

RESIDENTIAL PROPERTY REPORT

PROPnex RESEARCH
Q4 2024



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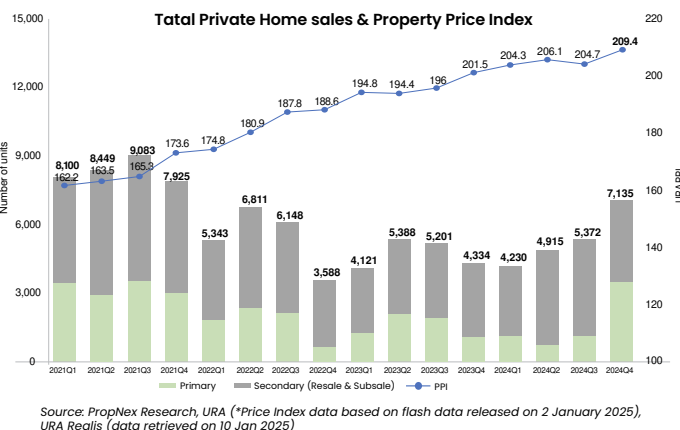
Private Residential Property Q4 2024

Overview

- In Q4 2024, private home prices picked up after a brief decline in the previous quarter. The stronger prices came amid a rebound in home sales due to the unprecedented slew of project launches in November, which saw more than 2,500 new units (excl. ECs) being sold during the month.

Prices

- URA's flash estimates showed that overall private home prices grew by 2.3% QOQ in Q4, reversing the 0.7% QOQ decline in Q3 2024.
- Cumulatively, private home prices rose by 3.9% for the whole of 2024, slowing significantly from the 6.8% growth in 2023.
- The growth in home prices was largely led by the non-landed private homes segment, where prices rose by 3.2% QOQ in Q4. The price increase can be attributed mainly to new home sales, where several projects achieved elevated average price on a \$PSF basis.
- In 2024, non-landed home prices have climbed by a cumulative 4.9%, slower than the 6.6% increase in 2023.
- Within the non-landed homes segment, prices across all sub-markets rose. Prices in the Rest of Central Region (RCR) and Outside Central Region (OCR) each saw a 3.4% QOQ growth in prices.
- Meanwhile, non-landed home prices in the Core Central Region (CCR) rose by 2.4% QOQ in Q4, following two straight quarters of decline.
- In the landed homes segment, prices slipped by 0.9% QOQ, after posting a 3.4% QOQ decrease in the previous quarter. The price decline came amidst a lower transaction volume of landed homes during the quarter.



- Based on URA Realis caveat data, there were a total of 469 landed home transactions in Q4 2024, down by about 10% from 521 deals in Q3.
- Detached homes (\$1,616 psf on land) saw the average unit price contract by 5.5% QOQ in Q4 2024. In contrast, the average unit prices of semi-detached homes (\$1,782 psf on land) and terrace houses (\$1,940 psf on land) grew by 5% QOQ and 6.2% QOQ, respectively.

Transactions

- Private home sales in Q4 2024 was led by the primary market, turbocharged by a number of major new launches, including Emerald of Katong, Chuan Park, Nava Grove, Norwood Grand – which boosted home sales in Q4.
- Based on URA Realis caveat data and monthly sales data, developers sold 3,501 new private homes (ex. EC) in Q4 – surpassing the 3,049 new units sold in the first three quarters of 2024.
- The new home sales volume in Q4 is on track to be the highest quarterly developers' sales since 3,550 units were moved in Q3 2021.
- This takes the total number of new homes sold by developers to around 6,550 units (ex. EC) for the whole of 2024, surpassing 2023's annual new sales volume of 6,421 units.
- The top-selling project in Q4 was Emerald of Katong in the RCR, which sold 840 units at an average unit price of \$2,637 psf (see Table 1). The project was part of the bonanza of new projects launched in November.
- The RCR sub-market drove new home sales in Q4, making up about 54% of new units sold.
- Based on market observations, it appears that buyer sentiment has recovered in the second half of 2024. Previously launched projects also saw more units being moved, riding on the buzz created by the November launches.

Table 1: Top selling projects in Q4 2024

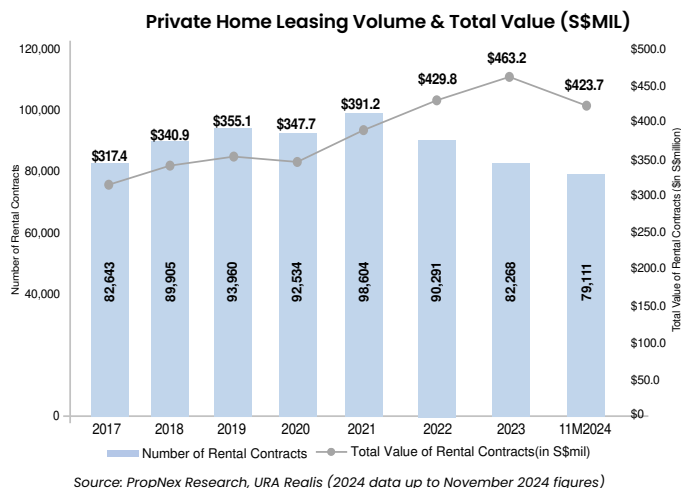
Project Name	Region	Units Sold in Q4 2024	Average Unit Price (\$PSF) in Q4 2024
EMERALD OF KATONG	RCR	840	\$2,637
CHUAN PARK	OCR	720	\$2,586
NAVA GROVE	RCR	387	\$2,453
NORWOOD GRAND	OCR	291	\$2,080
THE CONTINUUM	RCR	153	\$2,864

Source: PropNex Research, URA Realis (data retrieved on 10 Jan 2025)

- Homebuyers also picked up units at existing launches in Q4 such as The Continuum (153 units sold), Hillock Green (92 units sold), Tembusu Grand (80 units), and Pinetree Hill (73 units). It is possible that new launches such as Nava Grove, and Emerald of Katong had renewed interest for units in nearby projects.
- Meanwhile, the resale market witnessed slightly slower sales in Q4 with 3,374 units transacted, down by 12.6% QOQ from 3,860 units resold in Q3 – as some homebuyer interest likely shifted to the new launches in the quarter. This takes the total resale volume to 13,725 units in 2024 – outperforming the 11,329 units resold in 2023.
- The lower new supply completions of private homes expected in 2025 may crimp resale stock and help to support private resale home prices.
- The top-selling resale condo project during the quarter was the mega condo project, Treasure at Tampines, which shifted 49 units at an average price of \$1,707 psf.
- The volume of sub-sales declined to about 260 units, falling by 26% QOQ from Q3 2024, which saw 352 units being transacted.
- This takes the total private homes transactions to 7,135 units (including new sale and resale) in Q4 2024, based on URA Realis caveat data.

Private Home Leasing

- Private home leasing remained tepid for most of 2024. In Q3 2024, the private home rental index inched up by 0.5% QOQ, reversing the 0.8% QOQ slip in Q2. For the first nine months of 2024, private home rentals have moderated by 1.9% since the end of 2023.
- As of November 2024, median rentals of private homes stood at \$4.82 psf per month – down by 6.6% from the peak in April 2023 at \$5.16 psf.
- About 12,453 rental contracts, amounting to \$66.5 million were signed in October and November 2024 – compared to the 12,311 contracts worth \$68 million inked in the same period in 2023.
- For the first 11 months of 2024, about 79,111 contracts worth \$423.7 million were signed, compared with 75,541 rental contracts worth \$427.2 million in the same period in 2023.



Private Residential Market Outlook

In September 2024, the US Federal Reserve started its rate-cut cycle, delivering a mega rate cut of 0.5%-pt, followed by two smaller rate cuts of 0.25%-pt each in November and December. The interest rate cuts, more positive economic outlook, along with some pent-up demand from limited launches in 2024 had created an impetus for homebuyers to act. Prospects of a further moderation in interest rates and a stronger pipeline of launches may encourage more buyers to enter the market in 2025.

In 2025, PropNex projects that overall private home prices may rise by 3% to 4%, while new home sales could come in at 8,000 to 9,000 units (ex. EC), barring any unforeseen events. Based on PropNex's estimates, there may potentially be some 13,000 new units (incl. EC) that may be launched for sale by developers in 2025 – almost doubling that of 2024. In view of the ample slate of launches, developers are likely to price units sensitively, taking into consideration the projects' location attributes and depth of the housing demand.

Prices of new launches are likely to stay resilient owing to the high land acquisition cost, rising construction costs, as well as financing cost borne by property developers. Meanwhile, sites that are affected by the new rules on harmonisation of gross floor area definitions could also see higher PSF pricing due to a reduction in the saleable area in the development.

Oncoming new projects in Q1 2025 may include the 777-unit The Orie, 113-unit Bagnall Haus, 501-unit ELTA, 188-unit Aurea, 1,193-unit Parktown Residence, and 477-unit Lentor Central Residences, among others.

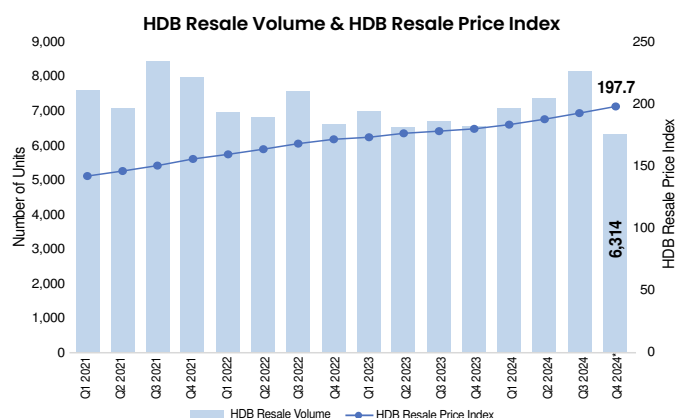
HDB Resale Q4 2024

Overview

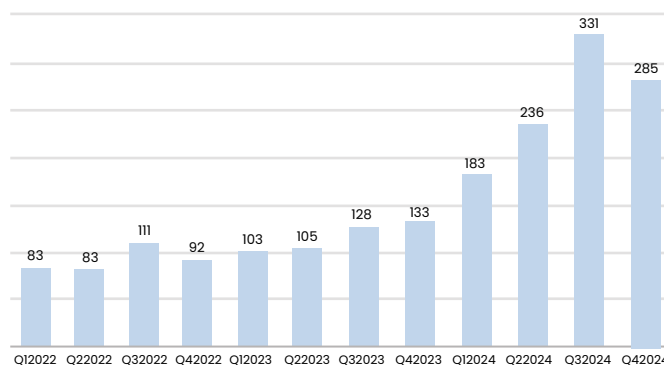
Flash estimates released by the Housing and Development Board (HDB) showed that prices of resale flats rose by 2.5% QOQ in Q4 2024, slowing from the 2.7% QOQ growth in the previous quarter. This marks the 19th straight quarter of price increase in the HDB resale segment. Based on the flash estimates, HDB resale prices rose by 9.6% for the whole of 2024 – picking up considerably from the 4.9% growth in 2023.

Transactions and Prices

- As per the flash estimates, the HDB resale price index hit a new high in Q4 2024 with an index reading of 197.7 points.
- The slight moderation in price growth in Q4 came after three straight quarters of escalating resale flat prices from Q1 2024. The strengthening resale flat prices had prompted the government to intervene in August 2024, where a 5 percentage-point reduction in the loan-to-value (LTV) limit for HDB loans to 75% was implemented to tame the resale flat market.
- Going by the weaker sales and slower growth in the HDB resale price index in Q4, it could be likely that the effects of the August 2024 measure are working through the market. Meanwhile, the thinner resale volume during the quarter also likely put a drag on prices.
- The HDB said that 6,314 flats were resold in Q4 2024 (till 30 December 2024) – this is sharply lower than the 8,142 resale flats transacted in Q3 2024. Including the 22,562 flats resold in the first nine months of 2024, there were 28,876 resale flats transacted in the year (till 30 Dec), surpassing the 26,735 flats resold in 2023.
- Meanwhile, the number of HDB flats resold for at least \$1 million fell in Q4 2024, with 285 such flats sold – down from 331 such flats sold in Q3.



Number Of Million-Dollar HDB Flat Transactions



Source: PropNex Research, Data.gov.sg

- This takes the number of such flats transacted to 1,035 units for 2024 – more than double the record 469 units resold in 2023. In 2024, million-dollar resale flats made up around 3.7% of sales, based on transaction data

HDB Resale Market Outlook

The resale flat volume in Q4 2024 may potentially be the weakest quarter of transactions since Q2 2020, where 3,426 flats were resold amid the Covid-19 restrictions. Some of the reasons for the slower sales in Q4 2024 could be due to the year-end seasonal lull, and possibly the bumper crop of new build-to-order (BTO) flats launched in October, that pulled some buyers from the resale flat market. The fewer million-dollar flats resold in Q4 2024 could also be a result of the lowered LTV limit for HDB loans, which is aimed at cooling the strong demand at the top end of the HDB resale market.

Looking at 2025, PropNex anticipates that the number of million-dollar resale flats could remain elevated – potentially crossing 1,000 units again – as such flats having unique attributes (such as being near the city, located near to the MRT station and/or amenities, command good views, situated on a high floor, spacious etc.) that are sought-after by buyers.

Barring any unforeseen events, PropNex expects the HDB resale market to perform well in 2025, underpinned by healthy housing demand, and the lower number of MOP flats coming on possibly keeping resale prices firm. Resale flats will continue to enjoy strong buying interest from those who have more pressing needs, applicants who are unable to secure a BTO flat, as well as families with a tighter housing budget.

PropNex projects that HDB resale flat prices may rise by 5% to 7% in 2025, supported by a resale volume forecast of 29,000 to 30,000 units.

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