

News Release



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URA releases flash 1st quarter 2008 private residential property price index

Singapore, - The Urban Redevelopment Authority (URA) released the flash estimate of the price index of private residential property for 1st quarter 2008 (1Q 2008) today.

In 1Q 2008, the deceleration in the rate of residential price increases becomes more noticeable. Overall, the estimated price index of private residential property rose to 178 points in 1Q 2008, which represents an increase of 4.2% quarter-on-quarter (qoq), compared with the 6.8% qoq increase in the previous quarter.

The more cautious investment sentiments resulted in thinner sale volume of residential properties in the first quarter of this year. This in turn caused the growth in home prices to slow down. Specifically, the price of non-landed properties also increased at slower pace for all segments. In the prime districts (Core Central Region), the rate of increase is 4.4%, which is the lowest rate in the last 7 quarters. Similarly, in the mid-tier segment (Rest of Central Region), the price also increased 3.9% qoq in 1Q 2008, after increasing at 7% and above during the last 3 quarters. The suburban area (Outside Central Region) was recorded as the area with strongest growth in price (4.8% qoq). However, this rate was also below par as compared with the 7% - 7.9% range achieved since 2Q 2007.

Outlook

The thin transaction volume of residential properties is expected to continue for the next 3 to 6 months. As a result, the rate of increase of private home prices could remain below 5% each quarter. For the whole of 2008, average home prices islandwide could increase by 5% to 10%. If the economy were to contract in the coming months, home prices would face strong downwards pressure and could experience their first decline since 1Q 2004.

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Notes to Editors

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