

HDB PRICES HAVE REBOUNDED

What should you do?
Is this a Window of Opportunity
for you?

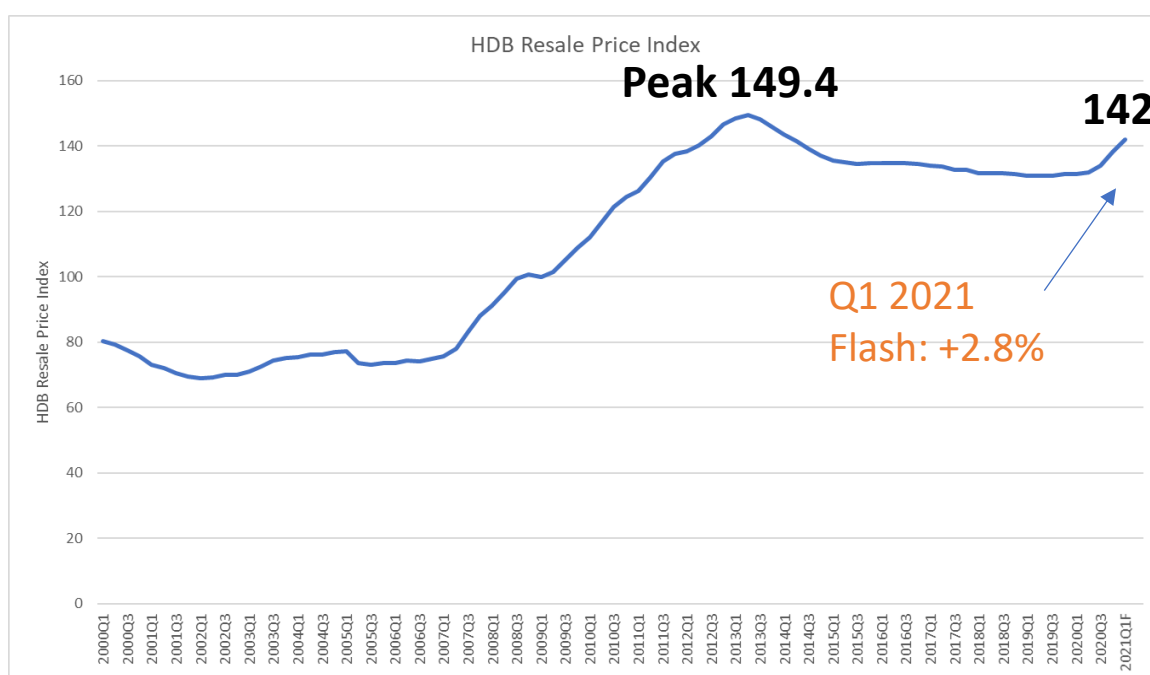


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Dear Owners,

the HDB market has rebounded to almost its last peak, now is **only 5% difference** compare to the peak time. As HDB owners, what Action should you take advantage of? Continue to read as I will share with you why those HDB owners who sold their flat in 2012 made another huge profit by buying Executive Condo (EC) or Private Property New Launches. They earned profits of easily **\$200,000 to even \$500,000** after a few years.

For those who held on to their HDB units and not sell it since year 2013, their property has depreciated. It was only until recently prices have recovered after 8 years.



Source: PronNex Research. HDB

Refer to the table below to see the Choa Chu Kang HDB price trends from 2012 to 2021. You will notice that for owners who sold their property in 2012 and switched to upgrade and buy an **EC** at **The Rain Forest**, made profits as high as **\$600K** and on average, about **\$200K to \$300K**.

These owners exited at the **Right Time** and eventually managed to make money from HDB and subsequently another time in EC too. This time round, the HDB market has illustrated that it has returned to its peak, should you take advantage of the situation or you are going to wait further for another cycle?

CCK HDB Prices Rebounded

2021 Prices

MONTH	BLOCK	MODEL	LEASE START (YEAR)	AGE (YEARS)	STOREY RANGE	FLOOR AREA (SQM)	PRICE (\$)	PRICE (\$PSM)
14 APR 2021	687D CHO A CHU KANG DRIVE	IMPROVED	2003	18	22 TO 24	110	490,000	4,456
31 MAR 2021	687B CHO A CHU KANG DRIVE	IMPROVED	2002	19	10 TO 12	110	418,000	3,800
29 MAR 2021	687D CHO A CHU KANG DRIVE	IMPROVED	2003	18	13 TO 15	110	445,000	4,047
12 MAR 2021	684B CHO A CHU KANG CRESCENT	IMPROVED	2002	19	10 TO 12	110	410,000	3,724
12 MAR 2021	686D CHO A CHU KANG CRESCENT	IMPROVED	2002	19	13 TO 15	110	426,000	3,875

2018 Prices

	684A CHO A CHU KANG CRESCENT	IMPROVED	2002	19	01 TO 03	110	315,000	2,863
24 DEC 2018	687D CHO A CHU KANG DRIVE	IMPROVED	2003	18	22 TO 24	110	382,500	3,477
12 DEC 2018	688B CHO A CHU KANG DRIVE	IMPROVED	2002	19	10 TO 12	110	390,000	3,541
12 DEC 2018	688B CHO A CHU KANG DRIVE	IMPROVED	2002	19	04 TO 06	110	353,000	3,208
10 DEC 2018	684C CHO A CHU KANG CRESCENT	IMPROVED	2002	19	07 TO 09	110	350,000	3,186

2012 Prices

	684A CHO A CHU KANG CRESCENT	IMPROVED	2002	19	07 TO 09	110	355,000	3,229
NOV 2012	684A CHO A CHU KANG CRESCENT	IMPROVED	2002	19	13 TO 15	110	515,000	4,682
OCT 2012	687A CHO A CHU KANG DRIVE	IMPROVED	2002	19	10 TO 12	110	483,000	4,392
OCT 2012	688C CHO A CHU KANG CRESCENT	IMPROVED	2003	18	01 TO 03	110	453,000	4,123
OCT 2012	687D CHO A CHU KANG DRIVE	IMPROVED	2003	18	10 TO 12	110	485,000	4,413
OCT 2012	686A CHO A CHU KANG CRESCENT	IMPROVED	2002	19	07 TO 09	110	501,888	4,564
OCT 2012	683B CHO A CHU KANG DRIVE	IMPROVED	2002	19	07 TO 09	110	495,000	4,499

Above's example shows clearly that HDB prices in the year 2012 went up as high as **\$500K**, before eventually **dropping in 2018 till about \$385K**. This is easily more than a **\$100K drop**, but today's prices have improved and are reaching the \$500K mark.

What will you do? Do you want to wait further? Will government allow the HDB market prices to continue increasing? Our government in 2013 introduce a cooling measure called the **Mortgage Servicing Ratio (MSR)**. The objective was to cool down the HDB prices as it went up too fast.

The follow transaction below shows the example of The Rain Forest in Choa Chu Kang. Owners who upgrade to an EC made very good profit margin as compared to keeping their HDB units in 2012.

The Rain Forest EC launch in 2012

PROFITABLE TRANSACTIONS (TOTAL OF 82 TRANSACTIONS)

Note: Transactions with the same address are matched. Profitability of each round-trip transaction is based only on the change in asset price and does not take into account transaction costs and the effect of financing.
Source: URA, <https://www.squarefoot.com.sg>

SOLD ON	ADDRESS	UNIT AREA (SQFT)	SALE PRICE (\$ PSF)	BOUGHT ON	PURCHASE PRICE (\$ PSF)	PROFIT (\$)	HOLDING PERIOD (DAYS)	ANNUALISED (%)
22 MAR 2021	331 CHOA CHU KANG AVENUE 3 #01	1,421	915	24 APR 2012	660	362,000	3,254	3.7
11 MAR 2021	335 CHOA CHU KANG AVENUE 3 #01	1,421	901	2 MAY 2012	697	289,140	3,235	2.9
25 FEB 2021	335 CHOA CHU KANG AVENUE 3 #03	958	986	23 MAY 2012	755	222,000	3,200	3.1
4 FEB 2021	333 CHOA CHU KANG AVENUE 3 #07	2,174	906	12 APR 2012	597	672,000	3,220	4.8
4 FEB 2021	341 CHOA CHU KANG AVENUE 3 #02	947	1,003	27 FEB 2013	802	190,000	2,899	2.8
11 JAN 2021	345 CHOA CHU KANG AVENUE 3 #05	947	987	25 JUL 2012	757	218,000	3,092	3.2
8 JAN 2021	341 CHOA CHU KANG AVENUE 3 #15	958	1,039	16 OCT 2012	767	259,888	3,006	3.7
29 DEC 2020	343 CHOA CHU KANG AVENUE 3 #01	1,206	912	13 JUN 2012	663	301,000	3,121	3.8
14 DEC 2020	335 CHOA CHU KANG AVENUE 3 #05	947	1,008	13 JUN 2012	774	221,640	3,106	3.2
9 DEC 2020	335 CHOA CHU KANG AVENUE 3 #03	1,141	1,017	16 APR 2012	768	283,470	3,159	3.3
2 DEC 2020	341 CHOA CHU KANG AVENUE 3 #02	947	950	25 MAY 2012	749	190,330	3,113	2.8
26 NOV 2020	337 CHOA CHU KANG AVENUE 3 #01	1,528	883	30 MAY 2012	697	285,000	3,102	2.8

For the HDB owners at Choa Chu Kang, they can also swap to buy a private new launch at J-Gateway, owners are making very good profit of easily \$300K.

PROFITABLE TRANSACTIONS (TOTAL OF 67 TRANSACTIONS)

Note: Transactions with the same address are matched. Profitability of each round-trip transaction is based only on the change in asset price and does not take into account transaction costs and the effect of financing.
Source: URA, <https://www.squarefoot.com.sg>

SOLD ON	ADDRESS	UNIT AREA (SQFT)	SALE PRICE (\$ PSF)	BOUGHT ON	PURCHASE PRICE (\$ PSF)	PROFIT (\$)	HOLDING PERIOD (DAYS)	ANNUALISED (%)
31 OCT 2019	2 GATEWAY DRIVE #16	893	1,701	22 JUL 2013	1,324	336,900	2,292	4.1
22 APR 2019	2 GATEWAY DRIVE #37	893	1,813	24 JUL 2013	1,453	321,600	2,098	3.9
5 JAN 2021	2 GATEWAY DRIVE #30	893	1,769	23 JUL 2013	1,413	317,400	2,723	3.1
30 MAR 2021	2 GATEWAY DRIVE #15	947	1,689	19 JUL 2013	1,356	315,900	2,811	2.9
4 DEC 2020	2 GATEWAY DRIVE #08	893	1,623	22 JUL 2013	1,280	306,600	2,692	3.3
12 MAR 2021	2 GATEWAY DRIVE #23	893	1,701	22 JUL 2013	1,366	299,500	2,790	2.9
8 NOV 2019	2 GATEWAY DRIVE #36	893	1,780	24 JUL 2013	1,446	297,900	2,298	3.4
18 DEC 2020	2 GATEWAY DRIVE #26	1,206	1,650	25 JUL 2013	1,428	267,488	2,703	2.0
17 NOV 2020	2 GATEWAY DRIVE #10	893	1,601	18 JUL 2013	1,303	266,000	2,679	2.8
1 OCT 2018	2 GATEWAY DRIVE #20	603	1,908	29 JUL 2013	1,526	230,100	1,890	4.4

Lastly, why am I sharing this with you, mainly I see this as an opportunity now for many existing HDB owners to look deeper at their current portfolio. To me this is a **Window of Opportunity** for you. This pandemic has taught all of us an important lesson. We must always have **more savings in our bank account** as we do not know when there will be another crisis.

Can you imagine if you are one of the EC or Private owners like the above examples I shared earlier? They will have **excess savings in their pocket**, which can safeguard their family in any crisis.

Do give me a call or arrange a meet up, so that I can work out a **detailed financial plan** for you based on the HDB estate that you are staying now. During the 1-hour discussion, I will be sharing with you the following:

- a. What is my current property market price? What is my expected selling price?
- b. Should we upgrade to an EC or PTE?
- c. If I am buying a property, then where am I going to stay?
- d. Do I have enough spare funds after the purchase?
- e. Work out your installment plan and how long your reserve fund can last.

And many more.

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