

A photograph of a red building facade with white architectural details. A string of colorful lanterns (red, yellow, and orange) hangs across the upper part of the image. The lanterns have Chinese characters on them. The building has white columns and arched windows with shutters.

# 2023 Mid-Year Singapore Property Review and Outlook

An education seminar by Property Club Singapore

05 August 2023



## Agenda

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- What did the latest URA/HDB/JTC real estate statistics tell us?
- Is there any en bloc potential in selected older projects?
- Are there any bright spot(s) in Singapore's Master Plan?
- What are the risks and opportunities in commercial properties?
- Should investors keep an eye on some overseas markets?
- ANY OTHER BUSINESS

## Tesla and Unions and China, Oh My!



Reuters Auto File <autofile@thomsonreuters.com>  
To sku@ipa.com.sg

If there are problems with how this message is displayed, click here to view it in a web browser.

Greetings from the Motor City!

The summer earnings season is well underway – we had Tesla on Wednesday. GM, Ford, Stellantis and Mercedes among others are reporting next week.

What are we learning about the auto industry's outlook for the rest of the year? Here's what Elon Musk said: "One day it seems like the world economy is falling apart, next day it's fine. I don't know what the hell is going on."

Other auto industry CEOs won't be that colorful. But Musk is so they don't have to be. We'll dig deeper into what Musk had to say, and much more. Have a great weekend!

Today -

- 
- Tesla's pursuit of growth rattles investors
- Can U.S. subsidies turn dead batteries into gold?
- The UAW, Washington and 2024

Year	Population ('000)					Annual Difference ('000)			Private Residential Units		EC Units		Public Residential Units		Total Housing Units
	Total	Singapore Residents	Non-Residents	of which PR	Singapore Citizens	Total	Singapore Residents	Non-Residents	Available Units <sup>^</sup>	Annual Difference	Available Units <sup>^</sup>	Annual Difference	Available Units <sup>#</sup>	Annual Difference	Annual Difference
2000	4,027.9	3,273.4	754.5	287.5	2,985.9	69.2	43.7	25.5	190,190	10,896	3,480	1,884	828,148	32,327	45,107
2001	4,138.0	3,325.9	812.1			110.1	52.5	57.6	194,984	4,794	6,788	3,308	849,422	21,274	29,376
2002	4,176.0	3,382.9	793.0			37.9	57.0	(19.1)	201,776	6,792	6,788	0	862,198	12,776	19,568
2003	4,114.8	3,366.9	747.9			n.a.*	n.a.*	(45.1)	207,857	6,081	7,536	748	868,774	6,576	13,405
2004	4,166.7	3,413.3	753.4	356.2	3,057.1	51.8	46.4	5.5	216,787	8,930	8,168	632	875,887	7,113	16,675
2005	4,265.8	3,467.8	797.9	386.8	3,081.0	99.1	54.5	44.5	225,432	8,645	9,527	1,359	879,566	3,679	13,683
2006	4,401.4	3,525.9	875.5	418.0	3,107.9	135.6	58.1	77.6	230,752	5,320	9,527	0	879,092	-474	4,846
2007	4,588.6	3,583.1	1,005.5	449.2	3,133.9	187.2	57.2	130.0	233,143	2,391	9,986	459	878,813	-279	2,571
2008	4,839.4	3,642.7	1,196.7	478.2	3,164.5	250.8	59.6	191.2	237,664	4,521	10,430	444	885,140	6,327	11,292
2009	4,987.6	3,733.9	1,253.7	533.2	3,200.7	148.2	91.2	57.0	245,864	8,200	10,430	0	883,896	-1,244	6,956
2010	5,076.7	3,771.7	1,305.0	541.0	3,230.7	89.2	37.8	51.3	254,334	8,470	10,430	0	890,212	6,316	14,786
2011	5,183.7	3,789.3	1,394.4	532.0	3,257.3	107.0	17.5	89.4	262,162	7,828	10,430	0	901,971	11,759	19,587
2012	5,312.4	3,818.2	1,494.2	533.1	3,285.1	128.7	29.0	99.8	273,050	10,888	10,430	0	916,842	14,871	25,759
2013	5,399.2	3,844.8	1,554.4	531.2	3,313.6	86.7	26.5	60.2	282,528	9,478	10,430	0	924,729	7,887	17,365
2014	5,469.7	3,870.7	1,599.0	527.7	3,343.0	70.6	26.0	44.6	297,998	15,470	13,448	3,018	940,871	16,142	34,630
2015	5,535.0	3,902.7	1,632.3	527.7	3,375.0	65.3	32.0	33.3	318,524	20,526	16,904	3,456	968,856	27,985	51,967
2016	5,607.3	3,933.6	1,673.7	524.6	3,409.0	72.3	30.9	41.4	338,728	20,204	21,384	4,480	992,472	23,616	48,300
2017	5,612.3	3,965.8	1,646.5	526.6	3,439.2	5.0	32.2	(27.3)	356,116	17,388	26,297	4,913	1,017,335	24,863	47,164
2018	5,638.7	3,994.3	1,644.4	522.3	3,472.0	26.4	28.5	(2.1)	366,743	10,627	31,566	5,269	1,047,350	30,015	45,911
2019	5,703.6	4,026.2	1,677.4	525.3	3,500.9	64.9	31.9	33.0	371,807	5,064	32,925	1,359	1,062,350	15,000	21,423
2020	5,685.8	4,044.2	1,641.6	521.0	3,523.2	(17.8)	18.0	(35.8)	374,752	2,945	33,456	531	1,074,667	12,317	15,793
2021	5,453.6	3,986.8	1,466.7	488.7	3,498.2	(232.2)	(57.4)	(174.9)	379,462	4,710	34,084	628	1,082,893	8,226	13,564
2022	5,637.0	4,073.2	1,563.8	519.5	3,553.7	183.4	86.4	97.1	385,529	6,067	34,084	0	1,096,380	13,487	19,554

\* Point of note: according to the Department of Statistics the "Resident population data for 2003 to 2007 were revised with effect from February 2008 to exclude Singapore residents (citizens and permanent residents) who have been away from Singapore for a continuous period of 12 months or longer as at the reference period. The population data prior to 2003 were not revised. Therefore, the annual difference for 2003 cannot be obtained by subtracting the unrevised 2002 figures from the revised 2003 figures, as reported in Table 1." For this reason, the population decline figure here refer only to the non-resident population which includes holders of permits and employment passes.

# includes rental flats managed by HDB. Figures obtained from HDB Annual Reports for years ending 31 March.

^ based on URA quarterly reports for 2nd Quarter of each year, in line with population estimates as at 30 June. EC figures for 1999 and 2000 are estimated.

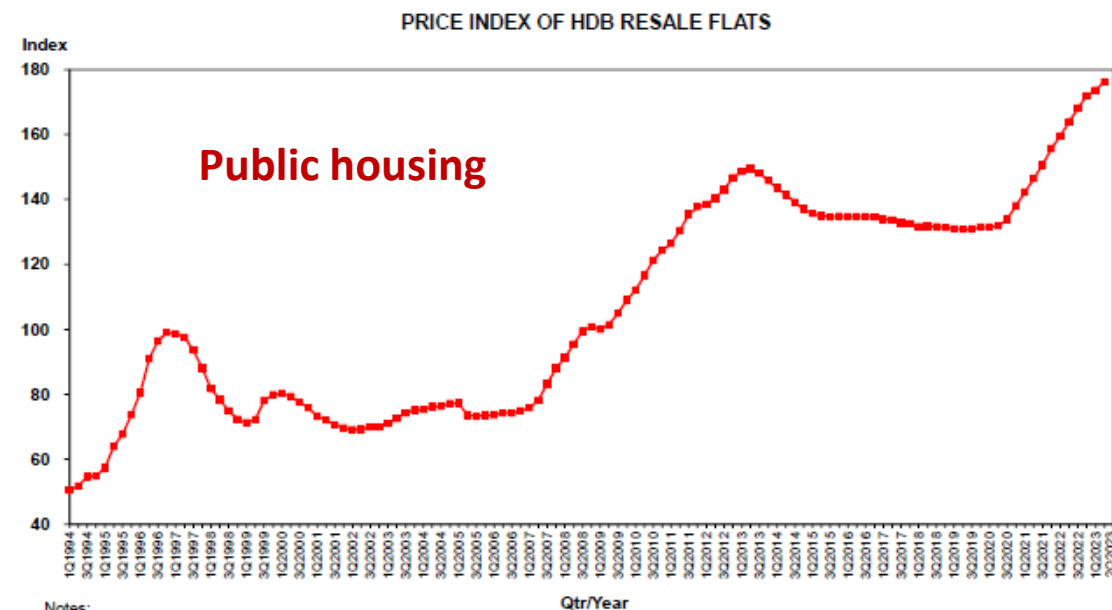
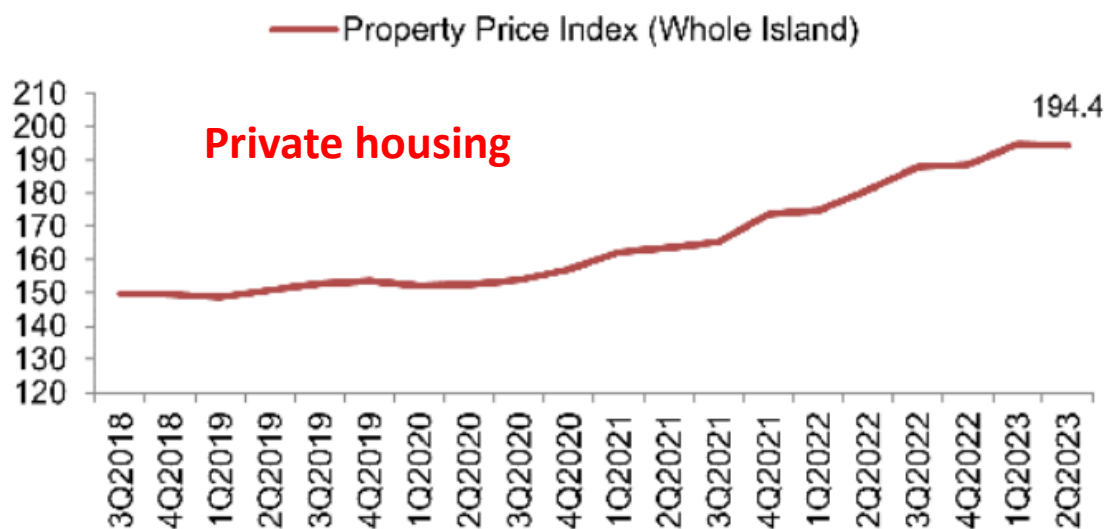
Sources: SingStat, URA, HDB, International Property Advisor

# Latest URA/HDB statistics

## Prices and Rentals

Prices of private residential properties declined by 0.2% in 2nd Quarter 2023 following a 3.3% gain in the previous quarter.

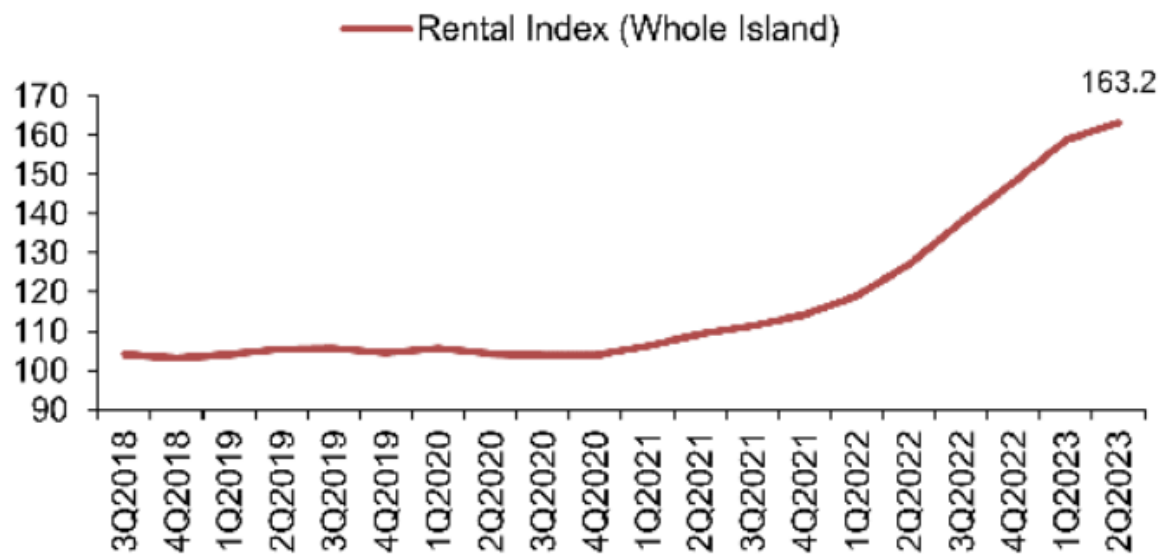
## Property Price Index of private residential properties



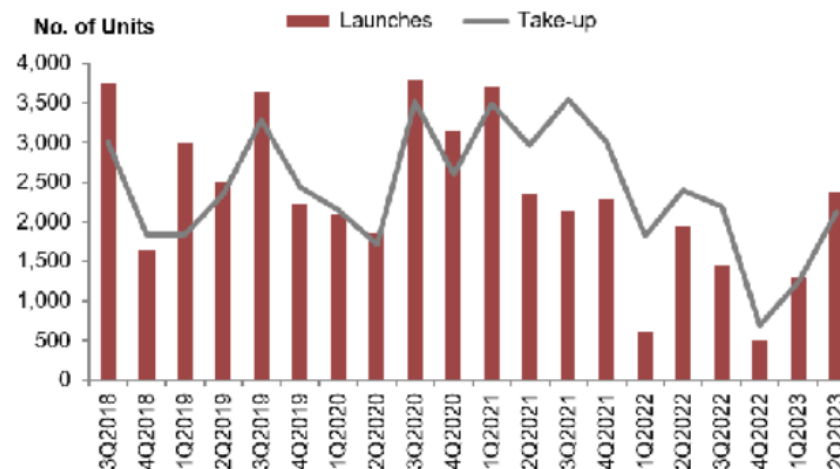
Notes:  
1) 1Q2009 is adopted as the new base period with index at 100.  
2) The index from 1Q1990 to 3Q2014 is rebased to the new base period at 1Q2009.  
3) The index from 4Q2014 onwards is computed using the stratified hedonic regression method.

# Latest URA/HDB statistics

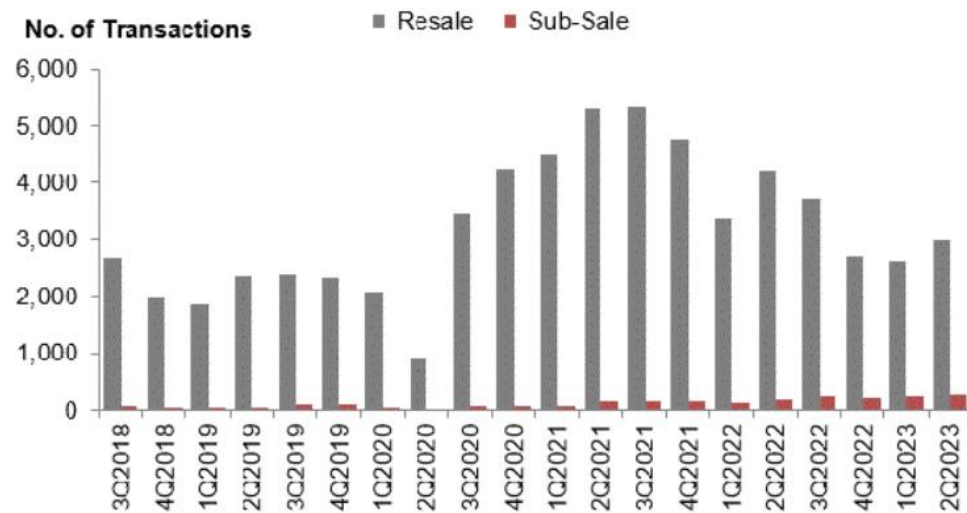
Rental Index of private residential properties



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



Number of resale and sub-sale transactions for private residential units (excluding ECs)



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# Snap Insight: Latest round of Singapore property cooling measures perplexing in sluggish economy

Higher mortgage rates, property tax and inflation have already caused home buyers and investors to hold back – so why another round of cooling measures? Real estate consultant Ku Swee Yong weighs in.



Ku Swee Yong


27 Apr 2023 02:28PM

(Updated: 28 Apr 2023 10:06AM)

Source: <https://www.channelnewsasia.com/commentary/snap-insight-absd-property-cooling-measures-affordability-3448136>


# Tikam tikam for en blocs?

## En Bloc Calculator

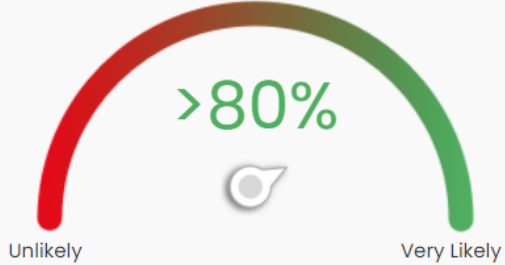


### Is my condo En Bloc-able?

Find out if your condo will be the next En Bloc.


 

Methodology: The Edge Property constructed a logit model logit model to determine the probability a condominium would be put up for collective sale. You can also read about the 10 condos we think have high en-bloc potential.



**>80%**

Unlikely Very Likely



**SPANISH VILLAGE**  
Number of units: 226 / Age: 36

[Buy](#) [Sell](#) [Rent](#) [Review](#)

Source: <https://www.edgeprop.sg/en-bloc>



# Tikam tikam for en blocs?



Is this a good price for en bloc?



## Spanish Village

♡ Shortlist ↻ Share 🗨 Hide 📧 Report

64 Farrer Road Tanglin / Holland / Bukit Timah (D10) [See on Map](#)

🚶 6 mins (450 m) from CC20 Farrer Road MRT

Condominium

**S\$ 4,530,000**

Est. Repayment S\$ 16,220 / mo

[Get Pre-Approved Now >](#)



3 bed



3 bath



2,056 sqft



S\$ 2,203 psf

Source: <https://www.propertyguru.com.sg/listing/for-sale-spanish-village-24506196>

The background features several rolled-up architectural blueprints resting on a light-colored wooden surface. The blueprints are partially unrolled, revealing technical drawings with various lines, dimensions, and annotations. Some visible numbers include 2650, 5940, 810, 820, 2180, 740, 970, 1385, 990, 830, 40, 1030, 1480, 890, 2560, 2810, 150, 1780, 380, 880, 155, 270, 425, 1125, 350, 135, 3100, 1010, 200, and 395. There are also circled numbers 5, 6, and 3 on the blueprints. The overall scene is brightly lit, creating a professional and technical atmosphere.

What does Master Plan 2019 say?

## Exhibition Series

Before the launch of the main Draft Master Plan 2019 exhibition in March 2019, a series of smaller public exhibitions were held between 2016 and 2018 to showcase our proposals and ideas for:

1. Our growth centres at Jurong Lake District and Punggol Digital District;
2. New housing precincts at Kampong Bugis, Bayshore and Holland Plain;
3. Rejuvenation plans for Kallang River and Rail Corridor;
4. New planning frontiers in underground space and urban logistics; and
5. Draft proposals for Orchard Road



*Jurong Lake District exhibition at Westgate (Sep 2017)*

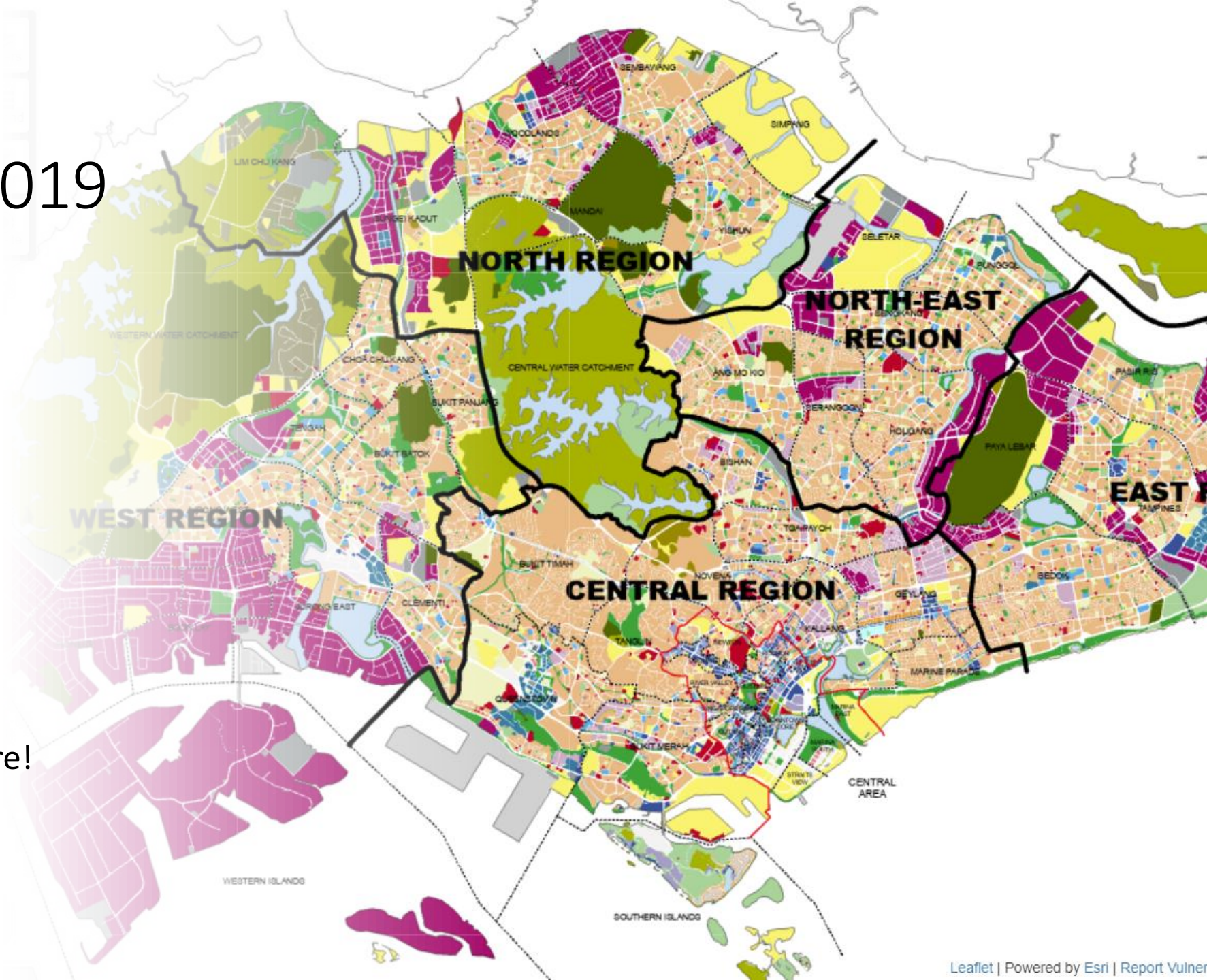
Source: <https://www.ur.gov.sg/Corporate/Planning/Master-Plan/Introduction>



*Exhibition on 'Orchard Road' (30 Jan – 13 Feb 2019)*

# Master Plan 2019

- Car-lite!
- Connectivity!
- Green future!
- Good schools!
- Innovation!
- Waterfront!
- Live, work, play!
- Everything for everybody!
- Buy everything, buy everywhere!



# Commercial/industrial no ABSD!

THE AUSTRALIAN 

THE BUSINESS TIMES

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## Manulife US Reit's manager 'surprised' by deep decline in valuations; breach of covenants may affect H1 distribution



Raphael Lim, Vivienne Tay

Published Tue, Jul 18, 2023 · 2:11 pm

THE BUSINESS TIMES



SUB

## Swedish landlord SBB enters into talks with bondholders; net loss widens

Published Fri, Jul 14, 2023 · 3:13 pm



World Business Markets Sustainability Legal Breakingviews Technology Invest

Europe

## Commercial real estate loans in core Europe face \$55 bln funding gap, report says

By Chiara Elisei

April 25, 2023 4:04 PM GMT+8 · Updated 3 months ago



### BREAKING NEWS

02:28 PM India regulator proposal to cur derivatives tra

01:52 PM Chocolate crav going to get mo expensive to sa

01:34 PM Affordable apa coming to the t



## Non-banks in firing line after lending spree

The rise of non-bank financiers that have lent aggressively to developers will see this new group, rather than major banks, bear the brunt of problems in commercial property.

# Non-residential segments 2Q2023

1mil sqft ≈ 1 VivoCity

	Vacant floor space [sqft] (Vacancy Rate)	Available floor space [sqft]	Upcoming Supply [sqft] (% of available floor space)
<b>Office</b>	9,386,210 (10.8%)	87,048,470	9,978,230 (11.5%)
<b>Retail</b>	5,037,550 (7.5%)	67,587,160	4,757,690 (7.0%)
<b>All Industrial</b>	61,871,470 (10.9%)	565,056,180	38,890,330 (6.9%)
- Multiple User Factory	13,368,890 (10.1%)	132,730,880	8,245,220 (6.2%)
- Single User Factory	32,152,070 (11.4%)	281,166,440	19,321,380 (6.9%)
- Business Park	5,016,020 (19.4%)	25,908,950	4,520,880 (17.4%)
- Warehouse	11,334,490 (9.0%)	125,249,900	6,792,080 (5.4%)

Source: URA, JTC, IPA

# ORCHARD TOWERS

## 400 ORCHARD ROAD / 1 CLAYMORE DRIVE

**3 years Lease  
1.5 months  
Commission**

**(OFFICE – Front & Rear Block)**



### Description:

Orchard Towers is a prime commercial property located at the junction of Orchard Road and Claymore Road.

Two Towers of offices with retail, dining and services available.

### Nearest MRT:

- Orchard MRT

LEVEL	FLOOR AREA (sqft)	UNIT CONDITION	AVAILABILITY	ASKING RENT RATE (psf)
<b>OFFICE (FRONT BLOCK)</b>				
# 05	From 347.0 to 635.0	Bare / Fitted with central aircon	Immediate	S\$ 4.50
# 06	From 210.0, 312.0 to 721.0			
# 08	520.0 and 2,488.0			
# 12	918.0			
# 14	From 1,936.0 to 6,236.0			
# 18	2,630.0			
# 19	From 398.0 to 1,690.0			
# 24	From 3,241.0 to 6,492.0			
<b>OFFICE (REAR BLOCK)</b>				
#08	From 603.0 to 3,261.0	Bare / Fitted with individual aircon	Immediate	S\$ 4.50

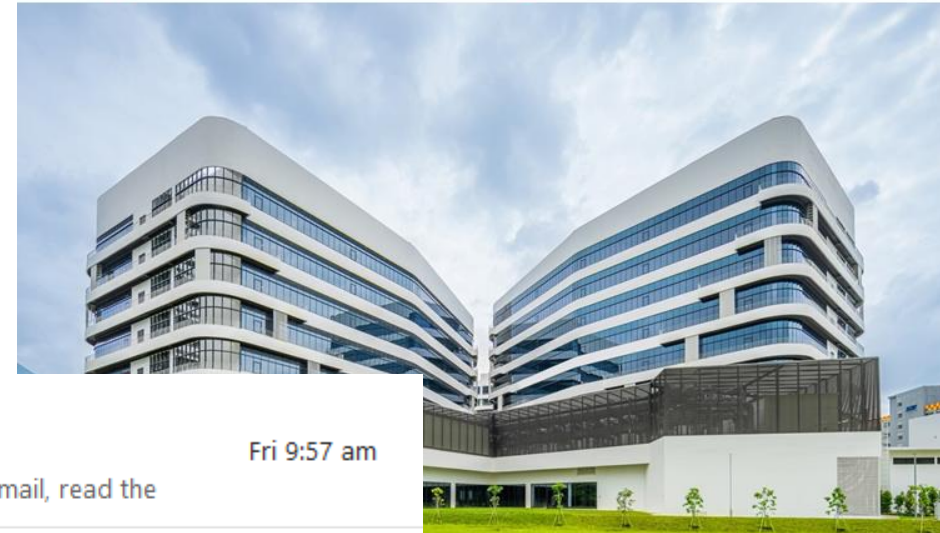
Name : Toh Hui Ping (Ms)  
DID : 6808 8831  
Email : huiping.toh@hiaphoe.com



Tai Seng Exchange (TSX)  
Singapore | July 2023

## Tai Seng Exchange (TSX) For Lease

**Special commission arrangement - 2.xx months**



### JLL Marketing (Asia Pacific)

For Lease - 16 Science Park Drive  
If you are having trouble reading this email, read the

Fri 9:57 am

### JLL Marketing (Asia Pacific)

For Lease Fully Fitted Space - 1 Depot Close  
If you are having trouble reading this email, read the

Fri 9:44 am

### JLL Marketing (Asia Pacific)

For Lease - Tai Seng Exchange (TSX)  
If you are having trouble reading this email, read the

Fri 9:31 am



Singapore

# Singapore's key exports fall by 15.5% in ninth consecutive month of contraction



Source: <https://www.channelnewsasia.com/singapore/nodx-june-2023-ninth-consecutive-month-contraction-3633231>

Issue 1096: Where have all the unicorns gone?, here

Home > News > Singapore economy

## SINGAPORE ECONOMY

### Singapore's manufacturing output down by 4.9% in June with most clusters in the red



Felicia Tan

Wed, Jul 26, 2023 · 01:00 PM GMT+08 · a day ago · 2 min read



Source: <https://www.theedgesingapore.com/news/singapore-economy/singapores-manufacturing-output-down-49-june-most-clusters-red>

### Singapore PMI and Electronics Sector PMI by Month/Year



Singapore PMI and Electronics Sector PMI 1999 - June 2023

Source: <https://pmi.sipmm.edu.sg/>

## SINGAPORE INDUSTRIAL PROPERTIES

As at Second Quarter 2023

### Stock & Occupancy

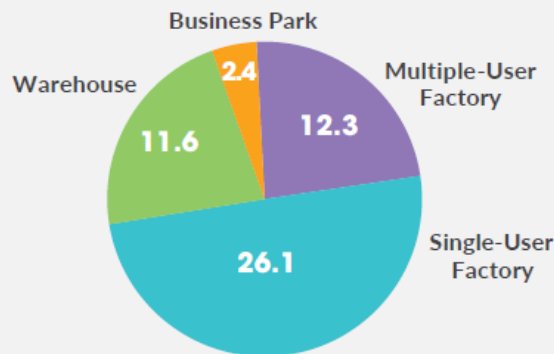


**89.1%**

Occupancy Rate

**▲ 0.3%-pt**  
Compared to Previous Qtr

**▼ 0.9%-pt**  
Compared to Previous Yr



\*Figures in chart are in mil sqm

### Rental

**▲ 2.1%**  
Compared to Previous Qtr

**▲ 9.4%**  
Compared to Previous Yr

### Price

**▲ 1.5%**  
Compared to Previous Qtr

**▲ 6.9%**  
Compared to Previous Yr

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# Overseas markets?

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Malaysia

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Thailand

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Indonesia

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Philippines

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UK

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Australia

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Germany

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Italy

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USA

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Japan



# Basic investment principles

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Fixed deposit interest rates



Mortgage rates



Rental returns and NOI yield



Foreign exchange






Any other  
business!

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Work hard, and  
you will find  
value!

 SINGAPORE (EDGEPROP) - A three-bedroom unit at Seascape in [Sentosa Cove](#) will be put up for auction on July 20 with a guide price of \$ 4.7 million. It is an owner's sale, says Mok Sze Sze, Singapore Realtors Inc's (SRI) managing partner for auctions, who is handling the sale.



The ground-floor unit spans 2,336 sq ft, which means the guide price works out to \$2,012 psf on the floor area. The unit enjoys direct sea views and a private lift lobby. It is currently tenanted until September 2024, with the owner looking to sell the property with the existing tenancy.



## Freehold retail podium at 183 Longhaus for sale at \$35.1 mil

By Atiqah Mokhtar / EdgeProp Singapore | July 19, 2023 9:01 PM SGT



2022 for \$38 mil (Picture: Samuel Isaac Chua/The Edge Singapore)

# Why are they exiting?

SINGAPORE (EDGEPROP) – The retail podium at 183 Longhaus, a freehold mixed-use development on Upper Thomson Road, is up for sale via an expression of interest (EOI) exercise. Comprising 10 shops and F&B units spanning a total strata area of 11,291 sq ft, the portfolio has a guide price of \$35.1 million or \$3,109 sq ft, says marketing agency Knight Frank Singapore.

183 Longhaus is a four-storey development by Amcorp Global (formerly Tee Land) that was completed in July 2019. It includes the retail podium as well as 40 residential units on the second to fourth floors. In March of last year, [Amcorp Global had put the retail podium up for sale through an EOI with a guide price of \\$38 million \(\\$3,366 psf\)](#).

Source: <https://www.edgeprop.sg/property-news/freehold-retail-podium-183-longhaus-sale-351-mil>

## Resale of four-bedder at The Grange sees \$3.85 mil profit

By Timothy Tay / EdgeProp Singapore | July 21, 2023 9:00 AM SGT

The media,  
the analysts,  
the agents...



Source: <https://www.edgeprop.sg/property-news/resale-four-bedder-grange-sees-385-mil-profit>

The 2,282 sq ft unit at The Grange fetched \$7.2 million (\$3,155 psf) on July 10.



# PRICE RECORD AT SINGAPORE'S SUNTEC CITY BROKEN FOR THIRD TIME IN FOUR MONTHS

2022/10/12 BY BEATRICE LAFORGA — LEAVE A COMMENT



Top floor with a view was sold for a record price in Suntec City (Getty In

## Records broken! 3 times!

Adding to the string of record-breaking deals in Singapore's Suntec City, a Thai investor is reportedly purchasing the top floor of one of the commercial complex's office towers for S\$39.7 million (\$27.6 million), an industry source confirmed to Mingtiandi.

Level 44 of Suntec Tower One has changed hands for about S\$3,850 per square foot to set the highest price unit of area ever recorded for a full floor in the Marina Square commercial complex, Mingtiandi understands. The reported transaction marks the third record-breaking deal in the development in the last four months.

Source: <https://www.mingtiandi.com/real-estate/projects/thai-buyer-sets-record-price-in-singapores-suntec-city-with-28m-top-floor-buy/>

# Strata office unit at Suntec City sold for \$11.5 mil

By Atiqah Mokhtar / EdgeProp Singapore | July 25, 2023 4:09 PM SGT

Get supporting data



Picture: Savills)

Latest Sales Transaction

Source: URA, <https://www.edgeprop.sg>

Latest 500

Date	Project Name	Address	Type of Sale	Area (sqft)	Type of Area	Price (\$/psf)	Price (\$)	Purchaser Address	Source
06 Jul 23	SUNTEC CITY	9 Temasek Boulevard #06-02	Resale	7,029	Strata	2,350	16,518,150		URA
03 Jul 23	SUNTEC CITY	7 Temasek Boulevard #08-02	Resale	4,037	Strata	2,850	11,502,600		URA
23 Jun 23	SUNTEC CITY	8 TEMASEK BOULEVARD #31-03	Resale	4,058	Strata	3,400	13,797,200		URA
26 May 23	SUNTEC CITY	9 Temasek Boulevard #06-01	Resale	4,349	Strata	2,890	12,568,610		URA
22 May 23	SUNTEC CITY	8 TEMASEK BOULEVARD #35-01	Resale	2,928	Strata	3,400	9,955,200		URA

Market Summary > Suntec Real Estate Investment Trust

1.29 SGD

-0.33 (-20.37%) ↓ past year

31 Jul, 4:08 pm SGT • Disclaimer


+ Follow

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	1.30	Mkt cap	3.73B	52-wk high	1.63
High	1.30	P/E ratio	14.38	52-wk low	1.25
Low	1.28	Div yield	5.06%		

Why not invest the \$11mil into this and collect 5% yield (which can be used to pay rent)?



**SUNTEC CITY, SINGAPORE**

- Total Net Lettable Area  
**2,169,890 sq ft<sup>1</sup>**
- Office  
**1,254,976 sq ft**
- Retail  
**914,914 sq ft<sup>1</sup>**

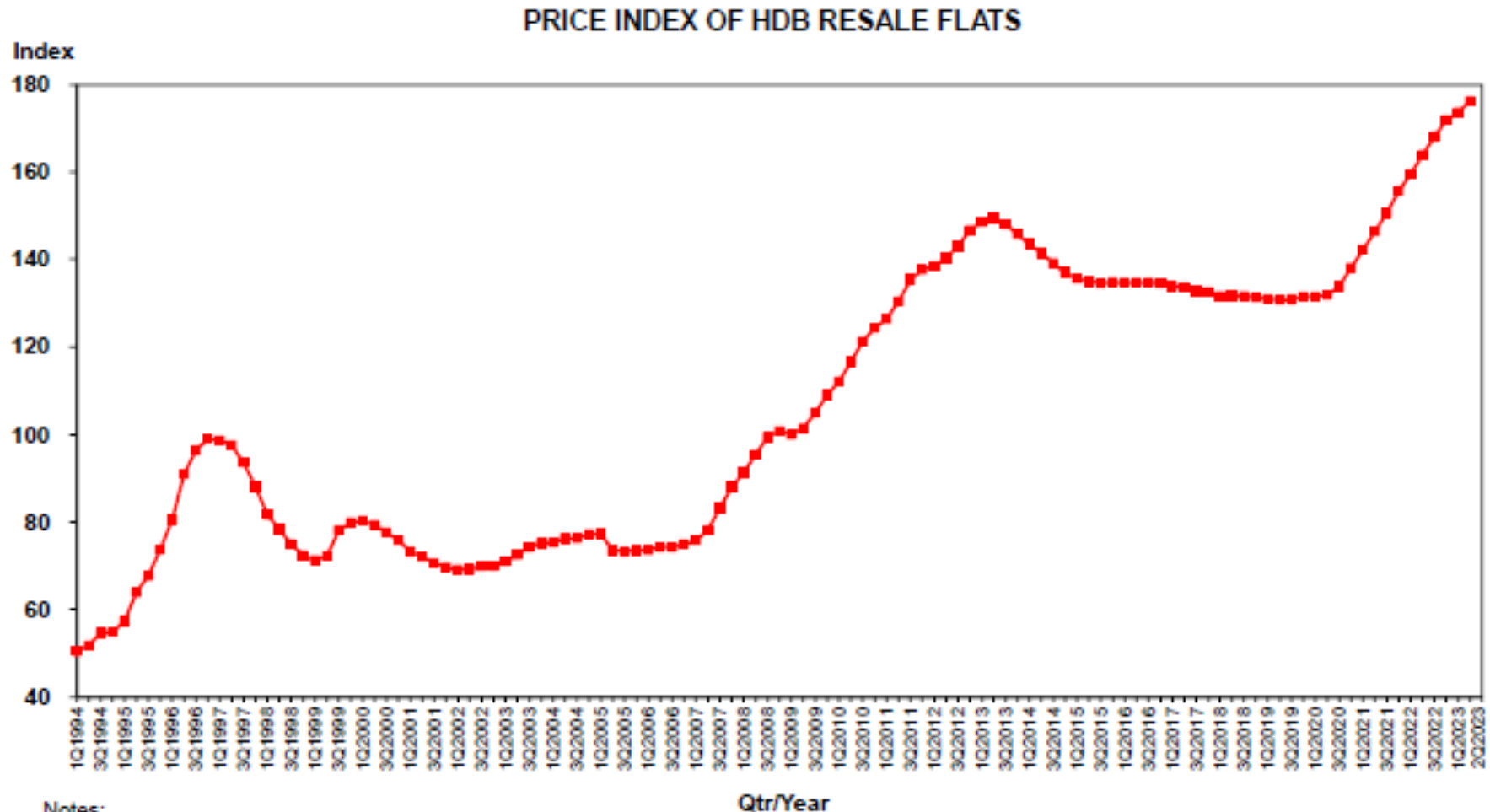
**Property Statistics**  
As at 31 December 2022

Location	3, 5, 6, 7, 8 and 9 Temasek Boulevard, Singapore 038983/85/86/87/88/89 and 1 Raffles Boulevard, Singapore 039593
Title	Leasehold 99 years from 1989
Number of tenants	617
Car Park Lots <sup>2</sup>	3,066
Purchase Price <sup>3</sup>	S\$2,351.7 million
Market Valuation <sup>4</sup>	S\$5,678.7 million [31 December 2021: S\$5,435.9 million]
Gross Revenue	S\$300.7 million <sup>5</sup> [31 December 2021: S\$242.9 million]
Net Property Income	S\$212.4 million [31 December 2021: S\$160.9 million]
Committed Occupancy	99.2% [31 December 2021: 96.2%]

**Notes:**

- <sup>1</sup> Based on Suntec REIT's interest in Suntec Singapore and includes space occupied by recreational facilities.
- <sup>2</sup> Owned and managed by the Management Corporation Strata Title Plan No. 2197 ("MCST 2197").
- <sup>3</sup> Includes the investment of 66.3% interest in Suntec Singapore and the divestment of a portfolio of Suntec City Office strata units which was completed on 21 September 2021.
- <sup>4</sup> Includes the value of a 66.3% interest in Suntec Singapore of S\$463.7 million.
- <sup>5</sup> Comprises gross rental income of S\$234.6 million, other income of S\$6.2 million, and S\$59.9 million from Suntec Singapore.

# Latest URA/HDB statistics



**Notes:**

- 1) 1Q2009 is adopted as the new base period with index at 100.
- 2) The index from 1Q1990 to 3Q2014 is rebased to the new base period at 1Q2009.
- 3) The index from 4Q2014 onwards is computed using the stratified hedonic regression method.

# HDB Lease Buyback Scheme



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## RESIDENTIAL

Silver Housing Bonus

Renting Out Your Flat/ Bedroom

**Lease Buyback Scheme**

How it Works

Application Procedure

Home > Residential > Living in an HDB Flat > For Our Seniors > Monetising Your Flat For Retirement > [Lease Buyback Scheme](#)

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## Lease Buyback Scheme

Through the Lease Buyback Scheme (LBS), you will be able to monetise your flat to receive a stream of income in your retirement years, while continuing to live in it.

You can sell part of your flat's lease to HDB and choose to retain the length of lease based on the age of the youngest owner. The proceeds from selling part of your flat's lease will be used to top up your CPF Retirement Account (RA). You can then use your CPF RA savings to join CPF LIFE, which will provide you with a monthly income for life.

### Eligibility Conditions

In order for your household to qualify for the LBS, the following conditions must be met:

Criteria	Eligibility
Age	All owners must have reached the eligibility age (currently set at age 65) or older
Citizenship	At least one owner must be a Singapore Citizen
Income	Gross monthly household income of \$14,000 or less

# HDB Lease Buyback Scheme



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## How it Works

If your household is eligible for the Lease Buyback Scheme (LBS), you will be able to:

- Sell the tail-end lease of your 3-room or smaller flat, or 4-room flat, or 5-room or bigger flat to HDB and receive up to \$30,000 or \$15,000, or \$7,500 of LBS bonus, respectively
- Use the net proceeds to top up your CPF Retirement Account (RA) to the specified requirements as shown:

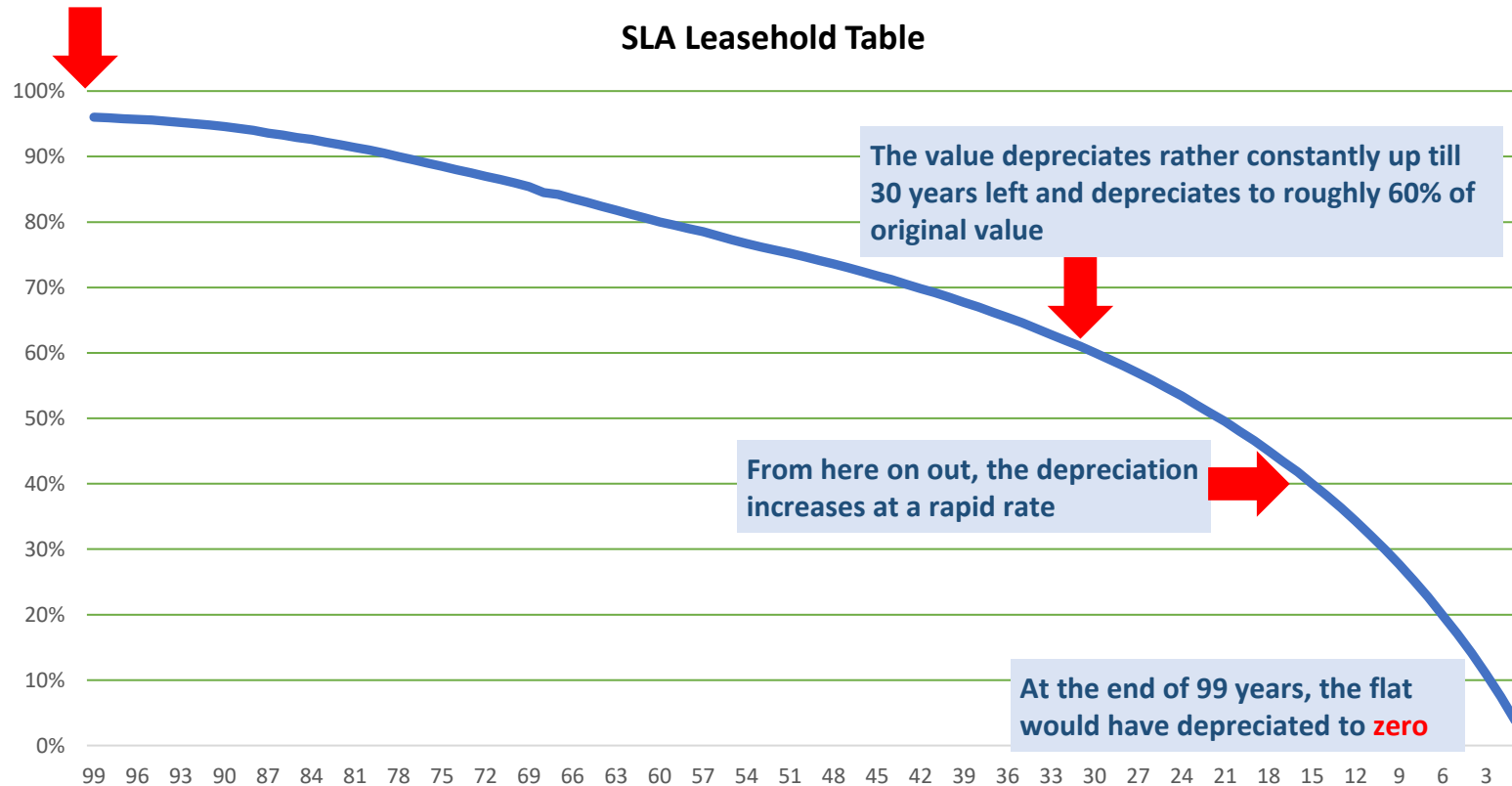
For households with 1 owner, he or she will have to use the proceeds to top up the RA to the current age-adjusted Full Retirement Sum (FRS).

For households with 2 or more owners, each owner will have to use his/ her share of the proceeds to top up his/ her RA to the current age-adjusted Basic Retirement Sum (BRS).

Source: HDB <https://www.hdb.gov.sg/residential/living-in-an-hdb-flat/for-our-seniors/monetising-your-flat-for-retirement/lease-buyback-scheme/how-it-works>

# Bala's Table on 99-year depreciation

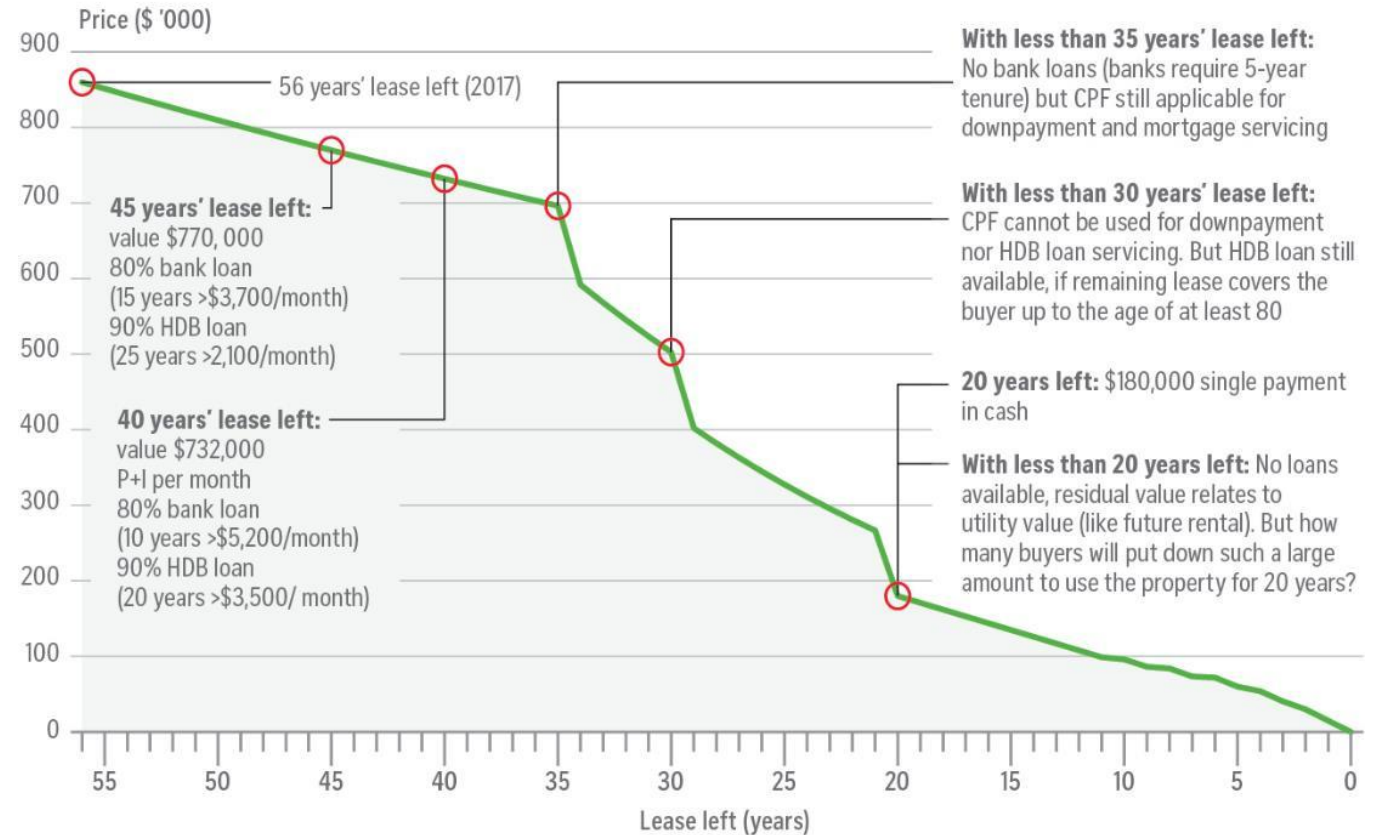
At 99 years, your flat is quite close to freehold values



# Value decay due to financing restrictions

## How a HDB flat might depreciate over time

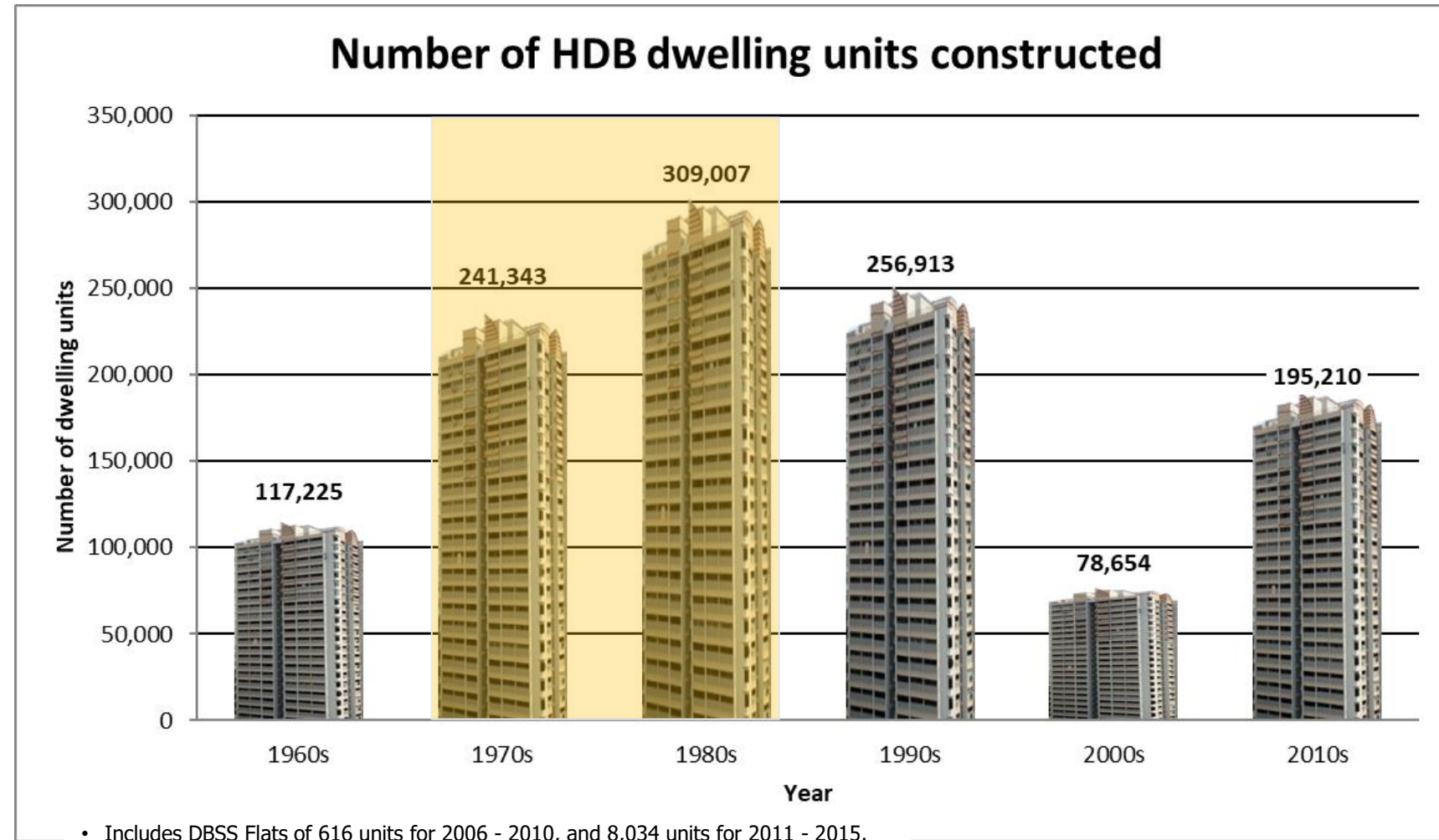
Assume HDB 5 room flat, bought for \$860,000 in 2017



Source: INTERNATIONAL PROPERTY ADVISOR, SOH YUN YEE STRAITS TIMES GRAPHICS



# Ageing HDB flats, decaying values



- Includes DBSS Flats of 616 units for 2006 - 2010, and 8,034 units for 2011 - 2015.
- Total number of flats demolished: 126,738

Source: HDB, IPA

# Owners worry older HDB flats a depreciating asset

Ageing leases plus fact that Sers opportunity is not a given make potential buyers think twice

Grace Leong

Madam Chai received several offers when she listed her three-room Bukit Merah Housing Board flat for sale in January last year, after her mother died.

The flat had 54 years left on its 99-year lease and the administrative clerk was asking for \$340,000 – about what three-room flats in the area were commanding then.

But two months later, the offers started drying up. Madam Chai, 52, said buyers told her they were having second thoughts about buying her 45-year-old flat.

The buyers were reacting to National Development Minister Lawrence Wong's remarks about people buying old HDB flats in the hope that they will be chosen for the Selective En bloc Redevelopment Scheme (Sers).

Under the scheme, the state buys back these flats at the market rate and offers residents new units at another location at discounted prices.

Mr Wong had cautioned in March last year that not all old HDB flats will be eligible for Sers and those not selected will eventually be returned to the state when the 99-year lease matures.

His remarks came as a 30-year-old flat in Bishan sold for \$1.09 million earlier that month. A 33-year-old flat in Potong Pasir fetched \$925,000 a month before that.

In general, the value of most older HDB flats starts to depreciate more steeply after the 40-year mark.

Property agents interviewed said Mr Wong's reminder was a wake-up call for buyers. OrangeTee head of research Christine Sun said: "There was too much speculative demand for HDB flats with Sers potential and prices of older flats had run up significantly."

About 70,000 flats, or 7 per cent

of the total stock of around one million, are over 40 years old.

By 2030, more than 400,000 HDB flats will be left with a remaining lease of 59 years or less, property analyst Ku Swee Yong said.

Property agents said buyers are becoming sensitive to the ageing lease issue. After finding out that a flat has fewer than 50 years left on the lease, some might not even view the unit.

Concerns over ageing leases can be seen in the widening gap between average resale prices of older flats and units under 40 years old. The Sunday Times looked at resale price data analysed by OrangeTee of HDB flats in Queenstown, Toa Payoh and Ang Mo Kio, three mature estates with a significant number of flats above 40 years of age.

The price gap is more pronounced in Queenstown and Toa Payoh, compared with Ang Mo Kio. For four-room flats in Toa Payoh, the price gap can be as high as 65 per cent, according to OrangeTee.

In Queenstown, the average resale price of older three-room flats was 46 per cent lower than that of newer flats last year. The gap was 22 per cent in the previous year.

The gap widened on two fronts – the prices of older flats dipped more steeply and prices of newer flats rose at a higher rate.

OrangeTee's analysis showed a 3.5 per cent drop in prices of older three-room flats in Queenstown last year. In 2016, the dip was 0.6 per cent. Ms Sun said: "Three-room flats tend to be more affected because young people who tend to buy such units for Sers potential are now staying away."

The supply of new Build-To-Order flats that come with a shorter waiting time, and the introduction of the Re-offer of Balance Flats have also affected the prices of older flats, analysts say. Meanwhile, the average

## Average transacted prices

Queenstown

	3-room			4-room			5-room		
	Flats above 40 years	Flats below 40 years	Price gap	Flats above 40 years	Flats below 40 years	Price gap	Flats above 40 years	Flats below 40 years	Price gap
2013	\$365,934	\$450,173	23%	\$677,600	\$699,428	3%	–	\$840,979	–
2015	\$370,177	\$404,009	9%	\$549,750	\$684,857	25%	\$890,648	\$845,881	-5%
2017	\$355,179	\$520,154	46%	\$553,387	\$705,148	27%	\$764,913	\$864,784	13%

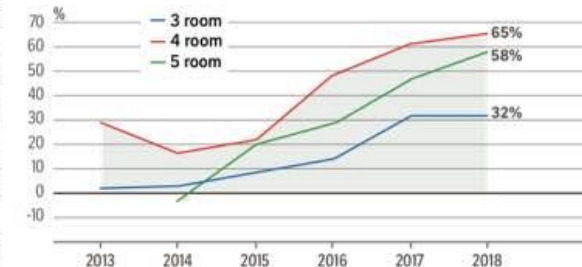
Toa Payoh

	3-room			4-room			5-room		
	Flats above 40 years	Flats below 40 years	Price gap	Flats above 40 years	Flats below 40 years	Price gap	Flats above 40 years	Flats below 40 years	Price gap
2013	\$356,005	\$365,027	3%	\$462,853	\$598,371	29%	–	\$735,039	–
2015	\$312,570	\$340,374	9%	\$440,773	\$536,987	22%	\$573,000	\$685,496	20%
2017	\$294,995	\$387,986	32%	\$386,088	\$622,163	61%	\$554,099	\$813,301	47%

Source: ORANGETEE SUNDAY TIMES GRAPHICS

## Mind the gap

Price gap widening between HDB flats older than 40 years and units under 40 years in Toa Payoh



Sources: DATA.GOV, ORANGETEE RESEARCH & CONSULTANCY SUNDAY TIMES GRAPHICS

price of newer three-room flats in Queenstown jumped 16 per cent last year, compared with an 11 per cent rise in 2016.

Madam Chai, who declined to give her full name, said she lowered her asking price to \$320,000, but there were no takers. She finally sold her flat in February this year

for \$288,000 – \$52,000 less than her initial asking price.

Even the bigger, older flats in a mature estate like Queenstown no longer command a premium, compared with the newer flats.

In 2016, older five-room flats in Queenstown boasted a higher average resale price – \$858,750 – com-

pared with \$829,918 for the newer five-room flats.

But last year, the prices of older flats slid 11 per cent to \$764,913 while those of newer flats went up 4.2 per cent to \$864,784, according to OrangeTee's data.

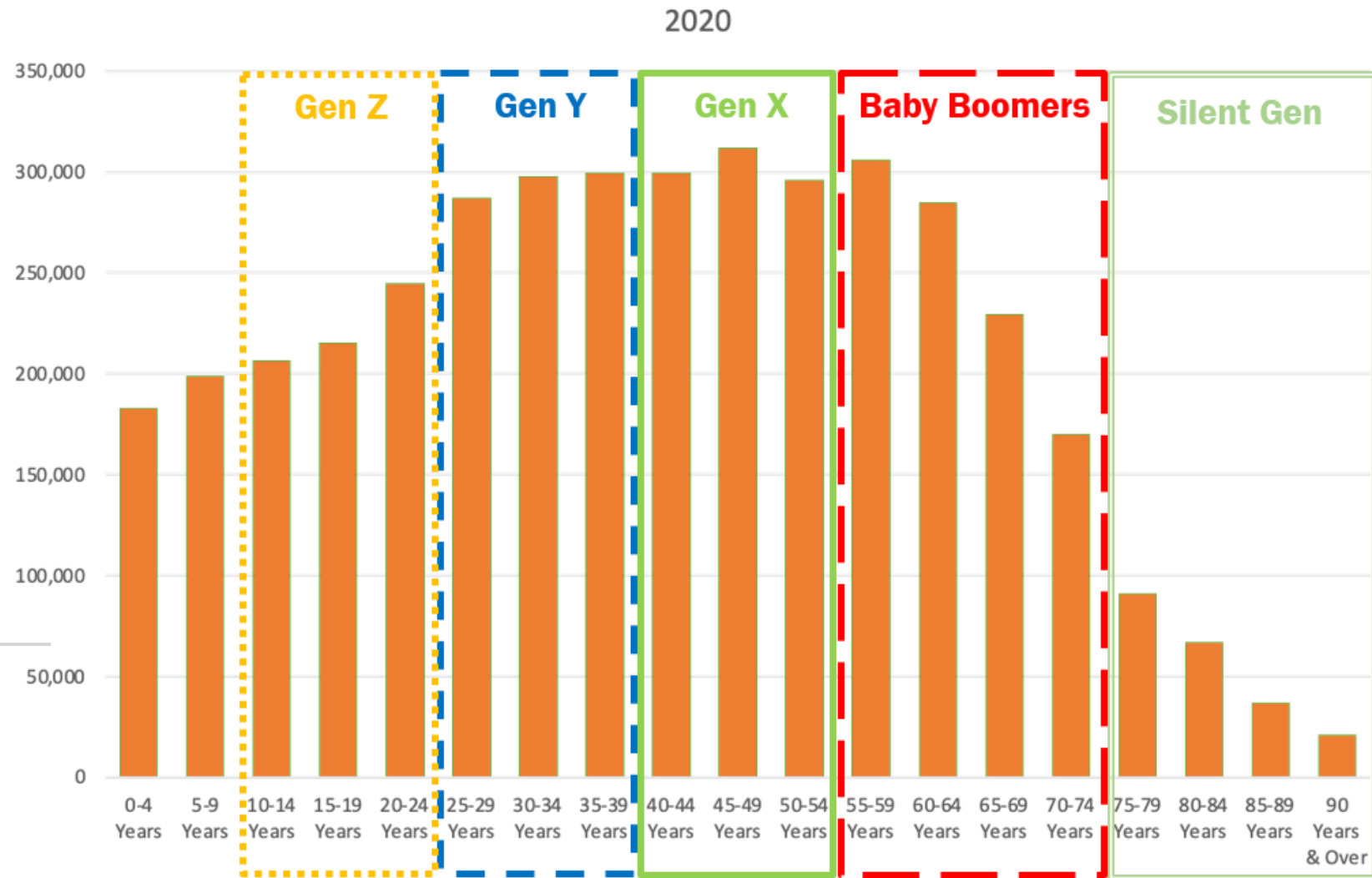
But it is not all bad news for older resale flats. PropNex Realty chief executive Ismail Gafoor said buyers also consider factors such as location, the flat's physical attributes and amenities. Some are drawn to older, bigger flats as they are generally more spacious, he added.

ERA Realty Network key executive officer Eugene Lim said some buyers will overlook the ageing leases if the flats are attractive enough. "Some sea-facing flats in Marine Terrace have only 55 years left on their lease. But buyers are willing to shell out almost \$800,000 for a five-room flat there because of the panoramic view."

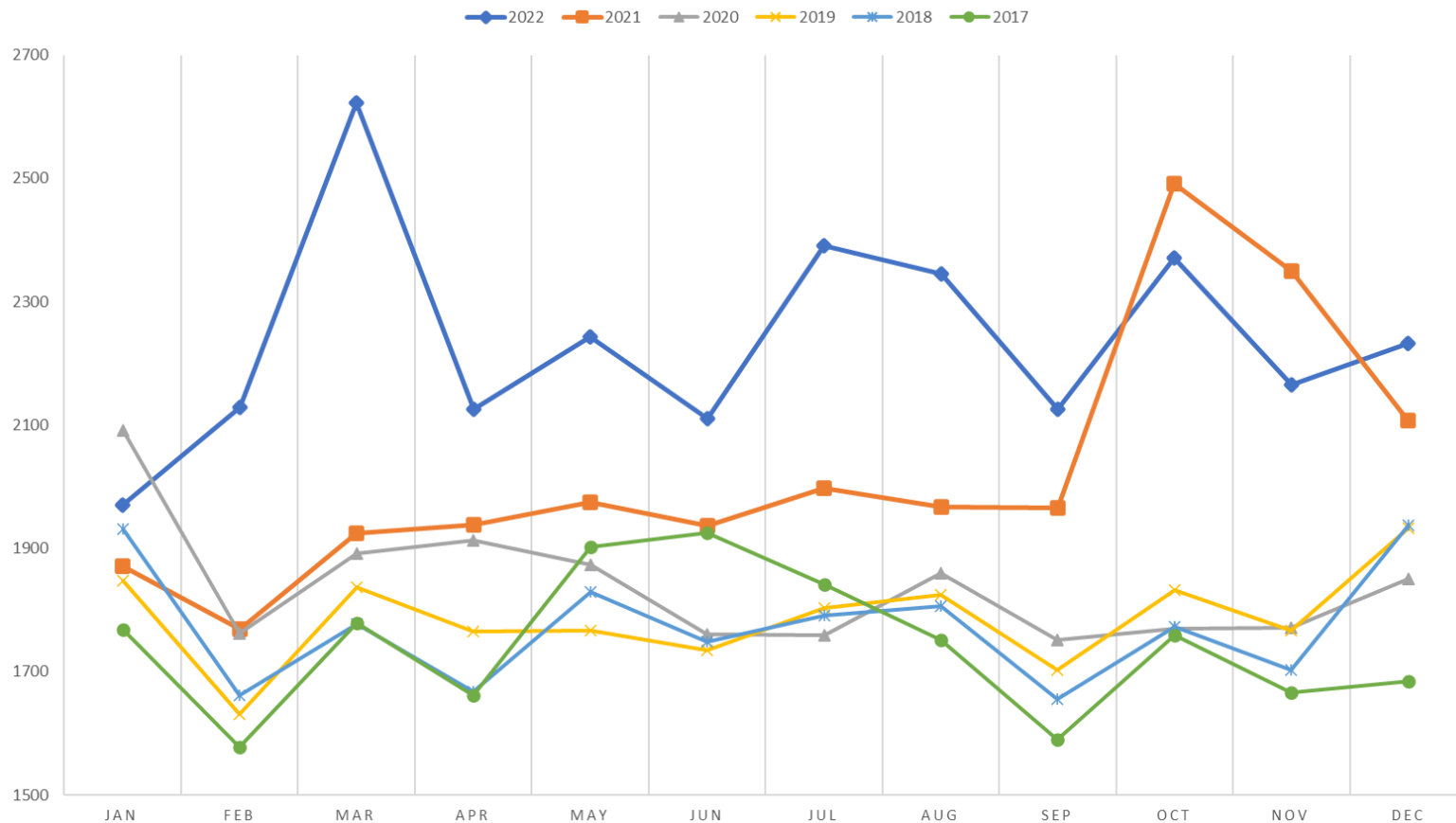
Property agents also point to the growing pool of cash-rich private property owners dislodged by recent collective sales who may downgrade to larger, older HDB flats in choice locations, as they see such flats as cheaper replacements.

gleong@sph.com.sg

# Population demographics



	2022	2021	2020	2019	2018	2017
Jan	1970	1,871	2,091	1,847	1,931	1,768
Feb	2128	1,769	1,762	1,631	1,662	1,577
Mar	2622	1,924	1,891	1,837	1,778	1,779
Apr	2126	1,938	1,913	1,765	1,668	1,661
May	2243	1,975	1,874	1,767	1,829	1,902
Jun	2110	1,937	1,761	1,735	1,748	1,925
Jul	2391	1,998	1,759	1,804	1,791	1,842
Aug	2345	1,967	1,860	1,824	1,806	1,751
Sep	2125	1,965	1,751	1,703	1,655	1,590
Oct	2371	2,492	1,770	1,833	1,773	1,759
Nov	2165	2,349	1,771	1,767	1,703	1,666
Dec	2233	2,107	1,851	1,933	1,938	1,685
<b>Total</b>	<b>26,829</b>	<b>24,292</b>	<b>22,054</b>	<b>21,446</b>	<b>21,282</b>	<b>20,905</b>

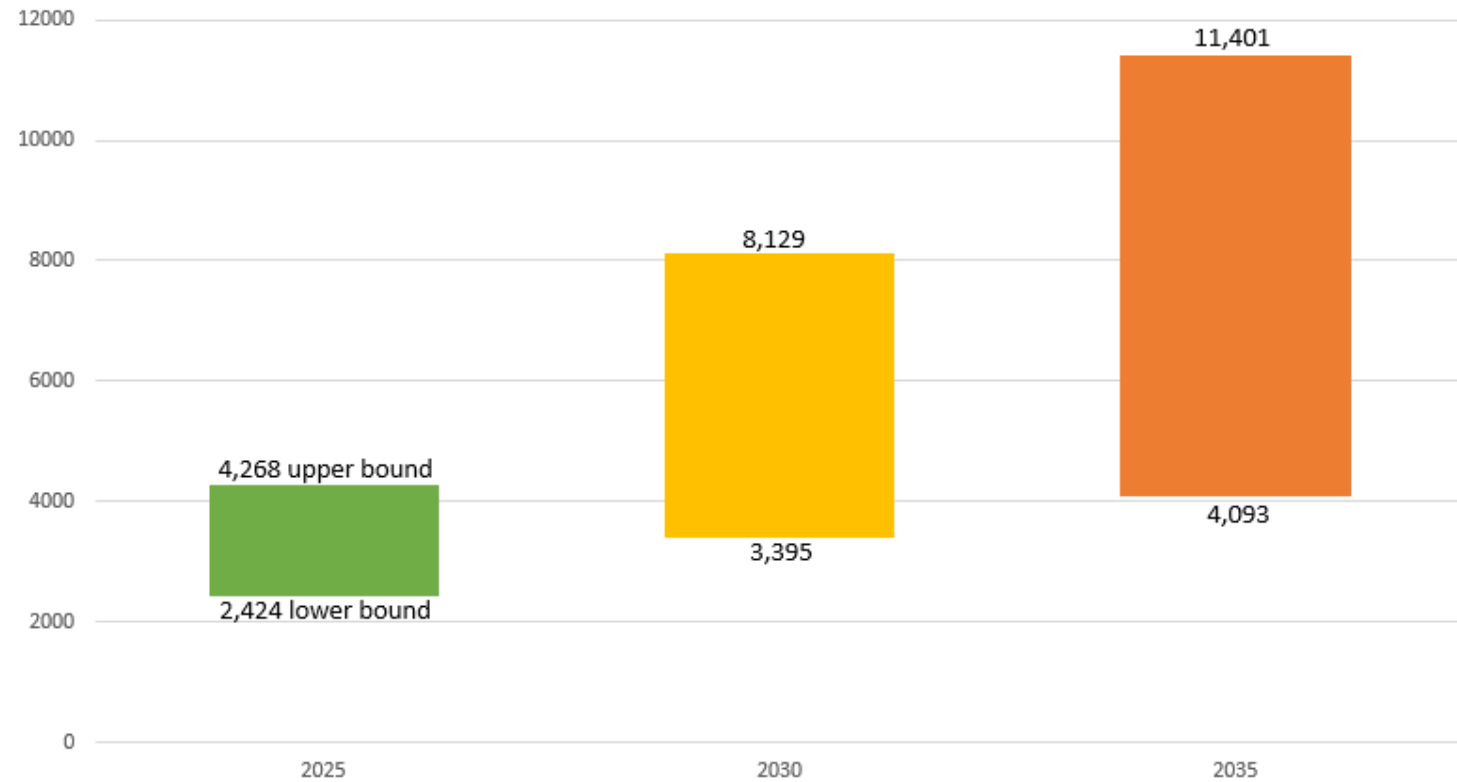


Source: ICA

# Singapore Residents' Deaths

Should we be concerned?

Estimated number of HDBs released due to death



Source: IPA estimates, The Future of Real Estate, Chapter 6, Marshall Cavendish, 2021

# Ageing demographics: deaths at home



## Commentary: Don't ask, don't tell when it comes to telling buyers about deaths in homes

As Singapore ages, it is likely that more people will die at home rather than in hospitals. Industry expert Ku Swee Yong looks at the issue of stigmatised properties and whether sellers are obliged to disclose the house's history.



HDB flats in Singapore. (File photo: TODAY/Ooi Boon Keong)




Ku Swee Yong

28 Feb 2023 06:00AM  
(Updated: 28 Feb 2023 01:29PM)



Source: <https://www.channelnewsasia.com/commentary/deaths-homes-buyer-seller-disclosure-stigmatised-properties-3307471>



# Long term, irreversible trends

---

- Ageing population
- >50,000 residents celebrate 65<sup>th</sup> birthday every year from 2021 to 2040
- Increase in demand for healthcare facilities
- Increase in resale properties from inheritance
- By 2030, >500,000 HDB flats older than 40 years
- Dependence on foreigners in the workforce?
- Gig economy, short term jobs, irregular incomes
- Home ownership or home sharing?

Strike while  
iron is hot



## Commentary: Is now the right time for seniors to cash out their HDB nest eggs with the Lease Buyback Scheme?

With HDB resale values climbing significantly in recent years, International Property Advisor's Ku Swee Yong looks at whether it is an opportune time for elderly flat owners to consider cashing out their HDB nest eggs.



HDB flats in Singapore. (Photo: CNA/Gaya Chandramohan)



Ku Swee Yong

13 Apr 2023 06:02AM  
(Updated: 25 Apr 2023 03:51PM)





Strike while  
iron is hot

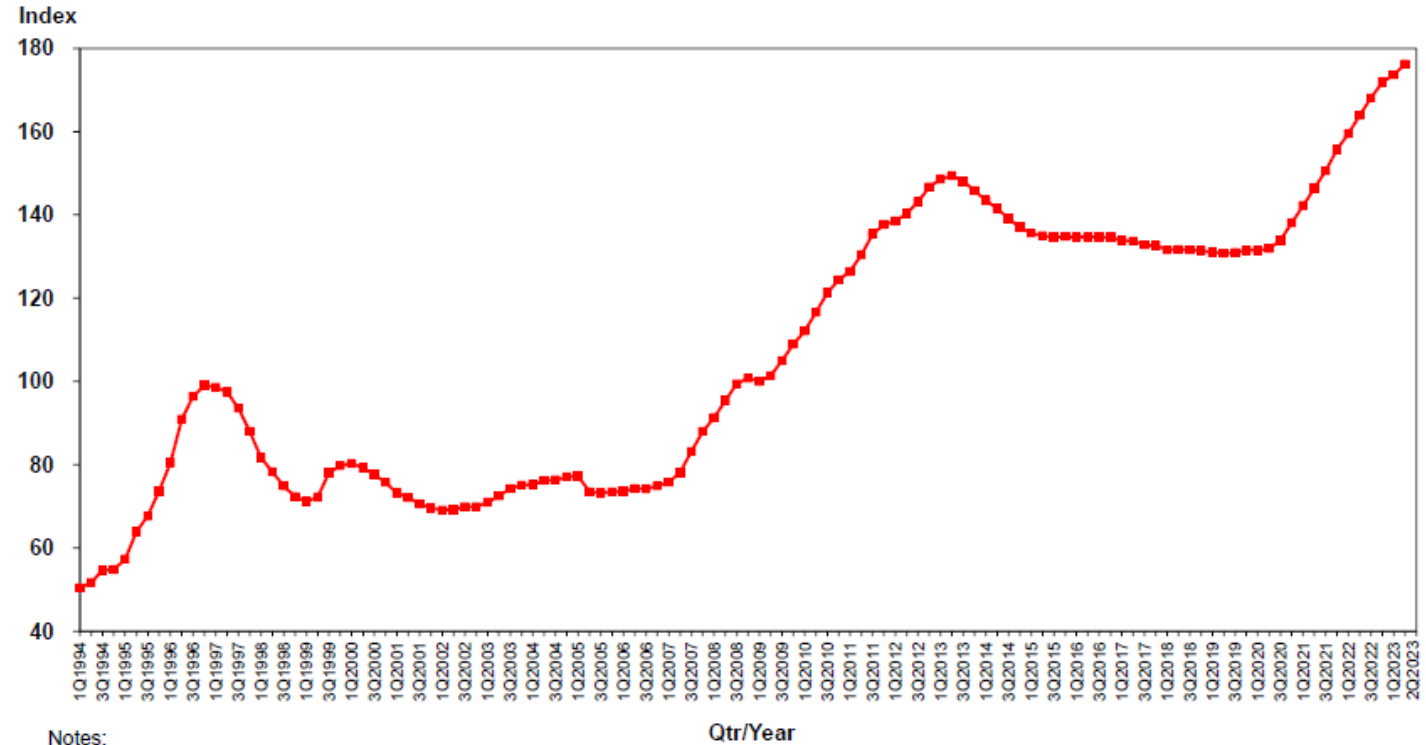
## Strong demand for 5-room BTO flats in Ang Mo Kio despite prices of up to \$877k



1 of 3 As at 5pm on Aug 31, 2,541 applicants were vying for the 372 five-room and three-generation flats at Central Weave @ Ang Mo Kio. PHOTO: HDB

# Residential – HDB Resale

PRICE INDEX OF HDB RESALE FLATS



Notes:

- 1) 1Q2009 is adopted as the new base period with index at 100.
- 2) The index from 1Q1990 to 3Q2014 is rebased to the new base period at 1Q2009.
- 3) The index from 4Q2014 onwards is computed using the stratified hedonic regression method.

Source: HDB

A large proportion of  
Singaporeans planning  
retirement realise they are  
**“asset rich, cash poor”**

[That's because of choices we made when we were young.]

# Data



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## #3 64% of Active CPF Members Are Hitting Their Retirement Sum Requirement

There are three different levels of retirement sum requirements in CPF. They are Basic Retirement Sum (BRS), Full Retirement Sum (FRS) and Enhanced Retirement Sum (ERS). The amount for requirement changes every year and more information can be found [on CPF's website](#).

In the report, the Retirement Sum Requirements (RRS) includes individuals who meet the FRS in cash or has pledged their property and met the BRS. The RRS is an important number as it determines how much we can withdraw from our CPF account.

Based on the report, 64% of active CPF members have hit the Required Retirement Sum (RRS) in 2020. This is a 5% improvement compared to the 2018 number. As the RRS is an indication of retirement adequacy, the improvement means that more Singaporeans are better prepared for retirement than before. Based on these number, more than half of CPF members can receive a reasonable monthly CPF Life payout for their retirement needs. CPF members aged 55 in 2020 can expect to receive CPF Life payouts of **\$1,390 to \$1,490** under the Standard Plan if they have reached their Full Retirement Sum.

Source: <https://dollarsandsense.sg/4-unexpected-cpf-trends-picking-up/>

## Saving for a Secure Retirement



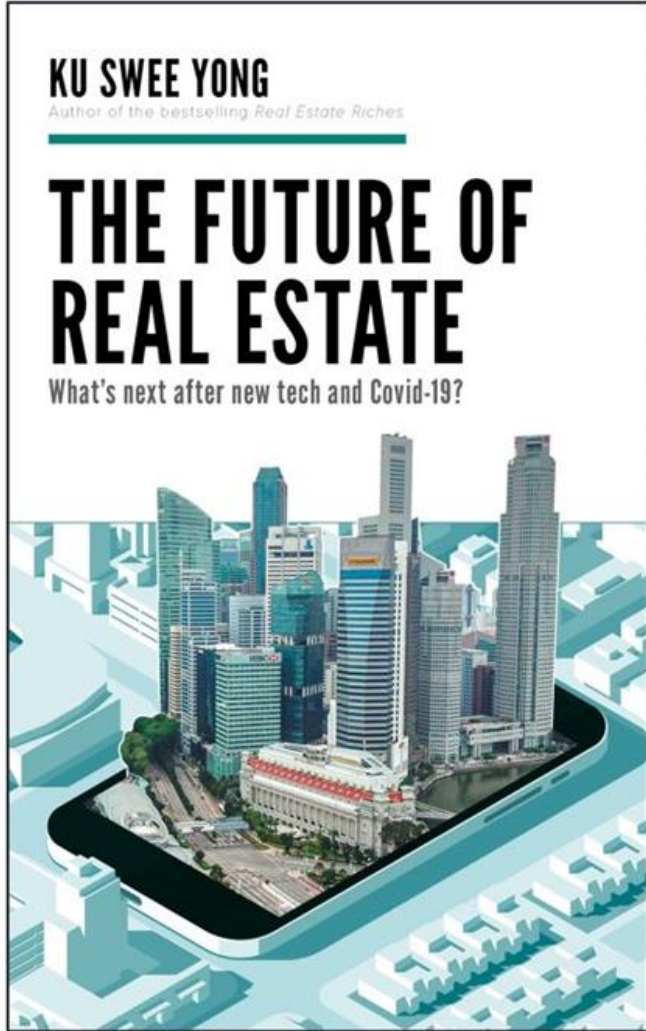
of 40,000 active CPF members who turned 55 in 2020 were able to set aside their Cohort Full Retirement Sum (CFRS), or set aside at least their Cohort Basic Retirement Sum (CBRS) while owning at least one property.

Source:  
[https://www.cpf.gov.sg/Assets/common/Documents/CPF\\_AnnualReport2020\\_Part1.pdf](https://www.cpf.gov.sg/Assets/common/Documents/CPF_AnnualReport2020_Part1.pdf)

**The other 36%?**

Next steps?

**Appoint a  
trustworthy  
property agent**



DEARTH  
KU

GETTING STARTED IN  
ALTERNATIVE INVESTMENTS

# GETTING STARTED IN ALTERNATIVE INVESTMENTS

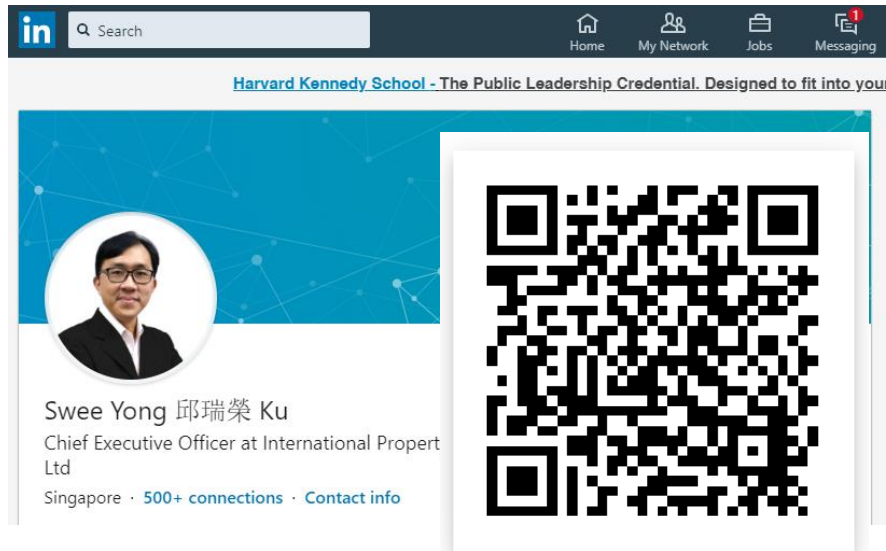


MATTHEW DEARTH, PHD AND SWEE YONG KU

WILEY


WILEY

# LinkedIn



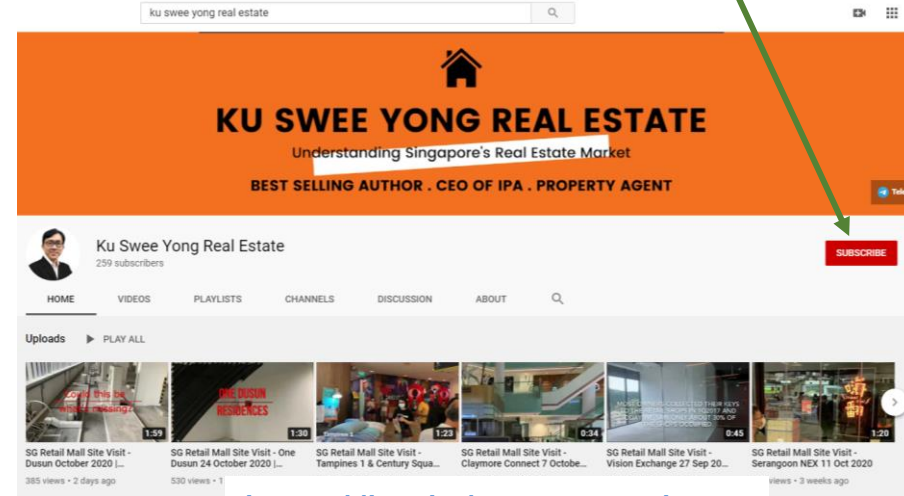
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Understanding Singapore's Real Estate Market  
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<http://bit.ly/KSYYouTube>

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Investing in Singapore Real Estate After Covid19? This \$50 online course might save you from

**Ku Swee Yong Real Estate** @ 457 11:00:  
A data-supported discussion with Jeraldine Phneah (part 1 of 4): How reliable is property as a retirement nest egg?  
<https://www.youtube.com/watch?v=D-uE0-II-mo&list=PLYu5UJQRHcVnL8KDTm8qNIG81v68I2xz8index=1>  
YouTube  
**Property Investment For Millennials (P1) - Property For Retirement, BTO VS Resale HDB?**  
Ku Swee Yong sat down with Jeraldine Phneah for an in-depth Q&A session on Property investment in Singapore for Millennials. In part 1 of this video,...



**Property Investment For Retirement? BTO VS Resale**

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**Pinned message**  
Dozens and dozens of students have asked me "why are you visiting these empty malls?"  
<https://www.businesstimes.com.sg/real-estate/en-bloc-deals-survey-point-sold-for-s478m-re-emily-rd-site-fetches-s18m>

**The Business Times**  
**En bloc deals: Surrey Point sold for \$547.8m; Mt Emily Rd site fetches \$518m**  
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March 10

**Ku Swee Yong Real Estate**  
Have you heard of this phrase "house poor"? I think there are many examples in Singapore. <https://www.investopedia.com/terms/h/housepoor.asp>

Anonymous Poll

- 14% 1. Yes, and I know it well
- 20% 2. Yes, and I know such examples
- 12% 3. Yes, but I do not know the meaning

<https://tinyurl.com/KuSweeYongRealEstate>

# Keep in touch!

# THANK YOU

For leasing, investment and property sales, please contact

## **Ku Swee Yong**

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