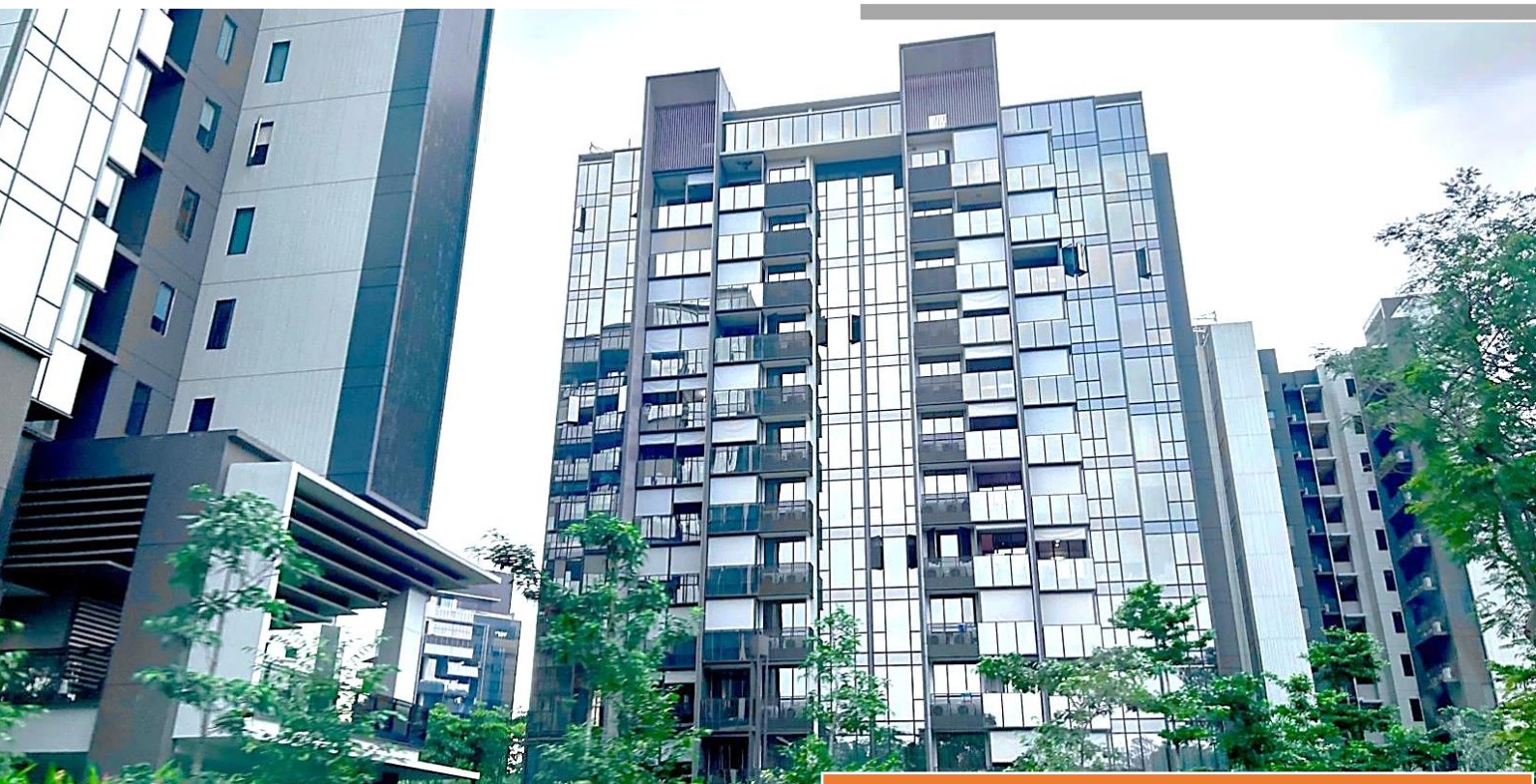


PRIVATE RESALE MARKET MAINTAINS STRONG MOMENTUM

Private Resale Trends Q3 2024



OrangeTee photo taken by student intern Clara Lim ZY

The private resale market maintains its strong momentum in Q3, despite the prevailing elevated interest rates and the implementation of multiple cooling measures. Volumes and prices held steady, while notable price gains were observed in the prime and city fringe areas.





Park Colonial (OrangeTee photo taken by student intern Li Haowen)

PRICE TREND

Private resale home prices held steady in the third quarter of 2024, following a record high in the previous quarter. Notable price gains were observed in the prime and city fringe areas. According to data from URA Realis, the average resale prices for both landed and non-landed homes, excluding executive condos (EC), remained unchanged at S\$1,713 per square foot (psf) from Q2 2024 to Q3 2024 (Chart 1).

By market segment, both the prime Core Central Region (CCR) and city fringe Rest of Central Region (RCR) experienced a moderate increase in resale prices.

The average resale prices in CCR rose by 1.6 per cent from S\$2,146 psf in Q2 2024 to S\$2,181 psf in Q3 2024, a substantial reversal from the 3.6 per cent quarter-on-quarter (q-o-q) decline in Q2 this year (Chart 2).

The average resale prices in RCR have also increased, rising by 1.4 per cent from S\$1,837 psf to S\$1,863 psf during the same period, albeit slower than the 3.1 per cent q-o-q growth experienced in the preceding quarter.

In contrast, the average resale prices in the suburban Outside Central Region (OCR) dipped marginally by 0.4 per cent from S\$1,495 psf to S\$1,489 psf in Q3 2024 after registering a 3.5 per cent increase in Q2 2024.

Chart 1 Avg resale prices remained unchanged in Q3 2024

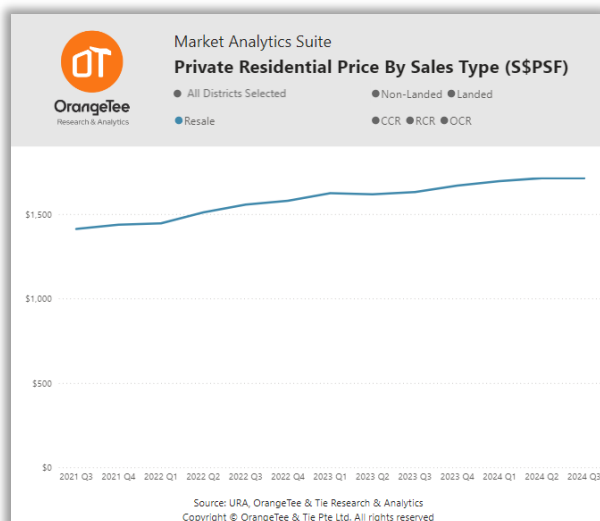
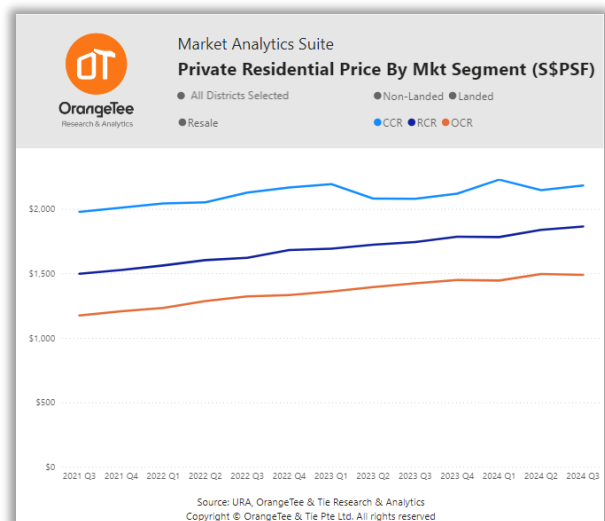


Chart 2 Avg resale prices grew in the CCR and RCR



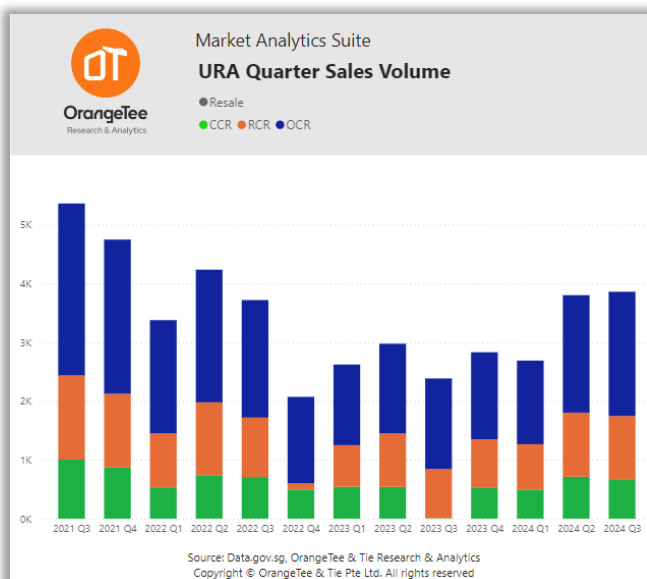


RESALE VOLUME

Resale volume rose marginally as many buyers shifted to the primary market amidst a ramp-up of new project launches. Based on URA Quarterly Real Estate Statistics, 3,860 resale homes, excluding EC, were sold in Q3 2024, rising by 1.5 per cent from 3,802 units in the preceding quarter (Chart 3). In terms of market share, resale transactions accounted for 71.9 per cent of the total 5,372 units (including new sales, resale, and subsale) sold in Q3 2024, down from 77.4 per cent in Q2 2024, which was the highest on record.

In the first three quarters of 2024, it is evident that the volume of resale home transactions has demonstrated a robust recovery compared to the corresponding period last year. A total of 10,351 resale homes were sold, a 21.8 per cent increase from the 8,498 units that were transacted from January to September 2023. The market share relative to the total private home transactions has gained significant ground, standing at an impressive 71.3 per cent in the first nine months of 2024, a substantial increase from the 57.8 per cent within the same timeframe in 2023.

Chart 3 Resale volume rose by 1.5 per cent in Q3 2024



The robust demand for resale homes could be attributed to a substantial increase in housing supply, with close to 30,000 private homes completed in the past two years. As housing stock builds up, the expanding inventory of residential units will become accessible for resale, thus broadening the spectrum of housing options for prospective purchasers. Furthermore, as prices of new private homes continue to hold firm, there has been a notable shift towards the secondary market as many buyers continue to seek lower-cost private housing.

MOST POPULAR RESALE CONDOS IN Q1-Q3 2024 (MOST TRANSACTIONS EXCLUDING EC)

Project Name	Address	Total Transactions	Median Price S\$PSF	Median Price S\$
Core Central Region (CCR)				
CUSCADEN RESERVE	Cuscaden Road	123	\$3,014	\$2,588,000
THE RESIDENCES AT W SINGAPORE SENTOSA COVE	Ocean Way	78	\$1,802	\$2,939,100
D'LEEDON	Leedon Heights	55	\$1,973	\$2,441,800
THE SAIL @ MARINA BAY	Marina Boulevard	42	\$2,003	\$1,690,000
ICON	Gopeng Street	23	\$1,919	\$1,150,000
ONE DRAYCOTT	Draycott Park	23	\$3,264	\$2,500,000
ONE SHENTON	Shenton Way	23	\$1,774	\$1,700,000
MARINA BAY RESIDENCES	Marina Boulevard	20	\$2,191	\$2,259,000
CONCOURSE SKYLINE	Beach Road	19	\$2,012	\$2,010,000
DUO RESIDENCES	Fraser Street	19	\$2,158	\$1,438,000
Rest of Central Region (RCR)				
PARC ESTA	Sims Avenue	71	\$2,230	\$1,668,000
STIRLING RESIDENCES	Stirling Road	71	\$2,299	\$1,450,000
JADESCAPE	Shunfu Road	64	\$2,170	\$1,670,000
SIMS URBAN OASIS	Sims Drive	49	\$1,873	\$1,178,000
EIGHT RIVERSUITES	Whampoa East	38	\$1,810	\$1,422,500
REFLECTIONS AT KEPPEL BAY	Keppel Bay View	35	\$1,736	\$2,200,000
BRADDELL VIEW	Braddell Hill	34	\$1,026	\$1,784,000
PARK COLONIAL	Woodleigh Lane	33	\$2,204	\$1,390,000
THE INTERLACE	Depot Road	31	\$1,643	\$2,690,000
BARTLEY RIDGE	Mount Vernon Road	30	\$1,853	\$1,611,500
Outside of Central Region (OCR)				
TREASURE AT TAMPINES	Tampines Lane	156	\$1,708	\$1,350,000
HIGH PARK RESIDENCES	Fernvale Road	62	\$1,560	\$1,020,000
THE TAPESTRY	Tampines Street 86	58	\$1,675	\$1,012,500
THE MINTON	Hougang Street 11	56	\$1,473	\$1,477,500
KINGSFORD WATERBAY	Upper Serangoon View	49	\$1,443	\$1,055,000
THE GARDEN RESIDENCES	Serangoon North View	47	\$1,829	\$1,265,000
BOTANIQUE AT BARTLEY	Upper Paya Lebar Road	44	\$1,923	\$1,456,000
D'NEST	Pasir Ris Grove	39	\$1,433	\$1,340,000
PARC RIVIERA	West Coast Vale	39	\$1,642	\$1,020,000
THE PALETTE	Pasir Ris Grove	38	\$1,431	\$1,539,444

Source: URA, OrangeTee & Tie Research & Analytics

Private Resale Market Projection

Indicators (All exclude EC except for URA PPI and URA RI)	2021	2022	2023	Q2 2024	Q3 2024	Q1-Q3 2024	Projection for 2024
Resale							
Average S\$PSF (Price Change)*	5.8%	8.7%	7.5%	1.0%	0.0%	2.6%	5.5% to 6.5%
Sales volume (units)	19,962	14,026	11,329	3,802	3,860	10,351	12,800 to 13,500

Source: URA, OrangeTee & Tie Research & Analytics * URA Realis caveat data

Outlook

The recent interest rate cuts by the Federal Reserve are anticipated to impact the real estate market in the mid-to-long term substantially. A more favourable credit environment may spur luxury home sales. Although high-net-worth investors typically exhibit lower sensitivity to interest rate fluctuations due to their affluent financial status and are less inclined to base property purchase decisions solely on mortgage rates, the reduced cost of borrowing could still yield advantages within their broader investment portfolio.

The decline in mortgage rates may also prompt a shift in buyers' perspectives. Consumers who previously adopted a cautious approach may now perceive the market to have reached a pivotal juncture and be more inclined to re-enter the market. This is because the prospect of financing a home is expected to be more affordable in the foreseeable future, and they need not worry about potential rate increases.

Due to the projected decrease in available stock for purchase over the next few years, resale prices may experience further growth. The number of condo completions, excluding executive condos, has already decreased from 19,968 units in 2023 to approximately 9,100 units in the present year. Subsequently, completions are set to decline further to around 5,300 units in 2025, and rise moderately to about 7,700 units in 2026.

Therefore, the prospects for resale homeowners seem positive due to the diminishing housing stock in the market and rate cuts, unless the market is impacted by major economic crises or unforeseen circumstances.

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