

May's resale condo prices up 0.4%

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Condominium resale prices rose in May, boosted by an uptick in central area values.

Prices of completed non-landed private homes rose 0.4 per cent last month from the previous month, said NUS Singapore Residential Price Index (SRPI) flash estimates out yesterday. It was an improvement on the revised 0.8 per cent drop in values from March to April.

Analysts say the SRPI has been range-bound over the last few months, pointing to a stabilisation in the resale market.

"What would propel recovery would be a revival of the rental market, which may not happen until 2018," said Mr Wong Xian Yang, OrangeTee head of research and consultancy.

May's resale price growth was led by the central region, where values rose by 1.3 per cent from April after a 0.4 per cent decline from March to April.

"If the SRPI Central were to display a steady upwards trend, it could indicate that the recovery of the property price index would be led by the property prices in the prime districts," said Mr Nicholas Mak, head of research and consultancy at real estate firm ZACD Group.

Resale condo prices in the non-central region kept falling, albeit at a slower pace – dipping by 0.3 per cent from April to May, after a 1 per cent decline from March to April.

The data excludes small units, which have a separate index. Units with a floor area of up to 506 sq ft slipped 1.3 per cent last month, reversing the 0.6 per cent growth in April.

The outlook for resale prices of small units remains challenging. "The pressure is likely to originate from the supply-side, with more small units coming on board through new developments," said Dr Lee Nai Jia, head of research at Edmund Tie & Co.

Dr Lee expects overall resale prices to increase by 0.5 to 1 per cent in the second half of the year, before possibly rising by 1 to 3 per cent next year, barring any economic downturn.

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