

Top News for the Week

- [Private home prices up 2.7% in Q4, taking full-year rise to 6.7%](#)
- [HDB resale prices rise 4.8% in 2023, slower than 10.4% climb in 2022](#)
- [Work harder to keep society united and strengthen shared identity, says PM Lee](#)
- [Q4 growth of 2.8% on manufacturing upturn lifts Singapore's 2023 full-year growth to 1.2%](#)
- [Lower borrowing costs in Singapore likely if the US Fed cuts rates in 2024](#)
- [Singapore's PMI improves in December, in contrast to regional weakness](#)
- [Singdollar should remain strong in 2024 on tight monetary policy, weaker US dollar](#)
- [Singapore's 2024 tourism performance hinges on return of China travellers](#)
- [Singapore hotel room rates, revenue stay flat in November](#)

Residential

Private home prices up 2.7% in Q4, taking full-year rise to 6.7%

Private residential property prices in Singapore rose 2.7 per cent for the fourth quarter of 2023, pulled up by sales at new launches priced at fresh benchmarks amid low transaction volume. The Q4 spurt lifted the price index from a 0.8 per cent increase in Q3, to end the year with a 6.7 per cent gain, easing from the 8.6 per cent increase in 2022 and 10.6 per cent rise in 2021. Quarter on quarter (qoq), private condo prices in the OCR were up 4.6 per cent, following a 5.5 per cent increase in Q3. CCR prices rose slightly less, at 4.2 per cent in the fourth quarter but recovering from the previous quarter's decline of 2.7 per cent.

Two launches in particular chalked up unexpectedly strong sales when they were brought to market in the fourth quarter at benchmark prices. CapitaLand's J'Den in Jurong East sold 323 units at launch at an average price of S\$2,451 per square foot (psf), while UOL and SingLand's Watten House in Bukit Timah moved 102 units at an average price of S\$3,230 psf.

Lee Sze Teck, Huttons senior director of data analytics, noted that the robust sales at the Q4 launches showed evidence of the "ample liquidity of local buyers", as foreign buyers sat out following the hike in the Additional Buyer's Stamp Duty (ABSD) last April.

In Q4, Singaporeans and permanent residents accounted for 98.5 per cent of private home buyers, while foreigners accounted for 1.5 per cent.

Based on caveats data as at Jan 2, 2024, purchases made by foreigners dropped to 62 in Q4 2023, compared with 271 in Q1 2023. It is also the lowest since the government first introduced ABSD in December 2011, said Lee.

Transaction volume shrank during the year. Based on flash estimates released by the Urban Redevelopment Authority (URA) on Jan 2, the total sale transaction volume of private homes up to mid-December was 27 per cent lower than in Q3, falling to 3,800 units in Q4.

This brought the full-year figure to 18,510 units, down 15 per cent from the 21,890 units sold in 2022. It is also the lowest annual sale transaction volume since 2016, said URA. The figure comprises new sales, resales and subsales, and excludes executive condo units.

Market analysts are looking at prices slowing further, to land in the range of 3 to 5 per cent in the coming year.

Links to the story:

<https://www.businesstimes.com.sg/property/private-home-prices-27-q4-taking-full-year-rise-67>

<https://www.straitstimes.com/business/private-home-prices-up-67-per-cent-in-2023-grew-at-slower-pace-than-2022>

<https://www.zaobao.com.sg/finance/singapore/story20240102-1459612>

HDB resale prices rise 4.8% in 2023, slower than 10.4% climb in 2022

Prices of Housing Board resale flats rose by 4.8 per cent in 2023, slower than the 10.4 per cent increase recorded in 2022. In 2021, prices surged by 12.7 per cent.

In the last three months of 2023, prices rose by 1 per cent, flash estimates from HDB showed on Jan 2.

In all, 26,628 resale flats changed hands in 2023 as at Dec 28, 3.8 per cent lower than the 27,686 flats in 2022.

Mr Lee Sze Teck, senior director of data analytics at property firm Huttons Asia, said an estimated 468 flats changed hands for at least \$1 million in 2023, 26.8 per cent higher than the 369 million-dollar deals in 2022.

Links to the story:

<https://www.straitstimes.com/singapore/housing/hdb-resale-prices-rise-48-in-2023-slower-than-104-climb-in-2022>

<https://www.businesstimes.com.sg/property/hdb-resale-prices-rise-slower-1-pace-q4-end-2023-48-gain-flash-data>

<https://www.zaobao.com.sg/news/singapore/story20240102-1459610>

HDB resale prices rising in past 4 years, outpacing private home price growth in 2020, 2021

Median resale Housing Board flat prices have been rising steadily in the past four years, even outpacing the growth in median resale and new private home prices in 2020 and 2021, analysts say.

But that growth spurt slowed in 2022 and 2023 as some price resistance set in, and after cooling measures were introduced in September 2022.

These included tighter HDB loan restrictions, and the imposition of a 15-month wait-out period for private home owners after the sale of their current home before they can buy an HDB resale flat without housing grants.

Link to the story:

<https://www.straitstimes.com/business/hdb-resale-prices-rising-in-past-4-years-outpacing-private-home-price-growth-in-2020-2021>

Commercial

Singapore office landlords bank on green leases, ESG compliance to woo tenants at higher rents

A green Mark. Carbon calculations. An intelligent building monitor that counts its own resource usage and tells you how much power and water it has saved. These buzzy details are not just high-tech functions that look great displayed in a shiny office lobby, they are increasingly being built into office leasing contracts as landlords go green to woo tenants with sustainability checklists.

These smart and green buildings are designed to comply with standards for energy efficiency, water conservation, waste reduction and the use of sustainable materials.

Link to the story:

<https://www.businesstimes.com.sg/property/singapore-office-landlords-bank-green-leases-esg-compliance-wootenants-higher-rents>

Commercial building in Prinsep Street up for sale at S\$157 million guide price

A commercial building at 30 Prinsep Street is up for sale via expression of interest at a guide price of S\$157 million.

The guide price translates to around S\$2,332 per sq ft based on a gross floor area of 67,335 sq ft. The building, which was refurbished in 2013, comes with an outdoor roof terrace on the sixth floor, an office lobby, food-and-beverage-approved shop spaces on the first floor and a private parking facility with 52 lots.

It sits on a 999-year leasehold site spanning 15,000 sq ft zoned for commercial use. It has a gross plot ratio of 4.2 under the Urban Redevelopment Authority's 2019 Master Plan.

The expression of interest exercise will close at 3 pm on Feb 7, 2024.

Link to the story:

<https://www.businesstimes.com.sg/property/commercial-building-prinsep-street-sale-s157-million-guide-price>

Government

Work harder to keep society united and strengthen shared identity, says PM Lee

In an era of rapid external and internal change, Singapore must work ever harder to keep its society together, and strengthen its sense of shared identity and nationhood, Prime Minister Lee Hsien Loong said in his annual New Year message.

The global environment will remain challenging for some time to come, and Singapore will also undergo a leadership transition, he added.

He urged Singaporeans to stand together and to support Deputy Prime Minister Lawrence Wong and his fourth-generation team to build a nation that is “vibrant and inclusive, fair and competitive, and resilient and united”.

Link to the story:

<https://www.straitstimes.com/singapore/work-harder-to-keep-society-united-and-strengthen-shared-identity-says-pm-lee>

State land sales deals hit 11-year high of \$7.7 billion in 2023

State land tender activity hit an 11-year high in 2023, with 14 Government Land Sales (GLS) sites totalling \$7.7 billion being awarded.

This was the highest annual value recorded under the GLS programme since 2012, when 51 GLS sites worth \$10.6 billion were awarded.

Public-sector transaction values in 2023 were up nearly 40 per cent from 2022, when 11 sites amounting to \$5.5 billion were sold.

Residential deals, comprising largely state land sales, formed the bulk of total investment sales activity in Singapore in 2023, totalling \$10.3 billion.

Link to the story:

<https://www.straitstimes.com/business/state-land-sales-deals-hit-11-year-high-of-77-billion-in-2023>

Economy

Q4 growth of 2.8% on manufacturing upturn lifts Singapore's 2023 full-year growth to 1.2%

Singapore's economy expanded 1.2 per cent year on year in 2023, pulled up by stronger growth in the fourth quarter, advance estimates from the Ministry of Trade and Industry (MTI) showed on Jan 2.

This makes last year's gross domestic product (GDP) slightly better than the official forecast of "around 1 per cent" that MTI had narrowed to last November, but much lower than the 3.6 per cent growth in 2022.

Fourth quarter GDP growth came in at 2.8 per cent, faster than the revised 1 per cent recorded in Q3 and better than private-sector economists' median expectations of 1.8 per cent growth. Manufacturing's growth in Q4 was a turnaround from the 4.7 per cent contraction in the previous quarter. This was on the back of improved output across all clusters except for precision engineering.

In Q4, construction expanded 9.1 per cent year on year, growing at a faster pace than the previous quarter's 6.2 per cent growth. This was due to increased output for both the public and private sector, said MTI.

Meanwhile, the services industries grew 2.4 per cent in Q4, a nudge higher than the 2.3 per cent recorded in Q3.

MTI expects Singapore's economy to grow by 1 to 3 per cent in 2024.

Links to the story:

<https://www.businesstimes.com.sg/singapore/q4-growth-28-manufacturing-upturn-lifts-singapores-2023-full-year-growth-12>

<https://www.straitstimes.com/business/singapore-economy-grows-28-in-q4-as-manufacturing-recovers-2023-growth-at-12>

<https://www.zaobao.com.sg/finance/singapore/story20240102-1459587>

Singapore's nominal wage growth may slow further in 2024 as labour market cools

Singapore's nominal wage growth may slow further in 2024, as the labour market cools to the pre-pandemic norm amid economic uncertainty.

Yet unlike 2023, when high inflation caused wages to shrink in real terms, there is a chance of real wage growth this year as inflation slows.

Job vacancies have fallen from a record high. There were 78,400 job vacancies in September, down from 87,900 in June and a high of 126,000 in March 2022, according to Manpower Ministry (MOM) data.

Industry watchers expect labour demand to cool further in 2024 – especially early in the year – amid sluggish economic activity.

Link to the story:

<https://www.businesstimes.com.sg/singapore/singapores-nominal-wage-growth-may-slow-further-2024-labour-market-cools>

Lower borrowing costs in Singapore likely if the US Fed cuts rates in 2024

The United States Federal Reserve is expected to pivot towards interest rate cuts in 2024, a move that would bring relief to Singaporeans through lower mortgage rates, but also cut their returns on fixed deposits and Singapore Government bonds.

Monetary Authority of Singapore data showed that the three-month and six-month compounded Sora rates have stayed around 3.7 per cent since October 2023.

Fixed-rate home loan packages are hovering at 3 per cent to 3.2 per cent, off from the highs of 4 per cent to 4.5 per cent in 2022, according to checks with mortgage brokers.

Link to the story:

<https://www.straitstimes.com/business/lower-borrowing-costs-in-singapore-likely-if-the-us-fed-cuts-rates-in-2024>

Singapore's manufacturing could see modest recovery in 2024 on global electronics demand

Singapore's manufacturing slump has likely bottomed out, and the industry should gradually recover in 2024 – though the magnitude and trajectory of this remains uncertain, said observers. In November 2023, manufacturing output rose 1 per cent yoy. Although below economists' expectations of 2.2 per cent growth in a Bloomberg poll, it marked the first time since September 2022 that the sector grew for two straight months.

According to advance estimates of gross domestic product growth on Jan 2 – computed largely from October and November data – growth in the fourth quarter was boosted by the manufacturing sector's 3.2 per cent growth, after three quarters in contraction.

These “green shoots” suggest a nascent recovery, largely driven by the turnaround in the lynchpin electronics cluster, said analysts.

Link to the story:

<https://www.businesstimes.com.sg/singapore/singapores-manufacturing-could-see-modest-recovery-2024-global-electronics-demand>

Singapore's PMI improves in December, in contrast to regional weakness

Singapore's manufacturing sentiment improved further in December, even as regional factory activity continued to be dragged down by weak demand.

Singapore's purchasing managers' index (PMI) inched up to 50.5 in December, a 0.2 point gain from the previous month, according to data released by the Singapore Institute of Purchasing and Materials Management (SIPMM) on Jan 3.

This was the fourth straight month in which the overall PMI was in expansion, after spending half a year in contraction. A reading above 50 indicates growth from the previous month, while one below 50 points to a contraction.

The lynchpin electronics sector edged up 0.1 point to 50.2 in December. This marked its second straight month of expansion, after emerging from 15 straight months of contraction in November.

Links to the story:

<https://www.businesstimes.com.sg/singapore/economy-policy/singapores-pmi-improves-december-contrast-regional-weakness>

<https://www.straitstimes.com/business/economy/rebound-in-s-pore-factory-activity-gains-traction-in-december-amid-increasing-optimism>

<https://www.zaobao.com.sg/finance/singapore/story20240103-1459838>

Lazada cuts staff amid speculation of upcoming IPO

Regional e-commerce company Lazada on Jan 3 laid off an undisclosed number of its Singapore staff.

In response to queries, a Lazada spokesman said: “We are making proactive adjustments to transform our workforce, to better position ourselves for a more agile, streamlined way of working to meet future business needs.”

The spokesman declined to disclose how many workers in Singapore or South-east Asia were affected and whether staff had received a severance package.

Links to the story:

<https://www.businesstimes.com.sg/companies-markets/consumer-healthcare/lazada-cuts-staff-amid-speculation-upcoming-ipo>

<https://www.straitstimes.com/business/companies-markets/lazada-cuts-staff-amid-speculation-of-upcoming-ipo>

<https://www.zaobao.com.sg/finance/singapore/story20240103-1459830>

Singdollar should remain strong in 2024 on tight monetary policy, weaker US dollar

The Singapore dollar was one of the better performing Asian currencies in 2023, and will likely continue to perform well in 2024 on the back of tight monetary policy and a weaker US dollar. The Monetary Authority of Singapore (MAS) made no changes to the Singdollar nominal effective exchange rate policy band last year, leaving the Singdollar free to strengthen against a basket of currencies.

Most economists expect MAS to leave the policy band unchanged this year too, although there is a chance that MAS would have to loosen monetary policy if core inflation eases materially. That would leave room for currencies of Singapore’s other major trade partners to perform better than the Singdollar, analysts said.

Link to the story:

<https://www.businesstimes.com.sg/companies-markets/capital-markets-currencies/singdollar-should-remain-strong-2024-tight-monetary>

Hospitality

Singapore’s 2024 tourism performance hinges on return of China travellers

Singapore’s tourism recovery continued apace in 2023, with 12.37 million arrivals in the first 11 months – almost double the 6.31 million full-year 2022 figure.

Yet, this is far from the 19.12 million visitors in pre-pandemic 2019, and market watchers said that China is the missing piece.

While flight availability has limited the return of China travellers, this is set to change. Ahead of the next flight-approval window in February, Singapore and China are in talks to restore flights to pre-pandemic levels as quickly as possible, This is in line with the upcoming bilateral 30-day visa-exemption arrangement, targeted for early 2024, which should boost arrivals.

Link to the story:

<https://www.businesstimes.com.sg/singapore/singapores-2024-tourism-performance-hinges-return-china-travellers>

Singapore hotel room rates, revenue stay flat in November

Average room rates (ARR) and other key measures for Singapore hotels in November were either flat or slightly down from the month before, the latest data from the Singapore Tourism Board showed.

The latest figures came as international visitor arrivals fell for the fourth straight month to around 1.1 million in November from about 1.12 million arrivals in October, a dip of approximately 2.3 per cent.

ARR slipped 0.3 per cent to S\$277.40, from October's revised rate of S\$278.42. It was also down 1.8 per cent from the year-ago period.

Overall hotel room revenue dipped 0.7 per cent on the month to S\$408.8 million, from S\$411.8 million in October. But on a year-on-year basis, it was up 4.7 per cent.

In contrast, revenue per available room (RevPAR) nudged up 1.2 per cent to S\$219.13, from S\$216.60 in October. It fell 9.5 per cent from October 2022, and marked the second month in a row in which RevPAR recorded year-on-year declines.

November's average occupancy rate inched up slightly to 79 per cent, recovering from the preceding month's 77.8 per cent. On the year, it was down 6.7 per cent.

Link to the story:

<https://www.businesstimes.com.sg/singapore/singapore-hotel-room-rates-revenue-stay-flat-november>

This document has been prepared by Huttons Asia for general information only. Huttons Asia does not guarantee warrant or represent that the information contained in this document is correct. Any interested party should undertake their own enquiries as to the accuracy of the information. Huttons Asia excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damage arising directly or indirectly there-from. All rights reserved.

*The Business Times (BT) Online and *The Straits Times (ST) Interactive are a subscribers-only website. As such, you will not be able to access the URL link to the articles unless you are registered as a subscriber.