

Market sentiment remains weak in real estate industry: NUS-REDAS poll

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PHOTOS



CAPTION



SINGAPORE: Market sentiment in the real estate industry remained weak in the second quarter of this year, according to a poll of 64 industry players conducted by the Real Estate Developers' Association of Singapore (REDAS) and the National University of Singapore (NUS).

The sentiment index stood at 3.9, inching up from 3.8 in the previous three months. A score under five indicates deteriorating market conditions, while a score above five indicates improving conditions.

The residential and prime retail sectors were the worst performing, while the business park/hi-tech space sector was the best performing. Looking ahead, the Future Sentiment Index - which measures sentiment for the next six months - also increased, to 4.0 from 3.7 in the previous survey.

The survey showed that developers are not likely to hold back on their residential launches. Close to 75 per cent of the developers surveyed said they expected new launches to increase moderately and/or hold at the same level in the next six months. On price changes, 52.4 per cent of the developers said they anticipated a moderate decrease in residential property prices in the next six months.

More than 73 per cent of the respondents said the slowdown in the global economy, rising inflation and interest rates would adversely impact market sentiment in the next six months. Only 26.6 per cent cited Government cooling measures as a potential risk to negatively affect sentiment in the market.

In a joint statement, REDAS and NUS said the respondents are senior executives of REDAS member firms. Speaking to Channel NewsAsia, REDAS said most of the respondents are from developer firms, while the rest include property consultancies, agencies and banks.

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