

Prime Non-Landed and Landed Residential

H1 2024

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Tentative pick up in prime and GCB sales

► “Despite the pick up in transactions, the prime non-landed home market remains uncertain, hamstrung by cooling measures. At the same time, demand for landed homes is resilient and healthy.”

NICHOLAS KEONG, HEAD, RESIDENTIAL & PRIVATE OFFICE

Exhibit 1: Overview of Transactions, H1 2024

	PRIME NON-LANDED RESIDENTIAL ¹	LANDED RESIDENTIAL ²	GCB ³
H1 2024	Total Sales Volume S\$736.7 million No. of Transactions 98 Average Price S\$2,339 psf	Total Sales Volume S\$2.6 billion No. of Transactions 284 Average Price S\$1,897 psf	Total Sales Volume S\$217.5 million No. of Transactions 5 Average Price S\$2,217 psf
H2 2023	Total Sales Volume S\$574.7 million No. of Transactions 72 Average Price S\$2,319 psf	Total Sales Volume S\$2.2 billion No. of Transactions 263 Average Price S\$1,904 psf	Total Sales Volume S\$112 million No. of Transactions 2 Average Price S\$1,712 psf

Source: URA Realis, Knight Frank Research
Note: Transactions are based on data available as at 5 July 2024. Unit prices for landed homes are based on land area.

Prime Non-landed Residential

PICK UP IN SALES ACTIVITIES MOTIVATED BY OWNER OCCUPATION

Luxury non-landed home sales in the first six months of 2024 recorded a total of S\$736.7 million in sales value, a 28.2% half-yearly expansion from the S\$574.7 million registered in H2 2023. The increase in sales was largely motivated by buyers who continued to seek family-sized, ready-to-move-in units primarily for their homestay, resulting in transaction volume rising from 72 to 98 between H2 2023 and H1 2024. Nevertheless, the raising of Additional Buyer's Stamp Duty

Exhibit 2: Top 5 Prime Non-Landed Residential Transactions, H1 2024

PROJECT NAME	ADDRESS	AREA (SF)	TRANSACTION PRICE (S\$ MIL)	UNIT PRICE (S\$ PSF)	SALE DATE
Skywaters Residences	1 Prince Edward Road #57-05	7,761	\$47.3	\$6,100	May-2024
The Ritz-Carlton Residences Singapore Cairnhill	65 Cairnhill Road #33-01	3,057	\$16.5	\$5,397	Jan-2024
The Ritz-Carlton Residences Singapore Cairnhill	65 Cairnhill Road #33-02	3,057	\$16.5	\$5,397	Jan-2024
32 Gilstead	32 Gilstead Road #03-02	4,209	\$14.5	\$3,455	Apr-2024
32 Gilstead	32 Gilstead Road #03-01	4,198	\$14.5	\$3,455	Apr-2024

Source: URA Realis, Knight Frank Research
Note: Transactions are based on data available as at 5 July 2024.

(ABSD) rates from end-April 2023 remained prohibitive but effective in cooling the market, especially for foreign homebuyers. The suppressed demand resulted in two consecutive half-yearly periods since H2 2023 when the total prime home sales value was less than S\$1 billion.

The slight increase in transaction activities between January and June 2024 also translated to a marginal 0.9% half yearly increase in prime non-landed prices to S\$2,339 psf in H1 2024, from S\$2,319 psf in H2 2023, but was 10.9% lower than H1 2023. While the secondary market continued to form a larger proportion of the overall sales volume in H1, the top luxury non-landed home transaction during this period that dominated the headlines was the sale of the penthouse unit at the Skywaters Residences with a unit price of S\$6,100 psf (S\$47.3 million). Other luxury non-landed transactions making the top five transactions based on price quantum comprised two new sales at 32 Gilstead Road and two resale transactions at The Ritz-Carlton Residences Singapore Cairnhill, where unit prices ranged between S\$3,455 psf and S\$5,397 psf (S\$14.5 to S\$16.5 million) (Exhibit 2).

MARKET OUTLOOK

Despite the pickup in sales activity in the first half of 2024, prime non-landed home prices have plateaued with pressure on sellers to lower expectations, given the lack of demand from foreign buyers. Singaporean homebuyers scouting out prospects in the prime areas have also become more selective in the search for an ideal home for themselves. With the current limited demand in the high-end market segment, prices are likely to remain flat between -1% and 2% for the whole year as sellers that are under pressure to sell in the resale market could adjust expectations down to prevailing market levels.

Landed Residential

LANDED HOME SALES RESILIENT

Although the number of landed transactions in H1 2024 at 284 was slightly higher than the 263 in H2 2023, the total sales value increased. The seemingly evergreen resilience in the

¹ Prime residential apartments are defined as non-landed private residential units with a floor area greater than or equal to 2,500 sf and fall within Districts 1, 2, 4, 9, 10 and 11. These districts constitute prime areas such as the Central Business District (CBD), Orchard Road, Sentosa, Bukit Timah as well as Thomson.

² Landed residential houses include homes transacted at S\$5.0 million and above.

³ Good Class Bungalows (GCB) include bungalow developments larger than or equal to 1,400 sm located within Good Class Bungalow Areas (GCBA), or are designated GCBs by the authorities.

landed home market was evident as the URA Property Price Index (PPI) flash estimates for landed homes recorded three consecutive quarters of price growth increasing 1.8% q-o-q in Q2 2024**, after the 4.6% and 2.6% q-o-q gain in Q4 2023 and Q1 2024 respectively. Landed home prices grew 4.5%** in the first six months of 2024, signalling continued strong housing aspirations for these homes against the limited inventory.

Between January and June 2024, a total of S\$2.6 billion landed homes changed hands, a half-yearly gain of 18.3% from the S\$2.2 billion in H2 2023, and a rebound from the 23.8% half-yearly decrease between H1 and H2 2023 (Exhibit 3). While some landed homebuyers choose to purchase older homes to undertake reconstruction on their own to suit their lifestyle preferences, many others instead bought redeveloped homes from boutique developers. With demand for new landed homes continuing to be sought after by homebuyers, older landed homes, especially those that are situated in adjoining decently sized landed plots have been acquired by smaller developers who sub-divide, preferring to redevelop these homes into at least five new homes for sale.

Activity in the Good Class Bungalow (GCBs) segment picked up slightly in H1 2024, with some prominent sales that numbered among the five transactions recorded. In contrast, there were only two GCB sales in H2 2023. The high-profile GCB transactions in the first six months of 2024 included the S\$84.0 million GCB with a land rate of S\$2,988 psf in the Bin Tong Park GCB Area (GCBA) that was reportedly purchased by the daughter of China-born steel-and-nickel magnate Xiang Guangda. Another headline GCB sale was in the Gallop Road/Woollerton Park GCBA for S\$42.5 million reflecting a land rate of S\$2,544 psf. It was reported

to have been bought by the wife of Forrest Li, the founder of Sea Limited. In the months ahead, should economic conditions become more certain and if interest rates are cut, there might be more activity in the GCB space from globally mobile high-net-worth individuals and families that have decided to become Singapore citizens.

MARKET OUTLOOK

Landed homes priced at valuation or slightly under would continue to be quickly snapped up in the current market, notwithstanding the elevated interest rates. However, even though demand for landed homes from Singaporeans moving up the housing aspiration ladder remains intact against limited supply in land scarce Singapore, most sellers continue to maintain asking premiums in this much sought-after housing type. As such, prices of landed homes are expected to be supported with slight increases throughout 2024.

**based on flash estimates announced on 1 July 2024.

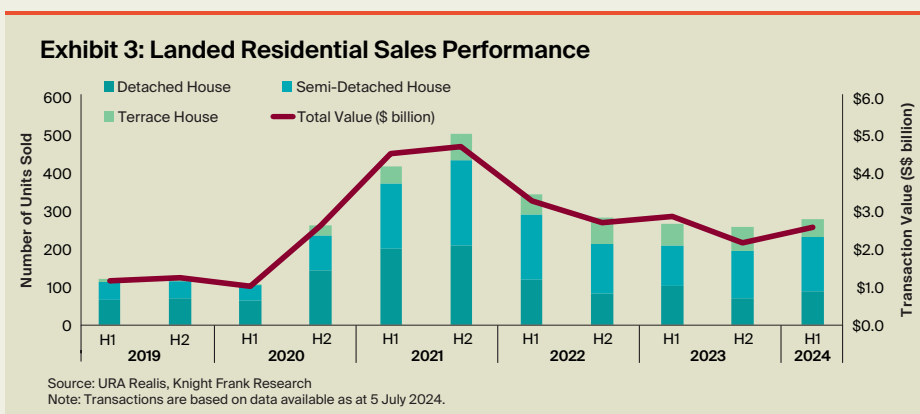


Exhibit 4: Top 5 Landed Residential Transactions, H1 2024

PROJECT NAME	ADDRESS	AREA (SF)	TRANSACTION PRICE (\$ MIL)	UNIT PRICE (\$ PSF ON LAND)	SALE DATE
N.A. (Uncaveated)	5 Bin Tong Park	28,111	\$84.0	\$2,988	Reported in April 2024
N.A.	8F Gallop Road	16,703	\$42.5	\$2,544	Reported in April 2024
N.A.	15 Ford Avenue	19,554	\$39.5	\$2,020	Mar-2024
N.A.	35 Cornwall Gardens	19,207	\$36.0	\$1,875	Apr-2024
Kim Lin Park	16 Jalan Tupai	10,507	\$32.5	\$3,093	May-2024

Source: Media reports, URA Realis, Knight Frank Research
Note: Transactions are based on data available as at 5 July 2024.

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