

2H 2023

GCB & Prestige Landed Report



CYAN HO
CEA No. : R042852G



OVERVIEW

The landed residential property market witnessed a significant slowdown in the second half of 2023, as softer buying sentiment, tight availability of homes for sale, elevated interest rates, and mismatched price expectations likely weighed on transaction volume.

In particular, the Good Class Bungalow (GCB) segment recorded only eight deals in 2H 2023, based on caveats lodged. Sales volume and transaction value were lacklustre, with 17 GCBs sold for \$406 million in the January to 4 December 2023 period. This is a fraction of the deals done in a buoyant 2021, where some 90 GCBs valued at a combined \$2.57 billion changed hands. The GCB market in 2023 has also substantially weakened from 2022, where 44 deals amounting \$1.2 billion were achieved.

OVERALL LANDED HOME PRICES

Landed home prices had peaked in Q2 2023, reaching a record high with an index reading of 231.2 points, as per the URA Property Price Index for landed homes. Going into 2H 2023, prices of overall landed homes begun to show signs of softening, with the price index falling by 3.6% QOQ in Q3 2023 – breaking an eight-quarter growth streak from Q3 2021. Cumulatively, landed home prices have climbed by 3.2% in the first nine months of 2023 from end-2022. PropNex estimates that private landed home prices could grow by between 4% and 5% for the full year of 2023, slowing from that of 2022 (+9.6%) and 2021 (+13.3%).

TABLE 1: PRIVATE LANDED RESIDENTIAL PRICE INDEX

PERIOD	INDEX	QOQ	YOY	PERIOD	INDEX	QOQ	YOY
Q2 2022	211.3	2.9%	14.3%	Q1 2023	228.7	5.9%	11.4%
Q3 2022	214.7	1.6%	13.2%	Q2 2023	231.2	1.1%	9.4%
Q4 2022	216.0	0.6%	9.6%	Q3 2023	222.9	-3.6%	3.8%

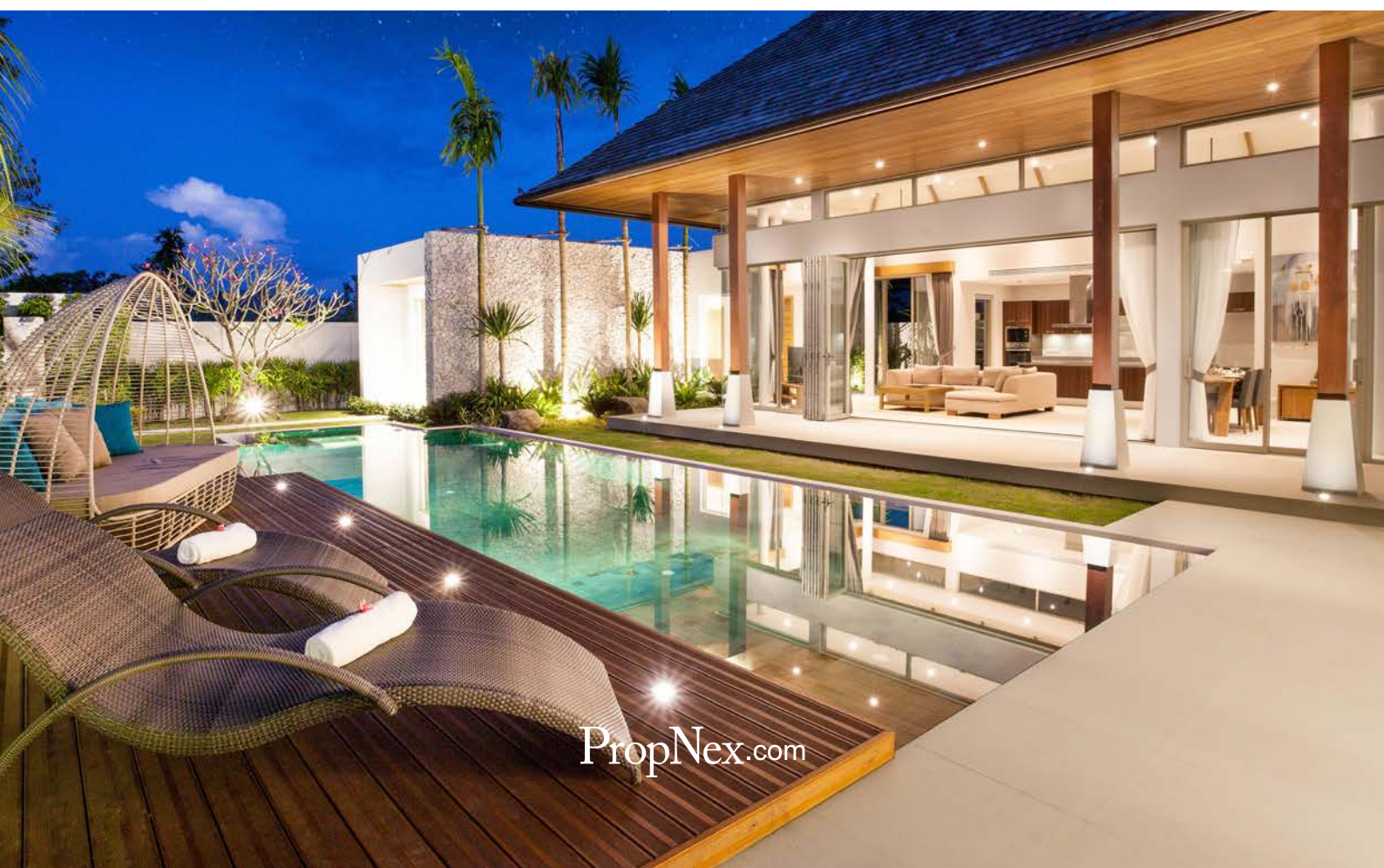
Source: PropNex Research, URA

The softer landed home prices were unsurprising given the muted sales activity. In 2H 2023, it was observed that landed home prices were supported by sales in the suburbs as buyers sought more affordable options amidst high asking prices for landed homes in the Central Region. As of Q4 2023 (till 4 December 2023), the average price of landed homes in the Outside Central Region (OCR) grew by 8% YOY to \$1,631 psf – outperforming that of the Core Central Region (CCR) and Rest of Central Region (RCR) which saw prices inching up by 0.2% YOY and contracting by 3.6% YOY, respectively, during the quarter (see Table 2).

TABLE 2: AVERAGE UNIT PRICES (\$PSF) ON LAND AREA OF PRIVATE LANDED RESIDENTIAL HOMES BY REGION BY QUARTER

PERIOD	CCR	YOY	RCR	YOY	OCR	YOY
Q3 2022	\$2,080	9.4%	\$1,907	17.6%	\$1,485	16.6%
Q4 2022	\$2,189	14.7%	\$1,990	14.7%	\$1,510	16.8%
Q1 2023	\$2,293	15.5%	\$2,079	16.3%	\$1,530	20.6%
Q2 2023	\$1,592	-13.7%	\$1,938	2.3%	\$1,547	12.0%
Q3 2023	\$2,228	7.1%	\$2,078	9.0%	\$1,629	9.7%
Q4 2023*	\$2,195	0.2%	\$1,918	-3.6%	\$1,631	8.0%

Source: PropNex Research, URA Realis (*data up to 4 December 2023, retrieved 12 December 2023)





GOOD CLASS BUNGALOWS

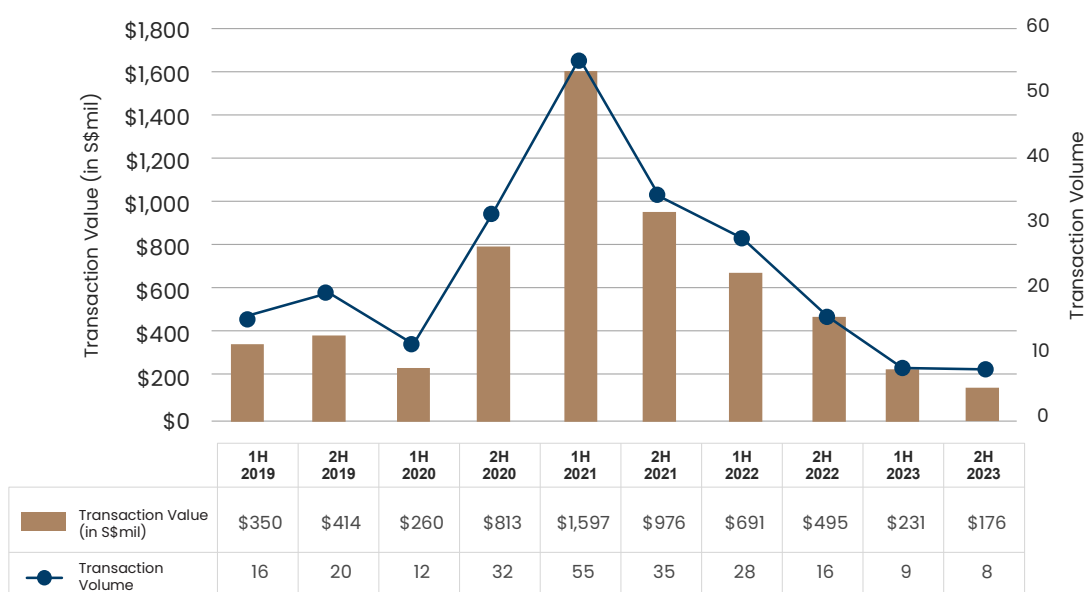
2H 2023 PERFORMANCE

GCB sales continued to slow in 2H 2023 (up till 4 December 2023); an estimated eight GCBs valued at a combined **\$176 million were transacted in the half-year**, based on URA caveat data for bungalows sold in GCB Areas (GCBAs). This represents an 11% decline from the nine GCBs sold in 1H 2023, and a 24% drop in sales

value from \$231 million in the first six months of 2023 (see Chart 1). The two halves of 2023 are one of the weakest periods for GCB sales at least since 2019, according to PropNex's analysis.

Macroeconomic uncertainties, global geopolitical tensions, and high interest rates have put a drag on market sentiment. In addition, the buoyant sales in 2021 have pushed prices of GCBs higher, and there may be a mismatch in price expectations between buyers and sellers – which contributed to the slower transactions.

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



Source: PropNex Research, URA Realis (*data up to 4 December 2023, retrieved 12 December 2023)
^GCB transactions refer to detached home transactions occurring in GCB areas (GCBAs)

Based on caveats lodged, the top GCB deal in 2H 2023 was for the sale of a bungalow in Cheen Hoon Avenue for \$26.7 million in November (see Table 3) – reflecting a unit price of \$2,413 psf on land area. The freehold property has a land area of 11,064 sq ft and is situated in the Chee Hoon Avenue GCB area, near the Singapore Botanic Gardens.

TABLE 3: GCB DEALS COMPLETED IN 2H 2023*

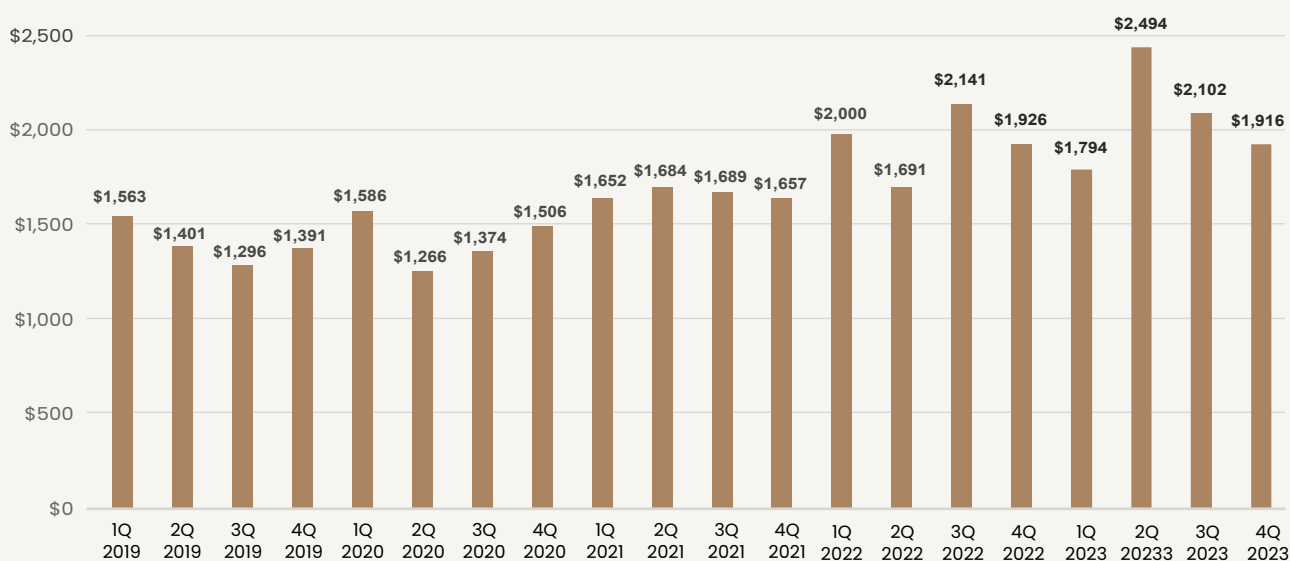
	Address	Sale Date	Transacted Price (\$)	Area (SQFT)	Unit Price (\$ PSF) on Land Area	Tenure
1	4X CHEE HOON AVENUE	Nov-23	\$26,700,000	11,064	2,413	Freehold
2	1X CASSIA DRIVE	Aug-23	\$25,300,000	11,071	2,285	Freehold
3	1X NAMLY HILL	Nov-23	\$25,200,000	11,087	2,273	Freehold
4	2X KING ALBERT PARK	Oct-23	\$24,800,000	15,318	1,619	Freehold
5	X CALDECOTT CLOSE	Jul-23	\$22,250,000	10,931	2,036	Freehold
6	1X CALDECOTT CLOSE	Aug-23	\$22,000,000	11,083	1,985	Freehold
7	X CHEE HOON AVENUE	Oct-23	\$18,500,000	11,022	1,678	Freehold
8	24X HOLLAND ROAD	Nov-23	\$10,800,000	6,768	1,596	Freehold

Source: PropNex Research, URA Realis (*data up 4 December 2023, retrieved 12 December 2023)

GCB prices have also shown signs of slowing in the absence of record-breaking deals. The average unit price on land area for GCB sales moderated to \$1,916 psf as at Q4 2023, tumbling by about 23% from the high of \$2,494 psf in Q2 2023 (see Chart 2). The volatility in prices can be attributed to the thin transaction volume over the year. PropNex expects GCB prices to remain volatile in the near-term as market activity is likely to stay relatively tepid.

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

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



Source: PropNex Research, URA Realis (*data up to 4 December 2023, retrieved 12 December 2023)

PRESTIGE LANDED HOMES

2H 2023 PERFORMANCE

Sales of prestige landed homes – defined by PropNex as landed properties (ex. GCB) valued at more than \$10 million – reversed the brief recovery staged in the first half of the year. In 2H 2023 (up till 4 Dec 2023), the prestige landed market garnered 43 deals valued at a combined \$586 million, marking a 47% contraction from the \$1.1 billion worth of deals (from 65 transactions) recorded in 1H 2023.

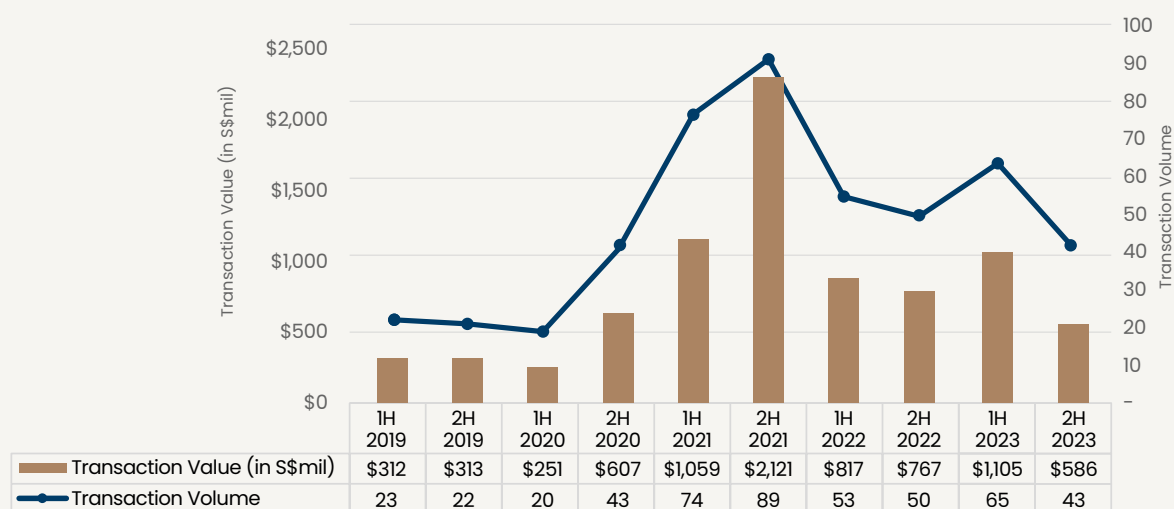
The slower market activity this year could be attributed to several factors, including the more cautious sentiment among buyers amidst peaking landed home prices. In the year-to-4 December, the prestige landed segment has recorded 108 deals worth \$1.69 billion, buoyed by the healthier sales in the first half of the year. Prestige landed home sales in 2023 have surpassed that of the previous year, where there were 103 deals valued at \$1.58 million.

Looking ahead, sales activity of luxury landed homes could potentially improve as prospects of interest rate cuts loom in 2024. Meanwhile, the Singapore economy is also projected to do better in the second half of 2024, according to Monetary Authority of Singapore (MAS).



CHART 3: PRESTIGE LANDED TRANSACTIONS
AND TOTAL VALUE FROM 2019 TO DECEMBER 2023*

PRESTIGE LANDED TRANSACTION VOLUME AND TOTAL VALUE BY YEAR



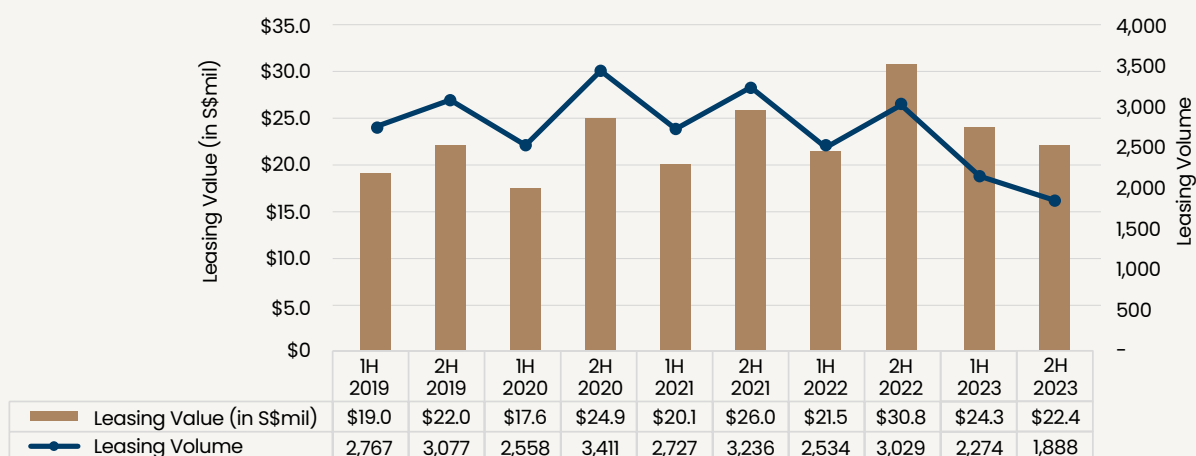
Source: PropNex Research, URA Realis (*data up to 4 December 2023, retrieved 12 December 2023)

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

After peaking in 2H 2022, rental demand for the landed homes sector, continues to decline in the face of softer business sentiment and cuts in accommodation budgets for expatriates. In addition, the anti-money laundering blitz in August could also have cast a pall over the landed home leasing market; anecdotal observations suggest that some owners have become increasingly cautious and are conducting more stringent checks on prospective tenants. Fewer than 1,900 leasing contracts were signed in the second half of the year (up to October), with contracts valued at over \$22.4 million – easing further from 1H 2023, where 2,274 contracts worth \$24.3 million were inked (see Chart 4).

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

LANDING LEASING VOLUME AND TOTAL VALUE BY YEAR



Source: PropNex Research, URA Realis (*data up to 4 December 2023, retrieved 12 December 2023)

The pace of rental growth has also moderated. In Q3 2023, the URA rental index for landed homes posted a 4.4% QOQ increase, slowing from the 6.7% QOQ growth in Q2 2023 and the 14.5% QOQ jump in Q1 2023. The top leasing transaction of 2H 2023 was for a GCB in Nassim Road which fetched an eye-watering monthly rental of \$120,000, equivalent to an annual rental expense of \$1.44 million (see Table 4).

**TABLE 4: TOP 10 LANDED LEASING TRANSACTIONS
FROM JULY TO OCTOBER 2023**

Street Name	Postal District	Property Type	Monthly Rent (\$)	Floor Area (SQFT)	Lease Commencement
NASSIM ROAD	10	Detached	120,000	13,100 - 13,200	Jul-23
SWETTENHAM CLOSE	10	Detached	112,000	9,700 - 9,800	Oct-23
BUKIT TUNGGAL ROAD	11	Detached	98,000	12,500 - 12,600	Oct-23
TREASURE ISLAND	4	Detached	93,000	10,600 - 10,700	Sep-23
NASSIM ROAD	10	Detached	80,000	10,200 - 10,300	Jul-23
CLUNY ROAD	10	Detached	80,000	11,200 - 11,300	Jul-23
NASSIM ROAD	10	Detached	80,000	13,100 - 13,200	Oct-23
FOURTH AVENUE	10	Detached	70,000	11,000 - 11,100	Aug-23
SWETTENHAM ROAD	10	Detached	68,000	6,600 - 6,700	Oct-23
TREVOSE CRESCENT	11	Detached	67,080	4,600 - 4,700	Aug-23

Source: PropNex Research, URA Realis (*data up to October 2023)





MARKET OUTLOOK

Landed residential properties will continue to be seen as prized assets in land-scarce Singapore. Owing to their limited supply, these homes are perceived to be a good store of value and an effective hedge against inflation. With the slower sales activity and softer prices in 2023, more sellers may be on the hunt for landed homes in 2024, particularly should the economic outlook brighten.

The Singapore economy expanded by 1.1% on a year-on-year basis in Q3 2023, accelerating from the 0.5% growth in the previous quarter. For the whole of 2023, Singapore's GDP is projected to grow by around 1%, according to the Ministry of Trade and Industry. In October 2023, the MAS has said that the Singapore economy is projected to improve gradually in the second half of 2024, as external demand recovers and global interest rates level off over the year.

Based on the outcome of the latest Federal Open Market Committee (FOMC) meeting in December 2023, the US Federal Reserve is maintaining current interest rates as US inflation is still above its target. However, it has also signalled a possibility of three small rate cuts in 2024. Although many buyers of high-end landed homes tend to have deeper pockets and are not likely to tap on much bank financing for their property purchase, a more stable – or better yet, lower – interest rates will further help to lift confidence and bolster buying sentiment.

Given the low transactions in 2023, there could be some pent-up demand for GCBs. However, the mismatch in price expectations between sellers and buyers and the limited stock of GCBs available on the market are factors that could slow sales volume in the near-term. This impasse will likely curb any significant upside growth potential for GCB prices for the time being. Based on market observations, most GCB sellers – cognizant of the scarcity and intrinsic value of such homes – are holding on to their asking prices. Notably, many GCB owners usually have strong financial holding power and are not in a hurry to sell.

FEATURED

GOOD-CLASS BUNGALOW LISTINGS



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**



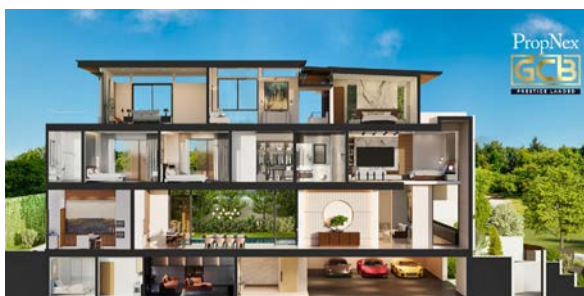
1-STOREY GCB IN BELMONT ROAD

Land Area 27,500 sq ft est

Built-up Area 6,500 sqft est

- Other Details**
- Serene, breezy surroundings
 - 5 bedrooms
 - 1 helper room

GUIDE PRICE **S\$50 MILLION**



2.5-STOREY GCB IN SIXTH AVENUE (D10)

Land Area 9,213 sq ft est

Built-up Area 14,388 sq ft est

- Other Details**
- Under construction
 - Expected T.O.P. 2H 2024
 - 5 en-suite bedrooms
 - Gym room
 - Entertainment room
 - Wine cellar
 - Private carpark with 8 lots

GUIDE PRICE **VIEW TO OFFER**



2-STOREY GCB OFF BUKIT TIMAH ROAD

Land Area 15,000 sq ft est

Built-up Area 8,000 sq ft est

- Other Details**
- Elevated plot
 - Newly renovated
 - 2 living rooms
 - 5 bedrooms
 - 1 helper room

GUIDE PRICE **S\$33 MILLION**



2-STOREY GCB IN SWISS CLUB ROAD

Land Area 15,000sq ft est

Built-up Area 6,000sq ft est

Other Details

- Old Bungalow
- Elevated plot
- 6 bedrooms
- 1 helper room

GUIDE PRICE **S\$33 MILLION**



GCB LAND PLOT IN D11

Land Area 32,000 sq ft est

Built-up Area 6,000sq ft est

Other Details

- Elevated regular plot
- Flexibility to develop new GCB property
- Potential for subdivision, subjected to approval
- Bird's eye view of surrounding estate

GUIDE PRICE **VIEW TO OFFER**



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
- Older 2-storey Bungalow built with basement
- Near MRT
- Near Railway Corridor

GUIDE PRICE **VIEW TO OFFER**

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 with basement (4 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 FREEHOLD SEMI-DETACHED HOUSE IN ONE TREE HILL AREA

Land Area 2,278 & 2,226 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\$9.2 MILLION**



OLD SEMI-DETACHED HOUSE IN UNIVERSITY PARK

Land Area 4,800 sq ft

Built-up Area 2,500 sq ft

Other Details

- Potential to redevelop
- Square plot
- Corner plot

GUIDE PRICE **S\$10.8 MILLION** ONWARDS



2-STOREY DETACHED HOUSE IN HENRY PARK AREA

Land Area 4,370 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\$10 MILLION** ONWARDS



2.5-STOREY DETACHED HOUSE IN D11

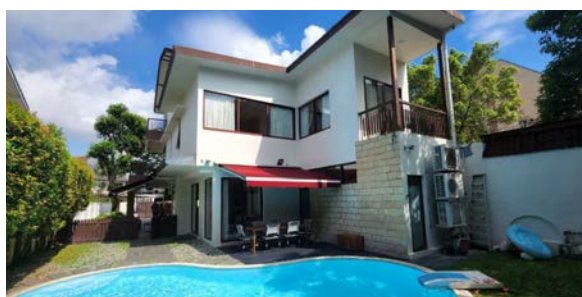
Land Area 5,000 sq ft

Built-up Area 10,000 sq ft

Other Details

- Newly-built
- 5 en-suite bedrooms
- 1 helper room
- 4 carpark lots

GUIDE PRICE **S\$18.18 MILLION**



2.5-STOREY SEMI-DETACHED HOUSE IN WATTEN ESTATE

Land Area 4,611 sq ft est

Built-up Area 4,300 sq ft est

Other Details

- Potential to build additional storey or redevelop into detached house
- Swimming pool
- 5 en-suite bedrooms + 1 study
- 1 helper room
- Near Tan Kah Kee MRT
- Within 1km to Raffles Girl School & Nanyang Primary School

GUIDE PRICE **S\$12 MILLION**



3-STOREY SEMI-DETACHED HOUSE ALONG UNIVERSITY ROAD

Land Area 2,347 sq ft

Built-up Area 4,000 sq ft

- Other Details**
- 7 + 1 bedrooms
 - Move-in condition
 - Near Botanic Gardens MRT
 - Within 1km to Nanyang Primary School and Singapore Chinese Girls' School

GUIDE PRICE **S\$4.3 MILLION**



3-STOREY FREEHOLD SEMI-DETACHED HOUSE IN GREENBANK PARK

- Other Details**
- TOP in 2027
 - Freehold brand new
 - Designed by RT+Q Architects
 - 5 en-suite bedrooms
 - Spa pool and home lift
 - Wet & dry kitchens
 - Separate helper room & bath

GUIDE PRICE **S\$9.5 MILLION**



2-STOREY DETACHED HOUSE NEAR BEAUTY WORLD (D21)

Land Area 3,202 sq ft est

- Other Details**
- Within 1km to Pei Hwa Presbyterian Primary School
 - Elevated plot
 - Wide frontage
 - Corner plot
 - 2-mins walk to MRT and shops

GUIDE PRICE **S\$5.75 MILLION**



OLD SEMI-DETACHED HOUSE ALONG SIAN TUAN AVENUE (D21)

- Other Details**
- 2-storey semi-detached zoning
 - Potential to redevelop into detached house
 - Regular elevated plot
 - Walking distance to parks, MRT, shops and amenities
 - Within 1 km to Methodist Girls School and Pei Hwa Presbyterian Primary School

GUIDE PRICE **S\$10 MILLION ONWARDS**

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