

Your personal guide on how to get the right property



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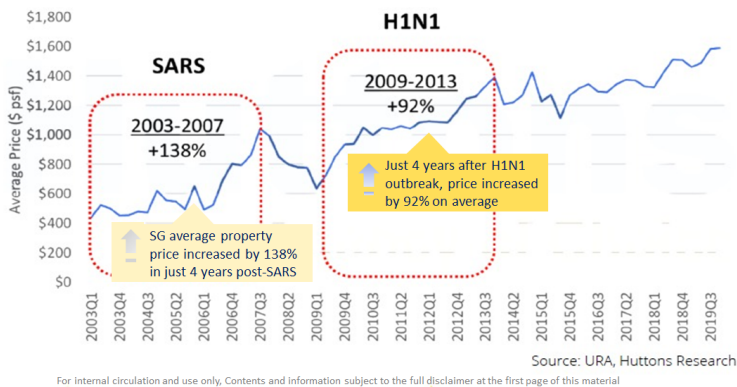
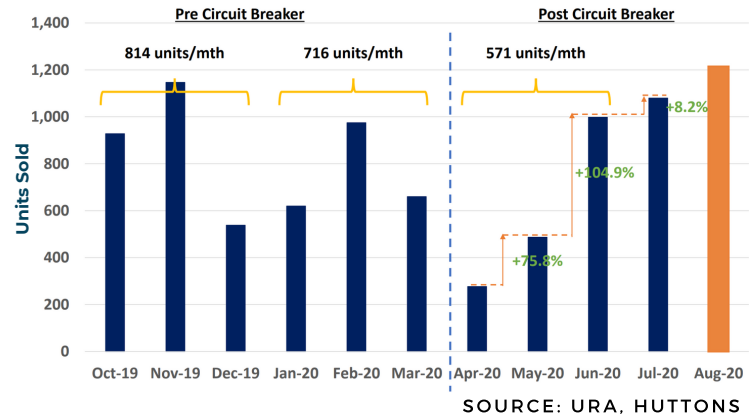
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"Owning a home is a keystone of wealth - both Financial Affluence; Emotion Security"

IS NOW A GOOD TIME TO BUY A PROPERTY?

POST MARKET RECOVERY

Singapore property primary market rise fast pace, defying Covid-19 recession. prices of private homes in Singapore picked up in the third quarter as Singapore entered phase two of its reopening after a nearly two-month-long circuit breaker.

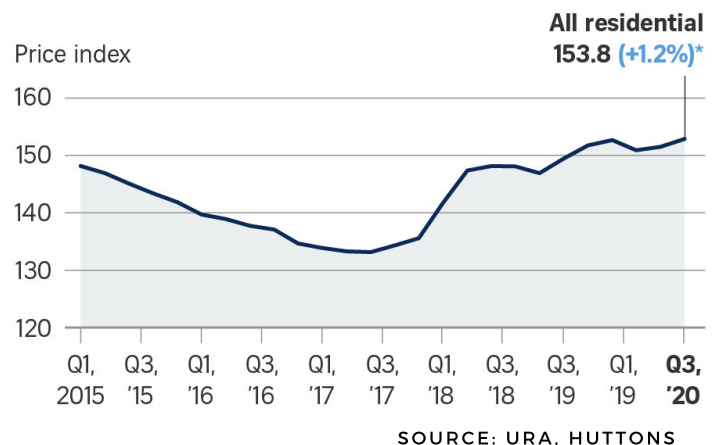


STRONG RECOVERY AFTER EACH CRISIS

Singapore spearhead a rebound in property transactions and prices in Asia-Pacific markets amid early signs of success.

STRONG PICKED UP IN PRIVATE HOME PRICES

URA data showed prices of all private home residential rose 3.3 per cent in Q3. URA's flash estimates are compiled based on transaction prices given in contracts submitted for stamp duty payment and data on units sold by developers up till mid-September.



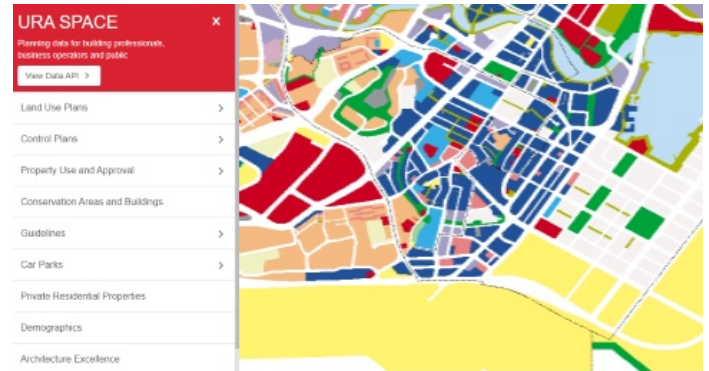
SUMMARY

Finding properties with prices that are below its intrinsic values. Home-owners should get the most ideal home they can afford, without betting on capital gains or market timing tricks. Begin your house hunting process for those which suit your criteria with any Huttons associates today.

4 STRONG ATTRIBUTES FOR PROPERTY INVESTMENT

1. FUTURE POTENTIAL

Knowing how the government plans to develop an area ahead of time will give you a competitive advantage. We did a comparison between the 2019 Master Plan and the previous 2014 Master Plan, contact us for a detailed analysis in your desire location.



Project Name	Launch Year	Launch Year Average PSF price	2020 Average PSF price	% Change (Resale vs Launch PSF Price)
Prive	2011	\$686	\$1,018 (Resale)	+48%
Twin Waterfalls	2012	\$715	\$987 (Resale)	+38%
Ecopolitan	2013	\$791	\$978 (Resale)	+24%
Piermont Grand	2019	\$1,098	\$1,106 (New Sale)	N.A.

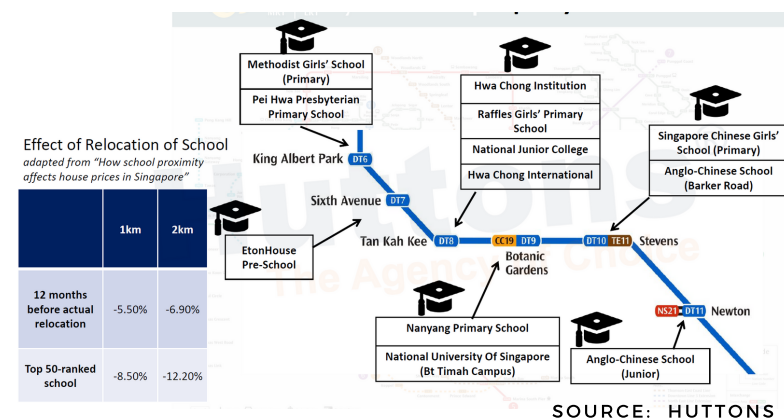
SOURCE: 99.CO

2. 1ST MOVER ADVANTAGE

Being the buyer of the first condo in an area supposedly gives you a huge advantage over others. Either you are earliest buyers who bought during preview or a first development in the particular area.

3. THE MRT EFFECT

Properties near MRT always under stronger demand for rental and sales. You can consider to invest in areas where the MRT is most likely to be constructed. Such areas might not be on-demand at the moment, but will certainly see an upsurge once the line is constructed.



SOURCE: HUTTONS

4. SCHOOLS

The findings of our study confirm that homes located within a 1 km radius of popular primary schools command large price premiums. Singapore parents will go to great lengths to get their children into popular schools. Primary 1 registration begins in the second half of each year.

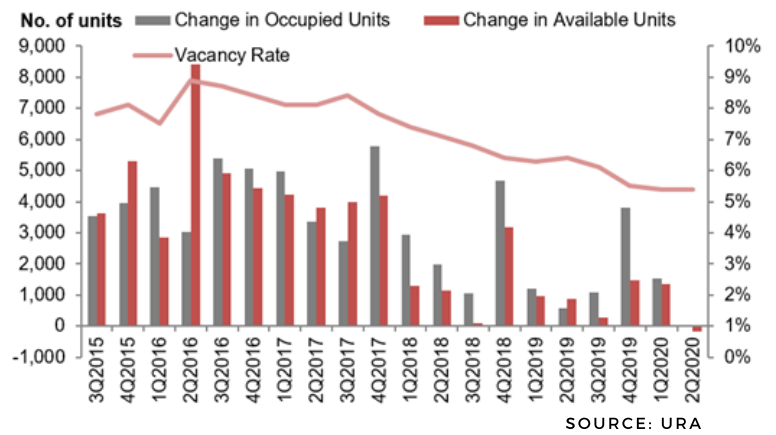
SUMMARY

When it comes to real estate financial planning, the cornerstone of your plan should revolve around the mortgage. Most real estate investors, especially first-time investors, rely on a mortgage to finance the purchase of an investment property. Before you get started on your investment venture, talk to any of Huttons associate and you won't be disappointed with what you find there including our investment property calculator.

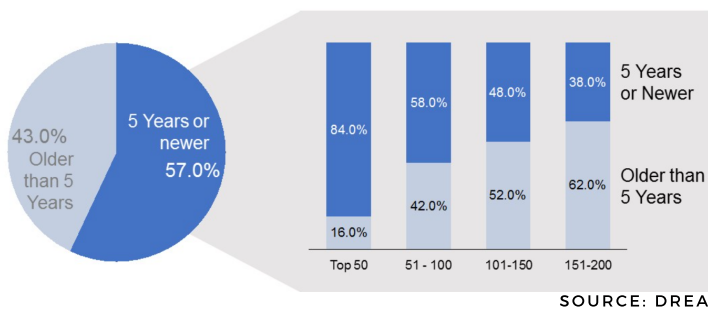
5 HOT DRIVERS OF RENTAL DEMAND

1. NUMBER OF LISTINGS AND VACANCIES

If a condo has an unusually high number of listings, it may signal a seasonal cycle or a neighborhood in decline—you need to find out which it is. In either case, high vacancy rates force landlords to lower rents to attract tenants. Low vacancy rates allow landlords to raise rents.



Top 200 Private Rental Properties (By Age)



2. AGE OF PROPERTIES MATTERS

Older condominiums might be bigger, but our data shows that newer properties have higher rental liquidity. In fact, 80% of the top 50 most liquid rental properties are those that TOP-ed within the last 5 years.

3. JOBS MARKET

Locations with growing employment opportunities attract more tenants. Getting into a condo with future transformation that provide ample job opportunities secure you larger pool of tenants.



4. SCHOOLS

If you buy near a popular school, chances are that students will dominate your pool of potential tenants and you could struggle to fill vacancies every year during school enrollment.

5. AMENITIES

Tour the neighborhood and check out the parks, restaurants, gyms, movie theaters, public transportation links, and all the other perks that attract tenants



SUMMARY

It takes a lot of footwork and research to line up all five. When you end up finding your ideal rental property, keep your expectations realistic, and make sure your own finances are healthy enough that you can wait for the property to start generating cash.

ACHIEVED ASSET PROGRESSION WITH 5 PROVEN STRATEGIES

1. HOME EQUITY LOAN (GEARING LOAN)

If you're looking to borrow a large sum of money and have a property on hand, you may be able to "cash out" the property's value by taking a term loan or an home equity loan. This is not the most accessible option for everyone in the market, and approval is highly conditional upon the bank, but it is possible.



2. PART SHARE, PART PURCHASE (DECOUPLING)

When you sever the joint ownership of a property, so that you can purchase another one as a first-time home buyer. Decoupling involves refinancing/restructuring the loan to be under one spouse.

3. PLEDGED ASSET LOAN

You would be considering pledging as an option if your income is insufficient to meet the TDSR threshold of 60%. This amount is used as your new 'income' in addition to your income. So now you have a bigger monthly income which hopefully will meet the TDSR criteria.



4. BRIDGING LOAN

Short term loan of up to 6 months that is applicable for the purchase of all property types. Helps pay for the down payment of your new property purchase while waiting for the sale proceeds from your existing property.

5. TRUST

When parents hold the property "on trust" for the child, the parents remain the legal owners of the property and the child becomes the beneficial owner of the same.



SUMMARY

This article provides only a general guide on the topic. You may wish to speak to a trusts lawyer, a banker and Huttons associates to understand the finer details and/or alternatives to creating a trust, loan and your all your property transaction needs.

3 FACTORS OF GOOD CCR INVESTMENT

1. HIGH FOREIGNER OWNERSHIP

Higher Additional Buyer's Stamp Duty (ABSD) are taxable on foreigner buyers, 20% ABSD for any property purchase. Gramercy Park have a high foreigner ownership of more than 50%. Any transaction made by foreigner buyer to break even, would be a profit for Singapore Citizen and SPR.

Buyer Profile by Residential Status			
Singaporean	PR	Foreigner	Company
25.5%	19.5%	51.6%	3.8%

SOURCE: EDGEPROP, URA

Sold On	Address	Area (sqft)	Sale Price (\$\$ psf)	Bought On	Purchase Price (\$\$ psf)	Profit (\$\$)	Days (days)	Annualised (%)
13 Feb 20	57 Grange Road #12-09	2,691	3,300	5 May 17	2,870	1,157,150	1,014	5.2
13 Feb 20	57 Grange Road #12-08	2,207	3,301	31 Jul 17	2,860	971,340	927	5.8
11 Feb 20	57 Grange Road #05-01	2,702	2,859	8 Jun 16	2,440	1,175,000	1,343	4.6
5 Aug 19	57 Grange Road #18-02	2,185	3,149	25 Jul 16	2,640	1,100,800	1,106	5.9

2. DIGESTIBLE PRICE



A private property in the Core Central Region (CCR) has traditionally been regarded as a luxury item beyond the reach of the masses. However, market transactions for non-landed homes have proved otherwise; one can still find value buys in the CCR, especially for the "price-sensitive" buyer. Price from \$1.1 million for 1 bedroom and starting from \$2 million for 3 bedroom for new homes.

3. REPUTABLE DEVELOPER



Reputable developer consistently deliver a positive experience, quality finishing home, owners and buyers will form an opinion that the brand is trustworthy, which gives them peace of mind when buying. With positive public word-of-mouth, property from reputable developer are easier to sell on resale market at higher value.

With proven tracked record and strong financial position, reputable developer will have more price protection for home owners who bought from them with a higher chance of greater investment returns.

SUMMARY

PANDEMIC or not, trading in the most expensive homes in Singapore has continued. In August 2020, there were 128 new units sold in the CCR, up from 113 units in July; 79 units in June; and 41 units in May. Average prices of new homes in the CCR have been inching up from S\$2,510 psf in 1H 2020 to S\$2,541 psf in July and then to S\$2,616 psf in August 2020. Talk to Huttons associates to give you an insight of the hidden gems in CCR.

RISK & OPPORTUNITIES IN THE URA MASTER PLAN

The URA Master Plan, like what the name suggests, is basically a plan or proposal to guide how land will be used in Singapore – in the future from 10 to 15 years. At every five-year mark, the plans will be reviewed and updated by taking into consideration changes to long-term strategies and feedback from communities. Let's uncover the risk and opportunities in the URA Master Plan.

RISK

VS

OPPORTUNITY

- View obstructed by new development
- Next to place of worship
- Columbarium
- Hospital
- Business1 (B1)
- Business2 (B2)

- New tenant pool driven by commercial and industrial building
- Mixed development
- White site
- Schools
- Change of plot ratio
- Change of land use



SUMMARY

It is important to supplement your research with news and updates from URA and LTA on developments in the area as you keep an eye out for updates such as new shopping malls or condos that might be blocking your pristine view. Consulting the URA Master Plan can give you an idea of how the land in the vicinity is going to be used, as well as how dense it can get. Contact Huttons associate for more information today.

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