

# Developers grow more optimistic but worry about cooling moves

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## Singapore

DEVELOPERS have grown more optimistic about the current and future state of the Singapore property market, but they worry about the government introducing more cooling measures.

The Real Estate Sentiment Index (Resi), jointly developed by the Real Estate Developers' Association of Singapore (Redas) and the Department of Real Estate at the National University of Singapore, had a composite reading of 6.6 in the third quarter, from 6.1 in the second. The composite index gives an overall indicator of sentiment.

The current sentiment index increased to 6.5 in the third quarter from 6.1 in the second quarter, while the future sentiment index increased to 6.7 in the third quarter from 6.2 in the second.

"The high sentiment scores indicate a robust and broad-based recovery especially in the residential and office property markets," said Associate Professor Sing Tien Foo of NUS' Department of Real Estate/Institute of Real Estate Studies.

"The optimistic sentiments in the third quarter were consistent with increases in recent housing transactions and en bloc sales activities in the market. If the positive sentiments were translated into higher housing prices, developers are worried about the possible introduction of more rounds of cooling measures by the government," he added.

The survey also found that compared with the second quarter, respondents were more anxious about supply side factors including new land, new project launches and speculative activities.

Among the respondents, 57.4 per cent said they expected a slowdown in the global economy would be the main potential risk to the sector in the next six months, while 50.8 per cent pointed to rising interest rates as the main risk.

Other risks they identified were a potential decline in the domestic economy, raised by 36.1 per cent of the respondents, and an excessive supply of new property launches, raised by 34.4 per cent. The quarterly structured questionnaire survey is conducted among senior executives of Redas member firms. THE STRAITS TIMES