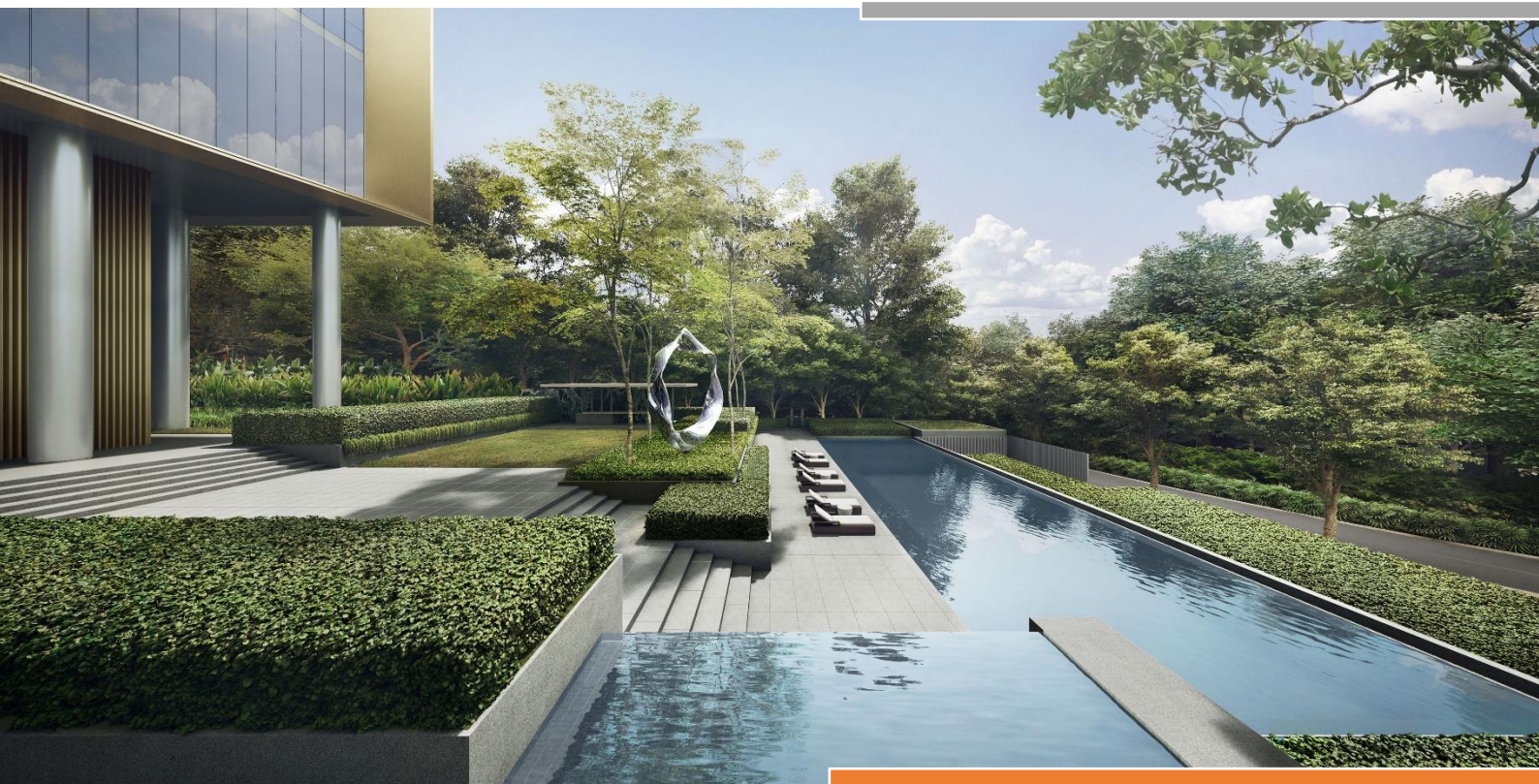


RESALE PRICES OF LUXURY HOMES RISE AT A FASTER PACE

Private Resale Trends Q1 2024



Cuscaden Reserve

Private resale home prices rose for a third consecutive quarter in Q1 2024, driven by price gains in the luxury segment. Resale volume, on the other hand, contracted amid the Chinese New Year festive period and March school holidays.





Artist's Impression

Boulevard 88

PRICE TREND

Private resale prices rose for a third consecutive quarter in Q1 2024, driven by price gains in the luxury segment. According to the Urban Redevelopment Authority (URA) Realis data, the average price of resale homes, including landed and non-landed homes but excluding executive condominiums (EC), rose by 1.4 per cent from S\$1,668 psf in Q4 2023 to S\$1,691 psf in Q1 2024 (Chart 1).

Last quarter's price increment was lower than the 2.3 per cent growth in the preceding quarter. The non-landed and landed segments both saw an increase in resale prices, rising by 1.4 per cent and 1.2 per cent quarter-on-quarter (q-o-q), respectively, in Q1 2024.

Last quarter's price growth was led by the prime districts or Core Central Region (CCR), where resale prices rose by 3.7 per cent from S\$2,118 psf in Q4 2023 to S\$2,196 psf in Q1 2024. This was higher than the 1.7 per cent quarter-on-quarter increase in Q4 2023 and the 0.1 per cent gain in Q3 2023. Prices had, in fact, dipped by 5.2 per cent from Q1 2023 to Q2 2023.

Over the same periods, prices in the city fringe or Rest of Central Region (RCR) increased marginally by 0.5 per cent from S\$1,783 psf to S\$1,792 psf while those in the suburbs or Outside of Central Region (OCR) fell marginally by 0.3 per cent from S\$1,447 psf to S\$1,443 psf (Chart 2).

Chart 1 Resale prices grew by 1.4 per cent in Q1 2024

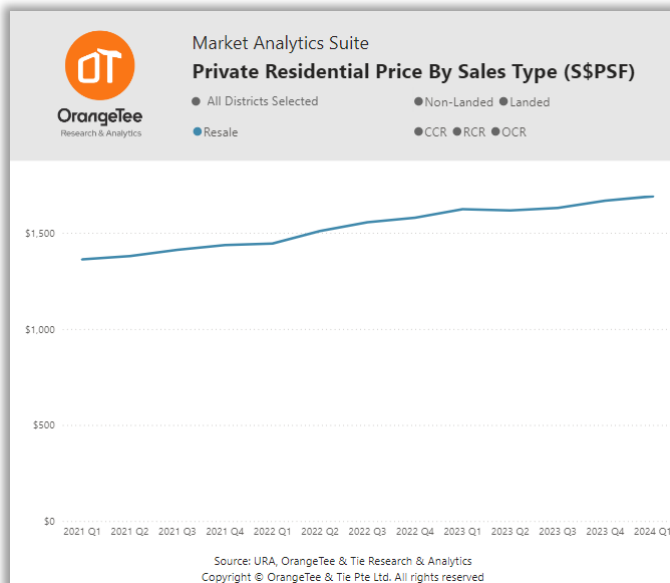
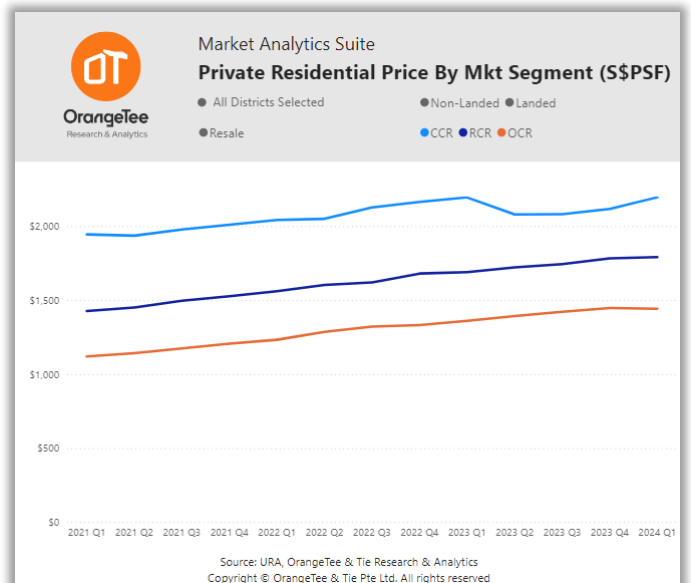


Chart 2 Resale prices rose the most in the CCR





RESALE VOLUME

Resale volume fell last quarter as sales activities slowed during the Chinese New Year festive period and March school holidays. Based on URA Realis data, 2,603 resale homes (2,276 non-landed, 327 landed) excluding EC were sold in Q1 2024, slipping by 7.2 per cent from 2,806 units (2,485 non-landed, 321 landed) in Q4 2023 (Chart 3). This marks the third straight quarter of contraction in resale transactions.

Resale volume in the city fringe dipped by 10.2 per cent from 856 units in Q4 2023 to 769 units in Q1 2024, while those in the suburbs declined by 8.4 per cent from 1,456 units to 1,333 units over the same period. Resale transactions in the CCR rose from 494 units in the fourth quarter of 2023 to 501 units in the first quarter of this year. As a result, the proportion of total resale transactions in the prime CCR rose from 17.6 per cent in Q4 2023 to 19.2 per cent in Q1 2024. In contrast, the proportion of resale homes excluding EC in OCR dipped from 51.9 per cent to 51.2 per cent, while those in RCR slipped from 30.5 per cent to 29.5 per cent over the same period.

The S\$1-2 million price quantum remains the sweet spot for buyers. About 46 per cent of the total resale transactions (excluding EC) were in this price range last quarter, albeit a drop from 49.5 per cent in Q4 2023 (Chart 4).

Chart 3 Resale volume fell by 7.2 per cent in Q1 2024

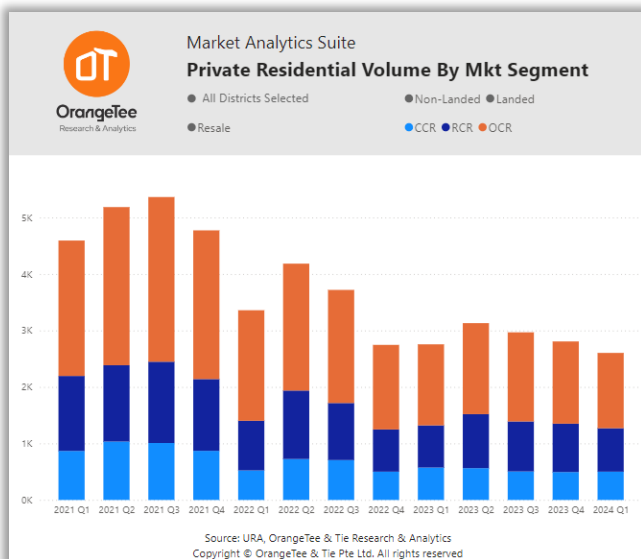
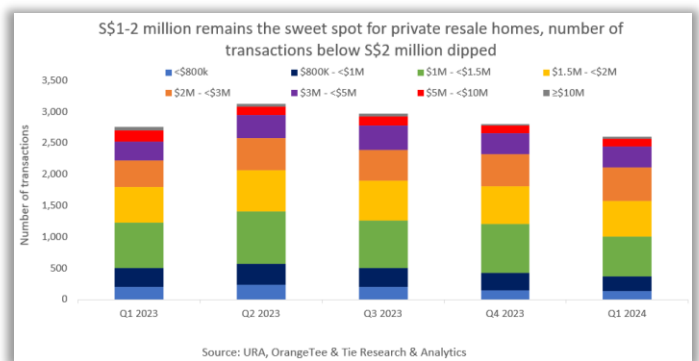
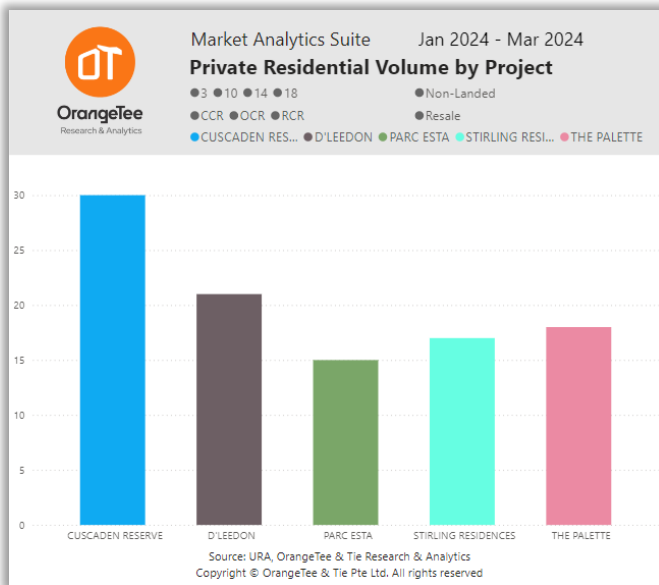


Chart 4 S\$1-2 million remains the sweet spot



BEST-SELLING RESALE CONDOS

Chart 5 The best-selling resale condos in Q1 2024



According to URA Realis data, last quarter's best-selling resale condominiums were Cuscaden Reserve (32 units, average price S\$3,020 psf), D'Leedon (22 units, S\$1,936 psf), The Palette (18 units, S\$1,375 psf), Stirling Residences (17 units, S\$2,243 psf) and Parc Esta (15 units, S\$2,189 psf) (Chart 5).

Cuscaden Reserve, which sold the most units in Q1 2024, is a luxury development relaunched in the serene enclave of Cuscaden Road. The project is ready for occupation after receiving its temporary occupation permit (TOP) in August 2023.

Outlook

The Singapore resale market is expected to remain steady in the coming months due to our sound economic fundamentals and robust demand for completed homes in the era of flexible work arrangements. Additionally, there is the possibility of a moderation of interest rates in the second half of the year, which could increase the affordability of housing for potential buyers.

We anticipate a rise in the completion of private homes in prime locations but a decrease in supply in suburban areas this year. Due to the cooling measures and still tight lending environment, we anticipate a slight decrease in the total number of resale units this year compared to last year, possibly falling from 11,329 units in 2023 to approximately 9,000 to 11,000 units in 2024. Moreover, we predict that the growth rate of resale prices may slow down and hover between 3 and 5 per cent this year.

Please contact us for research inquiries. For sales enquiries, please contact your preferred OrangeTee agents.



Christine Sun
Chief Researcher & Strategist
christine.sun@orangetee.com



Timothy Eng
Assistant Manager
timothy.eng@orangetee.com



Kenneth Tan
Research Analyst
kenneth.tan@orangetee.com



Yuvana Mahendran
Research Analyst
yuvanalakshmi.m@orangetee.com