

NUS estimates confirm private home prices tapered off in June

By KALPANA RASHIWALA

(SINGAPORE) Latest flash estimates from National University of Singapore (NUS) confirm what property industry players have already experienced on the ground - a rapid slowdown in the growth of non-landed private home prices in June compared with May.

NUS's overall price index for non-landed homes for June rose 0.3 per cent month on month, compared with month-on-month gains of 2.4 per cent each for May and April.

It was the same story for the sub-index for the Central region, which covers a basket of properties in districts 1-4 and 9-11. It increased 0.7 per cent month on month in June, slower than gains of 2.1 per cent in May and 3.4 per cent in April.

The sub-index for Non-Central region was unchanged in June from the preceding month, after rises of 2.7 per cent in May and 1.7 per cent in April.

The Singapore Residential Price Index (SRPI), compiled by the NUS Institute of Real Estate Studies, covers only completed properties.

DTZ executive director (consulting) Ong Choon Fah said: 'The latest indices confirm the slowdown in buying momentum felt on the ground in June - because of the school holidays, World Cup and continued uncertainty in the eurozone economies.'

'People found no reason to rush and buy a home. Developers have also been holding back launches and the projects they did launch were not priced at the top end of their own target range; so developers have also moderated their own price expectation.'

Since the end of last year, all three NUS indices have appreciated - to the tune of 8.7 per cent for the overall index, 8.2 per cent for Central region and 9.2 per cent for Non-Central region. Based on the latest June flash estimates, NUS's overall SRPI is now 36.3 per cent above the post-financial crisis low in March 2009. Over the same period, the growth for the Central region has been 42.1 per cent and that for the Non-Central region, about 33.3 per cent.

The June flash estimate for Central region is still 3.5 per cent below the pre-crisis high in November 2007. However, for the Non-Central region, the latest index surpassed its respective pre-crisis peak in January 2008 by 11.2 per cent. As a result, the overall SRPI flash estimate for June is 5.7 above its November 2007 high.

Looking ahead, Mrs Ong reckoned the overall and Central region indices are likely to remain flat in July, but the index for the Non-Central region could either be flat or post a marginal increase, supported by high cash-over-valuations in the HDB resale market.

Meanwhile Hong Leong Holdings said yesterday it has sold over 75 per cent of the 468 units available at The Scala, a 99-year condo at Serangoon Avenue 3. The units are sized between 474 and 2,142 sq ft, and sold at an average of \$1,150 per square foot. Buyers comprised a good mix of HDB upgraders and investors, with the majority made up of locals.