



Singapore Property Market Report

Q1 2022

Powered by PropertyGuru DataSense



PropertyGuru



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Country Manager's Note

Defying an economic recession, 2021 was decidedly a bullish year for the Singapore property sector. Prices and demand for all property types soared (especially in the HDB resale market), and property cooling measures were announced on 15 December 2021. The rental market also took off in these unprecedented times.

Keeping abreast of these changes, we have revamped our Singapore Property Market Report, looking at sales and rental data from all residential property types in Singapore, namely HDB resale flats, condos and apartments, and landed housing. Leveraging proprietary data from listings on PropertyGuru Singapore, we have developed three statistical indices for property sale and rental prices, supply and demand. This is further supplemented by historical transaction data provided by URA and HDB, and crunched by PropertyGuru DataSense, your leading technology partner in the property market. New insights on the top performing districts by rental yield and number of transactions are also provided to give a more complete view of the property sector.

The new Singapore Property Market Report, powered by PropertyGuru DataSense offers a holistic view of the domestic property market. Previously, the PropertyGuru Singapore Property Market Index focused exclusively on sale and supply in the non-landed private property market.

We hope this report will help garner more meaningful insights for everyone in the property market industry.

Q1 2022

 Sale Demand Index
164.78 (-21.58%)

 Sale Price Index
141.48 (5.07%)

 Sale Supply Index
85.48 (-11.47%)

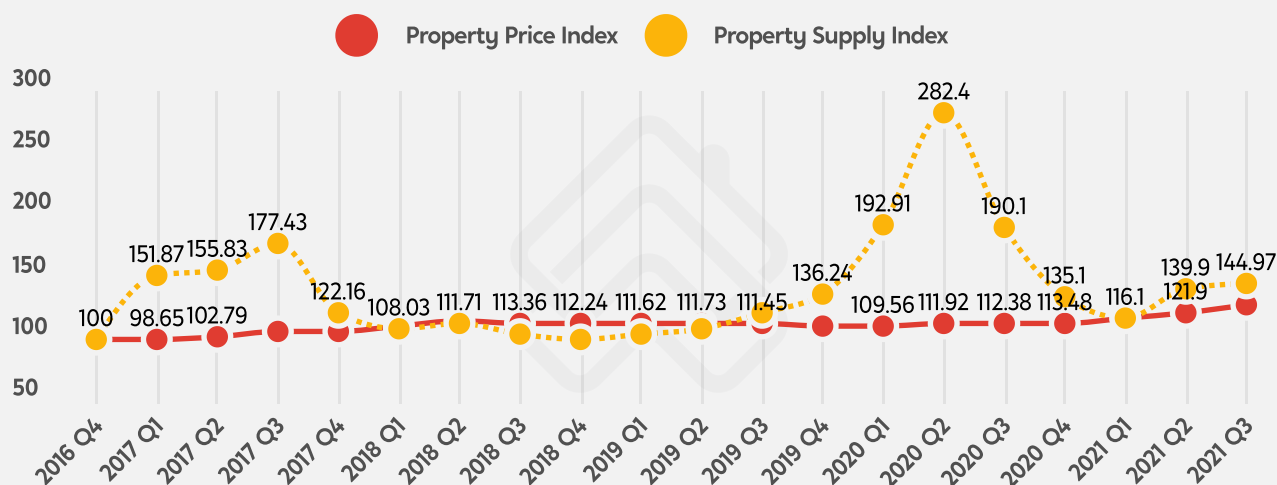
 Rental Demand Index
234.44 (21.50%)

 Rental Price Index
137.40 (3.38%)

 Rental Supply Index
45.28 (-16.21%)

Previous

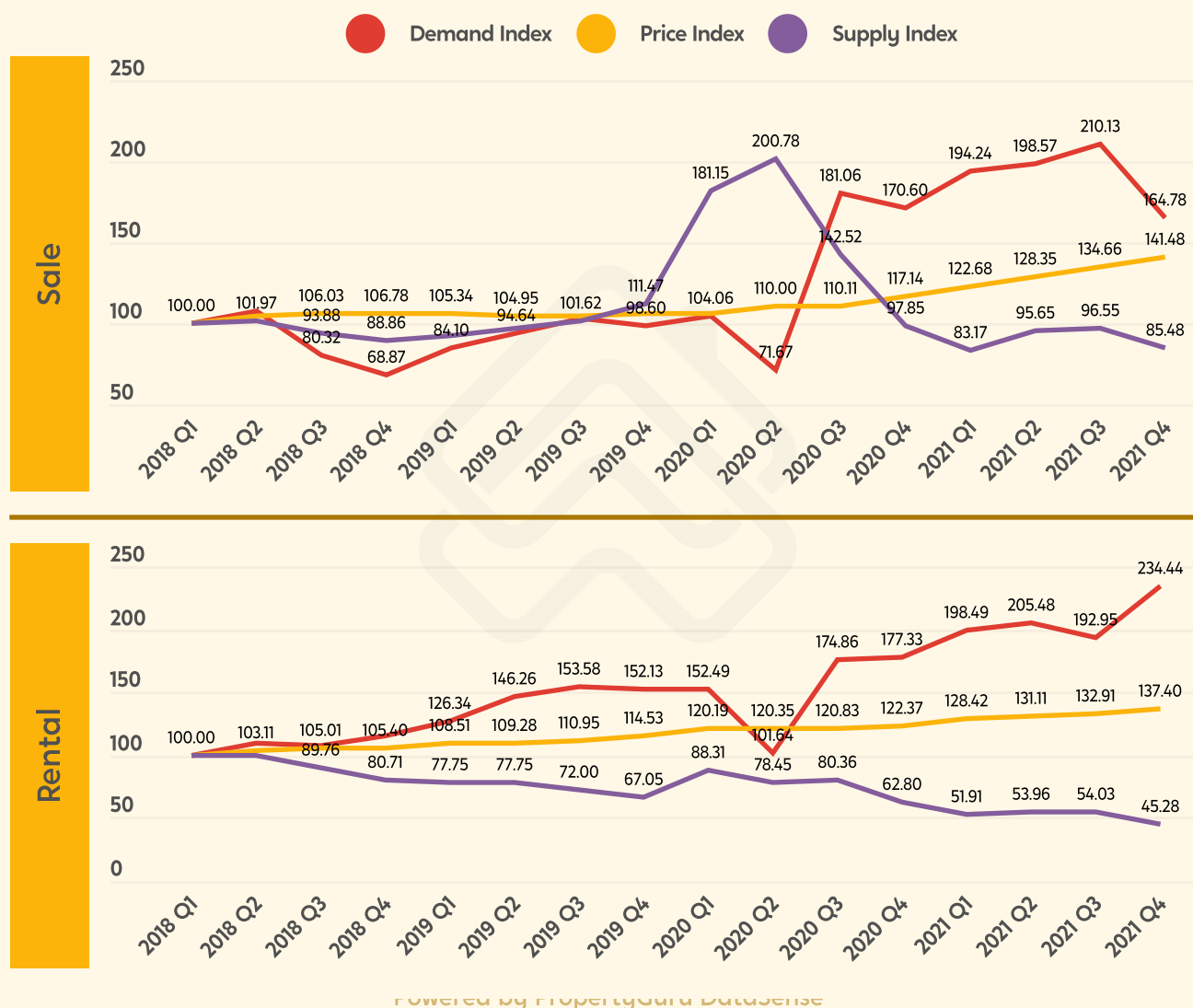
PropertyGuru Singapore Property Market Index Q4 2021



Source: PropertyGuru, URA.

New

Singapore Property Market Report Q1 2022



Note: In addition to the changes in the data set and computation methods used, the indices in the new Singapore Property Market Report use Q1 2018 as the Base Quarter. In previous reports, the indices used Q4 2016 as the Base Quarter.

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Asking prices for HDB resale and rental markets are at a high and on a rising growth trajectory. Particularly, sustained momentum for million-dollar HDB flat transactions is likely.



Despite recent cooling measures, private property sale and rental prices are expected to continue rising in the upcoming quarter.



Interest rates slated to rise in line with US Fed rate hikes. Higher cost of borrowing anticipated in the months ahead.



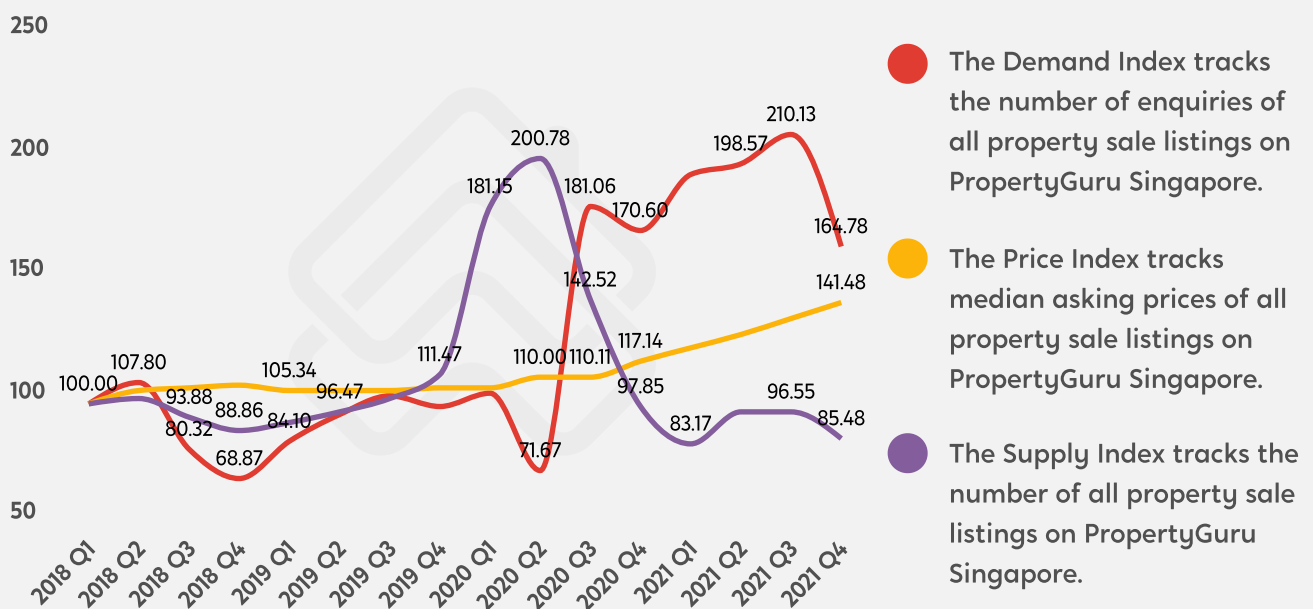
Full impact of December 2021 cooling measures to be felt in H1 2022. Dip in demand for investment properties predicted.



We expect a cool down in the en bloc market as the Government replenishes land supply. Fewer en bloc sales forecasted, and developers likely to favour small to medium sites.

Singapore Property Sale Market Index

Singapore Property Sale Market Index Q1 2022



Since the post-Circuit Breaker release of pent-up demand in Q3 2020, prices for all property types have increased steadily. The Singapore Property Sale Price Index, saw a 5.07% quarter-on-quarter (QoQ) increase.

Despite the surprise announcement of the December 2021 property cooling measures, demand continues to be bullish, especially in the HDB resale market. The HDB Resale Price Index by HDB rose by 3.4% QoQ – the largest growth since Q3 2011. This is primarily due to low supply due to construction delays for both private developments and HDB housing. The Singapore Property Sale Supply Index is at a 3-year low, recording an 11.47% QoQ decrease.

Though a QoQ dip was observed in the Singapore Property Sale Demand Index, this is likely due to the fewer number of listings online. Additionally, the slowdown may have been attributed to December being a traditionally lull period for the property market due to the end-of-year festivities.

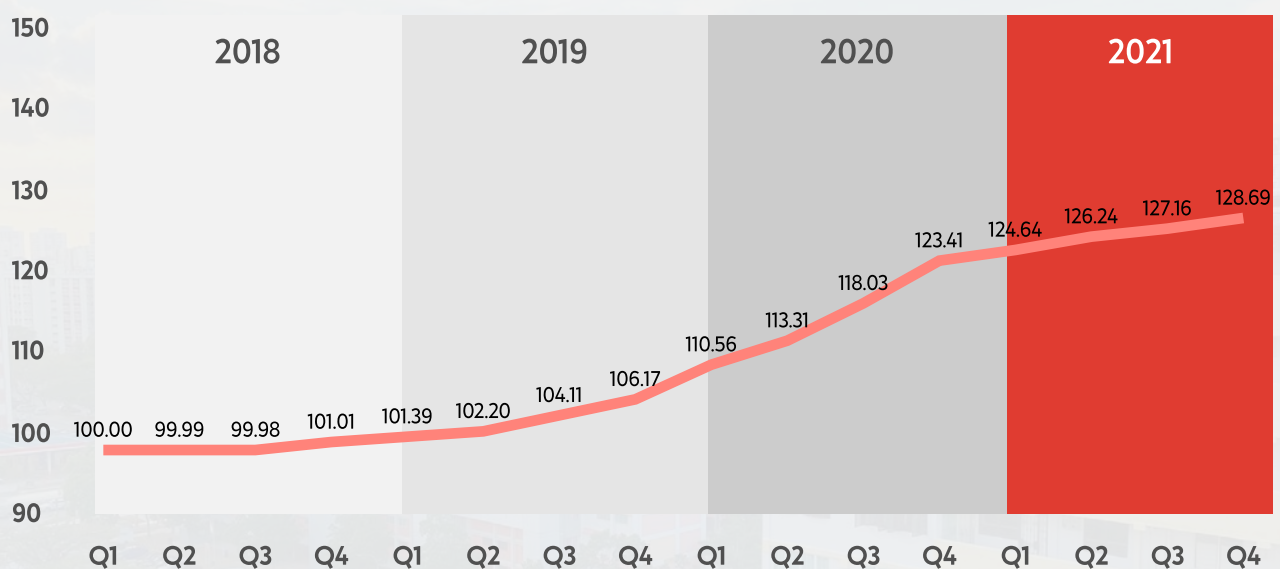
HDB resale flat market remains unscathed despite cooling measures, asking prices grow for 14 straight quarters

Median per square foot (PSF) sale prices for HDB resale flats listed on PropertyGuru Singapore have increased since pre-pandemic times, rising for 14 straight quarters, increasing 1.20% quarter-on-quarter (QoQ) in Q4 2021.

The appetite for HDB resale flats is driven by two groups: HDB upgraders and buyers affected by the Build-to-Order (BTO) flat construction delays. Long completion times have pushed young couples into the resale market. While the Singapore government has announced plans to increase the number of new flats offered, supply is likely only to be fully restored in the next four to five years.

In 2021 and 2022, over 25,000 and 31,000 HDB BTO flats will fulfill their 5-year Minimum Occupation Period (MOP), respectively. Consequently, many HDB upgraders who are flush with cash are now in the market, buying larger HDB flats or entry-level condominium units. As such, we may see another robust year for the HDB resale market, with a high number of million-dollar HDB flat transactions.

Sale Price Index for HDB Resale Flats

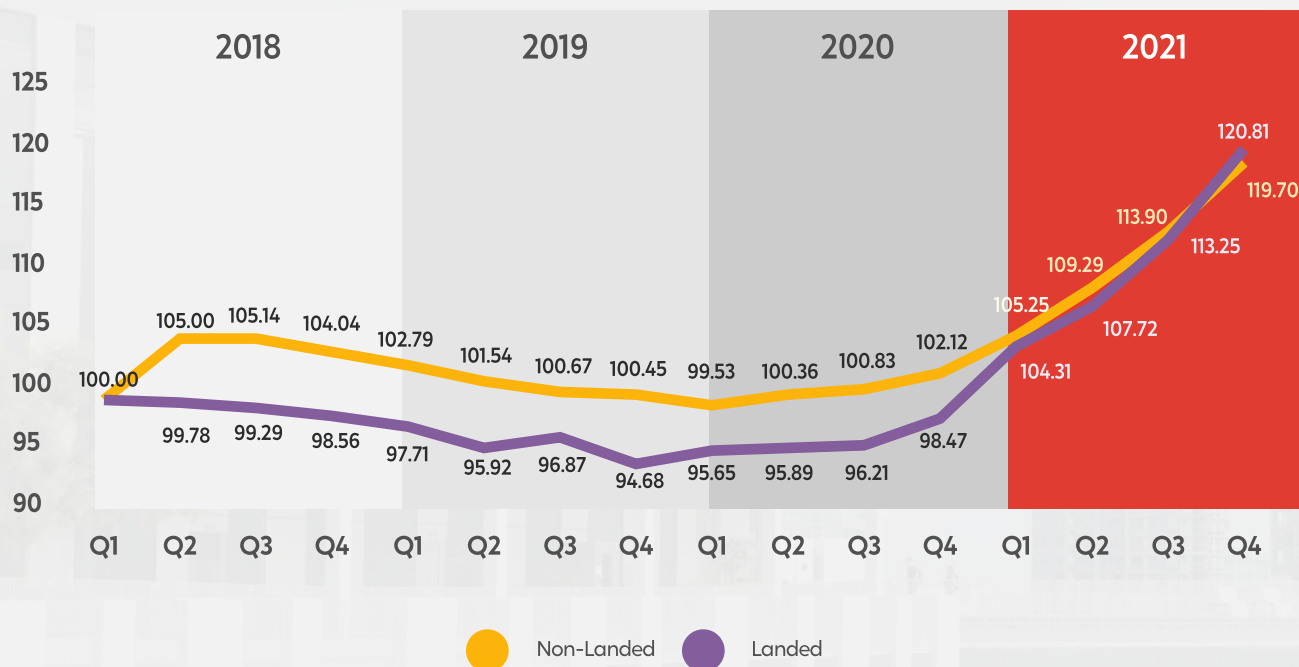


Non-landed and landed private property saw asking prices increasing for seven and eight straight quarters, respectively.

Private property asking prices did not rise as quickly or as much as HDB flats, possibly due to the higher quantum, leaving less room for increase. Still, the growth is significant. Throughout 2021, sustained price growth was seen for non-landed and landed private property, increasing 17.21% and 22.69% year-on-year (YoY), respectively.

Construction delays will likely persist in 2022, though not as hard-hitting as the past year. As supply is restored, a possible slowdown in price growth for the private property market is expected.

Sale Price Index for Private Property



Top Performing Districts and Projects

Top 10 Performing Condo New Launch Projects

	Project Name	Units Sold in Q4 2021	District	Region	
1	Canninghill Piers	573	6	Clarke Quay	RCR
2	Normanton Park	237	5	One North	RCR
3	Dairy Farm Residences	159	23	Bukit Panjang	OCR
4	The Commodore	152	27	Canberra	OCR
5	Parc Greenwich	122	28	Yio Chu Kang	OCR
6	Jervois Mansion	101	10	Bukit Timah	CCR
7	The Florence Residences	84	19	Hougang	OCR
8	Mori	71	14	Geylang	RCR
9	The Avenir	71	9	River Valley	CCR
10	Leedon Green	70	10	Central	CCR

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*Data is accurate based on caveats lodged on URA as of 14 Feb 2022.



Canninghill Piers
District 6
Clarke Quay, RCR

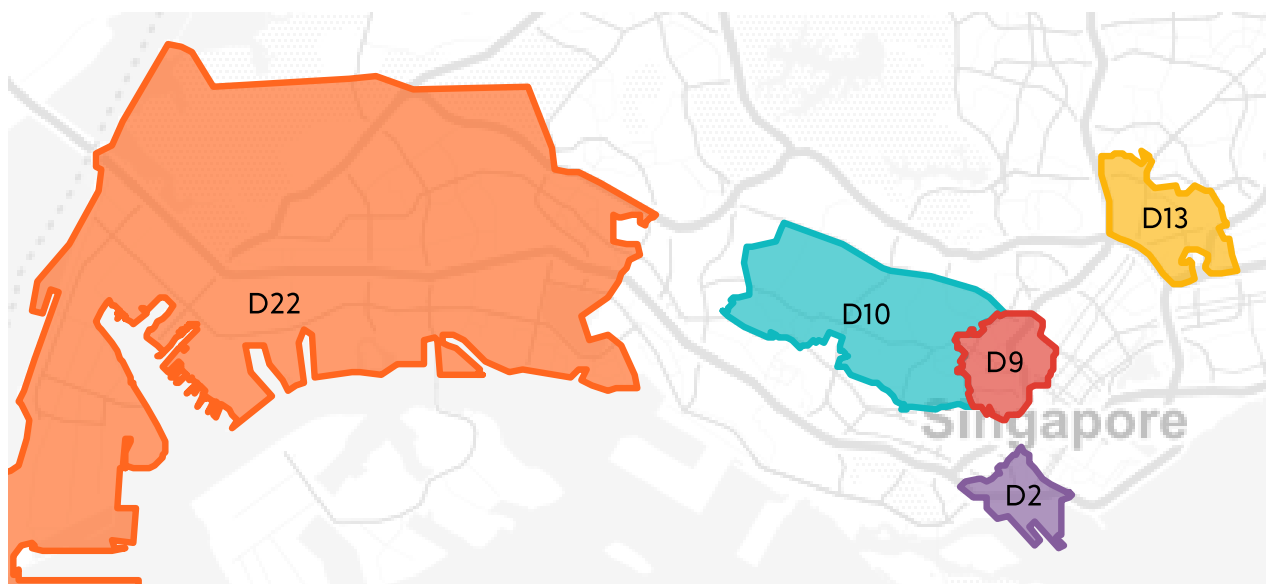


Normanton Park
District 5
One North, RCR



Dairy Farm Residences
District 23
Bukit Panjang, OCR

Top 5 Performing Districts for Private Property



	District Name	Q3 2021 Median PSF	Q4 2021 Median PSF	QoQ growth
1	D9 Orchard/River Valley	\$2,309	\$2,512	8.79%
2	D13 Macpherson/Potong Pasir	\$1,599	\$1,739	8.76%
3	D10 Tanglin/Holland	\$2,309	\$2,481	7.45%
4	D2 Chinatown/Tanjong Pagar	\$2,022	\$2,172	7.42%
5	D22 Boon Lay/Jurong/Tuas	\$1,034.50	\$1,108.50	7.15%

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*Data is accurate based on median transaction prices for private properties in Q4 2021 as of 14 Feb 2022.

Q4 2021 was a good quarter for the prime districts. Prime districts took three of the top five spots for districts that saw the greatest QoQ growth in median PSF transaction prices. New launches in and around the Core Central Region (CCR) generated hype and interest in the area.

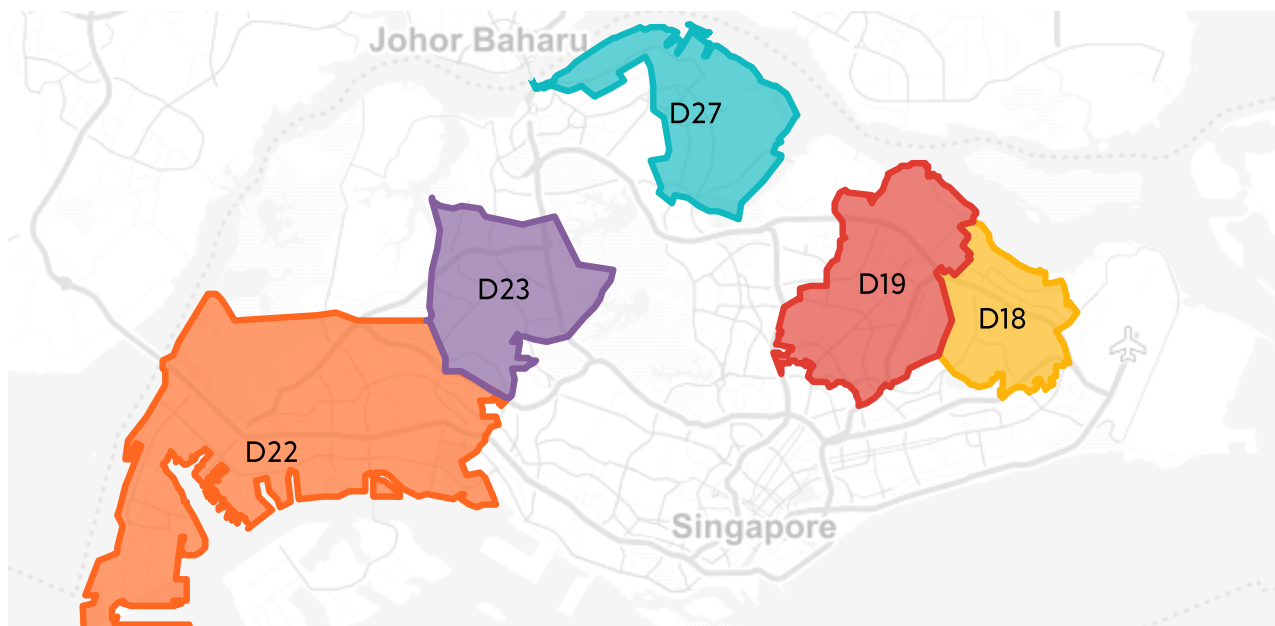
The landed property market saw a moderate but steady increase in prices and demand. 2021 also saw an uptick in Good Class Bungalow (GCB) transactions. Demand for landed property is unlikely to let up as supply remains finite. Not to mention, the property type is seen as a status symbol for most, meaning it is less price-sensitive, and those in the market for landed properties will move to purchase once they find a suitable property.

Top 5 Performing Estates for HDB Resale Flats

	Neighbourhood	Total transactions	Region	District	Median Transacted Price
1	Hougang/Punggol/Sengkang	1,704	OCR	19	\$518,444
2	Bukit Batok/Bukit Panjang	899	OCR	23	\$490,000
3	Pasir Ris/Tampines	809	OCR	18	\$550,000
4	Sembawang/Yishun	682	OCR	27	\$455,000
5	Boon Lay/Jurong/Tuas	506	OCR	22	\$464,000

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*Data is accurate based on number of transactions for HDB resale flats in Q4 2021 as of 14 Feb 2022.



In the past year, we saw million-dollar transactions for HDB resale flats in the Redhill, Queenstown, Clementi, Toa Payoh, and Bishan areas repeatedly make headlines. However, these transactions remain outliers when considering the overall HDB resale market. Not many have the purchasing power to finance the purchase of such expensive flats.

The data shows that most HDB resale flat buyers are looking for more wallet-friendly options, seeking homes in more affordable neighbourhoods. Hougang, Punggol, and Sengkang see much buyers' interest thanks to the large batch of HDB flats that recently fulfilled their MOP.

Districts and Projects to Watch

New launches in the CCR and prime districts remain attractive to those looking to buy an investment property. But this growth may slow down in the upcoming year due to the recent property curbs that heavily target investors.

Some possible new launches for Q1 2022 include:

- The Arden (District 23)
- Royal Hallmark (District 15)
- Liv @ MB (District 15)
- North Gaia EC (District 27)
- Evelyn Newton (District 11)
- Gems Ville Lorong 13 (District 14)
- Atlassia (District 15)
- Sophia Regency (District 14)
- Baywind Residences (District 15)
- Pollen Collection (District 28)



Still, we can expect healthy interest in upcoming Outside Central Region (OCR) and Rest of Central Region (RCR) projects as work-from-home (WFH) and hybrid work models endure. HDB upgraders and those seeking to move into larger units for own-stay will continue to prioritise space over location, and projects further from the city often hit a sweet spot between price and space.

The bumper crop of newly MOP-ed HDB resale flats in Hougang, Punggol, Sengkang, Alexandra, and Commonwealth will probably continue to generate much buzz around these HDB towns in the coming year. The recently introduced Prime Location Public Housing (PLH) model may also divert attention towards city-fringe HDB towns such as Balestier and Toa Payoh.

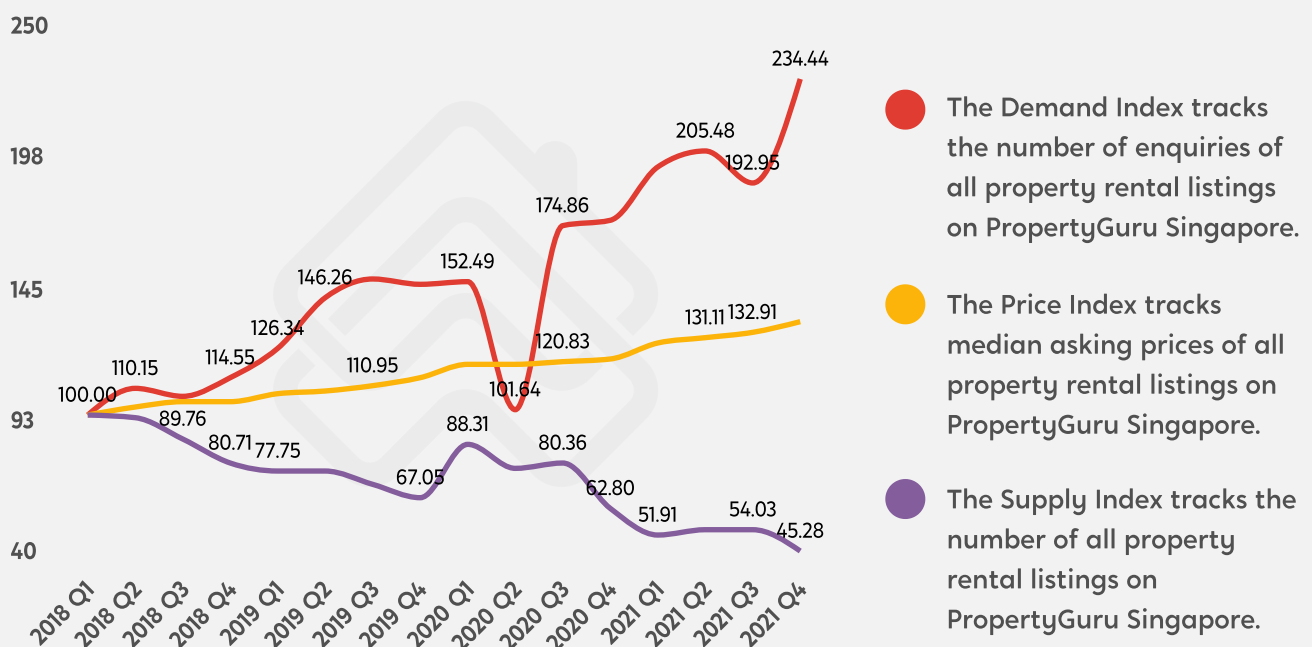
Singapore Property Rental Market Index

The Singapore Property Rental Market Indices trends are similar to that of the Singapore Property Sale Market Index. The Rental Price and Demand Indices show healthy and steady QoQ growth. Both are at a 3-year high. Meanwhile, the Rental Supply Index is at a 3-year low.

Previously, the mass exodus of expatriate workers and the introduction of the Circuit Breaker in Q2 2020 caused a sudden drop in the Singapore Rental Demand Index. Worry for rental markets quickly dissipated as Safety Management Measures eased, and a huge spike in demand was soon registered in the following quarters.

Since then, demand has continued upward, with rental prices following suit. Further driving rental prices up are construction delays in new housing projects, which have resulted in many displaced property seekers in need of short- to medium-term housing.

Singapore Property Rental Market Index Q1 2022



Surge in price and demand for HDB rental market, unlikely to abate until construction delays ease

The HDB rental market has seen explosive growth. The Rental Price Index for HDB flats for Q4 2021 is at 174.34 points, compared to the overall Rental Price Index of 137.40 points.

While many buyers affected by the new housing construction delays decided to purchase HDB resale flats, a large group of others chose to rent while waiting for their homes to be completed. Additionally, there is an increasing trend of single millennials and unmarried couples moving out of their family homes due to insufficient space and privacy. This explains the stiff competition for a dwindling pool of HDB flats for rent.

As renting becomes more commonplace and short-term BTO flat supply remains lacking, the HDB rental market is looking at another red-hot year.

Spike in rental prices for non-landed private property, likely caused by spillover effect from HDB rental market

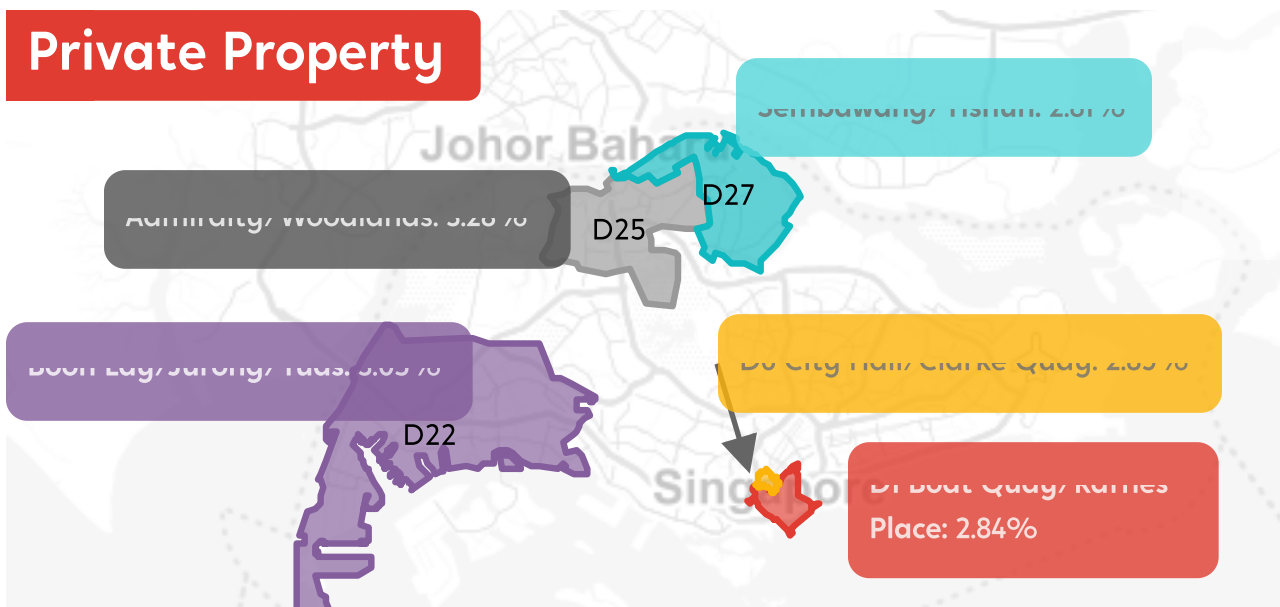
Compared to the HDB rental market, both landed and non-landed private property rental markets saw modest growth. Traditionally, expatriates fuel the bulk of private property market rental demand. Despite figures for foreign labour in Singapore significantly dipping, demand has persisted, and prices have grown alongside demand. All fingers point to locals fuelling the rental market.

Currently, the median listed rental PSF prices for HDB flats in Q4 2021 is \$4.33, compared to \$4.98 for non-landed private property. Since the start of the pandemic, these figures have significantly narrowed. The narrowing in price gap may have caused a spillover effect, pushing some who might have rented HDB flats towards non-landed private property instead.

Furthermore, as more VTLs are introduced and expatriates return, the competition for rental units is set to climb. All in all, it seems like a competitive private rental market can be expected in 2022.

Top Performing Districts By Rental Yield

Private Property



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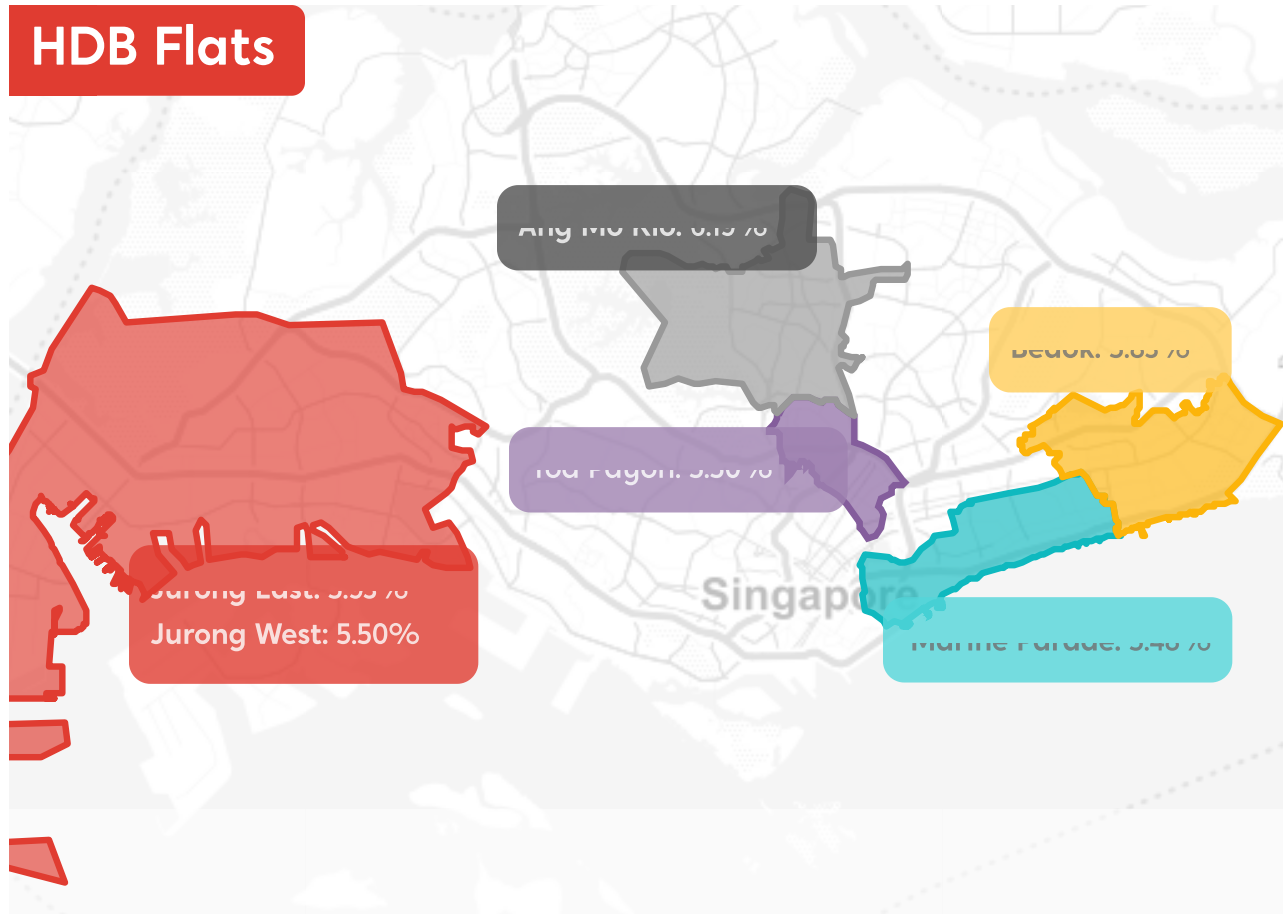
*Calculated based on median rental and sale transaction prices in Q4 2021, accurate as of 14 Feb 2022.

Across all private property types, the OCR and CCR dominate the list for the highest rental yield percentages. OCR private properties typically have a higher rental yield as properties are generally bought at more affordable prices. Rental properties in the CCR and prime districts continue to demand high prices as the global elites continue to invest in Singapore real estate.

When we look at the top performing non-landed private property rental projects by transaction volume, RCR and OCR condominiums dominate the list. Generally, these RCR rental properties are within a 10-minute walk to the nearest MRT station. At the same time, the preferred OCR rental properties tend to be further away from MRT stations but are much more affordable, appealing to renters with a modest budget, or who are looking for a larger space.

Seeing that the current rental market is mainly fuelled by Singaporeans, this reflects the local preference for connectivity and living in larger spaces.

HDB Flats



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*Calculated based on median rental and sale transaction prices in Q4 2021, accurate as of 14 Feb 2022.

Mature HDB towns on the city fringe see the highest rental yield. Jurong West is the only non-mature estate taking a spot on this list, possibly due to the neighbourhood's proximity to various international schools such as Canadian International School Singapore and Japanese School Singapore.

With locals fuelling the HDB rental market demand, it is unsurprising that the rental location preference mimics that of non-landed private properties. The top performing HDB street addresses by transaction volume are in Ang Mo Kio, Clementi, Toa Payoh, Bedok, Tampines and Yishun.



Conclusion

2021 was an excellent year for the property market. The stage is set for Q1 2022 to be a robust quarter, although perhaps not at the same blistering pace.

The full effects of the recently announced cooling measures have yet to be felt, but they are expected only slightly to slow down growth.

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There may have been a pause in activity from mid-December to January as a knee-jerk reaction, but we believe that buyers are just taking a wait-and-see approach. Demand is still there, and once the property seekers reckon with the property curbs, activity will continue.

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—
Dr. Tan Tee Khoon

Country Manager, PropertyGuru Singapore

This is especially the case for first-time buyers and owner-occupiers, who make up the majority of the market. They are largely unaffected by the reduction in the Total Debt Servicing Ratio to 55%, as most borrowers maintain a debt ratio of 40% to 50% anyway.

Property seekers are also unlikely to be too affected by the looming interest rate hike as the Monetary Authority of Singapore (MAS) already uses a higher rate of 3.5% to compute debt ratios.

Challenges and price spikes caused by construction delays in new housing projects and dipping supply look set to ease slowly as well. Although it will undoubtedly take time, the Government has already made moves towards alleviating the manpower crunch and restoring supply.

Borders are opening to welcome foreign labour back into the country, especially for the construction sector. We expect this to continue, short of any changes in the COVID-19 situation that requires another shutdown.

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, demand and supply indices of 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 600,000 HDB flat and private home listings on PropertyGuru Singapore is aggregated and indexed for the quarterly Singapore Property Market Report – Powered by PropertyGuru DataSense. The report presents three main indices – the Price Index, Supply Index, and Demand Index, for both the sales and rental markets. This enables us to draw meaningful insights on Singapore's residential property market, based on the price fluctuations and supply-demand trends.

The Price Index is indicative of sellers' optimism, based on the prices on PropertyGuru Singapore that developers and homeowners feel that they can get for their respective properties. This is complemented by the Supply Index, which provides a view on supply volumes in the market through the number of new launch and resale property listings on the platform. The responsiveness of home buyers and tenants to the Price and Supply Indices is shown in the Demand Index, which represents the proportion of interested property seekers for homes listed.

For the Singapore Property Market Report Q1 2022, the Price, Supply and Demand Indices will use Q1 2018 as the base quarter. Prior to that, the PropertyGuru Singapore Property Market Index was computed using a different methodology, with Q4 2016 as the base quarter. Powered by PropertyGuru DataSense, the Singapore Property Market Report is further enriched by utilising historical property transaction data.

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With Thanks

Special thanks to Dr. Tan Tee Khoon for his contributions to the Singapore Property Market Report Q1 2022 – Powered by PropertyGuru DataSense.

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About PropertyGuru DataSense

PropertyGuru DataSense is the leading data technology partner in the property market - providing big data, analytics and solutions to help our partners utilise actionable insights and technology to achieve their business goals.

About PropertyGuru

Launched in 2007, PropertyGuru.com.sg continues to be the No.1 property marketplace in Singapore. Currently with more than 84%* market share, PropertyGuru is the preferred destination for property seekers to find, finance and own their dream home.

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 offering the best loans and home advisory.

For more information about PropertyGuru, please visit PropertyGuru.com.sg and PropertyGuruGroup.com, or our social media pages on Facebook, Instagram, Twitter, YouTube and LinkedIn.

*Source: SimilarWeb - Relative Engagement Market Share, average July to December 2021