Property Prospects

ROMESH NAVARATNARAJAH, editor at Singapore property listing website PropertyGuru.com.sg, answers our questions on the current state of the property market and what might lie ahead.

What can you see in the crystal ball?

A recent PropertyGuru poll showed that 70 percent of potential homebuyers expect to purchase a property in the next 24 months. So, we should continue to see strong demand for homes for at least the next six months.

Could things get overheated?

The resurgent property market is fuelled by the recovering economy, improving job prospects and increased investor confidence. Property prices will continue to go up, but probably only moderately. The government introduced anti-speculative measures at the beginning of 2010, precisely to prevent the market from overheating. So far, these measures appear to be helping stem any excessive rise in prices.

The increase in property prices should be further tempered by the current Eurozone-Greece debt crisis and the uncertainty facing the European economy. This could have a domino effect on the global economy, including in Singapore. A dent in investor confidence would help to ease demand and, therefore, prevent property prices from rising.

Any new developments proving particularly popular?

Several new luxury projects have been launched in districts 9, 10 and 11 (Orchard and surrounding areas including Balmoral, Newton, Tanglin and Holland) and in the CBD. Those that enjoyed good take-up rates include Cube 8, Holland Residences, The Laurels, Altez and 76 @ Shenton Way.

There was also the recent launch of ILiv@Grange by Heeton Holdings in Orchard Road. It features interiors and landscape designed by a Philippe Starck company and will be priced from $3,000 per square foot. The W Singapore was also recently launched; this Sentosa Cove development includes homes, shops and restaurants.

Any up-and-coming districts becoming more popular?

Sentosa Cove and Marina Bay will continue to be popular due to their proximity to the CBD and downtown. But being able to rent a place here depends very much on your means – the property is expensive.

How does MRT construction work affect rental?

Since the opening of 11 new Circle Line stations in April, there has been increased interest in properties near them. Signing a two-year lease now means rentals are lower, but occupants will have to endure construction work for a year or so until the rest of the Circle Line opens – probably next year. When these stations have been completed, rentals are expected to go up, so signing a lease now would be a good idea if you expect to be here long-term.

What's your rental advice to expats who aren't on expat packages?

Look at condominiums in the suburban areas that are near MRT stations. A studio apartment that is outside of town but close enough to commute easily from – in Queenstown, for example – will generally set you back around $2,000.

www.propertyguru.com.sg

Clockwise from top:
The KTM Railway Station in Tanjong Pagar, night shot of Altez condo, Resorts World Sentosa