

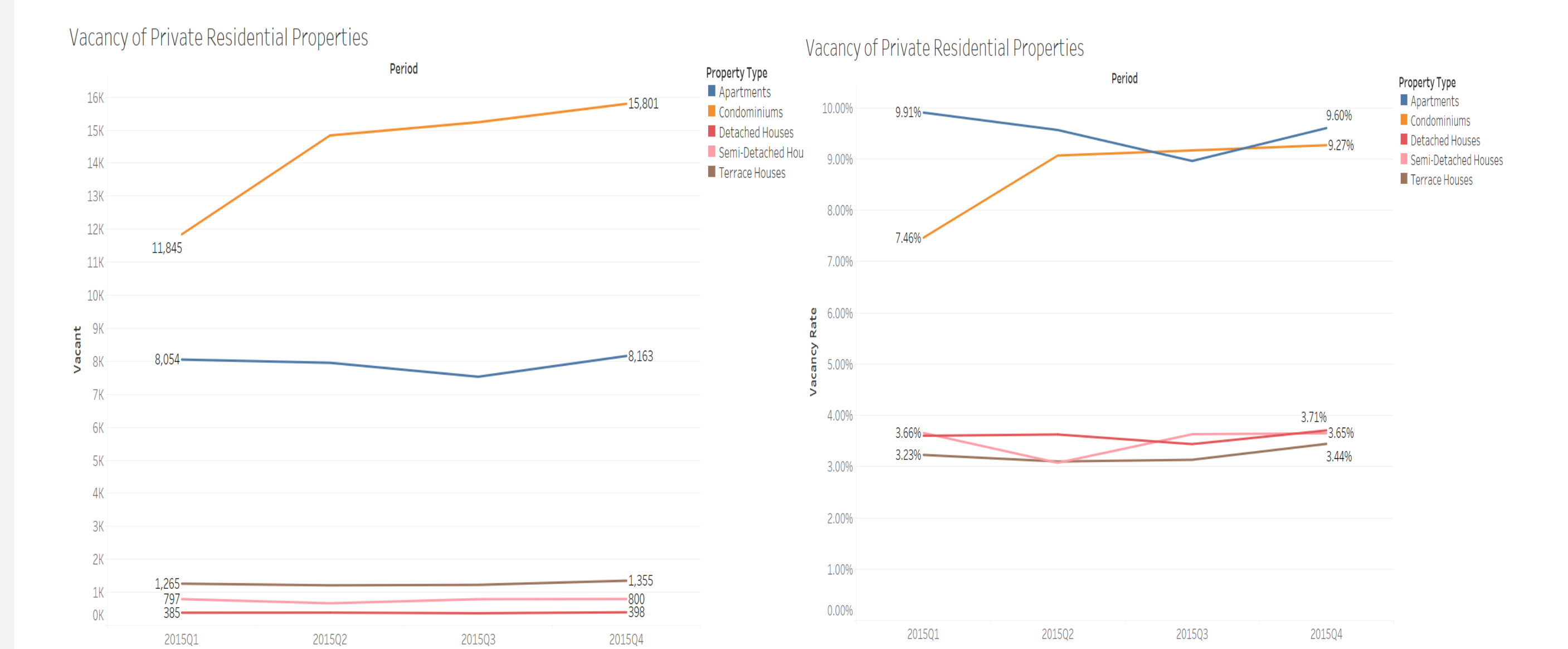
# Are we planning it right? The answers that we seek, tend to be just right in front of us...

## Non-Landed residential units account for two thirds of the private property supply



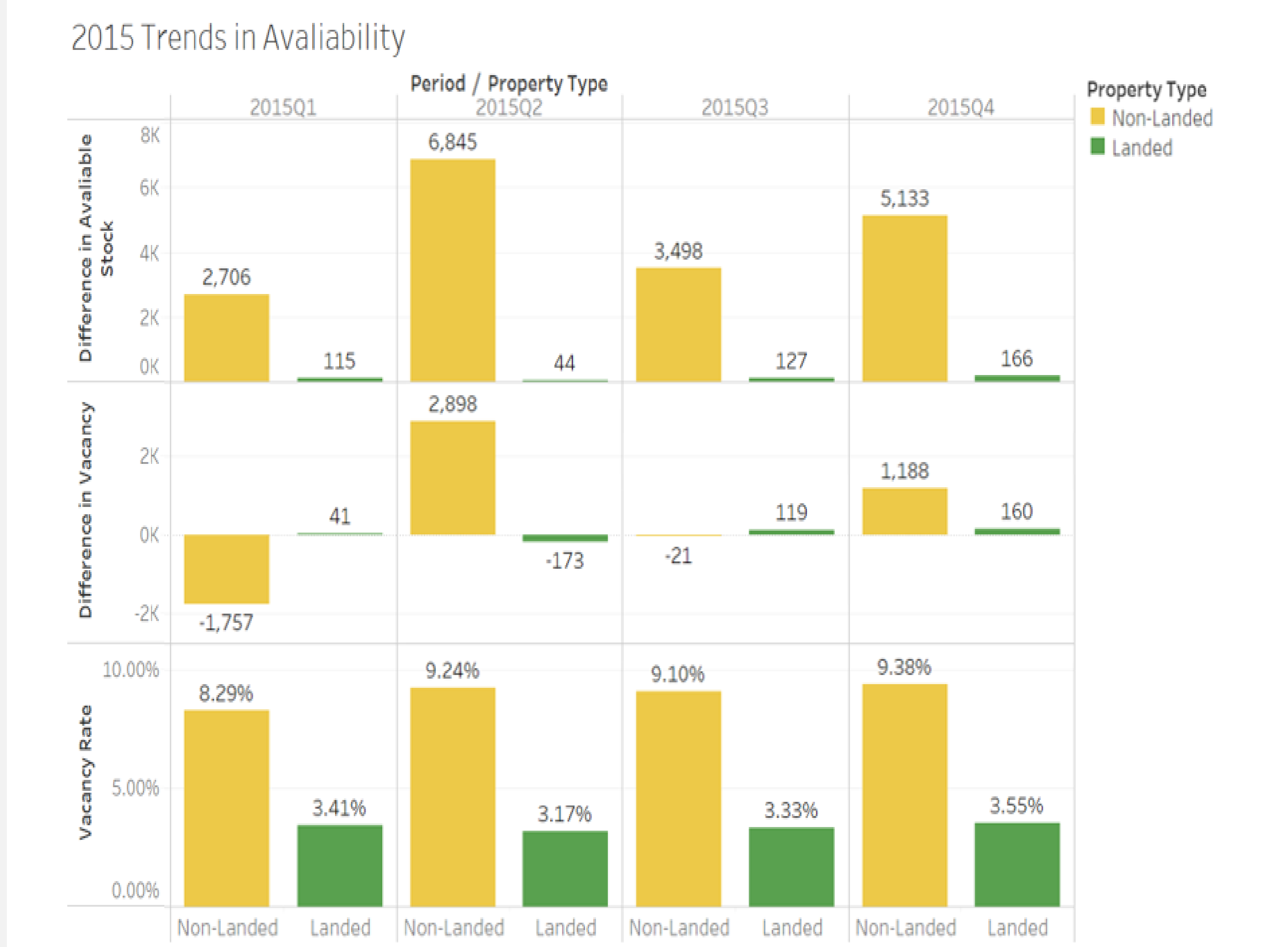
The supply of private residential properties is made of Landed and Non-Landed Residential Units. The supply of non-landed residential unit is approximately 3 times the amount of landed residential property. The Non-Landed property is made up of apartment and condominium. A further breakdown reveals that condominium makes up to half of the entire private residential property supply. This finding will also let us narrow our focus in this report towards Non-Landed residential properties.

## Condominiums losing demand



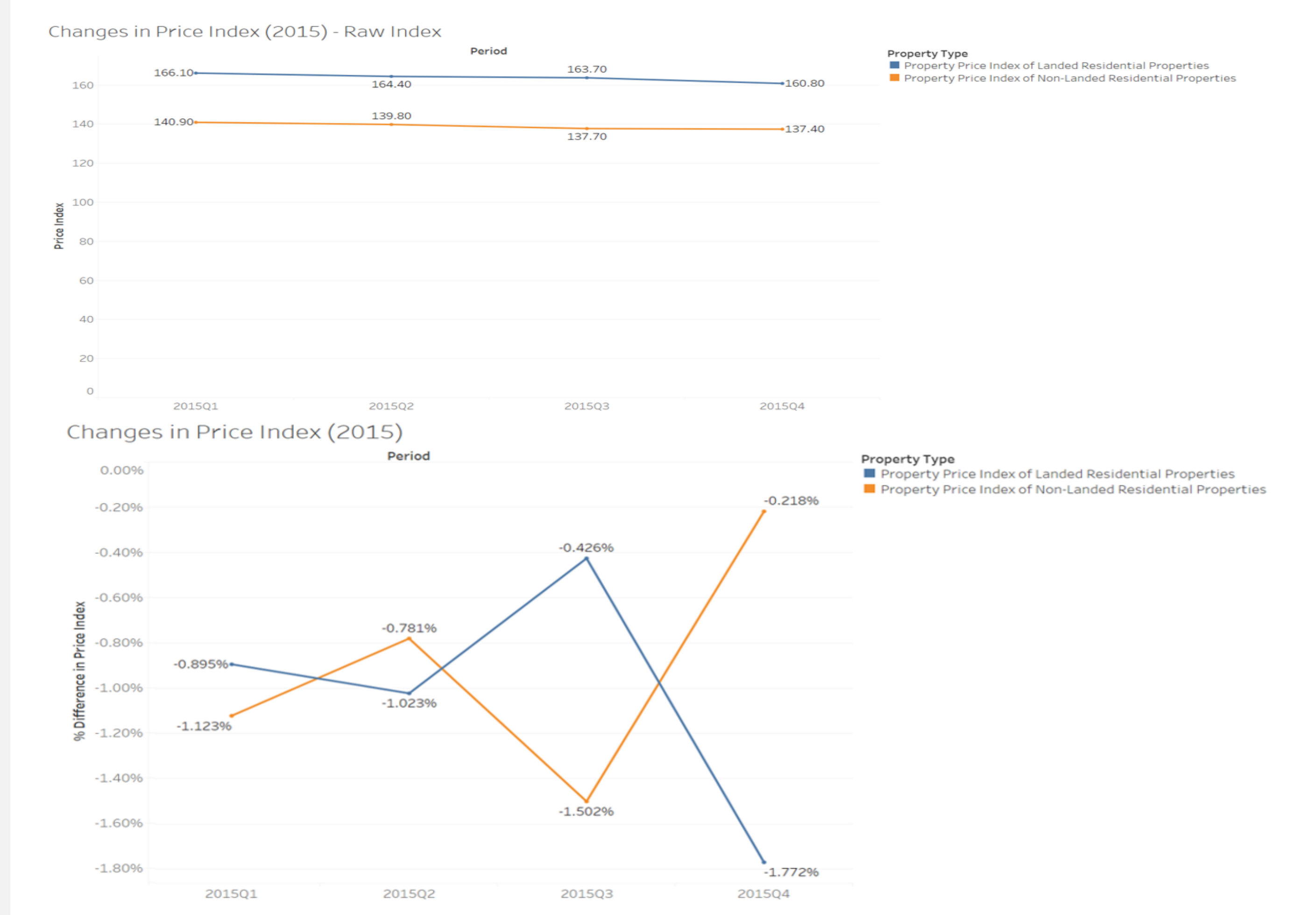
The demand for most residential property types had been constant over the year. However, the demand for condominium has shown a significant drop in 2015. This is reflected in the increased vacancy rate among the different property types in the year.

## Too many Non-Landed residential units released during the second quarter



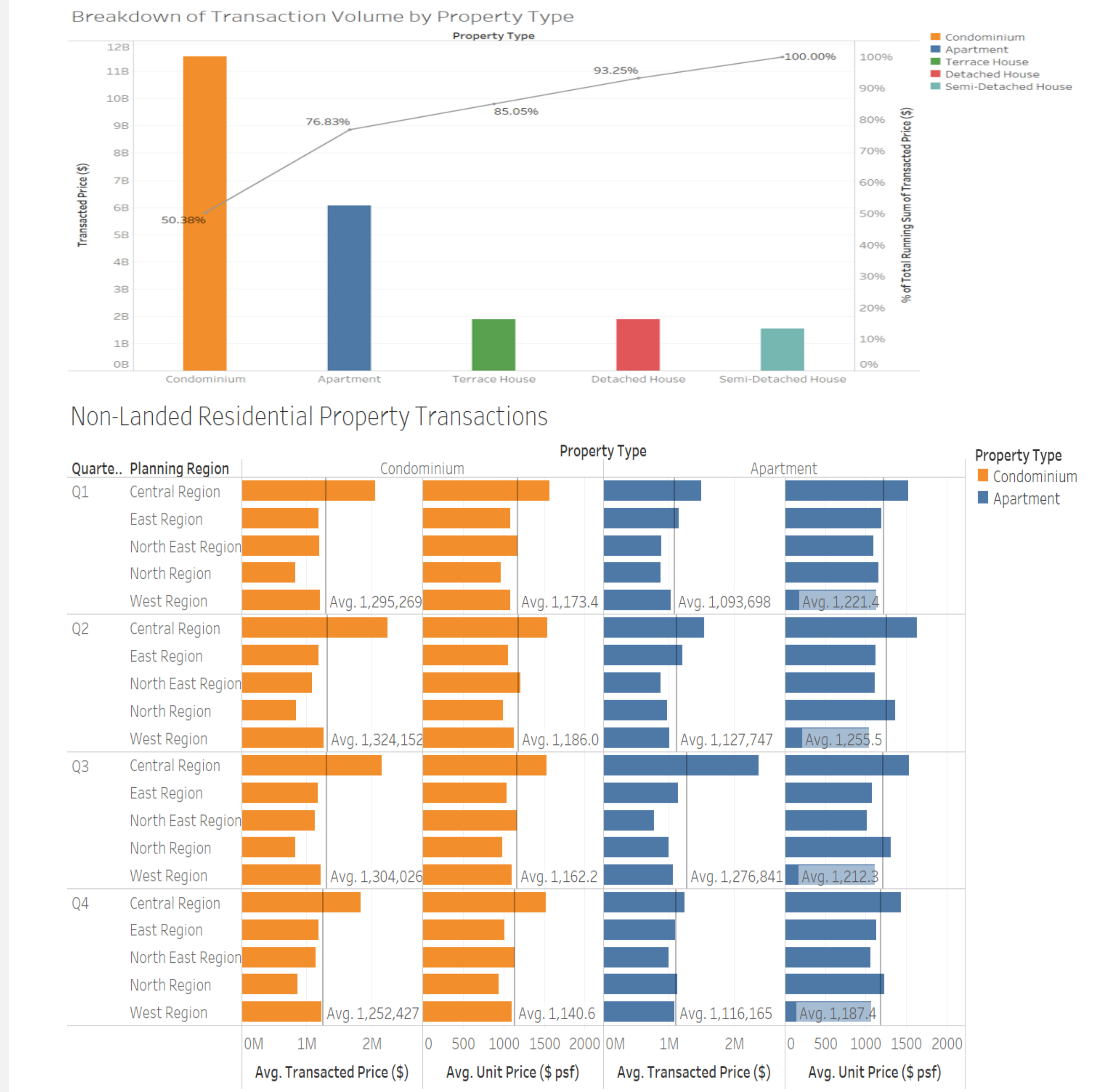
As shown in the above graph, the vacancy rate of non-landed units shot up by close to 1% during the second quarter or the year. The vacancy rates dropped slightly in the 1<sup>st</sup> and 4<sup>th</sup> quarter. As for landed properties, the vacancy rates have been fairly constant throughout the year.

## Price index of Landed and Non-landed properties grows inversely of each other



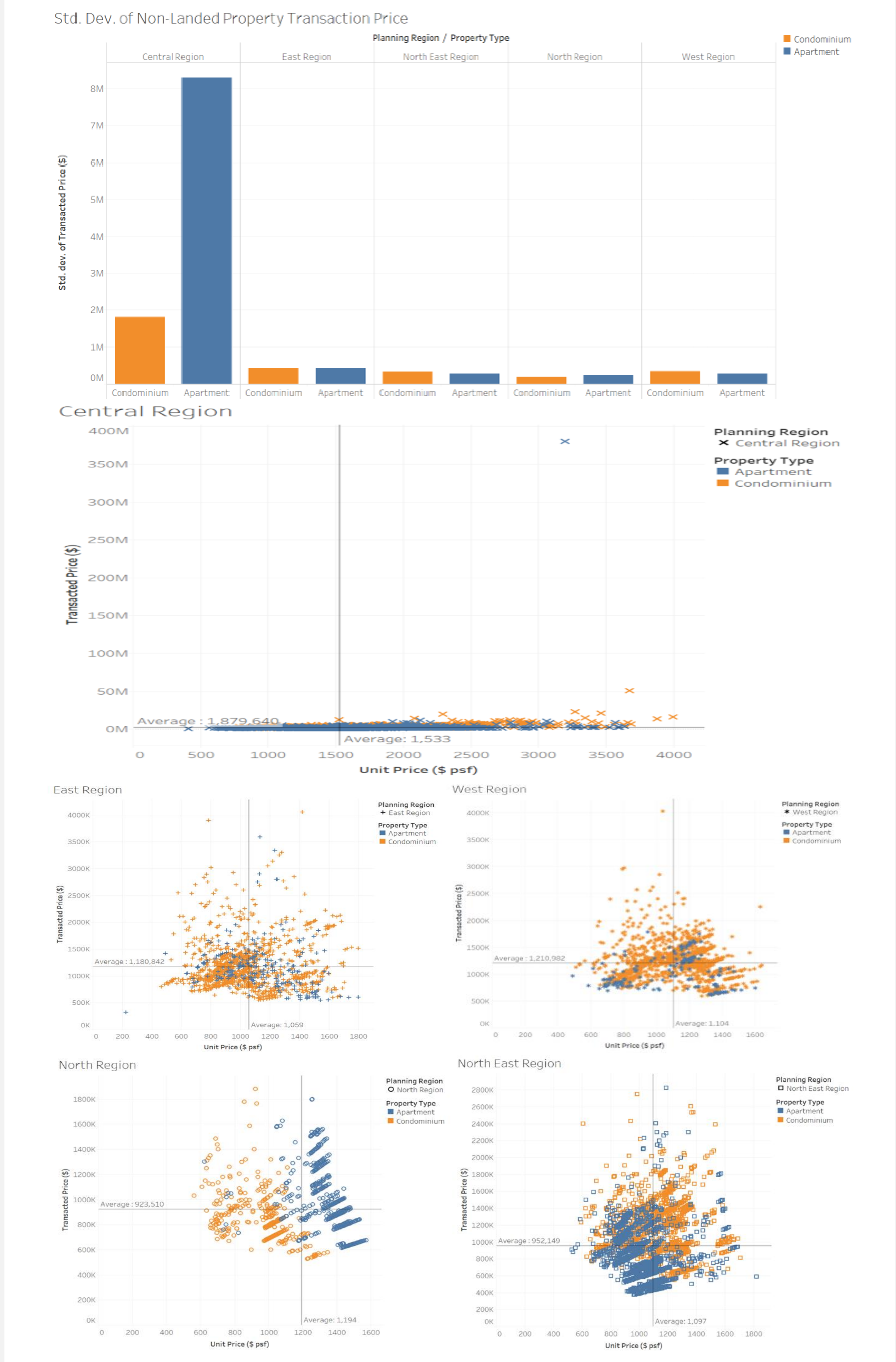
The overall price index appears to be constant with slight changes. However a closer examination reveals significant difference between the behaviour of the two property types. The price index of Landed and Non-Landed Properties are inverse of each other. When the price index of landed properties goes up, the price index of Non-Landed properties will go down.

## Apartments and condominiums are seriously expensive in central region



The Non-Landed residential property type accounts for 3/4 of the total transactional volume within the private property market. As shown in the graphs above, the central region has the highest average transactional price consistently throughout the year. The average prices can be even double the price compared to other region.

## Prices of Non-Landed residential properties varies too much in the central region



Central region has the most volatile prices. The standard deviation among the prices are significantly the highest across all regions. The wide deviation is further illustrated in the scatter plot. This appears to be caused by occurrence of extreme transactional sales within the central region

For every 10 Singaporeans, 2 of us stays in private housing

Singapore population is expected to reach 5.63 million by the end of 2016

## What we recommend

### Reduce the supply of Condominium

The increase of 1.81% in vacancy translates to 3956 vacant condominium units in 2015 alone. This is especially crucial for the second quarter of the financial year.

### Incentivize the buying of Non-Landed properties outside of the central region

Introduces rebates or incentives to strengthen the demand for non-landed properties outside of central region.

### Introduce price moderation measures for Landed properties

The falling price index of landed properties will hurt the current owners. By introducing moderation measures will help to retain property value.

