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SINGAPORE PROPERTY

# Private housing is 'decoupling' from HDB market as buyer pools diverge: NUS survey

Respondents say the shift is driven by 'distinct buyer profiles with differing capacities and capital outlays'

**By Ry-Anne Lim**
limmin@sph.com.sg

A STRUCTURAL divide may be emerging between Singapore's public and private housing markets, as widening affordability gaps and policy measures increasingly shape buying dynamics.

In a survey by the National University of Singapore's (NUS) Institute of Real Estate and Urban Studies (Ireus), 31 per cent of respondents said they expect the private market to eventually become "structurally decoupled" from the Housing & Development Board (HDB) market, driven by "distinct buyer profiles with differing capacities and capital outlays".

Another 29 per cent said that ongoing supply scarcity will keep private home prices firm, regardless of fluctuations in the public housing market.

Ireus polled real estate industry senior executives on whether these shifts point to a transitory adjustment driven by shifting supply-demand cycles, or represent a more fundamental structural change.

The findings come as market momentum cooled for both private homes and resale HDB flats in the first quarter of 2026.

Transaction volumes in the private market fell nearly 20 per cent in the quarter, while prices inched up just 0.9 per cent. In the public housing market, resale prices dipped 0.1 per cent – the first contraction in nearly seven years, Ireus noted.

The HDB resale market's decline, though marginal, marks a "salient milestone" for the public housing market, said Professor Qian Wenlan, director of NUS Ireus.

At the same time, she said "the fundamentals for an eventual structural decoupling of the two markets" were present, with new income ceilings for Plus and Prime Build-to-Order (BTO) flats.

Under the framework, the income ceiling for new and resale buyers of such flats is S$14,000 for families and S$7,000 for singles.

"This is a demand-side policy that automatically filters out high earners, thereby crimping the demand pool for resale Plus and Prime flats," said Prof Qian.

"Under such a scenario, we may witness self-correction, bringing prices back in line with domestic wage growth and other economic fundamentals."

The correction would follow a sharp run-up in HDB resale prices in recent years. Between 2020 and 2025, resale prices climbed 54.8 per cent, while median household incomes grew "more modestly" by 17 per cent.

More million-dollar HDB resale transactions have also been making the news, she noted.

"While these remain exceptional cases, they are nonetheless symptomatic of a broader trend that public housing prices in the secondary market might have surged ahead of economic fundamentals, giving way to growing speculative activity."

By contrast, Prof Qian said that the private residential segment will remain an "open market with potential for substantial capital gains when the economy is performing well".

This sentiment was shared by most survey respondents, with 85 per cent not expecting the easing of public housing prices to spill over or exert downward pressure on the private residential market.

**The upgrading chain**

Still, Dr Lee Nai Jia, director of property insights platform Property Doctors, said the two markets are unlikely to diverge completely since they remain linked by the HDB "upgrading chain", especially in the mass-market private segment.

If HDB resale prices and transaction activity softened, some flat owners may have less certainty over their sale proceeds, and could delay or scale down a private-home purchase, he said.

Dr Lee sees the current situation as a "divergence in momentum" rather than structural decoupling.

"A more permanent separation would require sustained evidence that private demand is becoming less dependent on HDB upgraders, while HDB resale demand is increasingly generated within the public-housing market itself," he said. "We do not yet have enough evidence to reach that conclusion."

PropNex head of research and content Wong Siew Ying reckoned that the private market will continue to be structural linked to the HDB resale market.

Caveats data showed that buyers with an HDB address – used as a proxy for HDB upgraders – accounted for a third of new non-landed private homes sold in the Outside Central Region (OCR) in 2025, down from 48 per cent in 2020.

This group accounted for 18.7 per cent in the Core Central Region last year, from 20.6 per cent in 2020, and 22.9 per cent in the Rest of Central Region, from 36.5 per cent five years prior.

Though they account for a smaller proportion of buyers today, Wong said this group still represents a key source of demand for new home sales.

She is confident that this "structural link" between the HDB resale and private housing market is unlikely to be severed, even in the longer term.

"Housing mobility is an enduring feature of the housing landscape in Singapore, and we believe the aspiration to own and live in a private home remains deeply held by a segment of HDB households," Wong said.

"What could change is perhaps the upgrader pool becoming smaller and more selective over time, should the price gap continue to widen."

In the near term, the upgrader pipeline continues to be supported.

With over 13,400 HDB flats reaching their minimum occupation period (MOP) in 2026 – nearly double of the 6,973 units in 2025 – 49 per cent of Ireus' survey respondents predict this will "directly boost transaction volumes" in the private housing market.

About 27 per cent believe that upgrading demand will be highly targeted, channelled towards executive condominiums (ECs) or suburban condos, where entry prices remain more affordable.

Prof Qian said that while "the headline HDB resale price index has been flattening out over 2025, sellers are nonetheless sitting on significant accumulated equity from relatively low-cost BTO entry points when they first purchased their flats".

Even as the MOP wave expands the pool of potential upgraders, Wong noted that their ability to upgrade depends on whether their HDB sale proceeds can keep pace with private home prices.

PropNex data showed that the median HDB resale price rose 48 per cent to S$630,000 in H1 2026, from S$425,000 in 2020.

Over the same period, the median price of new OCR non-landed private homes, excluding ECs, jumped 66 per cent to just over S$2 million.

This widened the median price gap between HDB resale flats and new OCR condos to S$1.38 million in H1 2026, from S$786,980 in 2020.

A further easing in HDB resale prices, if not accompanied by a corresponding softening in private home prices, would widen that gap further, said Wong.

Dr Lee said that the impact of the new flat classification framework is also likely to be gradual.

For one, Standard flats will remain the largest category of new flats and retain a five-year MOP and with normal resale conditions, unlike Plus and Prime flats. "(These) rules are likely to moderate and delay equity realisation rather than eliminate it," he said.

Reaching the MOP also means that the owner becomes eligible to sell it, not that all flats from a project will enter the resale market at the same time, Dr Lee added.

Plus and Prime flats may consequently produce a smaller or later pool of upgraders at the margin, while Standard flat owners and other buyer groups will continue to connect the public and private housing markets, he said.

But the link may become more selective and price-sensitive over time.

"More broadly, some households may increasingly define upgrading by the outcome achieved – such as additional space, a better location or stronger financial resilience – rather than solely by whether the home is public or private."

## Widening price gap

Median prices of HDB resale flats and suburban condos since 2020

| | MEDIAN HDB RESALE PRICE (S$) | MEDIAN NEW OCR CONDO PRICE (S$) | DIFFERENCE FROM HDB RESALE (S$) | MEDIAN RESALE OCR CONDO PRICE (S$) | DIFFERENCE FROM HDB RESALE (S$) |
|---|---|---|---|---|---|
| 2020 | 425,000 | 1,211,980 | 786,980 | 1,100,000 | 675,000 |
| 2021 | 483,000 | 1,377,000 | 894,000 | 1,130,000 | 647,000 |
| 2022 | 525,000 | 1,737,000 | 1,212,000 | 1,200,000 | 675,000 |
| 2023 | 550,000 | 1,677,500 | 1,127,500 | 1,300,000 | 750,000 |
| 2024 | 590,000 | 1,942,000 | 1,352,000 | 1,400,000 | 810,000 |
| 2025 | 628,000 | 1,874,500 | 1,246,500 | 1,450,000 | 822,000 |
| 6M 2026 | 630,000 | 2,012,670 | 1,382,670 | 1,500,000 | 870,000 |
| Price change since 2020 | 205,000 | 800,690 | – | 400,000 | - |
| Price change since 2020 (%) | 48.2 | 66.1 | – | 36.4 | - |

*Note: 6M 2026 data is up to Jun 25, 2026. Excludes executive condominiums.*

SOURCE: PROPNEX RESEARCH, DATA.GOV.SG AS AT JUN 25, 2026, URA REALIS AS AT JUN 16, 2026
GRAPHIC: HYRIE RAHMAT, BT

**Market momentum cooled for both private homes and resale HDB flats in the first quarter of 2026.** PHOTO: YEN MENG JIIN, BT