

Q4 2021 QUARTERLY REPORT **RESIDENTIAL PROPERTY REPORT**



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Private Residential Property Q4 2021

Overview

Private home prices hit new highs in Q4 2021 and grew by 10.6% for the whole of 2021, according to the flash estimate. The growth in prices comes on the back of strong demand for private homes, boosted by the economic recovery, low interest rate environment and excess liquidity in the market. For the whole of 2021, developers have sold 13,118 new homes while the private resale market transacted more than 20,000 homes, surpassing resale volumes over the last 10 years.

With new cooling measures in place from 16 December 2021 and impending interest rate hikes, private home prices are expected to rise at a more measured pace in 2022.

Prices

- The URA Property Price Index flash estimate rose by 5% QOQ in Q4. This is the fastest pace of increase on a quarterly basis since Q2 2010 where private home values rose by 5.3% QOQ.
- Prices grew across all segments in Q4 2021. The price growth was led by the non-landed private homes segment, which jumped by 5.4% QOQ. This was due to firm private resale prices and several new launches in the central region – such as Jervois Mansion, CanningHill Piers – which had higher benchmark prices, boosting overall home values.
- Within the non-landed homes segment, prices in the Rest of Central Region (RCR) expanded the most, growing by 7.3% QOQ in Q4 2021, lifted by the new home sales, particularly at CanningHill Piers which was launched in November.

- Private home prices in the Outside Central Region (OCR) grew by an impressive 5.4% QOQ, with mass market homes launched in Q4 including The Commodore being well-received.
- Meanwhile, home values in the Core Central Region (CCR) grew 2.5% QOQ in Q4 2021 – it is the highest pace of quarterly increase posted in the CCR over the whole year – supported by new launches and the opening of Vaccinated Travel Lanes (VTLs) during the quarter, that had likely helped to facilitate sales from foreigners.
- Landed home prices rose by 3.7% QOQ in Q4 2021. For the whole of 2021, landed home prices had gone up by a whopping 13.1%, boosted by a number of big-ticket Good Class Bungalow deals during the year.

Transactions

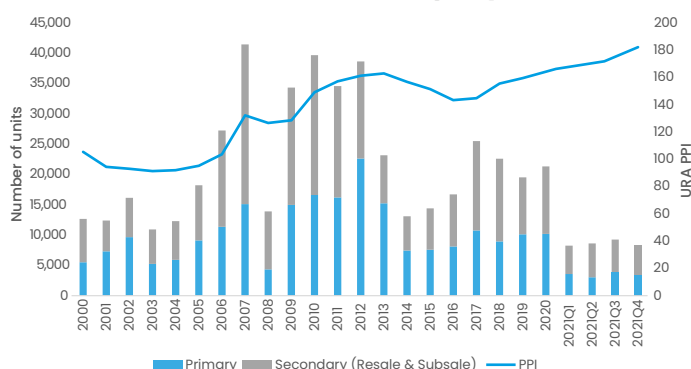
- Developers sold a total of 3,109 new private homes (ex. Executive Condos) during the quarter – representing a 12.4% decrease from 3,550 units shifted in Q3 2021.
- Projects in the RCR dominated new home sales in Q4 2021, 47.8% of new homes sold in the quarter was in the RCR, followed by new homes in the OCR (33.1%) and CCR (19.1%).
- The top selling project in the quarter was Canninghill Piers which sold 574 units out of its total inventory of 696 units at a median price of \$2,886 psf in the quarter.

Best selling projects in Q4 2021

Project Name	Region	Units Sold	Median Price in Q4 2021 (\$PSF)
CANNINGHILL PIERS	RCR	574	\$2,886
NORMANTON PARK	RCR	245	\$1,836
DAIRY FARM RESIDENCES	OCR	159	\$1,657
THE COMMODORE	OCR	158	\$1,511
JERVOIS MANSION	CCR	101	\$2,553

Source: PropNex Research, URA Realis

Total Private Home Sales & Property Price Index



Source: PropNex Research, URA (based on flash estimates in 3 Jan 2022)

- Meanwhile, the resale segment declined in Q4 2021, having sold 4,356 units, down by 18.8% from Q3 2021 (5,362 units). The drop in sales was likely due to the Covid-19 safe management measures (SMM) for Stabilisation Phase which affected viewings and resale activity in Q4.
- Sub-sales remained relatively low at 128 units, taking total private homes transactions to 7,593 units (including new sale and resale) in Q4 2021.

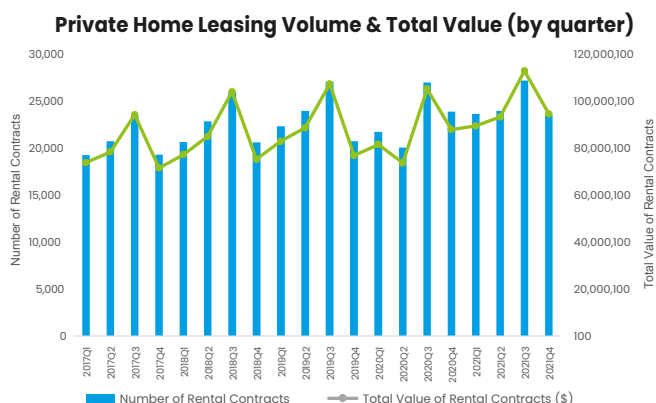
- Singaporeans accounted for 82.5% of non-landed new home sales in Q4 2021 – down from 85.6% in Q3 2021. Meanwhile, the proportion of new non-landed private homes purchased by foreigners inched up to 5.5% in Q4 2021 from 3.7% in the previous quarter. The increase in demand from foreigners could be due to the reopening of international borders and new central region launches during the quarter.

Private Residential Market Outlook

- PropNex expects the growth of private home prices to ease to 3% to 5% in 2022 as new cooling measures weigh on investment demand and ensure prices move in a more sustainable manner. Barring the CCR which is more investor-reliant, prices in other segments such as the RCR and OCR should remain fairly resilient owing to genuine demand from upgraders and locals, and the limited stock of unsold mass market homes.
- PropNex projects between 9,000 and 10,000 new private homes and between 15,000 and 16,000 resale units to be sold in the full-year 2022.

Private Home Leasing

- In Q4 2021, many landlords found themselves in a better position to negotiate and raise asking rents amid robust leasing demand due to the default work-from-home arrangement and more expatriates likely returning during the quarter.
- Leasing activity in Q4 2021 was fairly muted owing to the slower market activity towards the end of the year. Over Q4 2021, 23,489 rental contracts were inked, with the rental value of leasing contracts amounting to \$94 million.
- The rental market is poised to grow further in 2022 with more demand generated from foreigners who may choose to lease rather than buy a property in view of the higher ABSD rates.



Source: PropNex Research, URA, URA Realis

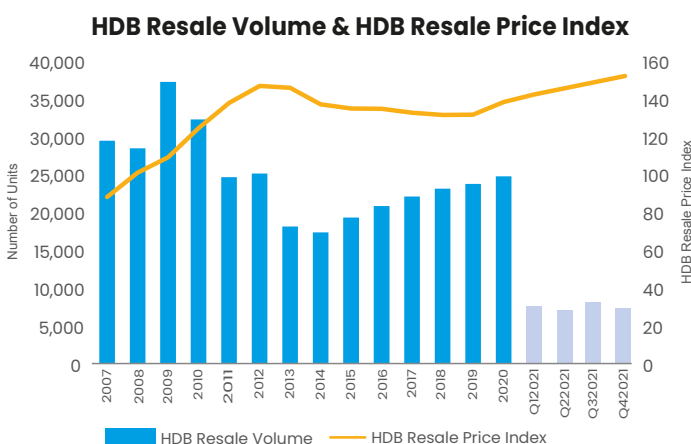
HDB Resale Q4 2021

Overview

HDB resale values continued to climb in Q4 2021, posting a double-digit growth for the whole year. The new cooling measures and a rising interest rate environment could moderate HDB resale price growth in 2022.

Transactions and Prices

- 7,511 resale flats were sold in Q4 2021 – down by 1.7% YOY from the 7,642 units resold in Q4 2020, and down by 10.9% QOQ from 8,433 units sold in Q3. The decline is likely due to the SMM measures during the Stabilisation Phase which affected viewings as well as the year-end seasonal lull. In 2021, 30,588 flats were resold.
- The flash estimate released by the Housing and Development Board showed that resale prices rose by 3.2% QOQ in Q4 2021. With an index reading of 155.4 in Q4 2021, the HDB resale price index has scaled another new peak.
- For the whole of 2021, HDB resale prices jumped by 12.5% – the highest annual growth since 2011 where resale values rose by 10.7%.



Source: PropNex Research, HDB, Data.Gov (Based on flash estimate in 3 Jan 2022)

HDB Resale Market Outlook

PropNex projects the pace of HDB resale price growth to slow to between 6% and 8% in 2022, as the new cooling measures along with the ramping up of Build-to-Order (BTO) flat supply in 2022 and 2023 may temper the buoyant buying demand.

In 2022, PropNex expects transactions in the HDB resale market to hit 30,000 flats, supported by the healthy underlying demand for resale flats 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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