

## Chapter 6.10

# REAL ESTATE & PROFESSIONAL SERVICES

## OVERVIEW

The real estate sector expanded by 0.1 per cent year-on-year in the fourth quarter of 2023, moderating from the 3.6 per cent growth in the previous quarter. For the whole of 2023, the sector grew by 4.9 per cent, moderating from the 10.9 per cent growth in 2022.

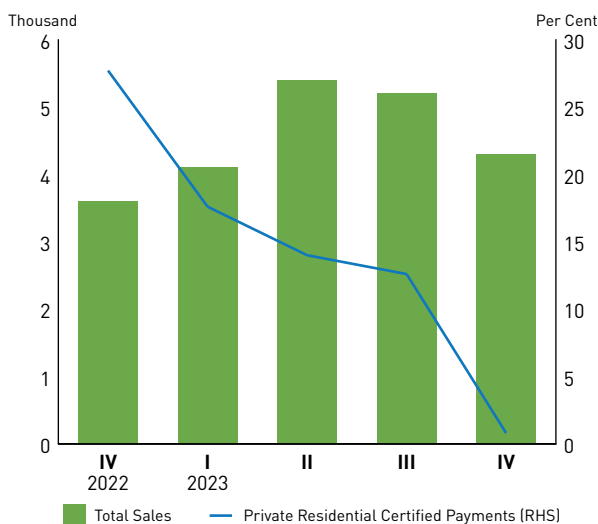
The professional services sector contracted by 0.7 per cent year-on-year in the fourth quarter of 2023, reversing the 1.4 per cent growth in the previous quarter. For the whole of 2023, the sector grew by 1.1 per cent, moderating from the 13.2 per cent growth in 2022.

## REAL ESTATE

The private residential property market expanded on a year-on-year basis in the fourth quarter, as total private residential property sales rose by 20.8 per cent, reversing the 15.4 per cent decline in the previous quarter (Exhibit 6.27). For the full year, total sales fell by 13.0 per cent to 19,044 units, from the 21,890 units sold in 2022.

Private residential certified progress payments (a proxy for developers' margins) rose by 0.8 per cent year-on-year, moderating from the 12.6 per cent increase in the preceding quarter. For the whole of 2023, private residential certified progress payments climbed by 10.7 per cent, following the increase of 24.8 per cent in 2022.

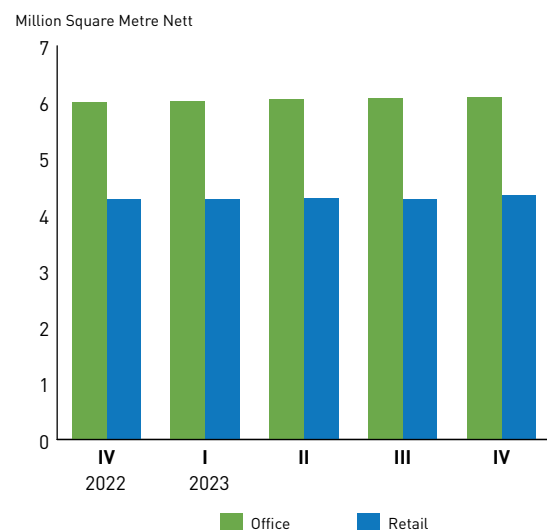
**Exhibit 6.27: Total Sales for Private Residential Units and Private Residential Certified Payments**



In the commercial space market, the performance of the commercial retail space market remained resilient in the fourth quarter. Specifically, demand for private commercial retail space (measured by total occupied space) rose by 1.7 per cent year-on-year, extending the 1.5 per cent increase in the previous quarter (Exhibit 6.28). For the full year, demand for private commercial retail space grew by 2.0 per cent, higher than the 1.2 per cent increase in 2022).

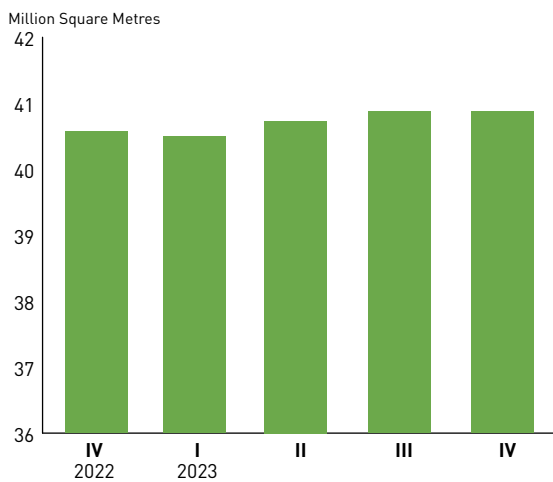
Meanwhile in the commercial office space market, demand for private commercial office space rose by 1.6 per cent year-on-year in the fourth quarter, extending the 1.6 per cent growth in the preceding quarter. For the full year, demand for private commercial office space grew by 1.5 per cent, higher than the 0.1 per cent increase in 2022.

**Exhibit 6.28: Total Occupied Space for Private Sector Commercial Office and Retail Spaces**



Lastly, in the industrial space market, overall demand for private industrial space rose by 0.8 per cent year-on-year in the fourth quarter, extending the 1.2 per cent increase seen in the previous quarter (Exhibit 6.29). Within the market, demand for multiple-user factories and warehouses increased by 2.4 per cent and 1.3 per cent respectively in the fourth quarter, whereas demand for single-user factories and business parks fell by 0.1 per cent and 1.7 per cent respectively. For the full year, demand for private industrial space rose by 0.9 per cent, extending the 1.1 per cent growth seen in 2022.

**Exhibit 6.29: Total Occupied Space for Private Sector Industrial Space**



## PROFESSIONAL SERVICES

In 2023, the professional services sector expanded, with all segments registering growth except for the legal and business & management consultancy segments. Growth in the sector was largely driven by the architectural & engineering, technical testing & analysis segment, as well as the other professional scientific & technical services segment, which expanded by 1.8 per cent and 3.1 per cent year-on-year respectively.