



PropertyGuru



# Singapore Property Market Index

Q2 2020

## Country Manager's Note

Whilst it may be hard to believe in this current landscape, 2020 started on a very bright note for the Singapore property market.

With interest rates back to new lows after three rate cuts by the US Federal Reserve, and an exuberant 2019 market that witnessed over 10,000 new home sales, amidst low unemployment rates, property market watchers were expecting 2020 to be a year of clear skies and sunny days.

Unexpectedly, the black swan event, COVID-19, surprised the world, and soon began to spread globally. By early February, the first locally transmitted cases emerged on our Singapore shores.

With increasing COVID-19 cases and preventative measures, such as the 'circuit breaker' being implemented by the government, the preceding 2 months turned market sentiments and all previous market forecasts on their head.

The quarter-on-quarter (QoQ) down trend in median per square feet (psf) asking prices can be attributed to deterioration of market sentiments due to the worsening of COVID-19, but interestingly, amidst this challenging period, growth can still be found among a few districts.

There are also some cues from the past that may indicate how we will react and move forward in the aftermath. Fortunately, history paints a promising



**The general population and global investors trust the Singapore government's capability to steer the economy skilfully out of these choppy waters.**



picture about the resilience of the Singapore property market and its ability to weather a global crisis.

No doubt consumers will be broadly affected by a prolonged 'circuit breaker period', but those who have managed to preserve their financial strength may find a very conducive market awaiting them in the recovery period. Prices and interest rates will be low, and developers and banks more competitive.

Furthermore, the general population and global investors trust the Singapore government's capability to steer the economy skilfully out of these choppy waters, given their track record over the last half a century. With all guns blazing and multiple policy tools at their disposal, it is not difficult to imagine how minor adjustments to any of the current measures, at an appropriate time, can unleash a wave of property loving investors back into the ring.



**Price Index**  
109.6 (Down 1.1%)



**Supply Index**  
110,710 (Up 41.6%)



**Median Asking Price**  
\$1,549 psf  
(Down 1.1%)

# Contents

- 1 Executive Summary
- 2 Get The GuruView
- 3 Price Index Overview
- 4 Supply Index Overview
- 5 District Roundup
- 6 Quarterly Insights
- 7 The Stars Of This Quarter
- 8 District Watch
- 9 Conclusion
- 10 About This Report
- 11 Methodology
- 12 About PropertyGuru Group



**Dr. Tan Tee Khoon**  
Country Manager - Singapore  
PropertyGuru

# Executive Summary

The PropertyGuru Singapore Property Market Index (PMI) Q2 2020 examines key data points that summed up the first quarter of the year and projects trends that are unfolding as we continue into Q2, 2020.

For a third successive quarter, The PropertyGuru Singapore Property Price Index (SPPI)<sup>1</sup>, which tracks asking prices in the non-landed private residential market, has continued to exhibit a slight downward trend.

The QoQ downtrend in median psf asking prices reflects a deterioration of market sentiments due to COVID-19, the

worsening situation globally and the economic impact of the circuit breaker in Singapore.

Interestingly, amidst these challenging times, growth can be found in a few districts.

This report elaborates on the aforementioned trends in further detail, with the spotlight shone on the best and worst performing districts. Furthermore, it will highlight the new launches that are likely to continue to outperform the general market due to their exceptional attributes.



<sup>1</sup> The SPPI is indexed using Q4 2016 as the Base Quarter. The index was previously (2019) computed using Q1 2015 as the Base Quarter.



- Asking prices in the non-landed private residential sector continue to see softening as prices trend downward for a third successive quarter. The significantly higher number of listings found on PropertyGuru this quarter signals higher downside price pressure and is likely to continue for another quarter, as Q2 2020 bears the brunt of at least two months of circuit breakers.
- Six of the top ten best-selling uncompleted condominiums in the quarter were launched prior to 2019. Developments within a leisurely 10-minute walk to MRT stations continue to be in high demand, with six out of 10 projects embodying this attribute.
- Buyers preference for larger scale developments can also be observed as seven out of 10 projects exceed a thousand units per development. Moving forward, developers are likely to have an increased risk tolerance for larger plots of land as it is proven that demand is healthy and present.
- The top five performing districts from the first quarter are made up of 3 Outside Central Region (OCR) and 2 Rest of Central Region (RCR) districts, while the bottom 5 performing districts consists of 3 from the Core Central Region (CCR) and 2 from the Outside Central Region (OCR) district. This is in line with historical trends of the Asian and Global Financial Crisis where the Core Central Region (CCR) districts typically contracted the most.

# Price Index Overview

Prices weaken on the back of subdued market confidence and lowered GDP forecasts

The SPPI, which tracks asking prices in the non-landed private residential market, fell marginally by 1.1% to 109.6 QoQ<sup>3</sup>.

In the same quarter, the Urban Redevelopment Authority (URA) price index for private non-landed homes excluding Executive Condominiums (ECs) recorded a 1% decline that can be attributed to lower consumer confidence on the back of weakened GDP forecasts for the year.

Districts in the CCR appear to be leading the correction in prices, a trend that was observed in past crises, while districts in the OCR have remained mostly resilient or bucked the trend.

The limited impact on property prices as of end March 2020 can be attributed

to sound fundamentals and quiet confidence across the general population in how the Singapore government is managing the COVID-19 situation.

Developers are generally holding firm on asking prices in this early stage - they are mostly well-capitalised and have sufficient runway to observe the market situation before their five-year time frame to sell off all inventory is up.

At this stage, the broader market has also not felt the brunt of the economic impact as government stimulus packages help stem the bleeding at all levels of society.

However, despite the stimulus, money velocity remains low. It is likely that we will witness sharper corrections in Q2 2020 as certain gaps in the market place cannot be filled by rescue packages.

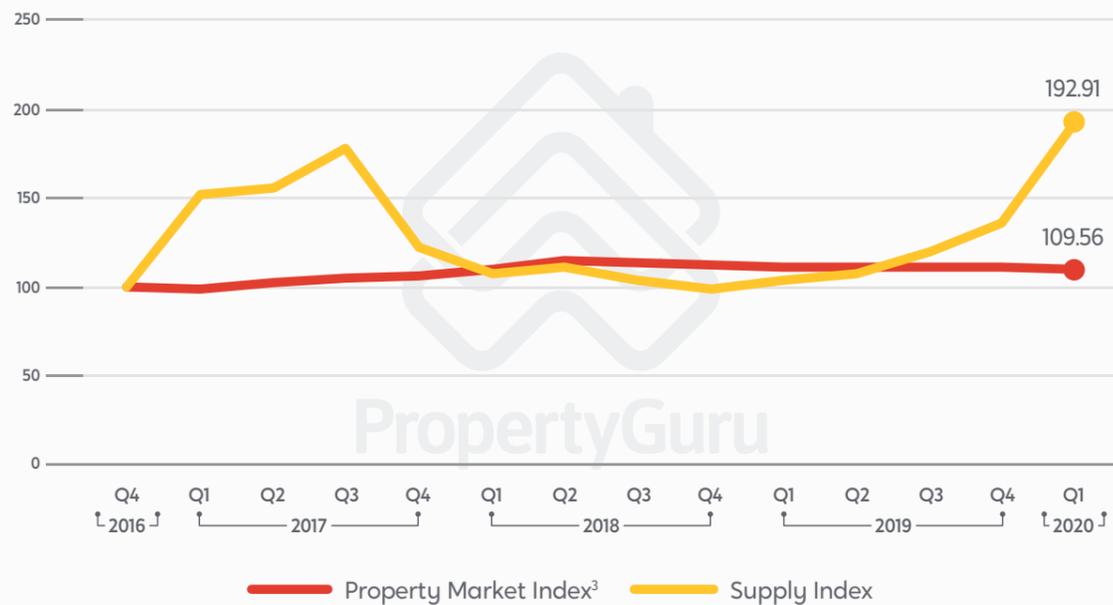


## Property Terms Explained "Sub-sale"

The URA defines a sub-sale as "the sale of a unit by one who has signed an agreement to purchase the unit from a developer or a subsequent purchaser before the issuance of the Certificate of Statutory Completion and the Subsidiary Strata Certificates of Title or the Certificates of Title for all the units in the development".

More simply, a sub-sale is the secondary sale of a unit before it is completed.

## QoQ Property Market Index & Supply Index



Source: PropertyGuru

# Supply Index Overview

The PropertyGuru Singapore Property Supply Index (SPSI), which tracks the number of non-landed private residential listings posted on PropertyGuru, recorded a gain of 41.6% from 136.2 in Q4 2019 to 192.9 in Q1 2020.

Meanwhile, Q1 2020 URA statistics indicated a 5.4% vacancy rate of completed private residential units, a 0.8% reduction from the previous quarter and a seven-year low since 2013.

A 2.5% reduction in the number of planned and under construction private residential units in the pipeline supports the observation that resale and sub-sale units newly placed on the market are the main contributors to the growth of listings in the past quarter (as opposed to newly launched, uncompleted units).

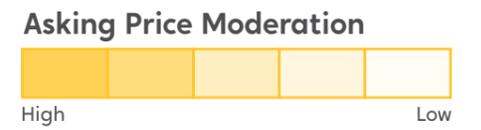
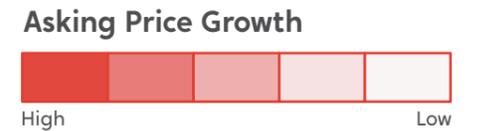
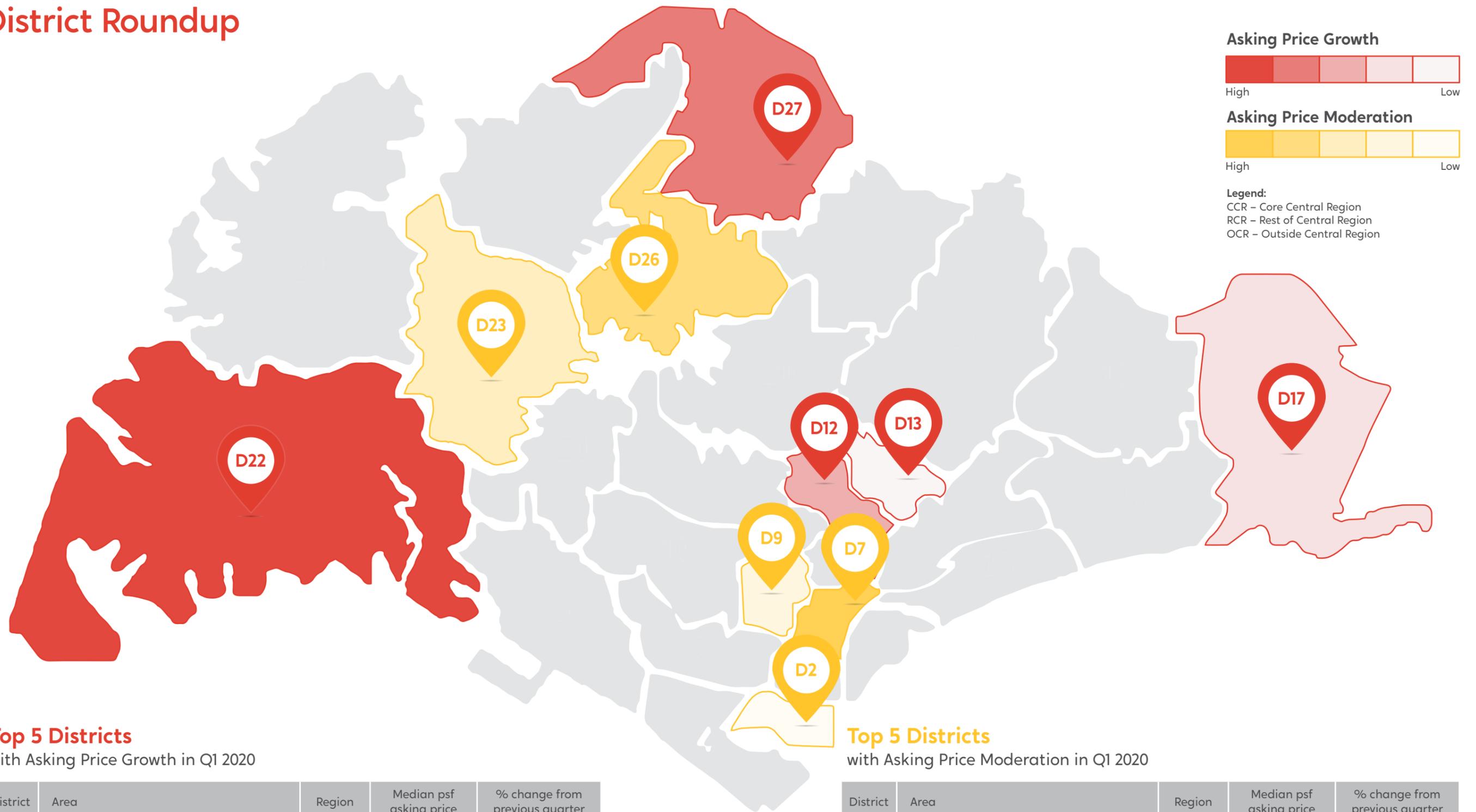


Sub-sale units newly placed on the market are the main contributors to the growth of listings in the past quarter.



<sup>3</sup> In figures, the median finalised per square foot (psf) asking price for non-landed private residential property is \$1,549 for Q1 2020, taken from across the 28 postal districts in Singapore. In subsequent analysis we have omitted two postal districts - 6 and 24 - as they have either fewer than the number of listings required (a share of 0.1% or more of total) and/or too few projects listed (less than three)

# District Roundup



**Legend:**  
 CCR – Core Central Region  
 RCR – Rest of Central Region  
 OCR – Outside Central Region

## Top 5 Districts

with Asking Price Growth in Q1 2020

| District | Area                      | Region | Median psf asking price | % change from previous quarter |
|----------|---------------------------|--------|-------------------------|--------------------------------|
| 22       | Jurong / Boon Lay         | OCR    | \$1,427                 | ▲ +6.41%                       |
| 27       | Sembawang / Yishun        | OCR    | \$1,040                 | ▲ +6.01%                       |
| 12       | Balestier / Toa Payoh     | RCR    | \$1,571                 | ▲ +1.49%                       |
| 17       | Changi / Loyang           | OCR    | \$992                   | ▲ +1.33%                       |
| 13       | Macpherson / Potong Pasir | RCR    | \$1,615                 | ▲ +1.25%                       |

## Top 5 Districts

with Asking Price Moderation in Q1 2020

| District | Area                                     | Region | Median psf asking price | % change from previous quarter |
|----------|--|--------|-------------------------|--------------------------------|
| 7        | Bugis / Rochor / Beach Road              | CCR    | \$2,298                 | ▼ -12.36%                      |
| 26       | Upper Thomson / Mandai                   | OCR    | \$1,098                 | ▼ -8.58%                       |
| 23       | Hillview / Bukit Panjang / Choa Chu Kang | OCR    | \$1,214                 | ▼ -2.8%                        |
| 9        | Orchard / River Valley                   | CCR    | \$2,563                 | ▼ -2.29%                       |
| 2        | Chinatown / Tanjong Pagar                | CCR    | \$2,482                 | ▼ -2.13%                       |

# Quarterly Insights

## Further downward pressures likely but may vary according to micro market trends in each district

The urgency for developers to switch to risk management mode and offer greater discounts will be dependant on how long it takes for the economy to return to a state normalcy. As a result, market trends within individual districts of the region may vary dependent on the number of new unsold supply overhang, or vis a vis - the lack thereof.

Although sentiments point to an overall correction in the property market, PropertyGuru believes that the correction will not be excessive given the robustness of Singaporean households' and developers' balance sheets, and the systemic safeguards that have been put in place via prudent Total Debt Servicing Ratio (TDSR) and Loan-to-Value (LTV) measures over the years.

According to SingStats Yearbook of Statistics 2019, the growth in liquid assets among Singaporean and PR households has outpaced the growth in liabilities. This indicates greater financial resilience of the masses to withstand any short term shocks to the property market.

The eventual decrease in COVID-19 cases and subsequent resumption of the economy should see pent-up demand fuelled by the record high number of HDB Minimum Occupancy Period (MOP) flats upgraders and investors returning to the market with a vengeance; both to take advantage of lower interest rates and to position themselves well for the next bull run.



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## Upgraders with 'dry powder' to start prowling for larger homes in better neighbourhoods

Inadvertently, there will be business owners and investors caught in this storm and forced to liquidate their portfolios as a means to stay afloat.

Agents whom PropertyGuru's Research Team spoke to, indicate that many have received interest from their existing clients to scout for 'good deals' as the situation unfolds. Many are willing to enter the market if they were offered a deal with good risk premiums, and hold through the recovery, as they have seen how property prices have rebounded back consistently in the past.

Further, with interest rates easing at unprecedented levels, the demand for good physical assets with regularity of income will ultimately prevail when the dust settles.

Larger homes, such as three and four-bedroom apartments, penthouses and landed properties, are preferred by this group of ready buyers.

Projects that are completed or nearing Temporary Occupation Permit (TOP) are also expected to be of interest to buyers, as developers with nearer Additional Buyer's Stamp Duty (ABSD) and Qualifying Certificate (QC) deadlines may resort to discounts to lower risks to their balance sheets.



Agents we spoke to indicate that clients are interested in scouting good deals as the situation unfolds. Many are willing to enter the market if they were offered a deal with good risk premiums, and hold through the recovery, as they have seen how property prices have rebounded back consistently in the past.

- Dr. Tan Tee Khoon  
Country Manager - Singapore, PropertyGuru



### Sustainable Homes of the Future

The recent findings from the PropertyGuru Consumer Sentiment Study H1 2020<sup>4</sup> revealed that Singaporeans are becoming increasingly aware of the pressing need to be environmentally conscious and sustainable across all areas of life, opening-up to the idea of introducing eco-friendly features into their homes.

58% of Singaporeans say they are willing to pay a premium for an environmentally sustainable home.

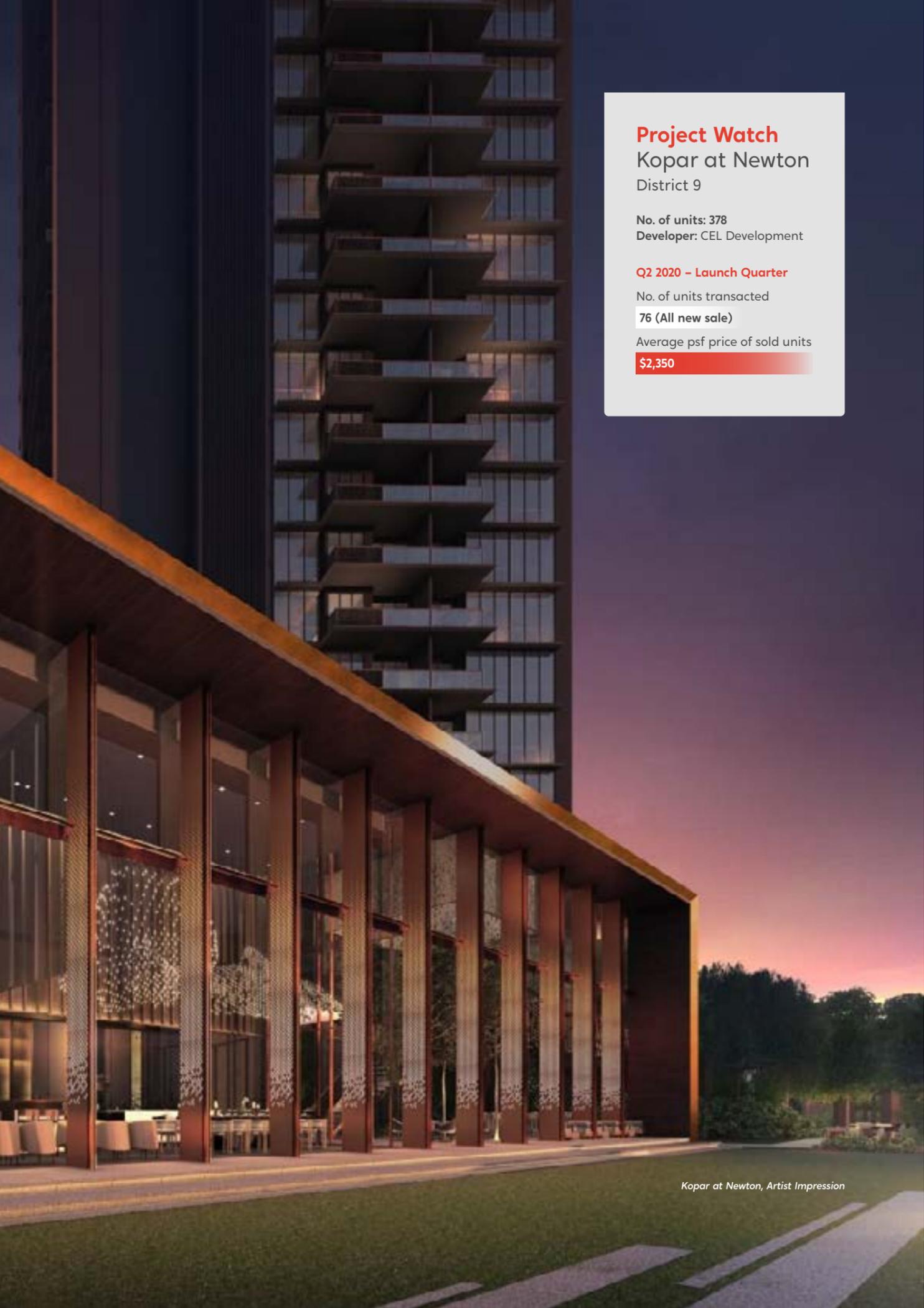
The findings also showed that solar panels (73%), smart cooling features (68%) and water recycling system (36%) were the top 3 sustainability features that Singaporeans want to have.

Artist Impression. Source: HDB - Tengah's town centre.



Artist Impression. Source: HDB - Tengah's town centre.

<sup>4</sup> Conducted half-yearly since 2009, PropertyGuru's Consumer Sentiment Study measures property sentiments and expectations around the property market to help consumers, property agents and developers gain a better perspective of the local property market. The most recent study was conducted between December 2019 and January 2020 and saw 985 respondents in Singapore.



**Project Watch**  
Kopar at Newton  
District 9

No. of units: 378  
Developer: CEL Development

**Q2 2020 – Launch Quarter**

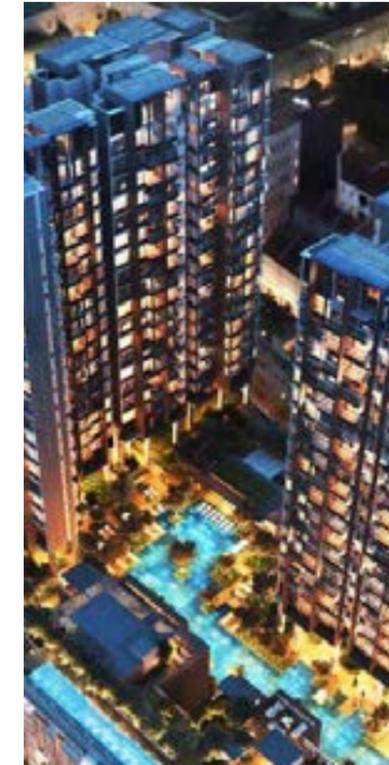
No. of units transacted  
**76 (All new sale)**

Average psf price of sold units  
**\$2,350**

Kopar at Newton, Artist Impression

## The Stars Of This Quarter

Despite the situation so far, PropertyGuru has observed that the projects which are continuing to sell at a reasonable per square feet price, have a large number of units per development and are located within a leisurely 10-minute walk to the nearest MRT.



### Buyers favour large developments with great accessibility to transportation hubs

| Ranking by units sold | Project name            | Total Units | Units sold in Q1 2020 | Launched | More than 50% sold? |
|-----------------------|-------------------------|-------------|-----------------------|----------|---------------------|
| 1                     | The M                   | 522         | 389                   | Q1 2020  | Yes                 |
| 2                     | Treasure At Tampines    | 2203        | 216                   | Q2 2019  | No                  |
| 3                     | Jadescape               | 1206        | 174                   | Q3 2018  | Yes                 |
| 4                     | Parc Esta               | 1399        | 159                   | Q4 2018  | Yes                 |
| 5                     | Parc Clematis           | 1468        | 93                    | Q3 2019  | No                  |
| 6                     | Parc Botannia           | 735         | 72                    | Q4 2017  | Yes                 |
| 7                     | The Florence Residences | 1410        | 59                    | Q3 2019  | No                  |
| 8                     | Riverfront Residences   | 1472        | 52                    | Q2 2018  | Yes                 |
| 9                     | Affinity At Serangoon   | 1012        | 45                    | Q2 2018  | Yes                 |
| 10                    | Whistler Grand          | 716         | 45                    | Q4 2018  | Yes                 |

Notably, six of the top 10 best-selling projects were launched before 2019 and similarly, six in 10 are within 10-minute walk from the nearest MRT station.

The recent findings from the PropertyGuru Consumer Sentiment Study H1 2020<sup>5</sup> revealed that aside from price, the distance to an MRT station and nearby amenities plays a significant largest factor in determining the interest of Singaporeans for a project launch.

The increasingly larger development sizes taken on by developers have seen

good acceptance and take up rates across local and foreign buyers thus far. Out of the 10 top selling projects, seven crossed the 1000 units per development mark.

This trend may ultimately empower developers to take on larger projects if Additional Buyer's Stamp Duty (ABSD) and Qualifying Certificate (QC) deadlines were to be pro-rated by the authorities according to the number of units being developed.

<sup>5</sup> Conducted half-yearly since 2009, PropertyGuru's Consumer Sentiment Study measures property sentiments and expectations around the property market to help consumers, property agents and developers gain a better perspective of the local property market. The most recent study was conducted between December 2019 and January 2020 and saw 985 respondents in Singapore.

# District Watch



## District 9

Orchard / River Valley

|                                    |          |
|------------------------------------|----------|
| QoQ Supply Index Change            | ▲ +42.6% |
| QoQ Median psf Asking Price Change | ▼ -2.3%  |
| Median psf Asking Price            | \$2,563  |

Prices in District 9, part of the CCR, have declined by 2.3% QoQ to \$2563 psf amidst uncertain market conditions and particularly with the onslaught of several project launches in the neighbourhood since late 2019.

Recent launches in Q1 2020 such as Kopar at Newton and The Avenir have seen a healthy take up rate with the former in particular, launching near to the circuit breaker commencement and still performing at a healthy sell-through rate of 76 units at the time of this report. This can be attributed to the reasonable price that developer, CEL Development, had decided to launch at.

The resulting PropertyGuru Supply Index increased from 106.7 to 139.3 or a jump of 42.6%.

With District 9 being the evergreen crown jewel of Singapore, and the likelihood of increasingly attractive deals surfacing soon, we can expect buyers to return enthusiastically if the situation improves during H2 2020.



## District 21

Clemeni Park / Upper Bukit Timah

|                                    |          |
|------------------------------------|----------|
| QoQ Supply Index Change            | ▲ +23.7% |
| QoQ Median psf Asking Price Change | ▼ -0.2%  |
| Median psf Asking Price            | \$1,641  |

Prices in District 21, part of the RCR and consisting of Upper Bukit Timah, Clementi Park and Ulu Pandan, declined a marginal 0.2% QoQ, whilst the PropertyGuru Supply Index increased by 23.7%.

Listings count increased in the last quarter while prices corrected from \$1644 psf to \$1641 psf.

The marginal price decline can be attributed to the popularity of this neighbourhood with its numerous highly regarded schools, accessibility to town and suburban amenities, along with the gazetted 2019 URA Masterplan to develop this neighbourhood.

Exciting plans from an integrated transportation hub at Beauty World, conservation and greening efforts to develop the area should inject renewed vibrancy into this highly sought after neighbourhood.



## District 23

Dairy Farm/ Bukit Panjang / Choa Chu Kang

|                                    |         |
|------------------------------------|---------|
| QoQ Supply Index Change            | ▲ +54%  |
| QoQ Median psf Asking Price Change | ▼ -2.8% |
| Median psf Asking Price            | \$1,214 |

Prices in District 23 declined by 2.8% with median asking prices reaching \$1214 psf. The PropertyGuru Supply Index for District 21 highlighted a 54% increase QoQ.

The price decline can be attributed to the new supply from 'Mont Botanik', 'Dairy Farm Residences' and 'Midwood', on top of remaining units that came onto market from 'Le Quest' which achieved its TOP in March 2020.

However, PropertyGuru notes that with almost 4,900 HDB flat owners in Choa Chu Kang and Bukit Panjang reaching their MOP in 2020, and another 2,500 owners in 2021, it is likely that the sell-through rate of private homes in District 23 will increase substantially if circuit breaker eases by Q3 2020<sup>6</sup>.

<sup>6</sup> Figures sourced from Housing & Development Board (HDB)



## Review of the Impact of COVID-19 On The Real Estate Market

With real estate sales falling under non-essential services, many stakeholders in the industry are undergoing an income crunch, along with the majority of other industries.

jump on the bandwagon of attending off-site digital viewings and commit to purchases without the usual physical inspection of a showflat or ready properties.

The extension of the circuit breaker from four weeks to eight weeks has witnessed an increase in real estate stakeholders turning to digital means such as video consultations, digital signing of sales and purchase agreements, and collection of deposits through i-banking to minimise the disruptions to the sales process.

“ We have seen many property seekers effectively utilise e-solutions, such as virtual tours, to enable them to make informed property decisions during the circuit breaker period. ”

Perhaps an unintended gift of the virus is the acceleration of the Real Estate Transformation Roadmap as advocated by the Ministry of National Development.

Although sales of new and resale homes have so far been lacklustre during the circuit breaker period, it is feasible that the past month's re-adjustments to everyday life has rightfully taken priority over scouting for properties.

The second half of circuit breaker will show whether consumers are willing to



## Conclusion

With the current wave of COVID-19 cases seemingly declining in the general population globally, hopes are high that the resumption of normalcy in life will bring about the surge in transaction activities post circuit breaker and put economic activity back on track locally.

The record number of MOP flats that have started entering the supply stream since 2019, and are expected to carry on till 2022, will see many upgraders in the HDB segment. Many among them will seize their chance to cash out and move on to a private property, as arbitrage opportunities offer them greater capital growth potential in the next cycle.

Well-capitalised investors should start scouting and bottom picking in the second quarter of 2020 when sentiments that 'the worst is over' start emerging from news reports and the government on declining COVID-19 cases.

The standstill in the construction industry compounded by the stay home notices for over 180,000 foreign workers related to the same sector will see TOP completions

and renovations being delayed, hence, improving vacancy rates and adding resilience to the rental market.

Although the likelihood of a 'V shaped' recovery is low, due to global trade weakness and lockdowns that might extend through the year, the persistently low interest rate environment and unprecedented levels of quantitative easing should see the overall real estate market benefiting from the liquidity.

In conclusion, by and large, the general population and global investors trust the Singapore government's capability to steer the economy skillfully out of these choppy waters, given their track records in the last half a century.

With all guns blazing and multiple policy tools at their disposal, even with a sluggish macro-economic environment to come, it is not difficult to imagine how minor adjustments to any of the current measures, at an appropriate time, can unleash a wave of property loving investors back into the ring.

## About This Report

**B**uying 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

**U**sing 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

PropertyGuru.com.sg was launched in 2007. It revolutionised the Singapore property market by taking it online and making property search transparent for everyone. For the past 13 years, PropertyGuru.com.sg has been helping property seekers in Singapore make confident property decisions. With over 5.5 million monthly visits\* and 75%\*\* consumer market share, PropertyGuru is the No.1 destination for Singapore homeseekers.

It is part of PropertyGuru Group, Southeast Asia's leading property technology company and the preferred destination for over 20 million property seekers to find their desired home, every month. PropertyGuru Group of companies empower property seekers with the widest option of over 2 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 comprising: leading property portals across its core markets; award-winning mobile apps; a SaaS-based sales automation solution, 'PropertyGuru FastKey', which is used by property developers to enable end-to-end project management from launch to sales conversion; one of the largest property awards business in the region, 'PropertyGuru Asia Property Awards', which sources entries from fourteen markets across Asia.

For more information, please visit [propertyguru.com.sg](https://propertyguru.com.sg); [linkedin.com/company/propertyguru](https://linkedin.com/company/propertyguru)

\*Source - Google Analytics data, Jul-Dec 2019

\*\*Source - SimilarWeb - Relative Engagement Market Share, average of Jul-Dec 2019



## PropertyGuru Group

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### With Thanks

Special thanks to Stuart Chng and Dr. Tan Tee Khoo for their contributions to the Singapore Property Market Index Q2 2020.

### Disclaimer

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