



Property Mom

ONE STEP AT A TIME

NAVIS

WILL 2023 BE A SELLER'S OR BUYER'S MARKET?



DATA DRIVEN. PURE FACTS. NO HYPE.

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A Choppy 2023?

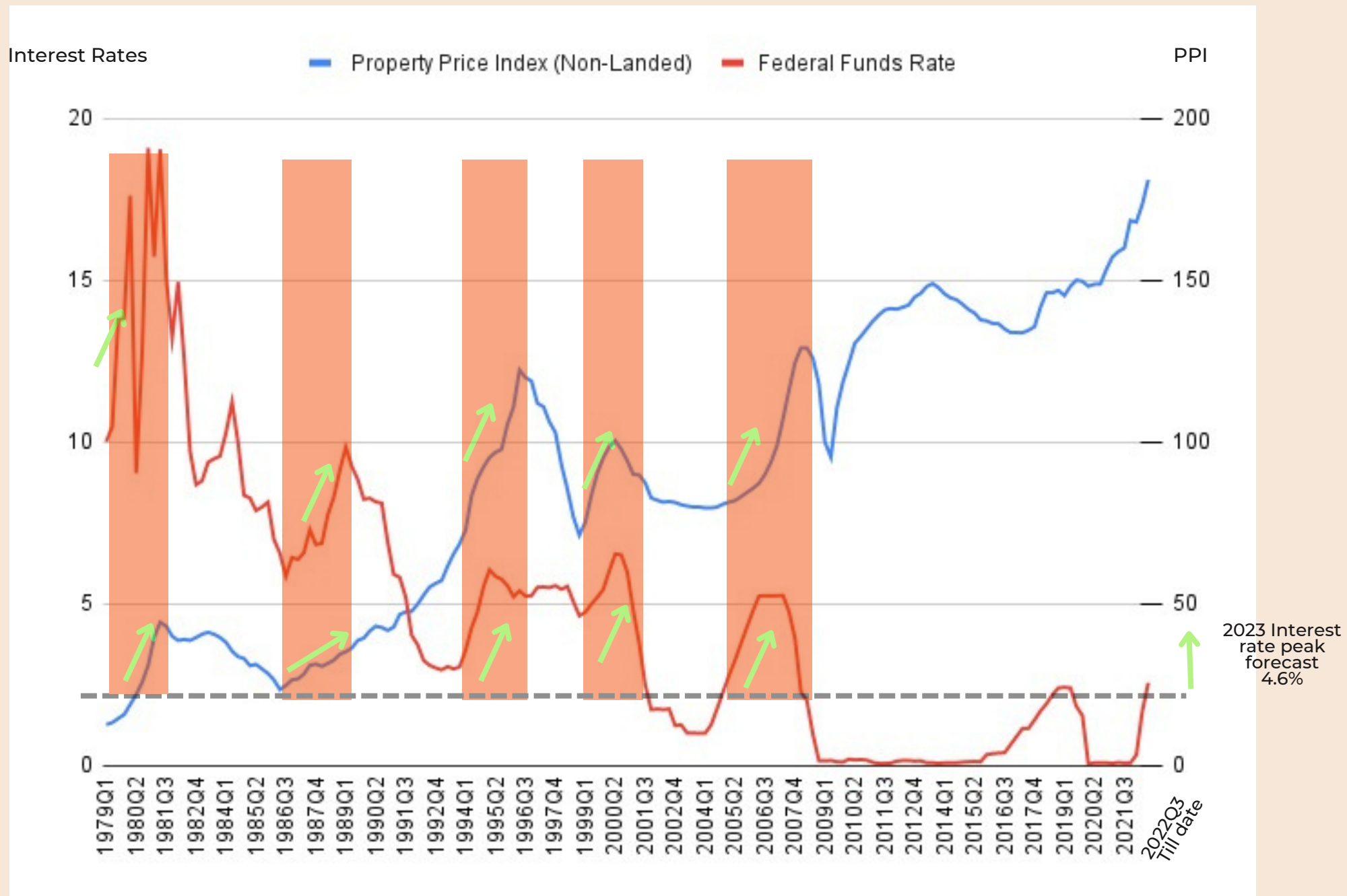


With interest rates now inching higher as we approach 2023, and global recession almost a certain possibility stated by the IMF, how is 2023 likely to pan out?

Will we continue witnessing a seller's market or will the tide turn in favour of buyers?



PROPERTY PRICE INDEX (NON-LANDED) VS INTEREST RATES



The above chart compares the Federal Funds rate (Interest rates) to the Singapore's Property Price Index (Non-Landed).

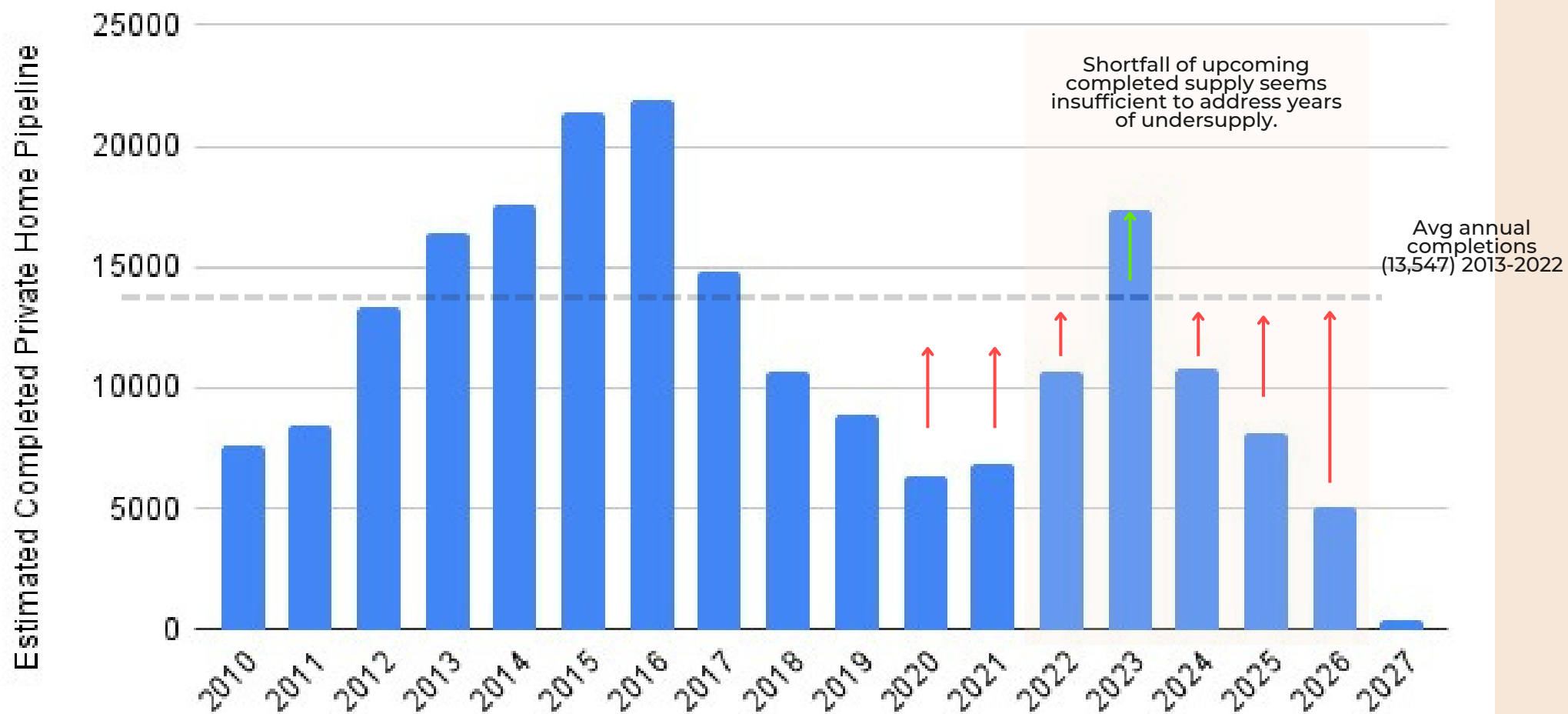
As observed in the 5 instances (Orange) where the Fed Funds rates climbed steeply beyond 2.56% (Today's point), the property market has continued to rise up in tandem.

We re-iterate that higher interest rates alone are unlikely to correct the market unless it is followed by a major financial/geopolitical crisis.



Completed Supply Expected (Private Homes)

Upcoming Completed Private Home Supply vs 10 Years Avg (2013-2022)

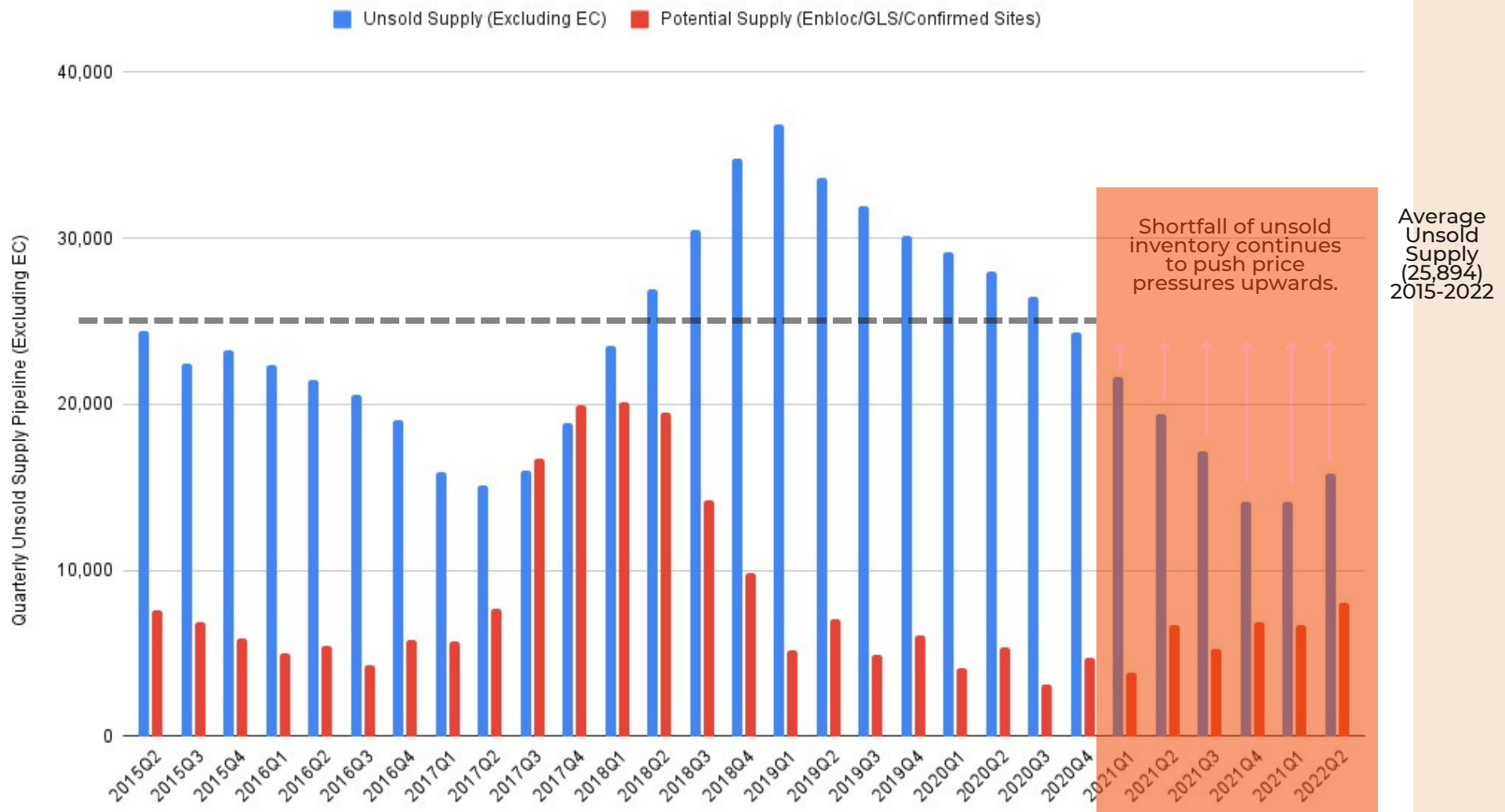


The average completions per year over the last 10 years (2013-2022) is at 13,547 units. Although 2023 will see a surplus number of completions, it is unlikely to make up for the previous and coming years of shortfall as more foreigners start returning and HDB MOP owners upgrade.



Unsold and Potential Supply Stays Low

Quarterly Unsold Supply Pipeline (Excluding EC)



Still low unsold supply and low potential supply of GLS and enbloc sites continue pushing price pressures upwards as a strong economy and tight labour markets results in less urgency on the part of sellers.

*Figures rounded.

Prepared by: NAVIS Research
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Summary

While many buyers are hoping that the tide will turn in their favour in the coming year, it is unlikely that a sudden change in seller's sentiments will occur without drastic and unpredictable global economic changes.

As at 20th Oct 2022, it is widely expected that a global recessionary environment will occur and interest rates should continue hiking. However, there is no panic observed in the real estate market as owners are by and large well capitalised with strong household networth and high employment rates still persisting.

It is of our view as of now that 2023 will continue being a seller's market and which may trigger further cooling measures in order to keep prices from growing too steeply.

Recent new launches, on the other hand, are seeing sellers (developers) taking on a more reasonable selling price approach and offers good value for buyers as completions in 3-4 years time should coincide with a subsiding of interest rates.





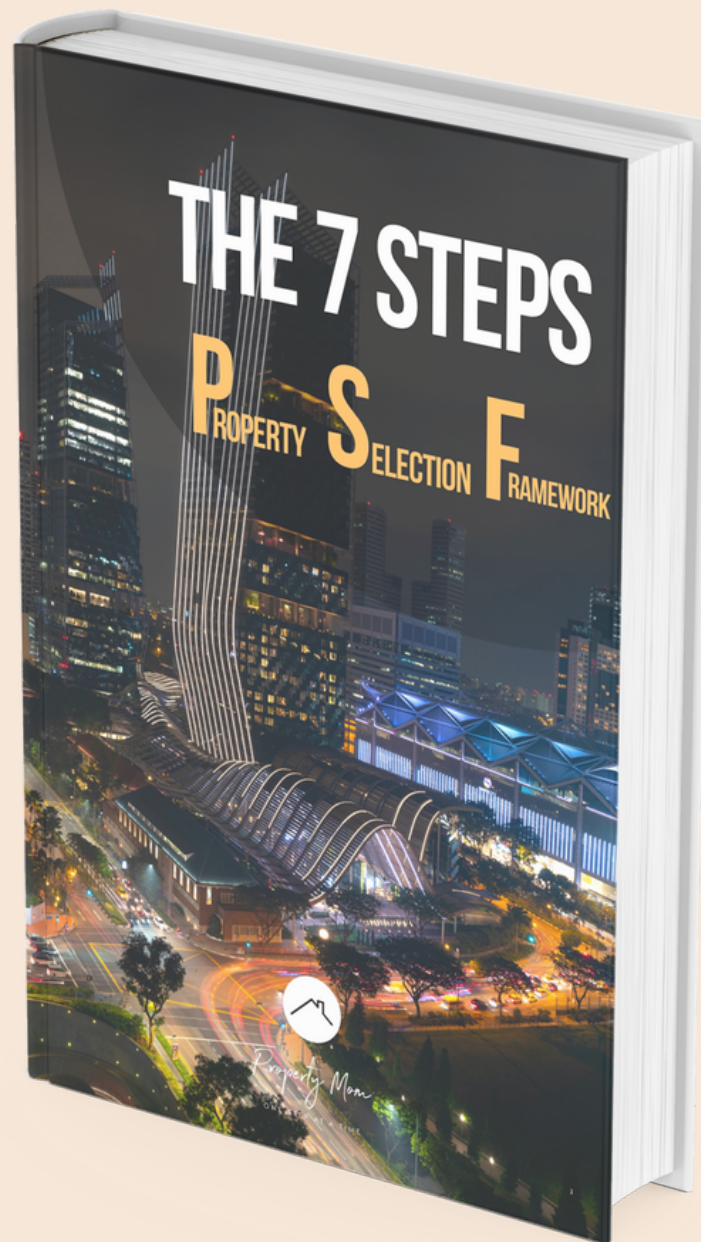
For investment property recommendations or an in-depth discussion on optimizing your property portfolio, reach out to us for a Property Progression Planning consultation.

A P3 consultation covers the following:

- An in-depth financial affordability assessment and timeline planning
- Highly relevant investment insights
- Entry and exit strategies
- A clear and customised investment road map
- A curated list of best buys in today's market with good growth potential & minimal risks
- Selecting units with the highest potential in upcoming new launches or resale units - Finding out if your property has stagnated in price and your options
- Marketing plan for finding a buyer for your property fast



Learn how a simple 7-Step Framework has helped many families profit from low risk & high profit potential properties



Contact us to find out more.



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