

# Buy The Right Condos

A workshop by Property Club Singapore







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**Know What You Want**

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01

Know What You Want



**What investor animal are you?**



## Exercise: My condo purchase plan

1. What is the plan for the new home (own stay or investment)?
2. Who do I plan to buy together or to buy for?
3. What is my budget (property price, cash outlay, financing)?
4. What type of home (new or resale, FH or LH, layout)?
5. Where do I plan to buy (district, area, project)?
6. When will I buy it (time frame, price level)?
7. How long do I intend to stay or hold?



Set your objective at the time of the purchase. Once you have set it, stick to it. Avoid the temptation to kill two birds with one stone because different objectives can easily come into conflict with one another.

## **Separate properties for self-occupation and those for investment**

Properties that meet your criteria of an ideal home may not simultaneously offer investment value with a reasonable return.

Likewise, properties that are good for investment may not suit your lifestyle. Your living, dining and shopping habits are different from your target tenants who are foreigners in your country.

Moreover, when you have decided to forfeit the high return from rental or capital appreciation of an investment-class property to make it your home, you are most likely overpaying for your residence.

**Source: Vina Ip, *No B.S. Guide to Property Investment***

# New launches versus resale projects

- Timeframe
  - Immediate or in a few years
- Risk appetite
  - WYSIWYG
  - Market and personal uncertainties
- Choices and pricing
- Return on investment as an investor

# New versus resale consumer checklist

Buy new or off-plan	Buy resale or 2 <sup>nd</sup> hand
Actual location	Title in good order?
Showflat vs reality	Owner can sell?
Discounts and star buys	Other Ts & Cs
Project is selling well?	Defects inspection



# For properties, timing is key

Properties (不动产) are immobile. You can't move your properties to a safer or better location.

You can't buy or sell in small amount.

You can't apply the strategy of averaging.

For the same property, you can only buy and sell it once.



02

# Past Case Studies

## ANALYSIS: Top five most unprofitable condominiums

By Elizabeth Choong / EdgeProp Singapore | June 14, 2022 3:09 PM SGT

**Table 1: Top five condominiums with most unprofitable transactions over the last 12 months**

First Launch	Condo	Street Name	District	Planning Area	TOP	Average price* (\$ psf)	No. of unprofitable transactions
2007 Oct	Reflections at Keppel Bay	Keppel Bay View	4	Bukit Merah	2011	1,676	65
2012 Oct	Parc Rosewood	Rosewood Drive	25	Woodlands	2014	1,059	31
2004 Oct	The Sail @ Marina Bay	Marina Boulevard	1	Downtown Core	2008	1,966	30
2012 Oct	Eco	Bedok South Avenue 3	16	Bedok	2017	1,352	27
2013 Oct	Urban Vista	Tanah Merah Kechil Link	16	Bedok	2016	1,385	26

Source: EdgeProp Shortlist Projects & Transactions

\*Based on URA sales data in the last 12 months. Otherwise, based on latest transactions.



**Table 2: Top three unprofitable transactions for Reflections at Keppel Bay in the last 12 months**

Sale date	Address	Area (sq ft)	Sale price (\$ psf)	Purchase date	Purchase price (\$ psf)	Loss (\$)*
Sep 2021	33 Keppel Bay View #40-XX	7,050	1,560	May 2007	2,550	6,952,000
Apr 2022	17 Keppel Bay View #04-XX	3,993	1,465	May 2007	2,499	4,131,000
Mar 2022	33 Keppel Bay View #31-XX	2,271	1,700	Apr 2007	2,351	1,478,500

Source: EdgeProp Research

\*Note: Transactions with the same address are matched. Profitability of each round-trip transaction is based only on the change in asset price and does not take into account transaction costs and the effect of financing.

**Table 4: Top three unprofitable transactions for The Sail @ Marina Bay in the last 12 months**

Sale date	Address	Area (sq ft)	Sale price (\$ psf)	Purchase date	Purchase price (\$ psf)	Loss (\$)*
Jul 2021	2 Marina Boulevard #60-XX	1,033	2,418	Apr 2008	3,387	1,001,112
Jun 2021	6 Marina Boulevard #56-XX	1,313	1,698	Aug 2010	2,115	546,995
Jun 2021	2 Marina Boulevard #16-XX	1,184	1,839	Dec 2011	2,200	426,800

Source: EdgeProp Research

\*Note: Transactions with the same address are matched. Profitability of each round-trip transaction is based only on the change in asset price and does not take into account transaction costs and the effect of financing.

<b>Table 5: Top three unprofitable transactions for Eco and Urban Vista in the last 12 months</b>						
<b>Sale date</b>	<b>Address</b>	<b>Area (sq ft)</b>	<b>Sale price (\$ psf)</b>	<b>Purchase date</b>	<b>Purchase price (\$ psf)</b>	<b>Loss (\$)*</b>
<b>Eco</b>						
Jan 2022	283 Bedok South Avenue 3 #15-XX	1,163	1,204	Jun 2013	1,401	228,200
Apr 2022	273 Bedok South Avenue 3 #10-XX	657	1,348	Nov 2012	1,618	177,306
Feb 2022	275 Bedok South Avenue 3 #08-XX	635	1,315	Aug 2014	1,540	143,260
<b>Urban Vista</b>						
Oct 2021	16 Tanah Merah Kechil Link #04-XX	797	1,255	May 2013	1,527	216,433
Sep 2021	12 Tanah Merah Kechil Link #01-XX	969	1,166	Jul 2013	1,354	182,162
Oct 2021	20 Tanah Merah Kechil Link #06-XX	1,044	1,317	Apr 2013	1,458	147,309
<i>Source: EdgeProp Research</i>						
<i>*Note: Transactions with the same address are matched. Profitability of each round-trip transaction is based only on the change in asset price and does not take into account transaction costs and the effect of financing.</i>						

# Singapore's past condo landmines

- CCR luxury condos launched in 2007 and 2011
  - New projects built on en bloc land sites
  - Sentosa luxury condo projects
  - District 1 and 2 (CBD, Marina Bay, Shenton Way, Tanjong Pagar)
- RCR and OCR mass market condos launched in 2012-2013
  - Large-scale projects with many units
  - Location with strong competition







# Another Asian Celebrity Acquires Twin Peaks Unit

• July 7, 2011

Two weeks after actor Jackie Chan and singer-songwriter Wakin Chau bought three apartments at the Twin Peaks condo development, Mandopop star JJ Lin acquired a 571 sq ft, one-bedroom unit at the project.

The 30-year-old Singapore-born Taiwan-based singer-songwriter-composer is understood to have purchased a unit at the 35-storey project, located above the the Hong Kong celebrities' apartments.

Chau's and Chan's apartments are the same size as Lin's and have a panoramic view of Orchard Road / Grange Road.

The 99-year leasehold Twin Peaks project is being developed by Overseas Union Enterprise (OUE) and is set to be completed by early 2014.

NEWS

# Deferred losses for recent sellers at OUE Twin Peaks

By Cecilia Chow | December 20, 2019



OUE Twin Peaks was the first development to offer fully-furnished apartments with timeless furniture pieces by famous designers such as Hans Wegner, Charles & Ray Eames, Tim Dixon and M

At OUE Twin Peaks on Leonie Hill Road, 10 units changed hands in 2018 and 2019. Of the 10, eight registered losses ranging from 2.3% to 21.7%. One trc didn't have a prior recorded transaction, based on URA Realis caveats downloaded as at Dec 18 (See Table).

URA REALIS, BASED ON DATA DOWNLOADED AS AT DEC 18, 2019

Resales at OUE Twin Peaks 2018-2019 YTD*												
ADDRESS	TENURE	COMPLETION DATE	AREA (SQ FT)	TRANSACTION PRICE (S)	UNIT PRICE (S/PSF)	SALE DATE	PURCHASE PRICE (S)	UNIT PRICE (S/PSF)	PURCHASE DATE	CAP/LOSS (S)	CAP/LOSS (%)	
33 Leonie Hill Road, 3rd floor	99 Years From May 10, 2010	2015	849	1,340,000	1,578	Nov 27, 2019	1,711,000	2,015	Mar 15, 2018	(371,000)	-21.7%	
33 Leonie Hill Road, 15th floor	99 Years From May 10, 2010	2015	1,109	3,250,000	2,923	Aug 23, 2019	3,500,000	3,156	May 27, 2016	(250,000)	-7.1%	
33 Leonie Hill Road, 20th floor	99 Years From May 10, 2010	2015	1,169	2,300,000	1,967	May 20, 2019	2,500,000	2,139	May 20, 2018	(200,000)	-8.1%	
33 Leonie Hill Road, 20th floor	99 Years From May 10, 2010	2015	571	1,570,250	2,750	May 3, 2019	1,606,360	2,813	Apr 21, 2016	(36,110)	-2.3%	
33 Leonie Hill Road, 18th floor	99 Years From May 10, 2010	2015	571	1,530,000	2,680	Apr 30, 2019	1,660,000	2,909	Sep 16, 2016	(130,000)	-8.5%	
33 Leonie Hill Road, 11th floor	100 Years From May 10, 2010	2015	849	1,471,000	1,733	Nov 19, 2018	1,507,000	1,775	Nov 19, 2018	36,000	2.4%	



10 units changed hands in 2018 and 2019. Of the 10, eight registered **losses ranging from 2.3% to 21.7%.**

Four of the eight transactions were for units purchased between April to June 2016, when the high-end, newly completed condo was relaunched with the option of a **deferred payment scheme (DPS)**. These **losses ranged from 2.3% to 8.1%.**

These sellers are likely to be those who took up the three-year DPS package and probably **could not secure a mortgage** at the end of the period. They were therefore **forced to sell their units** at a lower price in a relatively weak market.

The gross losses reflected in the table **have not taken into consideration the seller's stamp duty (SSD)** as these sales were done within the first three years of purchase.

projectName	address	num	areaInSq	typeOfAp	price	pricePerSqm	pricePerSqft	contractDate	Profit/Loss
OUE TWIN PEAKS	33 Leonie Hill Road #22-10	1	53	Strata	1608000	30340	2819	13-Jul-18	-4.3%
OUE TWIN PEAKS	33 Leonie Hill Road #22-11	1	53	Strata	1540000	29057	2699	23-Apr-18	-8.3%
OUE TWIN PEAKS	33 Leonie Hill Road #18-11	1	53	Strata	1328888	25073	2329	4-Apr-17	-20.3%
OUE TWIN PEAKS	33 Leonie Hill Road #07-10	1	53	Strata	1400000	26415	2454	20-Jun-16	-8.1%
OUE TWIN PEAKS	33 Leonie Hill Road #04-10	1	53	Strata	1507000	28434	2642	5-Jul-11	
OUE TWIN PEAKS	33 Leonie Hill Road #04-11	1	53	Strata	1507000	28434	2642	5-Jul-11	
OUE TWIN PEAKS	33 Leonie Hill Road #07-10	1	53	Strata	1523000	28736	2670	5-Jul-11	
OUE TWIN PEAKS	33 Leonie Hill Road #09-10	1	53	Strata	1540000	29057	2699	5-Jul-11	
OUE TWIN PEAKS	33 Leonie Hill Road #09-11	1	53	Strata	1588000	29962	2784	27-Jun-11	
OUE TWIN PEAKS	33 Leonie Hill Road #18-11	1	53	Strata	1666560	31445	2921	4-May-11	
OUE TWIN PEAKS	33 Leonie Hill Road #19-11	1	53	Strata	1643000	31000	2880	22-Feb-11	
OUE TWIN PEAKS	33 Leonie Hill Road #22-10	1	53	Strata	1680000	31698	2945	31-Jan-11	
OUE TWIN PEAKS	33 Leonie Hill Road #22-11	1	53	Strata	1680000	31698	2945	31-Jan-11	

## UOB \$181m lawsuit against Lippo unit, 7 others over alleged conspiracy to get higher loans for condo buyers begins

UOB claimed not aware of the 22-34% discounts offered for the units and that the buyers had secured inflated home loans from the bank

37 out of the 38 loans that UOB financed have defaulted





# Mortgagee sale of five-bedroom, dual-key unit at Marina Collection for \$5.7 mil

By Atiqah Mokhtar / EdgeProp Singapore | November 25, 2022 9:30 AM SGT



The 3,272 sq ft apartment at Marina Collection will be put up for auction on Dec 15 (Picture: Samuel Isaac Chua/The Edge)



# Duplex penthouse at Marina Collection incurs \$2.65 mil loss

By Hailey Yu / EdgeProp Singapore | November 25, 2022 8:30 AM SGT



## TOP GAINS AND LOSSES FROM NOV 8 TO 15

PROJECT	AREA (SQ FT)	SALE PRICE (\$ PSF)	PROFIT (\$)	ANNUALISED PROFIT (%)
THE SIXTH AVENUE RESIDENCES	1,819	1,732	1,504,744	4.2
HILLVIEW PARK	1,249	1,426	1,315,000	7.2
NEPTUNE COURT	1,636	966	1,060,000	5.3

PROJECT	AREA (SQ FT)	SALE PRICE (\$ PSF)	LOSS (\$)	ANNUALISED LOSS (%)
MARINA COLLECTION	3,412	1,480	2,650,000	3.3
HELIOS RESIDENCES	1,313	2,329	1,565,000	2.7
LEONIE SUITES	689	1,653	301,112	1.5

SOURCE: URA, EDGEPROP SINGAPORE

EdgeProp

PROPERTY PERSONALISED

GAIN & LOSSES



Date sold	Block	Unit	Beds	PSF	Area (sqft)	Price Sold
02/2013	13	#01-xx	4 BR	\$2,950	2,390	\$7.051M
03/2013	13	#01-xx	4 BR	\$2,950	2,390	\$7.051M
01/2013	13	#01-xx	4 BR	\$2,950	2,390	\$7.051M
04/2013	13	#01-xx	4 BR	\$2,950	2,390	\$7.051M
12/2012	15	#02-xx	3 BR	\$2		

Date sold	Block	Unit	Beds	PSF	Area (sqft)	Price Sold
04/2023	15	#01-xx	5 BR	\$1,421	3,272	\$4.650M
11/2022	15	#04-xx	4 BR	\$1,499	3,370	\$5.050M
03/2020	17	#04-xx	6 BR	\$1,587	4,726	\$7.500M
03/2017	17	#02-xx	3 BR	\$1,602	1,873	\$3.000M
12/2016	17	#0x-xx	3 BR	\$1,602	1,873	\$3.000M

Source: 99.co

An aerial photograph of a city skyline, likely New York City, featuring numerous skyscrapers and buildings. A semi-transparent blue rounded rectangle is overlaid in the center, containing white text. The sky is filled with large, white, fluffy clouds.

*Question*

Past lessons learned  
Landmines in today's market

# Past lessons learned

- Read the news with a pinch of salt
  - Pent-up demand and good take-up
  - Percentage sold during launch weekend
  - FOMO - preview, balloting, crowd
- You reap what you sow
  - Deferred payment scheme
  - 99-to-1 deals
- Timing, timing and timing
  - 92% of loss-making units were bought during a property boom



# Singapore Property Cycles

**The higher prices climb the harder they fall**

Chart 1

PERIOD		% PRICE CHANGE FOR NON-LANDED PRICES	% PRICE CHANGE FOR LANDED PROPERTY PRICES
1st property cycle	Q1 1992 - Q2 1996	156	193
	Q3 1996 - Q4 1998	-42	-48
2nd property cycle	Q1 1999 - Q2 2000	41	39
	Q3 2000 - Q1 2004	-21	-18
3rd property cycle	Q2 2004 - Q2 2008	62	42
	Q3 2008 - Q2 2009	-26	-19
4th property cycle	Q3 2009 - Q3 2013	56	88
	Q4 2013 - Q2 2017	-10	-16
Q3 2017 - Q3 2018		9	
Q4 2018 – Q1 2019		-1	
Q2 2020 – Q1 2023		28	

Sources: URA, OrangeTee Research

# Singapore Property Cycles: The sequence of recovery



# Landmines in today's property market

- Sell high, buy higher and borrow highest
- Overpriced new launches, especially in RCR and OCR
- High demand for...growing interest in...prices going up

||

This is what we are selling now. We want you to buy.

## Interest in shophouses rises after latest ABSD hikes for residential properties





 EdgeProp

## Residential shophouse on Niven Road for sale at \$5.2 mil

SINGAPORE (EDGEPROP) - A freehold conservation shophouse at 31 Niven Road, in the Mount Sophia area in District 9, is up for sale through an...

3 days ago



 Singapore Business Review

## Three adjoining 2-storey conservation shophouses in Geylang Road up for sale

A row of three adjoining two-storey conservation shophouses at Geylang Road is up for sale collectively through an expression of interest...

3 days ago



 Yahoo Finance

## Marine Parade HDB shophouse for sale at \$4 mil

Located in Marine Parade, the two-storey property consists of retail space on the first floor and living quarters on the second floor.

2 weeks ago



 EdgeProp

## Four HDB shophouses in Tampines up for sale at \$12 mil

Four single-storey HDB shophouses at Block 475 Tampines Street 44 are up for sale at a guide price of \$12 million.

2 weeks ago



An aerial, black and white photograph of a dense city skyline, likely New York City, featuring numerous skyscrapers and buildings. The sky is filled with large, white, fluffy clouds. A semi-transparent blue rounded rectangle is overlaid in the center of the image, containing the text '03 Conducting Research' in white. The text is centered within the rectangle, with '03' on the top line and 'Conducting Research' on the bottom line.

03  
Conducting Research

An aerial, black and white photograph of a dense urban skyline, likely New York City, featuring numerous skyscrapers and high-rise buildings. The sky is filled with large, white, fluffy clouds. A semi-transparent blue rounded rectangle is overlaid in the center of the image, containing white text.

What are the top 3 criteria  
to shortlist properties?

# Field work – before flat viewing

- Decide target district, area and projects
- Check listings
  - PropertyGuru, 99.co
- Compare valuation and asking price
- Read property brochure
  - Map, sitemap and layout plan
- Call agents/sellers to arrange for viewings
  - View a few units per layout
  - View units with different facing



# Field work – before flat viewing



<https://www.srx.com.sg/xvalue-pricing>

X-Value™ Pricing > X-Value™ Result Page

(property address)

Sale X-Value **\$2,250,000**  
PSF **\$1,393**

View listings in D23 - Dairy Farm / Bukit Panjang / Choe Chu Kang

Last Quarter Change

**\$20,000**

Highest X Value

**\$2,250,000**  
(2023Q2)

Lowest X Value

**\$1,390,000**  
(2017Q2)

## Historical X-Value Trends

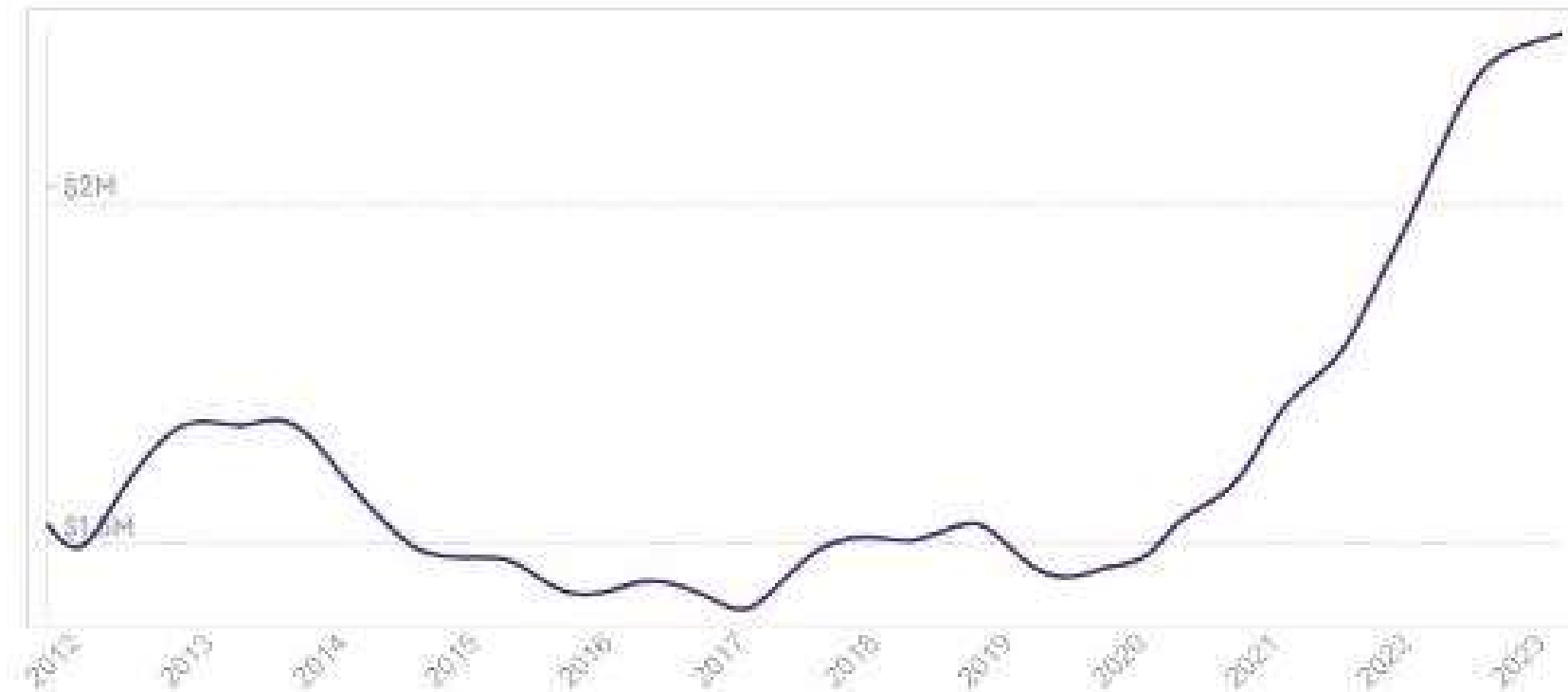
All (12 yrs)

10 yrs

5 yrs

3 yrs

1 yr



# Field work – during flat viewing

- Questions for agent/seller
  - Reason for selling
  - Asking price and bottom line
  - Last offer
- Check and verify
  - Maintenance fee, annual value, property tax
- Site check
  - Project maintenance
  - Direction and facing
  - Quality, defects, leakage, etc.

# Field work - background check

- Check previous transactions
  - URA property transactions (past 60 months)
  - PropertyGuru (last 10 years), 99.co (27/28 years since 1995/6)
  - REALIS (with unit number)
- Visit IRAS <https://mytax.iras.gov.sg/ESVWEB/default.aspx?target=PTEVLListIntro>
  - Check name of owner(s) and annual value/property tax
- SLA <https://app1.sla.gov.sg/inlis/>

<u>Information Charges</u>	<u>Price (Including GST)</u>
Property Title Information	\$16.00
Property Ownership Information	\$5.25
Estate and Land Description	\$4.70
Land Information - Lot Particulars	\$5.80

**COMPARISON OF PROPERTY PRICE INDEX FOR  
4TH QUARTER 2022 AND 1ST QUARTER 2023**

	Price Index		% Change over Previous Quarter	
	4Q/22	1Q/23	4Q/22	1Q/23
<b>All Residential (1Q09=100)</b>	<b>188.6</b>	<b>194.8</b>	<b>0.4</b>	<b>3.3</b>
Landed Property	216.0	228.7	0.6	5.9
Non-Landed Property	182.1	186.8	0.3	2.6
CCR <sup>1/</sup>	145.4	146.6	0.7	0.8
RCR <sup>2/</sup>	204.9	213.9	3.1	4.4
OCR	218.2	222.3	-2.6	1.9
<b>Commercial (4Q98=100)</b>				
Office	116.0	116.0	3.7	0.0
Retail	96.2	95.3	-2.1	-0.9

Source: URA 1st quarter 2023 real estate statistics

**COMPARISON OF PROPERTY PRICE INDEX FOR  
3RD QUARTER 2022 AND 4TH QUARTER 2022**

	Price Index		% Change over Previous Quarter	
	3Q/22	4Q/22	3Q/22	4Q/22
<b>All Residential (1Q09=100)</b>	<b>187.8</b>	<b>188.6</b>	<b>3.8</b>	<b>0.4</b>
Landed Property	214.7	216.0	1.6	0.6
Non-Landed Property	181.6	182.1	4.4	0.3
CCR <sup>1/</sup>	144.4	145.4	2.3	0.7
RCR <sup>2/</sup>	198.7	204.9	2.8	3.1
<b>OCR</b>	224.0	218.2	<b>7.5</b>	<b>-2.6</b>

Source: URA 4th quarter 2022 real estate statistics



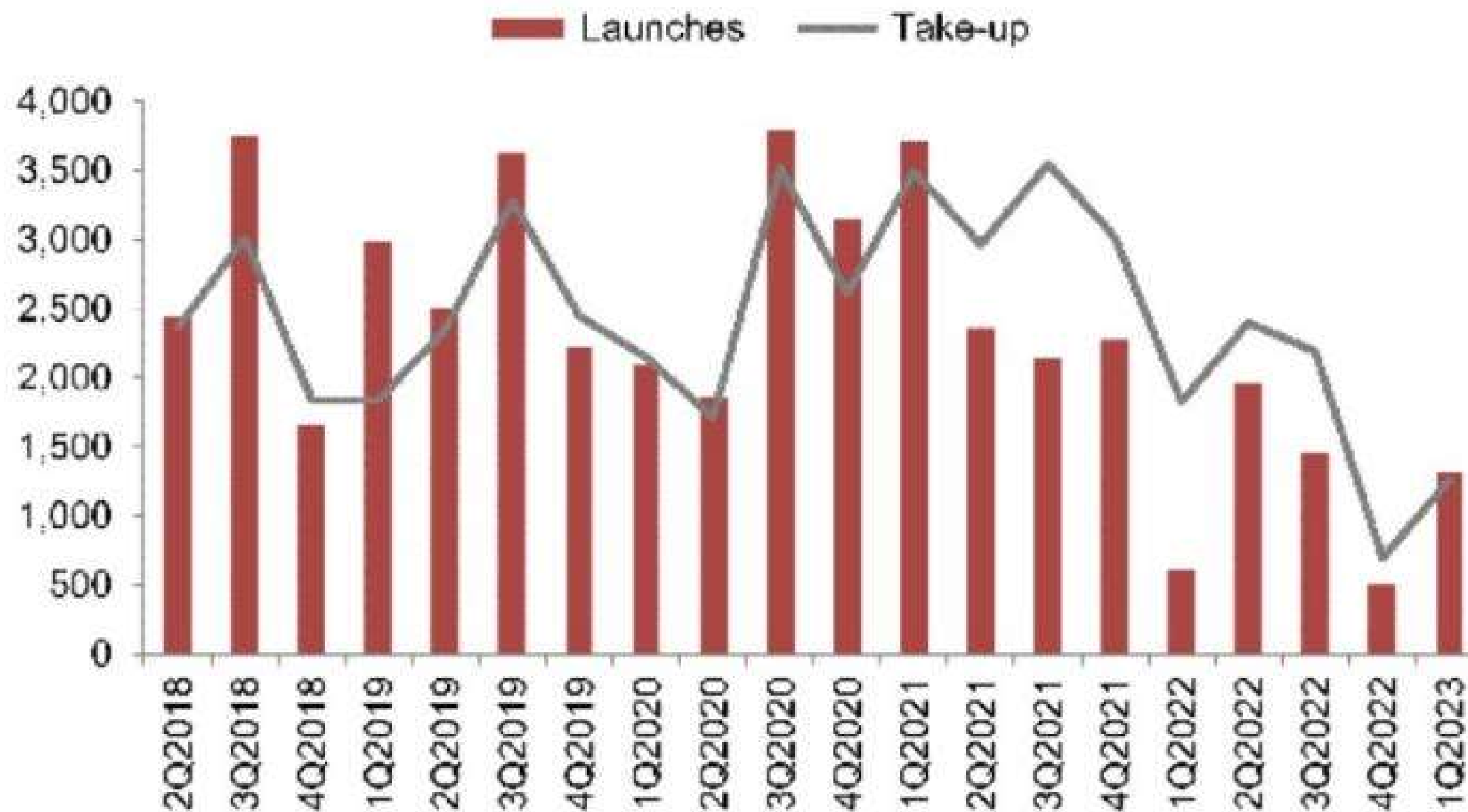
**NUMBER OF NEW SALE, SUB-SALE AND RESALE TRANSACTIONS  
FOR PRIVATE RESIDENTIAL UNITS BY MARKET SEGMENT (cont'd)**

**Number of units transacted in Outside Central Region**

Period	New Sale <sup>1/</sup>			Sub-Sale <sup>1/</sup>	Resale <sup>1/</sup>	TOTAL	Sub-sale as % of Total	Resale as % of Total
	Uncompleted	Completed	Sub-Total					
3Q/2019	1,542	21	1,563	96	1,158	2,817	3.4%	41.1%
4Q/2019	1,123	14	1,137	86	1,117	2,340	3.7%	47.7%
1Q/2020	778	32	810	36	1,048	1,894	1.9%	55.3%
2Q/2020	811	22	833	14	493	1,340	1.0%	36.8%
3Q/2020	1,358	23	1,381	53	1,897	3,331	1.6%	56.9%
4Q/2020	1,451	6	1,457	56	2,356	3,869	1.4%	60.9%
1Q/2021	981	33	1,014	59	2,371	3,444	1.7%	68.8%
2Q/2021	1,020	10	1,030	94	2,839	3,963	2.4%	71.6%
3Q/2021	2,024	12	2,036	124	2,926	5,086	2.4%	57.5%
4Q/2021	976	17	993	92	2,624	3,709	2.5%	70.7%
1Q/2022	603	5	608	76	1,928	2,612	2.9%	73.8%
2Q/2022	484	12	496	88	2,257	2,841	3.1%	79.4%
3Q/2022	1,230	14	1,244	108	2,000	3,352	3.2%	59.7%
4Q/2022	97	26	123	90	1,472	1,685	5.3%	87.4%

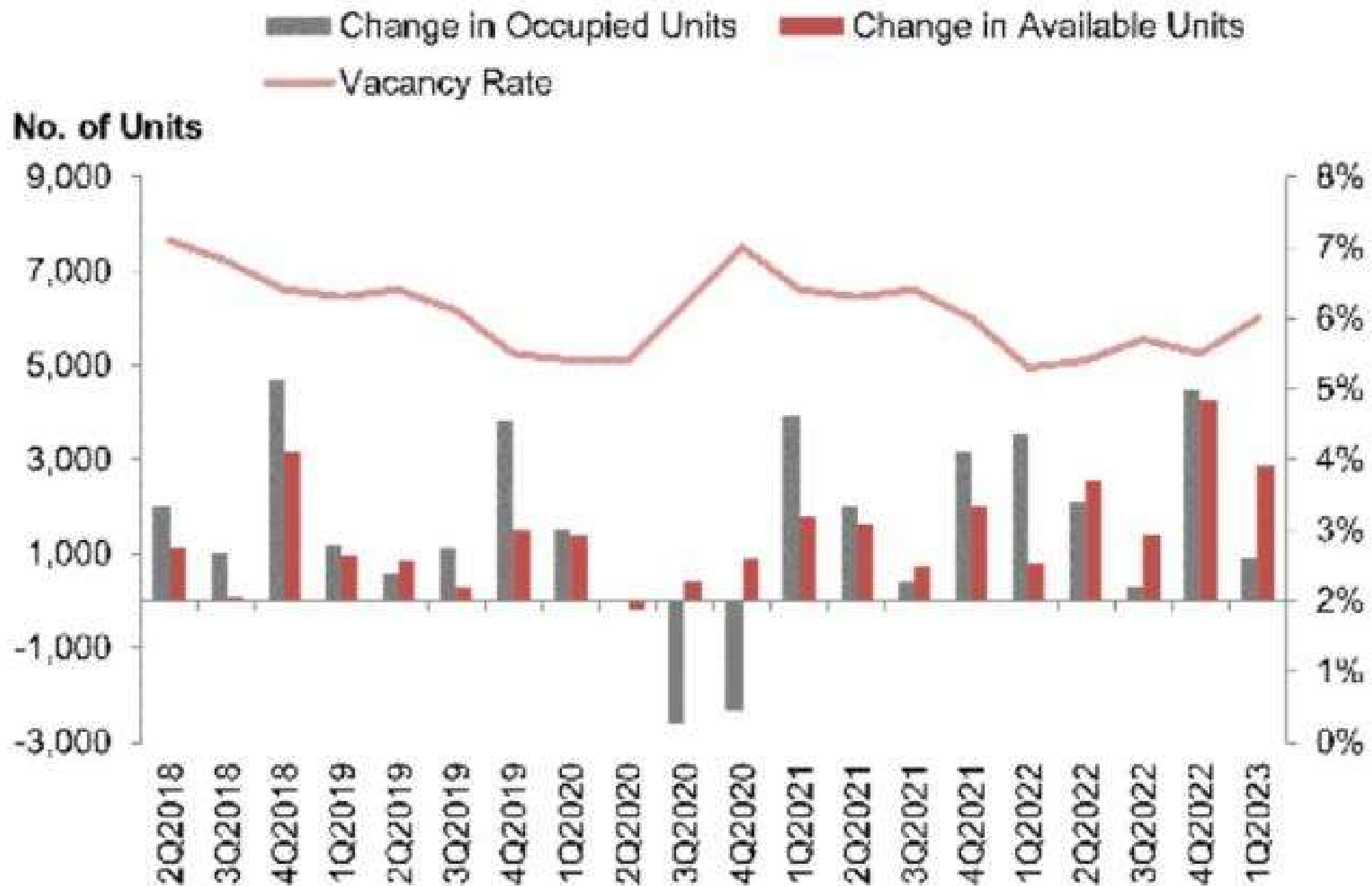
Source: URA 4th quarter 2022 real estate statistics

Number of private housing units launched and sold by developers (excluding ECs).



Source: URA 1st quarter 2023 real estate statistics

## Stock and vacancy of private residential units (excluding ECs)



Source: URA 1st quarter 2023 real estate statistics

## VACANCY OF PRIVATE RESIDENTIAL UNITS BY MARKET SEGMENT

Quarter <sup>1/</sup>	CCR <sup>2/</sup>	RCR <sup>3/</sup>	OCR
1Q/2019	7.6%	6.8%	5.4%
2Q/2019	7.8%	6.4%	5.7%
3Q/2019	8.2%	6.0%	5.3%
4Q/2019	6.9%	5.8%	4.7%
1Q/2020	7.4%	6.2%	4.1%
2Q/2020	7.5%	6.1%	4.0%
3Q/2020	9.2%	7.4%	4.2%
4Q/2020	11.0%	7.3%	5.1%
1Q/2021	9.5%	6.1%	5.3%
2Q/2021	9.6%	5.6%	5.2%
3Q/2021	9.7%	6.5%	4.8%
4Q/2021	9.3%	7.0%	4.1%
1Q/2022	8.1%	6.1%	3.6%
2Q/2022	7.4%	6.6%	3.8%
3Q/2022	7.3%	7.3%	4.0%
4Q/2022	6.9%	7.9%	3.6%
1Q/2023	7.7%	9.2%	3.3%

Source: URA 1st quarter 2023 real estate statistics

# ANALYSIS Is The CCR Really Undervalued Right Now? Here's What The Price Gap Between The CCR And RCR/OCR Look Like

 *Reza J* MAY 17, 2023 • 6 MIN READ

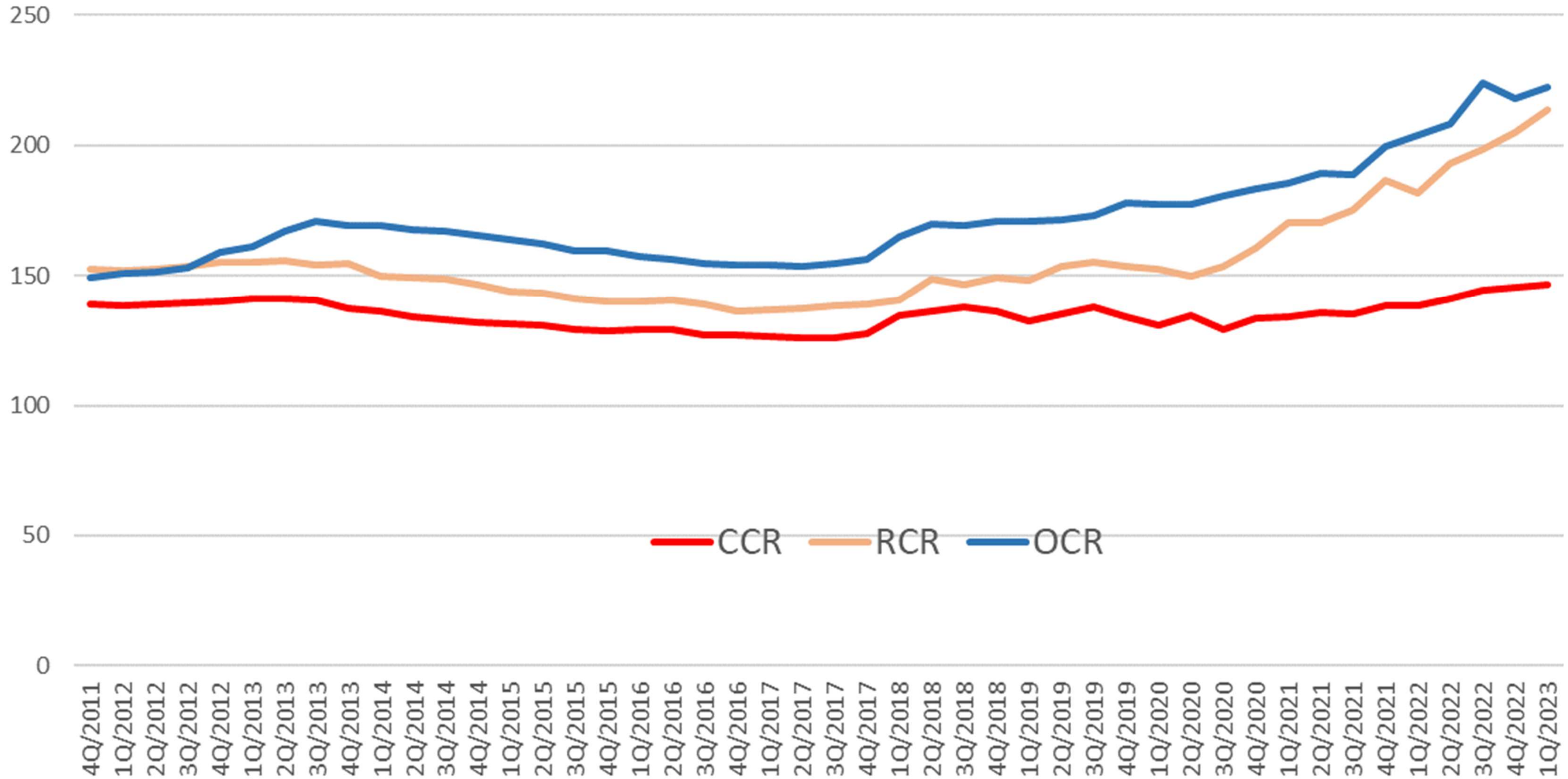




# The changing price gap in the CCR, RCR, and OCR



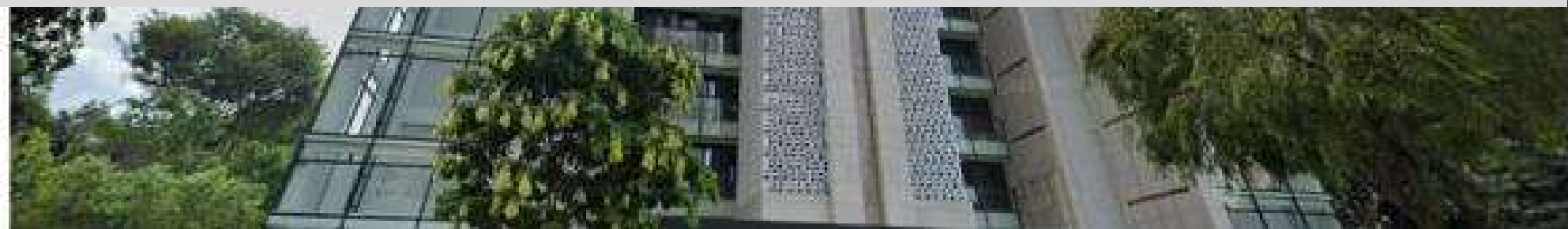
## Price Indices of Non-Landed Private Residential Properties by Region (4Q/2011 - 1Q/2023)



Source: URA quarterly real estate statistics

## Values tumble for high-end condos sold during 2013 property peak; analysts warn about buying high

“(Singapore) prime prices continued to lag behind the overall growth of 8.6 per cent for Singapore private residential properties, as well as behind the average increase of 5.2 per cent across residential cities.”



# What's killing the demand of CCR condos?

Profile of Buyer/ABSD Rates	12 Jan 2013 - 5 Jul 2018	6 Jul 2018 - 15 Dec 2021	16 Dec 2021 - 26 Apr 2023	From 27 Apr 2023
SC buying 1st residential property	n/a	n/a	n/a	n/a
SC buying 2nd residential property	7%	12%	17%	20%
SC buying 3rd and subsequent residential property	10%	15%	25%	30%
SPR buying 1st residential property	5%	5%	5%	5%
SPR buying 2nd residential property	10%	15%	25%	30%
SPR buying 3rd and subsequent residential propert	10%	15%	30%	35%
Foreigners buying any residential property	15%	20%	30%	60%
Entities buying any residential property	15%	25%	35%	65%
Trustee buying any residential property				65%

Source: Inland Revenue Authority of Singapore

## District 10 freehold condo offers discounts to offload stock before ABSD deadline





## Singapore developers dangle discounts to move sales of some upmarket condos

Median prices of primary CCR homes have risen by a more gradual pace of 3.9 per cent since end-2021, compared to 29 per cent and 17 per cent for the RCR and OCR, respectively.



An aerial photograph of a city skyline, likely New York City, featuring numerous skyscrapers and buildings. The sky is filled with large, white, fluffy clouds. A semi-transparent blue rounded rectangle is overlaid in the center of the image, containing the text '04 Good Deals In Market' in white. The text is centered within the rectangle, with '04' on the top line and 'Good Deals In Market' on the bottom line.

04  
Good Deals In Market

New Project	Special Offer
Royalgreen	<ul style="list-style-type: none"> <li>• 100% absorption of BSD</li> <li>• Up to \$110,000 discount for selected units</li> <li>• \$65,000 BSD discount plus a \$45,000 furniture or \$70,000 BSD discount</li> </ul>
Hyll on Holland	<ul style="list-style-type: none"> <li>• \$10,000 to \$20,000 discount for selected two-bedders</li> </ul>
Juniper Hill	<ul style="list-style-type: none"> <li>• 5% discount plus an \$88,000 “Fortune Hong Bao”</li> </ul>
Haus on Handy	<ul style="list-style-type: none"> <li>• Discount of more than \$100,000</li> </ul>
One Draycott	<ul style="list-style-type: none"> <li>• From \$2.7 million to \$2.2 million (18.6% discount)</li> </ul>
The Atelier	<ul style="list-style-type: none"> <li>• 7% discount</li> </ul>
Avenir	<ul style="list-style-type: none"> <li>• Savings of up to \$366,000 for one-bedroom units</li> </ul>
Klimt Cairnhill	<ul style="list-style-type: none"> <li>• 6% discount</li> </ul>
Neu at Novena	<ul style="list-style-type: none"> <li>• 10% discount</li> </ul>
One Bernam, The Liliun and The Gazania, Pullman Residences, Leedon Green	

# Developer ABSD Deadlines: The Ultimate Guide to Potential Fire Sales Condos in Singapore (2023)

<https://www.propertyguru.com.sg/property-guides/fire-sale-absd-condos-singapore-29739>



by PropertyGuru Editorial Team

Last updated 18 May 2023 • 7 min read

First Home Buyers



Project name	Estimated ABSD deadline	Total number of unsold units	District	Region	Street name
Cuscaden Reserve	Q3 2023	182	10	Orchard	Leedon Heights
Amber Sea	Q4 2023	132	15	Marine Parade	Makeway Avenue
Midtown Bay	Q3 2023	118	7	Downtown Core	Cairnhill Rise
19 Nassim	Q2 2023	95	10	Tanglin	Dunearn Road
Leedon Green	Q3 2023	80	10	Bukit Timah	Pearl Bank
The Atelier	Q3 2023	79	9	Novena	Grange Road
Residential apartments	Q4 2023	75	9	Newton	Arthur Road
Pullman Residences Newton	Q3 2023	73	11	Novena	Holland Village Way
One Pearl Bank	Q4 2023	55	3	Outram	Balmeg Hill
Grange 1866	Q4 2023	48	10	River Valley	Belgravia Drive
LIV @ MB	Q3 2023	43	15	Marine Parade	Cairnhill Rise
One Holland Village Residences	Q4 2023	34	10	Queenstown	Jalan Lempeng
Sunstone Hill	Q1 2023	28	5	Queenstown	Brookvale Drive

Source: DataSense (accurate as of 4 May 2023)

[Share Insights](#)



# Questions you should ask

It may still be overpriced even after discount.

If developers can slash prices disregarding early bird buyers who paid higher prices, will they give deeper discounts later?

Are there better offers from early bird buyers who would rather cut loss now than to bear high interest, higher property tax and lower transaction prices?

Return Month	Units sold in Feb	Units returned in Mar	Units sold in Mar	Units returned in Apr
Pullman Residences	38	12	21	3
Leedon Green	21	9	26	5

## 32 condo units sold at a loss in April 2023, the biggest at S\$4.65m

May 18, 2023 · 9 min read · by Virginia Tanggono

<https://www.99.co/singapore/insider/condo-units-sold-loss-april-2023/>



# Why buy CCR private homes now

- In this region, only Singapore tax foreigners buying homes
- Buy where locals won't buy for their own stay
- Less competition and more bargaining power
- Provide better value-for money compared with RCR and OCR
- High quality projects in good districts can always preserve their value
- A good neighborhood has better resident and tenant profile

# Definition of CCR (Core Central Region)

Postal District	Area
9	Orchard, Somerset, River Valley
10	Tanglin, Bukit Timah, Holland
11	Newton, Novena, Dunearn, Watten
1 (Part)	Boat Quay, Raffles Place, Marina Downtown, Suntec City
2 (Part)	Shenton Way, Tanjong Pagar
4 (Part)	Sentosa
6 (Part)	City Hall
7 (Part)	Bugis

# “Fake” luxury homes

- Luxury homes has nothing to do with award-winning design, luxurious interior, comprehensive facilities or smart home technologies
- Second-class homes built in prime districts that the rich stay
- So-called luxury homes in questionable location surrounded by mass market condos or HDB flats
- Areas that the rich won't move there



## 24-year-old man who rented condo units to be used as brothels jailed, fined



By DARYL CHOO

Published JANUARY 07, 2021

Updated JANUARY 07, 2021

90 SHARES





05

# Project Evaluation



## Top median rentals of projects by district in last one month

PROJECT NAME/ STREET NAME	PROPERTY TYPE	LOWEST RENT (\$)	MEDIAN RENT (\$)	HIGHEST RENT (\$)	NO. OF TRANS- ACTIONS	MEDIAN RENT PSF (\$)	MEDIAN RENTAL YIELD (%)
<b>District 1</b>							
Marina Bay Residences	Condo	5,300	8,050	20,000	18	7.90	4.10
Marina One Residences	Apt	4,800	5,550	14,000	36	7.70	4.00
One Shenton	Apt	3,200	4,600	25,000	20	7.70	4.20
The Clift	Apt	4,200	4,600	6,200	20	7.90	4.65
The Sail @ Marina Bay	Apt	3,300	6,000	14,000	43	7.20	4.40
V On Shenton	Apt	3,700	5,500	26,000	23	7.30	3.90
<b>District 2</b>							
Altez	Apt	4,500	6,000	10,000	20	7.50	4.40
Icon	Apt	3,800	4,700	8,200	29	6.90	4.60
Skysuites@Anson	Apt	3,500	5,300	7,700	24	8.40	5.00
Spottiswoode Residences	Condo	3,500	5,500	12,500	19	6.10	3.20
<b>District 3</b>							
Commonwealth Towers	Condo	3,500	4,200	8,000	17	8.30	4.20
Echelon	Condo	3,800	5,700	9,100	21	7.30	3.90
Principal Garden	Condo	4,000	5,300	7,600	18	7.20	4.00
Queens Peak	Condo	3,500	4,500	9,250	21	8.90	4.00
The Anchorage	Condo	4,000	5,900	7,500	16	4.00	2.60
<b>District 4</b>							
Caribbean At Keppel Bay	Condo	5,300	7,675	14,000	22	6.20	4.20
Reflections At Keppel Bay	Condo	5,200	7,575	14,000	26	6.00	3.80
The Interlace	Condo	4,800	6,100	11,500	16	5.20	4.00
<b>District 5</b>							
Parc Riviera	Condo	3,250	4,000	6,000	20	6.20	4.80
SeaHill	Condo	2,600	3,800	5,000	17	5.80	4.40
The Parc Condominium	Condo	2,600	5,950	7,500	16	4.60	3.50
The Rochester Residences	Apt	4,200	6,500	8,800	16	4.80	3.90
<b>District 7</b>							
Duo Residences	Apt	4,000	5,300	12,000	29	7.70	4.20
<b>District 8</b>							
City Square Residences	Condo	3,000	5,300	7,000	37	4.90	3.20
Citylights	Condo	4,000	4,300	7,500	17	6.20	4.00
<b>District 9</b>							
Aspen Heights	Condo	4,000	7,000	8,300	15	5.00	2.90
Cairnhill Nine	Apt	5,800	6,600	8,900	20	8.60	3.70
QUE Twin Peaks	Condo	4,100	5,000	14,350	16	9.10	4.20
The Scotts Tower	Condo	3,600	5,200	7,500	19	7.20	4.00
<b>District 10</b>							
120 Grange	Apt	4,900	5,400	5,800	15	8.90	3.20
D'Leedon	Condo	3,500	5,100	13,500	35	5.90	3.80
Fourth Avenue Residences	Apt	3,500	5,000	8,400	23	8.00	3.60



An aerial photograph of a city skyline, likely New York City, featuring numerous skyscrapers and buildings. The sky is filled with large, white, fluffy clouds. A semi-transparent blue rounded rectangle is overlaid in the center of the image, containing white text.

*Group Discussion*

Good projects in good districts

vs

Bad projects in good districts



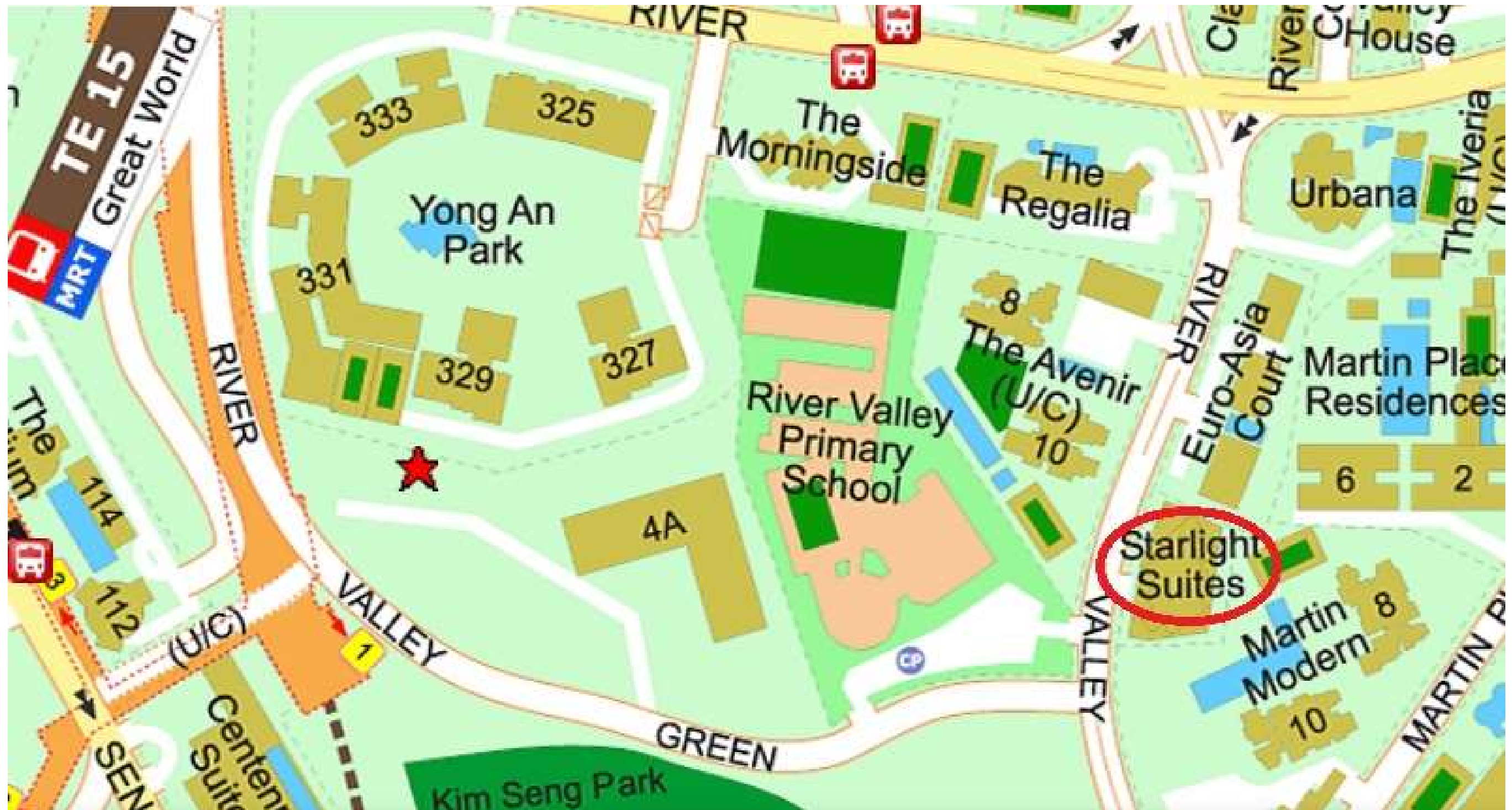
# Exercise

1. Go to [Propertyguru.com.sg](https://www.propertyguru.com.sg)
2. Condo search by District 1, 2 or 9
3. Studio and 1-bedroom
4. Floor size minimum 500 sq ft
5. Psf price maximum \$2,500
6. Build year minimum 2013
7. Floor level (low, mid, high)
8. Sort by psf price (low to high)

# Exercise

1. Check latest transactions
2. Find location in Google and Streetdirectory
3. Go 99.co check project details
4. Check unit mix
5. Read sitemap
6. Study layout plan
7. Check reviews in Propertyguru and Google

# Starlight Suites



<b>Address</b>	11 River Valley Close 238437 <a href="#">View on map</a>	<b>District</b>	D09
<b>Neighbourhood</b>	River Valley	<b>Property type</b>	Condo
<b>Project size</b>	Small (105 units)	<b>Built year</b>	2015 (8 years)
<b>Tenure</b>	Freehold	<b>Units</b>	105
<b>Blocks</b>	1	<b>Floors</b>	34
<b>Bedrooms</b>	1, 2, 3, 4	<b>Developer</b>	Meadows Property (Singapore) Pte Ltd

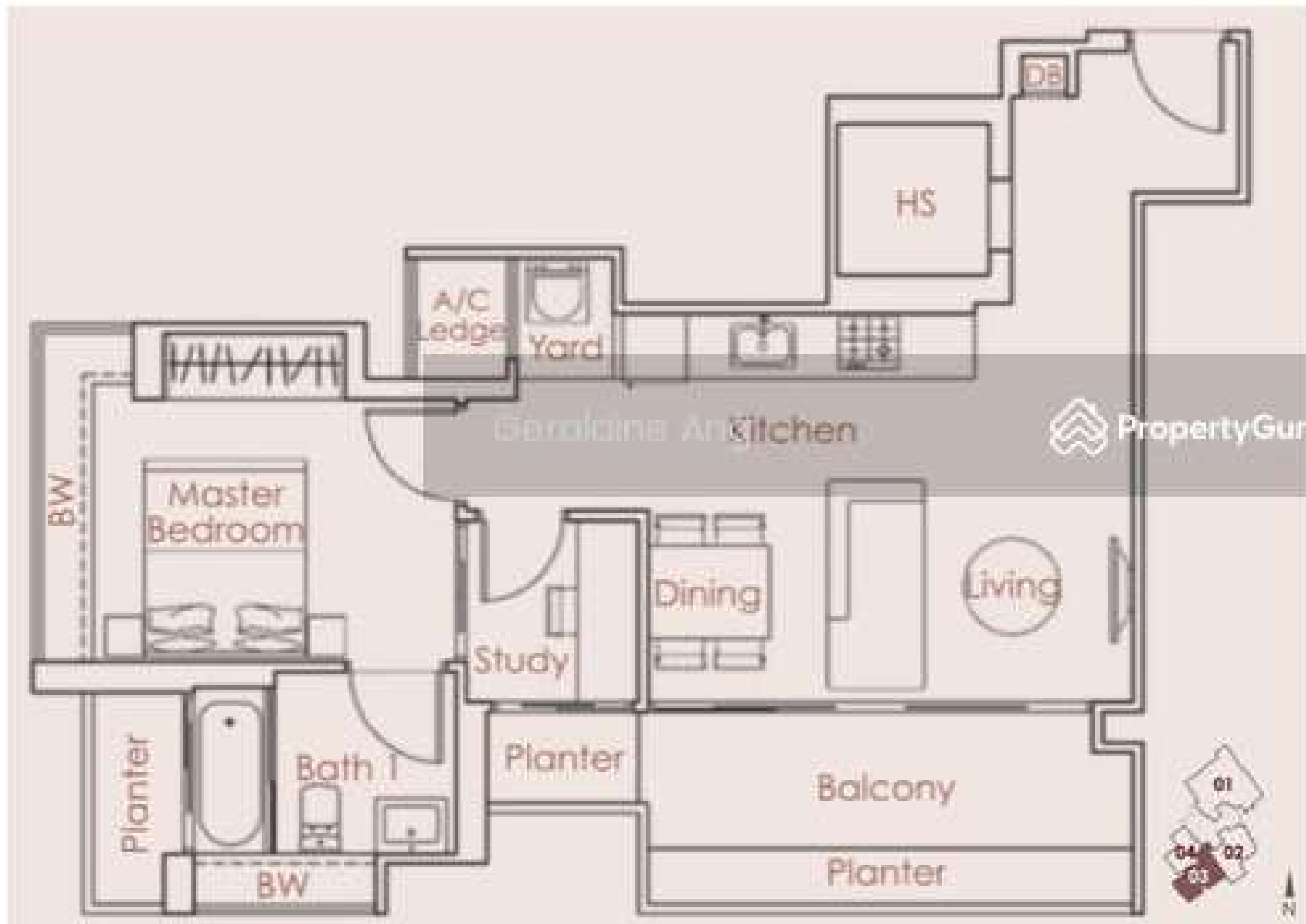
Bedroom type	Area (sq ft)	No. of units	Floorplan
1 room	0 - 560	25	<a href="#">3 floorplans</a>
1+1 room	775 - 1163	51	<a href="#">4 floorplans</a>
2 room	1076 - 1259	14	<a href="#">2 floorplans</a>
3 room penthouse	2949 - 2949	1	<a href="#">1 floorplans</a>
3+1 room	1615 - 1615	13	<a href="#">1 floorplans</a>
4 room penthouse	3401 - 3401	1	<a href="#">1 floorplans</a>

### Type A1 (1+1-Bedroom)

Unit #07-03 to #14-03 & #16-03 to #31-03

Area 775 sq ft / 72 sq m

(Inclusive of a/c ledge, bay window (BW), balcony & planter)



# **Cheap properties are cheap for a reason**

- Run-down development
- Walk-up apartments
- Cluster housing/Townhouses
- Penthouses



# Buying auction and repossessed properties

- Auction properties
  - Residential, commercial and industrial properties
  - Owner's Sale, Mortgagee/Bank Sale, Sheriff's Sale, Estate Sale, Trustee Sale, MCST Sale
  - Selling at Open Market Value rather than bargain price
  - Reserve price or Forced Sale Value is kept confidential
  - Successful bidder pays 10 percent deposit at the auction
- Arrangement before and after the auction
- Terms and conditions are fixed in contracts

# Singapore auction houses

- Knight Frank
  - <https://www.knightfrank.com.sg/auction>
- Edmund Tie
  - <https://www.etcsea.com/services/agency-services/auction-sales>
- SRI
  - <https://www.auction.sri.sg>
- ERA
  - <https://www.era.com.sg/auction>
- Huttons
  - <https://sgp.sg/huttons-auction>

# Negotiation skills for homebuyers

- Good negotiators have high IQ and EQ
- Offer to the right target at the right time
- Negotiation favors the prepared
- Find the “major unknown factor”
- Learn how to deal with rejections and negativity
- Be prepared to walk away

# The taxation game

- Decoupling
  - Transfer by way of gift
  - Transfer by way of part sale
- Profit from sale of property taxable?
  - Income Tax Act
  - Document intention
  - Evidences of intention



# Buy The Right Condos

A workshop by Property Club Singapore

