



News Release

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Analysis of 2Q 2008 Statistics – Residential sector

Singapore, - Overall prices in the private residential property market eased further in 2Q 2008 to register a small 0.2% quarter-on-quarter (qoq) increase. Despite the weak growth for the private residential market in general, landed property registered a slightly stronger performance than the 0.1% qoq climb for overall private non-landed properties. With regard to the different market segments, prices in the mid-tier (Rest of Central Region) and the mass (Outside Central Region) managed to maintain positive growth this quarter, with the mass market leading in its performance. On the contrary, prices in the prime (Core Central Region) market dipped by 0.1% qoq in 2Q 2008. This represented a fall for the first time since the start of the property boom in 2004 and could be the turning point in the price trend.

Average rental of private homes increases by a relatively slower 2.5% qoq indicated that the rental growth too, is slowing down. This figure denoted the smallest growth since mid-2006, which was when the private residential rental market's momentum started to pick up. A contributing factor is that there is a declining number of foreign tenants coming to Singapore as well as landlords beginning to moderate asking rentals for home units.

Regardless of the pick up in volume to 1,525 new units sold by developers in the second quarter, this figure is accentuated primarily due to the exceptionally low sale volume experienced in the previous quarter. The segment that witnessed the greatest pick up in volume was in areas outside the prime Core Central Region, where the mid-tier and mass areas constituted 40.5% and 35.3% of all new sales in 2Q 2008.

Going forward, it is anticipated that for the whole of 2008, overall home prices are expected to grow between 1% and 5% year-on-year (yoy). Rentals, in contrast, are expected to enjoy stronger growth increases than prices in 2008, expanding within the range of 9% and 14% yoy. Specifically for sale volume, it is estimated that in 2008, primary market sales will fall within the range of 5,000 and 6,500 units whereas volume in the secondary market transactions would hit between 9,000 and 10,000 units.

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Notes to Editors

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