

Private home resale prices dip 0.3% in February: NUS index

Condo resale prices continued to dip last month in a sign that this market segment has yet to bottom out.

Values declined by 0.3 per cent from January to February, according to flash estimates of the NUS Singapore Residential Price Index (SRPI) out yesterday. The fall followed the 0.1 per cent dip in values from December to January.

“The statistics indicates that the bottom of the private residential resale price cycle is still not in sight

yet,” noted SLP International Property Consultants research head Nicholas Mak.

Mr Mak added that overall resale prices for private non-landed homes could drop by between 3 and 4 per cent for the whole of 2017, going by the current rate of decline.

The central region recorded the biggest decline in February, down 1 per cent, overturning a 0.5 per cent increase from December to January. The SRPI defines this region as

districts one to four, including the financial district and Sentosa Cove, as well as the traditional prime districts of nine, 10 and 11.

The data excludes small units, which have a separate index. Small apartments – those with a floor area of up to 506 sq ft – slipped 0.6 per cent last month, reversing the 0.1 per cent growth in January.

Completed units in the non-central region bucked the downtrend with prices climbing 0.3 per cent

from January to February, an improvement over the 0.6 per cent fall in December to January.

Market watchers do not expect the recent easing of some cooling measures will push up private home resale prices given other factors.

“Persistent headwinds facing the property market remain unchanged. These include a weak rental market, the spectre of rising interest rates and a poor economic outlook,” said OrangeTee head of re-

search and consultancy Wong Xian Yang.

Mr Wong expects resale prices to continue to weaken over the next few months, albeit at a more gradual pace.

“The correction in prices is expected to slowly flatten out, as more demand enters the market on the back of improving market sentiments,” he added.

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