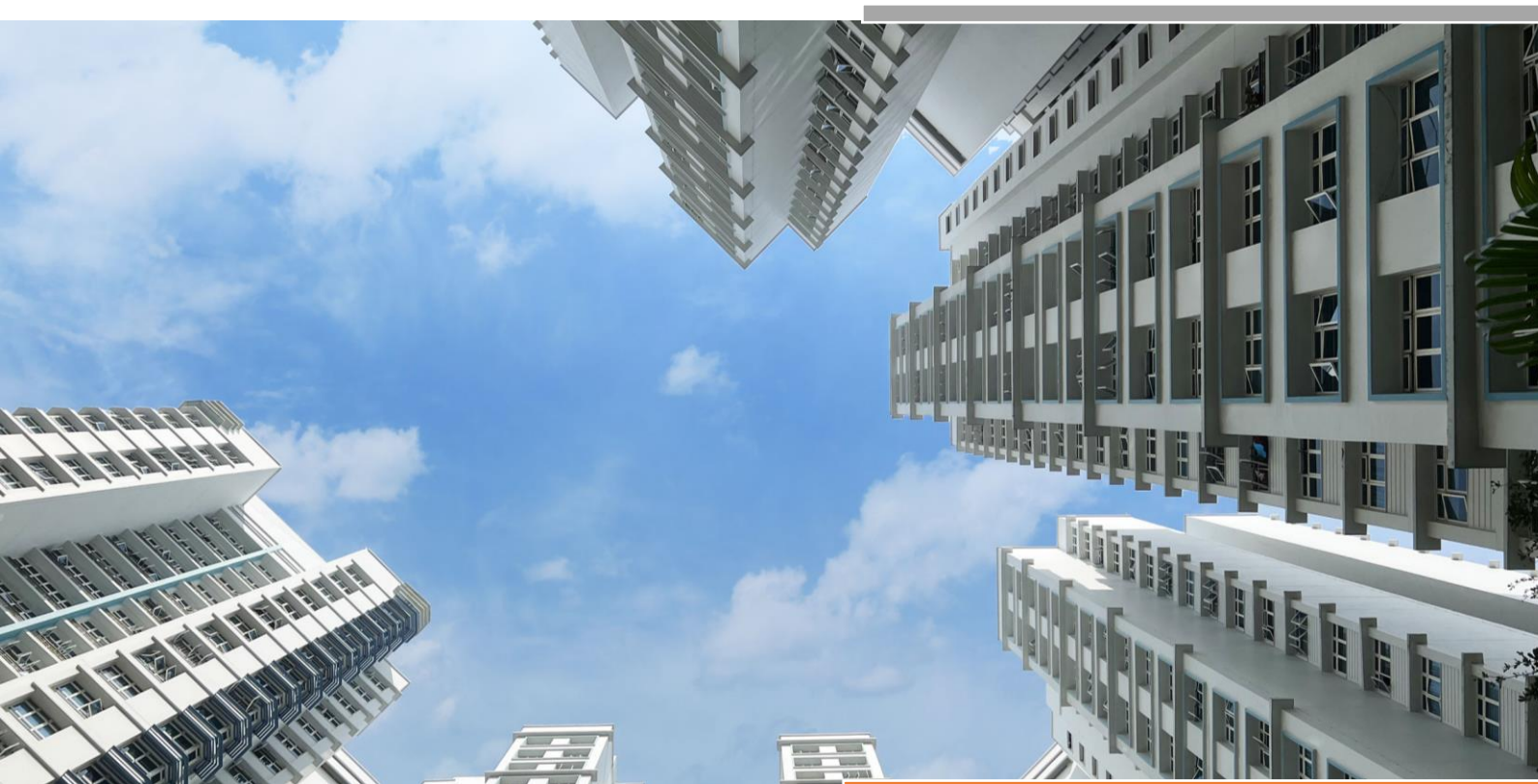


Smallest Price Gap Between 4 & 5-room Flats

HDB Resale Trends Q3 2024



OrangeTee photo by student intern
Clement Ryan Lim WP

More 4-room flats have been sold for S\$900,000 and above, while the price growth of 4-room flats has outpaced that of 5-room flats, resulting in the smallest price gap ever recorded between the two flat types.



PRICE TREND

The HDB resale market gained momentum, registering a 2.7 per cent price increase from Q2 2024 to Q3 2024, outpacing the 2.3 per cent upturn observed in the second quarter of 2024.

Public housing statistics released by HDB showed that this was the fastest growth since the second quarter of 2022 when prices rose by 2.8 per cent. For the first three quarters of this year, prices rose by 6.9 per cent, which is higher than the 3.8 per cent growth registered over the same period in 2023 but slower than the 8 per cent increase over the same period in 2022 (Chart 1).

The recent price escalation can be attributed to the tight housing supply. The number of flats obtaining the minimum occupation period (MOP) dropped substantially by nearly 50 per cent, from 53,902 units in 2021 and 2022 to 27,501 units from 2023 to 2024. The biggest fall occurred in Punggol, where the number of MOP units decreased by 7,138 over the same period, followed by Choa Chu Kang (4,017 units), Yishun (3,724 units), and Kallang/ Whampoa (2,715 units). No flats reached MOP over the past four years in estates like Central Area and Bukit Panjang.

By flat type, the average resale prices of 4-room flats grew by 3.5 per cent quarter-on-quarter in Q3, which was faster than other flat types like 3-room flats at 2.7 per cent, 2-room flats at 3 per cent, executive flats at 2.4 per cent and 5-room flats at 1.4 per cent, according to caveat data from data.gov.sg.

Consequently, some of these towns experienced a notable acceleration in property prices in the last quarter. Property prices surged in 19 out of 26 towns, compared to 21 in the preceding quarter, with the most substantial increases observed in Geylang (8.6%), Central Area (8.1%), Jurong East (7.7%), Queenstown (6.8%), and Yishun (4.8%) (Table 1).

Table 1 Avg prices rose in 19 towns in Q3 2024

Towns	Q2 2024	Q3 2024	q-o-q % price change
GEYLANG	\$602,227	\$654,273	8.6%
CENTRAL AREA	\$703,729	\$760,953	8.1%
JURONG EAST	\$506,521	\$545,690	7.7%
QUEENSTOWN	\$651,456	\$696,054	6.8%
YISHUN	\$525,785	\$551,048	4.8%
ANG MO KIO	\$558,501	\$584,569	4.7%
HOUGANG	\$605,815	\$633,968	4.6%
CLEMENTI	\$594,633	\$617,673	3.9%
SENGKANG	\$623,333	\$645,722	3.6%
BUKIT MERAH	\$718,832	\$743,016	3.4%
BEDOK	\$550,317	\$567,068	3.0%
CHOA CHU KANG	\$567,168	\$584,250	3.0%
PUNGGOL	\$632,476	\$650,783	2.9%
BUKIT BATOK	\$565,697	\$580,413	2.6%
SEMBAWANG	\$569,785	\$583,255	2.4%
JURONG WEST	\$520,842	\$533,103	2.4%
WOODLANDS	\$579,592	\$591,852	2.1%
TAMPINES	\$647,072	\$653,461	1.0%
BUKIT PANJANG	\$595,173	\$598,451	0.6%
BUKIT TIMAH	\$891,985	\$890,839	-0.1%
KALLANG/WHAMPOA	\$697,556	\$692,805	-0.7%
SERANGOON	\$669,986	\$663,663	-0.9%
PASIR RIS	\$714,038	\$707,268	-0.9%
BISHAN	\$818,182	\$806,475	-1.4%
TOA PAYOH	\$662,094	\$651,279	-1.6%
MARINE PARADE	\$604,049	\$575,090	-4.8%
Grand Total	\$603,641	\$621,602	3.0%

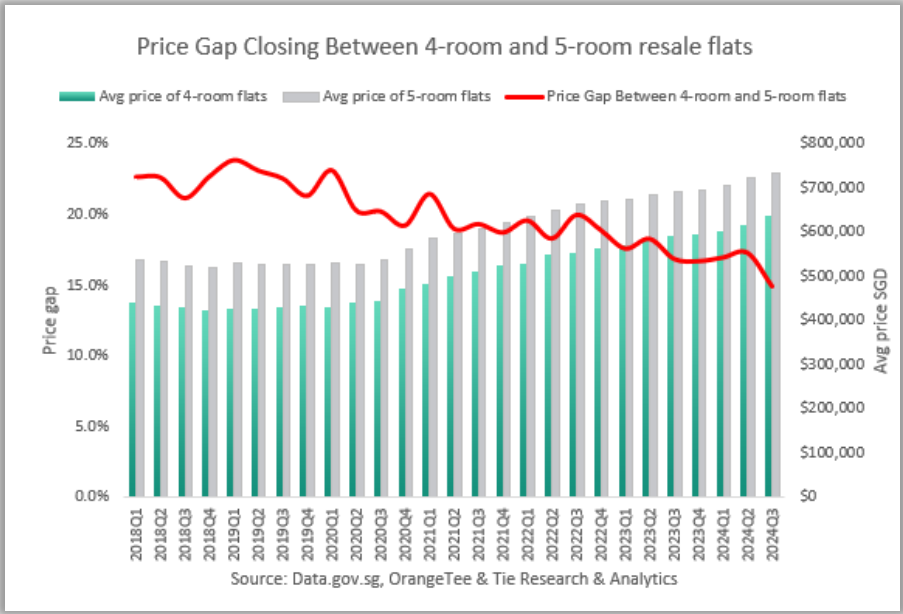
Source: Data.gov.sg, OrangeTee & Tie Research & Analytics

Chart 1 Resale prices grew faster in Q3



Smallest Price Gap Between 4 & 5-room flats

Chart 2 Price Gap closing between 4-room and 5-room flats

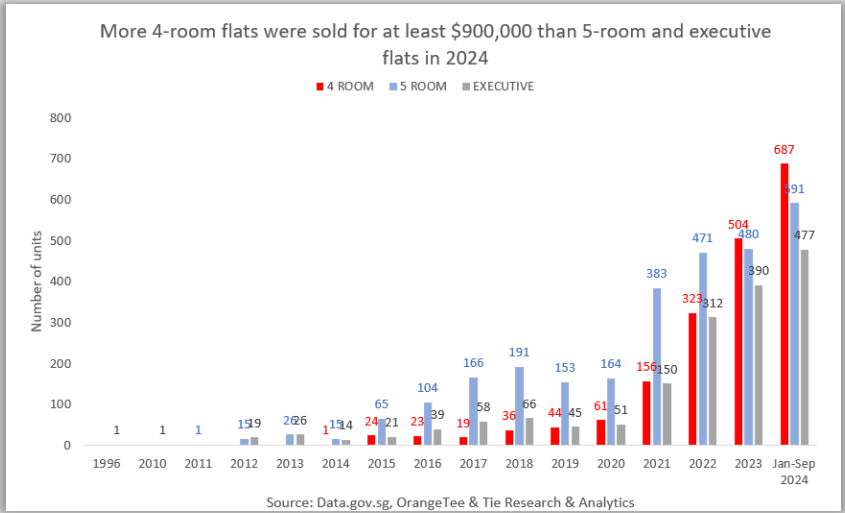


The price disparity between 4- and 5-room flats has been rapidly diminishing. During the pre-pandemic years, the average price of 5-room flats stood at S\$538,133 in Q1 2018, representing a 22.6 per cent premium over 4-room flats, priced at S\$438,892 (Chart 2).

Subsequent to the onset of the pandemic, this margin contracted to 20.2 per cent in Q3 2020 and further reduced to 16.9 per cent in Q3 2023. In the third quarter of this year, the price differential narrowed to 15 per cent, which is the narrowest price gap on record, smaller than the previous low of 16.7 per cent in Q4 2023.

The closing price gap could be attributed to a faster pace of price growth for 4-room flats. Prices of 4-room flats jumped by 43.3 per cent from S\$445,472 in Q3 2020 to S\$638,566 in Q3 2024. Comparatively, the price of 5-room flats rose at a slower pace of 37.1 per cent from S\$535,462 to S\$734,126 over the same period.

Chart 3 More 4-room flats crossing the \$900,000 mark



Compared to a year ago, prices of 4-room flats rose by 8.2 per cent from S\$590,299 in Q3 2023 from Q3 2024, whereas 5-room flats climbed by 6.4 per cent from S\$689,904 over the same period.

Moreover, there has been a noticeable increase in 4-room flats commanding higher transacted prices. Surprisingly, 687 resale flats were transacted for at least \$900,000 in the first three quarters of 2024, surpassing the number of 5-room flats sold at this price tag, which stood at 591 units, and executive flats at 477 units (Chart 3).

Only 44 4-room flats were sold at this price point in the full year of pre-pandemic 2019, as opposed to 153 5-room flats and 45 executive flats.

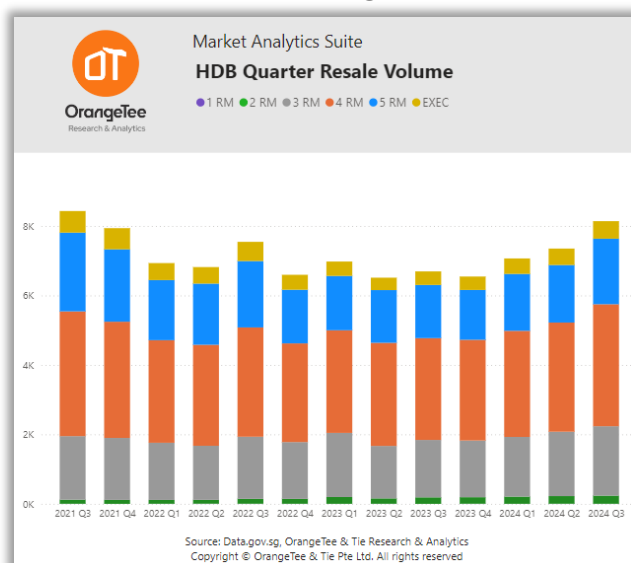
The price appreciation observed in 4-room flats can also be attributed to an increasing number of units reaching MOP, and newer flats tend to command higher prices. In contrast, 5-room MOP flats have declined since fewer large flats have been launched for sale over the past decade.

SALES VOLUME

Despite the price acceleration, resale volume increased to 8,142 units in Q3, up 10.7 per cent from 7,352 units sold in the second quarter of this year. This is the highest quarterly sales since 8,433 units were sold in Q3 2021 (Chart 4).

For the first three quarters of the year, 22,562 units were sold, and this marks the highest three-quarter sales since Q1-Q3 2021 when 23,077 resale flats were transacted.

Chart 4 Resale transactions at highest level since Q3 2021



As private property prices remain elevated, the increased demand could be driven by more people upgrading within the same housing segment, from smaller resale flats to larger ones. More private home downgraders may have also opted to buy HDB resale flats for their affordability.

By flat type, demand for larger resale flats continued to trend upwards despite the general uptrend in resale prices. In Q3 2024, 2,392 5-room and executive flats were sold, 12.3 per cent more than the 2,130 units sold in Q2 2024 and 14.8 per cent higher than the 2,084 transactions in Q1 2024 (Chart 5).

These larger flat transactions also accounted for a higher proportion of total sales, climbing slightly from 29 per cent in Q2 2024 to 29.4 per cent in Q3 2024.

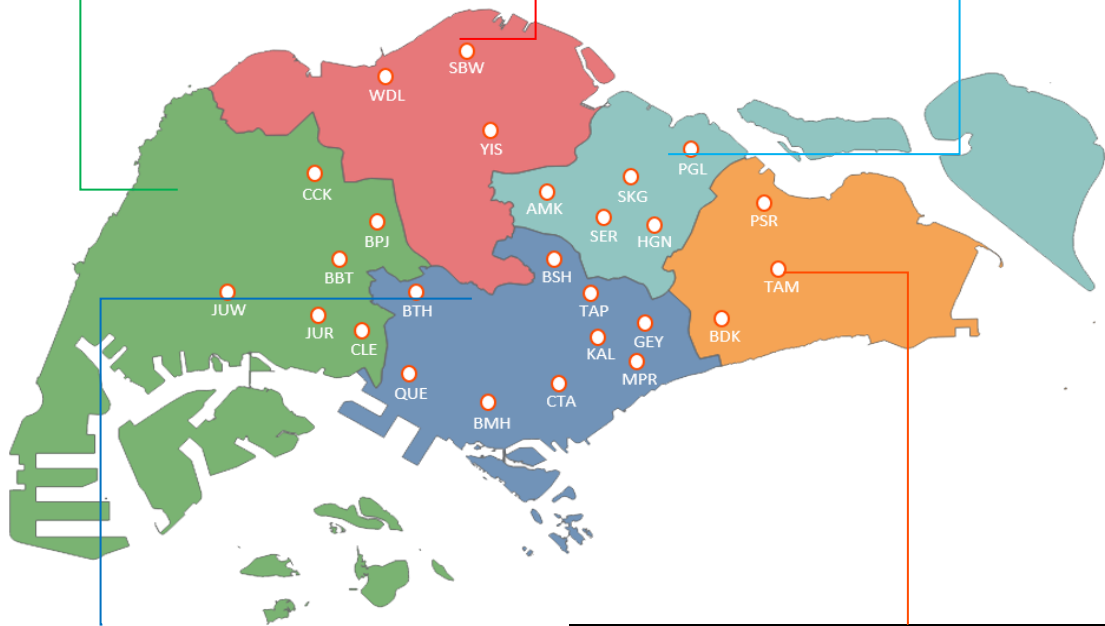
The strong demand for larger flats could be attributed to more private homeowners having fulfilled the 15-month wait-out period when they purchase a resale flat.

HDB RESALE TRANSACTIONS IN Q3 2024

North Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Sembawang (SBW)	253	\$494,922	\$592,487	\$636,280
Woodlands (WDL)	561	\$425,939	\$540,097	\$643,707
Yishun (YIS)	499	\$429,018	\$536,522	\$683,644

West Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bukit Batok (BBT)	500	\$422,167	\$595,506	\$758,416
Bukit Panjang (BPJ)	240	\$435,526	\$550,152	\$678,993
Choa Chu Kang (CCK)	351	\$433,919	\$536,451	\$626,733
Clementi (CLE)	162	\$414,372	\$735,831	\$854,489
Jurong East (JUR)	154	\$409,435	\$532,706	\$691,078
Jurong West (JUW)	522	\$381,511	\$530,072	\$612,749

North-East Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Ang Mo Kio (AMK)	310	\$427,957	\$661,533	\$910,610
Hougang (HGN)	388	\$442,247	\$605,264	\$749,620
Punggol (PGL)	602	\$511,340	\$650,865	\$734,158
Sengkang (SKG)	643	\$509,808	\$631,982	\$693,670
Serangoon (SER)	129	\$446,444	\$625,820	\$807,762



Central Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bishan (BSH)	112	\$489,508	\$744,364	\$976,673
Bukit Merah (BMH)	275	\$501,807	\$852,050	\$1,038,744
Bukit Timah (BTH)	20	\$496,222	\$741,413	\$1,042,500
Central Area (CTA)	50	\$470,513	\$899,404	\$1,346,667
Geylang (GEY)	219	\$479,455	\$808,405	\$854,889
Kallang / Whampoa (KAL)	307	\$479,060	\$873,212	\$942,689
Marine Parade (MPR)	42	\$459,292	\$646,286	\$987,698
Queenstown (QUE)	219	\$452,481	\$909,591	\$1,041,457
Toa Payoh (TAP)	230	\$435,864	\$826,072	\$957,696

East Region				
Towns	Total no. of units sold	Average Resale Price		
		3-Room	4-Room	5-Room
Bedok (BDK)	371	\$411,985	\$602,495	\$750,260
Pasir Ris (PSR)	174	\$440,000	\$612,390	\$716,122
Tampines (TAM)	510	\$476,513	\$643,061	\$769,292

Source: Data.gov.sg, OrangeTee & Tie Research & Analytics

Uncovering Trends Through Data Analytics+

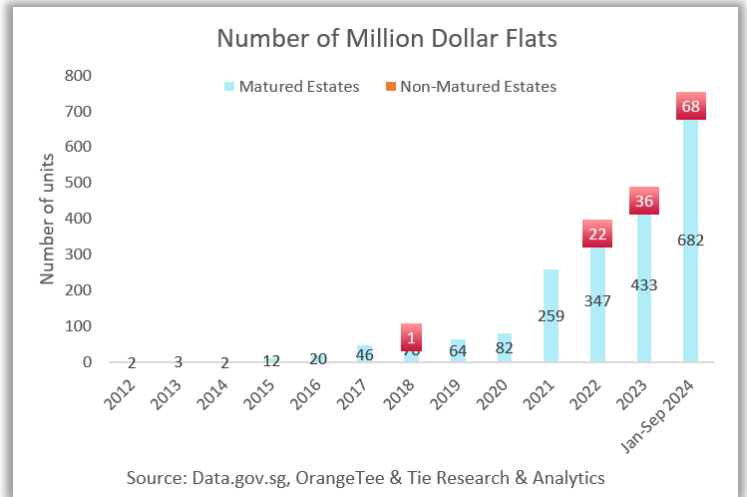
Million-dollar Flats

The number of flats commanding a million dollars continued to grow.

In the third quarter of this year, a record 331 HDB flats were sold for a million dollars, up from 236 units in the preceding quarter and 128 units in Q3 2023.

In the first three quarters of 2024, there were 750 million-dollar flats, which surpassed the full-year record of 469 units in 2023 (Chart 5). Given the sales momentum, the number of million-dollar flat transactions could be on track to double the number inked last year.

Chart 5 Total resale volume rose in Q3 2024

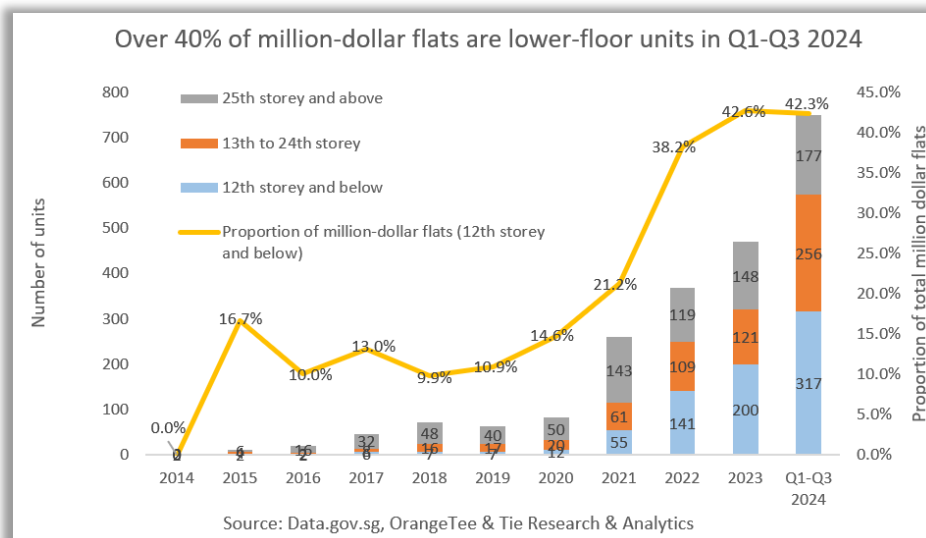


The prevailing trends indicate that many buyers are paying a premium for flats farther from the city centre, for 4-room flats and flats situated on lower floors. Notably, over the past two years, there has been a discernible uptick in the market share of million-dollar flats located in non-mature estates, climbing from 4.3 per cent (12 units) from January to September 2022 to 9.1 per cent (68 units) during the same period in 2024.

Furthermore, the proportion of 4-room million-dollar flats has experienced a substantial surge, escalating from 9 per cent (25 units) to 33.9 per cent (254 units) over the same period.

Similarly, the proportion of lower-floor million-dollar flats at 12th storey and below has also increased from 34.7 per cent (96 units) in the first three quarters of 2022 to 42.3 per cent (317 units) over the same period in 2024 (Chart 6).

Chart 6 More lower-floor million-dollar flats



Market Outlook

HDB Market Projections

Indicators	2021	2022	2023	Q2 2024	Q3 2024	Q1-Q3 2024	Projection for 2024
Resale							
Price Change	12.7%	10.4%	4.9%	2.3%	2.7%	6.9%	7.5% to 8.5%
Sales Volume (units)	31,017	27,896	26,735	7,352	8,142	22,562	28,500 to 30,000
Rental							
Rental Price Change (SRX-99.co)	7.0%	28.5%	10.1%	0.5%	1.0%	2.5%	2% to 3%
HDB Rental Applications	42,623	36,166	39,138	9,554	9,118	28,070	36,500 to 38,000

Source: HDB, data.gov.sg, SRX-99.co, OrangeTee & Tie Research & Analytics

Outlook

Housing demand may drop in the final quarter of this year owing to the year-end holidays. Furthermore, there was an ample supply of BTO flats released during the October sales exercise.

Nevertheless, prices of resale flats may stay elevated as the supply of new MOP flats will remain tight. Moreover, homeowners staying in flats near Prime and Plus locations may raise their asking prices as their flats entail a shorter Minimum Occupation Period (MOP) and fewer resale restrictions than new Plus or Prime flats. We expect overall HDB resale prices to grow by 7.5 to 8.5 per cent for the full year.

With resale prices climbing and an increasing number of buyers paying premiums for flats that typically would not command such high prices, it is crucial for prospective buyers to maintain a vigilant and discerning approach when navigating the housing market and making purchasing decisions. It is anticipated that in two years, an influx of new flat supply will enter the market, which may heighten competition in the mid to longer term.

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