

1H 2023

# GCB & PRESTIGE LANDED REPORT



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# OVERVIEW

The sales momentum of good class bungalows (GCBs) appears to have fizzled out in the first half of 2023, following a relatively subdued year of sales in 2022. This is in stark contrast to 2021, where lower interest rates, a pent-up demand for housing, and a desire for larger homes helped to drive the landed residential property market.

In 2021, about 90 GCBs with a combined transacted value of some \$2.57 billion changed hands. Market activity had then slowed considerably in 2022, where 44 GCBs were sold for a total value of about \$1.2 billion. In 1H 2023 year-to-date, GCB deals had whittled down to eight units based on caveats lodged (till 6 June 2023).

## OVERALL LANDED HOME PRICES

Despite the weaker GCB sales, the overall landed homes segment had remained resilient. According to the URA Property Price Index, prices of landed homes rose by 5.9% QOQ in Q1 2023, climbing for the seventh consecutive quarter. This is also the highest QOQ growth posted since Q1 2021, where the index grew by 6.7% QOQ. On a year-on-year basis, landed home prices have grown by 11.4% in Q1 2023 from Q1 2022. The landed price index has hit a record high, with an index reading of 228.7 points in Q1 2023.

**TABLE 1: PRIVATE LANDED RESIDENTIAL PRICE INDEX**

PERIOD	INDEX	QOQ	YOY	PERIOD	INDEX	QOQ	YOY
<b>Q4 2021</b>	197.0	3.9%	13.3%	<b>Q3 2022</b>	214.7	1.6%	13.2%
<b>Q1 2022</b>	205.3	4.2%	10.7%	<b>Q4 2022</b>	216.0	0.6%	9.6%
<b>Q2 2022</b>	211.3	2.9%	14.3%	<b>Q1 2023</b>	<b>228.7</b>	<b>5.9%</b>	<b>11.4%</b>

Source: PropNex Research, URA



The sustained growth in landed home prices is partly spurred by the uplift in the residential property market, and as prices of suburban landed homes played catch-up on prices of homes in the Central Region. As of Q2 2023 (till 6 June), the average price of landed homes in the Outside Central Region (OCR) grew by 3.9% QOQ to \$1,584 psf – outperforming that of the Core Central Region (CCR) and Rest of Central Region (RCR) which saw price declines during the quarter (see Table 2).

**TABLE 2:  
AVERAGE UNIT PRICES (\$PSF) OF PRIVATE LANDED RESIDENTIAL  
BY REGION BY QUARTER**

PERIOD	CCR	QOQ	RCR	QOQ	OCR	QOQ
<b>Q1 2022</b>	\$1,984	–	\$1,780	–	\$1,269	–
<b>Q2 2022</b>	\$1,835	–7.5%	\$1,877	5.4%	\$1,381	8.9%
<b>Q3 2022</b>	\$2,058	12.2%	\$1,911	1.8%	\$1,479	7.1%
<b>Q4 2022</b>	\$2,189	6.4%	\$1,990	4.1%	\$1,506	1.8%
<b>Q1 2023</b>	\$2,275	3.9%	\$2,032	2.1%	\$1,525	1.2%
<b>Q2 2023</b>	\$1,975	–13.2%	\$1,918	–5.6%	\$1,584	3.9%

Source: PropNex Research, URA Realis (\*data up to 6 June 2023, retrieved 16 June 2023)



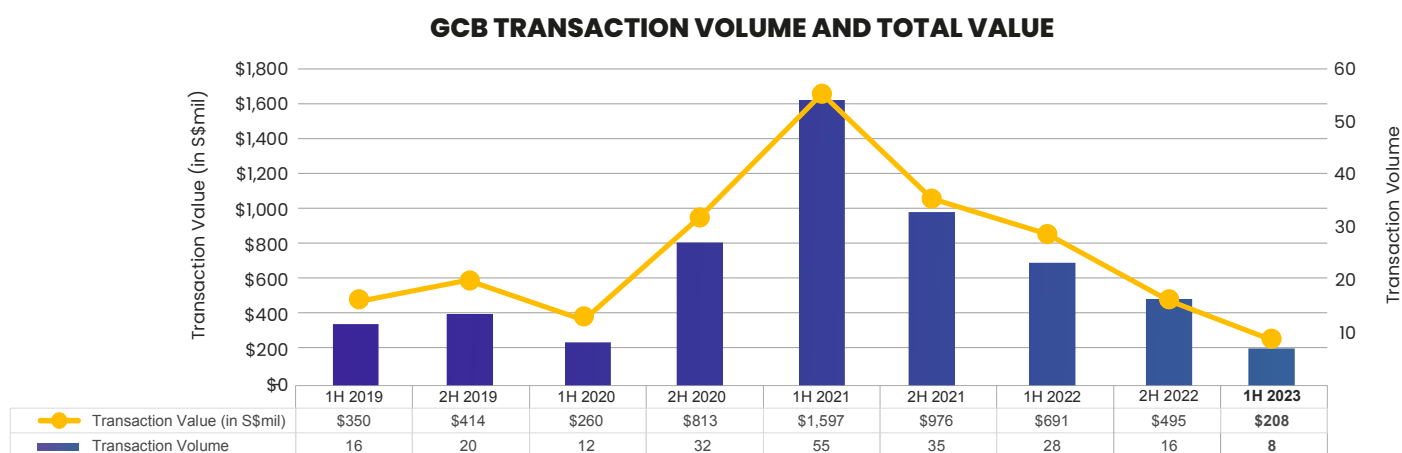


# GOOD CLASS BUNGALOWS

## 1H 2023 PERFORMANCE

In the first half of 2023 (up till 6 June), an estimated eight GCBs valued at a combined \$207.8 million were transacted, according to URA Realis caveat data. This was less than half of what was achieved in the preceding half (2H 2022) where there were 16 GCB transactions, valued at a total of \$495 million (see Chart 1). This is also the slowest half-year performance since 1H 2020 where the market had cooled due to the Covid-19 pandemic and restrictions. The GCB data analysed by PropNex Research comprise caveats for bungalows sold in GCB Areas (GCBAs).

**CHART 1: GCB TRANSACTIONS AND TOTAL VALUE FROM 2019 TO JUNE 2023\***



Source: PropNex Research, URA Realis (\*data up to 6 June 2023, retrieved 16 June 2023)

Based on caveats lodged, the top GCB deal in 1H 2023 was the sale of a bungalow located in Jalan Asuhan for \$42 million (see Table 3) in May this year – translating to \$2,562 psf on land area. The property which sits on a 16,395 sq ft of freehold land is situated within the Chee Hoon Avenue GCB area and located just off Botanic Gardens.

Meanwhile, some transactions have not been captured in the caveat data. It was reported in April 2023 that three Nassim Road GCB were sold for \$206.7 million by Cuscaden Peak Investments. The price works out to \$4,500 psf on land area of 14,844 sq ft. The unit price on land area has surpassed the previous record was set by a Cluny Hill GCB deal, which achieved a unit price of \$4,291 psf on land area in April 2021. Based on media reports, the buyers of the Nassim Road bungalows are said to be members of the same family who were formerly from Indonesia.

**TABLE 3: GCB DEALS COMPLETED IN JANUARY TO JUNE 2023\***

	Address	Sale Date	Transacted Price (\$)	Area (SQFT)	Unit Price (\$ PSF) on Land Area	Tenure
1	X CHESTNUT CLOSE	Jan-23	7,268,000	5,999	1,212	Freehold
2	10X ENG NEO AVENUE	Feb-23	26,500,000	29,202	907	99 yrs leasehold
3	X JALAN KAMPONG CHANTEK	Feb-23	20,500,000	10,459	1,960	Freehold
4	3X BINJAI PARK	Mar-23	28,300,000	15,515	1,824	Freehold
5	4X SIXTH AVENUE	Mar-23	26,000,000	12,750	2,039	Freehold
6	1X WOOLLERTON DRIVE	Mar-23	24,400,000	8,646	2,822	Freehold
7	1X JALAN HARUM	Apr-23	32,800,000	14,211	2,308	Freehold
8	X JALAN ASUHAN	May-23	42,000,000	16,396	2,562	Freehold

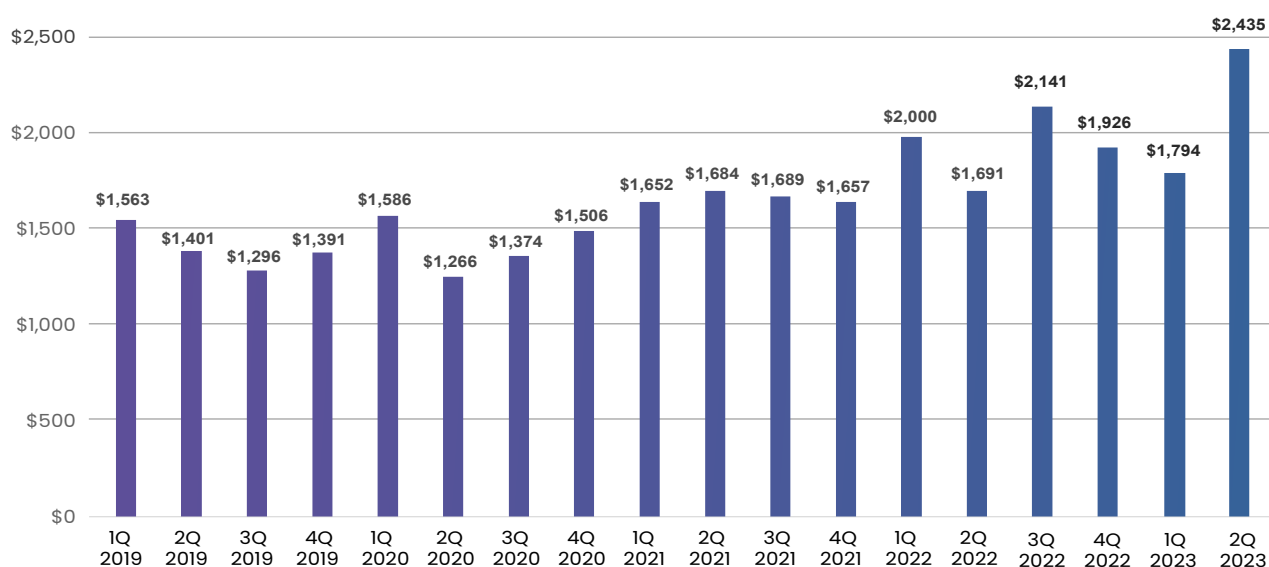
Source: PropNex Research, URA Realis (\*data up to 6 June 2023, retrieved 16 June 2023)

Despite economic headwinds and market weakness, GCB prices have continued to move up since the end of 2020, with the average unit price on land area crossing \$2,400 psf as at 2Q 2023 (see Chart 2) – a considerable leap from the same period last year where the average price of GCBs stood at \$1,691 psf. Also, in view of the recent sale of three freehold Nassim Road GCBs at a record land rate of \$4,500 psf in April – this would have likely pushed up overall GCB prices even higher if these transactions were caveated.

While the price growth can be attributed to the thin transaction activity of GCBs over the past 6 months, it is also reflective of current price expectations of GCB sellers. Many owners are keeping to current asking prices or even raising them – encouraged by the growing prices of landed homes. PropNex expects prices of GCBs to remain firm with upside growth potential, though transaction volumes may remain muted due to limited availability and high asking prices.

**CHART 2: GCB AVERAGE UNIT PRICE ON LAND AREA (\$PSF) FROM 2019 TO JUNE 2023\***

**AVERAGE UNIT PRICE \$PSF ON LAND AREA  
FOR GCB TRANSACTIONS BY QUARTER**



Source: PropNex Research, URA Realis (\*data up to 6 June 2023, retrieved 16 June 2023)

# PRESTIGE LANDED HOMES

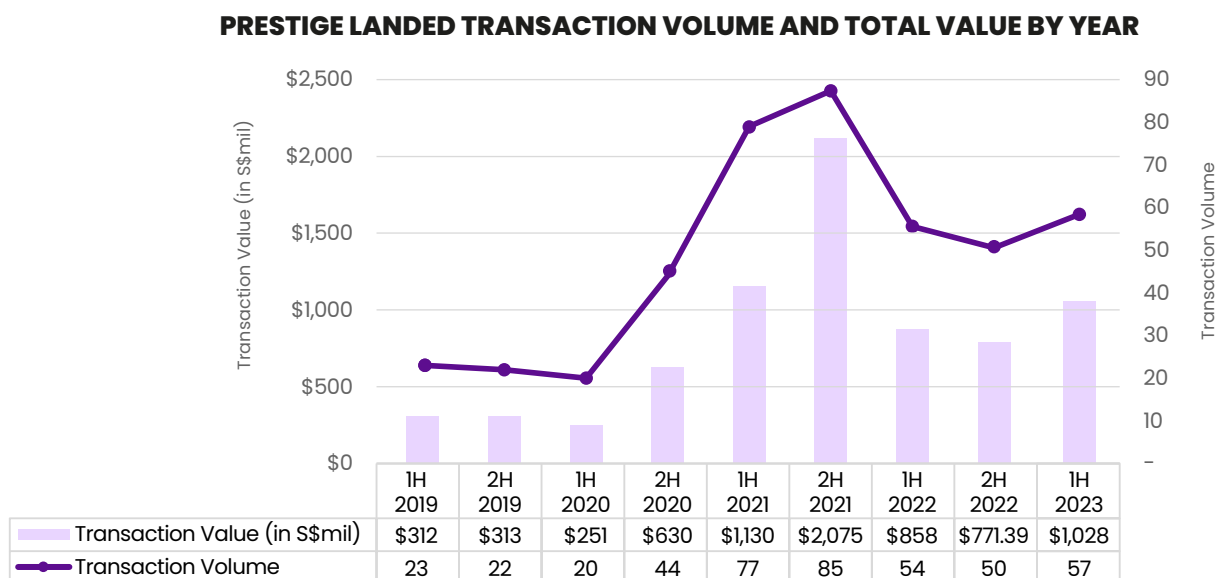
## 1H 2023 PERFORMANCE

Sales of prestige landed homes – defined by PropNex as landed properties (ex. GCB) valued at more than \$10 million – picked up strongly after what was a muted performance in the previous year. In 1H 2023 (up till 6 June 2022), the prestige landed market garnered 57 deals which amounted to a combined \$1.03 billion in value, representing a 33.2% growth from the \$771 million worth of deals (from 50 transactions) achieved in 2H 2022.

The sales in 1H 2023 were driven by the stronger transaction volume in the first quarter, which booked 37 deals worth \$642 million, compared to Q2 2023 where 20 deals worth \$385 million were recorded. The slower market activity this year could be attributed to several factors, including the more cautious sentiment among buyers amidst higher landed home prices and the elevated interest rates. Pricing, in particular, is a key consideration and buyers remain on the hunt for value-buys. This was evident in the mortgagee sale of 48 cluster semi-detached house at 99-year leasehold cluster landed home project, Eleven @ Holland in District 10. The 48 landed homes – exclusively marketed by PropNex – enjoyed healthy demand and were sold out in a matter of days, with prices ranging from \$3.7 million to \$4.4 million each in June 2023.

Given the healthy transactions of prestige landed homes in 1H 2023, PropNex expects sales volume and value for full-year 2023 to possibly exceed that of 2022 (104 deals valued at \$1.63 million).

### CHART 3: PRESTIGE LANDED TRANSACTIONS AND TOTAL VALUE FROM 2019 TO JUNE 2023\*



Source: PropNex Research, URA Realis (\*data up to 6 June 2023, retrieved 16 June 2023)

^High-end landed homes refer to properties transacting above \$10 million, excluding GCB transactions

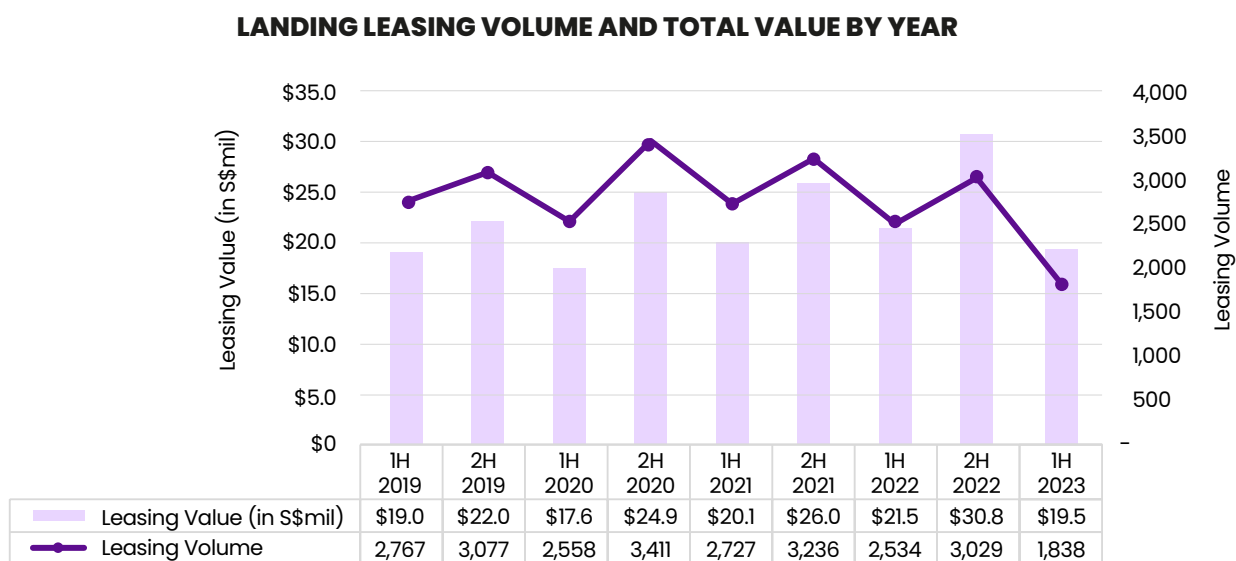


# BUOYANT LEASING DEMAND FOR LANDED HOMES

Following the robust residential leasing activity in 2H 2022, the rental demand, at least for the landed homes sector, has started to show signs of cooling. Fewer than 1,900 leasing contracts were signed in the first 5 months of the year and they were valued at over \$19.5 million – down significantly from 2H 2022, where the market saw over 3,000 leasing contracts worth \$30.8 million being inked.

The overall leasing demand has slowed in recent months amid less rosy economic growth outlook and weaker business sentiment among corporates. This may have some bearing on business expansion and accommodation budgets for their expatriate staff.

**CHART 4: LANDED LEASING TRANSACTIONS AND TOTAL VALUE FROM 2019 TO MAY 2023\***



Source: PropNex Research, URA Realis (\*data up to May 2023, retrieved 19 June 2023)

That said, despite the moderation in leasing volume, rentals are still holding up. In Q1 2023, the URA rental index for landed homes posted a 14.5% QOQ increase, and was up by 39.3% YOY when compared to Q1 2022. Faced with higher asking rents, some tenants may turn from leasing landed homes to less costly alternatives, such as larger apartments or to locations further from the Central Region.

The top leasing transaction signed in 1H 2023 was for a GCB in Astrid Hill which fetched a monthly rental of \$170,000, equivalent to an eye-watering annual rental expense of \$2.04 million (see Table 4).

In view of the scarcity of landed homes in Singapore, we expect leasing demand to remain relatively stable, including from foreigners who are renting in the medium-term, while they wait for approval on their application to become a Singapore citizen. (Singaporeans are permitted to buy landed homes, while foreigners and permanent residents will have to seek approval from the Singapore Land Authority before they can acquire such properties.)

TABLE 4: TOP 10 LANDED LEASING TRANSACTIONS FROM JANUARY TO MAY 2023

Street Name	Postal District	Property Type	Monthly Rent (\$)	Floor Area (SQFT)	Lease Commencement
ASTRID HILL	10	Detached	170,000	1,360 - 1,370	Jan-23
GARLICK AVENUE	10	Detached	125,000	1,250 - 1,260	Apr-23
EAST SUSSEX LANE	10	Detached	95,000	790 - 800	Mar-23
BELMONT ROAD	10	Detached	85,000	1,330 - 1,340	Apr-23
CORONATION ROAD WEST	10	Detached	82,500	1,540 - 1,550	Mar-23
COVE WAY	4	Detached	81,000	680 - 690	May-23
THIRD AVENUE	10	Detached	80,000	820 - 830	May-23
OCEAN DRIVE	4	Detached	80,000	740 - 750	May-23
FIFTH AVENUE	10	Detached	78,000	710 - 720	Mar-23
CORNWALL GARDENS	10	Detached	75,000	1,140 - 1,150	Jan-23

Source: PropNex Research, URA Realis (\*data up to May 2023, retrieved 19 June 2023)







# INTEREST RATES AND COOLING MEASURES

Over the past 2 years, central banks in many economies undertook aggressive rate hikes to tame decades-high inflation, led by the US Federal Reserve which delivered seven rate hikes in 2022 and another three hikes in 2023. These have raised borrowing costs for businesses and mortgage rates for homeowners.

In Singapore, the 3-Month Singapore Overnight Rate Average (SORA) which is used by banks to price home loan packages rose from 0.1949% p.a. on 4 January 2022 to 3.6416% p.a. as of 20 June 2023. The rising interest rates had prompted the Singapore government to tighten cooling measures in September 2022 to encourage homebuyers to be more prudent with their property purchase.

Based on the outcome of the latest Federal Open Market Committee (FOMC) meeting in June 2023, the US Federal Reserve has put a pause on interest rate hikes after raising rates for 10 meetings in row. Market observers expect that the Fed may be nearing the tail-end of the rate hiking cycle with possibly two more hikes in 2023.

As interest rates look to stabilise in the near-term, it could restore some confidence to home buyers who are concerned about ever-rising mortgage rates. That said, many buyers of high-end landed homes are usually wealthy and may not tap a lot of bank financing for their property purchase.

At the end of April 2023, the government raised additional buyer's stamp duty (ABSD) rates to curb investment demand for homes, particularly among foreigners who face a doubling of the ABSD rate to 60%. The tightening of ABSD rates is not expected to heavily impact the landed homes segment as such properties are mostly purchased for owner-occupation and predominantly bought by Singaporean buyers.



A modern, multi-story building with large glass windows and balconies, situated next to a swimming pool. The pool is surrounded by lush greenery and trees. The sky is clear and blue.

# MARKET OUTLOOK

The Singapore economy grew by 0.4% on a year-on-year basis in Q1 2023, moderating from the 2.1% growth in the previous quarter. For the whole of 2023, Singapore's GDP is projected to expand by 0.5% to 2.5%, according to forecast by the Ministry of Trade and Industry. Concerns over a slower growth and market uncertainties could see prospective home buyers take on a more cautious stance.

However, as landed homes are typically seen as more defensive assets – due to their limited stock in land scarce Singapore – demand for such properties and general price trend should stay relatively resilient. With high inflation, real estate assets are also said to be an effective hedge against inflation risks, as their values tend to appreciate over a period of time.

In the GCB segment, the mismatch in price expectations between buyers and sellers, as well as a limited stock of bungalows available for sale will crimp transaction volume, but prices will likely remain firm due to the tight supply of such luxury homes.

PropNex notes that the among the buyers of GCBs in recent years included top executives from tech firms and cryptocurrency companies. To this end, the tech sector downturn and slump in the crypto market at the end of 2022 could also have contributed to the waning GCB sales in 1H 2023. However, artificial intelligence has been driving a tech market boom of late, and should a sustained growth materialise in the sector, it could potentially spur wealth creation which may benefit the high-end housing market.



FEATURED

# GOOD-CLASS BUNGALOW LISTINGS



## Land along Chestnut Drive

GCB vacant land plot in Green Hill GCB Estate

**Land area** 14,500 sq ft est

**Other Details**

- Elevated plot
- Former building demolished
- Flexibility to develop new GCB property
- Close to railway corridor
- 10-minute walk to MRT

Guide Price: S\$22 million



## 2.5-storey GCB in Sixth Avenue Area

**Land area** 9,213 sq ft est

**Built-up area** 14,388 sq ft est

**Other Details**

- Newly-built
- Expected T.O.P. 2H 2024
- 5 en-suite bedrooms
- Gym room
- Entertainment room
- Wine cellar
- Private carpark with 8 lots

Guide Price: S\$35 million



## 2-storey GCB in Bukit Timah (D21)

**Land area** 41,000 sq ft est

**Built-up area** 8,000 sq ft est

**Other Details**

- Elevated plot
- Bird's eye view of surrounding estate
- Large spacious plot
- Older Bungalow built with basement
- Near Railway Corridor

Guide Price: View to offer



## 2.5-storey Detached House in Chatsworth Park GCB area

**Land area** 13,000 sq ft est

**Built-up area** 7,000 sq ft est

**Other Details**

- Elevated plot
- Recent renovation
- 6 en-suite bedrooms
- 1 helper room
- Private carpark with 6 lots

Guide Price: S\$35 million





## 2-storey GCB off Bukit Timah road

<b>Land area</b>	15,000 sq ft est
<b>Built-up area</b>	8,000 sq ft est
<b>Other Details</b>	<ul style="list-style-type: none"> <li>• Elevated plot</li> <li>• Newly renovated</li> <li>• 2 living rooms</li> <li>• 5 bedrooms</li> <li>• 1 helper room</li> </ul>

Guide Price: S\$33 million



## 1-storey GCB in Belmont Road

<b>Land area</b>	27,500 sq ft est
<b>Built-up area</b>	6,500 sqft est
<b>Other Details</b>	<ul style="list-style-type: none"> <li>• Serene, breezy surroundings</li> <li>• 5 bedrooms</li> <li>• 1 helper room</li> </ul>

Guide Price: S\$50 million



## 2-storey GCB in King Albert Park

<b>Land area</b>	15,300sq ft est
<b>Built-up area</b>	6,000 sq ft est
<b>Other Details</b>	<ul style="list-style-type: none"> <li>• Old Bungalow</li> <li>• Elevated plot</li> <li>• Bird's eye view of surrounding estate</li> <li>• 6 bedrooms</li> <li>• 1 helper room</li> </ul>

Guide Price: S\$28 million

FEATURED

# PRESTIGE LANDED PROPERTY LISTINGS



2.5-storey Semi-Detached project  
along Bo Seng Avenue / Whitley Road

- Land area** 2,174 – 2,340 sq ft  
**Built-up area** 4,034 – 4,684 sq ft  
**Other Details**
- Cluster of 6 semi-detached houses (2 sold)
  - Short walk to Mount Pleasant MRT station (TEL)
  - Within 1 km to ACS Primary School and CHIJ (Toa Payoh)
  - 2 carpark lots each

Guide Price: S\$7.15 million onwards



2.5-storey Semi-Detached House in  
One Tree Hill area

- Land area** 2,250 sq ft est  
**Built-up area** 4,000 sq ft est  
**Other Details**
- Pair of semi-detached plots
  - 5 en-suite bedrooms
  - Swimming pool
  - Private carpark with 4 lots
  - Walking distance to Orchard Road Shopping belt and MRT

Guide Price: S\$11 million each



2-storey Detached House near  
Coronation Road / Victoria Park

- Land area** 10,000 sq ft est  
**Built-up area** 5,500 sq ft est  
**Other Details**
- Near Nanyang Primary School
  - Elevated plot
  - 4 bedrooms
  - 1 helper room
  - Swimming pool
  - Private carpark with 4 lots

Guide Price: S\$23 million



2-storey Detached House  
near Henry Park

- Land area** 4,300 sq ft  
**Built-up area** 4,500 sq ft  
**Other Details**
- Near Henry Park Primary School
  - 6 bedrooms (4 en-suites)
  - Move-in condition

Guide Price: S\$11 million (negotiable)



### 2.5-storey Detached House in D11

- Land area** 5,000 sq ft  
**Built-up area** 10,000 sq ft  
**Other Details**
- Newly-built
  - 5 en-suite bedrooms
  - 1 helper room
  - 4 carpark lots

Guide Price: S\$18.8 million



### 2.5-storey Semi-Detached Houses in Holland / Bukit Timah (D21)

- Land area** 3,150 sq ft est  
**Built-up area** 6,855 – 6,689 sq ft est  
**Other Details**
- Newly-built pair of semi-D plots built with basements
  - Elevated plot
  - 5 en-suite bedrooms
  - Near MRT
  - Near Methodist Girl School

Guide Price: S\$10.38 million



### 2.5-storey Semi-Detached House near Henry Park

- Land area** 2,600 sq ft  
**Built-up area** 3,200 sq ft  
**Other Details**
- Walking distance to MRT
  - 5 bedrooms (4 en-suites)
  - 1 helper room
  - Move-in condition
  - High ceiling
  - 2 carpark lots
  - Within 1km to Henry Park Primary School

Guide Price: S\$8.588 million



### 2.5-storey Terrace in Emerald Hill

- Land area** 1,900 sq ft  
**Built-up area** 5,000 sq ft  
**Other Details**
- Situated within heart of D9
  - Walking distance to Orchard Road shopping district and MRT
  - 6 bedrooms
  - Renovated

Guide Price: S\$13.5 million





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