INSIGHTS
BY PROPERTYLIMBROTHERS

PLB RESEARCH

March 2025 Executive Condominium Market Report

Abstract – EC Owners: Is 2025 The Best Time to Exit?

This mini report provides a comprehensive analysis of Singapore's Executive Condominium (EC) market and the 2025 macroeconomic landscape, offering insights tailored to both sellers and buyers.

For EC owners looking to sell, this report examines whether 2025 is the optimal time to exit. The EC resale market has seen record-high profits, with 38 ECs transacting at over $1 million in gross profit in 2024—more than double the figures from 2023. Historically, most EC owners sell within 1-2 years post-MOP, capitalising on early price appreciation. However, with rising recessionary risks, potential cooling measures, and the long-term value of full privatisation at the 10-year mark, sellers must weigh market conditions against personal financial goals and liquidity needs.

For buyers considering ECs, this report explores their investment potential and long-term benefits. ECs remain one of the most affordable entry points into private housing, with new launches priced between $1,300 – $1,700 PSF, maintaining a 20-30% discount relative to private condominiums. As land costs continue to rise, future EC launches are expected to be priced higher, making early entry advantageous. However, buyers must navigate eligibility constraints, a 5-year MOP, and financing limitations under the Mortgage Servicing Ratio (MSR) regulation. Despite these considerations, ECs have demonstrated strong capital appreciation and rental demand, making them a compelling investment for those who qualify.

This report provides a data-driven perspective on both exit strategies for sellers and entry opportunities for buyers, helping stakeholders make informed decisions in an evolving market.

Methodology

This report is based on caveat lodged data provided by URA. We supplement this main source of data with other data providers, such as Squarefoot and Edgeprop. Other third party sources also include corporate reports published by reputable mainstream media. We also make use of economic data provided by various government websites from Singapore.

Micro analysis is mainly centred upon price and volume movements in the EC market. We use a non-parametric subsampling approach to find discrepancies between the performance of different segments in the real estate market. We take performance data from URA and proceed with creating subsamples for analysis. The samples are sliced by property type, size, location, and other characteristics. The mode of analysis is mainly descriptive. With some qualitative analysis and comments on consumer sentiment and behaviour.

1. Residential Units Under GLS (Including ECs)

Figure 1: Residential Units Under Government Land Sales

The latest 1H 2025 GLS program has seen a slight increase in private home supply, reaching 8,505 units, up from 8,140 units in 2H 2024. This round features ten sites on the Confirmed List, comprising six private residential sites, one Commercial & Residential site, and three EC sites.

Breaking it down further, the 1H 2025 GLS Confirmed List will deliver 5,030 private homes, **including 980 EC units**, while the Reserve List is set to offer an additional 3,475 residential units. While this marks a marginal 0.4% dip in private home supply compared to 2H 2024, it remains 7.7% lower than the supply in 1H 2024.

With demand for new launches seeing an uptick, this consistent stream of supply is expected to provide homebuyers with more choices while maintaining market stability. For developers, the well-located GLS sites, particularly in established HDB estates, present strategic land-banking opportunities, appealing to both upgraders and investors looking to tap into growing demand.

2. Introduction to Executive Condominiums (ECs)

Executive Condominiums (ECs) are a hybrid property type in Singapore, bridging the gap between public and private housing. Initially subsidised by the government, ECs undergo a privatisation process where they are subject to a **5-year Minimum Occupation Period (MOP)** before becoming eligible for resale to Singaporeans and Permanent Residents. After **10 years**, ECs become fully privatised and can be sold to foreigners, effectively functioning as private condominiums.

ECs cater to the **"sandwiched" class**—households that exceed the HDB income ceiling but find private condominiums out of reach. This unique positioning allows ECs to benefit from initial subsidies while having strong capital appreciation potential upon privatisation.

3. Market Trends and Performance

EC Launch Prices vs. Private Condo Prices

ECs have seen steady price growth over the years, driven by rising land costs and construction expenses. Currently, new EC launch prices range between **$1,300 – $1,800 PSF**, while comparable private condominiums in similar locations are priced above **$2,000 PSF**. This substantial price gap reinforces the value proposition of ECs, making them attractive for homebuyers seeking affordability and potential capital gains.

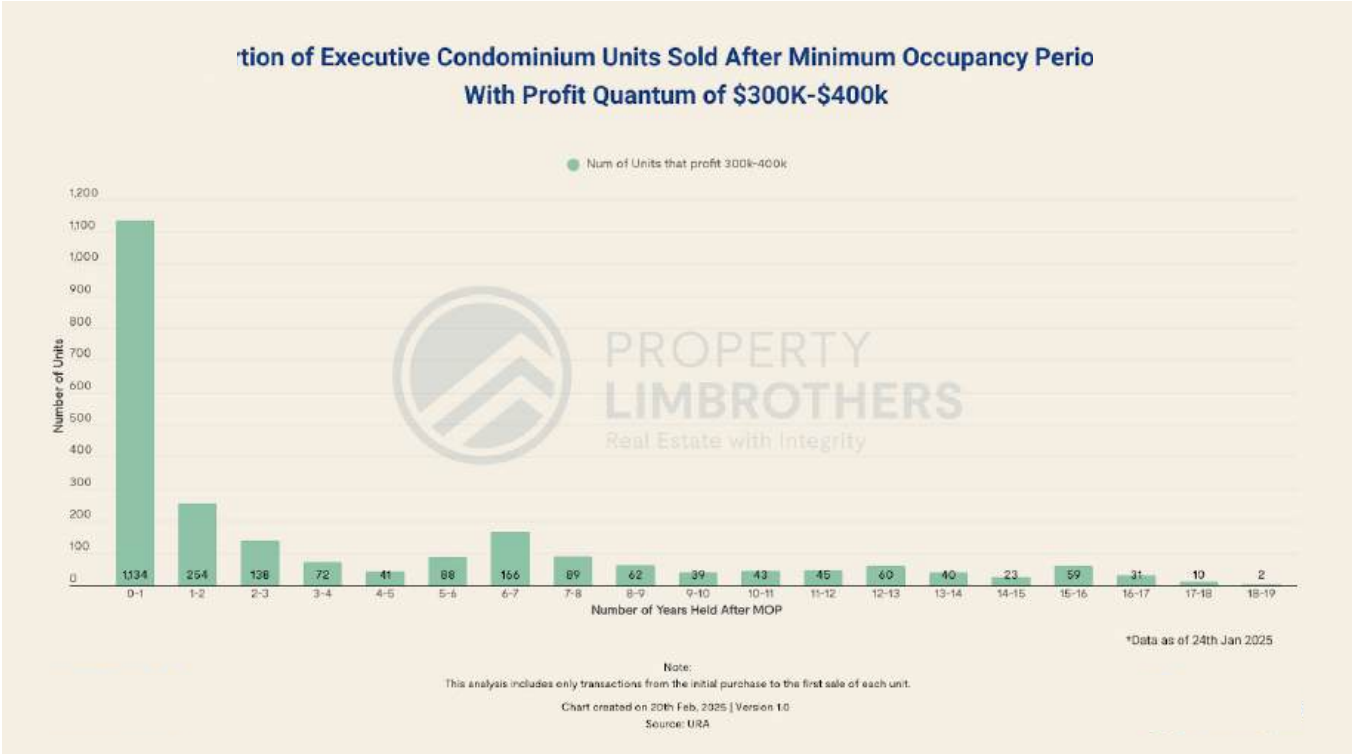
*Example: Aurelle at Tampines, a recent EC launch, has an average price of **$1,766 PSF.***

EC Resale Market Performance

After meeting the MOP, ECs generally experience strong price appreciation due to their lower initial purchase prices. On average, ECs appreciate by **15-30%** upon MOP, with some projects witnessing even higher gains. Resale ECs continue to be in high demand, providing an affordable entry point into the private property market, especially for upgraders transitioning from HDB flats.

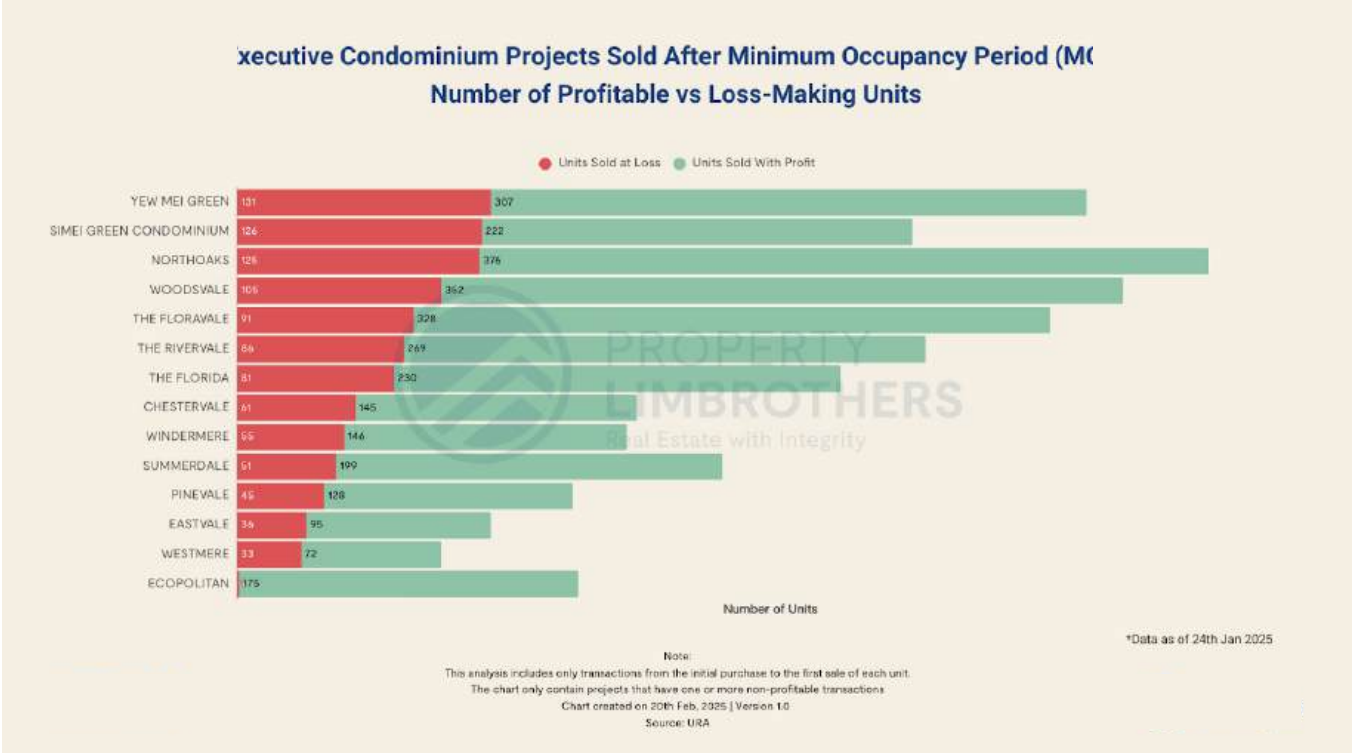
Key Insights from Data Analysis

Proportion of EC Units Sold After MOP: The majority of EC owners choose to sell their units within **1-2 years after MOP**, with over **5,000 units** transacted in the first year alone. This suggests that many EC owners capitalise on initial capital appreciation before reinvesting in other properties. Beyond the **10-year mark**, transactions decline, but resale ECs still offer significant capital gains.



Profit Quantum of EC Resale Transactions: Most resale EC transactions generate **$200K-$500K in profits**, reinforcing their investment appeal. A relatively small number of transactions (~1,000 units) resulted in losses, indicating that the overall EC market remains resilient. Higher-end profits exceeding **$500K-$1M** are becoming more common, particularly in well-located projects.

Notably, in 2024, the number of EC units resold for at least **$1 million** *in gross profit more than doubled to* ***38****, up from* ***15*** *in 2023.*



Reasons for Unprofitable EC Sales: Approximately 1,000 EC owners who purchased at launch ended up selling at a loss. These cases were particularly concentrated among units sold between **2004 and 2008**, which faced challenges due to market volatility and slower price recovery following the **dot-com crash (2000), SARS outbreak (2003), and Global Financial Crisis (2008).**

Sales Volume Trends by Year: EC resale transactions peaked between **2021-2024,** with a record **1,695 units** sold in **2021**. While older ECs (pre-2010) continue to transact, their volumes are lower compared to newer projects. The surge in transactions post-MOP underscores the strong demand for ECs and their ability to generate attractive returns for owners.

Executive Condominium Sold After Minimum Occupancy Period (MOP) With $1 Million Gross Profit by Year

*Data as of 24th Jan 2025

Note:
This analysis includes only transactions from the initial purchase to the first sale of each unit.

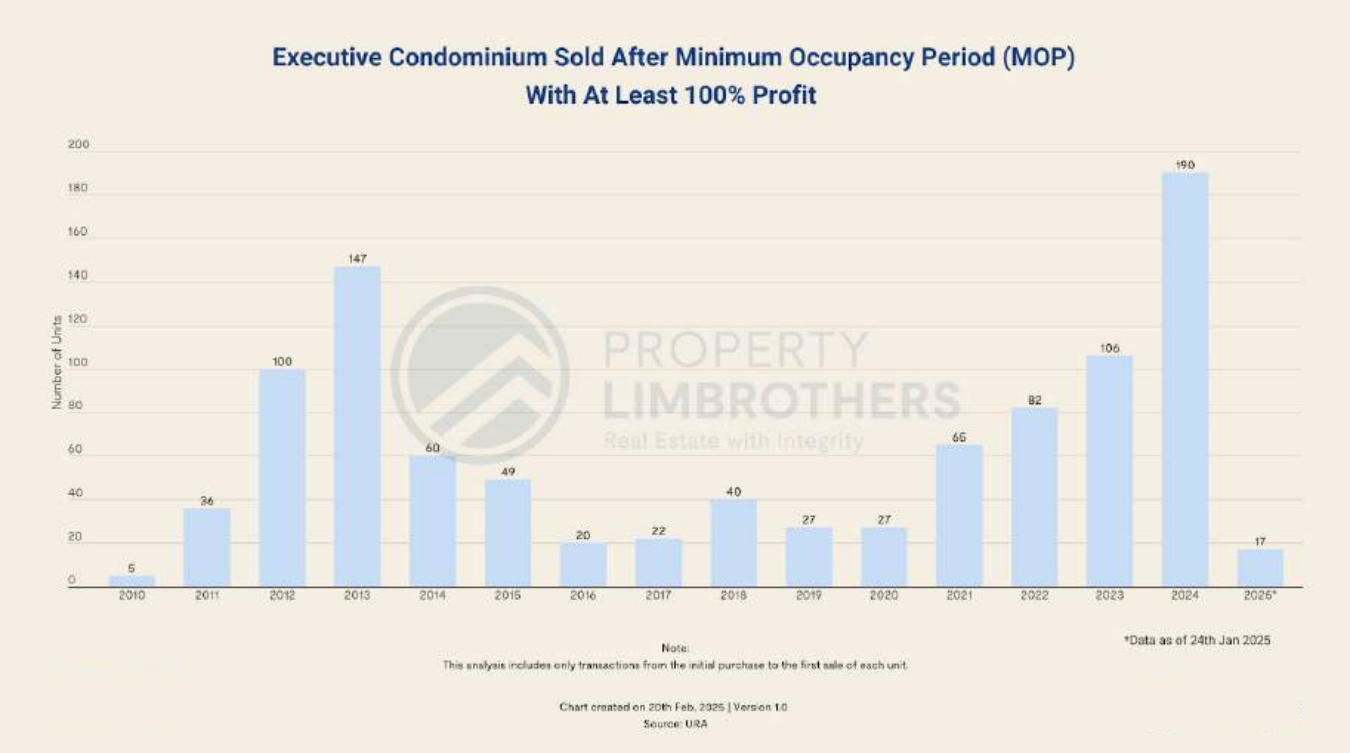
Chart created on 20th Feb, 2025 | Version 1.0
Source: URA

Executive Condominium Sold After Minimum Occupancy Period (MOP) With At Least 50% Profit

*Data as of 24th Jan 2025

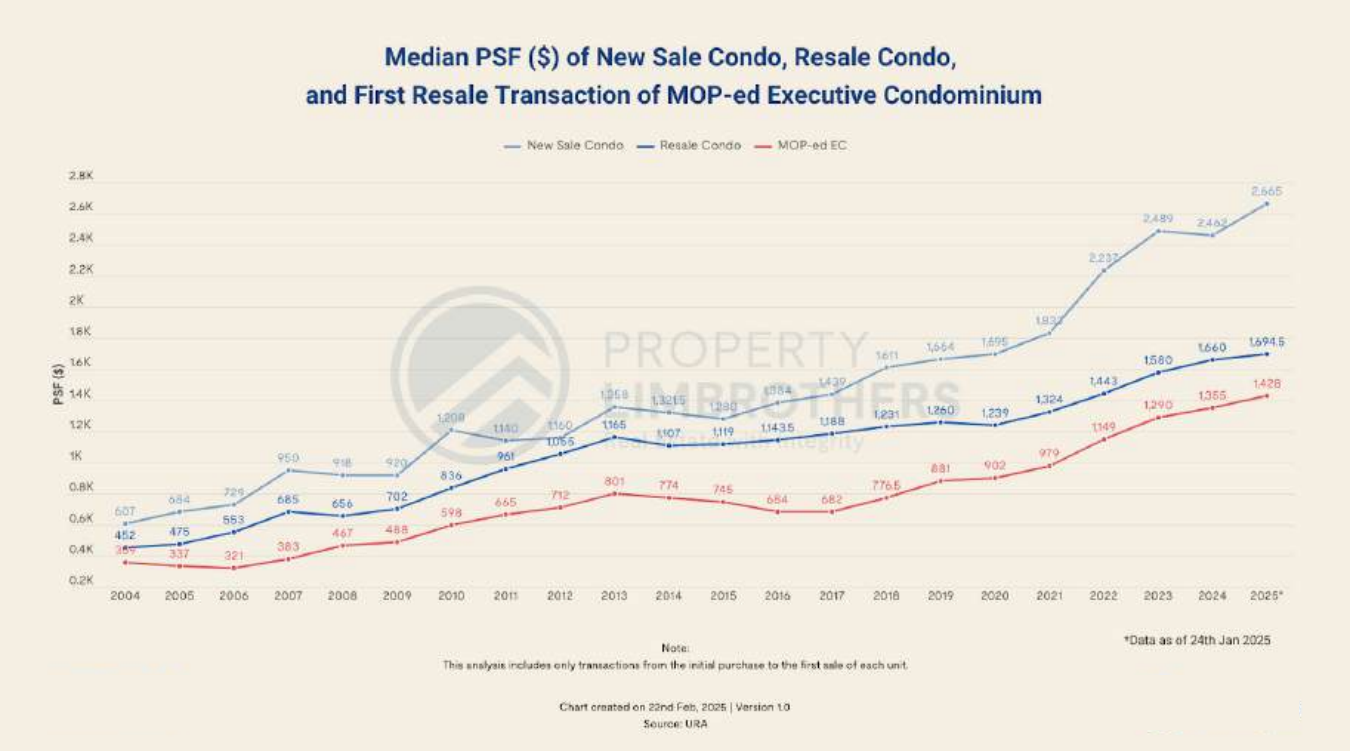
Note:
This analysis includes only transactions from the initial purchase to the first sale of each unit.

Chart created on 20th Feb, 2025 | Version 1.0
Source: URA



High-Profit Transactions: The number of EC units yielding **$1M+ in gross profits** has increased significantly, with **38 recorded in 2024** alone. Additionally, the number of ECs achieving at least **50% or even 100% profit margins** has surged in recent years, showcasing their potential for high returns, particularly in land-scarce areas.

*Example: A four-bedroom unit at **Bishan Loft** was sold for **$2.16 million** in December 2024, generating a profit of **$1.61 million** (293% increase from its original price).*



EC vs. Private Condo Price Performance: The median price per square foot (PSF) of MOP-ed ECs has risen steadily, maintaining a 20-30% discount compared to resale condominiums. The widening price gap between new private condo launches and ECs highlights the affordability advantage of ECs, further cementing their attractiveness among buyers seeking value appreciation.

Top-Performing ECs by Profitability: Certain EC projects, such as **Bishan Loft** and **Hundred Palms Residences**, have recorded exceptional profit margins, with percentage gains exceeding **280%**. Top-performing ECs typically exhibit strong locational attributes, accessibility, and limited surrounding supply, factors that significantly influence capital appreciation potential.

4. Supply and Demand Dynamics

The supply of ECs remains limited, with only a handful of launches each year due to land constraints. Despite the scarcity, demand remains robust, supported by government subsidies, such as CPF Housing Grants of up to **$30,000**, and attractive financing options like the **Deferred Payment Scheme**, making ECs highly appealing to eligible buyers.

5. Upcoming EC Projects (2024-2025)

Project Name	Region	Location	District	Developer	District	Estimated
Aurelle at Tampines	OCR	Tampines Street 18	18	Sim Lian Land Pte Ltd and Sim Lian Development Pte Ltd	99 LH	760
TBC	OCR	Plantation Close	24	Hoi Hup Realty Pte Ltd and Sunway Developments Pte. Ltd.	99 LH	560
TBC	OCR	Jalan Loyang Besar	18	CNQC Realty (Progressive) Pte. Ltd., Forsea Residence Pte. Ltd. and ZACD Laserblue Pte. Ltd.	99 LH	710

6. Investment Potential & Considerations for Buyers

Key Investment Benefits

ECs provide an **affordable entry point** into private homeownership, offering substantial capital appreciation potential. The **lower entry price** relative to private condos ensures a more attractive resale margin. Additionally, after the **10-year mark**, ECs become fully privatised, allowing them to compete directly with private condominiums, further enhancing their investment value.

Furthermore, ECs present **higher rental yield potential**, driven by their lower entry price and comparable rental rates to resale private condos, making them attractive to PRs and expatriates.

Considerations & Risks

While ECs offer attractive returns, investors must consider potential **liquidity constraints due to the 5-year MOP**. Unlike private condos, ECs are also subject to the **Mortgage Servicing Ratio (MSR) cap of 30%**, which limits loan financing options for buyers, as opposed to the Total Debt Servicing Ratio (TDSR) cap of 55% for the former. As such, for those who are purchasing an EC – a larger amount of cash outlay is required as opposed to purchasing a private condo. In addition, not everyone is eligible for ECs too – only those with a household income less than $16,000 can purchase an EC.

7. Is 2025 the Best Time to Exit for Sellers?

While 2025 presents a strong market for EC sellers, the decision to exit should depend on individual financial goals, family needs, and liquidity. Recent market trends indicate that EC prices remain on an upward trajectory, but macroeconomic uncertainties suggest that holding a little longer could be beneficial for those who can afford to wait.

Recessionary Risks & Market Uncertainty

The global economy faces growing headwinds, with recession risks rising since the potential return of Trump 2.0—driven by escalating global tariffs, heightened consumer fears, bleak employment data, sustained inflation, and declining business activity. Recent news highlights concerns over protectionist trade policies, which could disrupt global supply chains and dampen economic confidence. While Singapore's economy remains resilient, external shocks could weigh on buyer sentiment and affordability, particularly in the mid- to high-end property segments.

Definite Cooling Measures—A Matter of When & What

The Singapore government has consistently intervened to ensure housing affordability and prevent speculative bubbles. With EC resale profits soaring—38 ECs transacted at over $1 million in profit in 2024 alone—further cooling measures seem inevitable. Potential policy changes could include adjustments to loan limits, higher Additional Buyer's Stamp Duty (ABSD) rates for investment buyers, or stricter eligibility criteria for upgraders purchasing ECs. These interventions could impact future resale demand, making timing an important consideration for sellers.

Long-Term Price Appreciation Remains Likely

Despite potential short-term volatility, ECs remain fundamentally strong investments. Limited land supply, rising construction costs, and the widening price gap between ECs and private condos suggest that prices are likely to trend upwards. Historically, ECs appreciate the most post-MOP and again after full privatisation at the 10-year mark, offering owners additional capital upside if they choose to hold.

Final Takeaway

For EC owners considering an exit in 2025, the decision ultimately depends on personal financial circumstances and liquidity needs. If immediate capital gains are required for reinvestment or lifestyle changes, selling in 2025 remains a solid and profitable option. However, for those with the ability to hold, prices are likely to continue rising, especially as ECs approach full privatisation. Given the growing economic uncertainty and the potential for further cooling measures, timing the sale strategically could help maximise returns.

Caveats & Disclaimers

The insights generated from our report are reliant on the data providers we have used in the process of producing this report. The accuracy of this report is reliant on the data integrity of the relevant data providers.

Any information found in this report does not constitute financial or real estate advice. Please do your own due diligence before making any financial commitments to any related investments or property decisions. Consult the relevant professionals to make sure that you have a proper understanding of your financial situation and that the decisions made are to your own personal best interests.

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