

## Trends in Singapore's Private Housing Market for 4Q 2013



Earlier this year, Singapore's Urban Redevelopment Authority (URA) issued their estimates of the current real estate trends, based on data gathered for the fourth quarter of 2013. As the property market is continuing to slow down, private landed residential properties are the next to experience the effects.

It seems prices of private residences have dropped by 0.9% between the third and fourth quarters of last year, the lowest dip ever since the start of 2012. The private residential property index went down 1.8 points, from 216.3 points to 214.5. If all four quarters of 2013 are considered however, it

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appears that prices of private homes generally went up by 1.2%. Still, this number is lower than the increase observed in 2012, which is 2.8%

Of course, it must be said that these estimations are based on data that developers provided in the middle of the fourth quarter. The final statistics will be released by the URA in a few weeks. The updated analysis will be based on more complete data, also encompassing projects that were initiated later in the year.

#### **4Q Price Trends for Landed Private Residential Property**

The price index for landed homes has plunged steadily from the second quarter of 2013 until the end of the year, both for detached and semi-detached residences. Between the third and fourth quarters, the prices of landed homes have gone down by 1.2%. This is the lowest it has hit since mid-2009, at the time when the URA price index declined for three consecutive quarters.

These are so far just preliminary estimations involving detached and semi-detached landed homes; the data for terraced housing hasn't yet been integrated. The final figures will appear in the updated URA report, and may in fact show different numbers in the end.



## Price Trends for Non-Landed Property

For non-landed properties, a downhill trend can also be observed in the fourth quarter, particularly concerning the Core Central Region and the Outside Central Region. In the CCR, for instance, there was a 2.2% decrease in prices in the fourth quarter, following a 0.3% drop in the third. In the OCR meanwhile, prices went down by 1.0%.

However, it's notable that prices in the Rest of Central Region went up 0.8% between the third and the fourth quarter, following a 0.9% decrease between the second and the fourth.

## Rentals

Rentals have likewise diminished in the fourth quarter, going down by half a percentage. This is the first decrease since 2009. The movement for the entire year has been less than that of 2012.



## Property Launches and Sales

There were a total of 15,885 new units launched in Singapore in 2013, all of which have yet to be completed. This is noticeably less than the 21,478 homes introduced in 2012.

In the final quarter, there were 2,631 new private residences, not counting the executive condominiums. This number is less than the 3,313 launches in the previous quarter.

More new homes were sold in the fourth quarter than in the third, with 2,568 and 2,430 respectively. However, when the whole year is taken into account, the total number of new sales was less than it was in 2012. In 2013, developers made 14,948 sales; a big drop from the previous year's 22,197.

Resales for the whole year have also declined, practically halved. It went from 13,214 homes in 2012 to 6,608 last year. Sub-sales also decreased dramatically from 2,462 to 1,072.

Concerning executive condo units, there was also a drop in the number of new launches. There were 1,387 in the third quarter, while there were only 879 in the last. Developers made a total of 3,337 EC launches for the whole year, and 3,588 sales.



## **New Residential Developments and Upcoming Units**

As of last year's third quarter, there were 84,917 units of private residences still being completed. Of these, 30,819 were left unsold from the third quarter to the fourth. Between the third and fourth quarters of 2013, the number of new private residential units increased by 3,364.

With the increase in the available supply versus the actual demand, the vacancy rate of finished units increased between the third and fourth quarters of 2013, from 6.1% to 6.2%.

By the end of last year, 83,702 unfinished home units were under way. Add 14,040 executive condo units, and we have a total of 97,742 private residential properties yet to be completed. However, this is just a partial count; it doesn't yet factor in the projects that arose from previous Government Land Sales and have yet to be approved. There are some 10,940 more units that will be added to this number after official planning approvals have been made. Furthermore, there are still a lot of pending projects under the Government Land Sale Program for 2013 and 2014, as well as a number of sites that have been allotted for residential complexes but haven't been released to the developers yet. If all these were considered, there should be a total of around 108,700 private residential units (including executive condos) under way.



Given the target dates submitted by property developers, we can expect 19,907 new homes and executive condos to be ready for occupancy within this year. Another 24,153 will be done by the next year. This is a real upsurge in supply, considering that only 14,400 new homes were completed last year (More detailed information about the statistics and trends in residential real estate can be found on URA's online database, Real Estate Information system, or REALIS).

With an increase in the supply and a general decrease in the prices of private residential properties, right now seems to be the opportune time to buy a new home. Take advantage of the current trends and start planning for a wise purchase. Contact iCompareLoan mortgage broker today for some expert advice and assistance to [compare Singapore home loans](#).

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