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Image courtesy of JIACHEN LIN, UNSPLASH

How to buy a resale flat

So, you'd like to buy a resale HDB flat—but where do you even start? Here's our handy guide to buying and financing your resale HDB flat.

Text ASIH JENIE



Every country has its own unique housing culture. In Singapore, the public housing system makes it a particularly unique scene. Getting a Built-to-Order (BTO) flat has become a rite of passage for young couples, but it's not everyone's top choice. Some prospective owners prefer going down the resale road, opting for an older flat instead of a shiny, brand-new one.

If getting a BTO flat is already a difficult process, resale flats require even more legwork and plenty of research. To help you get a headstart on your resale journey, here's a crash course in viewing, choosing and financing a HDB resale flat.

The pros of buying a resale HDB flat

BTO flats will always be the most affordable option. However, the resale HDB flat has its own unique merits.

- **Shorter waiting times:** The resale procedure typically takes under three months to complete, while the waiting time for a BTO flat can stretch to five years from the date of application.
- **No balloting nightmares:** Finding the right resale HDB flat is a matter of agreement with the seller and satisfying HDB's eligibility criteria. There may be a bidding war, but there is no balloting or queuing.
- **Generous floor plans:** It's no secret that the square footage of HDB flats has been getting more compact in recent years, which makes older, more spacious resale HDB flats very appealing.
- **Fewer restrictions:** Only families and couples with at least one Singapore citizen can ballot for a BTO flat, while a resale flat can be owned by two permanent residents.
- **More locations:** You can have your pick of any location, regardless of where the next BTO flats are launching.

Tip!
Don't just rely on Google Maps; crosscheck your findings on OneMap, which has more specific information about each neighbourhood.

What to consider when viewing a resale flat

Five things to think about when touring a resale HDB flat.

Location, location, location

Location is the most important factor that determines the asking price of a property. Thus, the wording in a resale HDB flat's listings will always tout how connected and prime its location is—even when it's a bit of a stretch.

Always fact-check claims about the proximity to transport nodes, green spaces, elderly-friendly amenities, childcare facilities and so on. The best way to do this is by taking a tour of the neighbourhood yourself. Don't be afraid of getting lost. And who knows? You might even discover some shortcuts or unlisted places that make you fall in love with the location.

Check out the Urban Redevelopment Authority's portal to see its plans for the location's future development. This will tell you some useful information—for example, if the skyline view of the resale HDB flat will be blocked by a new tower in the near future, or if it will be plagued by noises of neighbouring construction soon. You can use this knowledge as a bargaining chip or to better plan your renovation.

The background check

What's a fair price for a resale HDB flat? The answer requires research and may change depending on the time. The “when” is just as important as the “where.” The best way to gauge this is by checking the official HDB resources for recent transactions in the same block or surrounding areas.



Image courtesy of IVAN YEO, UNSPLASH



Lease Start Date:	01 Oct 2006
Lease Duration:	99 years
Remaining Lease: ?	82 years 2 months (As at date of enquiry)

Housing Information

Breakdown of units by Flat types	>
Resale Flat Prices of this Block	>
Resale Transactions within 200m of this Block	>
Ethnic Group Eligibility and SPR Quota of Buyers	>
Distance Enquiry for Proximity Housing Grant	>
Rental Rates for Renting Out of Flat	>
Non-Citizen (NC) Quota for Renting Out of Flat	>
HDB's Upgrading/Estate Renewal Programme	>

The HDB Map Services has plenty of information on any unit you are investigating. Simply key in the address and click the housing icon on the left to look up the information. The map even has an option to display all the information in a printer-friendly format.

The three main pieces of information you should focus on are the flat's remaining lease and other resale flat prices in the same block, as well as the ethnic group eligibility and the SPR quota. The last tab will determine which ethnic group of sellers you are eligible to buy from.



HDB Map Services

“Unforeseen things, like dismantling a wardrobe that turns out to be part of a false wall, or removing a false ceiling that hides a lot of piping and wiring that needs to be replaced, always cost time and money.”

— Don Wong, SqM² Interior Design



Image courtesy of SqM² INTERIOR DESIGN

Pay attention to the block's density too. How many units are available there? How many lifts do they share? The HDB Map Services also provides this information, so you can find out if the block has congested vertical mobility—especially relevant if you're eyeing the higher floors and don't want to wait ages for the lift.

Your own vibe check

Sometimes buyers know they want to make an offer the moment they step into the property—the vibe is just right. It can be hard to put your finger on what this good “vibe” actually means, but often it's a matter of good spatial design, with adequate natural light and airflow, making us feel instinctively at ease.

Not all resale HDB flats ace the vibe check; some feel cramped or have awkward layouts, for example. Pay special attention to the existing beams and columns, as these dictate the configuration of the space and can't always be removed, particularly if they are structural. Professional designers, or those who have cultivated an eye for design, however, can spot a flat's potential good vibes with some renovation tweaks like hacking the walls to open up the space.

Bring a designer or a veteran homeowner friend along to viewings to assist with the flat's vibe check. If you're big on Feng Shui, a good Feng Shui master will be able to accompany you as well.

Image courtesy of SQM² INTERIOR DESIGN



Tip!
Use a compass app to see if the flat is directly facing east or west, which translates to more intense heat and the need for stronger air conditioning.

Inherited features

If the vibe check focuses on the intangible quality of a resale HDB flat, this section is all about its tangible elements. The value of preloved items, after all, depends on their condition and rarity. Here are some features to check.

- **Finishes:** Check all of the surfaces—walls, floors and ceilings. What condition are they in? Will you need to overlay or even hack the existing tiles? Is the existing hardwood floor worth keeping and polishing or is it time to replace it?
- **Furniture:** Some resale HDB flats come with the previous owner's furniture. Curate which items you wish to keep according to the vision you have for your space. Bulky items can be costly to remove, so ask the owner to clear any unwanted pieces.
- **Fixtures:** Save yourself some renovation costs by retaining fixtures that are still working properly, such as the heater, shower, taps and sinks.

System overhaul

At the National Day Rally 2023, an overhaul of the estate classification system was announced, taking effect from the second half of 2024. The current classification categorises estates as mature and non-mature, while the new one will categorise them into Prime, Plus and Standard.

While this overhaul will significantly affect the BTO sector, it will also have ripple effects on the resale HDB market. Here are some things to look out for.

- A longer Minimum Occupancy Period (MOP) for Prime and Plus flats, which will be doubled from five years to 10 years. The Standard flat's MOP will remain at five years.
- Some income ceiling restrictions will apply to Prime and Plus resale flats.
- These tighter restrictions also come with more subsidies for flats in the Prime and Plus locations.
- Singles aged 35 and above will be allowed to purchase two-room resale Prime flats as well as resale Standard and Plus flats of any size. They will also be able to buy two-room flexi BTO flats in all categories.

These restrictions will not apply retroactively but only to new BTO developments launched from the second half of 2024 onwards.

Tip!

Complicated demolition works may require supervision and endorsement by a Professional Engineer (PE), which could add another \$1,000 to the demolition cost.

Budgeting for a resale renovation

Something worth thinking about when choosing between resale and BTO is that, on average, a resale HDB flat will take one week longer and cost between 25% to 37% more to renovate than a brand-new BTO flat.

This hike can be largely attributed to two things: replacing wear and tear as well as surprise costs that come up during the renovation itself. Set aside 10-20% of your resale renovation budget for these.

Last-minute changes

If only keeping the renovation cost down could be as simple as making a budget and sticking to it. Alas, sometimes last-minute changes are needed, bringing up the overall renovation cost.

The most common form of this is a material switch due to stock unavailability or a delay in shipping. This problem can be mitigated by having a contingency plan and a clear order of priority for the various aspects of the renovation.

Remember as well that everybody makes mistakes and accidents happen. As the wise saying goes: measure twice, cut once. Check that the construction drawings are up-to-date and always make sure that your contract includes damage clauses.

Other costs and considerations

A resale renovation can spring a lot of unique costs and considerations on you. Here are some you should be aware of.

- **Permits and approvals:** Researching and securing permits needed for renovation should be done in the early stages of your resale flat acquisition. Failing to secure these permits could incur penalties ranging from fines to reversal of the renovation works, which will cost pretty pennies.
- **Rubbish removal:** A resale renovation generates more rubbish and debris than that of a BTO flat, especially if you're gutting the entire flat and removing things like door frames and old built-in carpentry. Make sure to budget for a disposal service.
- **Temporary accommodation:** Where are you staying during the renovation? Some homeowners renovate in stages while they are living on-site, while others prefer to arrange short-term, temporary lodgings. Bear in mind that delays could affect the cost of this accommodation.

How to finance your resale HDB flat

Buying a HDB resale flat requires rigorous financial planning. But where do you start? We recommend starting with the official HDB portal, which provides a handy calculator to check your finances and plan your resale HDB flat purchase.



HDB calculator

“If you’re living on-site during the renovation, make sure that all the plumbing works in the bathroom and kitchen are done first and at least one bedroom is comfortable for sleeping.” – Don Wong, SqM² Interior Design



Image courtesy of SqM² INTERIOR DESIGN



Image courtesy of BRAYSON TAN, UNSPLASH

Essentially, there are four components to finance your HDB flat purchase: cash, CPF savings, HDB loans and bank or financial institution (FI) loans. We broke them down for you in detail, from deposits and administrative fees to major payments you may not be aware of. Head to our website for the full breakdown!

When to hire professionals

Buying and renovating a resale HDB flat requires a lot of work, and engaging professionals to help you make the best decisions can definitely be worth the investment.

Even with a headstart, there can be unexpected delays at the beginning of a renovation. One couple we spoke to shared that the quoting stage with contractors took much longer than expected, slowing down their renovation progress.

What they recommend is looking for an interior designer or contractor months before getting your keys. This ensures that things move along swiftly and there are no troublesome delays.

Find out more

