed private residential transactions, excluding sub-sales.

This quarter, developer sales took the backseat. Resales made up 59.6% of all private property transactions and 55.6% of all non-landed private property transactions. This is likely due to the fact that there were fewer mass-market new launches to drive up transaction volumes.

Transactions by Price Range



Source: PropertyGuru, URA | Note: Based on number of caveats lodged

When we analyse the data by quantum, there are the most transactions (34.2%) in the \$1 million to \$1.5 million price range, as usual. However, there was a noteworthy rise in transactions over \$2 million. Typically, the proportion of transactions over \$2 million is 20% or lower. This quarter, it was 27.5%.

Although there has been an increase in the 'nouveau riche' (which refers to the new generation of wealthy buyers) snapping up luxury properties, these remain a small minority. Of the transactions above \$2 million, 20.3% were in the \$2 million to \$4 million range, which suggests more of a mass preference for larger homes. This price point is usually made up of 3- or 4-bedroom condo units rather than luxury homes.

This is unsurprising; for many, the pandemic-induced 'new normal' has emphasized a greater need for space. Additionally, there were relatively more new projects launched in the Core Central Region (CCR) and Rest of Central Region (RCR), where prices are higher.

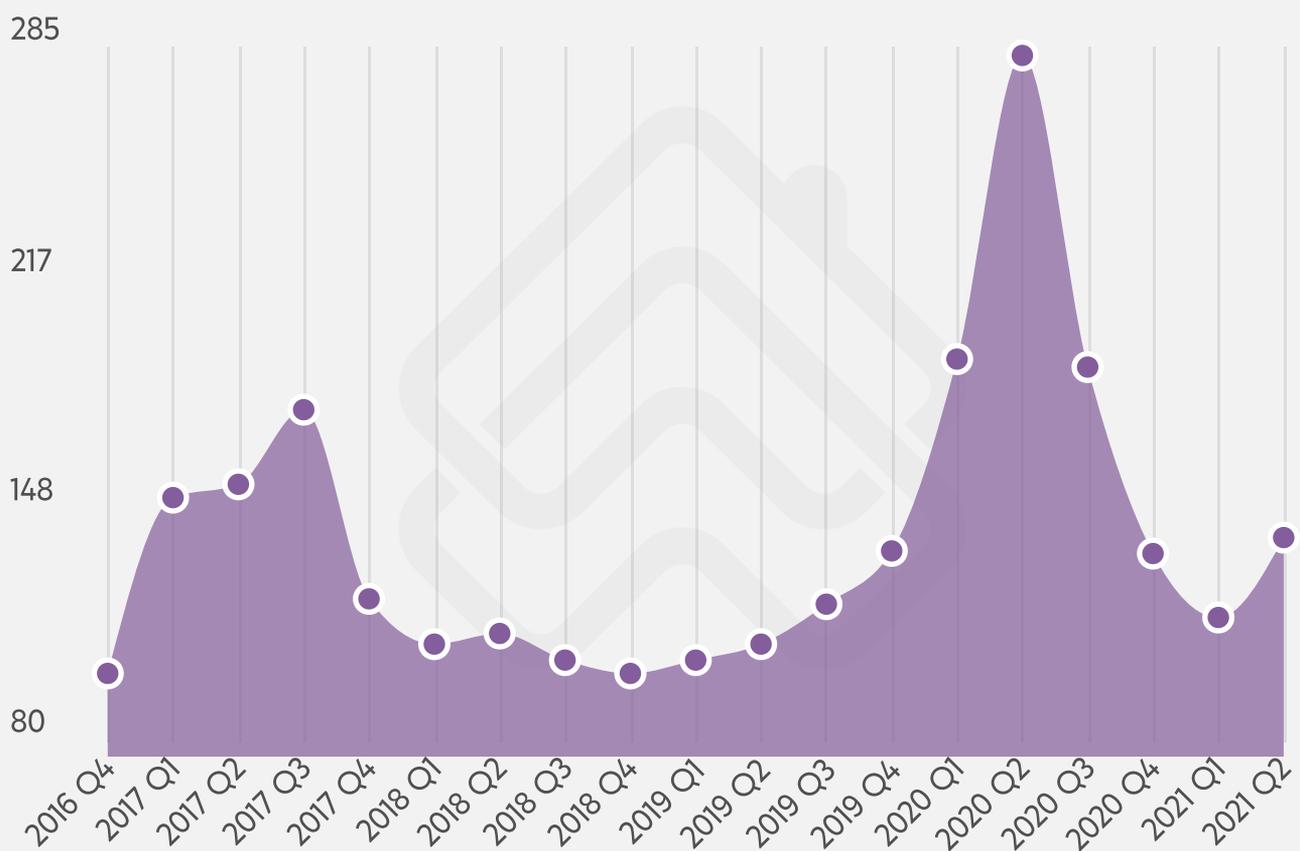
Singapore Property Supply Index and Analysis

Property Listings See First Spike in Almost One Year, Since Circuit Breaker

The PropertyGuru Singapore Property Supply Index (SPSI), which tracks the number of non-landed private residential listings posted on PropertyGuru, saw a 17.6% increase this quarter.

PropertyGuru Singapore Property Market Index Q3 2021

PropertyGuru Singapore Property Supply Index



Source:PropertyGuru

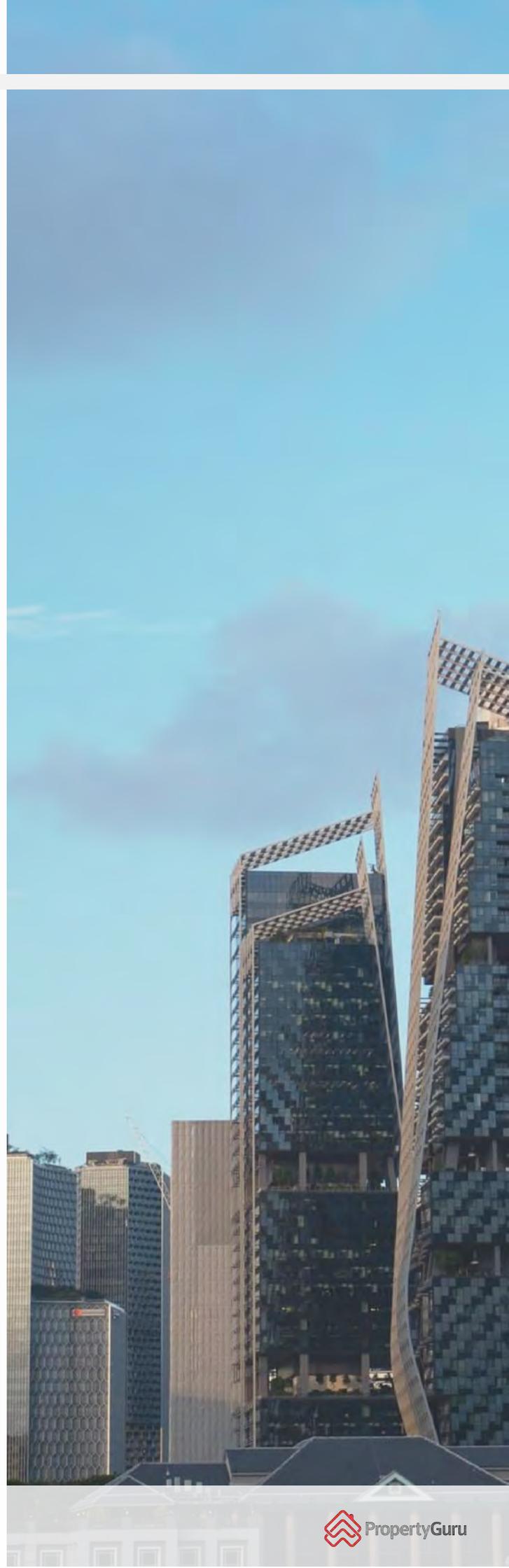
This is the first time there is an increase in the number of condo and apartment listings on PropertyGuru since the release of pent-up demand after the Circuit Breaker in 2020.

This increase is likely due to the Phase 2 (Heightened Alert) safety measures, which have disrupted property viewings, resulting in longer transaction times and, thus, longer lifespans of property advertisements online. We do not believe that this truly reflects a spike in the property inventory.

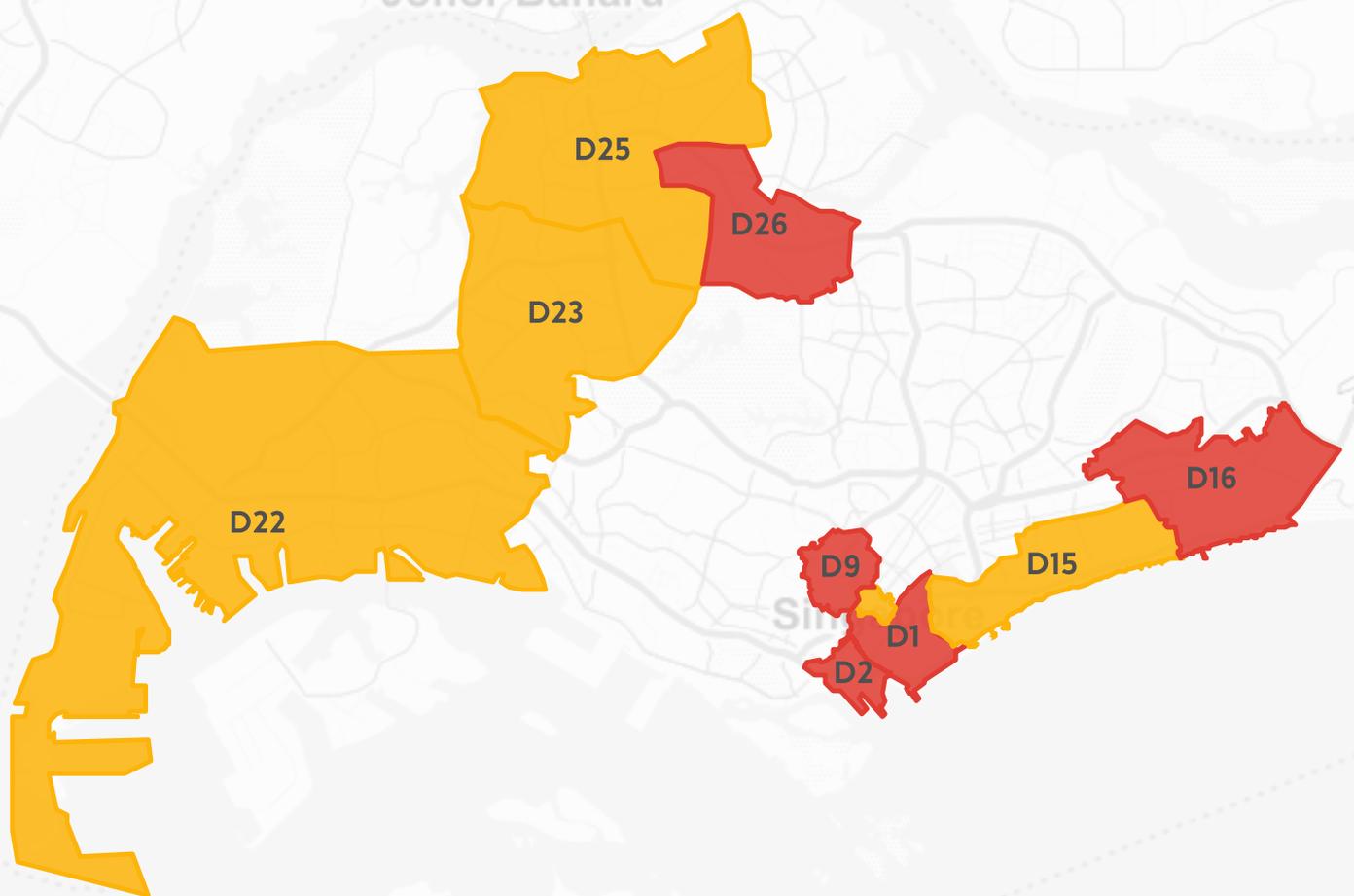
According to URA, there are 19,384 uncompleted private residential units (excluding ECs) in the pipeline with planning approvals that remain unsold. Although the take-up rate is slightly slower than the previous quarter, it is still considered healthy.

There were 2,218 units sold, which means we are still on track to clear the supply glut in the primary market in about two years or so.

Soon, developers may also feel pressure to replenish their land banks. Very few confirmed Government Land Sales (GLS) sites were released in 2020 and 2021 so far.



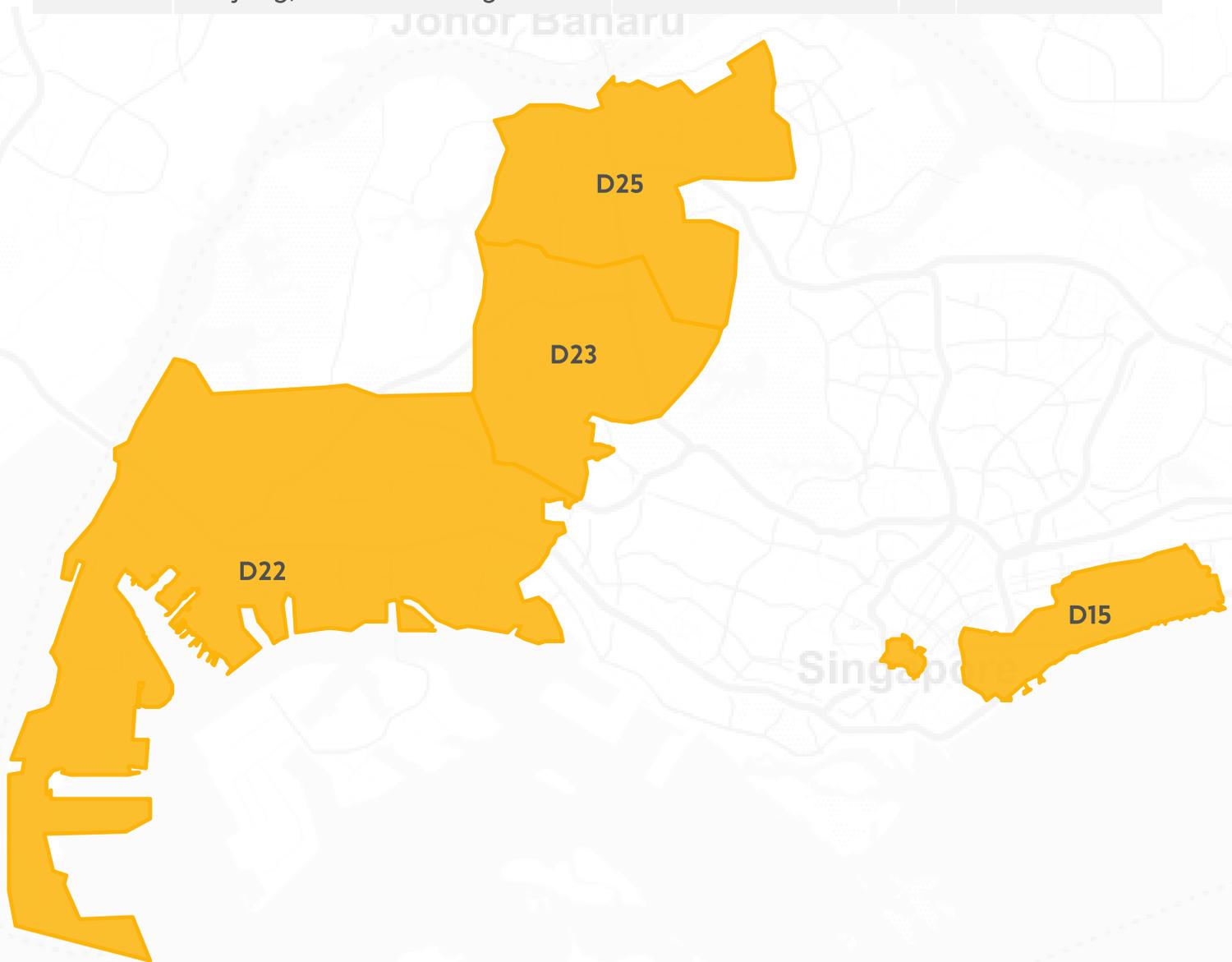
District Roundup



Based on asking prices on PropertyGuru
Source: PropertyGuru

5 Best Performing Districts with Asking Price Growth

District	Areas	Median Asking Price (psf)		QoQ Change
6	City Hall, Clarke Quay	\$3,420.66	▲	15.56%
22	Boon Lay, Jurong, Tuas	\$1,458.06	▲	10.49%
25	Admiralty, Woodlands	\$881.53	▲	7.92%
15	East Coast, Marine Parade	\$2,014.80	▲	6.44%
23	Dairy Farm, Bukit Panjang, Choa Chu Kang	\$1,450.68	▲	6.19%



Based on asking prices on PropertyGuru

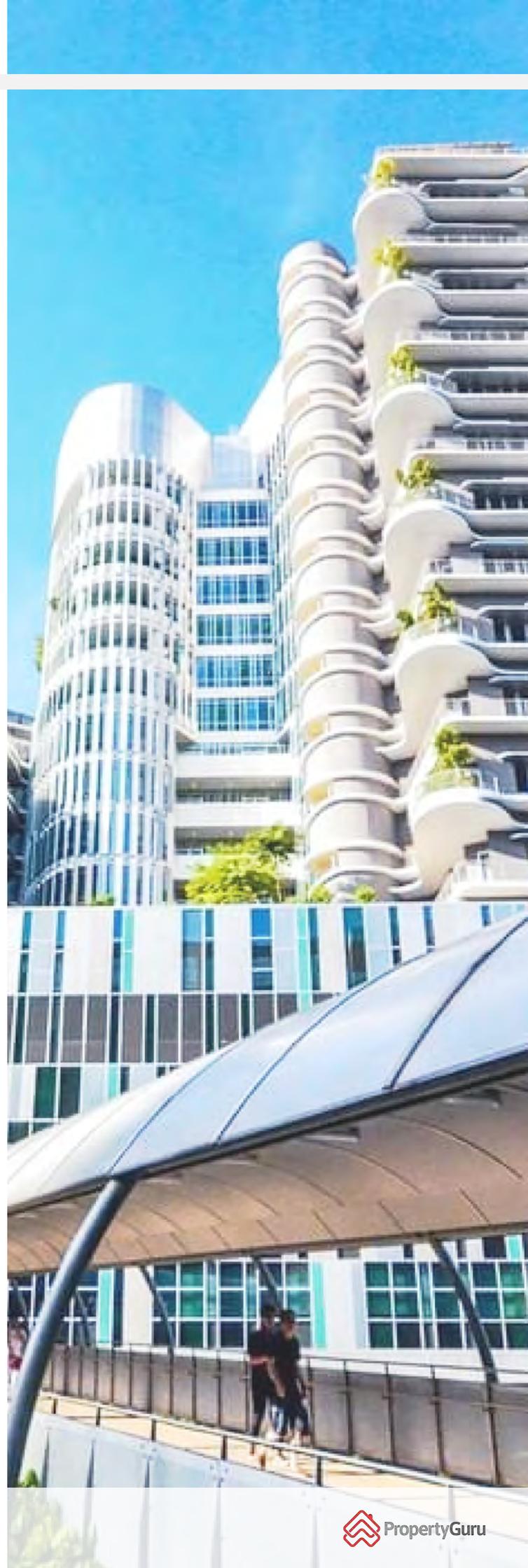
Source: PropertyGuru

The highest growth in asking prices was recorded in District 6 (City Hall, Clarke Quay), where it has been largely quiet for the past year due to a lack of new projects in the area.

However, with Canninghill Piers slated for launch in the coming months, the district is seeing renewed interest. This is especially since the project is in the former iconic location—Liang Court.

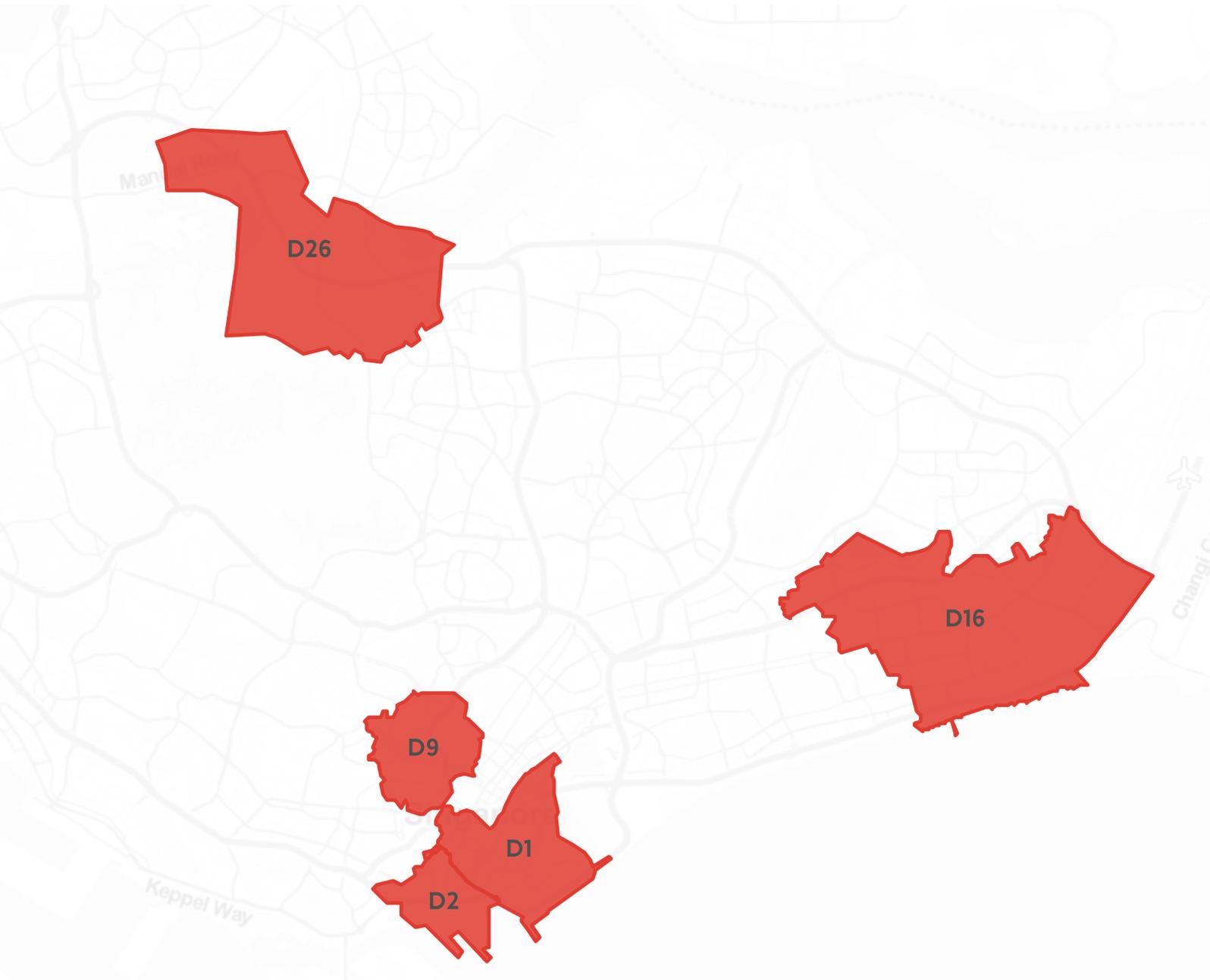
District 22 (Boon Lay, Jurong, Tuas) continues to see asking price growth as well. This is noteworthy, especially given that asking prices in the district had already risen by 14.9% in the preceding quarter.

The rest of the areas which enjoyed more moderate uplifts were District 25 (Admiralty, Woodlands), District 15 (East Coast, Marine Parade) and District 23 (Dairy Farm, Bukit Panjang, Choa Chu Kang).

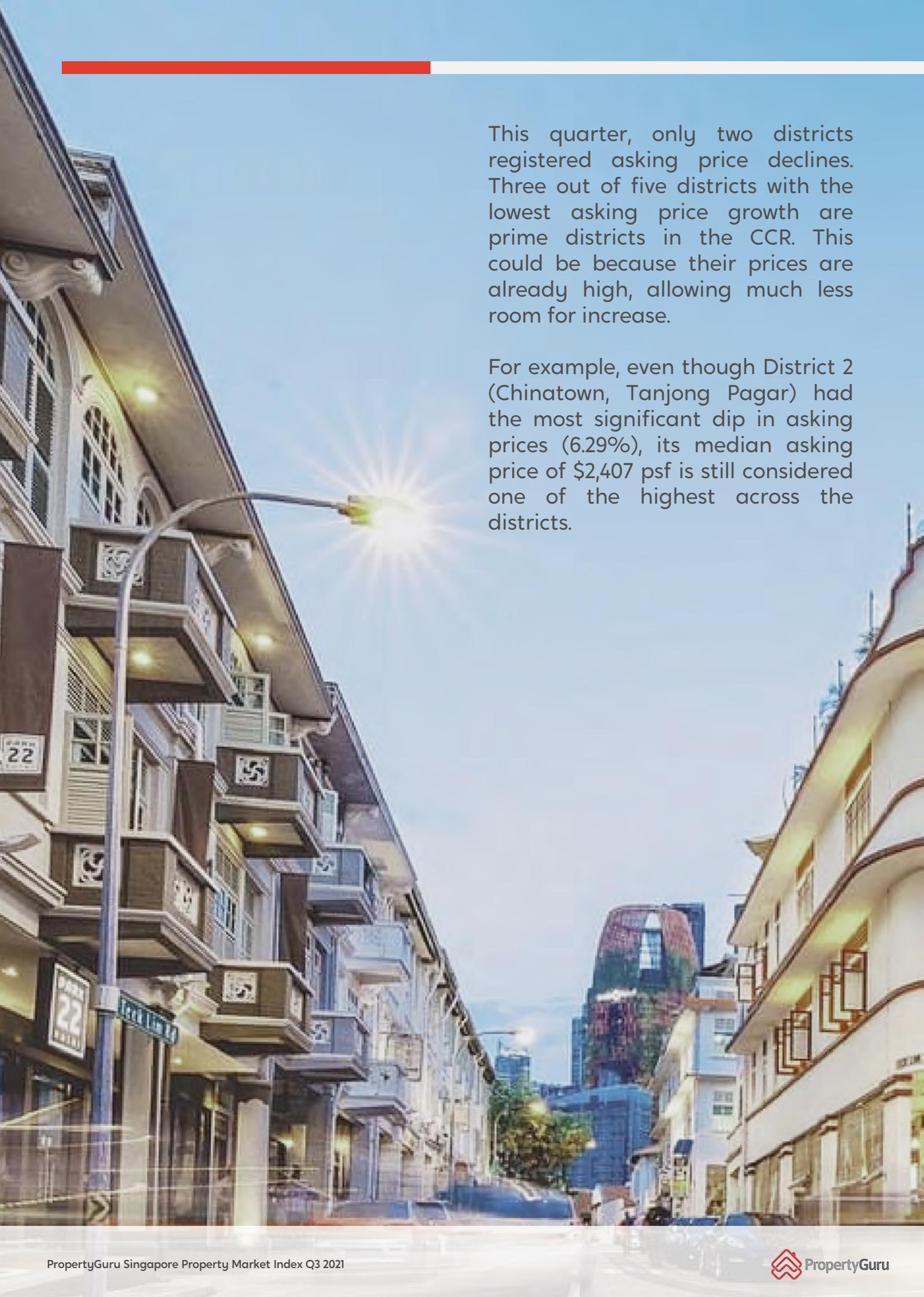


5 Districts with The Slowest Asking Price Growth

District	Areas	Median Asking Price (psf)		QoQ Change
16	Bedok, Upper East Coast	1,338.58	▲	0.67%
9	Orchard, River Valley	2,629.27	▲	0.18%
1	Boat Quay, Raffles Place, Marina	2,424.26	▬	0.00%
26	Mandai, Upper Thomson	1,112.23	▼	-0.18%
2	Chinatown, Tanjong Pagar	2,407.68	▼	-6.29%



Based on asking prices on PropertyGuru
Source: PropertyGuru



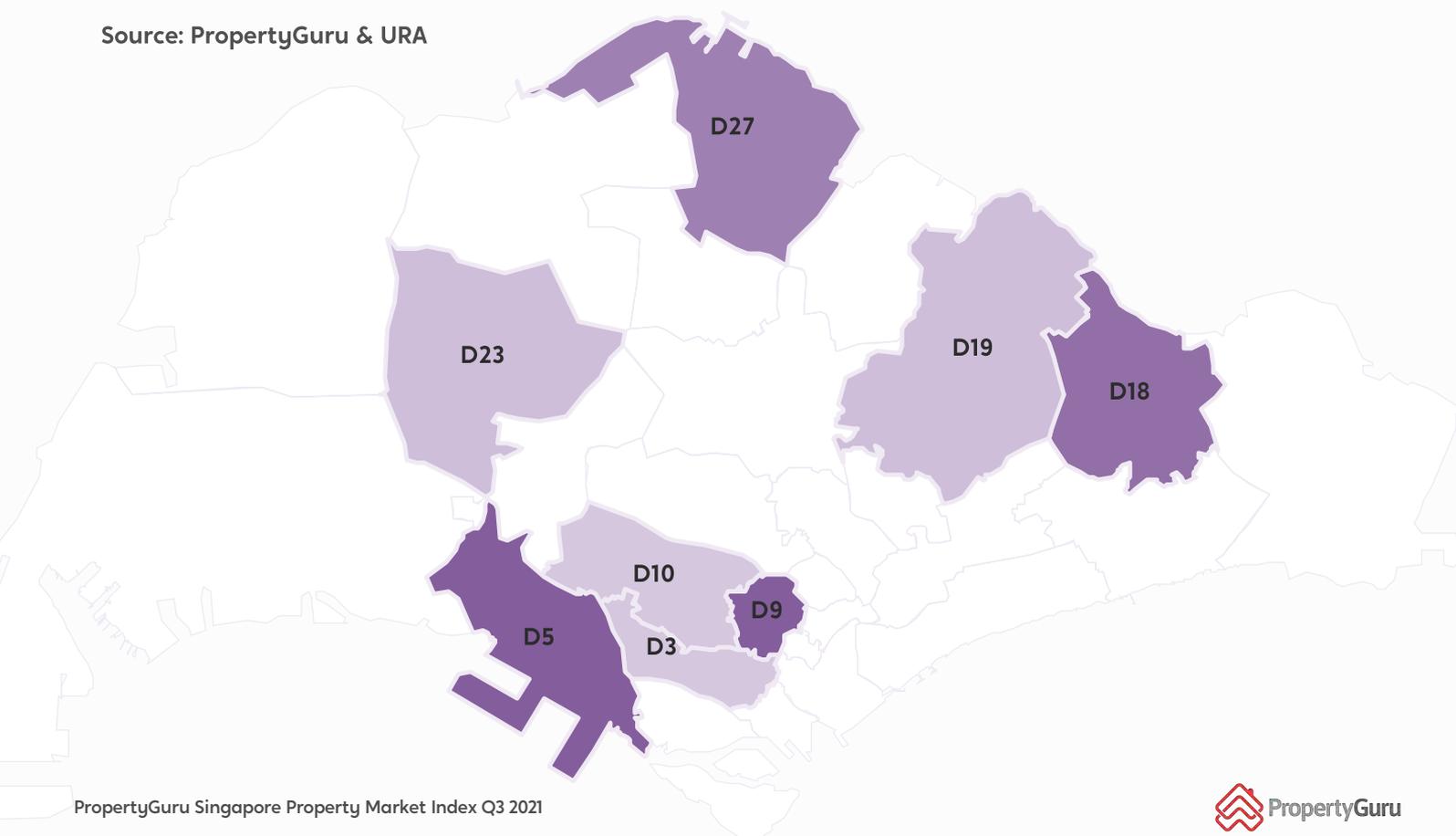
This quarter, only two districts registered asking price declines. Three out of five districts with the lowest asking price growth are prime districts in the CCR. This could be because their prices are already high, allowing much less room for increase.

For example, even though District 2 (Chinatown, Tanjong Pagar) had the most significant dip in asking prices (6.29%), its median asking price of \$2,407 psf is still considered one of the highest across the districts.

The Stars: Top 10 Best-selling Condos

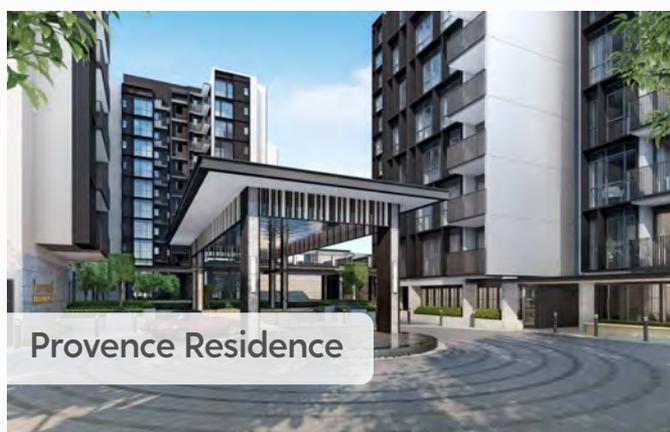
Ranking by Units Sold	Project Name	Units Sold in Q1	District	Region	
1	Irwell Hill Residences	332	9	River Valley	CCR
2	Provence Residence	247	27	Sembawang	OCR
3	Treasure At Tampines	194	18	Tampines	OCR
4	Normanton Park	193	5	One North	RCR
5	One-North Eden	155	5	One North	RCR
6	The Florence Residences	112	19	Hougang	OCR
7	Midwood	110	23	Hillview	OCR
8	Parc Central Residences	103	18	Tampines	OCR
9	Avenue South Residence	92	3	Bukit Merah	RCR
10	Hyll On Holland	87	10	Holland	CCR

Source: PropertyGuru & URA

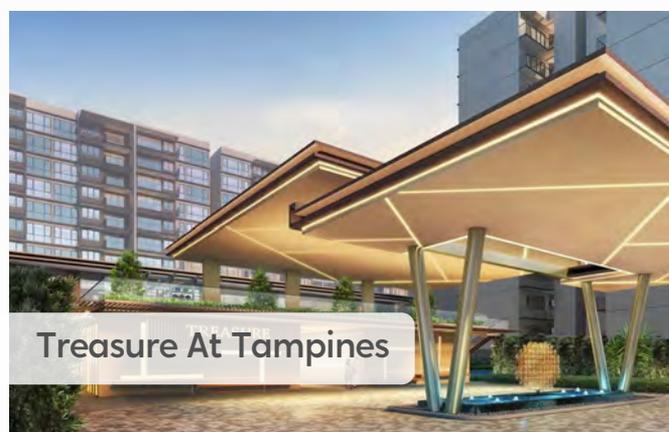




Irwell Hill Residences



Provence Residence



Treasure At Tampines

Taking the top spot this quarter was Irwell Hill Residences in District 9, selling 332 units. The project was launched in April and had a good few weeks of solid sales before the disruption of Phase 2 (Heightened Alert) measures in mid-May. One-North Eden launched around the same time and did equally well. It sold 155 of 165 units in the quarter.

After Irwell Hill Residences, the next best-selling project was the newly launched executive condominium, Provence Residence, which sold 247 units in the quarter. This project is likely popular among the HDB upgraders, as it is very reasonably priced. Not only are there Government subsidies, but it is also located in Sembawang where prices are low.

Many recent launches from the past one to two years have also made repeat appearances on this list. These include Normanton Park and Parc Central Residences, which launched last quarter, and Treasure at Tampines, which has been consistently selling well since its launch in 2019.

Hyll on Holland in District 10 also managed to move 87 units this quarter after developers decided to lower their prices.



Normanton Park



One-North Eden



The Florence Residences



Midwood



Parc Central Residences



Avenue South Residence



Hyll on Holland

Rising Stars: Condos and Districts to Watch Out for



District 27

Sembawang, Yishun

This quarter, Provence Residences (a newly launched executive condo in District 27) was the second best-selling project. Given that we expect two new launches in the coming months—The WaterGardens @ Canberra and The Commodore at Canberra—the hype is likely to continue.

District 18

Tampines, Pasir Ris

District 18 (Tampines, Pasir Ris) has already seen strong, consistent demand for Treasure at Tampines for the past few quarters. With the integrated development Pasir Ris 8 launching soon, we can only expect more buzz. This district is particularly popular with HDB upgraders who enjoy living in the East.



District 9, 10 and 11

Core Central Region

Aside from the suburbs, the prime downtown areas are expected to see increased activity too. We anticipate quite a few new projects in Districts 9, 10 and 11: there's Klimt Cairnhill (the former Cairnhill Mansion), Perfect Ten (the former City Towers) and Peak Residence (the former Peak Court). All three are on hot en bloc sites.

Conclusion

Singapore is battling a second wave of COVID-19 infections, with the number of daily community cases reaching new highs.

The first round of Phase 2 (Heightened Alert) measures was relaxed in mid-June when there were encouraging signs of recovery, but new clusters soon formed. Shortly after, on 22 July, the nation rolled back into the 'soft lockdown'.

The second round of Phase 2 (Heightened Alert) is expected to continue until 18 August. Choosing to err on the side of caution, several developers have already decided to postpone their launch-ready projects. No doubt, they will be keeping a close eye on the performance of other projects that are proceeding to launch as planned.

That said, if the country manages to overcome this wave of COVID-19 infection and successfully lift the Phase 2 (Heightened Alert) measures in August as planned, the upcoming quarter will likely see a spike in activity.

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Developers are likely to launch at their next available opportunity and may compete to be among the first to enter the market to catch that possible burst of pent-up demand.”

Dr. Tan Tee Khoon

Country Manager - Singapore
PropertyGuru

If history is anything to go by, buyers will be unfazed by this, and proceed with their property plans. This is in line with the country's strategy of managing COVID-19 as an endemic, whereby the nation learns to live with the virus, instead of trying to eliminate it.

The Government is currently focusing on increasing vaccination rates to induce herd immunity. We are on track to reaching our goal of having two-thirds of the population vaccinated by National Day 2021, with about 80% of the population expected to be fully vaccinated by September.

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

Launched in 2007, [PropertyGuru.com.sg](https://www.propertyguru.com.sg) continues to be the No.1 property marketplace in Singapore. With currently more than 5 million monthly visits* and 75%** market share, PropertyGuru is the preferred destination for property seekers to find, finance and own their dream home.

[PropertyGuru.com.sg](https://www.propertyguru.com.sg) transformed the way Singaporeans find homes by taking property online and has since been helping them make confident property decisions. In 2020, PropertyGuru launched mortgage marketplace [PropertyGuru Finance](https://www.propertyguru.com.sg/finance) offering the best loans and home advisory services to Singaporeans.

For more information about PropertyGuru, please visit [PropertyGuru.com.sg](https://www.propertyguru.com.sg) and [PropertyGuruGroup.com](https://www.propertygurugroup.com), or our social media pages on [Facebook](https://www.facebook.com/propertyguru), [Instagram](https://www.instagram.com/propertyguru), [Twitter](https://www.twitter.com/propertyguru), [YouTube](https://www.youtube.com/propertyguru) and [LinkedIn](https://www.linkedin.com/company/propertyguru).

About PropertyGuru Group

[PropertyGuru Group](https://www.propertygurugroup.com) is Southeast Asia's leading property technology company and the preferred destination for 37 million property seekers to find their dream home, every month. PropertyGuru and its group companies empower property seekers with more than 2.8 million real estate listings, in-depth insights, and solutions that enable them to make confident property decisions across Singapore, Malaysia, Thailand, Indonesia, and Vietnam.

[PropertyGuru.com.sg](https://www.propertyguru.com.sg) was launched in 2007 and has helped to drive the Singapore property market online and has made property search transparent for the property seeker. Over the decade, the Group has grown into a high-growth technology company with a robust portfolio of leading property portals across its core markets; award-winning mobile apps; a high-quality developer sales enablement platform, [FastKey](https://www.propertyguru.com.sg/fastkey); mortgage marketplace [PropertyGuru Finance](https://www.propertyguru.com.sg/finance); and a host of other property offerings including [Awards](https://www.propertyguru.com.sg/awards), events and publications across Asia.

For more information, please visit
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*Source – Google Analytics data, Oct – Dec 2020

**Source – SimilarWeb - Relative Engagement Market Share, average of Oct - Dec 2020

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With Thanks

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