

Prime Non-Landed and Landed Residential

H2 2023

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Luxury and landed home sales volumes fall

► “The easing of prices does not represent a downward trajectory for the prime residential market but is instead a rationalising of price premiums to market expectations.”

NICHOLAS KEONG, HEAD, RESIDENTIAL & PRIVATE OFFICE

Exhibit 1: Overview of Transactions, H2 2023

	PRIME NON-LANDED RESIDENTIAL ¹	LANDED RESIDENTIAL ²	GCB ³
H2 2023	Total Sales Volume S\$503.9 million No. of Transactions 64 Average Price S\$2,302 psf	Total Sales Volume S\$2.1 billion No. of Transactions 249 Average Price S\$1,914 psf	Total Sales Volume S\$51.2 million No. of Transactions 2 Average Price S\$1,712 psf
H1 2023	Total Sales Volume S\$1.2 billion No. of Transactions 134 Average Price S\$2,625 psf	Total Sales Volume S\$2.9 billion No. of Transactions 271 Average Price S\$1,995 psf	Total Sales Volume S\$424.3 million No. of Transactions 8 Average Price S\$2,952 psf

Source: URA Realis, Knight Frank Research

Note: Transactions are based on data available as at 5 January 2024. Unit prices for landed homes are based on land area.

Prime Non-landed Residential

FEWER SALES DUE TO ABSD

There were 64 prime non-landed transactions in H2 2023, totalling S\$503.9 million, less than half the S\$1.2 billion in H1 2023. For the entire year, total sales value amounted to S\$1.7 billion, a 33.4% decrease from the S\$2.5 billion the previous year. The combined total of 198 prime non-landed transactions in 2023 was also substantially lower than the 479 and 298 transactions recorded in 2021

Exhibit 2: Top 5 Prime Non-Landed Residential Transactions, H2 2023

PROJECT NAME	ADDRESS	AREA (SF)	TRANSACTION PRICE (\$ MIL)	UNIT PRICE (\$ PSF)	SALE DATE
Goodwood Residence	263 Bukit Timah Road #12-18	10,710	\$32.0	\$2,988	Sep-2023
Bishopsgate Residences	1 Bishopsgate #01-08	6,082	\$22.0	\$3,617	Oct-2023
Beverly Hill	61 Grange Road #23-01	7,556	\$18.0	\$2,382	Jul-2023
Nassim Jade	3 Nassim Road #04-07	5,748	\$15.2	\$2,644	Nov-2023
Watten House	48 Shelford Road #05-28	4,080	\$14.5	\$3,545	Nov-2023

Source: URA Realis, Knight Frank Research

Note: Transactions are based on data available as at 5 January 2024.

and 2022 respectively. The fall is largely attributed to the overall increase in Additional Buyer's Stamp Duty (ABSD) rates and the doubling of the same for foreigner homebuyers, which came to effect at end-April 2023. Coupled with a mismatch in price expectations between buyers and sellers, sales volume for luxury non-landed homes dropped significantly with ABSD effectively cooling the high-end market.

The weak transaction activity also translated to a fall in prime non-landed prices, with a decline of 6.6% y-o-y from S\$2,464 psf in H2 2022 to S\$2,302 psf in H2 2023, as sellers lowered expectations on price premiums. The top luxury non-landed transactions in the H2 2023 were in the secondary market, with four resale transactions at unit prices ranging from S\$2,382 psf to S\$3,617 psf (S\$15.2 to S\$32.0 million) (Exhibit 2).

MARKET OUTLOOK

In the year ahead, prime non-landed home prices are unlikely to increase in any significant fashion and might even record marginal declines as premiums continue to be eroded with homeowners not exhibiting the same urgency as before. The majority of new launches next year in the prime areas are expected to be in the Downtown Core, and given the current lack of demand drivers for this market segment, price movement is expected to be flat between -1% and 2% in 2024, most likely at the negative end of the range.

Landed Residential

ASPIRATIONS FOR LANDED HOMES REMAINED INTACT AMID LIMITED INVENTORY

Transaction volume eased throughout the year due to limited saleable stock. According to URA, the Property Price Index (PPI) for landed homes rose 4.5% q-o-q in Q4 2023**. On a yearly basis, landed home prices increased 7.8%**

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.

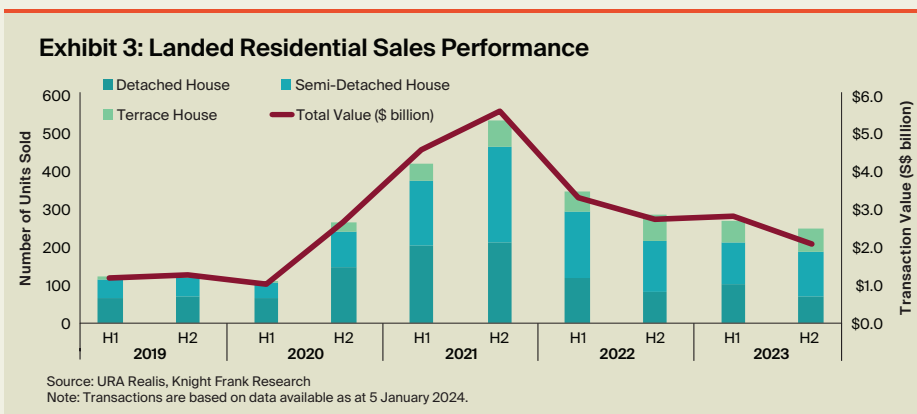
² Landed residential houses include homes transacted at S\$5.0 million and above.

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.

with housing aspirations for this prestige property type intact, easing from the 9.6% growth recorded in 2022.

A total of S\$2.1 billion landed homes changed hands in H2 2023, a half-yearly decline of 26.0% from the S\$2.9 billion in H1 2023 (Exhibit 3). The overall sales value in 2023 at S\$5.0 billion was 18.3% down from the S\$6.1 billion in 2022, and 51.5% lower than the record high of S\$10.2 billion in 2021. Nevertheless, buyers remain willing to pay top dollar for the luxury of space these homes provide. Newly developed landed homes by boutique developers, while costly due to elevated material and construction costs, continue to appeal to buyers when weighed against the option of rebuilding aged properties themselves.

Activity in the Good Class Bungalows (GCBs) segment was muted with only two transactions in H2 2023, only a quarter of the eight transactions in H1 2023. Overall, there were 10 transactions in 2023, half of the 20 GCBs transacted in 2022, and substantially lower than the 60 sales recorded in 2021. It is not realistic to expect that the record volume in 2021 will be repeated over the course of consecutive years, as purchasers of these luxury properties are more likely than not to occupy and enjoy these status symbols, often using these assets for capital preservation and legacy planning instead of reselling anytime soon after purchase. The average unit land price fell 42.0% to S\$1,712 psf in H2 2023 from the S\$2,952 psf in H1 2023.



PROJECT NAME	ADDRESS	AREA (SF)	TRANSACTION PRICE (\$ MIL)	UNIT PRICE (\$ PSF ON LAND)	SALE DATE
Landed Housing Development	31 Mount Rosie Road	10,999	\$33.9	\$3,081	Nov-2023
Capitol Park	46 Chee Hoon Avenue	11,064	\$26.7	\$2,413	Nov-2023
N.A.	20 Third Avenue	14,576	\$26.4	\$1,810	Nov-2023
Raffles Park	17 Cassia Drive	11,071	\$25.3	\$2,285	Aug-2023
Mcmahon Park	6 Tan Boon Chong Avenue	12,087	\$25.3	\$2,089	Nov-2023

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

In H2 2023, a bungalow in the Chee Hoon Avenue GCB Area (GCBA) was placed on the market for sale in September 2023 with an asking price of S\$27.0 million. This GCB was eventually sold at a price of S\$26.7 million, reflecting S\$2,413 psf on land.

MARKET OUTLOOK

Despite the fall in transaction activity, potential homebuyers remain on the lookout for landed homes due to lifestyle preferences for larger indoor and outdoor spaces. As such, evergreen demand for freehold landed homes will be supported in 2024 by the aspirations of Singaporeans, with homebuyers willing to move out of locations that are familiar to them in search of such properties. However, the main obstacle to deals being successfully concluded will be the limited inventory of saleable stock.

**based on flash estimates announced on 2 January 2024.

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