

SLIDE IN PRICES MOST PRONOUNCED AMONG 'SHOEBOX' UNITS

Resale prices of non-landed private homes continue to fall

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SINGAPORE—Resale prices of completed non-landed private homes here fell for the second consecutive month in May as the weak sentiment in the housing market continued, the Singapore Residential Price Index flash estimates showed yesterday.

The index, developed by the National University of Singapore, showed that overall resale prices fell 0.6 per cent last month compared with the previous month, accelerating from the revised 0.3 per cent month-on-month decline in April.

The fall was most pronounced among small units, defined as those with a floor area of 506sqf or below. Prices for these so-called

shoeboxes fell 1.3 per cent last month compared with the previous month, reversing the 0.4 per cent gain in April.

Excluding small units, the central region — which covers Districts 1 to 4 as well as 9 to 11 — registered a decrease of 1 per cent in resale prices last month, a larger drop compared with the 0.3 per cent fall in April.

Prices in the non-central region, which includes the remaining postal districts,

dipped 0.1 per cent last month after April's 0.4 per cent slip.

“The non-central region seems to be holding up better compared to the central region, judging from their performances in 2015 so far,” said Mr Wong Xian Yang, senior manager for research and consultancy at property agency OrangeTee. “One possible reason could be the tight financing in the market, which has benefited the

“ One possible reason (that the non-central region seems to be holding up better) could be the tight financing in the market, which has benefited the non-central regions due to their relatively lower prices or quantum compared to their central counterparts.

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“However, this scenario may not hold indefinitely as more completions come into the market over 2015 and 2016. The majority of the completions in 2015 and 2016 are located in the non-central regions, and increased downward pressure on non-central rents is expected and this would be reflected on prices.”

Barring any sudden deterioration in the global economy and changes in cooling measures, resale prices are expected to continue falling in view of the persistent declines in rents, said Mr Wong.