

SINGAPORE PROPERTY

Rising land bids push new condo prices into focus – will S\$3,000 psf be a new normal?

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NEW residential projects are increasingly setting fresh benchmark prices, as higher bids for government land sale (GLS) sites escalate baseline costs and push up new launch pricing.

Strong take-up at freshly marketed projects over the last two years has given developers greater confidence to compete aggressively for GLS sites, analysts said.

But higher land costs immediately raise the floor on pricing, lifting project break-even levels already pulled up by rising construction costs.

This leaves developers to test whether buyers can absorb higher prices when the projects are launched in one to two years' time.

PropNex data indicated that the average land rate for sites with a residential component sold in the first five months of 2026 was S\$1,397 per square foot per plot ratio (psf ppr).

This was almost 13 per cent higher than the S\$1,240 psf ppr average in 2025, which was in turn 10 per cent higher than in 2024 when GLS sites averaged out at S\$1,127 psf ppr.

In the seven tenders that have

Still-strong demand

New projects with launch sales of over 70 per cent

PROJECT	MARKET SEGMENT	LAUNCH	NO. OF UNITS	LAUNCH WEEKEND SALES %	MEDIAN PRICE OF SOLD UNITS TO DATE (S\$ PSF)	GLS LAND COST (S\$PSF PPR)
Lentor Mansion	OCR	Mar 2024	533	75	2,262	985
Norwood Grand	OCR	Oct 2024	348	84	2,078	904
Emerald Of Katong	RCR	Nov 2024	846	99	2,628	1,069
The Orie	RCR	Jan 2025	777	86	2,723	1,360
Parktown Residence	OCR	Feb 2025	1193	87	2,361	885
Lentor Central Residences	OCR	Mar 2025	477	93	2,214	982
River Green	CCR	Aug 2025	524	88	3,128	1,326
Springleaf Residence	OCR	Aug 2025	941	92	2,169	905
Skye at Holland	CCR	Oct 2025	666	99	2,949	1,285
Penrith	RCR	Oct 2025	462	97	2,793	1,154
Faber Residence	OCR	Oct 2025	399	86	2,153	2,160
Zyon Grand	RCR	Oct 2025	706	84	3,048	1,202
River Modern	CCR	Mar 2026	455	90	3,228	1,420
Pinery Residences	OCR	Mar 2026	588	93	2,548	1,004
Tengah Garden Residences	OCR	Apr 2026	863	99	2,111	821
Vela Bay	OCR	Apr 2026	515	72	2,863	1,388

SOURCE: CBRE RESEARCH, URA BASED ON CAVEATS AS AT MAY 21, 2026. GRAPHIC: DAVID LI, BT

closed so far this year for new condo sites, top bids ranged from S\$962 psf ppr for a Dairy Farm plot to S\$1,625 psf ppr for a prime Du-nearn Road parcel. Four city fringe sites went around the S\$1,500 psf mark, pointing to selling prices averaging in the S\$2,800-S\$3,000 psf range when they hit the market in

2027-2028. While the S\$3,000 psf range is typical for new condos in or just outside the prime Core Central Region (CCR), average prices of Rest of Central Region (RCR) projects such as The Orie in Toa Payoh and Penrith in Queenstown hovered near the S\$2,800 psf mark when launched in 2025.

Most recently in April, the launch of Vela Bay, in the Outside Central Region (OCR) precinct of Bayshore, clocked an average price of just under S\$2,900 psf.

Overall, median prices of new projects crossed the S\$2,000 psf mark only in 2022, indicated PropNex data. Median new sale prices



The average land rate for sites with a residential component is up almost 13% from the previous year, PropNex data shows. PHOTO: YEN MENG JIN, BT

jumped 22 per cent to S\$2,233 psf in 2022, from S\$1,834 psf the year before. Since 2022, median new-sale prices have risen 15 per cent to S\$2,572 psf in 2025.

That land bids have trended higher recently is in part due to differences in quality and location of sites on the annual GLS programme, with distinctly more prime sites released in the last year.

Stripping out location as a factor, a closer look at sites sold by region shows that land prices went up significantly in 2025.

CBRE research head for Southeast Asia Tricia Song estimated that the average land rate for prime GLS

sites awarded in 2025 and 2026 year-to-date was 13.1 per cent higher – at S\$1,533 psf ppr – than those awarded in 2023 and 2024.

In the RCR, the average land rate rose 18.8 per cent to S\$1,355 psf ppr. In the OCR suburbs, the increase was 19 per cent to S\$1,138 psf ppr.

Excluding executive condominiums and developments with significant commercial components, Savills executive director for research and consultancy Alan Cheong put the increase in average land rates at 12.1 per cent to S\$1,267 psf ppr, from 2023 to

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2025. He noted that this reflected underlying developer sentiment.

While land bids price in certain expectations of future selling prices, developers' bidding strategies are also influenced by their development pipelines and the need to maintain an "optimal project inventory", said Cheong. A sell-out new launch also brings a need to replenish land bank to keep a steady earnings stream.

He added that some larger developers have not seen their balance sheet equities grow as quickly as GLS land prices. This encourages them to form joint ventures while managing capital exposure while participating in land tenders.

But this could have an unintended effect of supporting higher bids, said Cheong. With lower individual exposure, it may in turn "embolden more aggressive bidding behaviour".

"In this way, a self-reinforcing cycle can emerge – higher land prices encourage greater use of joint ventures, which then facilitate further escalation in bid levels, potentially leading to even larger consortiums forming in future," he said.

Leonard Tay, Knight Frank head of research, pointed out that the rise has not been uniform across sites. Developers' confidence in exit prices has been supported by underlying owner-occupier demand for well-located sites, he said.

Nicholas Mak, Mogul.sg chief re-

Diverging prices

Median prices of private homes, excluding ECs

YEAR	NEW SALE (S\$ PSF)	RESALE (S\$ PSF)	PRICE GAP (%)
2015	1,280	1,117	14.6
2016	1,384	1,141	21.3
2017	1,439	1,185	21.4
2018	1,611	1,227	31.3
2019	1,664	1,258	32.3
2020	1,694	1,236	37.1
2021	1,834	1,321	38.8
2022	2,233	1,440	55.1
2023	2,486	1,578	57.5
2024	2,466	1,661	48.5
2025	2,572	1,747	47.2
2026*	2,573	1,767	45.6

*Data till May 12

SOURCE: PROP-NEX RESEARCH, URA REALIS AS AT MAY 21, 2026. GRAPHIC: DAVID LI, BT

search officer, said: "In the past three years, the developers' land acquisition strategy factored in expectations of continuous property price growth – and it has paid off handsomely."

ERA Singapore chief executive Marcus Chu noted that strong household balance sheets and low interest rates have given buyers greater financial capacity.

Successful launches also give developers clearer exit and demand signals when bidding for comparable sites, said Kelvin Fong, PropNex chief executive officer.

For instance, the robust take-up at Springleaf Residence, which sold 92 per cent of units at launch in August 2025, likely boosted confidence in bidding for an adjacent Upper Thomson Road plot, Fong

said. The site later fetched S\$1,062 psf ppr when its tender closed in October last year, about 17 per cent higher than the S\$905 psf ppr paid for Springleaf's plot in 2024.

Leading price growth

Cheong said the primary market typically sets pricing benchmarks that are later mirrored in the resale segment, creating a "reinforcing, accordion-like effect" on overall price changes.

This is especially so when the new launches involve a large number of units transacting within a short period, said Fong.

Tay pointed to recent quarters, when fresh projects entered the market in quick succession at higher price benchmarks compared with surrounding resale stock.

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Resale prices tend to move more gradually, said Fong, with transactions dispersed across projects of varying age, attributes and market positioning.

This has contributed to a wider price gap between new and resale non-landed private homes, Tay noted.

Caveats data showed that the gap between median new-sale and resale prices ranged from 14.6 per cent to 38.8 per cent between 2015 and 2021. From 2022, the gap widened to around 50 per cent, peaking at 57.5 per cent in 2023.

The gap is now at 45.6 per cent – lower than in the last four years though still much wider than before, Fong said.

The price gap also reflects differing buyer profiles. New condo buyers are often willing to pay more for progressive payment structures, brand-new products

and perceived future upside, Tay said, while resale buyers place greater emphasis on immediate liveability, larger unit sizes and affordability.

Even as prices rise on a psf basis, Tay highlighted that developers are conscious of affordability ceilings, prevailing loan servicing limits and "market resistance points".

Mak added that psf comparisons do not fully capture how buyers assess affordability – buyers typically pay closer attention to a unit's overall price tag since this determines their downpayment, mortgage, CPF usage and monthly servicing burden.

Developers have also "cunningly and steadfastly" reduced unit sizes over the years, which has helped lift psf prices while keeping absolute prices more palatable, Mak said.

Analysts are mixed on whether the new-sale premium will continue growing.

Buyers may increasingly view larger resale units as better value for money, said Mak. Strong demand for new homes could also spill over into the resale market, supporting secondary market prices, he added.

Over the longer term, Song from CBRE thinks the gap could widen further, albeit at a slower pace, given Singapore's ageing stock of homes. "In the short term, there could be some fluctuations, such as overpricing of or limited new launches, and demand shift to re-

sales in the location, narrowing the gap," she said. The question now is whether buyers can keep absorbing higher launch prices.

"Looking ahead, affordability pressures are likely to become more pronounced, particularly if structural shifts in the labour market begin to impact both entry-level and mid-level employment," said Cheong. Banks and tech giants are making sweeping job cuts as they adopt more artificial intelligence in processes and functions.

Cheong added that parental financial support, which has helped some buyers in recent years, may face limits over time. "The next cohort of parents may have comparatively weaker financial buffers... (so) intergenerational wealth transfers may become less robust, potentially reducing a key source of support for future housing demand."

Knight Frank's Tay noted that projects acquired at relatively high land costs may face greater margin sensitivity if market conditions soften materially. "In such cases, developers may rely on calibrated sales strategies or phased releases before implementing price adjustments," he said.

Cheong reckoned new launch prices could stay supported by supply-side factors. "For instance, a sharp reduction in GLS supply, coupled with any unwinding of cooling measures, could place upward pressure on prices even in a challenging external environment."