



HIGHLIGHTS

Singapore Real Estate Market will remain a bright spot globally, aided by growing macroeconomic headwinds. Bolstered by a relative lack of supply for most sectors.

Private Residential Property Prices grew by 0.2% QoQ in 4Q2022. **Overall, Prices for the whole of 2022 grew by 8.4%** HDB resale prices have now risen for 11 consecutive quarters, increasing 2.1% QoQ & an **overall 10.3% growth in 2022.**

Tenet EC 93.2% Sold, with all Four-Bedrooms fully sold. **Sceneca Residence sells 60%** on launch day, a disappointing result with 160 units sold out of 560 cheques (~30% conversion rate).

Mandarin Gardens 4th attempt to Enbloc at a **reserve price of S\$ 2.88 billion dollars.**

Loft unit in Punggol Sapphire sold for S\$ 1.22 million dollars with Cash-over-Valuations (COV) above \$100,000.

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- Macro Outlook
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- Tenet EC
- Sceneca Residence

COLLECTIVE SALES

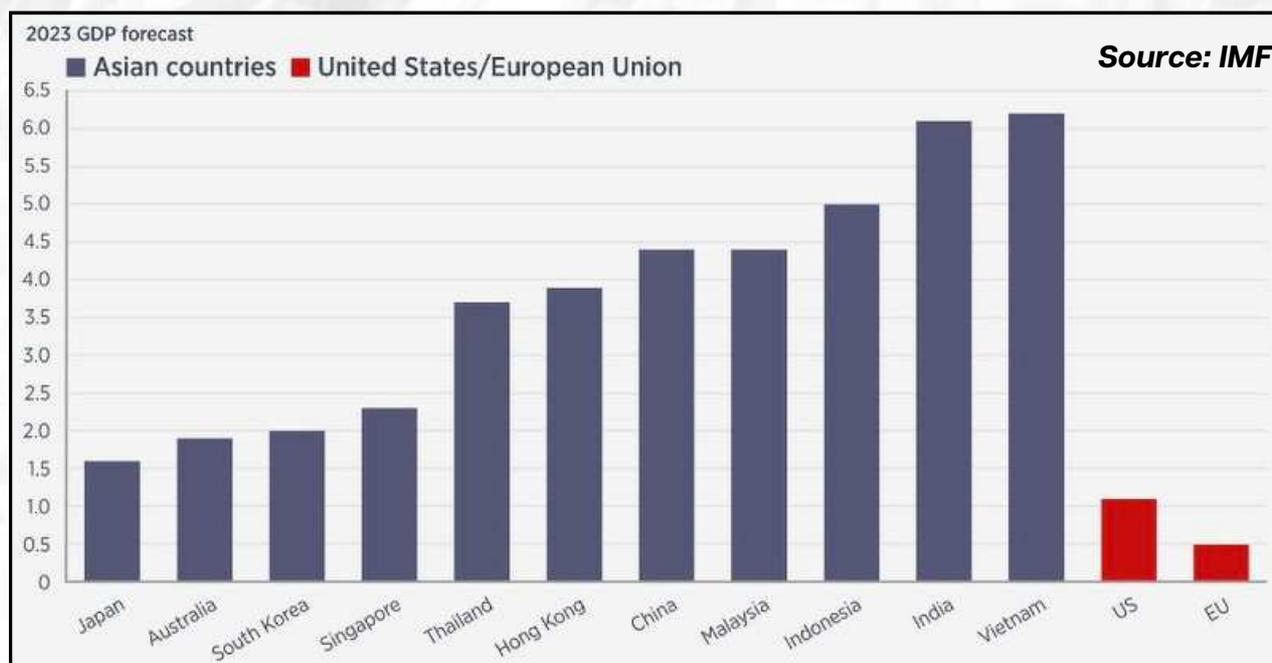
- Mandarin Gardens

HDB

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MARKET OUTLOOK



The **Singapore real estate market will remain a bright spot globally, amid growing macroeconomic headwinds**, according to Savills Research. While rising inflation and recession concerns have cast a shadow over global real estate markets, the city-state is poised to stay resilient.

“In general, Singapore’s real estate market should be in a **good position to ward off the ill-effects of global economic problems and global political tensions**,” says Alan Cheong, executive director of Savills Singapore Research and Consultancy. The Singapore market remains **bolstered by a relative lack of supply for most sectors, while developers in the residential market also possess strong financial holding power**. As such, the market is able to “overcome the effects of higher interest rates and economic slowdown”.

Singapore saw \$9.1 billion in real estate investment deals during the first three quarters of 2022, up 47% from the same period in 2021, based on MSCI Real Assets figures. Savills also highlights that the residential rental sector chartered strong performance, with rents for private residential properties jumping 8.6% q-o-q in 3Q2022, the highest quarterly increase in 15 years.

Other sectors similarly show healthy indicators, including the office sector which continues to see rising rents for CBD offices amid falling vacancy, while rents for logistic properties are also expected to continue growing in 2023. **The International Monetary Fund is projecting Singapore to chart gross domestic product (GDP) growth of 2.3% in 2023**, outstripping the 1% and 0.5% GDP growth rates forecast for the US and EU respectively.

MARKET OUTLOOK

PRIVATE RESIDENTIAL

Private residential property prices grew by 0.2% q-o-q in 4Q2022, according to flash estimates released by URA on Jan 3. A slowdown from the 3.8% increase recorded the previous quarter. The **total price growth for the whole of 2022 to 8.4%**, easing from the 10.6% growth logged in 2021.

Private housing price growth in 4Q2022 was predominantly **driven by landed properties**, which saw prices rise 0.5% q-o-q in 4Q2022. Non-landed properties registered a price growth of 0.1% q-o-q in 4Q2022.

A **decline in private housing sales** caused the slower price growth. Sales transaction volume fell in 4Q2022 by about 49% q-o-q and about 60% y-o-y. For the **whole of 2022, sale transaction volume fell by 36% y-o-y**.

The lower sales volume in 4Q2022 is in line with the lack of major private residential launches. An estimated 4,500 to 4,600 units were launched in the whole of 2022, which is less than half of 2021's launch volume of 10,496 units. The lower transaction volume follows a dimmer macroeconomic outlook amid interest rate hikes and inflationary pressures, as well as new property cooling measures that may have impacted home buyers' decision-making.



Property prices in the Rest of Central Region (**RCR**) outperformed the other regions, rising 2.6% q-o-q, following a 2.8% increase recorded in 3Q2022. RCR price increases were largely attributable to high unit pricing at existing projects such as Rivière and One Pearl Bank - which transacted at median prices of \$2,998 psf & \$2,569 psf respectively. For the **whole of 2022, RCR prices rose 9.2%**, moderating from the 16.3% surge registered in 2021.

MARKET OUTLOOK

Core Central Region (**CCR**) grew 0.5% q-o-q in 4Q2022, easing from the 2.3% growth in the previous quarter. This brings **full-year price growth in the CCR to 4.6%**, improving from the 3.8% logged in 2021.

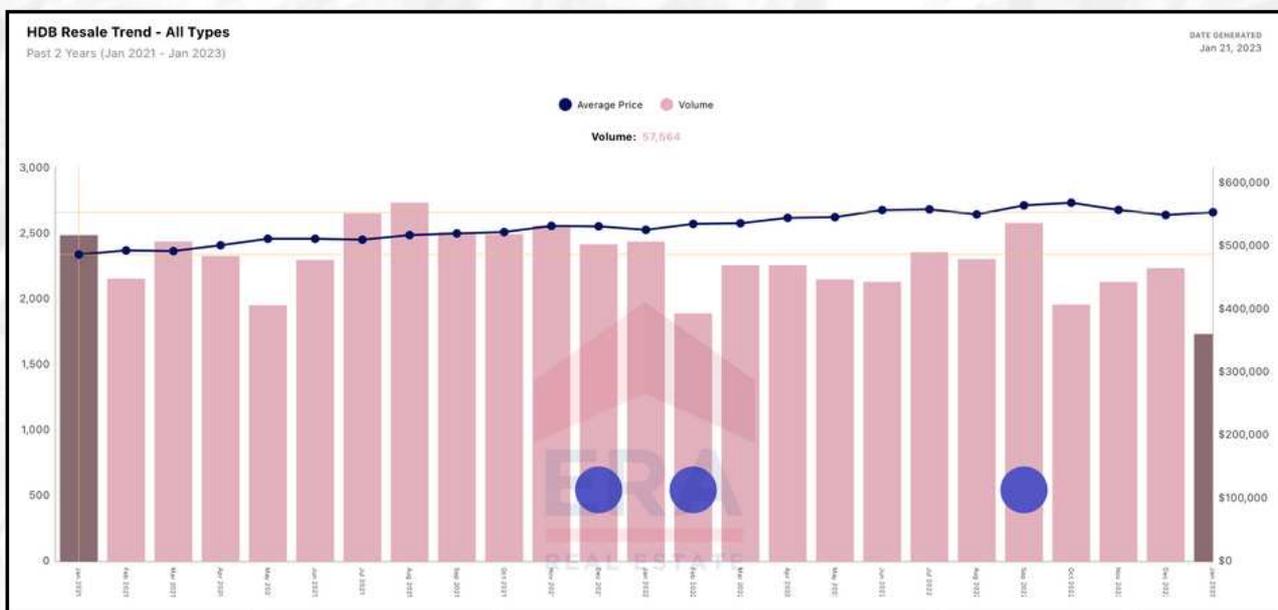
Property prices in the Outside Central Region (**OCR**) saw a 2.6% q-o-q contraction in 4Q2022, reversing from the 7.5% surge recorded the previous quarter. Despite the contraction, the OCR is the best-performing region for the **whole of 2022 with prices increasing 9.3%**, higher than the 8.8% growth registered in 2021.

A tight supply of new private homes will continue to support the market even as headwinds dim Singapore's economic outlook. The market could surprise on the upside in 1Q2023, as developers push out new launches catering to resilient buying demand amidst still-low levels of unsold inventory.

PUBLIC HOUSING

HDB Resale Prices have now **risen for 11 consecutive quarters** and remained at a record high.. According to Flash Estimates, HDB resale prices increased by 2.1% q-o-q 4Q2022, easing from the 2.6% growth in 3Q2022. The slow down in transaction volumes were affected by the recent cooling measures, which rolled out last September included the tightening of borrowing limits for both HDB and Private loans, as well as strict total-debt-servicing and mortgage ratios.

The flash estimates bring **full-year HDB resale flat price growth to 10.3%** in 2022, less than the 12.7% increase logged in 2021, but still double the 5% growth recorded in 2020.



MARKET OUTLOOK

HDB resale prices were bolstered by million-dollar flat transactions throughout the year. 2022 saw a record **370 resale flats sold for at least \$1 million**, surpassing the 259 transactions in 2021. The record holder for 2022 was a five-room flat at SkyTerrace @ Dawson, which fetched \$1.418 million in July 2022.

Nonetheless, the number of **million-dollar flat transactions has also started moderating after the rollout of the cooling measures**, 91 such flats changed hands in 4Q2022, a decline from the 111 units transacted the previous quarter.

For the broader **HDB resale market, demand is expected to remain steady**. Resale flat supply may remain constrained as only 15,748 HDB flats are expected to hit their five-year minimum occupation period (MOP) in 2023, a significant drop compared to 31,325 flats in 2022.

While demand for resale flats are expected to be diverted to Build-to-Order (BTO) flats – **over 23,000 BTO flats are expected to be launched in 2023**. Nonetheless, HDB resale price growth is expected to stabilize next year, given the cooling measures.

PROPERTY CONVEYANCING TO GO DIGITAL BY 2026

Singapore Land Authority (SLA) aims to fully digitize the conveyancing process for property transactions by 2026. Digital Conveyancing Portal (DCP) is an online platform targeted at streamlining the legal process of transferring property titles. When fully implemented, the DCP will enable end-to-end transactions including e-payments and digitized documents for both public and private housing, as well as commercial and industrial properties.

Tech Mahindra has been appointed as the vendor to develop and implement the DCP over three phases. The first phase is expected to be completed by the first half of 2024, comprising the Option-to-Purchase (OTP) stage for Developer Sales, Resale and Sub-sale transactions.

The second phase shall include the Pre-completion and completion stages for Developer sale transactions, while the third phase will cover the pre-completion and completion stages for resale and sub-sale transactions. SLA is working with HDB to integrate the DCP workstreams to digitalize the conveyancing process, including facilitating e-payments and digitizing legal documents for HDB transactions.

NEW LAUNCHES



TENET (EC)

Tenet executive condominium (EC) released the remaining 163 units for sale to second-time buyers on 7 Jan. 140 second-time buyers had registered their interest and 121 units (74.2%) were taken up by 1pm on the Balloting day. This brings **total sales at Tenet to 576 units (93.2%)** of the 618-unit EC. The **average transacted price achieved at Tenet was \$1,380 psf**. All four-bedroom and four-bedroom-plus-study apartments of 1,098 to 1,367 sq ft have been fully sold.

Three-bedroom units from 893 to 958 sq ft, including three-bedroom premium units of 930 sq ft, and five-bedroom-plus-study units from 1,561 to 1,572 sq ft are still available. About 59% (363 units) of the 618 units are three-bedders, with four-bedders accounting for 210 units (34%) and five-bedders, the remaining 7% (45 units).

Second-time buyers refer to homebuyers who have purchased a subsidized HDB flat or received CPF housing grants before and are buying another one. Under the prevailing EC regulations, only 30% of the units in a new EC project can be allocated to second-time buyers.

Tenet EC is well located with two MRT stations nearby, and the established Tampines town center is less than a five-minute bus ride away. The next EC to be launched in Tampines would be sometime in 2025. The robust take-up of this EC project also shows that the government should release more land for EC development.

With the Tenet EC project now 93.2% sold, the next EC project by Qingjian Realty and Santarli Construction in the pipeline for launch is the 373-unit EC at Bukit Batok West Avenue 8, which is targeted for launch sometime in the middle of 2023.

NEW LAUNCHES



SCENECA RESIDENCE

268-unit Sceneca Residence located at Tanah Merah Kechil Link, officially launched on 14 Jan. **160 units (about 60%) were sold at an average price of \$2,072 psf.** Sceneca Residence's **performance was a disappointment** to what other developers with projects in the pipeline would expect. Sceneca Residence collected a total of 560 cheques (two times subscribed). The **160 units sold reflect a conversion rate of about 28.6%.**

One and two-bedroom units at Sceneca Residence were fully sold. With sizes from 463 to 883 sq ft, one- and two-bedroom types make up 120 units in the development. Hence, they accounted for 75% of the 160 units sold. Prices started from \$958,000 for a one-bedroom unit and \$1.33 million for a two-bedroom.

The smallest of the three-bedroom types, the “Classic”, with sizes from 904 sq ft to 1,055 sq ft, saw 23 out of 37 units (62%) taken up, there was “a bit of pullback” for the larger three-bedroom and four-bedroom types, with sizes from 1,044 sq ft to 1,518 sq ft. **The Largest of the four penthouses in the development, a 2,756 sq ft unit, was among the units sold on launch day.**

Sceneca Residence comprises two residential blocks of 14- and 15-storeys that will sit on top of Sceneca Square, a 20,000 sq ft mall featuring a mix of cafes, restaurants, shops and a 10,000 sq ft new-to-market supermarket. The project is also located near places of employment, such as the Changi Business Park, the Airport Logistics Park and Changi Airport, which makes it attractive for those who want to live close to their place of work.

Singaporeans made up about 88.5% of the total number of homebuyers, with permanent residents and foreigners accounting for the remaining 11.5%.

COLLECTIVE SALES

MANDARIN GARDENS

Going for their fourth attempt for Collective Sales (Enbloc). MCST of Mandarin Gardens believes that they stand a high chance of convincing 80% of the owners to agree to a collective sale. If successful, the **development could be put up for sale at the reserve price of \$2.88 billion** later this year, excluding the land betterment charge.

Mandarin Gardens is one of the largest condos in the east located on Siglap Road in Prime District 15. The 1,006-unit condominium has facilities including barbecue areas, a gym, 10 commercial units, several children's playgrounds, squash courts, tennis courts, swimming pools, and children's wading pools. There are also many green spots scattered around the development. Completed in 1986, it has a 99-year lease with effect from 1982 and **has a balance of 58 years left on its lease.**



AGING CONDO & REPLACEMENT COSTS

The Management Corporation Strata Title (MCST) of Mandarin Gardens has enough funds to maintain the condo for the next few years. But the expectation is that **maintenance costs will go up in the coming years.** If the lifts break down frequently or if there are leaks in the water pipes, it would be costly and a major inconvenience for residents.

Some residents of Mandarin Gardens have lived there for many years and their concern is replacement cost, as they **recognise the difficulties in finding another similar-sized unit in District 15 at a comparable price.**

COLLECTIVE SALES

PREVIOUS ATTEMPTS

The first collective sale attempt in 2008 fell through due to the Global Financial Crisis. The second attempt took place a decade later in 2018. The initial reserve price was set at \$2.478 billion and raised to \$2.788 billion in November 2018, after it was found that the land was undervalued by over \$300 million. In February 2019, it was raised a second time to \$2.93 billion, but when the collective sale agreement expired in March 2019, only 68% of the owners had agreed to it.

After the failed attempt, the owners waited two years before retrying. According to the amended Land Titles Strata Act of 2010. The first retry requires approval from just 50% of the combined share value or number of owners; while for the second and subsequent retries, approval of 80% is needed.

Since the expiry of the last collective sale agreement in March 2019, about 100 units at Mandarin Gardens have changed hands, ranging from \$1,005 psf to \$1,282 psf.



LOFT UNIT IN PUNGGOL SAPPHIRE

A rare five-room HDB loft unit in Punggol has been **sold for \$1.22 million**. The 1,603 sqft flat is a top-floor unit at Punggol Sapphire, a 10-year-old HDB development along Punggol Field. This marks a record price for an HDB loft unit in Punggol, jumping over the previous price high which was only set in September 2022. There are **only 23 loft units in Punggol Sapphire** and all of them are in the same stack that faces Punggol Field

The unit was first put up for sale at an asking price of \$1.25 million. The listing drew more than 100 enquiries and a TikTok video that Lim produced which featured a tour of the flat also accumulated more than 10,000 views within a day of uploading.

Several interested buyers put down offers for the property and the offers ranged from \$1.1 million to \$1.24 million. Eventually, the owner settled on a buyer he felt comfortable selling the house to and who also offered the right price for the property.

Part of the attractiveness of the unit is its high ceiling of about 5m and large windows that let in a lot of natural light. In addition, the staircase that leads to the loft does not interrupt the living space and is also brightly lit with windows. The loft unit that was sold for \$1.198 million in September last year resulted in a **cash over valuation (COV) of close to \$200,000**.

HDB PRICES

ESTATE	3 ROOM	4 ROOM	5 ROOM	EXECUTIVE	VOLUME
WOODLANDS	\$381,361	\$496,837	\$595,467	\$803,464	559
PUNGGOL	\$452,733	\$575,324	\$677,768	\$699,555	502
SENGKANG	\$443,215	\$551,187	\$606,907	\$716,574	498
YISHUN	\$378,471	\$478,026	\$632,122	\$811,798	463
TAMPINES	\$418,986	\$550,737	\$681,936	\$855,372	435
JURONG WEST	\$359,950	\$491,963	\$574,731	\$687,073	412
CHOA CHU KANG	\$380,790	\$500,439	\$588,445	\$689,195	318
BEDOK	\$374,088	\$521,471	\$677,401	\$887,091	295
HOUGANG	\$383,681	\$529,222	\$659,552	\$842,931	284
SEMBAWANG	\$430,529	\$528,930	\$612,619	\$632,287	247
BUKIT BATOK	\$370,240	\$546,179	\$712,480	\$803,925	220
ANG MO KIO	\$287,976	\$392,833	\$634,461	\$856,888	217
BUKIT PANJANG	\$383,193	\$493,264	\$607,570	\$767,745	216
KALLANG/WHAMPOA	\$446,421	\$761,354	\$794,690	\$978,648	204
TOA PAYOH	\$369,707	\$742,929	\$900,294	\$1,009,500	200
BUKIT MERAH	\$461,965	\$727,675	\$894,517	-	199
PASIR RIS	\$472,333	\$542,011	\$661,953	\$796,203	189
QUEENSTOWN	\$447,589	\$810,161	\$980,430	-	172
GEYLANG	\$356,765	\$620,304	\$812,908	\$915,428	167
CLEMENTI	\$409,703	\$639,129	\$791,714	\$994,396	120
JURONG EAST	\$366,306	\$480,924	\$628,583	\$798,000	105
SERANGOON	\$390,607	\$558,659	\$717,699	\$987,714	102
BISHAN	\$438,618	\$688,471	\$886,953	\$1,088,126	97
MARINE PARADE	\$426,693	\$593,412	\$898,591	-	53
CENTRAL AREA	\$449,736	\$946,730	\$1,230,000	-	46
BUKIT TIMAH	\$422,500	\$676,000	\$929,222	\$1,266,450	16

ABOUT

*"A good life starts with the right home". The **RIGHT HOME** gives you **Safety, Security & Hope. LIVING FREE**, is knowing that you have a good bottom line, minimal downside risk, and also potential to gain more than you once had.*

*Kelvin's goal as a Realtor is to make sure that all his clients can retire with a **"Roof over their Heads, Food on the table & enough Money in the Bank"**. The safest way to achieve that, is by paying attention to our Biggest Asset - Our Homes.*

*He specialises in **HDBs, New and Resale Private Residential Properties**. If you need a committed, sincere and efficient realtor to handle your property matters, Kelvin will be there to understand your Goals, Needs and help you make the right move.*

Call him now to see what he can do for you..

RETIREMENT PLANNING

The Secret is by starting with the end in mind. Growing up in a HDB neighbourhood, Kelvin understands how difficult it is for average Singaporeans to save for retirement, yet alone leave a legacy for their loved ones. As long as your retirement is well-planned, the sky is the limit.

ASSET PROGRESSION

While it is necessary to plan for the long-term, it is also essential to live life to the fullest in the short-term. The trick is finding the right balance. If you fail to plan, you plan to fail.

CHOOSING THE RIGHT PROPERTY

A perfect plan is only as good as its execution. Every property is an important decision. There's always the best choice at every stage of the way, you just have to know how to spot one.



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