



Q1 2022 QUARTERLY REPORT **RESIDENTIAL PROPERTY REPORT**



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Private Residential Property Q1 2022

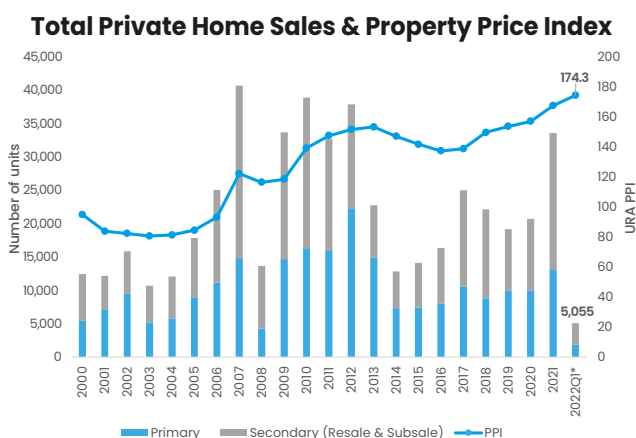
Overview

Private home prices and HDB resale prices continued to rise, albeit at a slower pace in the first quarter of 2022, following the introduction of new property cooling measures in December 2021 that were aimed at stabilising the market and reining in buying demand from foreigners and investors with multiple properties. The muted price growth during the quarter came amid a pullback in sales volumes as uncertainties loom.

For the first quarter of 2022, developers have sold fewer than 2,000 new homes while the private resale market transacted about 3,100 homes.

Prices

- The URA Property Price Index flash estimate showed that private home prices inched up by 0.4% QOQ in Q1 2022 – slowing down significantly after a 5% QOQ increase in Q4 2021.
- The price growth was led by the landed private homes segment, which grew by 4% QOQ – largely driven by the landed resale market as well as the new strata-landed project launch during the quarter – Belgravia Ace – which had sold 74 units at an average transacted price of \$4.4 million, likely boosting landed home values.
- Meanwhile, prices in the non-landed homes segment contracted by 0.6%, with prices of central region homes slipping due to softer investor and foreigner demand as well as limited viewing activity due to the outbreak of COVID-19 community cases.
- Prices in the Core Central Region (CCR) dipped by 0.5% QOQ in Q1 2022 and may continue to soften as cooling measures weigh on demand from investors and foreigners for CCR homes.

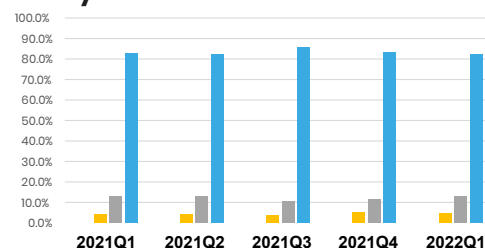


- In the Rest of Central Region (RCR), home values declined by 3.0% QOQ – reversing from the 6.7% QOQ growth posted in the previous quarter, where the launch of Canninghill Piers at benchmark prices of nearly \$2,900 psf had boosted values in the RCR in Q4 2021.
- While prices in the central region had fallen, values of non-landed homes in the Outside Central Region (OCR) continued to grow albeit at a slower clip, rising by 1.9% QOQ in Q1 2022 compared with Q4's growth of 5.7%.
- Local buyer demand remained healthy but the tighter unsold inventory and limited launches had likely crimped sales and price growth in the OCR.

Transactions

- Based on Realis caveat data, developers sold a total of 1,858 new private homes (ex. Executive Condos) during the quarter – representing a 38% decrease from 3,018 units shifted in Q4 2021.
- Projects in the RCR dominated new home sales in Q1 2022, accounting for 47% of new homes sold in the quarter. It was followed by OCR at 33.4% and CCR at 19.6% of the transactions.
- The top selling project in the quarter was Normanton Park which sold 262 units at a median unit price of \$1,857 psf.
- Meanwhile, 3,097 private homes were resold in Q1 2022 after a stellar year of sales in 2021, where an average of 5,000 units were sold per quarter. The resale volume likely eased due to the spike in Omicron community cases which affected viewings.
- Sub-sales remained relatively low at 100 units, taking total private homes transactions to 5,055 units (including new sale and resale) in Q1 2022.

Proportion of non-landed new private home sales by residential status



	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1
Company	0.1%	0.1%	0.0%	0.1%	0.1%
Foreigner (NPR)	4.2%	4.3%	3.6%	5.3%	4.7%
Singapore Permanent Residents (PR)	12.8%	13.1%	10.6%	11.5%	13.0%
Singaporean	82.9%	82.4%	85.2%	83.1%	82.3%

Source: PropNex Research, URA REALIS

- Singaporeans accounted for 82.3% of non-landed private new home sales (ex. ECs) in Q1 2022; the proportion of homes purchased by foreigners slipped to 4.7% in Q1 2022 from 5.3% in Q4 2021 – as cooling measures bit.

Private Residential Market Outlook

- The relaxation of Covid-19 safe management measures and easing of travel restrictions will help to boost the property market in the coming quarters, facilitating sales in show flats and potentially seeing more foreign buyers returning. Notwithstanding that, HDB upgraders and locals will continue to underpin home sales.
- In Q2 2022, several new projects are slated to be launched for sale – including North Gaia EC and Piccadilly Grand – which will help to drive sales and sustain prices. With rising inflation and higher construction cost, prices of new launches are expected to stay firm.

Private Home Leasing

- In Q1 2022, landlords continued to hold stronger bargaining power, with many raising asking rents amid robust leasing demand and growing interest, mainly from foreigners.
- Leasing activities appeared to be healthy with more than 14,000 rental contracts signed, amounting to \$61.5 million, in the first two months of 2022.
- The rental market is poised to grow further in the coming months, supported by demand from foreigners who are coming to Singapore to take on jobs in growing sectors.
- In addition, foreign MNCs and expatriates may also find Singapore increasingly attractive – with its transition to the endemic Covid-19 stage as well as stable political environment – and seek to relocate here.

Private Home Leasing Volume & Total Value (by quarter)



Source: PropNex Research, URA REALIS (*Data includes up to Feb 2022 figures)

HDB Resale Q1 2022

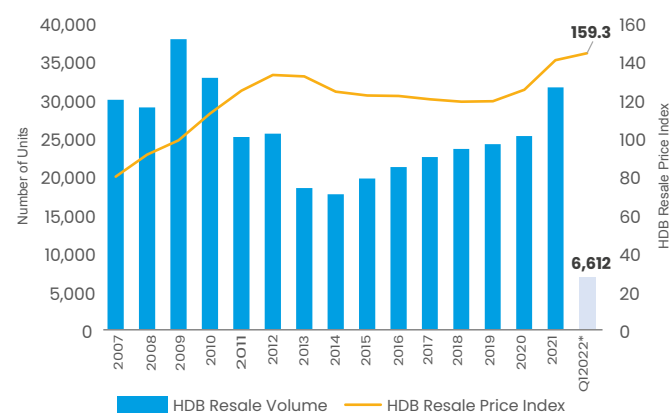
Overview

HDB resale values increased at a slower pace in Q1 2022 amid muted resale activities, due to the outbreak in community COVID-19 cases, the Chinese New Year festive period, and possibly a declining supply of resale flats available for sale.

Transactions and Prices

- The flash estimate released by the Housing and Development Board showed that resale prices rose by 2.3% QOQ in Q1 2022. With an index reading of 159.3 in Q1 2022, the HDB resale price index has scaled another new peak.
- Based on transaction data, about 6,612 HDB flats were resold in Q1 2022 – down by about 17% from 7,940 units sold in Q4 2021.
- Reasons for the weaker sales in Q1 could include a mismatch in pricing expectations between buyers and sellers (as price resistance sets in) and possibly the tighter resale stock on the market as some flat owners await the completion of their new home before putting their flat up for sale.

HDB Resale Volume & HDB Resale Price Index



Source: PropNex Research, HDB, Data.Gov (*Price Index data based on flash estimates released on 1 Apr 2022)

HDB Resale Market Outlook

PropNex projects HDB resale prices to continue growing at a moderate pace owing to the new cooling measures and the increase in Build-to-Order (BTO) flat supply in 2022 and 2023, that may rein in resale demand. Furthermore, buyers may also increasingly balk at high prices amid rising interest rates and inflationary pressure, while uncertainties could weigh on market sentiment.

In 2022, PropNex expects resale volumes to hit more than 27,000 transactions, supported by the healthy underlying demand and the bumper stock of flats (over 31,000) that are due to exit the 5-year Minimum Occupation Period in 2022.

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