

# HDB Updates 2Q 2021



Prepared for you by

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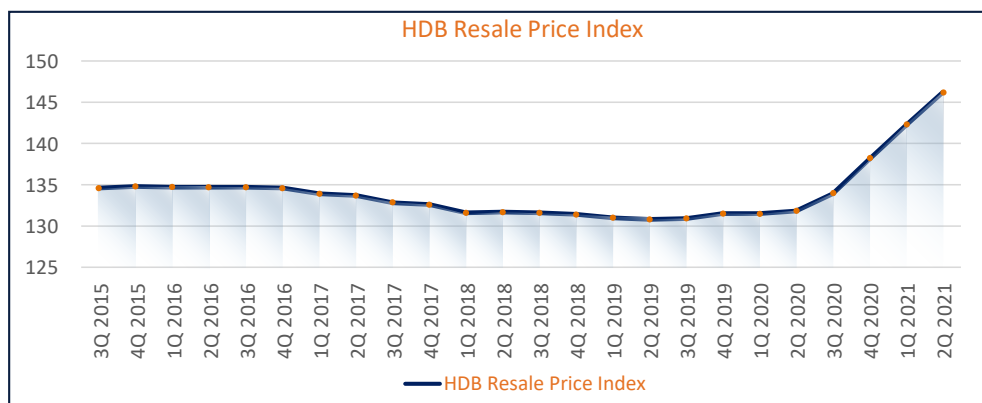
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## OVERVIEW

HDB resale prices rose by 3.0% in 2Q 2021, similar to in 1Q 2021. For 1H 2021, HDB resale prices have risen by 6%. HDB resale prices have appreciated by 11% from the circuit breaker in 2Q 2020, 11.9% from the bottom in 2Q 2019 and are now 2% below the previous peak in 2Q 2013.

Figure 1: HDB Resale Price Index

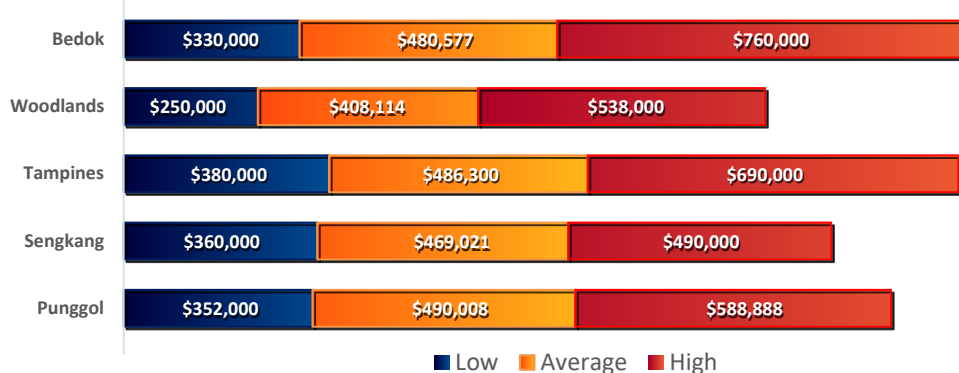


Source: HDB, Huttons Research

The strong price gains reflect robust demand for flats as buyers shift their focus away from new flats which are experiencing delays in completion. It may also indicate that more buyers are asking for higher prices which may result in more instances of cash over valuation. For buyers of new flats who are still holding on despite the delays, some of them have turned to renting as an interim solution, thereby pushing up the subletting volume in 2Q 2021 by 2.8% to 10,979 units.

The lower transacted volume of 7,063 resale flats in 2Q 2021 is due to the restrictions in Phase 2 (Heightened Alert) where viewings are limited. Furthermore, some sellers' refusal to budge on their asking prices are slowing transactions.

Figure 2: Prices of 4-room flats in Top Five HDB Towns



Source: HDB, URA, Huttons Research

## MARKET OUTLOOK

With the return to Phase 2 (Heightened Alert) for one month till Aug 18, 3Q 2021 is likely to be similar to the second quarter. Nevertheless, HDB resale prices are likely to exceed their previous peak in 3Q 2021 as demand remain robust. There may be a boost to demand in the resale market as some buyers of BTO flats are likely to appeal to HDB for waiver of penalty for cancellation of their flat booking. In some instances, the delays are more than a year.

The HDB resale market may see volume between 27,000 and 29,000 units, the highest since 2010. Prices may rise up to 8% in 2021, the strongest growth since 2011.

## CONTACT ME FOR A DETAILED DISCUSSION OF THE LATEST TRENDS

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