

NAV > My Home (/personal/nav/my-home.page)



06 Feb 2025

## Property outlook 2025 - Are home prices stabilising?

By Lynette Tan and Lorna Tan

---

*If you've only got a minute:*

- Executive Condominiums (ECs) are significantly more expensive than Prime/Plus HDB BTO flats, impacting both the initial downpayment and monthly mortgage repayments.
  - Key factors to consider when choosing between the 2 housing types include affordability, lifestyle preferences, eligibility and long-term plans.
  - The newer Prime/Plus BTO flats come with resale implications compared to Standard BTO flats. The impact of government subsidies, clawbacks, and resale restrictions must be factored into the long-term planning.
- 

*This article was first published in The Business Times.*

The Singapore property market begins 2025 with renewed confidence, following a period of reduced transaction volume. While prices continue their upward trend, affordability is nearing its peak, which requires commensurate growth in household incomes to sustain this momentum.

Given the government's ongoing cooling measures, the **DBS Research team** (<https://www.dbs.com/insightsdirect/landingpage/ideas?portsec=-2&portid=42336>) anticipates a moderation in property price growth in 2025. The projection for the Singapore Property Price Index (PPI) is a 1-2% increase, aligning with inflation expectations and representing a significant decrease from the 6.8% and 3.9% increases observed in 2023 and 2024, respectively.

## Stabilising home prices

Singapore's positive economic outlook and low unemployment rate underpin the property market's fundamentals, although potential escalation of global trade tensions poses a downside risk. Buyer sentiment is heavily influenced by economic conditions and employment levels. **Our DBS economist** (<https://www.dbs.com/insightsdirect/screener?portsec=-34&portid=42318>) forecasts robust GDP growth of 2.8% year-on-year for Singapore in 2025, exceeding the Ministry of Trade and Industry's forecast range of 1-3%.

Following interest rate cuts by the Federal Reserve between September and December 2024, the more favourable interest rate environment leading to lower mortgage rates will likely support buyers' sentiment. With current rates around the 2.5-2.6% range (down from approximately 4% a year ago), homebuyers can enjoy substantial savings of approximately S\$800 per month on a S\$1 million loan.

While sentiment is positive on the demand side, supply side factors such as stable land prices and high construction costs indicate that new home prices will likely remain firm. Developer participation in land tenders has been significantly lower in the past 2 years (averaging 2 to 3 bidders compared to a historical average of 10), suggesting caution in the market. Given that overall tender prices have remained relatively stable, along with persistently high construction costs, we foresee limited potential for a decrease in new home launch prices.

For HDB resale market, the DBS Research team anticipates prices will be supported by: (i) permanent residents (PRs) and (ii) former private homeowners who have completed the 15-month wait-out period after selling their private homes. These buyers, potentially with substantial gains from the sale of their private property, could provide more momentum for HDB prices to rise in 2025.

## New households & upgraders to drive demands for private property

New household formation is a key driver of property demand in Singapore. Based on SingStat data, an average of 20,000 new households have been formed annually over the past five years. While the government has increased the supply of HDB flats, a segment of the population may still require private or resale public housing due to factors such as exceeding income eligibility limits for Build-to-Order (BTO) flats (S\$14,000 household income ceiling), location preferences or desired purchase timelines.

Using marriage rates as a proxy for future household formation (averaging 27,000 annually over the past 5 years), we project sustained housing demand. While the number of marriages exceeds the number of newly formed households – potentially due to young couples residing with parents – the strong desire for homeownership in Singapore suggests that demand for private homes will remain robust in 2025.

#### Our projections for 2025

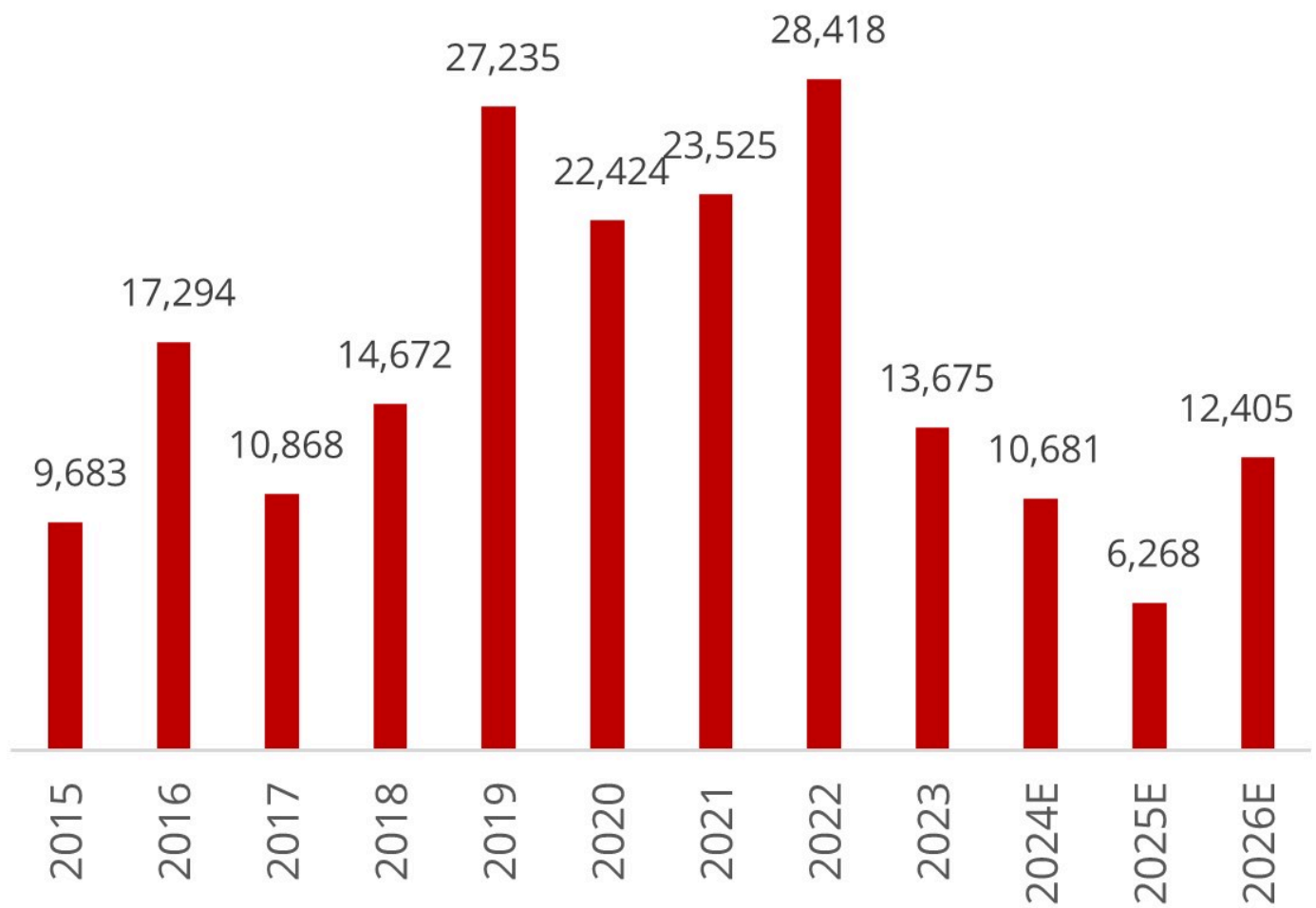
Sector	Demand drivers	Price growth (2025)	Supply outlook	Volumes (no. of units)	Risks
Suburban (OCR)	New household formation, upgrader demand	1% to 2%	Medium	New: 8,000 - 8,500 Resale: 13,500 - 14,000	Economic outlook, Employment, interest rates
Mid-tier (RCR)		0% to 1%	Medium		
Luxury end (CCR)		-2% to 0%	Medium		
Landed	Aspirational	0% to 1%	Limited	1,000	
HDB Resale	Home ownership	2% to 3%	Medium	25,000-26,000	
Overall		1% to 2%			

Source: DBS

Upgraders represent a significant segment of the private home market. They typically leverage the proceeds from selling their HDB flats and accumulated savings for downpayments. A large pool of potential upgraders is expected, with over 100,000 HDB flats reaching their Minimum Occupation Period (MOP) between 2019 and 2023. Furthermore, rising household incomes, with a growing number exceeding S\$20,000 per month, suggest an increased capacity to afford private properties, supporting continued demand.

Do you need any help?

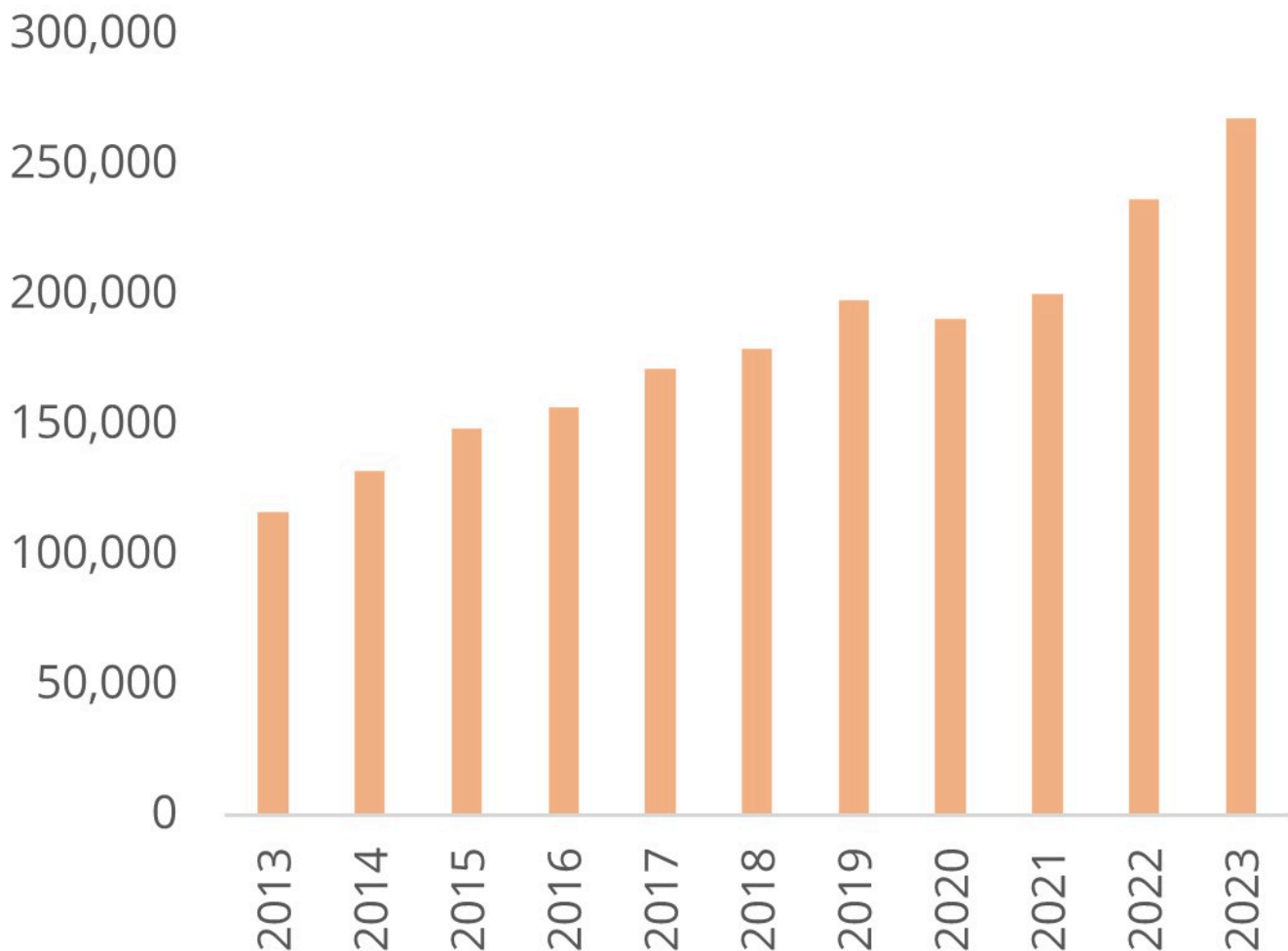
## No. of HDB MOP flats



Source: URA, Propnex, ERA, DBS

Do you need any help?

## No. of households with >SGD20k monthly income

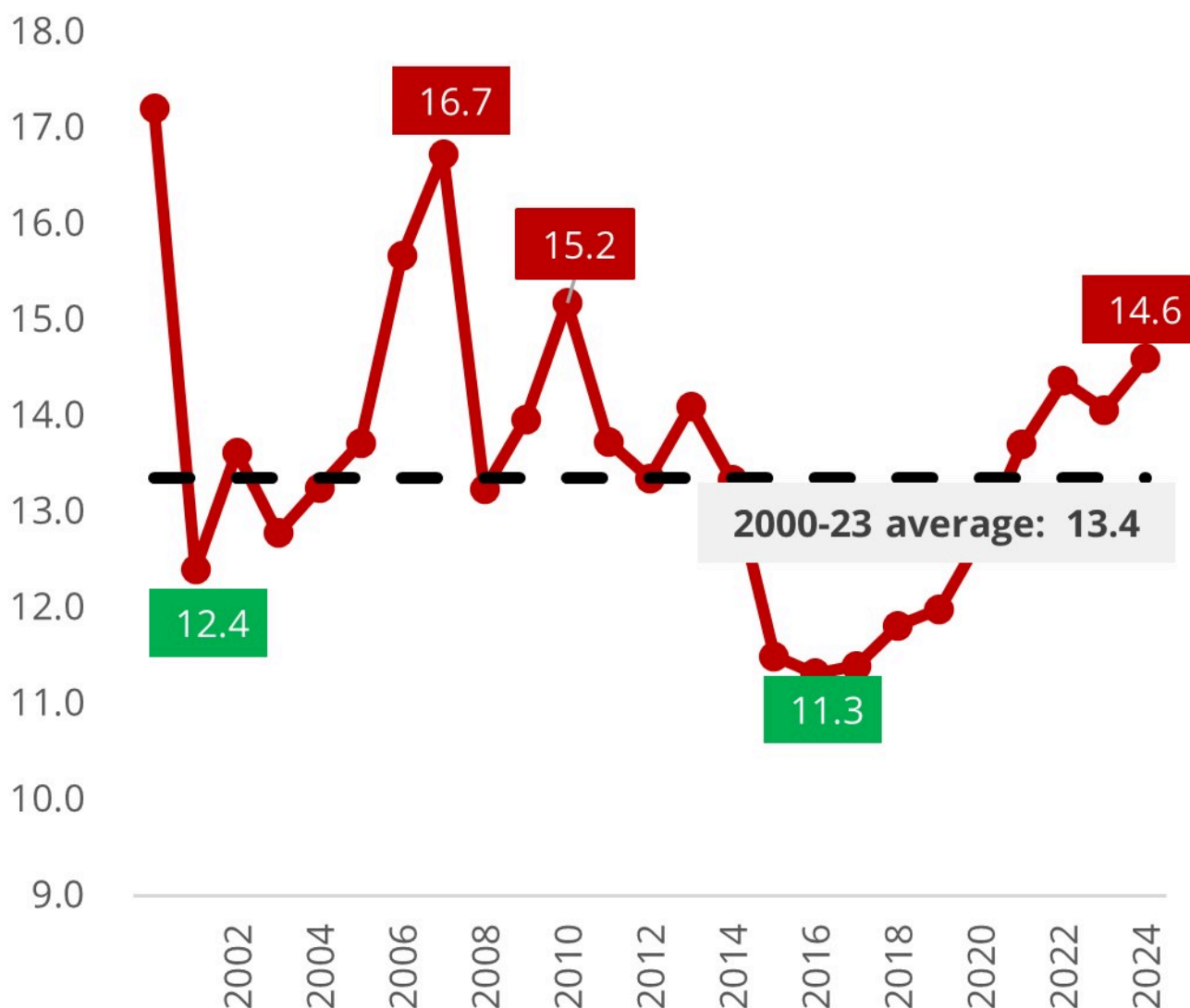


### Are homes still affordable?

Analysis of the price-to-income ratio for Singaporean homes suggests that affordability is nearing the upper end of historical ranges. Comparing median home prices to annual household income growth since 2000 reveals that while incomes generally kept pace with home prices, recent price growth has outstripped income growth.

Do you need any help?

## Home Price to Income ratio



Source: SingStat, DBS

The average price-to-income ratio was 13.4x between 2000 and 2023. However, this has increased to 14.1x in 2023 and is approaching 14.6x in 2024, reaching the upper bound of historical affordability levels. This implies, for price increases to be sustainable, it requires faster income growth, larger down payments from buyers, or a shift towards smaller, lower-priced homes.

With lending limits (such as Total Debt Servicing Ratio) in place and rising private property prices, a homebuyer's purchasing power is increasingly determined by their borrowing capacity, as based on household income. Consequently, the total property price is now a more crucial factor than price per square foot (psf).

### Median home prices (SGD) in 2024

	New sale	Resale
CCR	2,699,000	2,600,000
RCR	2,368,500	1,799,000
OCR	1,839,807	1,480,000

Source: Realis, DBS

### Median home unit prices (SGDpsf) in 2024

	New sale	Resale
CCR	3,154	2,111
RCR	2,605	1,825
OCR	2,110	1,417

Source: Realis, DBS

For example, an older 1,200 sq ft, 3-bedroom condominium priced at S\$2,200 psf totals over S\$2.6 million. A newer, 900 sq ft, 3-bedroom unit priced at S\$2,600 psf costs less than S\$2.3 million. This illustrates that, given a fixed borrowing limit, buyers would need to pay an additional S\$300,000 for the older, more expensive unit despite its lower psf price.

### New launch transaction volumes expected to rise in 2025

The DBS Research team projects a year-on-year increase in new home sales volume, driven by a strong pipeline of upcoming launches and attractive buyer interest. Prime Government Land Sales (GLS) sites in desirable locations (Orchard Boulevard, Zion Road, Holland Drive, and River Valley Green) are expected to attract significant attention, particularly if competitively priced.

Do you need any help?



**Existing/upcoming major project launches in 2025 that could impact sentiment, developer performance**

	Region	Developers	District	Tenure	Est. Units	Launch	% sold	Est. selling price (SGDpsf)
<b>UOL</b>								
Meyer Blue	RCR	80%-20% with SingLand	15	FH	226	4Q24	58%	SGD 3,268 psf
Parktown Residences	OCR	50% (UOL-SingLand) with CAPL	18	99LH	1,195	1Q25	-	>SGD 2,300 psf
Orchard Boulevard	CCR	80%-20% with SingLand	10	99LH	301	1H25	-	>SGD 3,300 psf
Holland Drive	OCR	35% stake with CAPL, others	9	99LH	666	2H25	-	>SGD 3,000 psf
Thomson View (en bloc)	OCR	JV with CAPL	20	99LH	1,200	2026	-	>SGD 2,500 psf
<b>City Developments (CDL)</b>								
Tembusu Grand	OCR	JV with MCL Land	23	99LH	638	2Q23	91%	SGD 2,300 psf
Lumina Grand	OCR	CDL	15	99LH	512	1Q24	87%	SGD 1,510 psf
Union Square	CCR	CDL	1	99LH	366	4Q24	26%	>SGD 3,050 psf
Norwood Grand	OCR	CDL	29	99LH	348	4Q24	84%	>SGD 2,067 psf
The Orie	OCR	JV with Frasers Property, Sekisui House	12	99LH	777	1Q25	-	>SGD 2,600 psf
Zion Road (Parcel A)	RCR	JV with Mitsui Fudosan	3	99LH	700	2H25	-	>SGD 2,800 psf
Newport Residences	CCR	CDL	2	FH	246	2H25	-	-
<b>GuocoLand</b>								
Midtown Modern	CCR	GuocoLand		99LH	558	launched	100%	>SGD 3,200 psf
3 Lentor sites	OCR	JV with various Hong Leong	26	99LH	1,736	launched	97%	>SGD 2,000 psf
Lentor Central	OCR	related entities across projects	26	99LH	477	1Q25	-	>SGD2,000 psf
Upper Thomson	OCR		26	99LH	941	2Q25	-	>SGD2,000 psf
Margaret Drive	RCR		3	99LH	460	2H25	-	>SGD2,500 psf
Faber Walk	RCR		5	99LH	400	2H25	-	>SGD2,300 psf

Source: Edgeprop, URA, Media sources, DBS

The anticipated launch of 3 Executive Condominiums (ECs) in 2025, Aurelle of Tampines (Q12025), Plantation Close (Q22025) and Jalan Loyang Besar (Q42025), typically experiencing strong sales due to affordability, will further contribute to this growth. Overall, declining interest rates are expected to support robust transaction volumes in the new launch market in 2025.

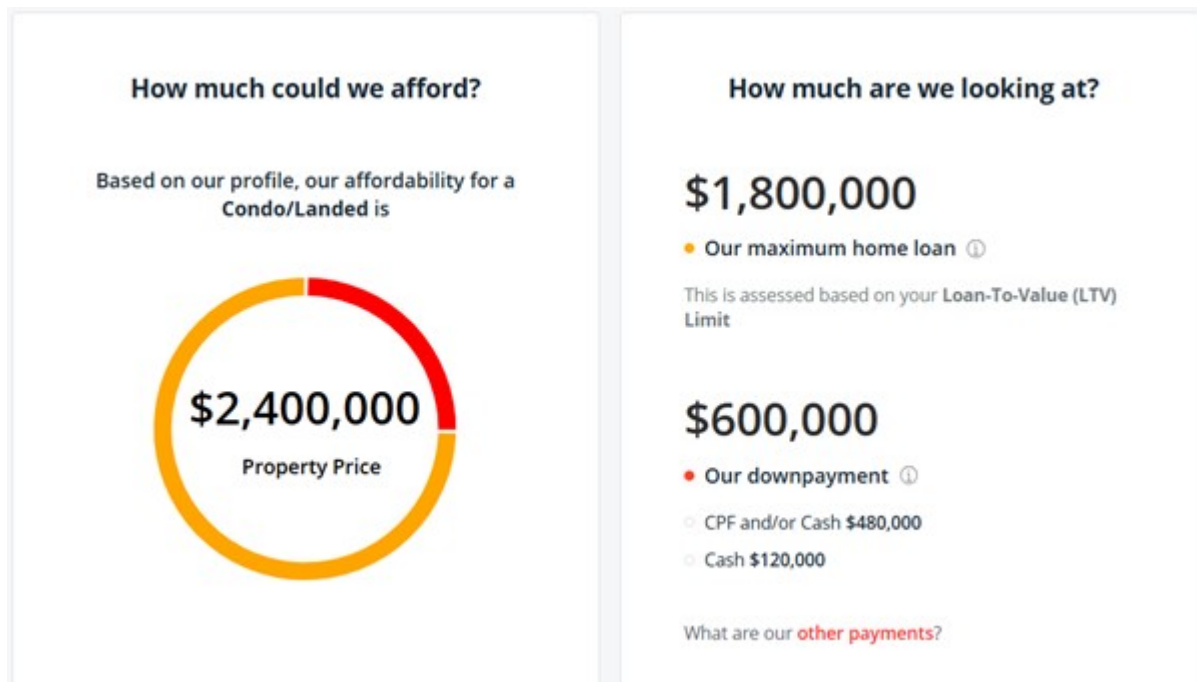
## Financing a private home purchase

The Singapore property market is anticipated to maintain price stability in 2025, driven by sustained demand. Given the significant financial commitment involved in property purchases, a cautious approach is advisable for prospective buyers, particularly considering current elevated price levels and interest rates. Careful budgeting and comprehensive savings strategies are crucial to ensure long-term financial health and responsible homeownership.

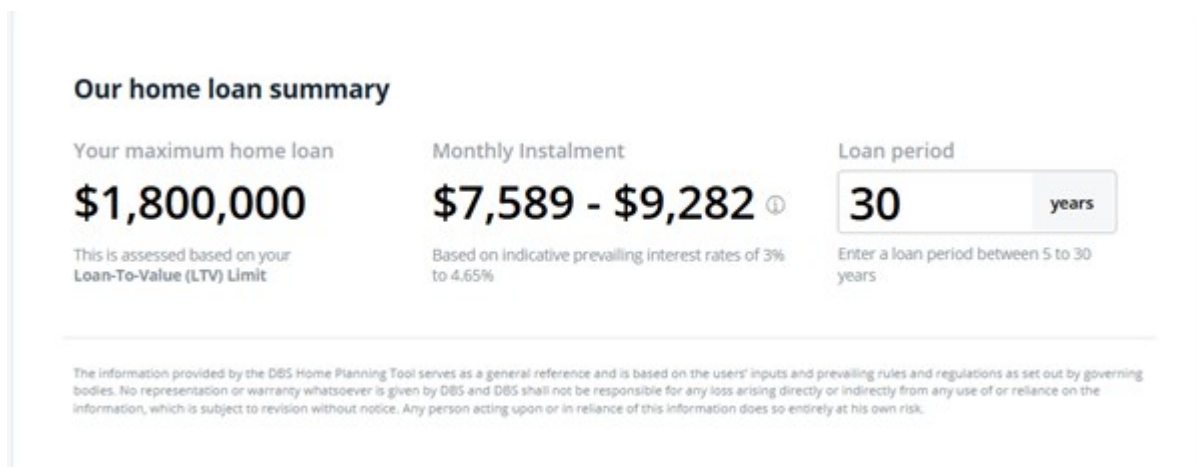
Using the example of a new Rest of Central Region(RCR) condominium that cost S\$2.4 million and the assumption of a 35-year old Singaporean couple with a household monthly income of \$18,000, here are the financing details (using **DBS MyHome Planner** (<https://www.dbs.com.sg/personal/marketplace/property/plan?pid=sg-dbs-pweb-article-property-outlook-txtlink-my-home-planner>)).

Do you need any help?





Using the Loan-to-value limit of 75%, they will be able to take a maximum loan of S\$1.8 million. The downpayment will be S\$600,000, with a minimum of S\$120,000 paid in cash. Assuming a 30% household savings rate, it will take the couple close to 2 years to save for the downpayment.



The monthly repayment for a 30-year loan tenure is estimated to be S\$7,589, based on a 3% p.a. interest rate.

Hence, careful planning is essential, particularly given today's higher prices and interest rates. A well-defined budget and savings plan will greatly benefit homebuyers and ensure a smoother, more successful home financing experience. Furthermore, continue to track the mortgage rates over the years and explore re-financing and switching of loan packages, when it makes sense.

For those who are asset rich and cash poor, a home is a valuable asset that can be monetised through various options to close money gaps, if the need arises. Do you need any help?

Buying a home is a significant investment and affordability is key.

## Financing your property

Whether you're seeking to purchase a luxury home or considering a mega development, ensure you make well-informed decisions regarding your home financing. Just follow these steps. It's as simple as 1, 2, 3!

### Step 1: Use DBS myHome Planner

(<https://www.dbs.com.sg/personal/marketplace/property/plan?pid=sg-dbs-pweb-article-property-outlook-txtlink-dbs-my-home-planner>) to evaluate your property purchase budget.

### Step 2: Secure an In-Principle Approval (IPA)

(<https://www.dbs.com.sg/personal/landing/loans/homeloans/apply-now.html?pid=sg-dbs-pweb-article-property-outlook-txtlink-ipa>) to ascertain the loan amount offered by the bank.

### Step 3: Utilise the Repayment Calculator

(<https://www.dbs.com.sg/personal/marketplace/property/plan/refinance?pid=sg-dbs-pweb-article-property-outlook-txtlink-repayment-calculator>) to project monthly payments for more effective budgeting.

If you would like a complimentary home loan consultation to assist in your home financing journey, fill in your contact details [here](#)

(<https://www.dbs.com.sg/Contact/dbs/marketplace/mp-home/home-advise-specialist/campaign/default.page?pid=sg-dbs-pweb-article-property-outlook-btnlink-start-planning>) and our Home Advice Specialist would reach out to you.

## Start Planning Now

Check out DBS Home Marketplace to work out the sums and find a home that meets your budget and preferences. The best part – it cuts out the guesswork.

**Start Planning** (<https://www.dbs.com.sg/personal/marketplaces/landing/planning-home?pid=sg-dbs-pweb-article-property-outlook-txtlink-start-planning>)

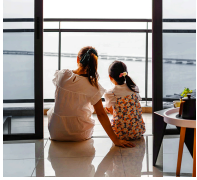
Alternatively, *prepare yourself with an In-Principle Approval (IPA)*, so you have certainty on how much you could borrow for your home, allowing you to know your budget accurately.

**Apply In-Principle Approval** (<https://www.dbs.com.sg/personal/landing/loans/homeloans/apply-now.html?pid=sg-dbs-pweb-article-property-outlook-txtlink-ipa>)

## Disclaimers and Important Notice

This article is meant for information only and should not be relied upon as financial advice. Before making any decision to buy, sell or hold any investment or insurance product, you should seek advice from a financial adviser regarding its suitability.

## You might be interested in



(/personal/articles/nav/my-home/choosing-between-buying-ec-or-prime-plus-bto?pid=sg-dbs-pweb-article-property-outlook-img-txtlink-choosing-between-buying-ec-prime-bto)

### Executive condo or a Prime/Plus HDB?

(/personal/articles/nav/my-home/choosing-between-buying-ec-or-prime-plus-bto?pid=sg-dbs-pweb-article-property-outlook-img-txtlink-choosing-between-buying-ec-prime-bto)



(/personal/articles/nav/my-home/the-ultimate-checklist-for-home-ownership?pid=sg-dbs-pweb-article-property-outlook-img-txtlink-the-ultimate-checklist-for-home-ownership)

### The ultimate checklist for home ownership

(/personal/articles/nav/my-home/the-ultimate-checklist-for-home-ownership?pid=sg-dbs-pweb-article-property-outlook-img-txtlink-the-ultimate-checklist-for-home-ownership)

Was this information useful?

Yes

No

## Explore more

**NAV** (/personal/contentlist.page?topic=NAV)

**Borrowing** (/personal/contentlist.page?topic=Borrowing)

**Buying a Home**  
(/personal/contentlist.page?topic=Buying a Home)

**Home and Assets**  
(/personal/contentlist.page?topic=Home and Assets)

Do you need any help?

and Assets)

### Home Loans

(/personal/contentlist.page?topic=Home Loans)

**Property** (/personal/contentlist.page?topic=Property)

## Keep reading

### Useful Links

About DBS (<https://www.dbs.com/about-us/default.page?pid=sg-dbs-pweb-footer-default-about-dbs-textlink>)

Disclaimer & Important Notice ([https://www.dbs.com.sg/iwov-resources/docs/research/disclaimer-asian-insights\\_v2.pdf](https://www.dbs.com.sg/iwov-resources/docs/research/disclaimer-asian-insights_v2.pdf))

Best Execution Policy (/i-bank/best-execution-policy.page?pid=sg-dbs-pweb-footer-default-best-execution-policy-textlink)

### Others

Forms (/personal/form/default.page?pid=sg-dbs-pweb-footer-default-forms-textlink)

Security & You (<https://www.dbs.com.sg/personal/deposits/bank-with-ease/protecting-yourself-online?pid=sg-dbs-pweb-footer-default-security-you-textlink#security-and-you>)

Update Personal Particulars (/personal/deposits/bank-with-ease/update-particulars?pid=sg-dbs-pweb-footer-default-update-particulars-textlink)

### Need Help?

#### Help & Support Portal

(<https://www.dbs.com.sg/personal/support/home?pid=sg-dbs-pweb-footer-learn-help-support-textlink>)

Phone - 1800 111 1111 (tel:18001111111)

Get In Touch with Us (/i-bank/bank-with-ease/contact-us?pid=sg-dbs-pweb-footer-learn-contactus-textlink)

### Investor Relations

(<https://www.dbs.com/investor/index.html?pid=sg-dbs-pweb-footer-default-investor-relations-textlink>)

Terms & Conditions Governing Electronic Services (/personal/deposits/terms-conditions-electronic-services.page?pid=sg-dbs-pweb-footer-default-term-conditions-governing-electronic-services-textlink)

Rates & Tools (/i-bank/rates-online/default.page?pid=sg-dbs-pweb-footer-default-rates-textlink)

Scheduled Maintenance (/personal/deposits/maintenance-schedule.page?pid=sg-dbs-pweb-footer-default-scheduled-maintenance-textlink)

Lasting Power of Attorney (/i-bank/lasting-power-of-attorney/redirect-abs.page)

Do you need any help?

## Markets

### Singapore ▼

Terms & Conditions (<https://www.dbs.com/terms/default.page>) |  
Privacy Policy (<https://www.dbs.com/privacy/default.page>) |  
Fair Dealing Commitment (<https://www.dbs.com/fairdealing/default.page>) |  
Compliance with Tax Requirements (</personal/compliance-tax-requirements/index.html>) |  
Vulnerability Disclosure Policy (<https://www.dbs.com/vdp/default.page>)

©2025 DBS Bank Ltd | Co. Reg. No. 196800306E



(<http://www.facebook.com/dbs>)



(<http://twitter.com/dbsbank>)



(<http://www.youtube.com/user/DBS/feed>)



(<http://www.linkedin.com/company/dbs-bank>)

Do you need any help?