

# Resale condo prices up 0.5% in July: NUS index

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Resale condominium prices continued to tick higher last month, though at a slower pace than in June.

Prices of non-landed private homes climbed 0.5 per cent over the month before, according to flash estimates from NUS Singapore Residential Price Index.

That is a dip from June when prices were up 0.9 per cent over May. The uptick was thanks largely to gains in values within the non-central region – up 1 per cent, compared with a 0.7 per cent increase in the previous month. This excluded small units of up to 506 sq ft.

Resale condo prices in the central region were flat, after advancing by a solid 1.1 per cent in June. Prices for small units, which have a separate sub-index, dropped 0.8 per cent, reversing the 0.6 per cent growth seen in June.

Mr Alan Cheong, senior director of research and consultancy at Savills, said the improvement in resale condo prices was in line with expectations. “A 0.5 per cent increase on a month-on-month basis is still pretty strong. Sentiment has been quite optimistic across the residential market on the whole, be it from the supply and the demand sides,” he said.

The drop in prices for small units could be a one-off blip, added Mr Cheong, given that on a rolling three-month basis, values for such units are “still quite firm and moving upwards”.

Dr Lee Nai Jia, head of research at Edmund Tie and Company, expects prices to remain largely stable this year, possibly appreciating by 0.5 per cent.

“It’s still uncertain whether the whole market will move, but given that sales and transaction volumes have been trending upwards, we do expect prices to appreciate a bit more,” he said, noting that some 3,000 non-landed private resale units were sold in the second quarter of this year.

“I would say market sentiment is still relatively fragile, and could turn soft if there’s an external impact. But overall, the outlook does seem promising.”

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