

Condo prices in central region inch higher in July

Prices of completed apartments in the central region rose a touch last month after a similar increase in June, prompting experts to tip that the segment may be hitting bottom soon.

Values rose 0.7 per cent in July from June, and follow June's 0.9 per cent lift but they are still down 1.3 per cent from a year earlier.

The non-central region has not fared as well; prices were down 2.3 per cent year on year, according to NUS Singapore Residential Price Index (SRPI) data yesterday.

Prices of completed apartments islandwide rose 0.2 per cent last month after increasing 0.7 per cent in June.

The July lift was largely due to the better showing among central region apartments, which helped offset the 0.2 per cent fall in the non-central region.

While prices of small units were unchanged last month, they have fallen the most compared with a year back – recording a 4.4 per cent decline, noted Mr Ong Teck Hui, JLL national research director.

The large price drop is due to weaker demand for small resale units, he said.

New sales of small units in the 12 months to the end of July accounted for 78 per cent of total sales of small units.

“This indicates that new projects provide more opportunities that meet the needs of small-unit buyers, drawing them away from the resale market,” said Mr Ong.

NUS SRPI data on the central region was corroborated by other industry observers.

“Prices have somewhat stabilised and people have been... on the sidelines for about two years.

“So while some may still be waiting for prices to drop further, others have returned to the market,” PropNex executive director Kelvin Fong said.

Many developers, especially those with projects in Districts 9 and 10, have been coming up with various attractive schemes as well, so while the pick-up is largely across the board, it is strongest in the central region, he added.

Sales by his team of about 2,600 agents rose about 50 per cent year on year last month.

Transactions have slowed a tad this month, partly due to the Hungry Ghost Festival, but are still better than a year ago.

The luxury property market still has buyers who wish to invest for the longer term, noted Ms Jennifer Chia, executive director and head of corporate real estate at TSMP Law Corporation.

“Most of them have ties to Singapore – Singaporeans or permanent

residents, or those who see Singapore as a place they will live in the longer term,” she added.

“People with the cash reserves to buy did not want to be caught off-guard if there were going to be changes to the Additional Buyer's Stamp Duty.

“But now that the Government has been signalling cooling measures may not be lifted in the near future, they have decided not to hold off any longer.”

Rennie Whang