Non-landed private home prices up 0.9% in March

Rise driven by 2.2% rise in March in sub-index for Central Region

By MINDY TAN

PRICES of completed private apartments and condominiums rose marginally in March, reversing February’s drop, according to the latest flash estimate from the National University of Singapore (NUS).

NUS’s overall Singapore Residential Price Index (SRPI), which tracks prices of completed non-landed private homes, excluding executive condos, rose 0.9 per cent in March, after dipping 1.2 per cent in February.

This was driven mainly by the sub-index for Central Region (excluding small units), which rose 2.2 per cent in March, against a 3.7 per cent slide in February.

NUS’s Institute of Real Estate Studies (IRES), which minted the SRPI series, defines Central Region as Districts 1-4 (including the financial district and Sentosa Cove) and the traditional prime residential districts of 9, 10 and 11.

“The increase, though significant, should be seen as a sign of stability or recovery of dampened sentiments instead of renewed optimism for central region properties, said Ong Kah Seng, director at R’ST Research.

“There is still significant unsold supply of completed and under-construction units, pointing to possible supply overhang,” he added.

According to caveats lodged, there were 106 non-landed resale transactions in the central region (excluding small units), up from 67 such transactions in February. A total of 238 transactions were logged in January.

The Non-Central Region sub-index (excluding small units) on the other hand was firm, dipping 0.1 per cent month-on-month in March, following a one per cent gain in February.

This could be due to investors adopting a wait-and-see attitude following the cooling measures, particularly those interested in units in the city fringe areas, said Eugene Lim, key executive officer at ERA Realty Network. In addition, the large number of launches in the areas outside the Central Region means that buyers can afford to be more picky, he said.

While this may have drawn buyers away from the resale market, the price index clearly indicates the resilience of buyer’s interest in suburban resale homes.

Indeed, demand for non-landed condos should continue as there is pent-up demand from first-time buyers, said Mr Lim, adding that demand is anticipated to slow down in the luxury market and shift to the mass market segment.

Separately, the sub-index for prices of completed small apartments and condo units (up to 506 sq ft) islandwide rose 0.7 per cent in March, reversing a dip of 0.9 per cent in February.

A total of 17 non-landed resale transactions for small apartments were logged in March, up from seven in February, which dipped from 21 such transactions in January.

Taken on a year-on-year basis, prices of resale non-landed homes rose 7.4 per cent. Homes in the Non-Central Region rose the most, at 10.9 per cent year-on-year. Units in the Central Region rose 3.4 per cent. Small units islandwide posted a 9.9 per cent increase in prices.