

Singapore Property Market 2026 New Condo Supply Drops 30%

Mortgage rates at multi-year lows
What buyers and upgraders need to know

Singapore Property Market 2026: New Condo Supply Drops 30% as Prices Inch Higher – What Buyers Need to Know

Description

Singapore's property market in 2026 is telling two very different stories. On one hand, [HDB resale prices dipped for the first time in nearly seven years](#) in Q1 2026. On the other, the private condominium segment continues to push ahead, with new launch prices climbing and buyer demand remaining resilient despite global uncertainties. Here's a comprehensive look at what's happening in the market right now and what it means for buyers, investors, and upgraders.

Private Home Prices Edge Up in Q1 2026

While HDB resale prices recorded a marginal 0.1% dip, private home prices moved in the opposite direction, edging up in Q1 2026. This continues a trend of moderate but steady appreciation in the private residential segment, driven largely by strong demand for new launches and limited supply in the pipeline.

According to data from the Urban Redevelopment Authority (URA), the private residential property price index increased modestly in the first quarter, supported by healthy sales volumes at new project launches and stable resale activity in the secondary market.

Supply Crunch: Only 17 New Launches in 2026

One of the most significant factors shaping the market this year is the **sharp contraction in new supply**. Analysts estimate that only around 17 new private residential projects – comprising approximately 8,100 units – will be launched in 2026. This is a substantial 30% drop from 2025, which saw 26 projects and roughly 11,400 units come to market.

The reduced supply has created a sense of urgency among buyers, particularly for well-located projects in desirable districts. Developers, keenly aware of the supply dynamics, have been pricing new launches at premium levels, confident that demand will absorb the limited inventory.

At the same time, an estimated 7,000 completed units are entering the resale market, providing some relief for buyers who are priced out of new launches. However, resale condos in prime locations are also commanding strong prices, limiting the options for budget-conscious upgraders.

Key New Launches to Watch

Several high-profile projects are generating significant buzz this year. Here are some of the most anticipated launches:

Vela Bay: Developed by SingHaiyi Group, Vela Bay is the first private residential development in the emerging Bayshore precinct. Over 70% of units are sea-facing, offering residents a visual connection to the coastline. Its location near the upcoming Bayshore MRT station on the Thomson-East Coast Line makes it particularly attractive for buyers looking at future appreciation.

Tengah Garden Residences: Located in Singapore's first "forest town", this executive condominium (EC) development has been eagerly anticipated by young couples and families looking for an affordable entry into private-style living. With its car-free town centre and extensive green spaces, Tengah represents a new model of sustainable urban living.

Dunearn House: A boutique freehold development in the prestigious District 11, Dunearn House appeals to buyers seeking exclusivity and long-term value in a prime residential neighbourhood close to Botanic Gardens MRT.

Mortgage Rates at Multi-Year Lows

For buyers looking to take the plunge, the interest rate environment is providing a welcome tailwind. The three-month compounded Singapore Overnight Rate Average (SORA) stood at around **1.14%** at the start of 2026 - its lowest level since July 2022.

Two-year fixed home loan packages are currently available at approximately **1.4% to 1.5% per annum**, compared to more than 4% at the end of 2022. This dramatic improvement in borrowing costs has made monthly mortgage repayments significantly more affordable, encouraging fence-sitters to commit.

However, property analysts caution that rates may not stay this low indefinitely. Buyers who lock in fixed rates now could benefit from significant savings over the loan tenure if rates eventually creep back up.

HDB Upgraders: What Are Your Options?

The convergence of low interest rates, a slight dip in HDB resale prices, and a wave of BTO completions (18,000 units completed in 2025) has created a window of opportunity for HDB upgraders considering a move to private property.

With substantial equity built up from their HDB flats - especially those in mature estates where resale values have held firm - many owners are looking at the resale condo market as their next step. The key is timing: selling the HDB at a strong price while securing a condo at relatively low mortgage rates.

For those who have recently completed their Minimum Occupation Period (MOP), the maths can be favourable. A five-room flat in a mature estate like Queenstown or Bishan could command S\$700,000 to S\$900,000 on the resale market, providing a substantial deposit for a condo purchase.

Market Outlook: Moderate Growth Expected

Looking ahead, most property consultancies expect private home prices to grow by around **3% in 2026**, a moderate pace that reflects the balance between strong demand and limited supply on one side, and global economic uncertainties on the other.

Factors that could push prices higher include continued supply scarcity, low interest rates, and sustained foreign investor interest in Singapore as a safe-haven market. On the downside, geopolitical tensions, potential cooling measures, and the risk of a global economic slowdown could temper enthusiasm.

For the HDB market, the outlook is for prices to stabilise in 2026 after years of relentless growth. The influx of new BTO completions should ease some of the demand pressure in the resale market, while the Government's continued calibration of supply should prevent a sharp correction.

The Bottom Line

Whether you're a first-time buyer, an HDB upgrader, or a property investor, 2026 presents a nuanced market with opportunities and risks in roughly equal measure. The supply crunch in new launches is real, but so are the attractive mortgage rates. The key is to do your homework, crunch the numbers, and not get swept up in the fear of missing out.

As always, this article is for informational purposes only and does not constitute financial or property investment advice. Consult a qualified property agent or financial adviser before making any purchase decisions.

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