



iProperty H1 2015 Survey: More Buyers, Lower Budgets Expected from 2015 to 2017



Singapore, 2 April, 2015 – The recently released iProperty Asia Property Market Sentiment Report H1 2015, Asia's largest consumer property sentiment survey, reveals increasing purchase intent, with affordability remaining a top concern. An increased number of respondents intend to purchase property within the next nine months (from 23 per cent in H2 2014 to 38 per cent in H1 2015); a larger number plan to buy in one to two years' time (from 28 per cent in H2 2014 to 40 per cent in H1 2015). But affordability remains an issue, with two thirds (66 per cent) saying prices are too high. While purchase intent is high, identified budgets are declining. More respondents (from 18 per cent in H2 2014 to 28 per cent in H1 2015) are looking to spend below S\$500,000 and fewer respondents (from 66 per cent in H2 2014 to 55 per cent in H1 2015) have budgets between S\$500,000 to S\$1 million.

"Singaporeans continue to see property as a key investment, with most citing rental income (29 per cent) and long-term investment (26 per cent) as reasons to buy. For now, at least 50 per cent of respondents believe that property prices will drop in the next six months, pushing their buying plans out to the future. 25 per cent of respondents expect high-end luxury properties to see a price drop in H1 2015, followed declines in new and resale condominiums," commented Mr. Sean Tan, iProperty.com Singapore General Manager.

In 2014, the Urban Redevelopment Authority (URA) reported that property prices dropped year-on-year by four per cent for private residential property and the Housing and Development Board (HDB) reported a 6.1 per cent drop for HDB resale. Transactions for new private residential properties saw a fall of 35 per cent year-on-year in January 2015.

The survey also found that in total, 41 per cent of respondents had made a property purchase while only 27 per cent said that they sold their properties. The low percentage of property sellers was unsurprising as an increasing number of property owners are also less confident of their property value. 45 per cent (up from 38 per cent in H2 2014) are not confident that their property will retain its value in the first half of this year.

Private condominiums continue to be a favourite among respondents. 51 per cent indicate interest to



purchase private condominiums, while 29 per cent of buyers bought this category in the past two years.

While respondents selected districts 3, 12, 15, 19 and 20 as preferred locations, in reality they purchased properties in districts 17, 18 and 19 over the past two years. Mr. Tan highlighted, "URA figures show that prices of new developments sold in these districts were in the range of S\$800,000 to S\$1 million, corresponding with respondents' budgets." In a CBRE report in December 2014, it noted that the market has generally supported the S\$1 million threshold for new sales.

Respondents continue to support measures for the government to control property prices. Sentiments are however mixed on the current cooling measures, with 50 per cent satisfied with the government's plans to continue the measures and the other half disagreeing. Many respondents (45 per cent) supported imposing ownership restrictions on foreigners who can invest in or purchase Singapore property.

Cooling measures have deterred foreign buyers so far. This has raised concerns among the real estate industry that the measures are preventing high-net-worth foreign investors from investing in the country. In February, the Real Estate Developers' Association of Singapore (REDAS) called upon the government to look into scaling back measures, such as the Additional Buyer's Stamp Duty (ABSD) for high-end properties, to draw investors who contribute to the economy.

On HDB resale flats, National Development Minister Khaw Boon Wan recently stated that current prices are aligned with the rate that median household incomes have grown; respondents however continue to find HDB resale prices unaffordable. 55 per cent of respondents feel HDB resale prices are not affordable to the average Singaporean buyer, up from 52 per cent in the previous survey.

Popular choices for overseas investment – Malaysia leads followed by Australia, the United Kingdom (UK) and Thailand

59 per cent of respondents who intend to purchase overseas properties intend to do so within the next two years. With the upcoming Singapore-Kuala Lumpur High Speed Rail, Malaysia is once again seeing increased interest by Singaporeans looking to invest in overseas property (from 30 per cent in H2 2014 to 34 per cent in H2 2015). For those looking to invest in Iskandar Malaysia, Zone A (Johor Bahru City) and Zone B (Nusajaya) are favoured, based on affordability (57 per cent) and enhanced connectivity (52 per cent), among other reasons. The planned Rapid Transit System (RTS) will connect Johor Bahru to the Thomson MRT line and is set for completion by 2018, while Nusajaya has been earmarked as one of the three stations in Johor for the high-speed rail (HSR) linking Kuala Lumpur and Singapore.

Australia saw growing interest (19 per cent in H1 2015, up from 18 per cent in H2 2014) in spite of recent regulations curbing foreign investments. The recent interest rate cut in Australia to 2.25 per cent and the depreciating Australian dollar appeal to Singaporean investors, who will benefit from lower mortgages.

The UK is the third most preferred country for overseas investments (eight per cent in H1 2015,

[Join us](#) | [Login for Financial Advisors](#) |

SMS us at +65 – 9782 - 8606



down from 12 per cent in H2 2014), followed by Thailand (seven per cent in H1 2015, down from eight per cent in H2 2014).

Most respondents prefer properties in Malaysia, Australia, the UK and Thailand, as they either offer solid capital appreciation (according to 27 per cent of respondents), or because they intend to migrate to or retire in these countries in the future (23 per cent). Other reasons include using the properties as holiday homes (13 per cent), the attraction of favourable exchange rates (12 per cent) and the opportunity to earn stable rental yields in comparison to the local market (nine per cent).

The APMSR is Asia's largest consumer sentiment survey, with close to 20,000 respondents from four countries, including 2,304 in Singapore. The survey was conducted by iProperty Group in early 2015. For the full report, please refer to <http://www.iproperty.com.sg/asia-property-sentiment-survey/download/>.

Media Contacts – Litmus PR for iProperty

Patrick Keenan

Alyssa Tan

Patrick@litmuspr.com.sg

Alyssa@litmuspr.com.sg

+65 9628 9525

+65 9022 9129

About the [iProperty.com](http://www.iproperty.com) Asia Property Market Sentiment Report

This is the seventh [iProperty.com](http://www.iproperty.com) Asia Property Market Sentiment Report conducted by the iProperty Group. It aims to provide the general public, property investors, buyers, sellers and owners, including local and expatriates, with insights into the property market, from a consumer perspective. The survey includes responses from respondents in four countries:

- In Singapore, 2,304 responded
- In Malaysia, 6,445 responded
- In Indonesia, 5,037 responded
- In Hong Kong, 4,006 responded

About [iProperty.com](http://www.iproperty.com) Singapore (www.iproperty.com.sg)

[iProperty.com](http://www.iproperty.com) Singapore is Singapore's leading real estate website. With the largest database of the most up-to-date listing, the portal helps tens of thousands of Singaporeans, expatriates and foreigners make informed decisions when finding their dream homes, or investment properties. iProperty is also the official partner of the Singapore Institute of Estate agents (IEA), and MSN's exclusive property partner, powering their real estate channel.



Home Loan | Commercial Loan | Refinance Loan | *Financial Planning
<http://www.iCompareLoan.com/>
+65 – 9782 – 8606

For advice on a new loan, go [here](#).

For refinancing advice, go [here](#).

Read more articles at

PropertyBuyer.com.sg/articles

SingaporeHomeLoan.net/blog/

iCompareLoan.com/resources/category/faq/

[Join us](#) | [Login for Financial Advisors](#) |

SMS us at +65 – 9782 - 8606

Home Loan | Commercial Loan | Refinance Loan | *Financial Planning | *Insurance



Home Loan | Commercial Loan | Refinance Loan | *Financial Planning
<http://www.iCompareLoan.com/>
+65 – 9782 – 8606

About www.iCompareLoan.com Mortgage Consultants

iCompareLoan Mortgage Consultants is a research focused independent mortgage broker. We emphasize a consultative approach where we match our client's financial situation with the best fit mortgage loan, not simply a cheap loan.

Paul Ho is the editor of www.PropertyBuyer.com.sg, www.iCompareloan.com and www.SingaporeHomeLoan.net and he holds a Masters of Business Administration from a reputable university. He is passionate about helping people enhance their wealth through financial literacy and in making money work harder for them.

Email: sales@iCompareLoan.com

Tel: 6100 – 0608

SMS: 9782 – 8606

For agents, mortgage brokers and financial advisors, subscribe to the home loan reports at <http://www.icompareloan.com/consultant/> and impress your clients with detailed home loan analyses which facilitate property buying and selling.

Copyright ® - All articles are the copyright of www.iCompareLoan.com and CoreConcept Systems Pte Ltd and the company reserves full rights to use, reuse in any form or in any media including rights of attribution and credits of articles.

[Join us](#) | [Login for Financial Advisors](#) |

SMS us at +65 – 9782 - 8606

Home Loan | Commercial Loan | Refinance Loan | *Financial Planning | *Insurance