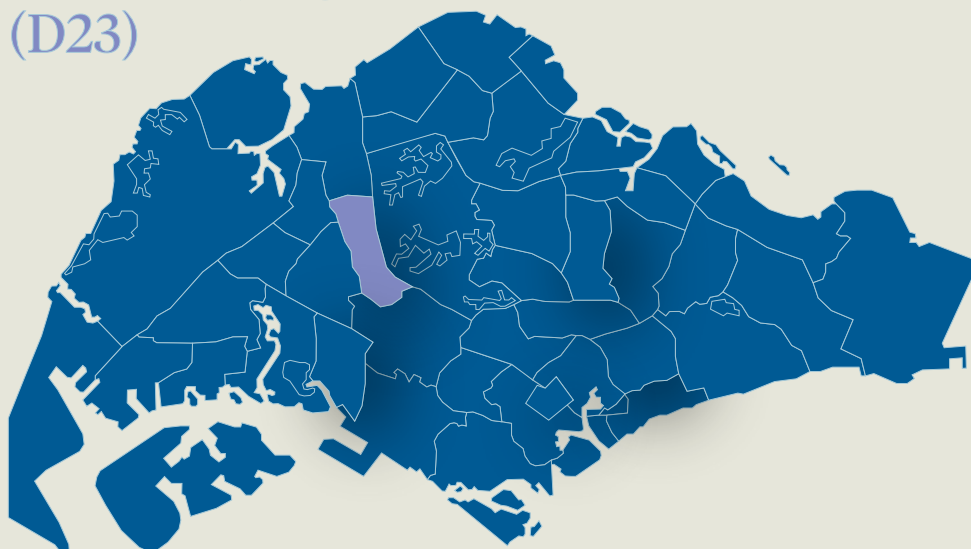


Finding hidden gems in Singapore's private housing market

In the first part of our #hackyourhousehunt series, we look at the offerings of Bukit Panjang, a residential town surrounded by verdant greenery

Bukit Panjang (D23)



Located in the northwest of Singapore, Bukit Panjang is a bustling, self-contained neighbourhood that has captured the imagination of young urban single professionals, double-income couples with no kids, single-nucleus families and inter-generation families.

Once a rural settlement in the early 1900s, the area has undergone major urban development across seven subzones: Bangkit, Dairy Farm, Fajar, Jelebu, Nature Reserve, Saujana and Senja.

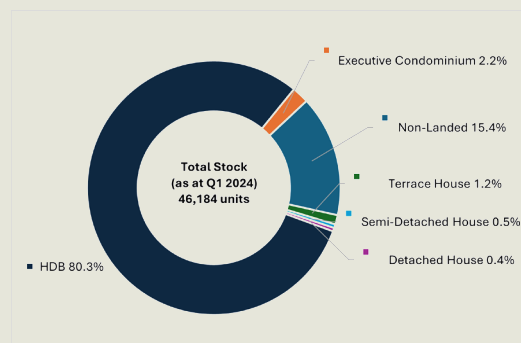
There, you will find high-rise and landed residential developments as well as a wide range of amenities including shopping malls, schools and recreational spaces that pay homage to its largely agricultural past.

Bukit Panjang is also home to an integrated transport

hub featuring Bukit Panjang MRT Station along the Downtown Line, a light rail system and a bus interchange. These provide seamless accessibility options within the neighbourhood such as nearby areas like Cashew and Hillview, and the rest of the island.

Housing types in the Bukit Panjang Planning Area as at Q1 2024 comprises 46,184 public and private residential homes. (Exhibit 1). Some of its private residential options include Hillion Residences, The Botany at Dairy Farm and Cashew Heights. These properties stand alongside Housing and Development Board flats featuring unique blocks resembling terraced rice padis in Bali — a nod to the area's naturally hilly terrain.

Exhibit 1: Residential housing stock in Bukit Panjang

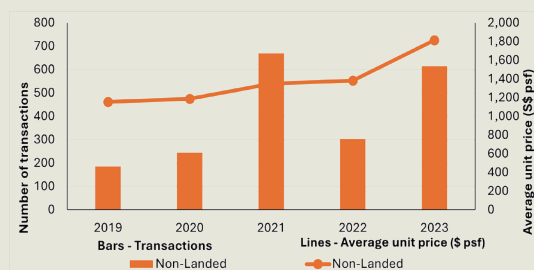


Source: HDB, URA, Knight Frank Research

Compared to its neighbours such as Bukit Batok (61,232) and Choa Chu Kang (58,794), the living density in Bukit Panjang is relatively lower. And despite the urbanisation of this residential town with about 139,000 residents, the area has remained characteristically green — a haven for nature enthusiasts seeking a quiet, tranquil retreat at the end of the workday.

Various park connectors link it to Bukit Panjang Park and Bukit Timah Nature Reserve, attracting hikers and outdoorsy types to an environment of rich biodiversity.

Exhibit 2: Non-landed housing performance in Bukit Panjang



Source: URA, Knight Frank Research

Private home prices rose significantly between 2020 and 2021, with average unit price increasing 13.5% against the 2.8% growth from 2019 to 2020. They continued on their ascent between 2021 and 2023 as more new launches such as Dairy Farm Residences and The Botany at Dairy Farm added a greater variety of housing offerings and amenities to the area. The recent completion of Dairy Farm Mall at Dairy Farm Residences is likely to generate more traffic flow in this neighbourhood.



Private non-landed homes in Bukit Panjang can range from S\$710,000 to S\$3.6 million, with sizes between 463 sf and 2,336 sf. The spread of these properties caters to homebuyers with budgets that range between average unit prices of S\$974 psf to S\$2,402 psf.

Homebuyers who bought non-landed homes in Bukit Panjang in the past also benefitted from capital appreciation. Based on transactions in 2023, 150 non-landed private homes made a profit, with an average annual return ranging up to 28.4%. Hillion Residences recorded the greatest number of profitable resales during the year with 29 units making a profit when held for an average of 7.1 years with an average return of 3.2% per annum.

The sale of the 29 units at Hillion Residences at an average unit price of S\$1,720 psf was comparatively lower than the S\$2,000 psf to S\$2,100 psf prices of newly-launched condominiums currently on sale in other suburban areas. As such, homebuyers who purchased a non-landed private residence of about 10 years of age or less (priced lower than what is presently on offer at most showflats), can benefit from a bargain, often finding right-sized units that are ready to move in.

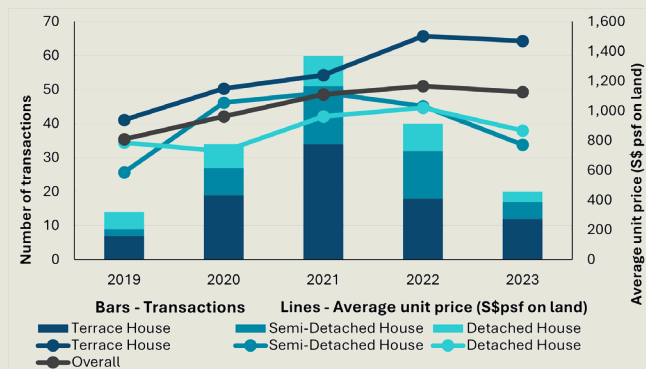


Most landed homes in Bukit Panjang can be found in the Cashew neighbourhood, bordered by Cashew Road and Chestnut Drive. Similar to non-landed homes, prices for these also rose from 2019 to 2023, increasing by 38.9%.

In 2021, 60 landed residences changed hands, the highest number of transactions recorded from 2019 to 2023 (Exhibit 3), as Singaporeans signalled a desire for larger living spaces, having been confined to their homes during the pandemic year of 2020.

Terrace houses were transacted most often as the most affordable as well as the most available stock compared to semi-detached and detached options. Three out of five landed homes transacted in 2023 comprised of freehold terrace houses, with price quantum ranging from S\$2.4 million to S\$5.9 million.

Exhibit 3: Landed housing performance in Bukit Panjang



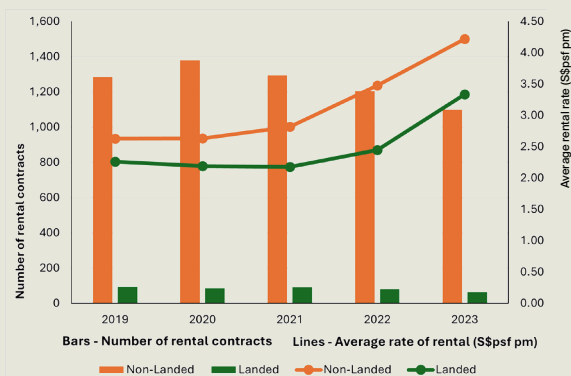
Source: URA, Knight Frank Research

A stable rental market

The volume of rental contracts in Bukit Panjang for private homes was stable between 2019 and 2023. Average rents of all three property types chalked up double-digit growth between 2021 and 2022, with the surge in demand for rental homes islandwide as renters were forced to renew their leases at higher rates due to an under-supplied market.

The trajectory of double-digit rental growth continued between 2022 and 2023, as demand spiked with the gradual opening of Singapore's borders in April 2022, which saw the return of foreign professionals and skilled workers to the city-state (Exhibit 4).

Exhibit 4: Rental market performance in Bukit Panjang



Source: URA, Knight Frank Research

However, with about 20,000 new home completions in 2023, supply has caught up with demand. Rents have begun to stabilise and should decline in 2024.

Living within nature

An eco-friendly environment, good amenities, accessibility to nature and competitive housing prices all combine to contribute to Bukit Panjang's understated but steadily growing popularity among homebuyers.

It is not the most prime of areas, but it is located away from the madding crowd with direct mass transit access to Singapore's Central Area. Yet, more affordable housing options can be found for most homebuyer profiles in the planning area.

It is this balance of factors that makes Bukit Panjang an ideal neighbourhood for those willing to look beyond the glitz of Singapore's more popular residential areas.

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Up next: Private landed residential options in Bedok.

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