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Total Sale Value at Singapore Property Auctions in 1H 2023 at S\$15.2 Million
7 of the 11 properties sold were industrial

Singapore, 3 August 2023 – The Singapore property auction market successfully hammered 11 properties in 1H 2023, which amounted to a total sale value of S\$15.2 million. This was the lowest sale value since 1H 2020, at the onset of the pandemic, where only 1 property was sold for S\$0.94 million.

Number of properties sold and total sale value

Period	No. of properties sold	Total sale value (S\$ million)	Change in sale value (%)
1H 2019	9	\$15.4	2.7
2H 2019	12	\$33.4	116.3
1H 2020	1	\$0.94	-97.2
2H 2020	16	\$26.4	2708.7
1H 2021	20	\$50.0	89.3
2H 2021	11	\$35.9	-28.1
1H 2022	22	\$51.3	42.7
2H 2022	17	\$37.7	-26.6
1H 2023	11	\$15.2	-59.7

Source: EDMUND TIE

Ms Joy Tan (陈紫萍), Head of Auction & Sales at EDMUND TIE, says, “The low sale value at property auction in the first half of this year was due to the properties hammered being of low quantum, mostly either below or just past the S\$1-million-mark. There was only one high-value transaction that was above S\$5 million.”

The only high-value transaction in 1H 2023 was a three-storey semi-detached house along Vaughan Road that was knocked down at S\$6.3 million.

“Additionally, on the back of the high interest rates, the cooling measures announced in April and the overall uncertain macro environment, buyers have generally adopted a wait-and-see stance,” Ms Tan adds.

Interestingly, of the 11 properties sold in 1H 2023, 7 were industrial properties, while the remaining were 3 residential properties and 1 office.

The seven industrial properties include:

- 2 units at North View Bizhub in Yishun sold for S\$440,000 and S\$460,000
- 1 unit at Tuas Lot in Tuas sold for S\$350,000
- 2 units at Enterprise Hub at Toh Guan each sold for S\$1.02 million
- 1 unit at Midview City in Sin Ming sold for S\$850,000
- 1 unit at Tong Lee Building at Kallang Pudding Road at S\$1.89 million

Ms Tan comments, “Investors are displaying a growing acceptance towards leasehold properties with shorter remaining lease tenures of typically 30 to 60 years. This is likely due to investors’ higher risk tolerance, as financial markets remain volatile, and a noticeable preference shift for alternative investment opportunities.

Meanwhile, the lower number of residential sales could likely be attributed to the expected public and private residential supply coming on stream later this year, while potential buyers have become more cautious due to external factors such as global uncertainties, an impending recession and the Fed’s high interest rates.”

In 1H 2023, 160 properties were put up for auction sale; of which, 111 (69%) were owners sale listings and 49 (31%) were mortgagee sale listings. Compared to 1H 2022, there were 211 properties put up for auction sale; of which, 98 (46%) were owners sale listings and 113 (53%) were mortgagee sale listings.

Ms Tan says, “The increase in owners sale listings between the first half this year and the corresponding period in 2022 demonstrates a shift in mindset among owners on using auction as their property disposal vehicle. Both sellers and buyers nowadays are showing growing preference in the quick and transparent sales process through competitive bidding, where the properties are subject to a reserve price.”

Outlook

“Looking ahead, the number of mortgagee listings is expected to increase only in 2024, since there is usually a time lag between banks repossessing the properties and putting them up for auction sale,” says Ms Tan.

She concludes, “After the market fully digests the April cooling measures, we expect residential sales at auctions to likely pick up in the second half of the year. Given that commercial transactions will not incur additional buyers’ stamp duty and with the increase in family offices in Singapore, well-priced office listings will also likely be highly sought after.”

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