

# Private home resale prices down in April

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Condo resale prices took a dip last month despite a positive turn in March, possibly as buyers look towards new projects instead.

Values fell 0.6 per cent from March to April, said flash estimates of the NUS Singapore Residential Price Index (SRPI) out yesterday. The drop reversed the 0.8 per cent rise in values from February to March.

R'ST Research director Ong Kah Seng said the dip was within expectations. Although sentiment may have improved, he said: "The exuberance in buyers' sentiments has been more significant at the developer sales segment, rather than for resale properties. Buying interest remains realistic for resale properties. Buyers focus on getting value for money or opportunistic investments for resale properties."

OrangeTee's head of research and consultancy Wong Xian Yang said the weak rental market and tepid economic outlook have continued "to exert downward pressure on prices despite improving sentiments".

The central region recorded a 0.5 per cent decline in April, overturning a 0.8 per cent increase from February to March. The index 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. Prices for small apartments – those with a floor area of up to 506 sq ft – grew 0.7 per cent last month, down from a 1.3 per cent growth in March.

Completed units in the non-central region dipped 0.7 per cent from March to April, reversing the 0.7 per cent increase in February to March.

Since the price peak in July 2013 after the 2008 global financial crisis, prices have gone down 13.8 per cent. Mr Ong added: "Many property buyers still prefer to use or reserve total debt servicing ratio limits for a developer sale, which is generally more modern and well-designed."

Mr Wong also noted the market is showing signs of bottoming out, as overall resale prices for the year to date – January to April – dropped only 0.3 per cent, compared with a 0.6 per cent dip in the same period last year. He added: "Interestingly, prices of shoebox units bucked the trend and continued to increase for two consecutive months. It is still unclear whether this increase is sustainable as the rental prospects for suburban shoebox units remain poor."

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