

Must Read



Own a conservation house at Martaban Road

"3R" Principles of maximum Retention, sensitive Restoration and careful Repair

There are not many remarkable historical buildings in Singapore. If there are, Urban Redevelopment of Singapore will not hesitate to stipulate them under conservation status to preserve the historical and architectural significance of the buildings. As quoted from URA website: "The thing about the conservation house is its facade and history. The conservation house is usually a shophouse with finely carved motifs and a fresh coat of paint. The conservation house layout and structure seldom changes, retaining the conservation house's uniqueness in texture and nostalgic feel."

To me, conservation involves more than the shell face lifting only. It is MORE than that. Take Chinatown as an example, the old residents were relocated out of their dwellings for the so-called implementation of "3R" Principles of maximum Retention, sensitive Restoration and careful Repair. After the costly revamp work, new retail and F&B tenants moved in (who are able to afford high rent) taking over level 1 for business, while offices and spas taking over the upper levels.

This approach has inadvertently destroyed the essence of Shophouse living, which constitutes of working at the lower level and accommodation in the upper levels. In the old time, traditional business such as shops selling incense to temple worshippers, letter writers and chop (stamp) makers, carried out their daily trades at the shop level, and use the upper levels as their accommodation. In this way, the activity and vibrancy of the place could be retained

through day and night. Though the trades are no longer sustainable, the essence of living and trades in shophouse should be retained.

However as to date, the Chinatown still looks more like a staged up theatre showcasing the architecture shell with flamboyant face lifting with no life. At night, most of the places appear deserted. I think that URA must have realised the mistake, and did not impose the same approach to Little India. Little India is considered the most successful conservation out of the many.

Sorry, this is not supposed to be a critic on URA conservation matter. Just happen to have the chance to vent some of the frustration :)

One may not associate Balestier as a conservation site as rich as Chinatown, Little India and Kampong Glam. However there is distinctive architecture around if you are willing to explore.

The shophouses located along Balestier was slated conservation status on 1 Dec 2003. The streetblocks comprise a mix of 2-storey pre-war shophouses as well as more recent 3- to 6-storey shop/flat developments. Other than the retail shophouse, you will be pleasantly surprised to see one row of beautifully restored residential terraced shophouses with quaint patio located along the Martaban Road.

Shophouse is an art and architecture itself. Our ancestors had brilliantly came up with the provision of airwell and pitched roof design in response to our tropical climate. The most significant feature of shophouse has to be the airwell, which brings in the light into the internal with the longish layout that the shophouse has.

Living in a Conservation House

The beauty of conservation shophouse with its texture and nostalgic feel has captured many people's heart. And many would like to own one. After all, it is not tough to own a ready completed conservation house.



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However if you are looking at restoring a conservation house yourself, there are some rules and regulations that must be observed. URA has stated the procedures clearly. However I would recommend you get an architect on board to oversee the works, since it may require certain professions' care to look into the procedure.

If you are interested in getting one of the conservation house, just give me a call so I will keep a lookout for you. Do note that the open listing of conservation house is pretty rare due to its quantum and uniqueness.

Kim Keat Area: In Toa Payoh or Balestier?

If you are confused why there is a Kim Keat Avenue in Toa Payoh, and Kim Keat Road in Balestier and Whampoa area, the reason being that the Kim Keat area is divided up by the construction of Pan Island Expressway in early time. However one is still able to walk over from Kim Keat Road toward Lian Shan Shuang Lin Monastery in Kim Keat Avenue using the overhead bridge.

Kim Keat Area consist of Kim Keat Road/Lane/Close, and Kim Keat Avenue. It is off Balestier Road. It was named after Chua Kim Keat of the Straits Trading Company. He was of Peranakan descent and the only son of Chua Kai Hoon of Malacca. He came to Singapore in 1886 and started out as a tin salesman with the Straits Trading Co. Ltd. He worked in the company till 1907 when he died at the age of 48. In 1895, Chua Kim Keat built a country house off Balestier Road and the site of his house is the current Kim Keat Road. He was an avid horticulturist and famous for holding garden parties at his house on Balestier Road which were well-attended by both the Chinese and European elites.

There are several apartments located along Kim Keat Road as follows:
Kim Keat Lodge
Victory Heights

Regal Courts
Kim Keat Garden

Whampoa Food Market on 09' Christmas Day

Whampoa food market is really packed on the Christmas morning. Imagine after days of big feasts, people go back to simple and authentic traditional breakfast one is able to find from local market. There are many food stalls from the Whampoa food market. It is apparent that block 91 is more buzzing and busy than block 90 in the morning. It is especially so with housewives patronizing the wet market just adjacent to it.

After the revamp, the food market is much more ventilated and bright. We bought the glutinous rice from "Peng Jie" food stall. The stall business is very good, with the assistants packing up all foods into disposable packs. I ordered the small pack at \$1.20. Not so bad! Though I still prefer the peanuts to be the crunchy type than the steamed one.

Buying private resale units in Singapore

My clients have been discussing with me lately on the option on buying private resale units or purchasing newly launched project from the developer. More and more buyers are perceptive to private resale as private resale has been more attractive in comparison to new launched and the HDB flats in prime area. Buying resale seems to be a more feasible alternative to many house buyers now.

1. Great demand from HDB upgraders:

HDB resale flat prices raises, narrowing the price gap with private housing. It has also made it easier for HDB dwellers to upgrade to a



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private home. Also the existing HDB flat dwellers are deterred by the high COV (cash over valuation) if they are looking for a bigger homes.

Let's look at the record breaking 4 room flat in Queenstown appearing in the headline just 3 months ago: A FOUR-ROOM QUEENSTOWN HDB FLAT HAS SOLD FOR \$653,000. It works out to be a new record for price per sq ft at \$674!!! And we are talking about a HDB flat with no exclusivity, privacy and facilities as granted in condominium.

The recent news reported that prices of resale Housing and Development Board (HDB) flats rose 3.8 per cent in the fourth quarter of 2009, reaching the highest level since 1990, amid the red hot demand for HDB flats.

With the prices of HDB and private resale narrowing, it has drawn many buyers to look at private resale lately. Why not??? Since there are a couple of resale projects I am able to introduce at good areas and facilities.

2. Ample ready supply of recently completed home:

If you looking for brand new apartment units, there are many units for sale with projects just obtaining TOP. Normally the sellers will be asking prices making up adequate profit on top of their initial purchase price. If the asking prices are still lower than the surrounding newly launched project selling price, they may attract buyers for its immediate occupation made available.

3. Great variety & ADDITIONAL INCENTIVE of older developments of different ages and nature:

Some buyers are interested in purchase of more established developments. It is especially so for old apartments with spacious floor plan and less density built up areas.

Have you ever made comments on the spaciousness of older apartments in comparison to the new ones even though both are having the same strata area? STRATA AREA OF NEW PROJECTS

INCLUDES MANY UNUSEABLE AREAS SUCH AS PLANTER BOXES, BAY WINDOWS AND AIRCON LEDGES!!!

4. Prices make the BIG difference: The prices of subsale projects are discounted in comparison to the newly launched projects.

With all the factors mentioned above, you will be bound to ask me which are the projects or locality that are worth-for-value in comparison. NO HARD SALES, but I do have some good for value projects at good areas for your consideration. Today I am going to cover Balestier first. There will be more to come, but pls be patient:)

Balestier is a popular hunt for resale buyers

Balestier has been popular with many buyers since the en-bloc fever started few years back. Many retirees got GOOD money from the enbloc and would like to retain the big portion of it for their retirement. On the other hand, they are not so keen on fanciful new launched projects and rather pay more attention on the establishment of the locality and accessibility factor. Many turned to Balestier for their 2nd homes.

Other than its fame for good food eaters, the proximity to city and established amenities like schools and facilities have attracted many people. Moreover, the resale prices of the existing developments appear like a steal in comparison to the adjacent Novena area, which are just few steps away. New projects in Novena are calling more than \$1500 psf, while you are able to find Balestier existing apartments below \$900 psf.



From Toa Payoh Central to Jln Rajah: Not that far after all

My car broke down. I had to send it for the gearbox overhaul. It costs \$2000!!! The repair is going to take a week. Hmm...It is really not easy to maintain a car in Singapore.

And this afternoon I needed to attend to several viewing appoints at Balestier area: Papillon & De Royale. Therefore I decided to WALK. I have been hearing that my clients and friends staying in Balestier near to the Jalan Ah Hood, Jalan Rajoh and Jalan Rama Rama. They have been walking down to Toa Payoh Central to take MRT, since it is nearer than towards the Novena MRT.

The shortcut is from Toa Payoh Swimming Pool via an overhead bridge to my destination (I stay in Toa Payoh). If you are familiar with the TPY Swimming Pool, there is a small lane just adjacent to the pool entrance hiding beside the overhead bridge linking to Central where NTUC and Courts area. I walked through the lane and reached the PIE highway main road. Just walk across the overhead bridge over the highway, you will see the canal and see the De Royale development just right in front of you! The whole journey from the Toa Payoh Central to Jalan Rama takes 6 to 8 minutes.

Not that far after all. The walk is short, however the killer is the scorching sun made worse by the lack of shades over the overhead bridge that made my shirt fully drenched in sweat badly.

3 Dos to prepare for Real Estate Purchase

1. Check your Financial Status

It is always important to check out your financial status on loan limit and loan servicing before confirming on the purchase. It is a shame to miss out on a fantastic property because you are short of cash on initial downpayment or have bad credit. However it is even more hurtful to the pocket for forfeiting the 10% deposit for the ignorance of your personal financial power. Make sure you fully understand your financial status. Just approach any bankers on home loans, and they are more than happy to give you a no obligation assessment.

2. Be friends to the Players

Develop a professional relationship with at least one good real estate players, be it agents, developers or real estate legal advisors. They are a wonderful source of information about your local real estate.

3. Do your Due Diligence

One thing worth praising the system that Singapore government has is its high degree of transparency, as there is an apparent low tolerance for speculation. Therefore there are many sources to find updates on recent transactions on selling and buying, long term planning on the local premise, and new rulings and regulation that possibly affecting the pricing of real estate. Be familiar with the websites, i.e. <http://www.ura.gov.sg/>. You will be surprised by the good deal of research and information it has. If you have any problem looking for specific information, feel free to give me a call.

HDB getting out of its box

The new build-to-order HDB projects at Dawson, SkyVille & Sky Terrace have drifted from the conventional framework of the public housing. Indeed, they appear so exciting and contemporary that one tend to refer it as private condominium projects.

During the building nation, provision of shelter as social concern was the top priority under the authority's aim. Policies were formulated and implemented in line with the public housing provision, as to provide the people with a basic shelter. With the progressive



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economic development of the nation, there are shifts in the policy planning, as evident in the CPF liberalization, introduction of mortgage instruments, and hybrid HDB. The policy makers are able to demonstrate effectiveness and flexibility in implementing policy shifts. All sectors in land policy, financing matters via CPF, housing allocation scheme, social and racial class balance, have to be reviewed, re-formulated and re-implemented. It results in a high homeownership in today's Singapore.

Overall I would say Singapore is considered successful in housing, taking in consideration of its ability to establish a cohesive and seamless system, integrating all issues such as political, economic and social dimensions. In addition, its foresight and responsiveness to external factors, and its flexibility to change are the qualities that all other nation should learn from.

The role of CPF in public housing in the local real estate, and as an alternative for housing subsidy

Public housing is an important source of housing wealth for liquidity-constrained households in Singapore. And the role of CPF in public housing could be regarded as the invisible hand in the housing market and real estate. As a compulsory saving scheme, it has been instrumental in the development of the market for housing loans, as well as influencing the consumer behaviour in property purchase. It has been used as a powerful tool in terms of CPF financing and contribution rate to achieve macro-economic stabilization.

With the use of CPF as a housing finance, it acts an alternative for housing subsidy, as to accumulate capital for housing production and consumption. It replaces other forms of welfare system, such as heavy housing subsidy granted for low-cost housing in other countries. It effectively reduces the financial burden of the government.

On the other way, HDB also provides subsidized mortgage financing to its flat buyers subject to maximum combined income of \$8,000. Though it leads to the loss in terms of the marginal social cost resulting

from excessive housing consumption, it creates a bias toward home ownership as opposed to renting, i.e. the goal of the nation.

Housing as a highly regarded political element

Housing in Singapore is highly politicized. The public housing is provided by the near monopolistic hold of HDB, the state agency. With the ubiquitous HDB flats scattered all over the island, it has been a visible campaign material to all that they have met the objective of home ownership to most people. In many aspects, the government has adopted a strongly interventionist approach in housing allocation and policy, Major Upgrading Program (MUP) at old public housing is used to generate political support at the local level for the government, as part of asset enhancement program. MUP scheme has been used as a carrot during a pre-election campaign in the past decades, since MUP schemes are often given to housing estate under the winning PAP candidates. In areas under the opposition team such as Potong Pasir, physical obsolescence is apparent in these estates since it has been denied for the funding for MUP. The procedure of the funding source coming from the government budget surplus, approved by the Ministry of Finance. This unfairness and inequality had somehow further politicized the already complex nature of housing element in Singapore.

ASPIRATION:

Fulfilling of aspiration of the populace for private housing

Housing is a complex commodity. One of the aspects is its social representation to oneself. With the growing affluence of the nation, there is a rising demand for private housing. To the new generation, the public housing is monotonous, boring and a mass-produced consumer good. They would like to see more differentiated and innovative design, which they would start to turn to the private development. However housing affordability would always be the issue for most people. The hybrid of public and private housing, Executive Condominium, is introduced to bridge the gap. Therefore it is recommended that the authority should liberalize certain ruling to allow more free play in the supply of private housing



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yet at an affordable rate, i.e. more land released from Government. There are many other ways to narrow the gaps between public and private sectors, by introducing a more differentiated approach to design and market by HDB, or changing the tenure rights to public owners to make use of their common properties in the way of a private development, i.e. landscaping, facilities.

Private developer as a low-cost housing provider in Singapore

Public housing is highly regulated and monopolized by HDB as the sole housing provider. The housing market has not been ventured by the private sector, with the exception of the executive condominium. The introduction of executive condominium carried out by private developer is a healthy sign of the authority's willingness to meet the increasing demand of quality housing at affordable prices.

Due to the low profit premium available and the monopolistic hold of HDB, the interest in the private market has not been sparked and the private venture has not been explored. In addition, the local financial mortgage instrument might not be suitable to the low-income class as there are major discipline changes in the loan system, in relation to the CPF-HDB framework

The public housing should be opened to the private participation, as evident in USA and Europe. Subsidies are to be given to encourage the private sector to build and manage low-income housing. It will lead to design variety and improved efficiency in a competitive environment.

Up-and-coming Balestier Set to Create Buzz

As mentioned in my earlier blog, Balestier is going to be an up and coming new gem to many with its unique cultural background and proximity to city. I append herewith the extract from URA website. I

believe many people are feeling the buzz that the new construction sites are bringing to the area with new revaluation and new vibrancy.

A treasure trove of cultural and architectural references, Balestier Road offers a compelling blend of old and new with more than 160 years of history. The juxtaposition of heritage shophouses from the 1800s with new buildings tells of its significant past and vibrant present.

Balestier has evolved over the years and many of us associate the area with its numerous lighting shops, hardware and home fittings shops, and shops selling delicious local fares such as Bak Kut Teh and Tau Sar Pia.

The area is rich in history, home to an interesting mix of conserved shophouses built in the 1840s, and monuments such as the Sun Yat Sen Nanyang Memorial Hall. The Hall is a national monument that pays tribute to Dr Sun Yat Sen, the father of the 1911 Chinese Revolution.

Since the release of the Identity Plan in 2002, URA has studied the Balestier area and gazetted many conservation buildings in the area as part of the Old World Charm conservation proposals. Today, about 150 shophouses have been gazetted for conservation.

First of its kind – a hotel within a park

Balestier will be further transformed with the recent sale of the hotel site at Balestier Road to HH Properties in August this year.

With excellent frontage along Balestier Road, the hotel site is just a stone's throw away from the Sun Yat Sen Nanyang Memorial Hall. A unique aspect of this future hotel development is a 0.46 ha public park named "Zhongshan Park", to be built and managed by the developer.

This unique integrated hotel-park development is the first of its kind in Singapore and is intended to celebrate its connections to the rich cultural history and architecture of the Sun Yat Sen Nanyang Memorial Hall. It will add character and variety to the hotel mix in



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Singapore which is part of the government's tourism effort in enhancing visitors' experience.

Given the strong cultural and historical significance, visitors interested in discovering more about Singapore's cultural heritage may visit the Sun Yat Sen Nanyang Memorial Hall and Zhongshan Park and stay at the Balestier Road hotel nearby to complement their cultural experience.

All these are part of URA's planning initiatives to facilitate a unique integrated hotel and park development to kick start the rejuvenation of the Balestier area.

Landmark development that adds to Balestier's vibrancy

The sale of the 1.77 ha site provides the opportunity for a distinctive contemporary hotel that integrates seamlessly with the Zhongshan Park and synergises with the Sun Yat Sen Nanyang Memorial Hall and the surrounding heritage shophouses. The unique landmark development at this site will add to the vibrancy and enhancement of the environmental quality of the greater Balestier area.

A public event space will also be provided within the northern corner of the Zhongshan Park. This event space will form part of the pedestrian network for the area and serve as a gathering place for the staging of events and activities that will activate and enhance the vibrancy of the park.

To further enhance visitors' experience to area, URA also has plans to improve the walkways and landscaping in the neighbourhood.

Old world, new concept

A Design Advisory Panel will be set up to work with the successful tenderer and its appointed architect to guide the design to achieve a desired quality outcome for the development. This will also showcase Balestier's old world charm through a new development concept that is befitting of the area.

Dubai Turmoil

Negative sentiments prevail in the current Dubai market. Stock market index is sliding sharply, and property pricing is slashing continuously.

Just one & half year before, Dubai was still enjoying rapid progress in economic development and global city making. Dubai has openly set out to emulate Singapore's model. In several instances, Dubai has not only achieved its target set out, most of times they even surpassed the mark. In tourism, Dubai has succeeded in making the transition from being a two-day stopover destination to becoming a major destination in its own right.

There exist evident disparities and differences in the real estate risk and performance. One indicator of real estate risk is reflected in the rental yield of the property. The average private residential rental in Singapore has been hovering from 3% to 4.5% in the past few years, while that of Dubai can fetch easily over 8% for a similar nature of property. It may be explained as Singapore's property is an older and more mature market, with established clear property laws and a highly developed mortgage market. Dubai, on the other hand, is relatively young country that has not been through many cycles of booms and crash (with the exception of the current financial crisis due to credit crunch). The property law is relatively young and is still taking its long term shape. The passing of registration of allowing foreign ownership of freehold property in May 2002 has not established a thorough regulating system of the title and ownership rights. Also, there is always a concern of oversupply with the ever feverish construction going on in Dubai.

The Dubai real estate field was extremely active and attracted much global economic interest over the past 5 years before the crisis. However with its rapid and high-profile dramatic construction projects, it is exposed to potential risk of asset bubble. The 'build and they will come' concept in real estate has not been able to demonstrate the matching of real demand and supply. The risk factor especially amplifies in the lumpiness off of property. In addition, Dubai's real



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estate market has the tendency to over-gear itself to the high profile and high end market for funding. The opening up of the market to allow foreigners to purchase freehold ownership of properties has created complexity in the matching of demand and supply. Developers have been beefing up imaginary 'demand' figures to justify the ever increasing supply they are building. Property speculation was prevalent and the supply seemed to create its own demand during the good time. There had been many off-plan selling of properties to foreign investors, before the ground was even broken. The first installment was usually 10% or allowed. This allowed speculators to buy ten apartments for the price of one. There were many units changed hands several times even before the unit is handed over.

Comparatively, Singapore government tolerance for speculation activity has been always low. Before the 1997 Asian financial crises, the government had sought to different measures such as limits of financing (i.e. housing loan will not exceed 80% of the purchasing price or valuation price, whichever is lower); taxes on property gains (i.e. gains of the sale of any property within 3 years of its purchase will be taxed as income); and stamp duty on the full value of the property on every sale and sub-sale regardless of whether it is a completed or uncompleted property. In the recent property price surge, Singapore government has been fast in regulating the land supply through the Government Land Sales, and discourage speculation activity by wavering Deferred Payment and Interest Absorption Schemes.

In addition, Singapore is known for its strong regulation and high level of transparency in the real estate industry. All property transactions, be it public or private, strata-titled or landed, existing or projects in the pipeline, are updated regularly in the URA website for developers and buyers to peruse. Details in supply, stock and vacancy, rental are also made available to the public. This high level of transparency facilitates a healthy real estate investment and development, to minimize bubble building up. Speculation activity still prevails at certain level; however it has not been to a level to seriously impede the industry.

One thing worth mentioning is the make-up of population for these 2 global cities. While Singapore consists of 25% of non-residents in the population, Dubai estimates more than four-fifths of its population as foreigners. It demonstrated the success of the leadership in drawing foreign businesses, investors, and tourists. At the same time it is greatly exposed with its over-reliance on the foreign expatriates. In the recent financial crisis, there is a clear outflow of population due to the business plan changes together with the outflow of capital. It has created a surplus leading to the increase in vacancy rate to the sluggish economy. The real estate has not been able to come back strong due to its over-reliance on the international market and non-local demand from Dubai.

The property transaction processes and costs are relatively higher in Singapore, since Dubai is offering one of the lowest transaction cost which making it one of the lucrative destination to own. There is no requirement for a solicitor or conveyancing in Dubai. Contracts are signed between the developer and the owner. In case of a secondary property, contract is provided by developer within two weeks of agreement to buy the property. Registration for property is done by Land department in Dubai or by any authorized agent who has notarized power of attorney. The registration fees include 1.5 percent of contract, knowledge fee and site plan fee. The UAE is virtually a tax-free country and stamp duty does not apply. Comparatively, the property transaction in Singapore is much higher.

With the current turmoil that Dubai is going through, many investors are sitting back to see if this 'Gem of the Middle East' is going to collapse, or is going to be bailed out with its 'too big to fail' theory we are seeing in US situation. Only time will tell.

For Parents looking out for Good School Precinct

Many parents believe in good schools in creating a good environment for their children to grow up and learn. Therefore many



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are willing to locate their new homes based on the good schools that they would like to send their kids to.

In Singapore, the distance between the Primary schools and their homes will determine the chance of successful entry to schools. It is especially so for popular and good schools that many parents are willing to try all means to allow their precious ones to receive good education.

One common question that I will receive from buyer is how to determine the home school distance. The advice is that if the client is sincere and serious about the deal, the one of the official receipt of the proof is available from SLA Inlis, which allows one to enter the postal code or address of the interested property and see if the selected primary schools fall within the 1 or 2 km range. Though it is not free, it is rather affordable at \$2.10 for any serious buyer.

Another paid service is provided by Street Directory. One is able to select the home school distance under the 'Landmark' after keying the postal code or address. This is cheaper at \$0.54, however I am not sure if they are recognized by the authority as official proof of home-school distances for P1 registration.

If you are just hunting out for suitable properties in a region, there are two other free-of-charge websites: MyLifeStyleMap and StreetDB.com . They are distance of the property and the school, however they are not officially recognized.

This newsletter serves to compile all the articles of the particular. Due to the volume constraint, no pictures, charts and comments have been included. I still recommend all readers to check out the blog for the complete information.

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