Executive Summary

Despite rising mortgage rates, Q2 2022 was a robust quarter, with the increased costs of borrowing having a limited impact on the buying sentiment.

After a quiet first quarter, the non-landed private property market seems to have recovered. New major condo launches in Q2 2022 were well-received, with prices and sales volumes picking up.

Signs of an impending slowdown have been observed for a while now. Prices in the HDB resale market maintained their upward trajectory as transaction volumes declined. As the limited supply of larger flat types gradually dwindles and buyers become increasingly resistant to high asking prices, growth is expected to slow further.

The already-thriving private property rental markets are expected to receive an even greater boost in the coming quarter as border controls relax and foreign talents return in droves.

But construction delays in both public and private housing are gradually improving. The introduction of new units into the market will relieve the supply crunch, moderating rental growth.

Likewise, the completion of the delayed BTO projects might mean a less robust HDB rental market in Q3 2022 as affected young families exit the HDB rental market. Still, singles and unmarried couples, alongside incoming foreign talent looking for more affordable properties, may keep HDB rental prices afloat.
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 prior to Q1 2022, the indices used Q4 2016 as the Base Quarter.
Contents

1 Get the GuruView

2 Singapore Property Sale Market Index
   • Sale Price Index, Supply Index and Demand Index
   • Top Performing Districts and Projects
   • Districts and Projects to Watch

3 Singapore Property Rental Market Index
   • Rental Price Index, Supply Index and Demand Index
   • Top Performing Districts by Rental Yield

4 Conclusion

5 About This Report and Methodology

6 About PropertyGuru
HDB resale market prices continued to make modest gains, with signs of slowdown observed as transaction volumes declined. HDB rental prices recorded their first dip in three years.

Private property sales have recovered from the December 2021 property cooling measures, with buying interest favouring RCR properties.

Private property rental prices remain red-hot, asking prices registered spikes in anticipation of returning expatriates.

Interest rates continue to rise, but growing costs of financing property unlikely to cool property markets until actual mortgage rates move past the current safety margin rate of 3.5%.

Demand for investment property remains resilient despite increased ABSD rates. More foreigners are investing in luxury and CCR properties in the face of macroeconomic uncertainties.
In Q2 2022, the Singapore Property Sale Price Index picked up, recording a 3.69% quarter-on-quarter (QoQ) increase, compared to the 1.98% QoQ growth seen from Q4 2021 to Q1 2022.

Prices in the HDB resale market continue to trend upwards as buyers continue to pursue larger, pricier flats and value space premiums. Although HDB resale flat prices have reached a new peak, signs of an oncoming slowdown have already been observed – transaction volumes are steadily declining and recorded gains are more modest than the previous year’s.

Meanwhile, the non-landed private property market seems to have rebounded from the effects of the December 2021 property cooling measures. Buyers took well to the Q2 2022 launch offerings. With a lineup of attractive new projects in the upcoming quarter and resilient demand, prices show no signs of abating.
Asking price for HDB resale flats increase for 16 straight quarters

The median per square foot (PSF) sale prices for HDB resale flats listed on PropertyGuru Singapore increased 2.43% QoQ. This aligns with the HDB Resale Price Index for Q2 2022, which saw resale transaction prices rise by 2.8% QoQ. This increase marks the sixteenth straight quarter of growth for asking prices.

Prices look set to continue making small increments in the next quarter, despite the spreading sentiment that the average buyer is becoming more resistant towards and unwilling to match high asking prices.

Aside from the young families unwilling to wait out long BTO completion times fuelling demand and the influx of flats that just fulfilled their Minimum Occupation Period (MOP) entering the resale market, prices remain propped up due to an enduring preference for larger HDB flat types.

Buyers are mostly private property ‘downgraders’, or HDB upgraders willing to pay high Cash Over Valuation (COV) amounts for the dwindling supply of larger flats. Already, these larger flats command higher prices due to their size.

Consequently, the first million-dollar flats were seen in Woodlands, Marine Parade and Pasir Ris in Q2 2022. As it is, the pace of million-dollar HDB flat transactions in 2022 has already surpassed that of 2021. If this momentum is sustained, we are looking at another record-breaking year, with more than 300 million-dollar flats transacted.

![Sale Price Index for HDB Resale Flats](diagram)
The rising mortgage rates appear to have little effect on the buying sentiment. Non-landed and landed private property saw asking prices increase by 4.78% and 3.53%, respectively, climbing for nine and 10 straight quarters.

Strong uptake for new condominium launches boosted sales volume and prices in Q2 2022, especially in the Rest of Central Region (RCR). Major launches for the quarter – Piccadilly Grand and Liv @ MB – were well-received, selling 77% and 75% of their units, respectively, on their launch weekends. This reflects the pent-up demand for attractive projects with compelling sales attributes, such as having a city fringe location and being within walking distance of MRT stations and amenities.

In the same vein, AMO Residence moved 98% of its units over its launch weekend in July 2022. If this is any indication of the quarter to come, we are looking at a robust Q3 2022.

While price growth for landed properties is slowing, it is likely a reflection of the widening gap between buyers’ and sellers’ expectations, rather than a dip in demand. The finite stock of landed homes secures its status as a highly sought-after property class. Individuals who intend to buy landed property tend to make a purchase once they find a suitable property at an agreeable price.
Top Performing Districts and Projects

Top 10 Performing Condo New Launch Projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Units Sold in Q2 2022</th>
<th>District</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piccadilly Grand</td>
<td>324</td>
<td>8</td>
<td>Farrer Park, RCR</td>
</tr>
<tr>
<td>Liv @ MB</td>
<td>231</td>
<td>15</td>
<td>Mountbatten, RCR</td>
</tr>
<tr>
<td>North Gaia</td>
<td>168</td>
<td>27</td>
<td>Yishun, OCR</td>
</tr>
<tr>
<td>Normanton Park</td>
<td>112</td>
<td>5</td>
<td>One-north, RCR</td>
</tr>
<tr>
<td>Riviere</td>
<td>80</td>
<td>3</td>
<td>River Valley, RCR</td>
</tr>
<tr>
<td>Bellewaters</td>
<td>70</td>
<td>19</td>
<td>Sengkang, OCR</td>
</tr>
<tr>
<td>Avenue South Residence</td>
<td>69</td>
<td>3</td>
<td>Bukit Merah, RCR</td>
</tr>
<tr>
<td>The Florence Residences</td>
<td>69</td>
<td>19</td>
<td>Hougang, OCR</td>
</tr>
<tr>
<td>The Vales</td>
<td>57</td>
<td>19</td>
<td>Sengkang, OCR</td>
</tr>
<tr>
<td>The Watergardens at Canberra</td>
<td>55</td>
<td>27</td>
<td>Sembawang, OCR</td>
</tr>
</tbody>
</table>

Powered by PropertyGuru DataSense
*Data is accurate based on Option to Purchase (OTP) agreements lodged on URA from 1 April 2022 to 30 June 2022 as of 29 July 2022.
Districts 8 (Farrer Park/Serangoon Road) and 15 (East Coast/Marine Parade) were the top-performing districts in Q2 2022, primarily due to the success of the Piccadilly Grand and Liv @ MB launches. While District 27 (Sembawang/Yishun) also appeared on the list, QoQ price growth was moderated due to the lower-than-expected number of units sold during the North Gaia launch.

The slowing OCR price growth observed in Q2 2022 was presumably due to changing work arrangements. As more return to the office, buyers may have turned their attention towards RCR properties in anticipation of daily work commutes.
Top 5 Performing Estates for HDB Resale Flats

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th>Total transactions</th>
<th>Region</th>
<th>District</th>
<th>Median Transacted Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Hougang/Punggol/Sengkang</td>
<td>1,360</td>
<td>OCR</td>
<td>19</td>
<td>$542,444</td>
</tr>
<tr>
<td>2 Bukit Batok/Bukit Panjang</td>
<td>802</td>
<td>OCR</td>
<td>23</td>
<td>$505,944</td>
</tr>
<tr>
<td>3 Sembawang/Yishun</td>
<td>629</td>
<td>OCR</td>
<td>27</td>
<td>$480,000</td>
</tr>
<tr>
<td>4 Pasir Ris/Tampines</td>
<td>620</td>
<td>OCR</td>
<td>18</td>
<td>$563,500</td>
</tr>
<tr>
<td>5 Boon Lay/Jurong/Tuas</td>
<td>554</td>
<td>OCR</td>
<td>22</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

As in previous quarters, prices climbed despite dipping transaction volumes. The top-performing estates for HDB resale flats by transaction volume remain unchanged, featuring HDB estates that contain the bulk of the newly MOP-ed flats.

Young families, unwilling to wait out long BTO completion times, continue to enter the HDB resale market. With HDB resale flat prices at an all-time high, these buyers look towards homes in more wallet-friendly neighbourhoods.

*Data is accurate based on number of transactions for HDB resale flats in Q2 2022 as of 29 July 2022.*
Districts and Projects to Watch

While the RCR was the main price driver in Q2 2022, it is likely that prices in the Outside Central Region (OCR) will pick up in Q3 2022. As the buying preference for larger homes persists, buyers continue to look for homes in the OCR, where properties hit the sweet spot between size and price point.

As it is, Bellewaters and The Vales, two Executive Condominiums (ECs) in Sengkang, which fulfilled their 5-year Minimum Occupation Period (MOP) this year, took the sixth and ninth spot on the list of top 10 best-selling projects for the quarter.

Aside from the launch of AMO Residence, other notable upcoming OCR launches include Sceneca Residence, Lentor Modern, and Sky Eden @ Bedok. Tengah Garden Residences EC and Tampines North EC are predicted to perform well too. These mass-market launches are likely to attract HDB upgraders and meet genuine occupier demand, bumping up prices for the districts they are situated in.

Flush with cash, HDB upgraders who have sold their newly MOP-ed flats will either go for these upcoming new launches or the larger resale HDB flats in more attractive and expensive city-fringe neighbourhoods.
The Rental Price Index inched upwards and is now at a 16-quarter high, while the Rental Demand and Supply Indices recorded a QoQ dip.

When looking at the list of top performing non-landed private property rental projects by transaction volume, a preference towards properties in the RCR and Core Central Region (CCR) was observed. Properties near the Central Business District (CBD) and in areas traditionally favoured by expatriates saw an increased uptake.

Correspondingly, the URA real estate statistics for Q2 2022 revealed that rental prices of non-landed properties in the Core Central Region (CCR) increased 7.7% in Q2 2022, as compared to 3.8% in Q1 2022 – the biggest QoQ price growth difference among the different regions.
Surge in rental prices for private property brought on by low residential vacancy rates and returning expatriates

Expatriates are returning to the city-state and renting private properties in droves. In anticipation of these returning expatriates, sharp spikes in asking prices for both non-landed and landed private property rental units on PropertyGuru have been observed.

Median PSF asking prices of listed rental units for non-landed private property grew 8.89% QoQ from Q1 2022 to Q2 2022, compared to the 6.40% growth recorded from Q4 2021 to Q1 2022. Landed private property asking prices shot up 15.30% QoQ from Q1 2022 to Q2 2022, a huge leap from the 4.04% increase seen from Q4 2021 to Q1 2022.

Consequently, these higher asking prices could translate to greater rental price growth in Q3 2022. In the short term, the tight rental supply and low residential vacancy rates create a ripe formula for enduring rental price growth in the private property markets. That said, more projects are expected to reach completion in 2023 and improve vacancy rates. This may help to moderate said growth.

Price and demand for HDB rental market dips for the first time in three years

Median asking prices for HDB rental properties listed on PropertyGuru recorded the first QoQ dip in three years (following the introduction of the PropertyGuru Rental Price Index). While the 0.95% QoQ change is modest, this is perhaps a sign that the HDB rental market is finally slowing down.

In the past quarter, more young families have collected their keys to their BTO flats. As the BTO flat supply moves towards being restored and construction delays alleviated, demand and prices for HDB rental flats will gradually abate.

Nonetheless, singles and unmarried couples seeking space and privacy continue to rent. Foreigner talents looking for more affordable rental options will also contribute to keeping the HDB rental market buoyant.
Top Performing Districts By Rental Yield

The top performing districts by rental yield for private property saw a reshuffle, with CCR districts completely knocked off the list and OCR districts taking four out of five spots. It is worth noting properties in these districts situated further from the city centre tend to be purchased at a lower price, which likely contributes to the higher rental yield.

Nevertheless, rental properties across Singapore continue to be in high demand. When examining the list of top performing non-landed private property rental projects, based on the number of converted sessions from PropertyGuru listings*, CCR properties have made a reappearance after two quarters of absence, thanks to the foreign talent returning to the city.

Locals primarily lean toward projects which afford them connectivity and larger living spaces, typically in the OCR. All favoured property rentals are within a 10-minute walk of an MRT station.

*A converted session is when a user visits the listing page and moves on to enquire about the listing.
As in previous quarters, mature HDB estates command the highest rental yield percentages. Bedok and Geylang moved up a few spots to tie as the top performing HDB estates by rental yield. Marine Parade makes a return to the list, after having been replaced by Geylang in Q1 2022.

Resale and rental prices have risen significantly in these neighbourhoods. However, many still seek to rent in these HDB estates as they strike a good balance between connectivity, nearby amenities, and cost.

The local preference for HDB rental locations remains unchanged. The top performing HDB street addresses, based on the number of converted sessions from PropertyGuru listings, are in Ang Mo Kio, Clementi, Toa Payoh, Bedok, Tampines, Jurong, and Yishun.
Conclusion

In Q2 2022, the non-landed private property market made a sharp recovery from the latest property cooling measures implemented on 16 December 2021. Prices and demand have stayed resilient and are expected to remain so in Q3 2022, on the back of attractive upcoming new launches.

The robust sales have sparked discussions of new cooling measures being introduced before the year draws to a close.

“Should private home prices see sustained double-digit percentage growth in the coming quarters, the government may intervene. If that happens, it would be the first time two rounds of property curbs are implemented in such a short period. More cooling measures will probably be the last resort, as the government has already made moves to cool the market in the medium-term by increasing the housing supply.

Dr. Tan Tee Khoon
Country Manager, PropertyGuru Singapore

As property prices and bank interest rates continue to climb, conversations surrounding affordability have begun to pick up. In response, some developers are considering bringing forward launch dates. That said, there may not actually be a need to do so, as rising mortgage rates may not necessarily dampen buying.

‘Genuine’ homebuyers seeking to buy an own-stay property will still go ahead with the purchase despite the higher costs of financing. To keep within their budget, buyers may simply right-size their property purchase and go for smaller properties or more affordable properties on lower floors.
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 of supply volumes in the market through the number of new launches 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.

From the Singapore Property Market Report Q1 2022 onwards, 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.
Contact
For media or press enquiries, or to understand more about the Singapore Property Market Report Q3 2022 – Powered by PropertyGuru DataSense, email us at mediaenquiry@propertyguru.com.sg.

With Thanks
Special thanks to Dr. Tan Tee Khoon for his contributions to the Singapore Property Market Report Q3 2022 – Powered by PropertyGuru DataSense.

Disclaimer
This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PropertyGuru Group does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

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 77%* 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.

*Based on SimilarWeb data between October 2021 and March 2022.