



Must Read

NOVENA MEDICAL CLUSTER

Novena is fast setting itself as a distinctive medical cluster in Singapore with a number of leading medical institutions already located in the area. These include the Tan Tock Seng Hospital (Singapore's second largest hospital), Thomson Medical Centre and specialist centres such as the Johns Hopkins International Medical Centre, Novena Medical Centre, National Neuroscience Institute (NNI), National Skin Centre (NSC) and the Renci Hospital.

The latest up and coming one is the Parkway Novena medical hospital, which is planned to be a world first class hospital with only A class single ward catered in the hospital. It is located at Novena Terrace/ Irawaddy Road, a 1.7 ha site maximum permissible gross floor area of about 72,350 sq m. In the recent first phase soft launch, all 100 Parkway Novena medical suites were sold out. These suites ranged between 452 square feet and 1,431 sq ft and were priced between \$3,588 psf and \$3,828 psf, excluding GST.

The old perception of not wanting to reside near the hospital compound has somehow died off. In the past, people have the thinking that the chance of getting virus and germs is higher with many sick people patronizing the area. However in the case of the Novena Medical Cluster, we are seeing a healthy spillover of price increase to the surrounding property asset prices.

Just take a look at the Sinaran, Moulmein and Balestier areas, the property prices surged upwards instead of taking a beat back with the many hospitals coming up. Of course it is mainly to do with the re-branding of hospitals and medical centres, as well as the brilliant tying up of other land use such as retails, offices and hotel operations. We have so many shopping centres at Novena catering to different classes of people, as well as the convenience of MRT station and the proximity to city. That is the reason why we are seeing the Zhong Shan

Park at Balestier also aiming their clientele at the super rich foreigner patients receiving treatment in the Novena Medical cluster.

This may sound a good price that Parkway has managed to launch at: just imagine selling a medical suite with a price tag from \$1.63 mil to \$5.1 mil, not forget to mention it is sitting on a 99 years lease. However the deal may not seem as sweet if we revisit Parkway's aggressive bidding price back in the year 2008.

In year 2008, Parkway's top bid came out to be 1.25 billion, which worked out to be about \$1,600 per square foot per plot ratio (psf ppr) is a record price for land, and tops the previous record set by Australia's Lend Lease, which paid \$1,455 psf ppr for a commercial site above Somerset MRT station in August 2006. Compared to bids for land sites in the Novena area, (Parkway's) bid is more than three times that of Far East Organization's bid of \$501.2 psf ppr for a hotel site at Sinaran Drive in January 2007 and Frasers Centrepoint's bid of \$506.9 psf ppr for a residential site at Sinaran Drive in July 2006. The aggressive price was almost five times higher than Raffles Medical's bid, and double the offer made by Napier Medical, run by Tony Tan, whose family was once a major shareholder of Parkway.

Has Parkway overpaid the site? That is the concern of many Parkway shareholders. The total Parkway Novena Hospital development cost could easily amount to \$2 billion. In May last year, Parkway raised \$755.6 million in a rights issue, mainly to fund the land cost and development of Novena Hospital at Irawaddy Road, which will cost about \$2 billion, says Credit Suisse. About \$78 million of the proceeds went towards refinancing short-term bank loans used for funding the equity investment in a joint venture to develop a hospital in Mumbai and the acquisition of additional equity interests in the World Link group of companies. It also used \$242 million to discharge its short-term bank loans, according to the company's annual report.

Therefore the strategy of Parkway is to provide the best hospital rooms money could buy in the region: A top-of-the-line A-class room in a public hospital is close to what will be a basic room in the hospital



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Parkway is building on the 1.7 ha site at Irawaddy Road. The group plans to spend between \$300 and \$500 million on the new 324-room hospital, which will be completed by July 2011.

The 17-storey hospital will have 350 beds. Aside from 90 beds for patients in intensive care and high dependency rooms, the rest will be split among single, deluxe and VIP rooms, which come with adjoining rooms for guests and personal butlers. Parkway Health is mainly looking overseas to fill the beds. Foreigners from countries like Indonesia, Vietnam, Cambodia and even Russia, make up 65 per cent of patients at its three existing hospitals – East Shore, Gleneagles and Mount Elizabeth.

It seems that Parkway is able to work out its deal from the aggressive bid in the recent successful launch. The capacity constraints at Mount Elizabeth Hospital and Gleneagles Hospitals have somehow boosted Parkway faith in convincing its doctors and practitioners in buying the new medical suites, together with the improving economic fundamentals to the overall property market.

World's luxury home prices: Where is Singapore ranking?

Just take a look at the luxury homes price chart enclosed. No wonder there is still much great anticipation and optimism in the Singapore luxury home property market despite the many launches boosting the supply. In terms of the luxury home prices, Singapore still lags behind Hongkong, which is being ranked as the fourth most expensive city in the study. 'Ideally' speaking, the property investors can still look forward to 30% or more increase in property due to the much similarity between the two countries.

In case you wonder who is this country named Monaco. It is ranked as the most expensive city housing the most expensive luxury home, with the price tag from USD 4300 to 5900. Monaco is a small sovereign city-

state located in South Western Europe on the northern central coast of the Mediterranean Sea. It is surrounded on three sides by its neighbour, France, and its center is about 16 km (9.9 mi) from Italy. Its area is just under 2 km² with an estimated population of almost 33,000. Check out the gorgeous shot of the coastal city:)

Can we have MRT Station coming to Balestier?

Balestier is sandwiched in between of the 2 'prime areas' of Novena and Toa Payoh. I start to have this crazy bold idea why we are not able to have a MRT station in the middle of the 2 MRT station. Underground construction wise if not a problem if this is well planned. And it would not cause much hassle to the Balestier area since the construction site will be much more localized in the MRT station area.

And I am think the current Zhong Shan Park is the most ideal area for the Balestier MRT hub to be. Since Singapore LRT has done it for Singapore Polytechnic which is named as Dover, in between of Clementi and Buona Vista (it is on the elevated MRT track though), why not Balestier? The Dover MRT Station is located about half a kilometre from the junction of Dover Road and Commonwealth Avenue West. It is situated midway between Buona Vista and Clementi MRT stations on the West line of the MRT system. This is the first 'add-on' station in Singapore that was built on an existing rail line that is in operation.

In addition, the traffic volume will be an issue with many upmarket residential developments mushrooming in the area. There are more than thousand over units ready in the years to come. If URA has intent to really revamp the Balestier area, they may want to seriously consider it:)



MacRitchie Reservoir Nature Reserve

The new launches like the Arte, Cube 8 & the Vista Residences are blessed with MacRitchie Reservoir view for residents living at the high floors. Rather than enjoying the view, the residents in Balestier can always visit the MacRitchie Reservoir Nature Reserve for work out and natural lifestyle. It is just a few bus stops away from Balestier. And with the completion of the new 2 storey carparks with 300 parking lots, it is just a breeze for people who drive and park there. I still recalled in the past when there was no carpark facility, one must arrive early in order to get a slot along the narrow drive way. And most of time we had to really test our parallel parking skill to squeeze the car in.

MacRitchie Reservoir Nature Reserve had been my favorite training place for the annual Marathon Race when I was young. I had stopped for years when I had my family. Today I revisited the place and realized it is still as beautiful as before..... Just take a rest along the way to enjoy the fauna and flora and the scenic reservoir.....

Simon Cheong debating with S'pore Govt on property measures

We seldom witness private players stepping out questioning the efficiency of the Government policies. Mr. Simon Cheong, as the president of the Real estate Developers' Association, questioned the need for Government's measures towards the property. He further suggested that would lead to mismatch of supply and demand.

Simon Cheong raised the two recent government land-sale tenders to highlight 'the dilemma' that developers face when bidding for such sites. A bid for a Tampines site was rejected in June 2008 but the tender was awarded this month at \$421 per square foot per plot ratio (psf ppr), or 3.6 times higher that the original bid. Similarly, a Ten Mile

Junction mixed-use site with a failed bid in April 2008 went for \$437 psf ppr, or 2.7 times higher than the original bid, last month.

First, my applause goes for Mr. Simon Cheong for making the bold move in confronting the Government. I am not seeing eye to eye to his feedback though. Rather, I see it rather a healthy exchange of feedbacks on the real estate industry. Though it does not appear so to the Government, since the Ministry of National development has come out strongly to defend their stand. Most probably the current sentiment for the Government is pretty sensitive with the election drawing near. Moreover the topic on heated property has been quite a tricky issue to tackle especially to the mass public.

As Mr Donald Han, managing director of Cushman & Wakefield has rightfully pointed out: there is not right or wrong since both represent different perspectives from their individual position. Actually the topic on the Government intervention to market has been long debated and discussed. However there is never a 100% effective approach that the Government could take to address the market irrational behavior.

To me, I still believe in the governor role of the Government ensuring all things in the market are in order to function as a free market. However they need to mediate the situation when the negative externalities reinforcing themselves without making correction. It has happened so in many cases in the history that the property bubble occurred and hurt the whole nation.

Leong On Building along Balestier Road

You might have noticed that there is this industrial building, Leong On Building, sitting beside the up and coming Zhong Shan Park site. It looks pretty out of place, and will be even so after the completion of Zhong Shan Park. I would have thought that it would have been more efficient and integrated in terms of planning if the site to be amalgamated with the Zhong Shan Park during the URA land tender. However the wish was somehow not materialized.



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However the owners of Leong On Building will be very happy, since their property will appreciate greatly with the completion of Zhong Shan Park which include hospitals and retail. In addition, URA has called for a rezoning of the industrial parcels in Balestier to residential. Therefore this plot of land that Leong On Building is sitting on is going to be very valuable with its prestigious neighbor and landuse conversion value.

As for now, you would still like to patronize Leong On Building if you are looking to purchase baby items especially Qunny & Maclaren strollers (which are the very expensive range) from Baby Avenue. Baby Avenue provides the one-stop lifestyle shop that provide all the necessities for babies and mothers' need.

Balestier Tau Sar Piah

If one mentions of Balestier, many people will think of its famous Tau Sar Piah. From the Thomson Road leading to Balestier, you will be seeing a number of Tau Sar Piah shops selling this traditional pastry. Sometimes you could be seeing drivers taking risk for parking illegal along the side of the shops to buy the famous Balestier Tau Sar Piah, since it is simply not convenient for the customers to park else place and walk over to the shops for purchase.

Loong Fatt at No 639 is said to be the first shop and the original shop, which has been in operation for more than 30 years. As you could see from the shop interior, it is quite a traditional feel kopitiam. Every morning you are still able to see many friendly workers hand making the pastries with old ovens in the kitchen. This place is just so nostalgic with the use of old chairs and tables, with the signage narrating the history of the shop. Loong Fatt sells only 2 types of Tau Sar Piah, the sweet and salty type. Their prices are the highest among all others, at \$0.70 each.

There are 4 others shops along Balestier that you may be interested to know. Most of them offer other flavours than the sweet and salty types. My family and I personally love the Tau Sar Piah at 603 which we prefer the taste and crustiness of the Tau Sar Piah they make. Moreover they have more than 10 varieties of flavors to choose from. Other than the durian flavor, each Tau Sar Piah costs \$0.60 each.

Singapore property market chasing closely after Hong Kong

More than often, Hong Kong economic performance has always been taken as a benchmark for Singapore. It is especially so for the current heated property market. It is easily understood though, since both Singapore and Hong Kong share the similarity in terms of economic factors with no natural reserves, as well as the scarcity of land.

It is believed that there is much more room for the Singapore property market to appreciate. The analogy is taken from the reported average pricing of a 120 sqm apartment for Hong Kong, it costs the buyer \$21,539 psm, while for Singapore, it costs \$15,012. Though we understand the property market boom is also attributed by the investment from Mainland, we do foresee that the spill over effect of hot money from these countries. Therefore it explains the strong momentum in the property buying spree regardless of the increase in supply. It appears that the purchasers are very confident of their ability to ride though it to benefit from price appreciation.



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Do you have the foresight for the booming property market?

Sometimes I love to see things in retrospect. I was browsing through the old articles on property section, and found this commentary article dated 18 Nov 2007 on the over spill effect of Newton to Balestier and Thomson 3 years back. True enough, the property prices of Balestier have risen substantially coming close to the Novena and Newton area. So is the over spill effect of current Balestier able to work on Boon Keng, St Michael area and Potong Pasir? If you are looking to ride along the wave of the property boom, it is always good to do study and look at the things in history to have the foresight for the future.....

Water Kiosk at Boon Teck Road, off Balestier

Balestier is just so intriguing and interesting in its history and background that it worths your time to explore each of the corners in the street. At the corner of Boon Teck Road off Balestier, you may have notice that there has been standing this small cart with 2 traditional dispensers. It carries a signage stating: Charitable service provided by Thong Teck Sian Tong Lian Sia which is just located nearby.

This water kiosk has been there for decades, since the 1970s to be dispensing free water and tea for any thirsty passer-by. This service is a legacy of earlier times when clean drinking water was a luxury.

It was an act of charity to provide clean water for the poorer folks, such as drivers of horse carriages, rickshaw men and others who were working in the area. This service continues to be provided by the temple along Boon Teck Road called Thong Teck Sian Tong Lian Sia. This temple was originally sited at Kim Keat Road in the 1940s and was

later relocated to this current spot in the 1970s. There would always be two containers at every water kiosk, one would be filled with water and the other would be a tea called 'Su Teh' in the Teochew dialect.

I believe that this is the only one free water kiosk left in Singapore. Though I am not sure if this is still of relevance to today's affluent society, it is just so nostalgic to see act of the charity to be passed by so long and still exists in today's context. There used to be two other water kiosks in the past providing free tea and water for the public. These were along River Valley Road, outside what is Liang Court today, and near the old Hoover Theatre where Shaw Plaza now stands. The ones further away from the temple were always filled up by the temple caretakers using their trishaws every morning.

Rochor Beancurd House @ Balestier

I believe that you must have tasted the Rochor Beancurb from Balestier Road. Situated at 432 Balestier Road, #01-436 Public Mansion, it is just beside the Mutton Soup Steamboat which is famous for its food.

Rochor Beancurd House is popular. There may many tales on its the history and originality of the Rochor Beancurb business. However the food tasting good is much more important to me. I love the beancurd dearly for it is just so smooth and melts in your month. I always go for the traditional beancurb with You Tiao for my breakfast or supper. They also serve many other food that is good for me to snack::) They have Butterfly Bun, Salted or Sweet Bun, Egg Tart, Glutinous Rice, Ang Ku Kueh, Crystal Bun, Roasted Chicken Bun and Curry Puff. Their operation hour is from 8am to 2pm. Rochor Beancurb has 2 other branches: 745 Geylang Lorong 39 Road S389653 (24 hours) and 232 Upper Thomson Rd S574363. (11am to 3pm).



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Upmarket property launches lining up for your choice!

The coming property launches in prime area is drumming up much interest in many buyers with its features and location. We have the 39 storey condominium, 76 Shenton by Hong Leong Holdings, and The Residences at W Singapore by CDL & Seascope Cove by Hobee in Sentosa Cove lining up to be launched in the coming months. So as a buyer you will not be short of choice during your weekend hunting for new home and investment:)

Featured Property of the Week: Euro Asia Park ★

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Euro Asia Park is a condominium development, with full condo facilities such as swimming pool, BBQ area, gym, tennis court, and a playground. Completed in 1996, it is still considered pretty well maintained. Residents can get their necessities at the neighbouring estate's market in Potong Pasir and food centre. The PH Bro Driving Range is a stone's throw away. For vehicle owners, getting to the business hub and the buzzing Orchard Road shopping district takes about 10-15 minutes, via Central Expressway.

The development has 2 to 4 bedrooms unit types. Since it was constructed back in the 1990s, the design of living room and bedrooms come relatively spacious. The areas for the unit range from 760 sf to over 200 sf. As usual, the smaller units are transacted at more than \$800 psf recently while the biggest unit as long as \$530 psf.

There are some units still going for relatively attractive prices. It is especially for the stretch of units facing the Parc Mondrian development which is under construction. Understandably, the units are still going for as low as below \$750 psf since the views will be blocked by the up and coming Parc Mondrian. However even after discounting the negative factors, I personally think most of the units are going for good prices with the adjacent development shouting over \$1000 for resale transaction.

I love the existing ambience of Euro Asia Park, nestled in the green and quietness. However be prepared this is to be gone soon with the completion of the international schools and more than few hundred units completed from Parc Mondrian and 8@ Woodleigh. Not to forget to mention its close neighbor, Blossoms @ Woodleigh, this was beautifully constructed with 240 units. However the transaction prices are higher, which are closer to a \$1000 psf for its new development with fully equipped facilities.

On last note to add: I love 'older development' because it does away the planter boxes and bay window features. Therefore the built in area you buy will be the actual unit size you get. That's why all of the older resale units all appear more spacious in the same area in comparison to a new project.

Do tell me how you think of this "Featured Property of the Week".... And I will see how to improve the section:)



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Featuring Projects from Balestier, St Michael & Potong Pasir

The response to my earlier posting on "A private apartment unit near city area for less than \$600psf!!!" so overwhelming that I have been receiving many calls from my readers on the location of St Michael and Boon Keng area.

With the recent successful launches of the Cube 8 in Balestier and the Vision in West Coast Crescent at over an average of \$1100 psf, there are many buyers anxiously wanting to get hold a resale apartment unit in District 12 & 13. They believe that the property prices in District 12 & 13 are still reasonable, considering the proximity to city and the future planning in place.

Housing prices have caught up in Balestier area. The existing houses have been somehow corresponding with the new property launches such as the Cube 8 & the Vista in the same areas. In the past 2 to 3 years, the property housing prices in Balestier and the adjacent areas like Novena and Newton have narrowed much. Many buyers have feedback to me that the Balestier property may no longer seen as a steal as before.

If you are still looking at good location with good property bargain, you may look at St Michael and Potong Pasir. Similarly to Balestier, these 2 areas are considered highly accessible and close to city. If you look at the map enclosed, you may realized that Balestier, St Michael, Potong Pasir are just adjacent to each other. They are more like cousins to each other, especially for Balestier & Boon Keng which are sharing the same Whampoa precinct, which is cut into 2 areas by the CTE highway. These are the 3 areas which I am specialize in, which I see lots of potential in terms in its value and future growth. And I call them the Golden Triangle:)

Therefore I will be launching "Featured property of the week" highlighting certain developments that have not fully caught up the upward trend of the property boom. Mainly I will be covering the development per say, and covering the features and strength of the individual project. I will not be particularly covering each of the unit listing in detail, rather look at the potential of the development as a whole.

Hopefully you are able to get to know more developments in a more holistic manner. Should you be interested in buying a unit there, just drop me a sms at 9681 7684, and I will compile all the available units for your preview.

Centro Residences @ Ang Mo Kio

The Centro Residences development by Far East Organization, which is located strategically next to AMK hub and opposite AMK MRT, has been awarded to homegrown developer Lian Beng Group at S\$78 million construction deal. It is a construction of a 34-storey residential tower with a multi-storey carpark, clubhouse, swimming pool and playground. The work on the development is expected to start in March and will be completed by January 2013.

Remember that the Centro Residences was the first development in suburban to be launched at over \$1000 psf, moreover it is of a 99 year leasehold tenure. Check back the record and realized the Far East has acquired it at a relatively high land cost, which has to be passed to the buyers.

	Cost	Cost psf	Remarks
Land Bid price	\$202,900,000	\$ 601	Far East topped in as the bidder in 2007
Construction cost	\$ 78,000,000	\$ 231	Lian Beng awarded in Mar 2010
Est. Consultancy + Authority submission		\$ 23	Estimated fee at 10% of construction cost
Misc i.e.marketing & financing fee		\$ 80	Estimated fee at 8% of GDV



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Est Breakeven cost	\$ 935	
Average Selling price	\$1,100	
Profit Margin	\$ 165	Estimated 17.6%

With the construction cost per sf at \$231 psf, the breakeven cost for Far East is easily \$935. Therefore by launching the development at more than \$1,100 psf, their profit margin is still pretty healthy at 17%.

After all the location is considered pretty prime even though it is in suburban area. Ang Mo Kio is 'one of the few housing estates in Singapore' that is accessible, has well-developed amenities and job opportunities in clean and well-organized industrial estates nearby. Key among these advantages is Ang Mo Kio Hub, a mall in the heart of town that is integrated with an air-conditioned bus interchange. It was completed in 2006 and sits just across the road from the Ang Mo Kio MRT station.

Get a new development with BCA Quality Mark to be more hassle free for your unit takeover

In my earlier posting on "what to do if your new house giving your headache of problems?" , we were discussing the pain that one will face in takeover of a new unit if it is not delivered in good workmanship and full of defective issues. Definitely it will be very frustrating to most unit owners as they could be very troublesome in terms of coordination with the developers and contractors in fixing up the issues, and monitoring the problems, and worst case if the issues are recurring.

Most defects could be easily addressed if we are talking of hairline cracks on plaster walls, or stained marks on the counter top to be

cleaned off. However imagine you are posed with the problems of water leaking issues, or poor workmanship of marble laying which you think the entire living room should be re-laid. These are the works that require extensive time on site which might render your unit unusable for a period of time.

How to minimize the change of getting a defective new unit? Always purchase from a reputable developer. In addition the main contractor whom is appointed to do the job is also important. And my strong recommendation is: Get a development with the BCA Quality Mark (QM). Under the BCA Quality Mark for Good Workmanship (QM) Scheme, BCA will assess all the internal finishes and waterproofing works in each unit. The unit will be issued the QM certificate if it meets the specified standard. If the unit does not meet the standard at first assessment, the developer may rectify the unit and apply for re-assessment. There is no limit to the number of re-assessments. The QM certificate will be issued only after the minimum QM score is achieved.

You might have heard of CONQUAS: The Construction Quality Assessment System introduced in Singapore since 1989. It serves as a standard assessment system on the quality of building projects. QM will be assessed in the same manner as the CONQUAS tool assessment. In comparison, CONQUAS is being taken as samples taken of the Structural, Architectural and Mechanical & Electrical (M & E) works throughout the duration of the project.

The QM scheme measures the quality of workmanship in each newly completed residential unit. The assessment covers all internal finishes like floor, wall and ceiling finishes, architectural components and fittings like doors, windows, wardrobes, kitchen cabinets, vanity tops, bathtubs, water closets, shower screens and basins, and M & E fittings and switches. In addition the assessment will include water ponding test for bathrooms. Water-tightness tests on windows are optional.

Those units that meet the minimum workmanship quality standard will each be issued a Quality Mark (QM) certificate. Any unit that fails to



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do so will not be issued the certificate. The QM certificate certifies the condition of the unit at the time of inspection.

The homeowner can generally expect better quality homes if the project is QM certified compared to non-certified homes. A QM home provides the assurance that the unit has been thoroughly assessed and meets the minimum standards of good workmanship as specified under the scheme.

Though a unit need to score only at least 80 points (out of 100) to qualify for a QM certificate, this means there may still be some defects in the unit. However they are not significant enough to warrant withholding issue of the QM certificate. Therefore you could assure that your new unit is somehow warranted with one round of quality and defect inspection before your takeover. And I would think that it is especially useful for most how buyers whom are more layman in terms of identifying the building defects and items not in line with specifications.

What to do if your new house giving your headache of problems?

Buying a new house is always exciting. It is especially so for the first time private home buyer getting the key to a new home after receiving the letter of notification on the development Temporary Occupation Permit.

However your perfect dream homes may not turn out to be perfect. So what should you do when you find your new home with shoddy workmanship and many items are not in line with the specification? Under the Sale & Purchase Agreement signed with your developer, your developer has certain obligations to fulfill when defects are detected within the Defects Liability Period (usually 12 months).

Check out the appended article for your easy reference. (source from BCA website)

Resolving Disputes on Building Defects

Interest in private properties has been on the rise in recent years. More and more Singaporeans now aspire to own one. Consumer expectations have also risen, resulting in developers introducing more new design concepts, lifestyle features and materials in order to capture homebuyers' interest.

As with all things new, there is a keen desire to ensure that no defects are present. However, this is sometimes not so and when it occurs, many are unsure what can be done to get such defects rectified.

The information here is aimed at first-time private-home buyers. It advises them on the possible ways to settle disputes relating to defects when purchasing a property from a developer. The roles and areas of responsibility of the various government agencies are also briefly described, together with those of utility suppliers.

The Building and Construction Authority (BCA) has prepared this with the help of the Controller of Housing, Singapore Mediation Centre, Real Estate Developers' Association of Singapore and the various government agencies. BCA would like to acknowledge their contribution and feedback.

How to deal with a defect in your new home

Getting the keys to a new home is an exciting time, filled with great anticipation. Though we always expect our dream homes to turn out perfect, sometimes this is not the case. We find that certain items of work are not in accordance with the specifications, or detect instances of shoddy workmanship. What can we do about it? Under the Sale & Purchase Agreement signed with your developer, your developer has certain obligations to fulfill when defects are detected



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within the Defects Liability Period (usually 12 months). You too, have a part to play in ensuring that the defect rectification process proceeds smoothly. The key steps in the defect rectification process in Clause 17 of the Sale and Purchase Agreement on Developer's Obligations are listed here.

1. Within a period of twelve (12) months from the date of Notice of Vacant Possession, also known as the Defects Liability Period (DLP), the developer is responsible for any defect that occurs in the unit, the housing project and the common property.

2. Any such defects due to defective workmanship or materials, or to the unit, the housing project or the common property not having been constructed in accordance with the specifications in the Sale and Purchase Agreement, shall be made good by the developer.

3. Such defects must be made good by the developer at his own cost and expense within 1 month of having received a written notice from the homeowner.

4. If the defects are not made good, the purchaser may notify, by sending a Notice of Intent to the developer, of his own intention to carry out the rectification work, furnishing its estimated cost and giving the developer another opportunity to carry out the rectification within 14 days from the date of the Notice of Intent.

5. If the developer fails to rectify the defects after the specified time in the Notice of Intent, the purchaser may proceed to rectify the defects by engaging his own workmen and recover the cost from the developer. Such costs may be deducted from the sum held by the Singapore Academy of Law (<http://www.sal.org.sg>) as stakeholder for the developer.

What should I do when there are defects in my new home?

You may follow the steps below, which are based on the terms in the S & P agreement:-

Step 1 : Give advance written notice to the developer highlighting specific details of the defect(s). If no response is received by one month from the date of notice, proceed to Steps 2a and 3a. (The notice can be in various forms e.g. developer-issued inspection form for reporting defects, letters, etc)

Step 2 : Make arrangements with the developer to either conduct a joint inspection of the defect, or fix an appointment for the developer to carry out necessary repairs if the inspection is not necessary. (Please note that to agree on a suitable time for repairs to be carried out, coordination by both parties is required.)

Step 3 : After an appointment has been fixed, contribute by helping to ensure that the area for repair has been cleared, to facilitate the smooth completion of work. (This will help prevent damage to your furnishings and belongings while repairs are being carried out.)

Step 4 : At the appointed day and time, make sure that someone is in the premises to grant access to the workmen to carry out rectification works.

Step 5 : Acknowledge to confirm that repairs have been carried out. (This will help all parties to account for the status of the work and prevent any complications that may arise. Additional defects may be dealt with in the same manner as described above)

What if there is no response from developer?

Step 2a : Issue written notice to the developer of your intention (Notice of Intent) to rectify the defects and also provide the estimated cost of such work.



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Step 3a : You may commence your own rectification works if the developer does not carry out the work within 14 days from the date of notice, and recover the cost from the developer. The cost may be deducted from the sum held by the Singapore Academy of Law as stakeholder for the developer.

Resolving disputes

There may be instances where the developer disputes your rectification request, or there may be unresolved issues such as disagreements on defects, repairs that are not carried out satisfactorily, or lack of response to your concerns.

You should first consider resolving your disputes through mediation. In mediation, an impartial third party, called a mediator, will help you and your developer to negotiate an amicable settlement of your differences. The mediator does not decide on the dispute, but will help you and your developer reach a mutual agreement that is in the interest of both parties. Mediation is less time consuming and costly than litigation or arbitration.

If you and your developer are unable to settle your disputes through mediation, you may consider other dispute resolution measures such as neutral evaluation, arbitration or litigation.

If mediation services are required, there are a number of organizations/bodies that provide such services. Three organizations/bodies are highlighted here. A fee may be charged for these services. You are advised to check with the respective organizations/bodies to confirm the fees before engagement.

Singapore Mediation Centre (SMC)

The SMC is a non-profit organization funded by the Government through the Ministry of Law, and guaranteed by the Singapore

Academy of Law. It provides mediation and neutral evaluation services.

The mediation process is facilitated by mediators appointed by the SMC. The mediators include former Supreme Court judges and judicial commissioners, senior lawyers, and senior and respected construction industry professionals, such as architects, engineers, project managers, quantity surveyors and builders. The SMC will match appropriate mediators to disputes. In addition, you and your developer will each pay an administrative fee. In neutral evaluation, you and your developer will select an evaluator from the SMC's panel of evaluators to provide an impartial written opinion on the merits of the disputes between you and your developer. The SMC's evaluators also include senior and respected construction industry professionals such as architects, engineers, project managers, quantity surveyors and builders.

For more information, you may visit the SMC web site at <http://www.mediation.com.sg> Real Estate Developers' Association of Singapore (REDAS)

The REDAS Conciliation Panel helps to resolve disputes concerning workmanship, quality of materials used and unmet obligations under the Sale & Purchase agreement. The Conciliation Panel is an independent body comprising professionals who are familiar with the construction and property development industry. The composition of the Panel varies from case to case, depending on the nature of the dispute, and could include architects, engineers, quantity surveyors, valuers, builders, as well as officials from the relevant government agencies.

You will have to refer your disputes to the Panel within 3 months from the date of expiry of the 12-month Defects Liability Period and must have had attempted to resolve the matter privately with your developer, who must be a REDAS member. In trying to reach a fair decision, the Panel will adopt a common sense approach, guided by



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the law and what is considered established practice in the real estate development industry.

For more information, you may visit the REDAS web site at <http://www.redas.com> Consumers Association of Singapore (CASE)

CASE is a non-profit, non-governmental organisation that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trade practices. CASE adopts a three-pronged approach in working towards an ideal consumer-business environment.

For more information, you may visit the CASE web site at <http://www.case.org.sg>

(If arbitration or litigation services are required, you should consult your own solicitors)

The 'Visionary' Vision at West Coast Crescent by Cheung Kong

It seems that the property prices are not deterred much by the measures by Government. In the West side of Singapore, the Hong Kong developer Cheung Kong will be launching the Vision at West Coast Crescent at the 99-year leasehold at an average asking price ranging from \$1,000 – \$1,200 per sq ft.

This high end development comprises 281 apartments and 14 strata terrace units. The apartments will be housed in two towers – one with 33 levels and the other with 32. The project will be the tallest residential development in the area. It will have two-, three- and four-bedroom units ranging from 818-1,604 sq ft. There will also be two penthouses. Going by the average asking price cited, a four-bedder could cost about \$1.9 million.

It is really quite an ambitious prices set by the developer. Cheung Kong clinched the site in a state tender in March 2008 with a bid of \$305 psf per plot ratio (ppr). Just imagine the land cost of \$305 psf could be easily translated into an estimated break even of \$680 psf to \$720 for new condominiums of market range. Earlier the development units were expected to be launched from \$750 and \$800 psf.

While the development boasts to have the most luxury finishes and design, with a bathroom costing 3 times more than a conventional construction (which is puzzling to me why should a buyer need such an expensive one: maybe of its full automation for its toilet fittings and fixtures, or the imported marble clad bathtub, or maybe or maybe.....), I would think that any buyers of the development would really have factored in extremely optimistic property market in the coming years for their purchase for the unit.

It seems that the developer is targeting at least 30% return purely on the straightly cost versus profit basis, setting their selling prices from \$1000 to \$1200. It is considered very super good profit for real estate development..... After all this area is in West Coast and is no way near to any MRT station. The Haw Par Villa MRT, which is part of the upcoming Circle Line, which will be quite a distance away. Moreover it is a 99 year lease hold development.

One more thing: the tall residential tower may be blessed by unblocked seaview with the relative low density developments around, however the adjacent area next to the West Coast Park is the PSA Marine which is dotted with lines of shipyard and dockyard, and the other end is industrial parks with factory flats. Therefore the scenic views towards the sea is somehow compromised.

Of course this development does have its strengths. I like most of its location since it is highly accessible with its well connected to highways yet is pretty laid back in its setting with its proximity to Clementi Woods and West Coast Park. And it is very near to NUS, which could be highly attractive to students and lecturers (though these may be considered too high end and expensive by them).



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Home Team NS JOM Clubhouse in Balestier

I do not mind not having condominium facilities if I am living in Balestier. We have the Home Team NS JOM, a clubhouse for Police Officers located along Ah Hood Road & Jln Rajah providing a ground for all types of outdoor and indoor activities to keep one well occupied. It is located just by the side of PIE opposite to the Toa Payoh swimming pool and Toa Payoh Safra club. Balestier JOM is much more established and more equipped relatively to the Toa Payoh Safra club. Toa Payoh Safra club is pretty old and run down. Therefore in terms of its set up and facilities provision, Toa Payoh Safra Club lags behind the new ones in Jurong and Mt Faber Safra Club. In comparison, Balesiter JOM is pleasantly much better than the Toa Payoh Safra Club.

Though Home Team NS JOM is a club specially for the Police Officers, it is also open to public at a very attractive pricing. Upon entering into the compound, you will be greeted by a water feature spout, and a very big open air carpark. I just wonder how many open air carparks we have left in Singapore, since every inch in Singapore is so

expensive that any open air carparks appears to be inefficient without optimizing the land use.

The four-storey Clubhouse has a wide range of facilities, such as Billiard Saloon , Jackpot Room , High Tech Gym , Poolside Cafe and a Bowling Alley, which will meet your every recreational need. If you are to go during the non peak hours, which are 7am to 5pm on weekdays, the rates are even more attractive.

Actually the swimming pool & children's wading pool are very popular. I have seen several residents from nearby apartments with facilities like the Belleforte paying to use the facilities, since they are much bigger and more variety. I would say the entrance fee is very affordable at \$1 during off peak, and \$2 during peak hours. While there are just so many other facilities around, it is enough to keep everyone in the family occupied. My wife is even thinking of patronizing the Art De Spa shop in the JOM. They offer several types of therapies, from face to whole body. Ha ha, I will update you the bill once my wife visits them.

There is the Halal Seafood Restaurant housed within the JOM. There are not many Halal Zi Char and Seafood you are able to get in Singapore. Therefore it has become quite a popular place for company lunch and dinners. I have not personally tried them out. But you can always check out the mixed comments from http://www.hungrygowhere.com/singapore/seafood_kampong/

Golden Wall Flatted Factory at 2, Jalan Rajah off Balestier Road

Golden Wall Flatted Factory is an 8 storey industrial building situated off the Balestier Road. From the look of it, the building is in need for a fresh layer of paint coat. Most of the factories in Balestier are pretty run down and lack of maintenance. This is one of the potential problems that en-bloc or collective sales could bring. With



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URA's plan on re-zoning of industrial plots to residential zoning, I believe many owners of the industrial buildings in Balestier are looking into getting the new right owner with the right pricing. Who would like to sink in further money in proper maintenance or building face lifting since the buildings could be disposed in any time?

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Development charges for Residential sector up

It comes as no surprise to me that the government adjust the residential development charges upwards in response to the outperforming residential sector.

Development charge is a fee that the developer has to fork out if he wants to intensify the land use. For example, there will be a fee to be paid if the developer wants to redevelop the recent industrial park to residential development at 6 Ampas road with the new plot ratio of 2.8. Development charge is considered a useful and flexible tool by the Government to stabilise the market forces. They are reviewed and released every March and September by the National Development Ministry. In this case, the increase in DC will add to developers' cost and could affect collective sales and the conversion of office/industrial buildings to residential use.

To me, the use of development charge is also seen as the partake of the Government in the improving property market when the prices of residential development shoot up.

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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