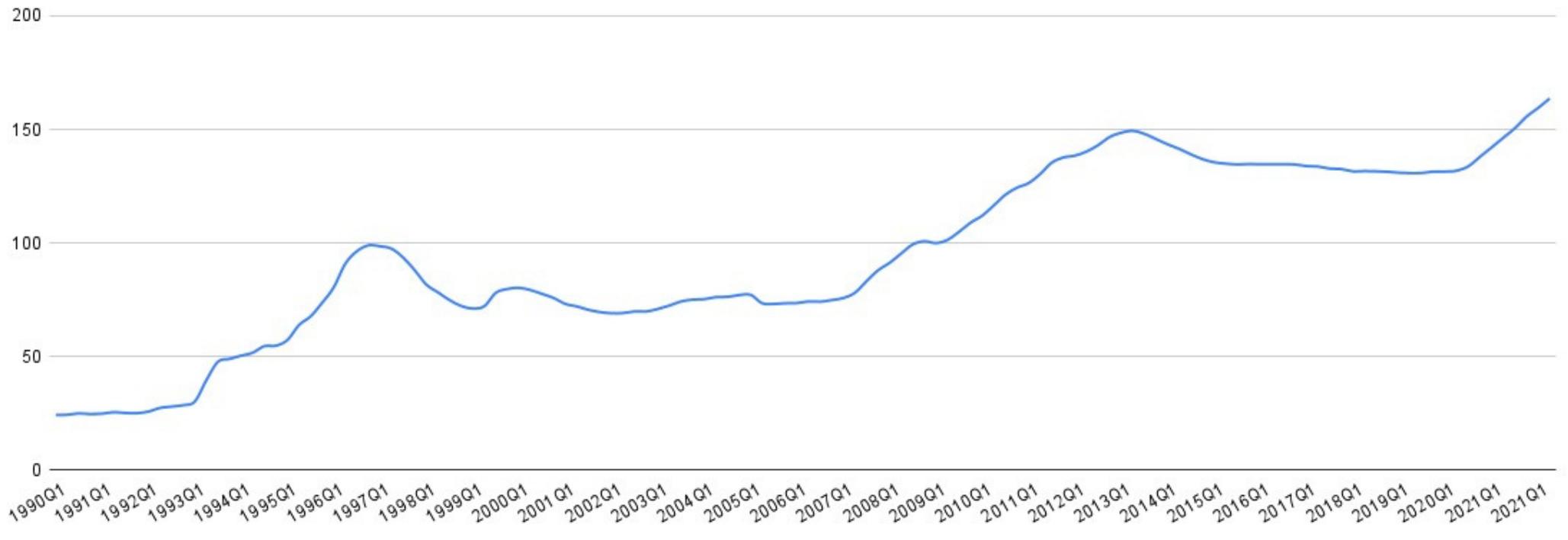


HDB price trends over the long term



It is well known that HDB flats are sold at subsidized prices to all Singaporeans and profits on capital appreciation are enjoyed by the majority of home owners.

This windfall is akin to a gift by our government to help newly weds and young couples get a head start in their wealth building journey.

As we can see from the chart above, HDB prices have been on an uptrend since 1990.

LIMITATIONS OF HOLDING A HDB FLAT VS A PRIVATE PROPERTY

Private Housing	HDB Flats
Profits can be accessed without selling	Profits cannot be accessed without selling
Equity loans available to draw out funds whenever needed	Equity loans to draw out profits are not available
Decoupling is possible to save on ABSD	Restrictions on passing ownership to spouse or next of kin
More room to grow as lesser regulatory scrutiny	Invisible ceiling on price growth as policy mandates prices be kept affordable for masses
Historically higher growth rate	Historically lower growth rate

Although there are many benefits of owning an HDB flat, the above comparison table shows that there are more restrictions on the accessibility of equity and profits, manner of holding strategies and greater regulatory scrutiny for HDB flats than for private homes.

Hence, if one were to put on an investor's hat, the potential for greater investment gains are stacked in favour of private homes.

Returns Of Most Common Residential Choices (As of 8th July 2022)

Investment Type	Initial Capital (2012)	Returns (2022) excluding initial capital	Return on Equity %	*With 5/10 Yr Rental Returns
Executive Condo	\$100,000	\$254,000	254%	291%
Condominium	\$100,000	\$233,000	233%	307%
HDB Flat	\$100,000	\$150,000	150%	187%
Landed Property	\$100,000	\$126,000	126%	200%

All property assumptions are 20% Cash / 80% Loan (Based on 2012 Regulations) except HDBs 10%/90%.
Assuming 1.5% nett yields.

*Due to HDB/ECs MOP 5 years rental returns, add 37% to ROE.

Private Properties add 10 years rental yield, 74% to ROE.

Compiled by Stuart Chng

Referring to the study on the past decade's return on equity (ROE) of the 4 common housing types, we can clearly see how ownership in most other residential housing types have reaped a greater return than holding on to an HDB flat.

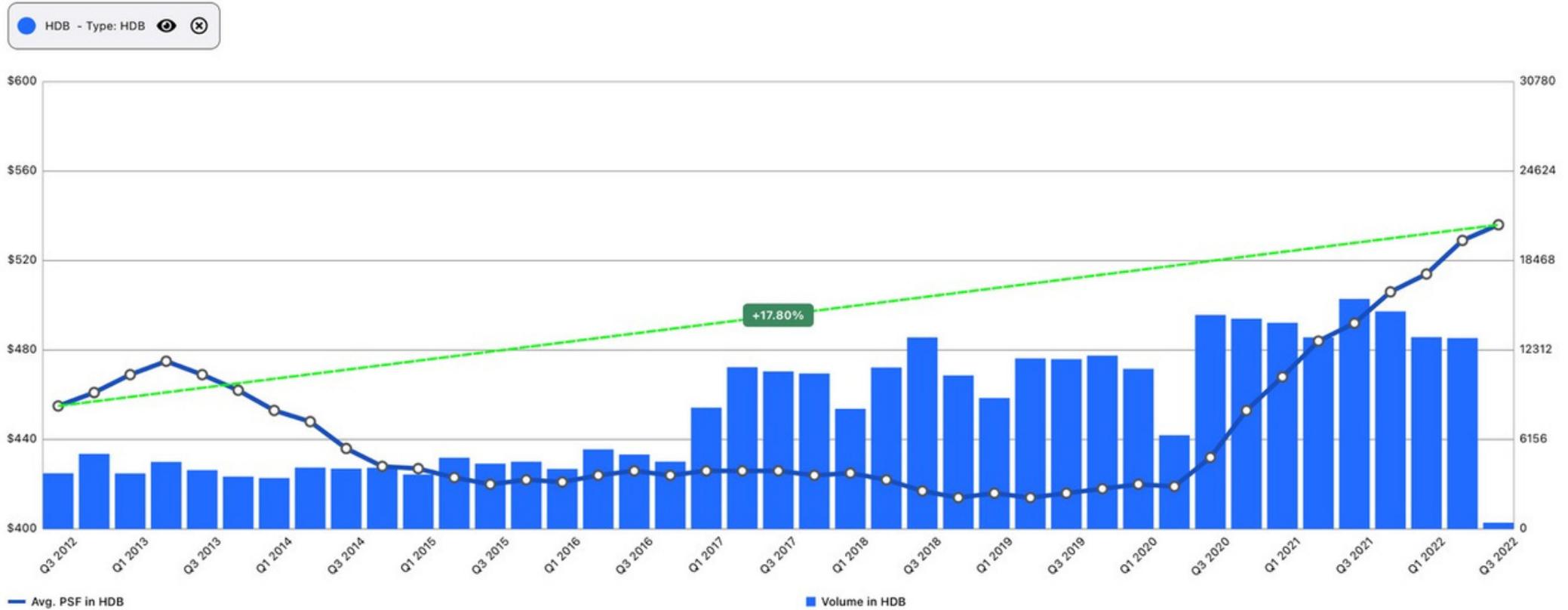
The following slides will provide you insights into an average owner's profit over last 10 years for each housing type.



Property Mom
ONE STEP AT A TIME

Prepared by: NAVIS Research
NavisLivingGroup.com

10 Years HDB Investment Returns (2012-2022)



Growth Rate

17.8% Growth (1.78% per year)

\$455 psf in Jul 2012 to \$536psf in Jun 2022

Assuming 1000sf unit, **profit over 10 years is \$81K.**

Source: Huttons Analyzer
Prepared by: NAVIS Research
NavisLivingGroup.com

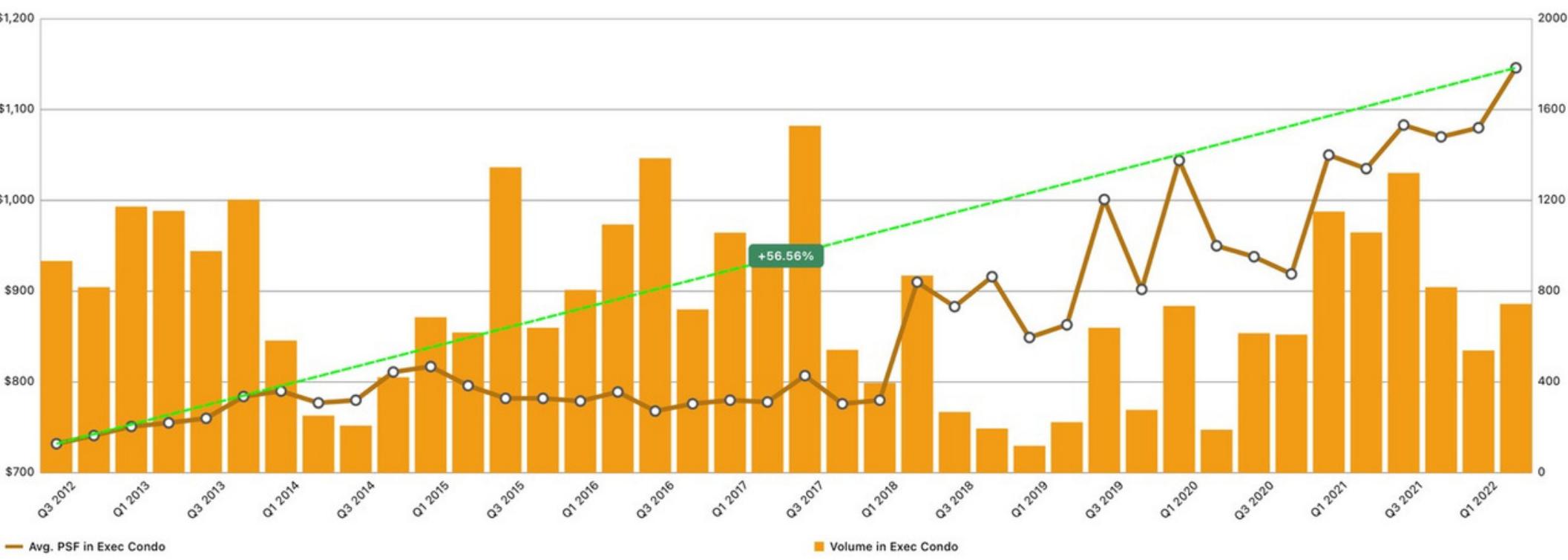


Property Mom

ONE STEP AT A TIME

10 Years Executive Condo Investment Returns (2012-2022)

Exec Condo - Type: Condo / Apartment - Sub Types: Executive Condominium



Growth Rate

56.6% Growth (5.66% per year)

\$732 psf in Jul 2012 to \$1146psf in Jun 2022

Assuming 1000sf unit, **profit over 10 years is \$414K.**

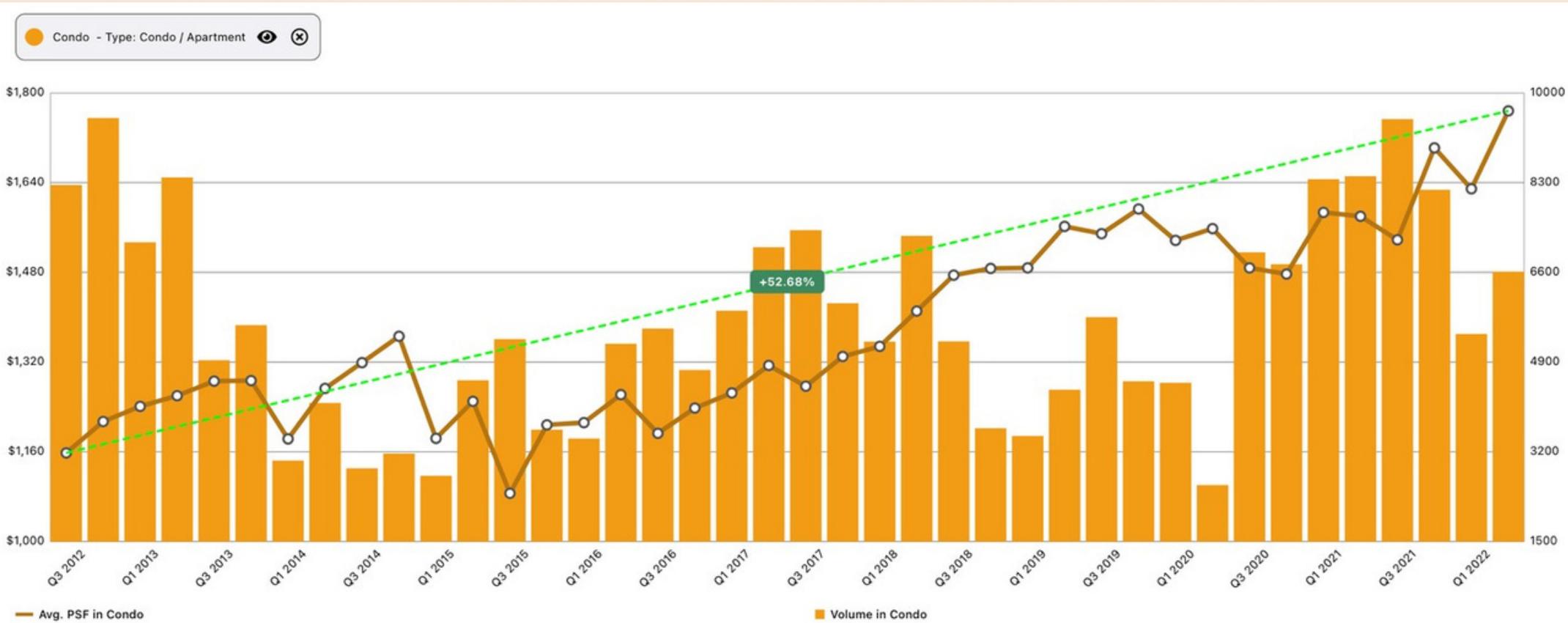


Property Mom

ONE STEP AT A TIME

Source: Huttons Analyzer
Prepared by: NAVIS Research
NavisLivingGroup.com

10 Years Condo Investment Returns (2012-2022)



Growth Rate

52.7% Growth (5.27% per year)

\$1158 psf in Jul 2012 to \$1768 in Jun 2022

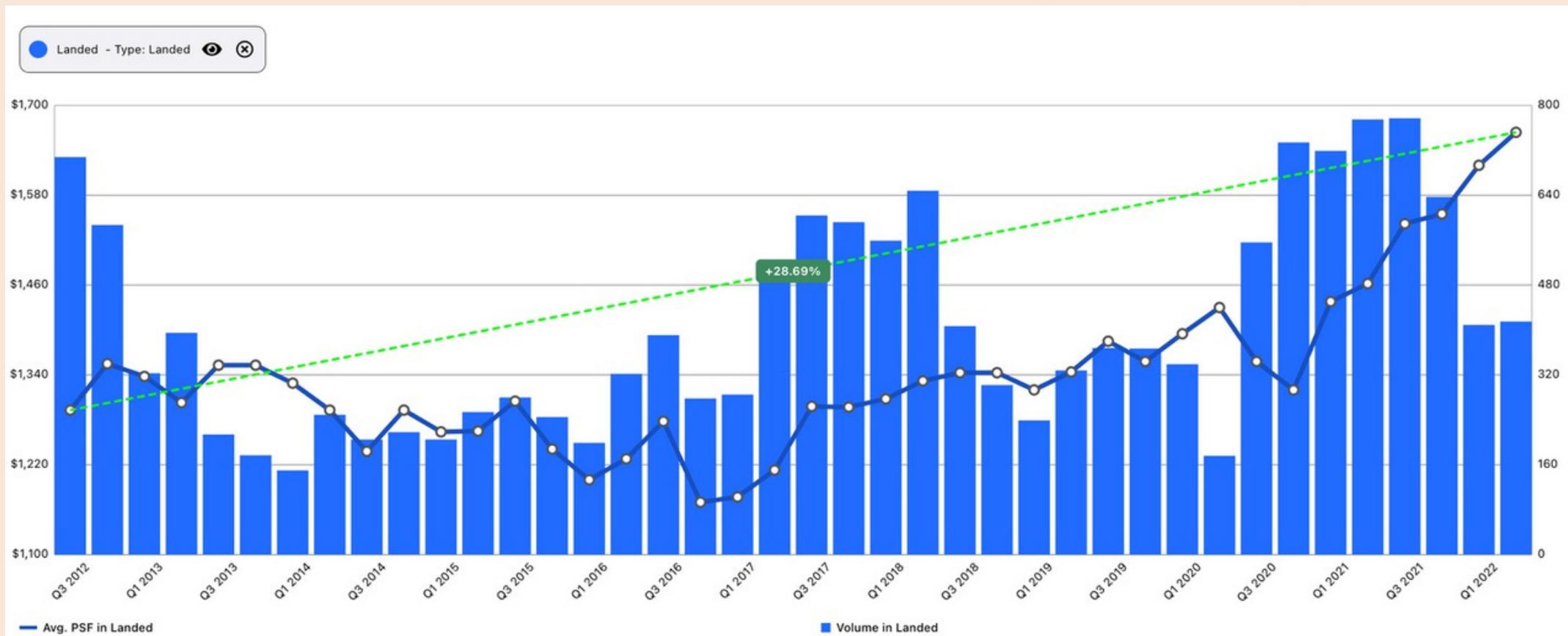
Assuming 1000sf unit, **profit over 10 years is \$610K.**



Property Mom
ONE STEP AT A TIME

Source: Huttons Analyzer
Prepared by: NAVIS Research
NavisLivingGroup.com

10 Years Landed Investment Returns (2012-2022)



Growth Rate

28.7% Growth (2.87% per year)

\$1293 psf in Jul 2012 to \$1664psf in Jun 2022

Assuming 2500sqft unit, **profit over 10 years is \$927,500.**



Property Mom
ONE STEP AT A TIME

Source: Huttons Analyzer
Prepared by: NAVIS Research
NavisLivingGroup.com

Sentimental vs Investment Value



If investment is the intention, it is important for HDB owners to examine with clarity their reasons for holding on to their HDB flats as holding on may feel comfortable and familiar but can carry with it huge opportunity costs down the road.

Summary

Unless a HDB flat owner is savvy in other types of investments, prudent and deploys excess funds to work in a disciplined and proactive manner, a private property owner would have much greater capital growth in the past 10 years with a lot less effort.

History is likely to repeat itself with prevailing policies in place which are unlikely to deviate significantly.

It is our view that an average household will be better off financially long term with holding multiple private properties, as long as incomes and affordability allows.

The ability to tap on low interest, long term loans is an added benefit that allows private property owners to further grow their wealth exponentially.

At retirement, there are also more options available to multiple property owners such as cashing out of all properties and moving to an HDB flat, holding on to selected properties for passive rental income while selling the rest, or simply to draw on equity loans if required for major expenses.

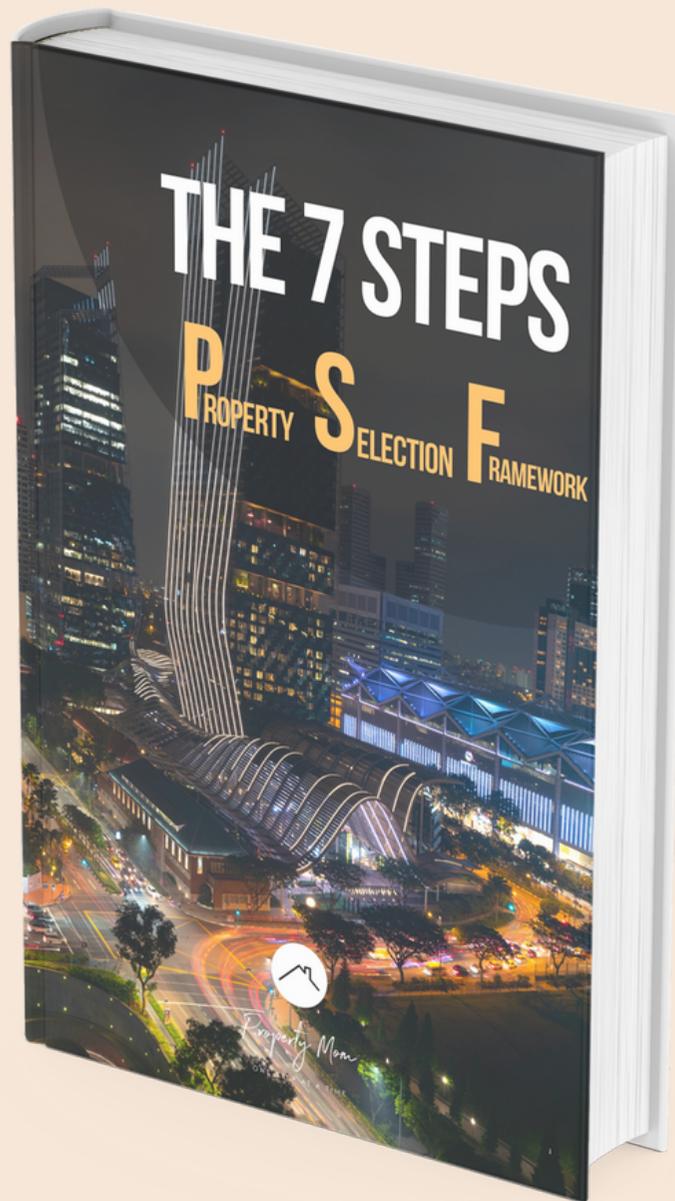
Property Progression Planning Consultation

For a detailed discussion on your options and how to optimize your capital growth through property investments, reach out to us for a Property Progression Planning consultation.

A P3 consultation covers the following:

- An in-depth financial affordability assessment and timeline planning
- Highly relevant investment insights
- Entry and exit strategies
- A clear and customised investment road map
- A curated list of best buys in today's market with good growth potential & minimal risks
- Selecting units with the highest potential in upcoming new launches
- Finding out if your property has stagnated in price and your options
- Marketing plan for finding a buyer for your property fast

Learn how our simple 7-Step Framework has helped many homeowners profit from low risk & high-profit potential properties



Contact us to find out more.



ONE STEP AT A TIME

Prepared by: NAVIS Research
NavisLivingGroup.com