

## Private Residential Property Q3 2021

### Overview

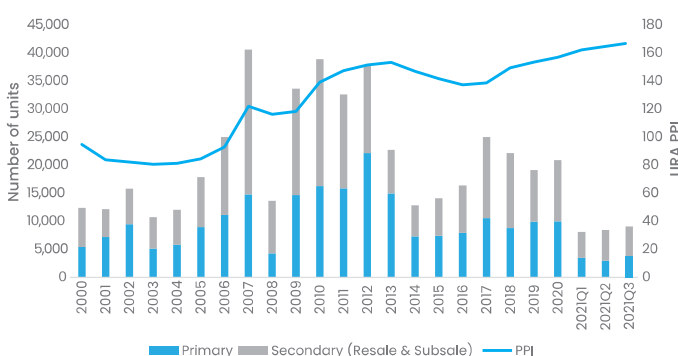
Private Residential Prices achieved new peaks in 3Q2021 and sold more units in the resale and new home sale market despite the tighter COVID-19 restrictions under the second Phase 2 Heightened Alert (P2HA) in July and August. The growth in prices is as expected with the strong demand for resale homes and suburban new homes in the quarter. The private resale market resold more than 5,300 homes, a 10-year record high for homes sold in the quarter.

Market observations suggest that buyers' confidence remains generally intact, buoyed by the economic recovery, low interest rate environment and excess liquidity in the market.

### Prices

- Private home values grew at a slightly faster pace in Q3 2021. According to the URA Property Price Index, private home prices climbed for the sixth straight quarter, posting a modest 1.1% QOQ increase in Q3 – up from the 0.8% growth in the previous quarter
- The price increase in Q3 was led by landed homes prices which moved up by 2.6% QOQ, a bounce back from the contraction of -0.3% in the previous quarter. In Q3 2021, a number of record-beating sales of Good Class Bungalows (GCBs) as well as increasing demand for landed homes helped to push up overall landed home values.
- Meanwhile, the non-landed home segment recorded a 0.7% QOQ growth, with increases in the RCR, posting a healthy 2.6% QOQ growth, while the CCR and OCR posted minor QOQ contractions of -0.5% and -0.1% respectively

### Total Private Home Sales & Property Price Index



Source: PropNex Research, URA

### Transactions

- Developers sold a total of 3,550 new private homes (ex. Executive Condos) during the quarter – representing a 19.7% increase from 2,966 units shifted in Q2 2021.
- The surge in new sales was due to the success of a few major OCR launches namely, Pasir Ris 8, as well as rising land bids from recent GLS tender activities, which set off a flurry of buying activity in the OCR market. The exuberant buying activity plus the depleting inventory of OCR projects had spilled over to other RCR projects and resale homes in the outlying areas.
- In terms of new sales volumes, projects in the OCR dominated new home sales in Q3 2021. 57.4% of new homes sold in the quarter was in the OCR, followed by new homes in the RCR (30.1%) and CCR (12.5%)
- The top selling project in the quarter was Pasir Ris 8 which was sold out as of August, with a median price of \$1,627 psf in the quarter.

#### Best selling projects in Q3 2021

Project Name	Region	Units Sold	Median Price in Q3 2021 (\$PSF)
PASIR RIS 8	OCR	425	\$1,627
NORMANTON PARK	RCR	320	\$1,829
THE WATERGARDENS AT CANBERRA	OCR	285	\$1,469
MIDWOOD	CCR	176	\$1,685
PARC CLEMATIS	CCR	163	\$1,706

Source: PropNex Research, URA Realis

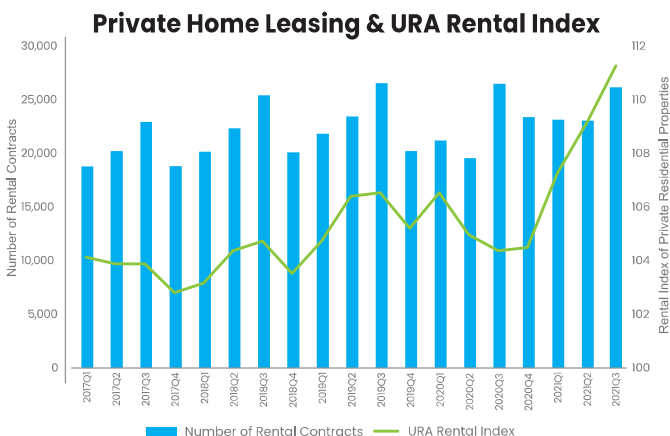
- Meanwhile, the resale segment did particularly well in Q3 2021, with 5,362 units resold – this is one of the highest quarterly resale figures since Q2 2010 which sold 5,253 resale homes.
- Sub-sales remained relatively low at 171 units, taking total private homes transactions to 9,083 units (including new sale and resale) in Q3 2021
- Singaporeans made up 85.3% of the non-landed new home sales in Q3 2021 – down slightly from 82.2% in Q2 2021. Meanwhile, the proportion of new non-landed private homes purchased by foreigners inched down to 4.1% in Q3 2021 from 4.5% in the previous quarter. Demand from foreigners may increase in the coming months due to the opening of international borders and the upcoming central region launches in Q4

## Private Residential Market Outlook

- PropNex expects private home values to climb by 6% to 7% for the full year of 2021. The healthy demand for homes as well as the diminishing unsold stock will support home prices. As of Q3 2021, there were 17,140 unsold units (ex. ECs)
- Barring any new cooling measures, PropNex projects close to 13,000 new private homes and more than 19,000 resale units to be transacted in the full-year of 2021

## Private Home Leasing

- Based on the URA Rental Index of private residential properties, rents rose by 1.8% in Q3 2021, slowing down from the 2.9% growth in Q2.
- The growth in rentals was led by the landed home segment which increased by 4.7% QOQ; while rentals in the non-landed homes segment were up by 1.4% QOQ
- With work-from-home remaining as the default mode, many landlords find themselves in a better position to raise rentals with robust leasing demand, especially for larger homes.
- Leasing activity in Q3 was fairly buoyant. A total of 26,759 rental contracts were inked in Q3 2021 – up by 11.9% from 23,923 contracts in the previous quarter. In terms of rental value, leasing contracts in Q3 2021 amounted to a whopping \$111 million, up by 19.3% from the previous quarter (\$93.1 million). This was a record high for leasing contract values recorded in the quarter, the last record being \$107 million in Q3 2019.
- Rental demand is expected to soften in the next few months as travel borders open – foreign expatriates may go back to their home countries especially during the festive season which may rein in leasing activity in the next few months.



Source: PropNex Research, URA, URA Reclis

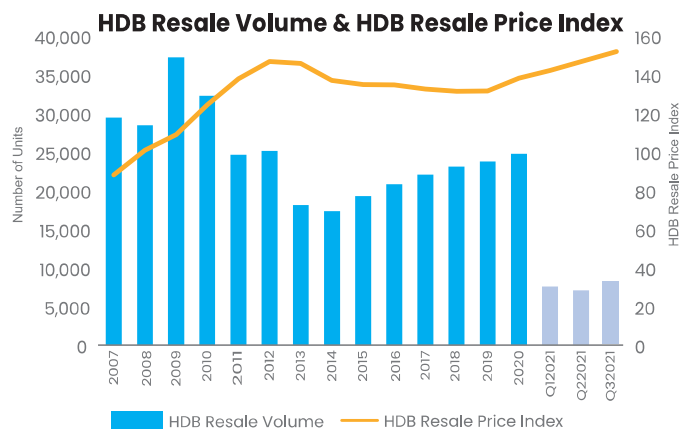
## HDB Resale Q3 2021

### Overview

The HDB resale market sold more than 8,400 units in Q3 2021, one of the highest quarterly resale transaction volume recorded over the past 10 years. At the same time, HDB resale prices continued to climb in Q3 2021, achieving a double-digit year-on-year growth. The positive economic outlook, delays in the completion of new Build-to-Order flats, and generous resale housing grants for first-time buyers contributed to the buoyant resale market.

### Transactions and Prices

- 8,433 resale flats were transacted in Q3 2021, up by 8.3% YOY from the 7,787 units resold in Q3 2020, and up by 19.4% QOQ from 7,063 units sold in Q2 2021. The last time the HDB resale volume surpassed the 8,000-unit mark was in Q3 2010, where 8,205 units were sold.
- HDB resale prices rose by 2.9% in Q2 2021, continuing the strong growth of 3.0% in Q2 2021. Year-on-year, HDB resale prices posted a double-digit growth of 12.5% – which is the highest YOY growth since Q3 2011 which achieved a YOY growth of 11.6%.
- With an index reading of 150.6 in Q3 2021, the HDB resale price index has now achieved a new high, surpassing the recent peak in Q2 2013 which had an index reading of 149.4.



Source: PropNex Research, HDB

## HDB Resale Market Outlook

With the construction industry struggling to find its footing and the extended waiting times for BTO flats, demand for HDB resale homes will likely remain robust at the levels seen in Q3 2021. For the first nine months of 2021, 23,077 resale flats were sold and overall resale prices have climbed by 8.9%. PropNex expects that resale volume could exceed 30,000 flats and that resale prices are likely to increase by 11% to 12% for the whole of 2021.