



Luxury home sales held steady in 1H 2023

1H 2023 Luxury Home Transaction Volumes And Sales Quantum

Total Transaction Volume:

84 units



Total Sales Quantum:

S\$1.61 billion

Landed:

52 units



Landed:

S\$1.07 billion

Non-landed:

32 units



Non-landed:

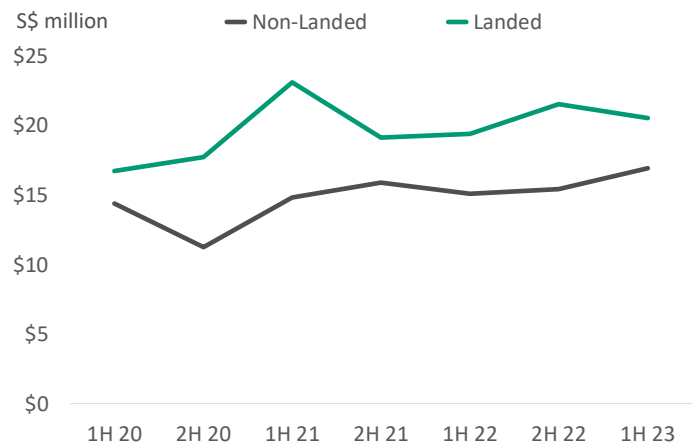
S\$0.54 billion

Source: URA, EDMUND TIE Research

Luxury home prices to grow amid sustained demand

The average price for non-landed luxury homes climbed by 9.6% to S\$16.9 million in 1H 2023 for the second time, underpinned by demand from high-net-worth individuals and newly naturalised affluent citizens. On the other hand, the average price for landed luxury homes fell by 4.6% to S\$20.5 million in 1H 2023 from 2H 2022, following a 10.9% increase in 2H 2022. Overall prices for luxury homes are poised to grow in 2023, as the luxury homes segment caters to a niche market such as high-net-worth individuals, which may purchase the homes as an alternative investment for wealth preservation.

Luxury Home Average Price



Source: URA, EDMUND TIE Research



3 out of the top 5 landed transactions were Good Class Bungalows

The top landed luxury home transactions in 1H 2023 includes a portfolio of three Good Class Bungalows (GCBs) at Nassim Road sold in April 2023 for S\$206.7 million, or a total of an equivalent of S\$4,500 psf which is a record psf price. The buyer is an Indonesian family. Three out of the top five landed transactions in 1H 2023 are GCBs located in D10 and D11, namely at Nassim Road, Jalan Asuhan and Jalan Harum.

Transaction volume for luxury landed homes jumped by 30% in 1H 2023 to 52 units from 40 units 2H 2022, led by the detached home segment (81% share). As a result, sales quantum rose by 24% in 1H 2023 to S\$1.06 billion from S\$860 million in 2H 2022. The share of landed luxury homes at the highest price quantum range (S\$50 million and above) grew by more than twofold from 5% in 2H 2022 to 12% in 1H 2023, on the back of pent-up demand from well-heeled individuals.

GCBs sales volume fell for the second time to 11 units in 1H 2023 from 14 units in 2H 2022 and 29 units in 1H 2022. In 1H 2023, about half of the transactions (6 units) are in D10, with the remaining transactions in other districts such as D11, D21 and D23.

Outlook

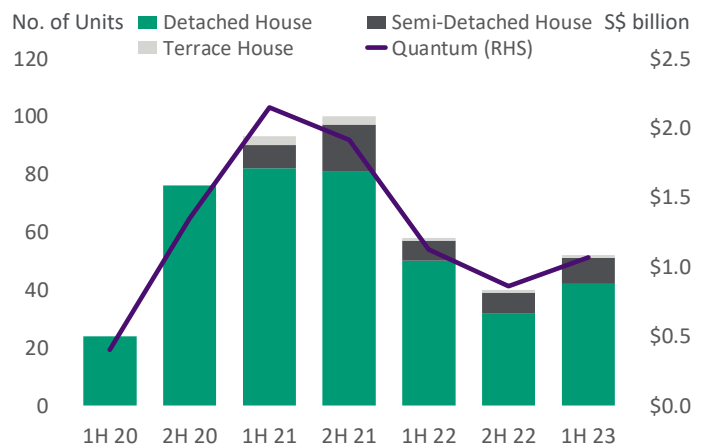
Looking ahead, we remain sanguine about the landed housing market underpinned by buoyant housing demand amid tight supply for this most coveted real estate asset in Singapore. There could be some slight kneejerk reactions by Singaporeans who are purchasing their second or subsequent properties, which saw Additional Buyer's Stamp Duty (ABSD) hikes of 3-5% points following the April's cooling measures.

Top 5 Landed Transactions in 1H 2023

Address	Transacted Price (S\$ mil)	Area (sq ft)	Unit Price (S\$ psf)	Sale Month
Nassim Road	\$206.7	45,933	\$4,500	Apr-23
Dyson Road/ Chancery Hill Road	\$61.1	32,149	\$1,900	Mar-23
Jalan Asuhan	\$42.0	16,396	\$2,562	May-23
Coral Island	\$36.5	13,435	\$2,717	Feb-23
Jalan Harum	\$32.8	14,211	\$2,308	Apr-23

Source: URA, EDMUND TIE Research

Landed Transactions by Volume and Quantum



Source: URA, EDMUND TIE Research



Les Maisons Nassim accounted for bulk of the top 5 non-landed transactions

Super luxury condominium Les Maisons Nassim in D10 accounted for four out of the top five non-landed luxury home transactions in 1H 2023, with transactions ranging S\$30-45 million, or an equivalent of S\$5,050-S\$5,727 psf. With two of its remaining units sold in June this year, Les Maisons Nassim (14 units) has been fully sold.

Transaction volume for non-landed luxury homes fell by 23.8% to 32 units in 1H 2023 from 2H 2022, resulting in a 16.5% decline in sales quantum to S\$540 million. Nonetheless, the share of non-landed luxury homes priced at S\$15 million and above doubled to 38% in 1H 2023 from 19% in 2H 2022, amid sustained demand from high-net-worth individuals.

Demand gravitated towards larger non-landed luxury homes in 1H 2023 as the share of homes sized 3,000 sq ft and more rose for the second time to 75%, up from 60% in 2H 2022 and 52% in 1H 2022.

Outlook

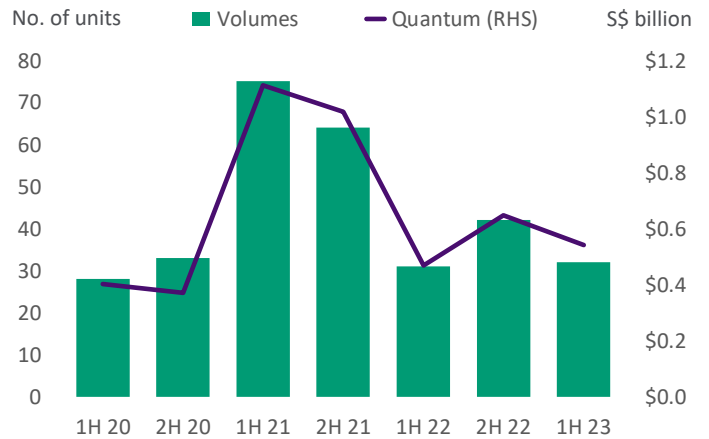
Looking ahead, the growing number of high-net-worth individuals in Singapore would continue to sustain demand for non-landed luxury homes, as they are attracted by the country’s stable economy and a safe haven to park their investment assets.

Top 5 Non-Landed Transactions in 1H 2023

Condominium	Transacted Price (S\$ mil)	Area (sq ft)	Unit Price (S\$ psf)	Sale Month
Les Maisons Nassim	\$45.0	8,633	\$5,213	May-23
Les Maisons Nassim	\$36.0	6,286	\$5,727	Feb-23
Les Maisons Nassim	\$32.7	6,179	\$5,300	Jun-23
Les Maisons Nassim	\$30.8	6,092	\$5,050	Jun-23
Klimt Cairnhill	\$27.5	5,920	\$4,645	Feb-23

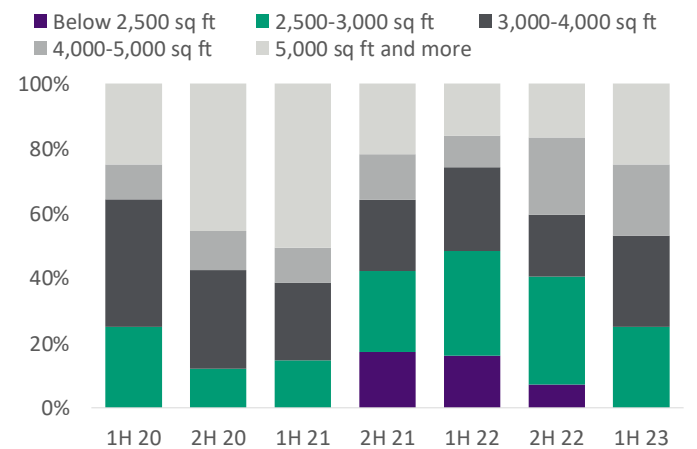
Source: URA, EDMUND TIE Research

Non-Landed Transactions by Volume and Quantum



Source: URA, EDMUND TIE Research

Non-landed Transactions by Unit Size



Source: URA, EDMUND TIE Research



Mainland Chinese snapped up luxury homes

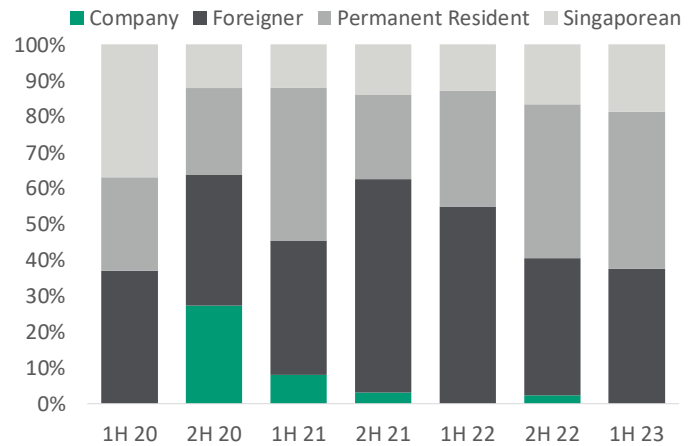
The mainland Chinese continued to top foreign purchase of non-landed luxury home transactions in 1H 2023 for the second time. This trend is consistent with the overall non-landed market where the mainland Chinese also ranked first in 1H 2023 for the second consecutive time. In the luxury home market, the mainland Chinese remain as an important source of demand.

In 1H 2023, the share of foreign purchase for non-landed luxury homes was 38%, unchanged from 2H 2022. This deviates from the overall share of foreign purchase for non-landed private homes, which fell to 5.3% in 1H 2023 from 5.6% in 2H 2022.

Outlook

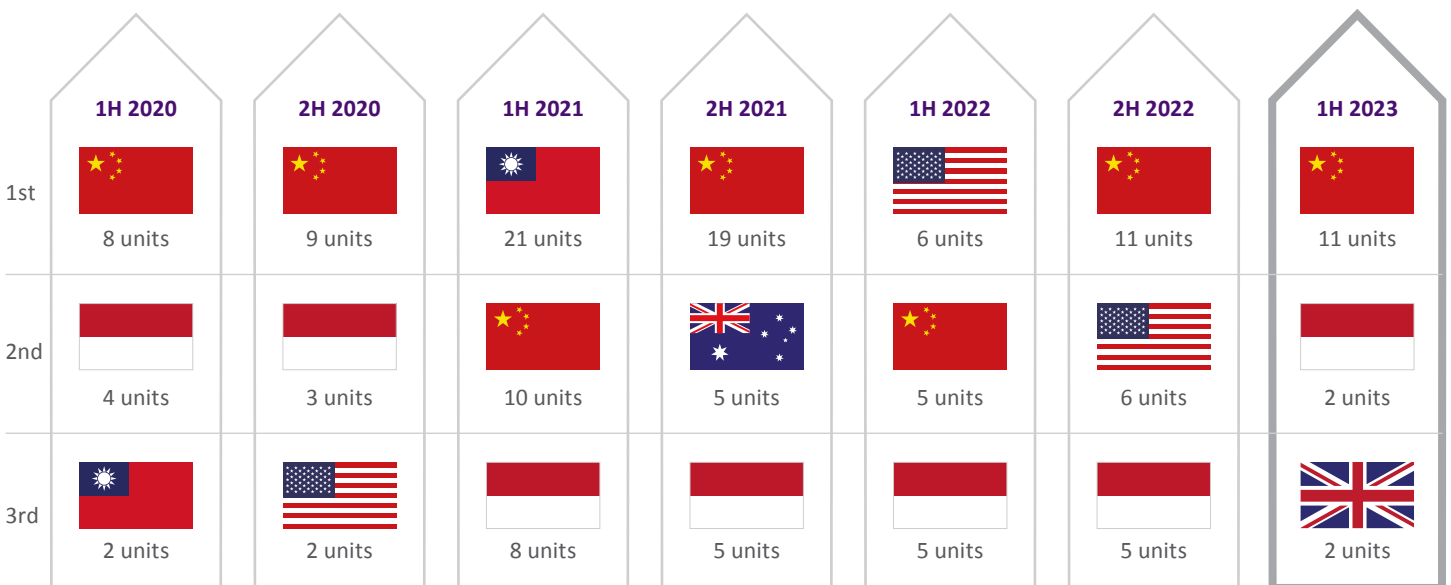
In the immediate aftermath of the April's cooling measures, in June-July 2023 period, there were four non-landed luxury homes sold, and purchasers were all permanent residents (PRs). Looking ahead, the foreign share for non-landed luxury homes is expected to moderate in the second half of 2023, following the recent ABSD hike (doubled to 60%) on foreigners.

Non-landed Purchasers by Nationality Status



Source: URA, EDMUND TIE Research

Top 3 Foreign Nationality Non-landed Purchaser (include PRs)



Source: URA, EDMUND TIE Research

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