

PERFECT  
SOLUTIONS

FREEHOLD  
VS  
99 YEARS

BUYERS GUIDE 2019  
1st Edition

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# NEW LAUNCH & RESALE MARKET

FREEHOLD VS 99 YEARS



## NEW LAUNCH & RESALE MARKET FREEHOLD VS 99 YEARS

### DEVELOPER SALES & RESALE

#### MARTIN MODERN & YONG AN PARK



What you need to understand about Yong An Park is it is a very old estate, and everything there is old and not well maintained. The estate is so lethargic and run down, hence it is very difficult to push for sales. In fact, there is barely any sales transaction from 2018 to 2019. This is truly pathetic for any sellers at Yong An Park.

There will always be lots of resistance to older condos, as people always want new properties than old units. **Newer condos will always attract better prices, be it selling or rental. This is the general sentiment of the property market.** 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.



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### DEVELOPER SALES & RESALE

#### MARTIN MODERN & YONG AN PARK

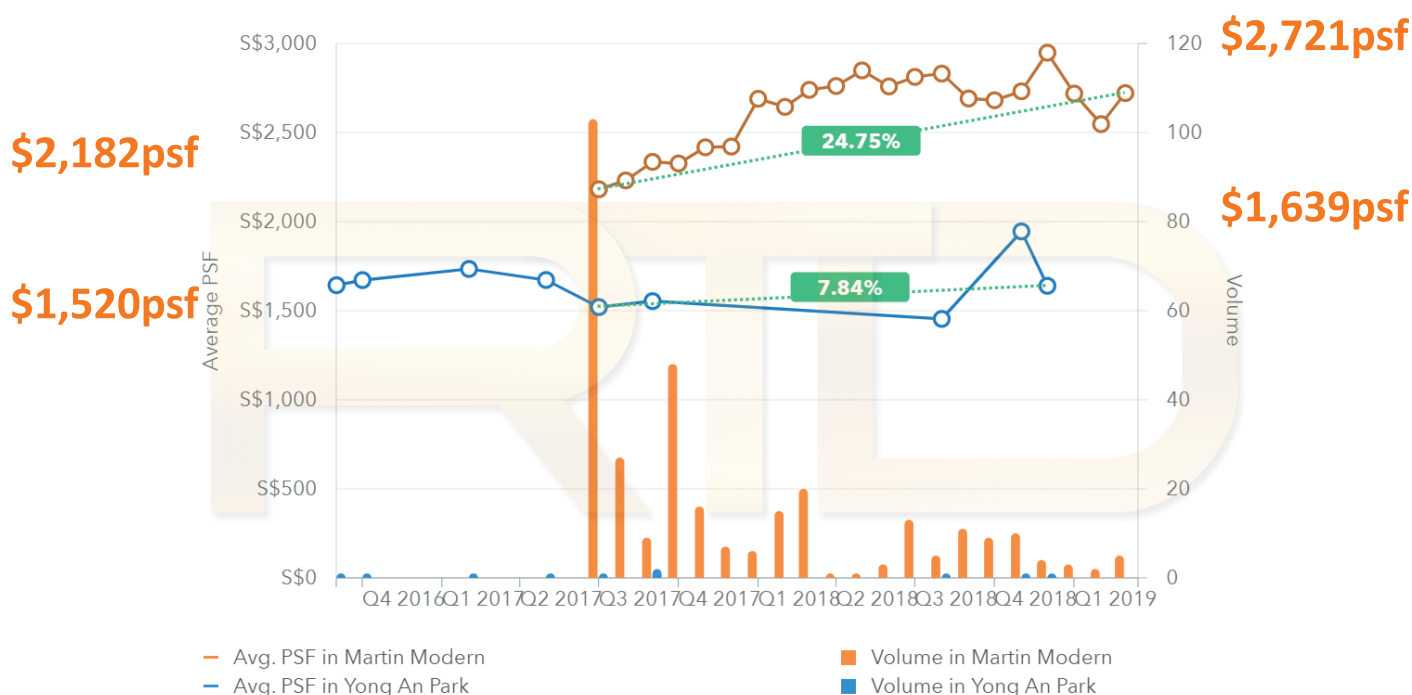
##### Transaction trend

Data source: URA, Realis and 99.co

Avg. PSF ▾

Monthly
  Quarterly
  Yearly

Show my agent signature on graph



Let's compare the years 2017 to 2019. In year 2017, the average PSF for Yong An Park condo is \$1,520, while Martin Modern is \$2,182.

The difference in price is \$662 PSF, which is 43.55%. Yong An Park is a freehold, whereas Martin Modern is a 99-year leasehold. And you might think people will go for the freehold Yong An Park.

It is not the case here. Look, 5 years later, the average PSF for Yong An Park is \$1,639, while Martin Modern is \$2,721. The difference in price is \$1,082 PSF, which is 66%. **The winner is Martin Modern.**

## NEW LAUNCH & RESALE MARKET FREEHOLD VS 99 YEARS

### DEVELOPER SALES & RESALE

#### HIGHLINE RESIDENCES & REGENCY SUITES



My next comparison is in Tiong Bahru, between **Highline Residences**, a brand new development, and **Regency Suites**, a freehold resale condo. Highline Residences has 469 transactions, whereas Regency Suites has only 9 units transacted in the same period from 2014 to 2019. **This comparison highlights a freehold property is not always the winner in property investment.**

# NEW LAUNCH & RESALE MARKET

## FREEHOLD VS 99 YEARS

### DEVELOPER SALES & RESALE

#### HIGHLINE RESIDENCES & REGENCY SUITES

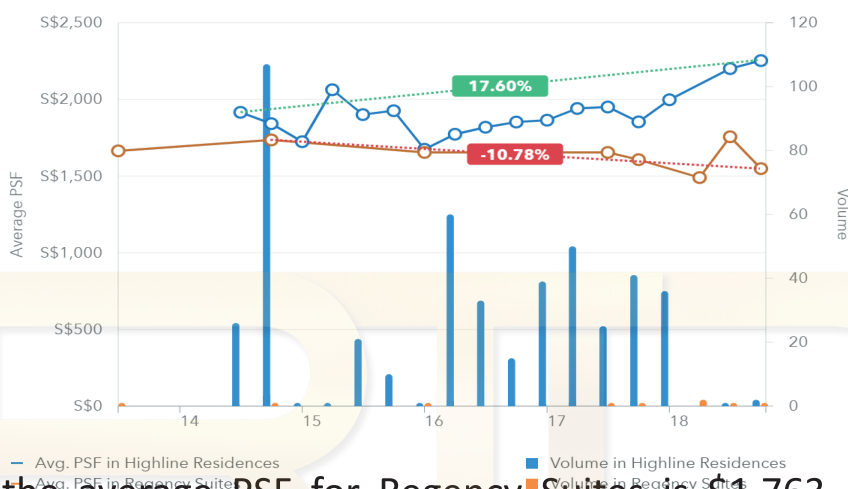
Transaction trend

Data source: URA, Realis and 99.co

Avg. PSF

Monthly Quarterly Yearly

Show my agent signature on graph



**\$2,253psf**

**\$1,548psf**

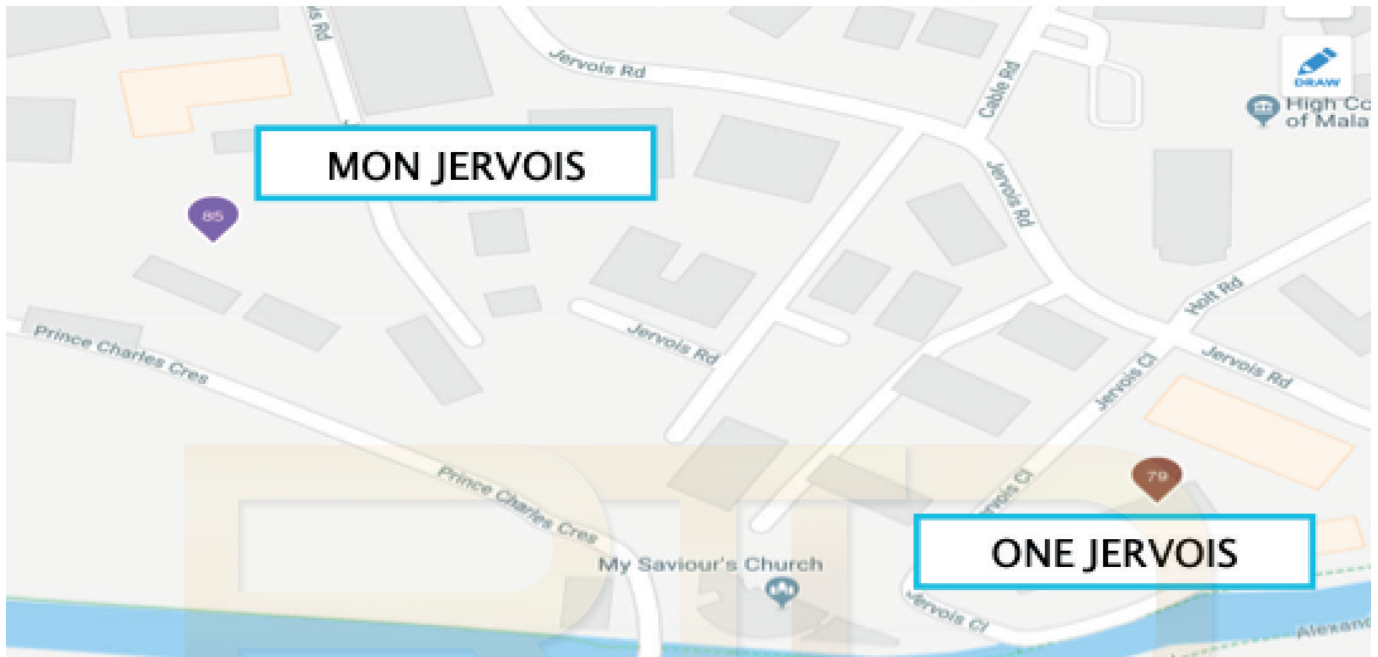
In this year, the average PSF for Regency Suites is \$1,763, while Highline Residences is \$1,841. The difference in price is \$78 PSF, which is 4.4%. Regency Suite is a freehold, whereas Highline Residences is a 99-year leasehold. And again you might guess people should go for the freehold Regency Suites, which looks a better deal. No, it is not the case here. Look, 5 years later, the average PSF for Regency Suites decreased to \$1,548, while Highline Residences went up to \$2,253. The difference in price is \$705 PSF, which is 45.5% higher. **This confirms the fact that buyers still want new products & new developments.** People are attracted to new developments because the vibe is better, environment is better, and tenancy will also be better.

Here I am showing you the actual fact & sentiment in the market. These facts are not created by me nor my team, but rather the reality reflected in the market. And, it is through the analysis & study my team made that we derived these observations & facts. It is then we are able to advise our clients where they should invest their money, and how to create their property investment portfolio. **Come and talk to us and we will help you create the right property investment portfolio.**

## NEW LAUNCH & RESALE MARKET FREEHOLD VS 99 YEARS

### DEVELOPER SALES & RESALE

#### MON JERVOIS & ONE JERVOIS



My next comparison is in District 10 region. Here is Mon Jervis (99 year leasehold) and One Jervis (freehold).

You need to understand the fact about **old properties is they tend to have more problems because of wear & tear, older facilities, and higher maintenance.** Henceforth, new buyers considering old properties will definitely factor in major renovation costs, and will certainly bargain very hard with the owners to lower their selling price.

As for new development, the developer will gradually increase the sales price as the sales progresses. Plus the fact that these property units are new, hence it is easier to resell or rent them out. If two properties are in the same area, one old and the other is new, it is high chance the tenants from the old condo will likely terminate their lease, and move across to the new condo; simply because they want to enjoy new properties, new facilities and new amenities. Therefore, **newer developments tend to stand out and have better chance of being rented out faster & fetch higher rental than old developments.**



# NEW LAUNCH & RESALE MARKET

## FREEHOLD VS 99 YEARS

### DEVELOPER SALES & RESALE

#### MON JERVOIS & ONE JERVOIS

##### Transaction trend

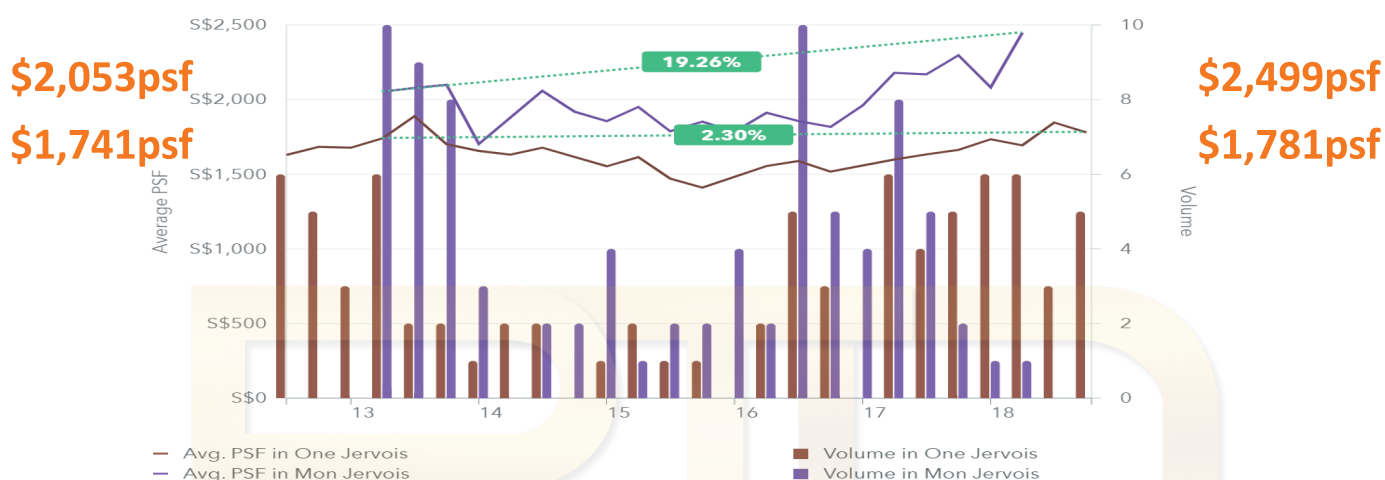
Data source: URA, Realis and 99.co

Volume Scatterplot Export

Avg. PSF

Monthly Quarterly Yearly

Show my agent signature on graph



In 2013, the average PSF for **One Jervois** is \$1,741, while **Mon Jervois** is \$2,053 (new development). The difference in price is \$312 PSF, which is 18%. One Jervois is a freehold, whereas Mon Jervois is a 99-year leasehold. You might guess people should go for the freehold One Jervois, which looks like a better deal. Again, this is not the case here. Look, 5 years later, the average PSF for One Jervois (freehold) barely increased to \$1,781, while Mon Jervois went up to \$2,499. The difference in price is \$718 PSF, **which is 40% higher. The winner is Mon Jervois, a 99-year leasehold.**

If you want to develop a detailed property portfolio, come & talk to us first. **We can give you a clearer, wider, and in-depth study** of which properties, be it freehold or leasehold units, you should go for. I am not telling you not to buy freehold nor to go for resales. Come and have a coffee with me or any member of my team first. We want to help you understand where you should put your investment money in. My advice does not cost you any money, it is free. I will even pay for your cup of coffee. What is important for me is I do not want to see you make an investment which you will regret badly later, or your entire family has to pay hefty price for long term down the road.



*Thank You!*

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