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Cambodia

Singapore Country Report



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Singapore Institute of
Surveyors and Valuers

Outline of Presentation

- Singapore Demographics
 - Singapore Economy Overview

 - Singapore Residential Overview
 - Singapore Office Overview
 - Singapore Retail Overview
 - Singapore Industrial Overview

 - Economic and Market Outlook
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Singapore Demographics

KEY DEMOGRAPHIC INDICATORS, 1970 – 2021

Population	1970	1980	1990	2000	2010	2020	2021
Total Population ^{1,2,3} ('000)	2,074.5	2,413.9	3,047.1	4,027.9	5,076.7	5,685.8	5,453.6
Resident Population ^{2,3} ('000)	2,013.6	2,282.1	2,735.9	3,273.4	3,771.7	4,044.2	3,986.8
Singapore Citizens ('000)	1,874.8	2,194.3	2,623.7	2,985.9	3,230.7	3,523.2	3,498.2
Permanent Residents ('000)	138.8	87.8	112.1	287.5	541.0	521.0	488.7
Population Density ⁴ (Per sq km)	3,538	3,907	4,814	5,900	7,146	7,810	7,485
Sex Ratio ⁵ (Males per 1,000 females)	1,049	1,032	1,027	998	974	957	960
Median Age ⁵ (Years)	19.5	24.4	29.8	34.0	37.4	41.5	41.8
Old-Age Support Ratio ⁵ (Per person aged 65 years & over)							
Persons aged 15 – 64 years	17.0	13.8	11.8	9.9	8.2	4.6	4.3
Persons aged 20 – 64 years	13.5	11.3	10.5	9.0	7.4	4.3	4.0



TOTAL POPULATION¹
in 2021

(as at end-June)



5.45 Mil



4.1 %

decline over
previous year



RESIDENT POPULATION²
in 2021

(as at end-June)



3.99 Mil



1.4 %

decline over
previous year



AVERAGE HOUSEHOLD SIZE OF RESIDENT HOUSEHOLDS



3.22 persons

in 2020



3.50 persons

in 2010



PROPORTION OF OWNER-OCCUPIED RESIDENT HOUSEHOLDS



87.9 %

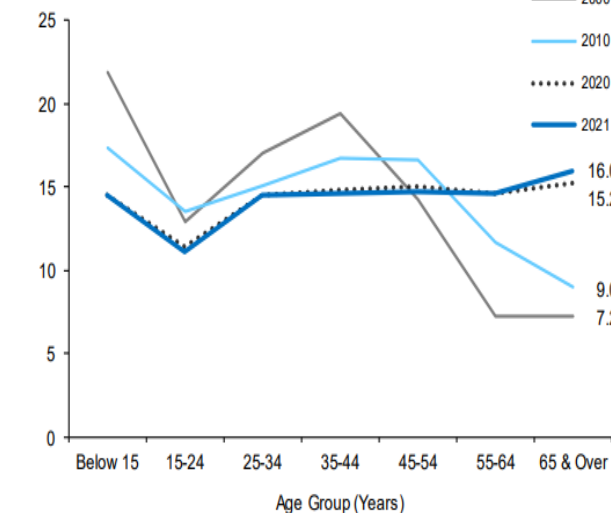
in 2020



87.2 %

in 2010

Per Cent



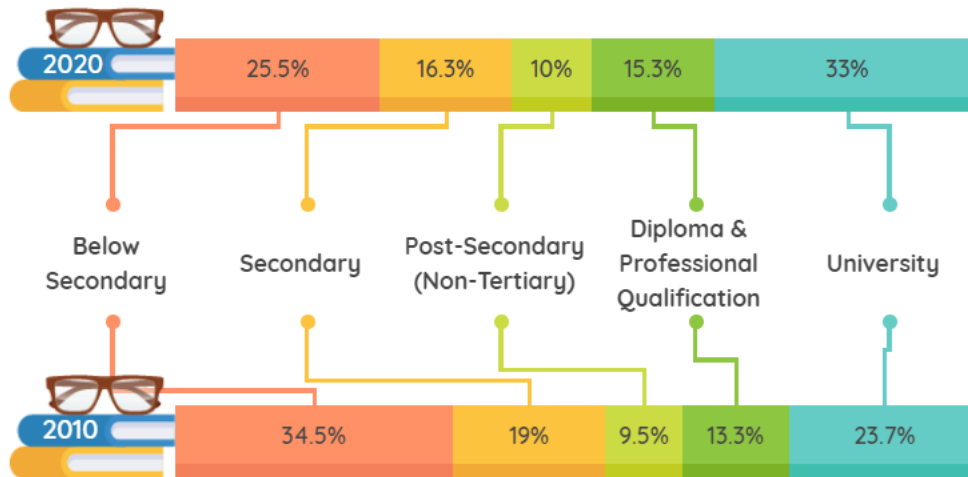
Year	Median Age (Years)
2000	34.0
2010	37.4
2020	41.5
2021	41.8

KEY DEMOGRAPHIC INDICATORS, 1970 – 2021

Population	1970	1980	1990	2000	2010	2020	2021
Highest Qualification Attained of Residents Aged 25 Years & Over⁷ (%)							
Below Secondary	n.a.	100.0	100.0	100.0	100.0	100.0	n.a.
Secondary	n.a.	83.1	63.3	45.3	34.5	25.5	n.a.
Post-Secondary (Non-Tertiary)	n.a.	9.5	23.6	24.0	19.0	16.3	n.a.
Diploma & Professional Qualification	n.a.	4.7*	4.7	8.9	9.5	10.0	n.a.
University	n.a.	2.7	4.7	12.1	23.7	33.0	n.a.
Mean Years of Schooling Among Residents Aged 25 Years & Over⁷ (Years)							
Males	n.a.	4.7	6.6	8.6	10.1	11.3	n.a.
Females	n.a.	5.6	7.3	9.2	10.6	11.7	n.a.
	n.a.	3.7	5.9	8.1	9.7	10.9	n.a.

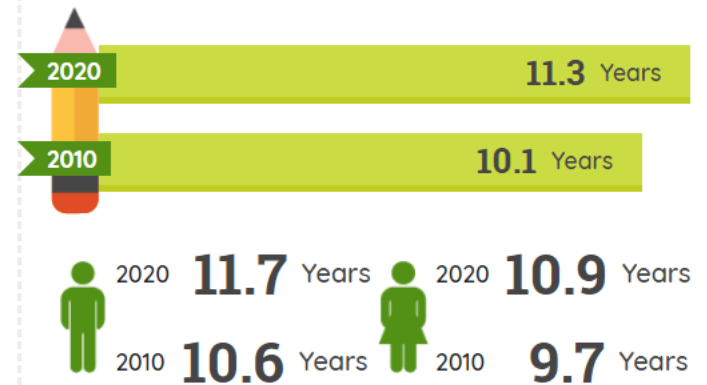
HIGHEST QUALIFICATION ATTAINED

(of Residents aged 25 years and over)



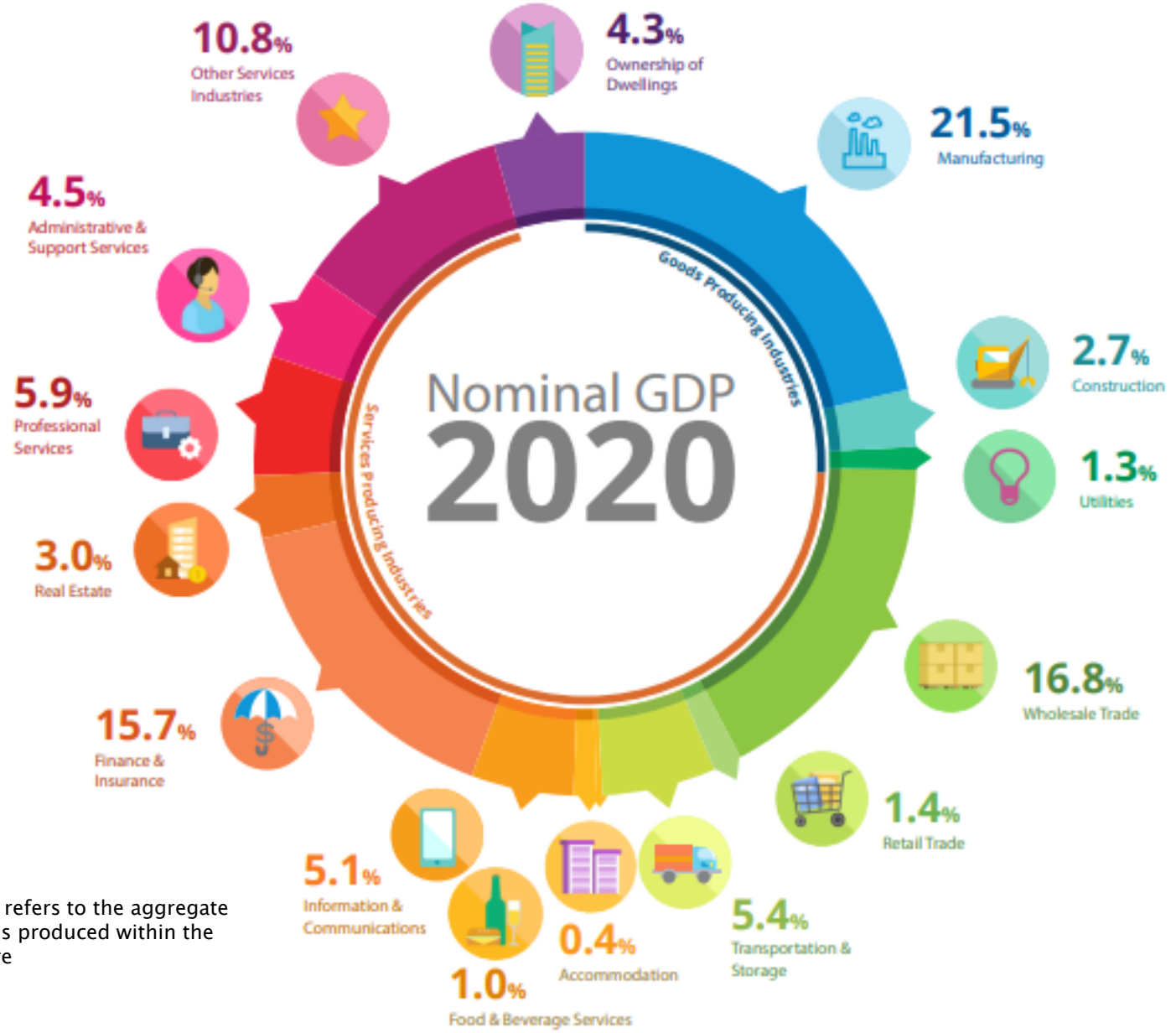
MEAN YEARS OF SCHOOLING

(of Residents aged 25 years and over)



Singapore Economy Overview

Nominal GDP 2020



Gross Domestic Product (GDP) refers to the aggregate value of the goods and services produced within the economic territory of Singapore

Close to 70% of the nominal value added was generated by the service industries, while 25% was generated by the goods producing industries

GDP 2021

Gross Domestic Product in Chained (2015) Dollars

	3Q20	4Q20	2020	1Q21	2Q21	3Q21*
Percentage change over corresponding period of previous year						
Overall GDP	-5.8	-2.4	-5.4	1.5	15.2	6.5
Goods Producing Industries	1.1	3.9	0.3	5.8	22.9	10.8
Manufacturing	11.0	10.3	7.3	11.2	18.0	7.5
Construction	-52.5	-27.4	-35.9	-23.2	117.5	57.9
Services Producing Industries	-8.3	-4.7	-6.9	-0.4	10.8	5.5
Wholesale & Retail Trade and Transportation & Storage	-11.7	-6.4	-9.5	-1.8	8.5	5.0
Information & Communications, Finance & Insurance and Professional Services	0.1	1.4	0.9	3.5	10.1	7.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-14.0	-9.9	-12.8	-3.6	14.5	3.1

	3Q20	4Q20	2020	1Q21	2Q21	3Q21*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	9.0	3.8	-5.4	3.3	-1.4	0.8
Goods Producing Industries	11.9	1.8	0.3	9.8	-1.9	1.0
Manufacturing	9.7	-1.4	7.3	11.3	-2.1	0.0
Construction	37.5	55.6	-35.9	4.3	-2.4	-0.4
Services Producing Industries	5.5	4.1	-6.9	1.1	-0.3	0.5
Wholesale & Retail Trade and Transportation & Storage	2.0	4.1	-9.5	3.3	-1.0	-1.3
Information & Communications, Finance & Insurance and Professional Services	3.4	5.1	0.9	-1.0	2.3	1.2
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	12.0	5.7	-12.8	-1.1	-2.2	0.8

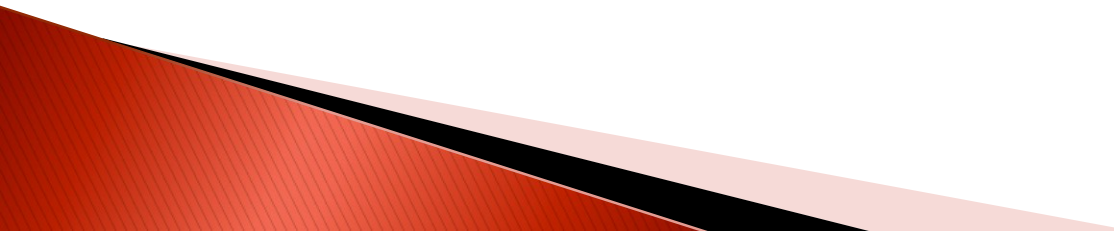
*Advance estimates

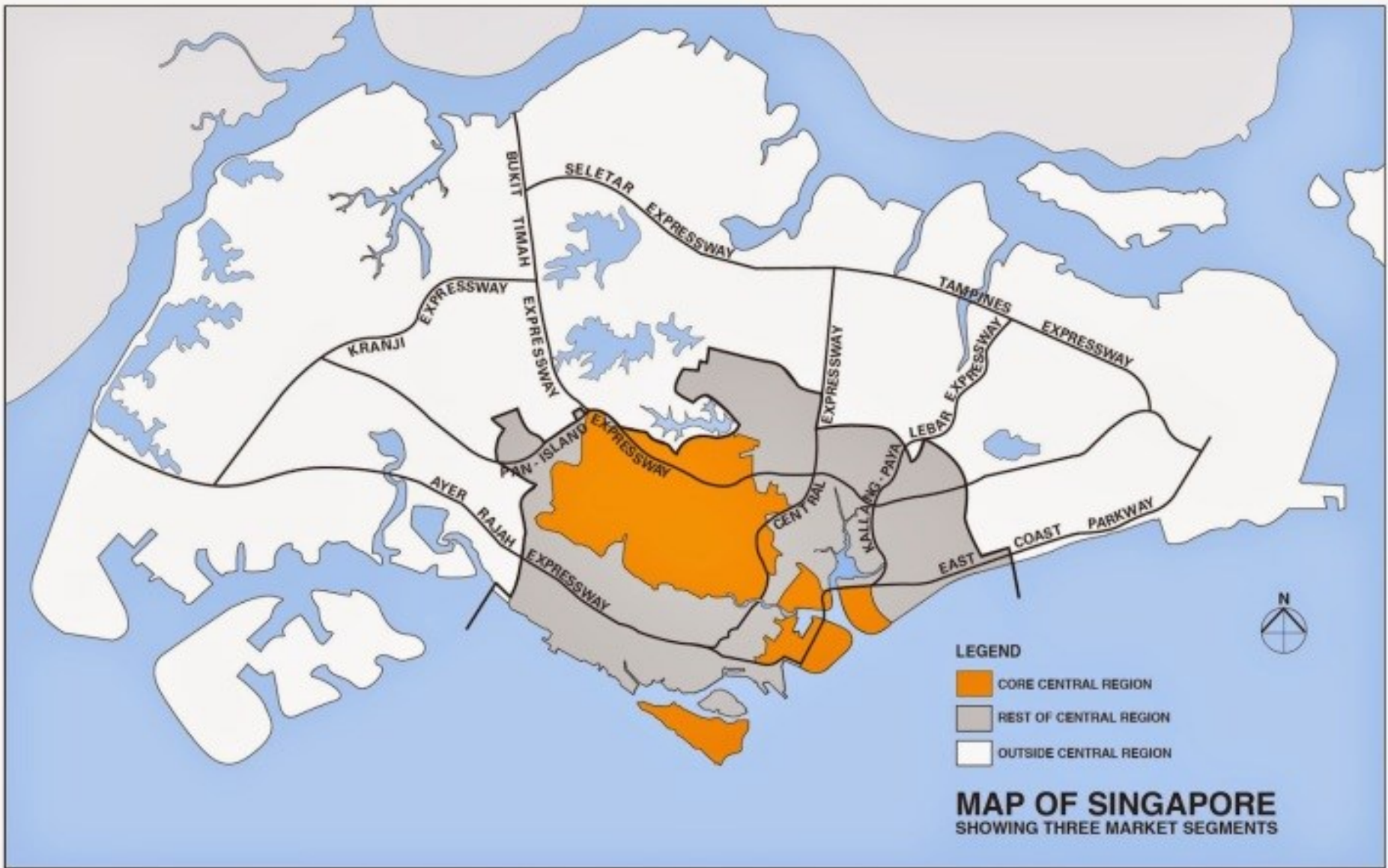
- The Singapore economy grew by 6.5 per cent on a year-on-year basis in the third quarter of 2021, moderating from the 15.2 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.8 per cent in the third quarter of 2021.

- The manufacturing sector grew by 7.5 per cent. Growth was supported by output expansions in all clusters, except for the chemicals cluster. In particular, the electronics and precision engineering clusters continued to post strong growth, driven by sustained global demand for semiconductors and semiconductor equipment.

The construction sector expanded by 57.9 per cent on a year-on-year basis in the third quarter of 2021.

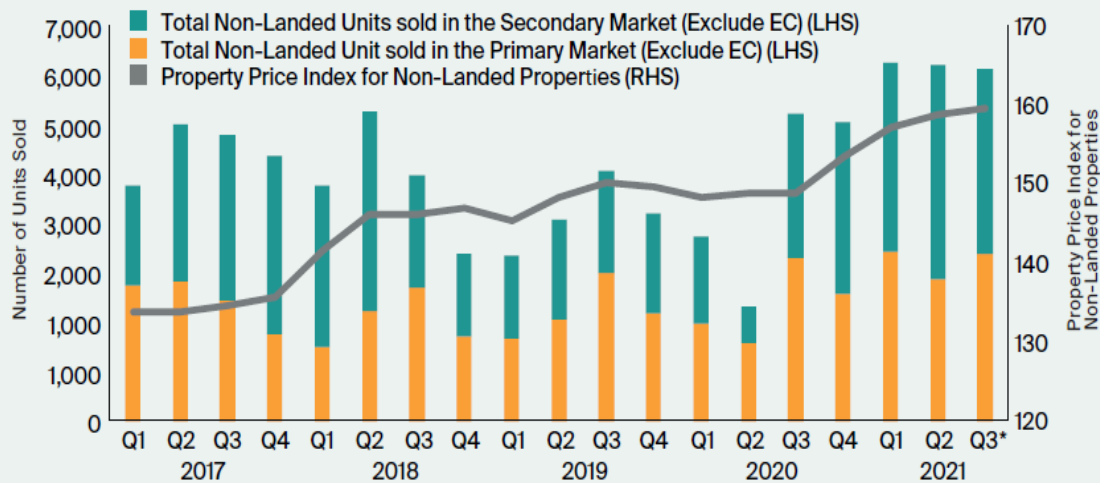
Singapore Residential Market





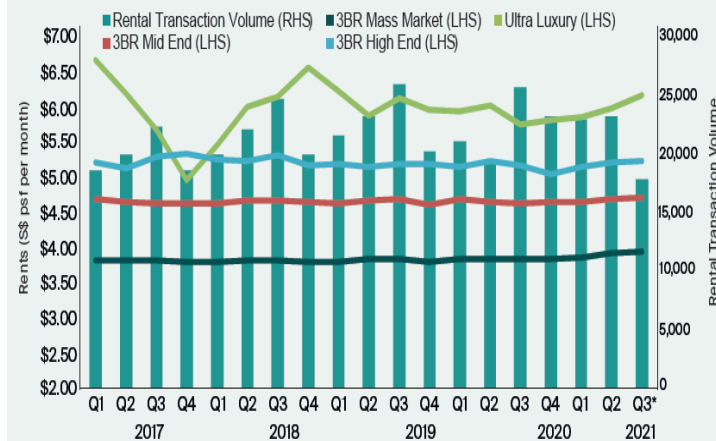
- Core Central Region (CCR): City, Downtown Core and Sentosa
- Rest of Central Region (RCR): Central Areas That Are Not Part of CCR
- Outside Central Region (OCR): Everywhere Else in Singapore

Exhibit 1: Total Non-Landed Units Sold in the Primary and Secondary Markets, and the URA Property Price Index for Non-Landed Properties



Source: URA Realis, Knight Frank Research, *based on data available as at 1 October 2021

Exhibit 2: Average Rents and Rental Transaction Volume of Non-Landed Private Residential Properties (excluding EC)



Source: URA Realis, Knight Frank Research
*Q3 2021 includes the number of transactions for July and August 2021 only (RHS-axis)

- Prices of private residential properties increased by 1.1% in 3rd Quarter 2021, compared with the 0.8% increase in the previous quarter.
- Sales volume in the non-landed secondary sale market made up about 52.7% of total transactions in Q3 2021, exceeding the primary market with 3,745 transactions*. With rising new sale prices and construction delays, a portion of buyer demand funnelled to the resale market.
- The volume of rental transactions remained healthy amid tight inventory in the market. Tenants are also generally beginning to take on longer lease terms, as they evaluate their longer-term accommodation needs as countries press on in a slow fight against COVID-19. Additionally, expatriates are also contributing to rental demand, as companies such as those in the tech sector ramp up their activities in Singapore.

Overall private residential prices are projected to increase around 7%–9% for the whole of 2021.

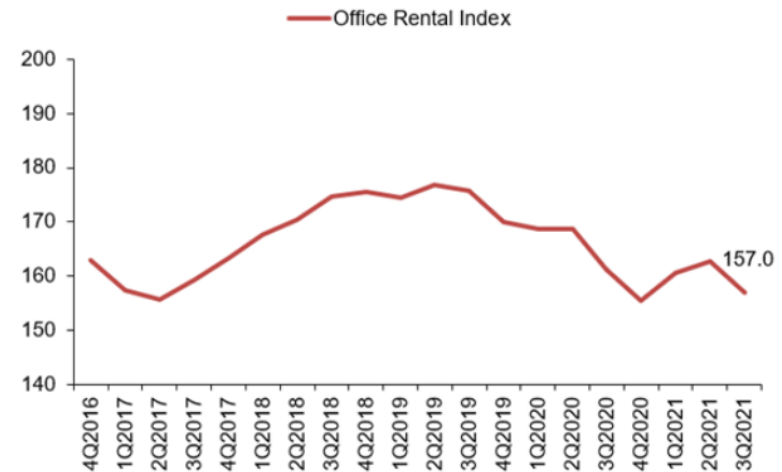
Singapore Office Market

Key indicators	Change	2Q2021	3Q2021
Price index	-2.4%	121.1	118.2
Rental index	-3.5%	162.7	157.0
Pipeline supply	+8.3%	697,000 sq m (GFA)	755,000 sq m (GFA)
Vacancy rate	+0.3% point	12.6%	12.9%

Property Price Index of office space in Central Region



Rental Index of office space in Central Region



- Prices of office space decreased by 2.4% in 3rd Quarter 2021, compared with the 0.9% increase in the previous quarter. Rentals of office space decreased by 3.5% in 3rd Quarter 2021, compared with the 1.3% increase in the previous quarter.

- Office leasing activity moderated for the quarter in review but was still higher than a year ago. In the third quarter, the demand for smaller units eased slightly from the previous quarter. While office demand is being driven by a flight to quality, some older buildings are under pressure as firms continue rightsizing their office footprint.

Office rents should improve cautiously by 1% to 2% in the last quarter of 2021, before rental growth steadies and picks up pace, perhaps increasing by up to 5% in 2022.

Singapore Retail Market

Key indicators	Change	2Q2021	3Q2021
Price index	0.0%	102.4	102.4
Rental index	-2.7%	82.0	79.8
Pipeline supply	+2.1%	419,000 sq m (GFA)	428,000 sq m (GFA)
Vacancy rate	-0.4% point	8.5%	8.1%

Property Price Index of retail space in Central Region



Rental Index of retail space in Central Region



- Prices of retail space remained unchanged in 3rd Quarter 2021, compared with the decrease of 2.8% in the previous quarter. Rentals of retail space decreased by 2.7% in 3rd Quarter 2021, following the decrease of 0.5% in the previous quarter.

- While the present COVID-19 situation is very different from a year ago, recurring waves of infections continue to repeatedly impede recovery in the retail market. From 22 July to 18 August 2021, the city-state returned to Phase 2 Heightened Alert with the cessation of dining-in activities at all Food and Beverage (F&B) establishments as infection rates spiked. This caused much disruption as F&B operators scurried to adapt to the changing rules.

The retail sector could stabilise and recovery could gain traction with gradual recovery in 2022.

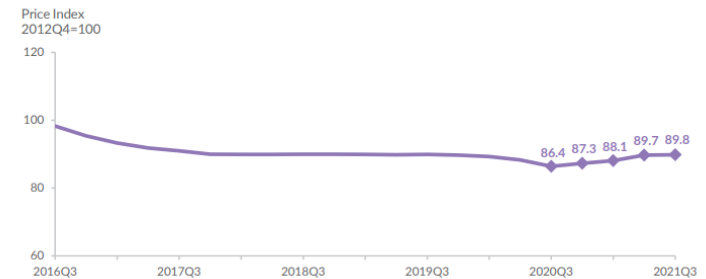
Singapore Industrial Market

Overview of Price, Rental and Occupancy Rate 3Q2021

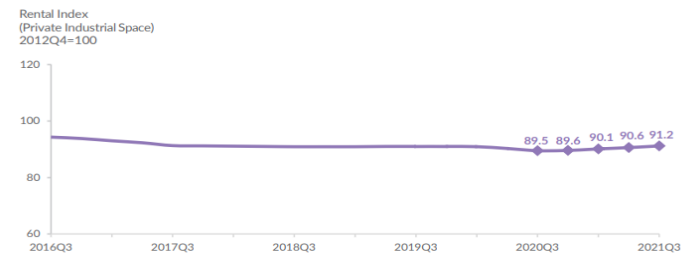
		2Q 2021	3Q 2021	% Change	
				Over Previous Quarter	Over Previous Year
Price	All Industrial	89.7	89.8	0.1	3.9
	Multiple-User Factory	92.6	92.6	0.0	3.8
	Single-User Factory	80.7	80.9	0.2	4.1
Rental	All Industrial	90.6	91.2	0.7	1.9
	Multiple-User Factory	88.9	89.2	0.3	2.4
	Single-User Factory	95.8	96.4	0.6	1.5
	Business Park	112.2	112.5	0.3	0.4
	Warehouse	84.3	85.7	1.7	2.6
Occupancy Rate ¹	All Industrial	90.1%	90.1%	0.0	0.5
	Multiple-User Factory	89.7%	89.8%	0.1	2.0
	Single-User Factory	90.9%	90.7%	-0.2	-0.3
	Business Park	84.8%	84.3%	-0.5	-1.1
	Warehouse	89.7%	90.1%	0.4	1.0

Note: ¹The % change refers to absolute change over previous year/quarter.

Price Index



Rental Index



- In line with the broad recovery, prices and rentals have continued to rebound.
- Manufacturing continued to drive the recovery in Singapore, as semiconductor manufacturers and sub-contractors supporting electronics firms reaped the benefits of the global chip shortage. The precision engineering and electronics clusters recorded 24.3% and 18.3% y-o-y growth respectively. These numbers were overshadowed by the impressive growths seen in the transport engineering and chemicals clusters, which recorded 29.6% and 20.1% y-o-y growth respectively, although this was largely the result of the low base effects in 2020.

Healthy sustained demand and strong global manufacturing investment interest should allow rents to increase moderately between 1% and 3% for the whole of 2021 as expected. As Singapore stabilises, factory prices and rents could potentially increase by 3% to 5% in 2022.

Economic and Market Outlook

The performance of the Singapore economy in the first half of 2021 was stronger than expected.

The COVID-19 situation has also stabilised, with our vaccination programme continuing to make good progress. Barring a major setback, the Singapore economy is expected to continue to see a gradual recovery, supported in large part by outward oriented sectors. The progressive easing of domestic and border restrictions will also help to support the recovery of our consumer-facing sectors and alleviate labour shortages in sectors reliant on migrant workers.

The recovery of the various sectors of the Singapore economy is expected to remain uneven:

1. The growth prospects for outward-oriented sectors (e.g., manufacturing and wholesale trade) remain strong given the rebound in global demand. In particular, the manufacturing sector is projected to see robust growth, driven largely by the electronics and precision engineering clusters on the back of strong semiconductor and semiconductor equipment demand.

The growth outlook for the finance & insurance and information & communications sectors remains positive. The former will be supported in part by an expected increase in domestic and foreign credit demand alongside the broader economic recovery in Singapore and the region. Meanwhile, the latter will be bolstered by healthy enterprise and consumer demand for digital solutions & services, as well as games & software publishing activities.

2. The aviation- and tourism-related sectors (e.g., air transport and arts, entertainment & recreation) are projected to recover more slowly than previously expected. Even though domestic border restrictions may be eased towards the later part of the year, demand is not expected to return quickly as travel restrictions globally are likely to be lifted cautiously and global travel demand may also remain sluggish amidst the spread of more contagious strains of the virus. As such, activity in these sectors is expected to remain significantly below pre-COVID levels even by the end of the year.
3. While consumer-facing sectors (e.g., retail trade and food & beverage services) have been adversely affected by ongoing domestic restrictions (e.g., dining-in limits), they should start to recover as the restrictions are eased over the course of the year and consumer sentiments improve in tandem with better labour market conditions. Nonetheless, these sectors are not expected to return to preCOVID levels by year-end, in part due to the subdued tourism outlook.
4. The construction and marine & offshore engineering sectors are projected to see some recovery from the low base last year. However, labour shortages arising from border restrictions on the entry of migrant workers, are likely to continue to weigh on the recovery of activities at worksites and shipyards. While border restrictions may be eased towards the later part of the year, the output of these sectors is expected to remain substantially below pre-COVID levels even at the end of the year.

In August, Singapore's GDP growth forecast for 2021 was upgraded to "6.0 to 7.0 per cent", from the previous "4.0 to 6.0 per cent".

Singapore Country Report



The End



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