

Resale prices of private flats inch up

Uptick in SRPI for March hints at slowdown in price fall, experts say

By RENNIE WHANG

PRICES of completed private non-landed homes rose by a slight 0.2 per cent last month over February, on average, the first increase since last October.

The uptick in the flash estimates of the Singapore Residential Price Index (SRPI) seems to indicate a slowdown in price declines, experts say.

It follows a revised 0.2 per cent

drop in February and 0.9 per cent drop in January.

"There are too few data points to point conclusively to a trend, but there is some indication of a stagnant market," said Century 21 chief executive Ku Swee Yong. There were 318 resales last month and 314 in February, according to caveats lodged.

According to estimates by the National University of Singapore's Institute of Real Es-

tate Studies, which compiles the index, overall resale prices have fallen 3.3 per cent from a year ago, and 9.1 per cent from their peak in July 2013.

The rise last month was boosted by non-central units, which saw a 0.3 per cent month-on-month gain. Resale prices of central units – those in districts 1 to 4 and 9 to 11 – were up 0.1 per cent. Resale prices of small units, defined as those with a floor area of 506 sq ft or less, slid 0.4 per cent month on month.

Year on year, central units have seen the largest slide in prices, down 4.4 per cent. Their prices



Resale prices of central units – those in districts 1 to 4 and 9 to 11 – were up 0.1 per cent in March. Year on year, central units have seen the largest slide in prices, down 4.4 per cent. ST FILE PHOTO

es are down 12 per cent from their peak in May 2013.

Resale prices of small units are down 2.8 per cent year on year, and 7.9 per cent from their peak in August 2013.

This segment's slide so far has partly been caused by suburban

shoebox units starting to come on-stream last year, said R'ST Research director Ong Kah Seng. Prior to that, shoebox apartments were mainly in the central region.

Suburban shoebox units have "untested leasing demand" and the monthly price fall could be be-

cause many of these resale units were untenanted, lending buyers bargaining power, he added.

Resale prices of non-central units have held up the best, with only a 2.2 per cent year-on-year decline, and are 7.4 per cent down from their peak in April 2013.

This could have been due to re-sales of more recently completed units, which tend to be smaller in size and with a higher price per sq ft, said Mr Ong.

Yesterday's estimates came after figures from the Urban Redevelopment Authority last Friday showed private home prices have fallen 5.9 per cent from their peak in the third quarter of 2013.

While different methodologies are used and a higher volume is typically seen for new sales, this could suggest that resale prices are falling faster than new sale prices, said Mr Ku.

The overall SRPI is expected to fall by 3 to 6 per cent year on year this year, said SLP International executive director Nicholas Mak.

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