

2H 2022 GCB AND PRESTIGE LANDED REPORT



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OVERVIEW

The brisk sales momentum of good class bungalows (GCBs) appears to have ran out of steam in 2022, after what was an exceptional year of sales fuelled by low interest rates and a pent-up demand for housing in 2021.

GCB sales in 2022 look on track to underperform 2021's bumper year of transactions. The slower market activity was unsurprising, as the availability of high-end landed houses for sale has dwindled considerably. Also, many prospective buyers and owners are taking time to assess the market amid rising interest rates and macroeconomic uncertainties. In addition, GCBs tend to be tightly-held and owners – who have strong financial holding power – are usually not in a hurry to sell or divest their property.

OVERALL LANDED HOME PRICES

According to the URA Property Price Index, prices of landed homes rose by 1.6% QOQ in Q3 2022, climbing for the fifth consecutive quarter. Overall landed home prices have grown by 9% since Q4 2021. As of Q3 2022, the landed price index has hit a record high, with an index reading of 214.7 points. The sustained growth in landed home prices is largely led by the price increase in the high-end landed market, namely several high-profile GCB sales, which continued to achieve record-breaking prices over the last six months.

TABLE 1: PRIVATE LANDED RESIDENTIAL PRICE INDEX

PERIOD	INDEX	QOQ	YOY	PERIOD	INDEX	QOQ	YOY
Q2 2021	184.8	-0.3%	8.5%	Q1 2022	205.3	4.2%	10.7%
Q3 2021	189.6	2.6%	7.4%	Q2 2022	211.3	2.9%	14.3%
Q4 2021	197.0	3.9%	13.3%	Q3 2022	214.7	1.6%	13.2%

Source: PropNex Research, URA

GOOD CLASS BUNGALOWS

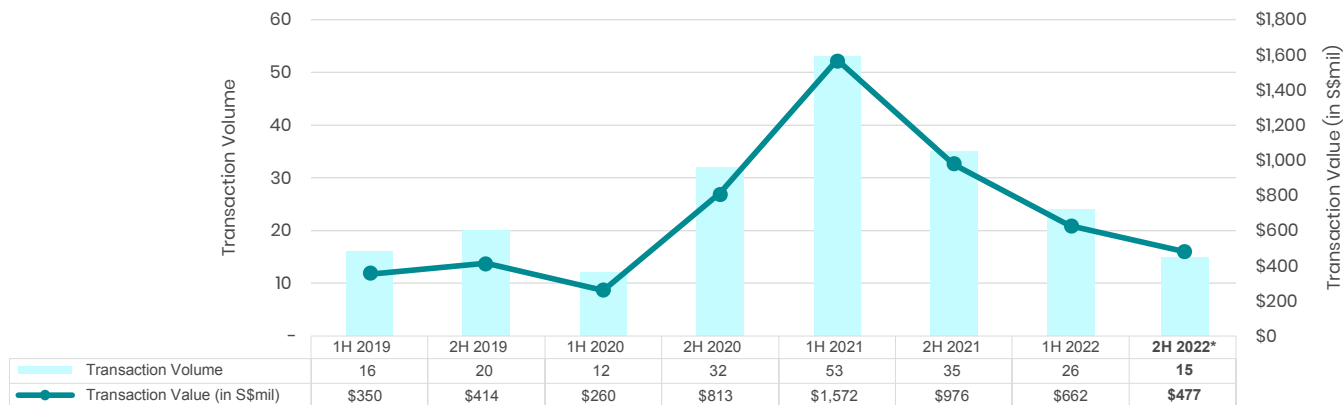
2H 2022 PERFORMANCE



For the second half of 2022, up till 4 December 2022, an estimated 15 GCBs valued at a combined \$477 million were transacted, according to URA Realis caveat data. This takes the number of GCBs sold in 2022 to 41, with a total value of \$1.14 billion – falling short of the 88 GCBs deals worth more than \$2.5 billion that were transacted (see Chart 1) in the previous year. The GCB data compiled by PropNex Research reflects caveats for bungalows sold in GCB Areas (GCBAs).

CHART 1: GCB TRANSACTIONS AND TOTAL VALUE FROM 2019 TO DECEMBER 2022*

GCB TRANSACTION VOLUME AND TOTAL VALUE



Source: PropNex Research, URA Realis (*data up to 4 Dec 2022, retrieved 12 Dec 2022)

Based on caveats lodged, the top GCB deal in 2H 2022 was the sale of a GCB located in Belmont Road for \$55.5 million (see Table 2) – translating to \$2,056 psf on land area. The property which sits on a 27,000 sq ft of freehold land is located in the Belmont Park GCB area and was sold to the CEO of Auric Pacific, according to media reports.

The next priciest GCB transacted for the half-year period is located in Astrid Hill – within the Queen Astrid Park GCB Area – which changed hands for \$55.09 million in November. The price works out to \$1,989 psf on land area of 27,699 sq ft. The buyer is the director and co-founder of oil and petroleum company Midas NSSG International who had reportedly purchased it via an estate sale, news reports said. The buyer had also reportedly purchased the adjacent plot in 2021 for \$44.3 million, which would enable the amalgamation of the two plots.

TABLE 2: TOP 10 GCB DEALS IN JULY TO DECEMBER 2022*

	Address	Sale Date	Transacted Price (\$)	Area (SQFT)	Unit Price (\$ PSF) on Land Area	Tenure
1	8X BELMONT ROAD	Aug-22	55,500,000	27,000	2,056	Freehold
2	X ASTRID HILL	Nov-22	55,088,000	27,699	1,989	Freehold
3	5X CORNWALL GARDENS	Sep-22	47,000,000	21,740	2,162	Freehold
4	3X WHITE HOUSE PARK	Aug-22	45,500,000	15,081	3,017	Freehold
5	3X CORNWALL GARDENS	Jul-22	40,488,000	16,089	2,517	Freehold
6	5X LEEDON PARK	Sep-22	34,000,000	15,256	2,229	Freehold
7	2X YARWOOD AVENUE	Nov-22	29,700,000	18,519	1,604	999 yrs leasehold
8	3X BINJAI PARK	Sep-22	28,200,000	15,515	1,818	Freehold
9	X SWISS CLUB ROAD	Jul-22	27,280,000	13,482	2,023	Freehold
10	6X ORIOLE CRESCENT	Aug-22	23,500,000	10,540	2,230	Freehold

Source: PropNex Research, URA Realis (*data up to 4 Dec 2022, retrieved 12 Dec 2022)

GCB prices have continued to move up since the end of 2020, with the average unit price on land area crossing \$2,230 psf as at 3Q 2022 (see Chart 2) – a considerable leap from last year where the average price of GCBs ranged between \$1,600 and \$1,700 psf. The price growth can be attributed to the tight supply of GCBs available for sale and more owners raising their asking price in view of healthy demand.

PropNex expects prices of GCBs to stay firm, with sellers holding to their price expectations for these exclusive homes. However, the interest rate hikes and a global economic slowdown may weigh on price growth in the medium term. As of Q4 2022 (up to 4 December 2022), prices of GCB have started to show signs of cooling down – averaging at \$2,118 psf on land area.

CHART 2: GCB AVERAGE UNIT PRICE ON LAND AREA (\$PSF) FROM 2019 TO DECEMBER 2022***AVERAGE UNIT PRICE \$PSF ON LAND AREA FOR GCB TRANSACTIONS BY QUARTER**

Source: PropNex Research, URA Realis (*data up to 4 Dec 2022, retrieved 12 Dec 2022)

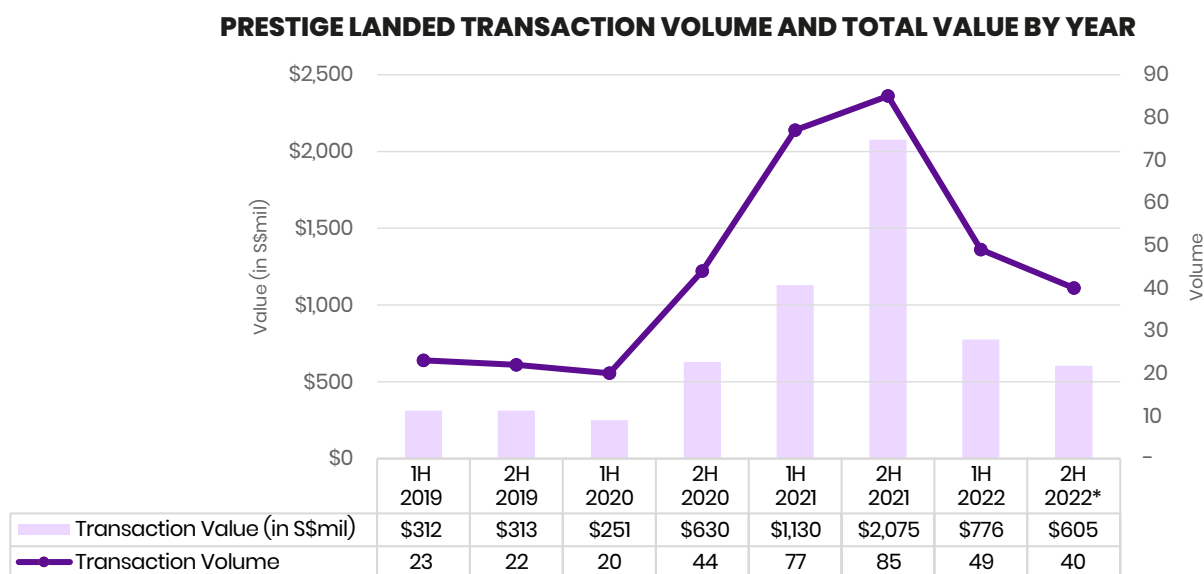
PRESTIGE LANDED HOMES

2H 2022 PERFORMANCE

Sales of prestige landed homes – defined by PropNex as landed properties (ex. GCB) valued at more than \$10 million – fell in 2022 after the strong performance in the previous year. In 2H 2022, 40 prestige landed homes valued at a combined \$605 million were transacted – a weaker showing compared to the 49 deals worth \$776 million posted in 1H 2022 (see Chart 3).

In 2022 (up till 4 December 2022), the prestige landed market garnered **\$1.4 billion worth of sales**, representing a 57% decline from the \$3.2 billion (from 162 deals) achieved in full year 2021.

CHART 3: PRESTIGE LANDED TRANSACTIONS AND TOTAL VALUE FROM 2019 TO DECEMBER 2022*



Source: PropNex Research, URA Realis (*data up to 4 Dec 2022, retrieved 12 Dec 2022)

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



BUOYANT LEASING DEMAND FOR LANDED HOMES

Despite a slowdown in sales activity in 2H 2022, rental demand for landed homes continued to expand amid a red-hot residential leasing market. The top leasing transaction signed in 2H 2022 was for a GCB in Dalvey Estate which fetched a monthly rental of \$85,000, equivalent to an **annual rental expense of \$1.02 million** (see Table 3).

Rental demand and interest from high net-worth foreigners for luxury landed homes will likely continue to be elevated in the near-term. In light of geopolitical tensions in several parts of the world, Singapore's status as a safe haven has prompted more foreigners to seek residences in the city state. With sustained leasing interest and rising rentals, more landed home owners may opt to rent their homes instead of putting them up for sale, which will have some impact on resale stock and resale volume.

That being said, some headwinds persist. With looming concerns over a global recession, businesses may be more prudent about their expansion, as well as review their expatriate headcount and corporate housing budget for expatriate staff.

TABLE 3: TOP 10 LANDED LEASING TRANSACTIONS FROM JULY TO OCTOBER 2022

Street Name	Postal District	Property Type	Monthly Rent (\$)	Floor Area (SQFT)	Lease Commencement
DALVEY ROAD	10	Detached House	85,000	15,000 - 15,100	Jul-22
ORIOLE CRESCENT	11	Detached House	80,000	10,400 - 10,500	Sep-22
PEEL ROAD	10	Detached House	73,800	16,900 - 17,000	Oct-22
JALAN KAMPONG CHANTEK	21	Detached House	73,000	21,500 - 21,600	Aug-22
SWETTENHAM ROAD	10	Detached House	72,000	15,300 - 15,400	Sep-22
ENG NEO AVENUE	11	Detached House	70,000	20,000 - 20,100	Aug-22
NASSIM ROAD	10	Detached House	70,000	12,400 - 12,500	Sep-22
CABLE ROAD	10	Detached House	70,000	12,900 - 13,000	Oct-22
CORNWALL GARDENS	10	Detached House	63,000	27,100 - 27,200	Aug-22
LEEDON ROAD	10	Detached House	60,000	23,000 - 23,100	Jul-22

Source: PropNex Research, URA Realis (*data up to October 2022, retrieved 12 December 2022)





LIMITED IMPACT OF INTEREST RATE HIKES AND SEPTEMBER COOLING MEASURES

Central banks in many advanced economies undertook aggressive rate hikes to tame decades-high inflation, led by the US Federal Reserve which delivered four mega hikes of 75bps in 2022. These have raised borrowing cost 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 3.1214% p.a. as at 29 December 2022. The rising interest rates had prompted the government to introduce new cooling measures in September 2022 to encourage homebuyers to be more prudent with their property purchase. The new cooling measures are mainly targeted at the public housing sector and will have limited impact on the GCB prestige landed markets.

Buyers of high-end landed homes are typically well-capitalised, with access to funds. They tend to take on minimal leverage on their property purchases, hence the increase in home loan rates is not expected to hinder their buying decision.



2023 MARKET OUTLOOK

The Singapore economy is projected to **expand by around 3.5% in 2022 and 0.5% to 2.5% in 2023**, the Trade and Industry Ministry had said in November. Meanwhile, interest rates are expected to remain elevated, but observers project that the pace of increase could slow and potentially plateau in the second half of 2023, particularly if central banks are able to bring inflation under control.

Singapore's status as a global business and wealth management hub as well as its reputation as a safe haven have kept the country on the radar of global investors. Singapore saw a record \$448 billion inflow of new money in 2021, according to the Monetary Authority of Singapore. The country will remain attractive to investors and the real estate sector will be a beneficiary of such capital inflows.

Demand for landed homes will likely stay elevated as buyers look to park their finds in "defensive assets". Landed homes – particularly GCBs – are in extremely limited supply in land-scarce Singapore, making them a good store of value over time. To this end, freehold GCBs are also seen by owners as a way to preserve and grow wealth as well as legacy planning, by handing down the property to future generations. With high inflation, residential properties can also be an effective hedge against inflation risks, as their values tend to appreciate over a period of time.

In 2023, PropNex expects GCB transaction volume may slow slightly amid the tight availability of properties for sale and concerns about an economic downturn. However, GCB prices will likely remain steady owing to the limited stock on the market and sellers' strong financial holding power. PropNex's GCB and Prestige Landed team noted that the buying interest in GCBs remains buoyant, likely outstripping the supply of properties listed for sale on the market. Meanwhile, overall landed residential property prices should remain resilient, barring a deep global recession.



FEATURED

GOOD-CLASS BUNGALOW LISTINGS



2-storey GCB in Swiss Club Road GCB area

- Land area** 20,000 sq ft est
Built-up area 10,000 sq ft est
Other Details
- Elevated plot, brand new
 - Bird's eye view of surrounding estate
 - 6 en-suite bedrooms
 - 1 helper room

Guide Price: S\$55 million



2-storey GCB in Bukit Timah GCB area

- Land area** 15,000 sq ft est
Built-up area 7,000 sq ft est
Other Details
- Elevated plot, brand new
 - 5 en-suite bedrooms
 - 1 helper room
 - Lap pool
 - Private carpark with 6 lots

Guide Price: S\$33 million



2-storey GCB in Swettenham GCB area

- Land area** 15,000 sq ft est
Built-up area 8,000 sq ft est
Other Details
- Elevated plot, brand new
 - 5 en-suite bedrooms
 - 1 helper room

Guide Price: From S\$60 million



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
 - 6 en-suite bedrooms
 - Lap pool
 - Private carpark with 6 lots

Guide Price: S\$35 million



2-storey GCB off Bukit Timah road

Land area	13,000 sq ft est
Built-up area	5,000 sq ft est
Other Details	<ul style="list-style-type: none"> • Elevated plot • Potential for redevelopment

Guide Price: S\$28 million



2-storey GCB in Kilburn estate

Land area	19,000 sq ft est
Built-up area	7,000 sq ft est
Other Details	<ul style="list-style-type: none"> • Vantage-point of estate • Spacious layout • 6 bedrooms • 1 helper room

Guide Price: S\$48 million



2-storey GCB in Yarwood Avenue

Land area	15,100sq ft est
Built-up area	10,000 sq ft est
Other Details	<ul style="list-style-type: none"> • Wide frontage • Classic design • 7 bedrooms, 9 bathrooms • 1 helper room

Guide Price: S\$45 million



Single-storey GCB in Bin Tong Area

Land area	26,999sq ft est
Built-up area	6,500sq ft est
Other Details	<ul style="list-style-type: none"> • 5 bedrooms • 1 helper room

Guide Price: S\$50million



2-storey GCB in Garlick Avenue

Land area	20,000 sq ft est
Built-up area	12,000 sqft est
Other Details	<ul style="list-style-type: none"> • Wide frontage • Timeless architecture • 7 bedrooms, 9 bathrooms • 1 helper room

Guide Price: S\$65million

FEATURED

PRESTIGE LANDED PROPERTY LISTINGS



Land along Clifton Vale Single-storey
Detached House in Braddell View Estate

- Land area** 15,700 sq ft est
- Other Details**
- Elevated plot
 - Land eligible for subdivision
 - High vantage-point of estate and surroundings
 - Dual frontage
 - Potential for redevelopment into 3 detached bungalows

Guide Price: S\$23 million



3.5-storey Detached House in
Astrid Hill area

- Land area** 5,900 sq ft est
- Built-up area** 9,000 sq ft est
- Other Details**
- Elevated plot
 - 5 en-suite bedrooms
 - Swimming pool
 - Private elevator
 - Private carpark with 4 lots

Guide Price: S\$18.8 million



2.5-storey Detached House along
University Road

- Land area** 5,300 sq ft est
- Built-up area** 7,000 sq ft est
- Other Details**
- Elevated plot
 - Panoramic view
 - Wide frontage
 - 5 en-suite bedrooms
 - Swimming pool
 - Private elevator
 - Basement carpark

Guide Price: S\$18.2 million



2.5-storey Detached House along
Harlyn Road area

- Land area** 4,300 sq ft
- Built-up area** 9,000 sq ft
- Other Details**
- Elevated plot
 - Panoramic view
 - 5 en-suite bedrooms
 - Swimming pool
 - Private elevator
 - Basement carpark

Guide Price: S\$15.5 million



2-storey Detached House near Novena

Land area	7,400 sq ft est
Built-up area	4,000 sq ft est
Other Details	<ul style="list-style-type: none"> • Elevated plot • Panoramic view • 3 en-suite bedrooms • Large garden • 3 carpark lots

Guide Price: S\$16 million



2-storey Detached House along Fernhill Road

Land area	10,590 sq ft est
Built-up area	4,500 sq ft est
Other Details	<ul style="list-style-type: none"> • Near Orchard Road • Estate in fee simple • Original-condition bungalow • Land eligible for subdivision • Potential for redevelopment into 1 detached + 2 semi-detached

Guide Price: S\$26 million



2-storey Detached House Near Victoria Park

Land area	10,000 sq ft est
Built-up area	6,500 sq ft est
Other Details	<ul style="list-style-type: none"> • Situated within District 10 • Move in condition • Private pool • Close distance to MRT • 4 bedrooms • 1 helper room

Guide Price: S\$23 million



2-storey Detached House Near Henry Park

Land area	4,500 sq ft est
Built-up area	6,500 sq ft est
Other Details	<ul style="list-style-type: none"> • Situated within District 10 • Walking distance to amenities; near MRT • 5 bedrooms • 1 helper room

Guide Price: S\$11 million

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