

PERFECT
SOLUTIONS

DON'T BUY
INTO THE
RESALE CURSE!

BUYERS GUIDE 2019
1st Edition

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RESALE MARKET

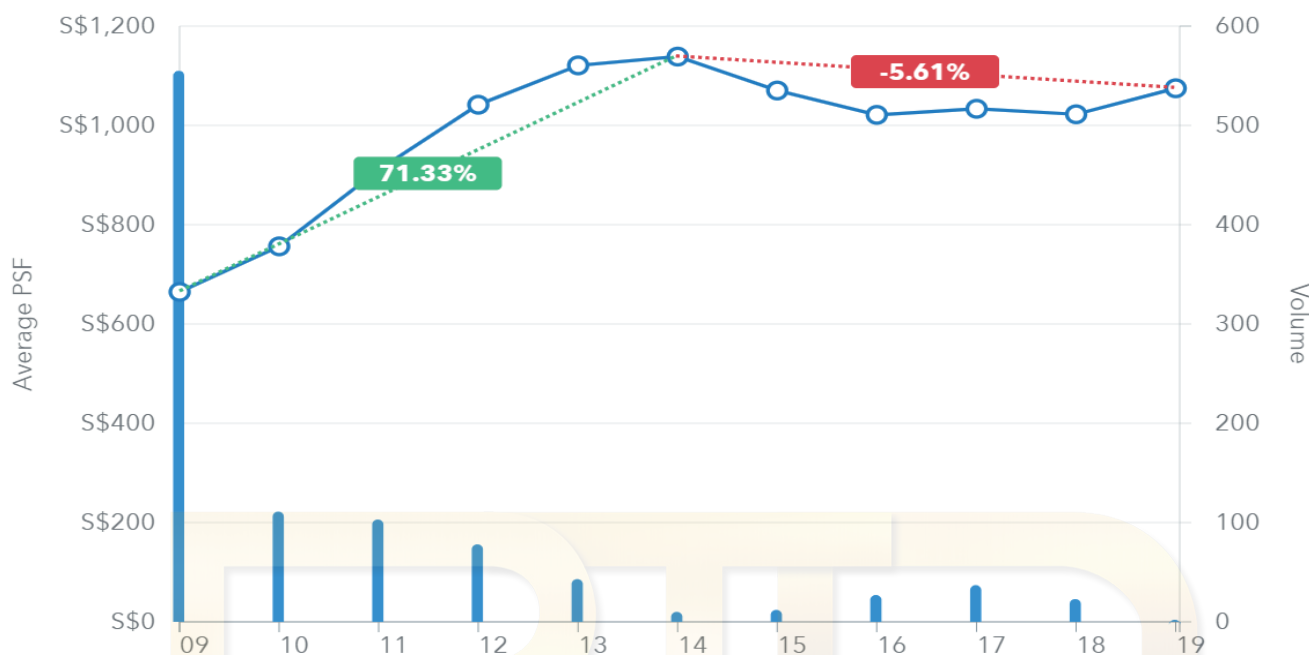
DON'T BUY INTO RESALE CURSE



Another trap I want to warn buyers is not to fall into **RESALE CURSE**. Many buyers believe they would make a better deal with the lower PSF from resale properties. This is a myth! If one is blinded by looking only at the PSF of a property, and to disregard the other factors which will affect the PSF, they will soon find a big difference of property evaluation between their resale unit and a brand new condo, especially if the resale property has already matured. This is the same as the resale price of a car, which will never surpass that of brand new car. Resale value will always remain lower than that of a brand new development.

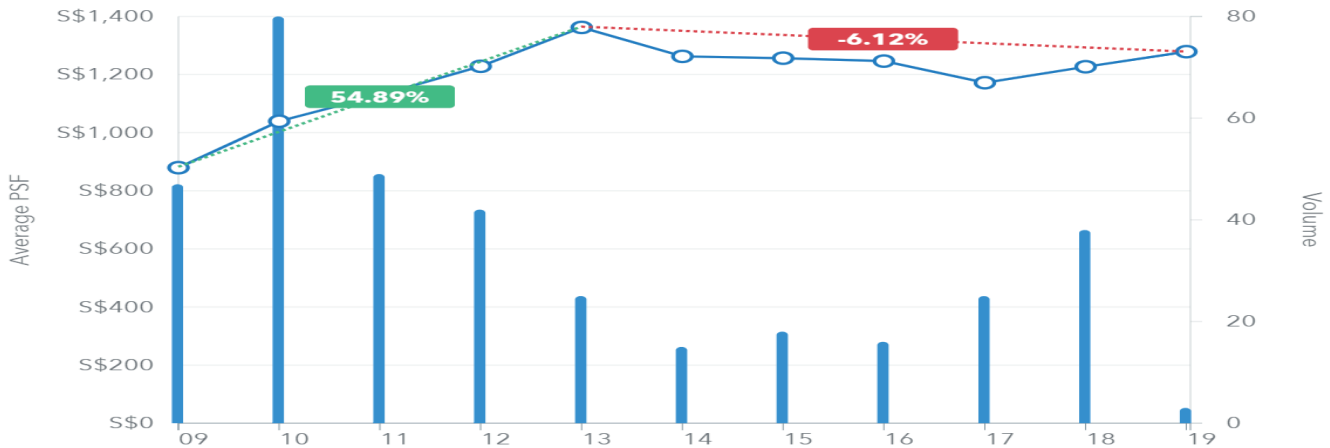
RESALE MARKET

DON'T BUY INTO RESALE CURSE

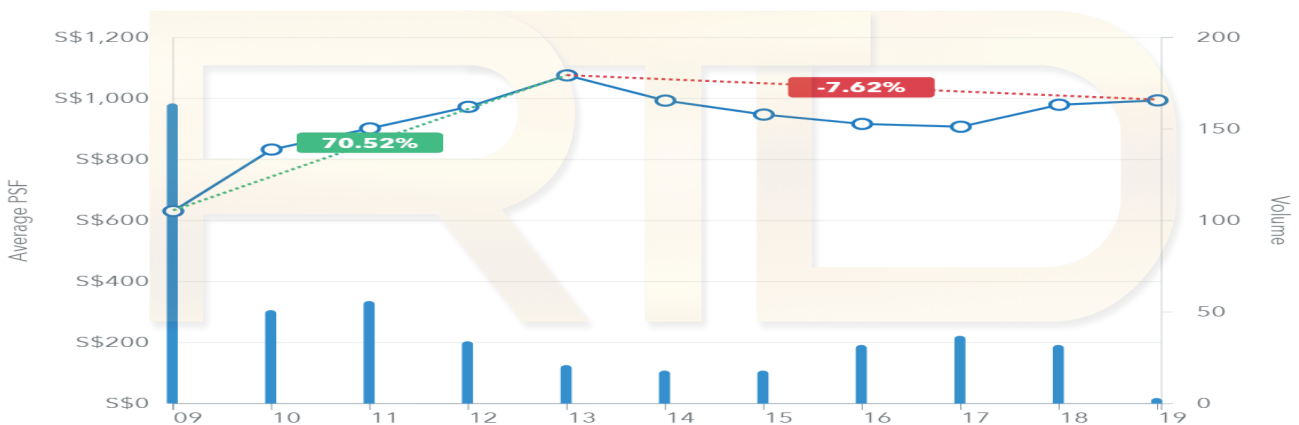


Here is an example of a brand new development which resale price became stagnant after its 5th year. This is **Double Bay Residences** which was launched in 2009. The initial 5 years saw its sales price rise 71.33% up to nearly \$1,200 psf. This is mainly due to its brand new status, as well as all the sales & marketing promotion driven by the developer. However, after the 5th year, when the developer had sold off all units in this development and stopped their sales & marketing momentum, the sales price became stagnant and eventually declined by 5.61%. Therefore, if you have bought the first hand unit during the launch, you stand to gain up to 70% of the purchase price fever driven by the developer marketing campaign.

RESALE MARKET DON'T BUY INTO RESALE CURSE



Here is another example of not to buy into resale curse. This is Queens condo. The initial 5 years saw its sales price rose 54.89% to nearly \$1,400 psf. After the 5th year, it became stagnant and declined by 6.12% to less than \$1,200 psf.



Same here with The Quartz condo. The initial 5 years saw its sales price rose 70.52% to above \$1,000 psf. After the 5th year, it also became stagnant and declined 7.62% to around \$800 psf.

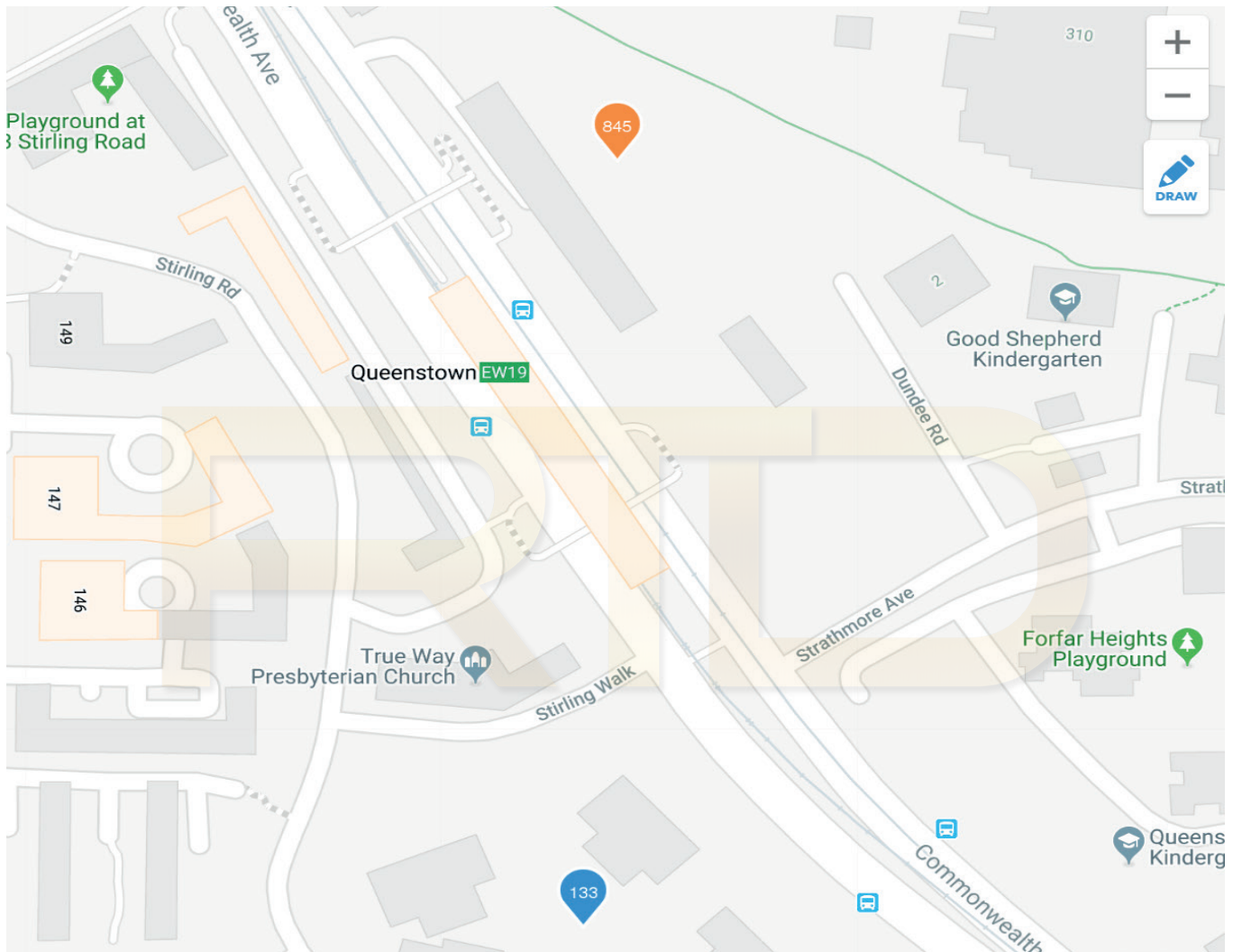
This **RESALE CURSE** happens when you buy directly from the 1st buyers of the property units, who have already earned above 50% of the launch sales price, which you are paying directly to them. Once you have purchased these resale units, their market value became stagnant or started to decline on its 5th year. On top of this, once a condo development reaches its 5th year, the valuation generally declines & sales prices are either stagnant or lower than the launch prices. Come & speak to us and we will advise you how to avoid this **RESALE CURSE**.

RESALE MARKET

DON'T BUY INTO RESALE CURSE

DEVELOPER SALES & RESALE

COMMONWEALTH TOWERS & QUEENS



Now let's do a comparison of sales prices between a brand new condo development, Commonwealth Towers, and a resale property, Queens condo. Both are in Queenstown region and near to Queenstown MRT. On the Transaction Trend chart, you can see the performance of the volume of units transacted, as well as the transacted average PSF.

RESALE MARKET
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Transaction trend

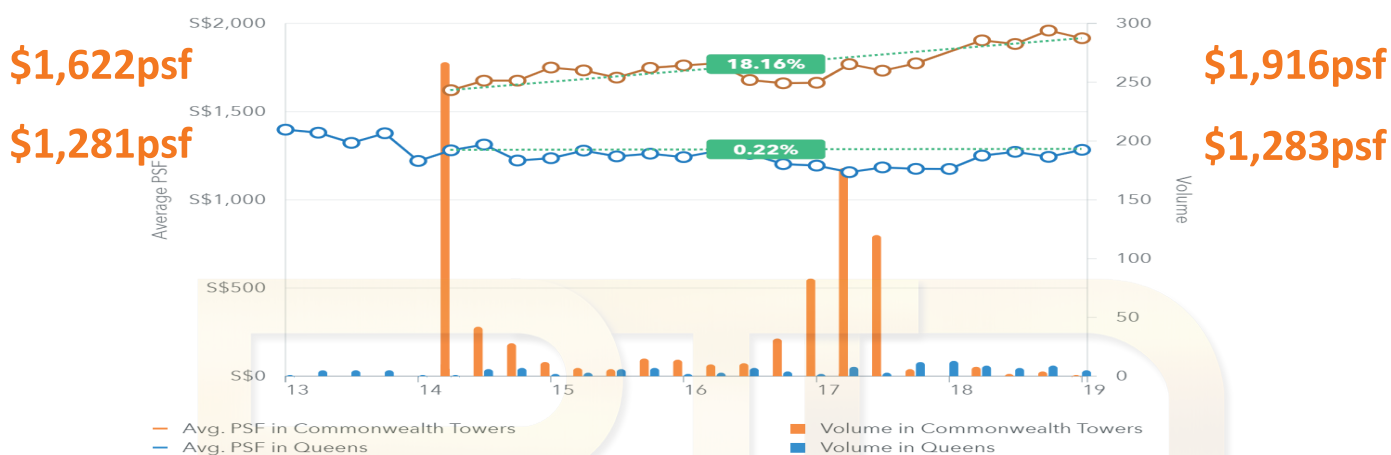
Data source: URA, Realis and 99.co

Volume Scatterplot Export

Avg. PSF

Monthly Quarterly Yearly

Show my agent signature on graph



Let's rewind the time back to year 2014 to compare. In this year, the average PSF for Queens condo is \$1,281, while Commonwealth Towers is \$1,622. Most buyers, in their logical thinking would naturally buy Queens Condo because of its lower price in the same location.

Fast forward the time to year 2019, the average PSF for Queens condo is \$1,283, while Commonwealth Towers is \$1,916. The difference in price is \$633 PSF, which is 49.34%. **That is a big difference of 85% gain in profit for the sellers of Commonwealth Towers.** This proves that it is definitely better to invest in brand new condo than resale units as the property gain will be higher in the long run. If you were to be given the same opportunity in today market, which property will you choose then?

Do you know where these opportunities are of today in Singapore? We at RTD have the answers for you.

Is this comparison between Commonwealth Towers and Queens condo an unique case? Not at all. There are more examples I want to share with you in the following pages.



Thank You!

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