RESIDENTIAL PROPERTY REVIEW

A Quarterly Publication by Dennis Wee Group

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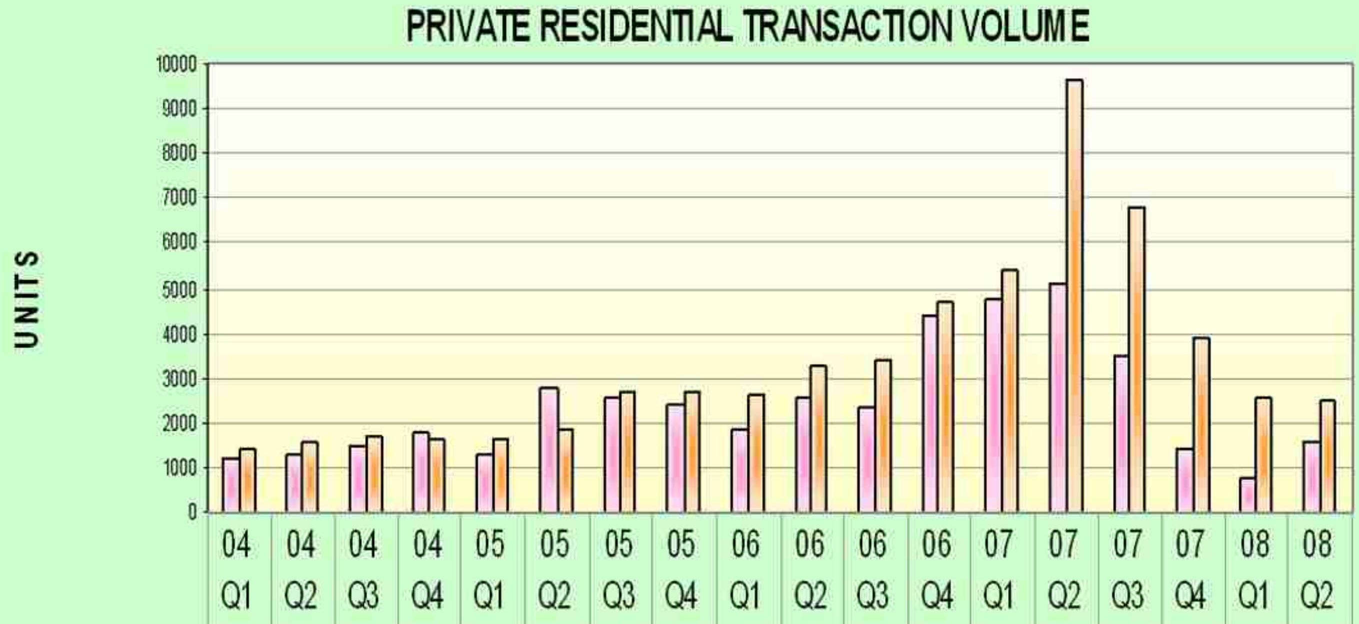

	04 Q1	04 Q2	04 Q3	04 Q4	05 Q1	05 Q2	05 Q3	05 Q4	06 Q1	06 Q2	06 Q3	06 Q4	07 Q1	07 Q2	07 Q3	07 Q4	08 Q1	08 Q2
Developer Sales	1216	1298	1497	1774	1250	2780	2530	2395	1858	2527	2351	4411	4783	5129	3450	1449	762	1525
Resale	1389	1582	1671	1625	1659	1855	2701	2681	2594	3240	3399	4662	5419	9668	6774	3928	2586	2466

QUARTER

Developer Sales Resale

PRIVATE RESIDENTIAL MARKET

"Private home market in the 2nd quarter 2008 stirs to life again." According to URA data, sales volume of new projects more than doubled to 1,525 units from last quarter's 762 units as more projects were launched and developers cut prices. Buyers were offered a variety of choices as some 2,000 new homes were launched, an increase of almost 50% from 1,343 homes of the previous quarter.

Notwithstanding the above, this is far from the spectacular growth of the 2nd quarter 2007 where residential sales volume tripled 2nd quarter 2008's.

The mid-market mass projects, especially those located at the city-fringe saw good response, namely Clover by the Park with 195 units sold at an average of $750 psf. Dakota Residences with over 140 units at $980 psf, The Verve with over 80 units at $1,000 psf and Vutton with over 80 units at $1,225 psf. Smaller projects such as Stadia's 56 units were fully sold at an average of $750 psf.

Projects in prime locations were also sought after though with lesser intensity vis-a-vis 2007. Exclusive luxury project Nassim Park Residences sold over 50 units at $3,000 psf to $3,653 psf. Location and pricing are still a key driver to property buyers in today's market.

As for the resale market, the mood remained cautious as the number of sub-sales in the 2nd quarter remained low at about 2,466 transactions, compared to the last quarter figure of 2,586, reflecting a drop of about 5%.

Overall private home prices held steady between the 1st quarter and 2nd quarters 2008, rising marginally by 0.1%.

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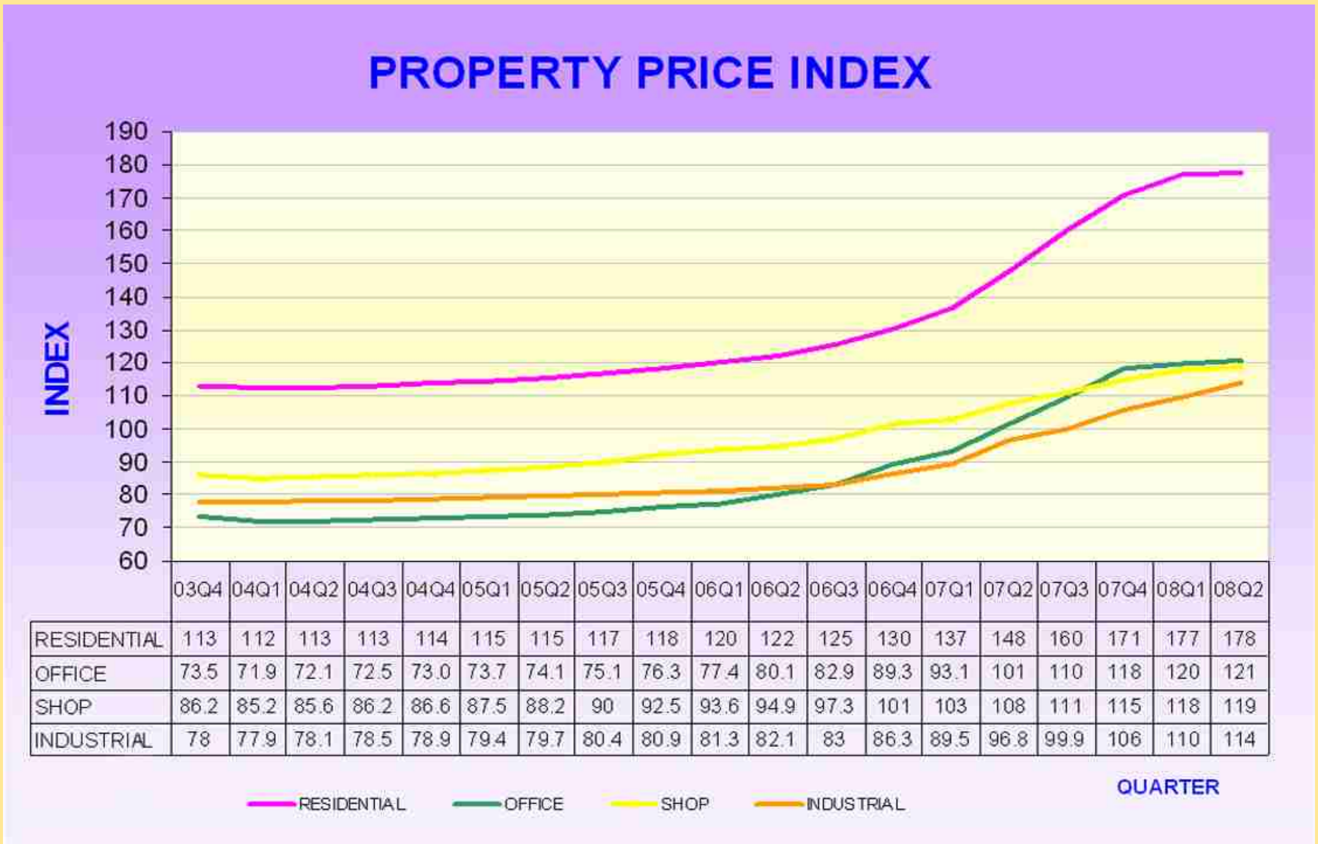
PROPERTY PRICE INDEX

The 2nd quarter property price index for residential, offices and shops remained flat, except for the industrial sector which chalked up a gain of 3.6% over the 1st quarter 2008.



	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	05Q3	05Q4	06Q1	06Q2	06Q3	06Q4	07Q1	07Q2	07Q3	07Q4	08Q1	08Q2
RESIDENTIAL	113	112	113	113	114	115	115	117	118	120	122	125	130	137	148	160	171	177	178
OFFICE	73.5	71.9	72.1	72.5	73.0	73.7	74.1	75.1	76.3	77.4	80.1	82.9	89.3	93.1	101	110	118	120	121
SHOP	86.2	85.2	85.6	86.2	86.6	87.5	88.2	90	92.5	93.6	94.9	97.3	101	103	108	111	115	118	119
INDUSTRIAL	78	77.9	78.1	78.5	78.9	79.4	79.7	80.4	80.9	81.3	82.1	83	86.3	89.5	96.8	99.9	106	110	114

HDB RESALE MARKET

Apparent signs are pointing towards a recovery in the HDB market.

The total HDB resale volume climbed to 7,763 cases, up by 22% compared to 6,358 cases in the preceding quarter. The biggest volume of transactions was the 4-room type at 2,857 cases, 2,182 cases for 3-room and 1,997 cases of 5-room type.

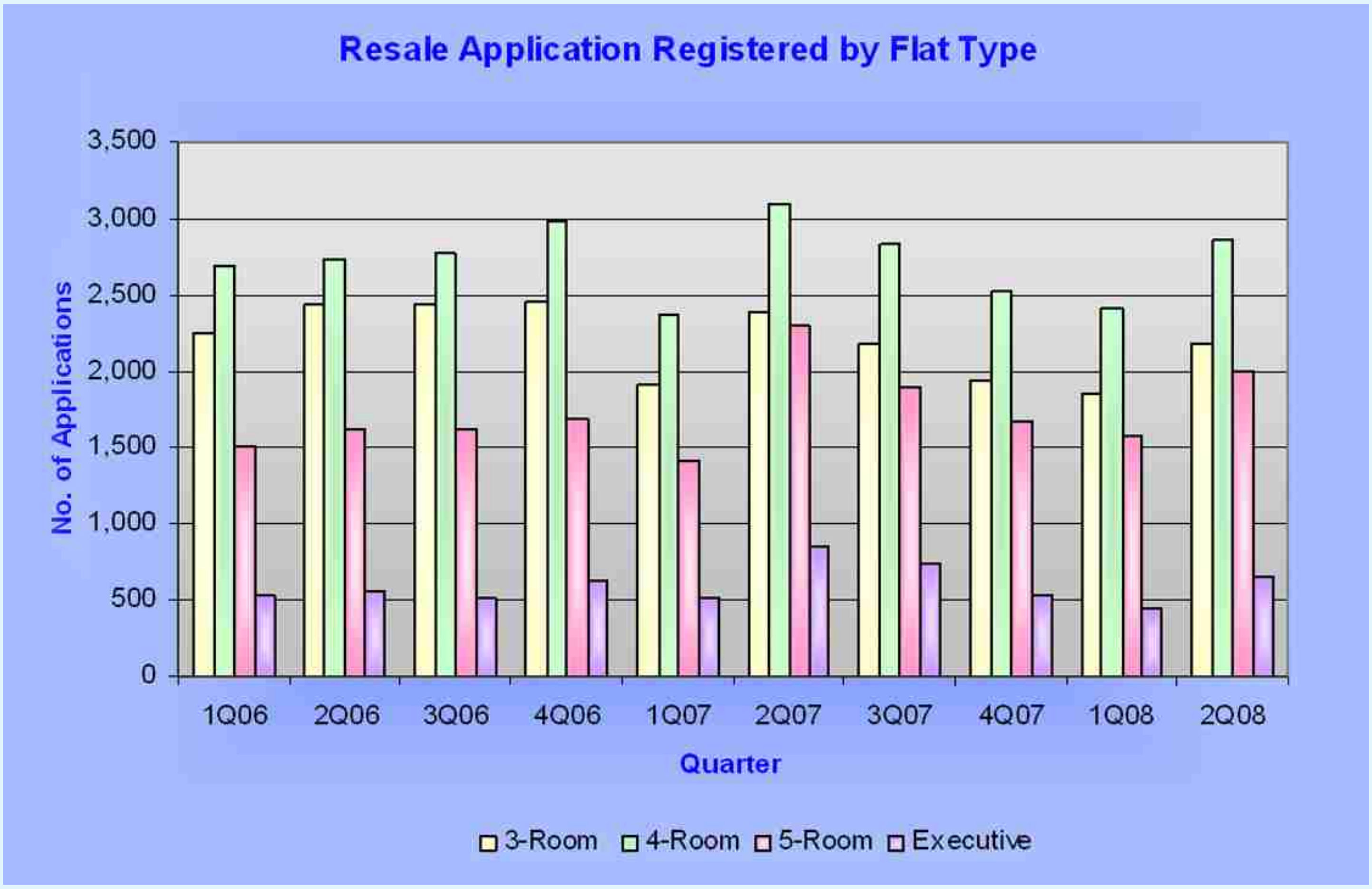
Rising in tandem is the resale prices which went up steadily by 4.5% in the 2nd quarter 2008 over the 1st quarter.

According to HDB, as much as 70% of all resale HDB flats fetched more than their valuations in the 2nd quarter. The overall median cash-over-valuation (COV) was about $7,000.

HDB's data identified Bishan, Bukit Merah, Bukit Timah and Marine Parade as four HDB resale 'hot spots' where buyers are willing to fork out significantly more COV for their flats. These areas are closer to town.

Market watchers said that “the increase in HDB resale prices was largely expected as the market is seeing a 'filter-down' effect caused by rapidly rising private home prices.” The reason being: as private home prices get more expensive, home buyers who are priced out of the private sector are now looking at the HDB flats.

However, depending on the model type, the 2nd quarter HDB resale price was still some 5% to 20% below the peak of 1996.


Resale Application Registered by Flat Type
No. of Applications
3,500
3,000
2,500
2,000
1,500
1,000
500
0
1Q06 2Q06 3Q06 4Q06 1Q07 2Q07 3Q07 4Q07 1Q08 2Q08
Quarter
3-Room 4-Room 5-Room Executive


HDB Resale Price Index
Price Index
140
130
120
110
100
90
80
Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1 Q4 Q3 Q2 Q1
2008 2007 2006 2005 2004 2003 2002 2001 2000
Quarters

RENTAL MARKET

The overall rent of private residential properties rose by 2.5% in the 2nd quarter 2008. The fastest being bungalows and semi-detached houses, both at 5.3%, while terrace houses and non-landed rise by a lower margin of 3.2% and 2.0% respectively.

Rental of Central Core Region non-landed property showed an increase of 2.9%, while the rest of the central region and outside the central region registered a rise of 1.0% to 1.2%.

The trend would be sustained through 2008 as the economic growth is projected to remain healthy at 4%-5%. However, come 2009, some firms may trim their expatriate staff's housing budget as recruitment drive slows down. That coupled with on-stream completion of more projects may put a dampener on the home rental sector in 2009/2010.