INSIGHTS
BY PROPERTYLIMBROTHERS

Should I Sell My EC Upon MOP?

Deep Dive into Gains Made by Past EC Owners: Report

Executive Summary

This research report examines the profitability of Executive Condominiums (ECs) in Singapore, focusing on the trends over various holding periods post-MOP. **The key findings highlight that the highest returns are typically achieved in the first year post-MOP, where 40.5% of all units sold occurred. These units benefit from strong demand due to the limited supply of resale ECs, driving the average simple rate of return to 5.74%. In addition, the compounded annual growth rate (CAGR) also peaks in the 0-1 year period, at 4.87%, indicating strong price appreciation within this period.** Beyond the first year, profitability continues to be steady, with another notable peak occurring around the full privatisation window (5-7 years post-MOP).

Our analysis also explores the long-term growth potential of ECs, particularly those launched before 2006, which have seen a consistent increase in value over time, with a median percentage change in PSF peaking after 20 years. This is driven by inflation, economic growth, and improvements in infrastructure and amenities surrounding these developments.

The report also provides a breakdown of top-performing EC projects by their median percentage change in PSF, highlighting developments such as Bishan Loft and The Quintet, which have shown exceptional capital appreciation.

Finally, the report projects the potential profitability of ECs launched between 2023 and 2025, using PLB's methodology for price growth and assumptions. The analysis indicates that ECs are likely to continue offering strong investment opportunities, particularly as the Singapore government continues to balance supply and demand in the housing market while implementing cooling measures to ensure sustainable growth.

This report serves as a comprehensive guide for EC owners and potential buyers, helping them navigate the EC market and make informed decisions on the optimal time to sell or invest in EC properties.

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Methodology

Our research methodology is anchored in data provided by the Urban Redevelopment Authority (URA). Staying informed on market trends is crucial to gaining a comprehensive understanding of the key forces shaping Singapore's real estate landscape.

We utilise performance data from URA to construct subsamples for detailed analysis. From the data extracted, we derived the median percentage change in PSF price and calculated the simple rate of returns and CAGR for EC transactions. These subsamples are categorised based on the number of years held after MOP and corresponding profit quantums. Our approach combines descriptive statistics with qualitative insights to identify patterns and trends specific to the EC market.

This EC Research Report is designed to assess the profitability of ECs upon their MOP and ultimately identify the optimal holding period after MOP. The research report helps determine if there are specific time windows where ECs perform better, which can help current owners and potential investors decide when to sell to maximise profitability. The findings are specific to the EC segment and will be further refined and expanded upon by PLB's Editorial team as needed.

1. Introduction

PLB remains bullish about the EC market, underpinned by strong fundamentals and a lower price entry point compared to private condominiums. This allows EC homeowners to realise substantial profits upon resale. Additionally, the current favourable market conditions, including a lower interest rate environment, have loosened credit conditions in the residential market, reducing borrowing costs and potentially lifting consumer sentiment. These conditions ease concerns of a hard landing or economic recession, supporting continued demand for ECs.

ECs are a hybrid housing type in Singapore, developed by private developers but sold under government regulations. Cater to the middle-income group, ECs offer private condominium features but at a more affordable price point. This allows first-time EC buyers to enjoy the quality and amenities of a private condominium while benefiting from government subsidies. However, ECs are subject to specific regulations. Upon reaching the MOP, which is five years after the TOP, ECs can be sold on the secondary market but only to Singapore Citizens and Permanent Residents. This restriction applies between the 5th and 10th year after TOP. After 10 years, ECs are fully privatised and can be bought and sold like private properties, including transactions involving foreigners and entities, and can also be put up for en-bloc sales.

Despite these rules, resale ECs have demonstrated sustained price growth over the past decade, comparable to private resale condominiums. According to data from the Urban Redevelopment Authority (URA), the median prices of all resale ECs achieved a CAGR of 6.6% from 2015 to 2024, outperforming the 3.7% CAGR recorded for median prices of all private resale condominiums during the same period.

In addition, the lower initial prices of ECs during new launches have enabled owners to realise substantial profits upon resale, as they are able to sell their units at prices comparable to private condominiums.

However, the key question remains: when is the optimal time for EC owners to sell in order to maximise profits? This research report examines profitability over different time periods, measured by the number of years after the MOP. Our goal is to provide a comprehensive analysis to help you determine the best time to sell your EC.

2. Macroeconomic Influences on Singapore's EC Market from 1999 to 2024

We will first start off the research report with the bigger picture – the macroeconomic events that have shaped the EC market in Singapore since their introduction in 1999. The analysis spans various economic crises, including the 1997 Asian Financial Crisis, the Global Financial Crisis (GFC), and the subsequent housing price fluctuations and government cooling measures. By understanding the impact of these events, we can better grasp the market dynamics that have influenced EC profitability and the government's strategic responses to housing affordability for the middle-income segment.

2.1 Impact of the 1997 Asian Financial Crisis and the Launch of Singapore's First EC in 1999

As Singapore recovered from the 1997 Asian Financial Crisis, private residential prices surged by 40% between the end of 1998 and 2000. Consequently, homeowners of ECs launched during 1999-2000 purchased their properties at relatively high prices, coinciding with the peak of this market rebound.

However, the subsequent dot-com bubble burst in 2001, the September 11, 2001 terrorist attacks, and the 2003 SARS crisis caused significant economic contraction, leading to a drop in housing prices. The property market, including ECs, faced declining demand, as potential buyers became cautious amid the uncertain economic environment. As a result, resale prices stagnated or even declined during this period, leaving EC owners who had purchased at peak prices unable to sell their properties at profitable levels.

2.2 Housing Price Rose Sharply After the Global Financial Crisis and Property Cooling Measures

The Global Financial Crisis GFC that began in Q3 2008 severely impacted Singapore's property market. The property price index dropped by around 25% quarter-on-quarter (q-o-q) from Q2 2008, as property prices peaked and then fell sharply due to economic instability. This significant downturn affected both private residential properties and ECs, with many homeowners experiencing a sudden decrease in their property values.

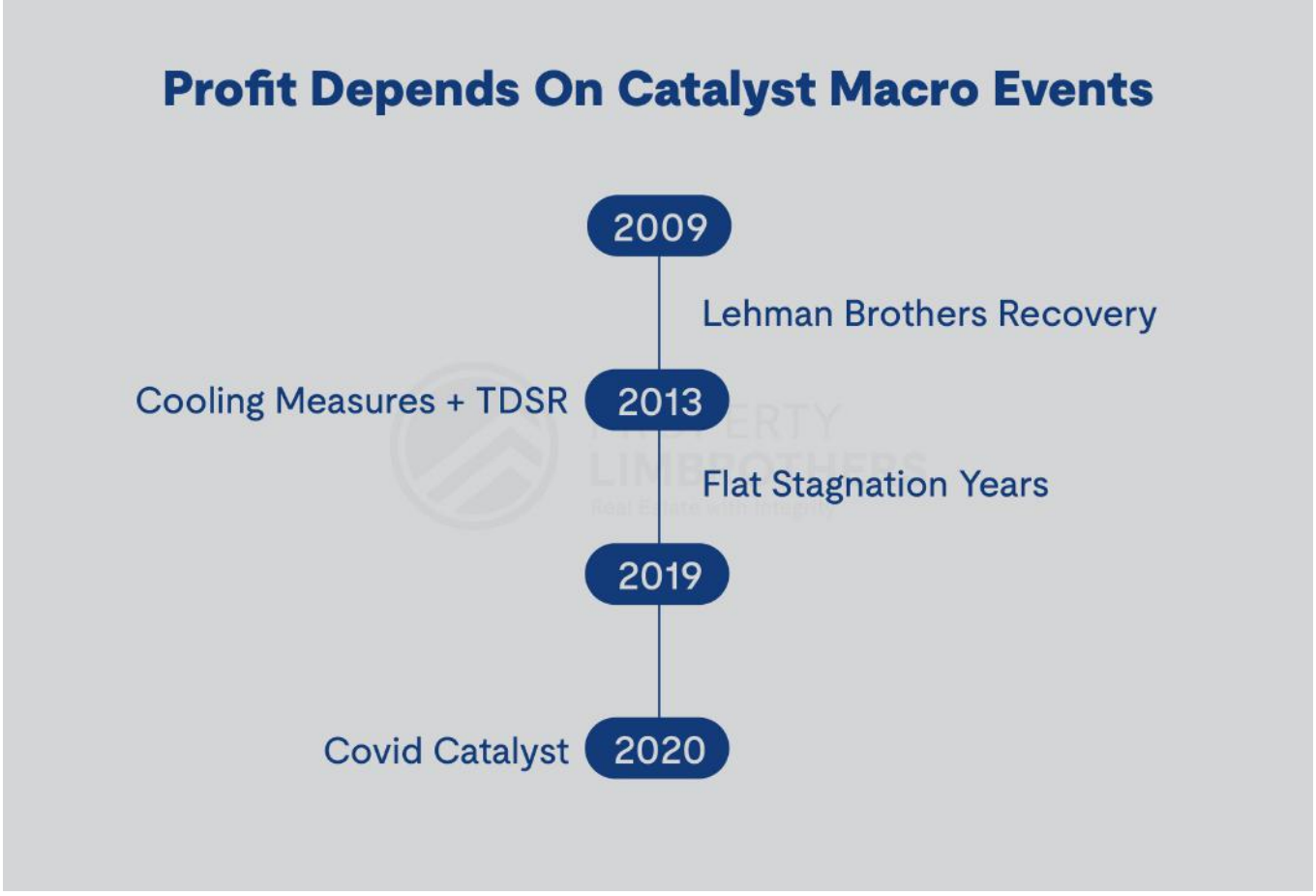

Figure 1: Key Macro Events after 2009

Figure 1 illustrates the key macroeconomic events following the GFC. As the economy began to recover from the collapse of Lehman Brothers and the fallout of the GFC, housing prices experienced a sharp rise. This trend was driven by a significant drop in interest rates, which were reduced to nearly 0% to provide relief for homeowners with mortgages and to encourage borrowing. By Q2 2009, demand for property had rebounded strongly. **In Q3 2009, the property price index surged by 15.8% q-o-q, marking the highest growth since 1981.**

However, much of this price increase was fueled by speculative buying, as many investors purchased properties at new launches and quickly sold them in sub-sales to capitalise on rising prices. This speculative demand posed the risk of a property bubble. In response, the Singapore government introduced its first round of cooling measures in 2009 to curb excessive speculation and ensure sustainable growth in the property market.

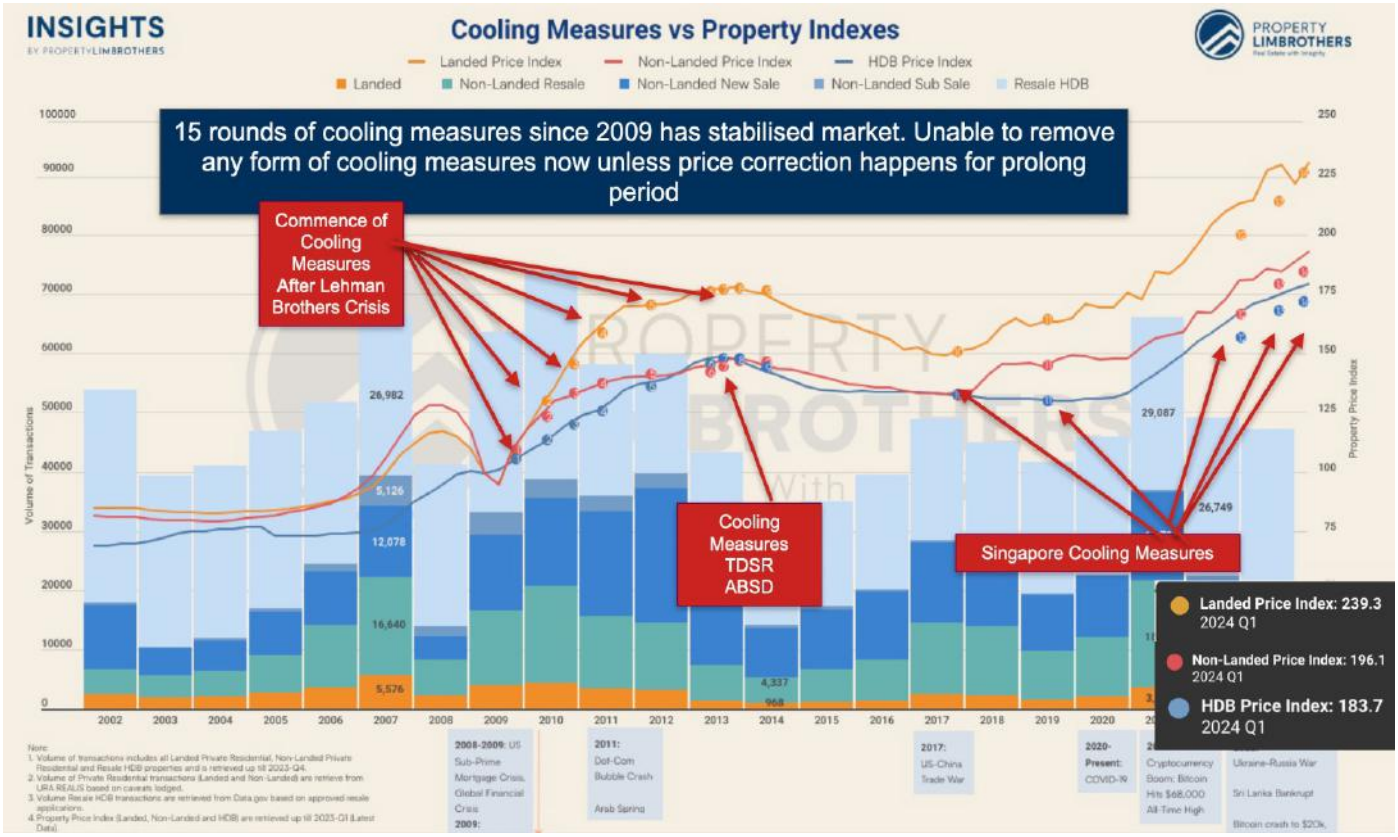

Figure 2: At least 15 rounds of cooling measures were introduced since 2009

These measures aimed to stabilise the market by reducing the likelihood of rapid price inflation driven by short-term investment activities. The government implemented restrictions on the Interest Absorption Scheme and interest-only loans, reducing the appeal of speculative property purchases and ensuring more sustainable growth in the property sector moving forward.

This period marked a turning point in Singapore's real estate market, where the government took proactive steps to prevent a speculative bubble, laying the foundation for at least 14 more rounds of stringent cooling measures in the years up till 2024, as seen in Figure 2.

2.3 Implication on The ECs Market During This Period

The surge in private housing prices post-GFC made homes increasingly unaffordable for the middle-income segment. **In response, the Singapore government reintroduced ECs in 2010 after a five-year hiatus to provide more affordable housing options for this group. The government ramped up EC supply more aggressively between 2013 and 2017 to stabilise the market, which had been affected by rising private property prices driven by both strong demand and speculative investments.** ECs, with their hybrid public-private nature, were seen as an ideal solution to bridge the affordability gap between public HDB flats and private housing.

For a full breakdown of all ECs launched in Singapore since 1999, please refer to the next section.

2.3.1 All ECs That Were Launched Since 1999

For a comprehensive breakdown, we have provided the full list of ECs that were launched from 1999 till 2024, along with the total resale transactions (both with profits and losses), the TOP date and the MOP year.

Summary of All Executive Condominium by TOP Date
Page 1

Project Name	Total Resale Transactions	Transactions With Loss	Transactions With Profit	District	TOP Date	MOP Year	Number of Units Launched
EASTVALE	131	36	95	18	1999-01-27	2004	312
WESTMERE	100	33	67	22	1999-02-27	2004	286
CHESTERVALE	204	60	142	23	1999-03-20	2004	396
SIMEI GREEN CONDOMINIUM	344	126	217	18	1999-04-18	2004	602
PINEVALE	171	45	126	18	1999-07-28	2004	322
WINDERMERE	201	54	145	23	1999-09-16	2004	396
THE FLORIDA	309	80	228	19	2000-05-30	2005	496
THE RIVERVALE	354	86	268	19	2000-06-28	2005	671
WOODSVALE	457	103	352	25	2000-08-05	2005	696
YEW MEI GREEN	433	131	302	23	2000-09-01	2005	712
SUMMERDALE	249	51	198	22	2000-09-08	2005	432
NORTHOAKS	500	124	376	25	2000-10-03	2005	720
THE FLORAVALE	415	91	324	22	2000-10-13	2005	794
LILYDALE	243	0	243	27	2003-03-28	2008	318
THE EDEN AT TAMPINES	244	0	244	18	2003-04-16	2008	430
THE DEW	111	0	111	23	2003-07-19	2008	248
BISHAN LOFT	133	0	133	20	2003-09-26	2008	384
NUOVO	167	0	167	20	2004-08-31	2009	297
PARK GREEN	227	0	227	19	2004-09-30	2009	368
WHITEWATER	239	0	239	18	2005-03-01	2010	397
THE ESPARIS	170	0	170	18	2005-06-22	2010	274

*Data as of 16th Sep 2024

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Chart created on 5th Oct, 2024 | Version 2.0
Source: URA

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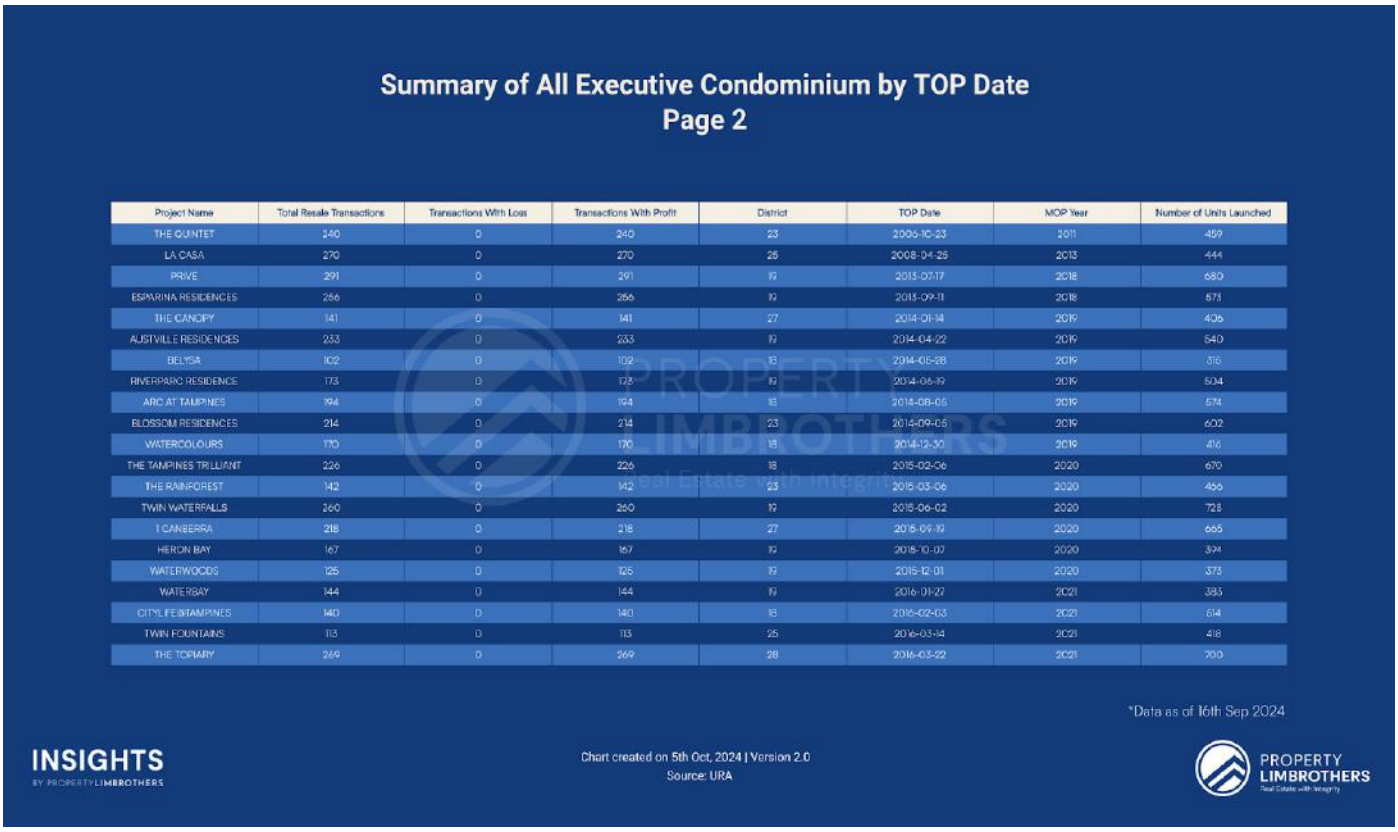
Figure 3a: All ECs that were launched since 1999 Page 1



Summary of All Executive Condominium by TOP Date
Page 2

Project Name	Total Resale Transactions	Transactions With Loss	Transactions With Profit	District	TOP Date	MOP Year	Number of Units Launched
THE QUINTET	240	0	240	23	2006-10-23	2011	459
LA CASA	270	0	270	26	2008-04-26	2013	444
PRIVE	291	0	291	19	2013-07-17	2018	680
ESPARINA RESIDENCES	266	0	266	19	2013-09-11	2018	573
THE CANOPY	141	0	141	27	2014-01-14	2019	406
AUSTVILLE RESIDENCES	233	0	233	19	2014-04-22	2019	540
BELYSA	102	0	102	18	2014-05-28	2019	316
RIVERPARC RESIDENCE	173	0	173	19	2014-06-19	2019	604
ARC AT TAMPINES	194	0	194	18	2014-08-05	2019	574
BLOSSOM RESIDENCES	214	0	214	23	2014-09-05	2019	602
WATERCOLOURS	170	0	170	18	2014-12-30	2019	416
THE TAMPINES TRILLIANT	226	0	226	18	2015-02-06	2020	670
THE RAINFOREST	142	0	142	23	2015-03-06	2020	466
TWIN WATERFALLS	260	0	260	19	2015-06-02	2020	728
T CANBERRA	218	0	218	27	2015-09-19	2020	665
HERON BAY	167	0	167	19	2015-10-07	2020	394
WATERWOODS	125	0	125	19	2015-12-01	2020	373
WATERBAY	144	0	144	19	2016-01-22	2021	383
CITYLIFE@TAMPINES	140	0	140	18	2016-02-03	2021	614
TWIN FOUNTAINS	113	0	113	25	2016-03-14	2021	418
THE TOPIARY	269	0	269	28	2016-03-22	2021	700

*Data as of 16th Sep 2024

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Chart created on 5th Oct, 2024 | Version 2.0
Source: URA

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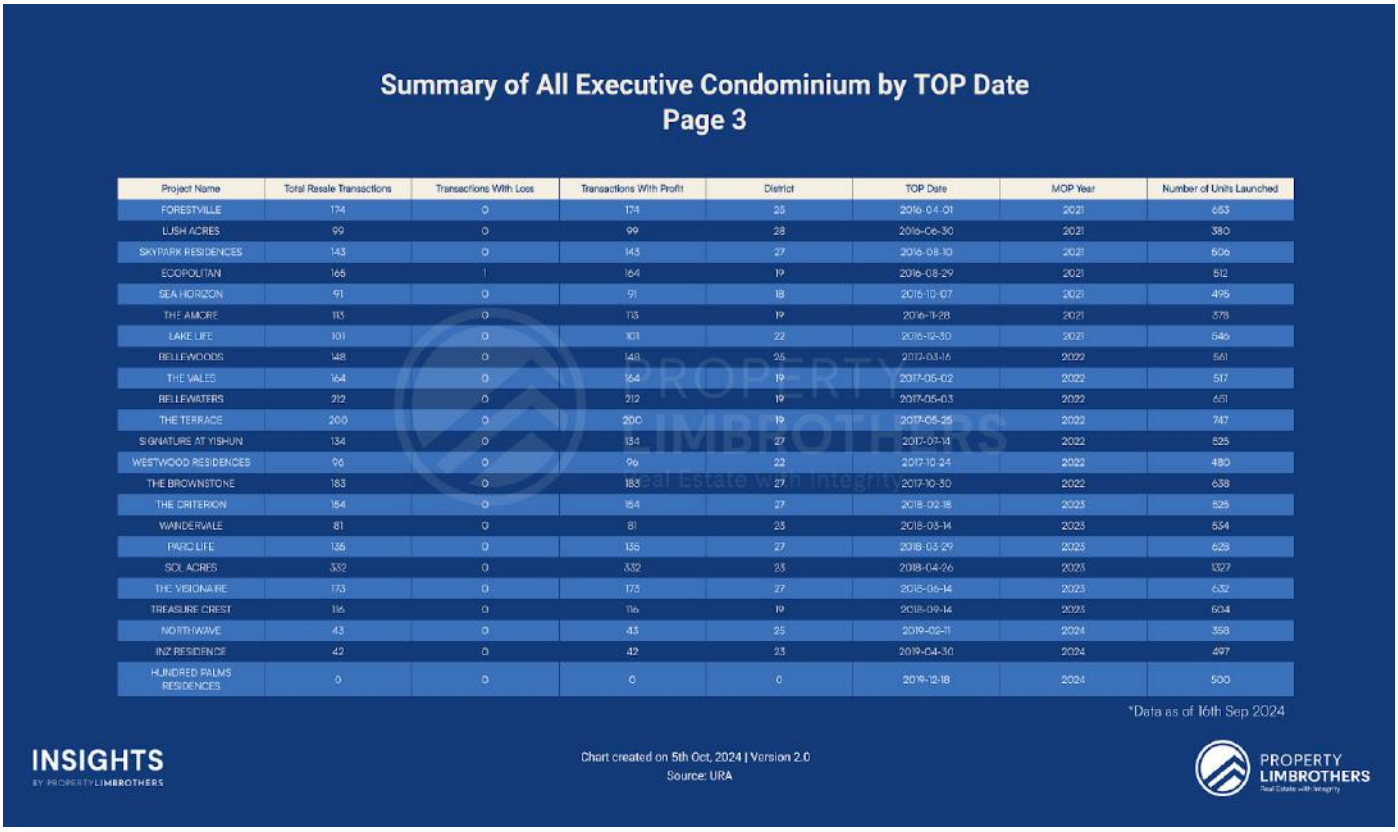
Figure 3b: All ECs that were launched since 1999 Page 2



Summary of All Executive Condominium by TOP Date
Page 3

Project Name	Total Resale Transactions	Transactions With Loss	Transactions With Profit	District	TOP Date	MOP Year	Number of Units Launched
FORESTVILLE	174	0	174	25	2016-04-01	2021	663
LUSH ACRES	99	0	99	28	2016-06-30	2021	380
SKYPARK RESIDENCES	143	0	143	27	2016-08-10	2021	506
ECOPOLITAN	165	1	164	19	2016-08-29	2021	512
SEA HORIZON	91	0	91	18	2016-10-07	2021	495
THE AMORE	113	0	113	19	2016-11-28	2021	578
LAKE LIFE	101	0	101	22	2016-12-30	2021	546
BELLEWOODS	148	0	148	25	2017-03-16	2022	561
THE VALES	164	0	164	19	2017-05-02	2022	517
BELLEWATERS	212	0	212	19	2017-05-03	2022	651
THE TERRACE	200	0	200	19	2017-05-25	2022	747
SIGNATURE AT YISHUN	134	0	134	27	2017-07-14	2022	525
WESTWOOD RESIDENCES	96	0	96	22	2017-10-24	2022	480
THE BROWNSTONE	183	0	183	27	2017-10-30	2022	638
THE CRITERION	154	0	154	27	2018-02-18	2023	525
WANDERVALE	81	0	81	23	2018-03-14	2023	534
PARC LIFE	136	0	136	27	2018-03-29	2023	628
SOL ACRES	332	0	332	23	2018-04-26	2023	1327
THE VISIONAIRE	173	0	173	27	2018-06-14	2023	632
TREASURE CREST	116	0	116	19	2018-09-14	2023	604
NORTHWAVE	43	0	43	25	2019-02-11	2024	358
INZ RESIDENCE	42	0	42	23	2019-04-30	2024	497
HUNDRED PALMS RESIDENCES	0	0	0	0	2019-12-18	2024	500

*Data as of 16th Sep 2024

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Chart created on 5th Oct, 2024 | Version 2.0
Source: URA

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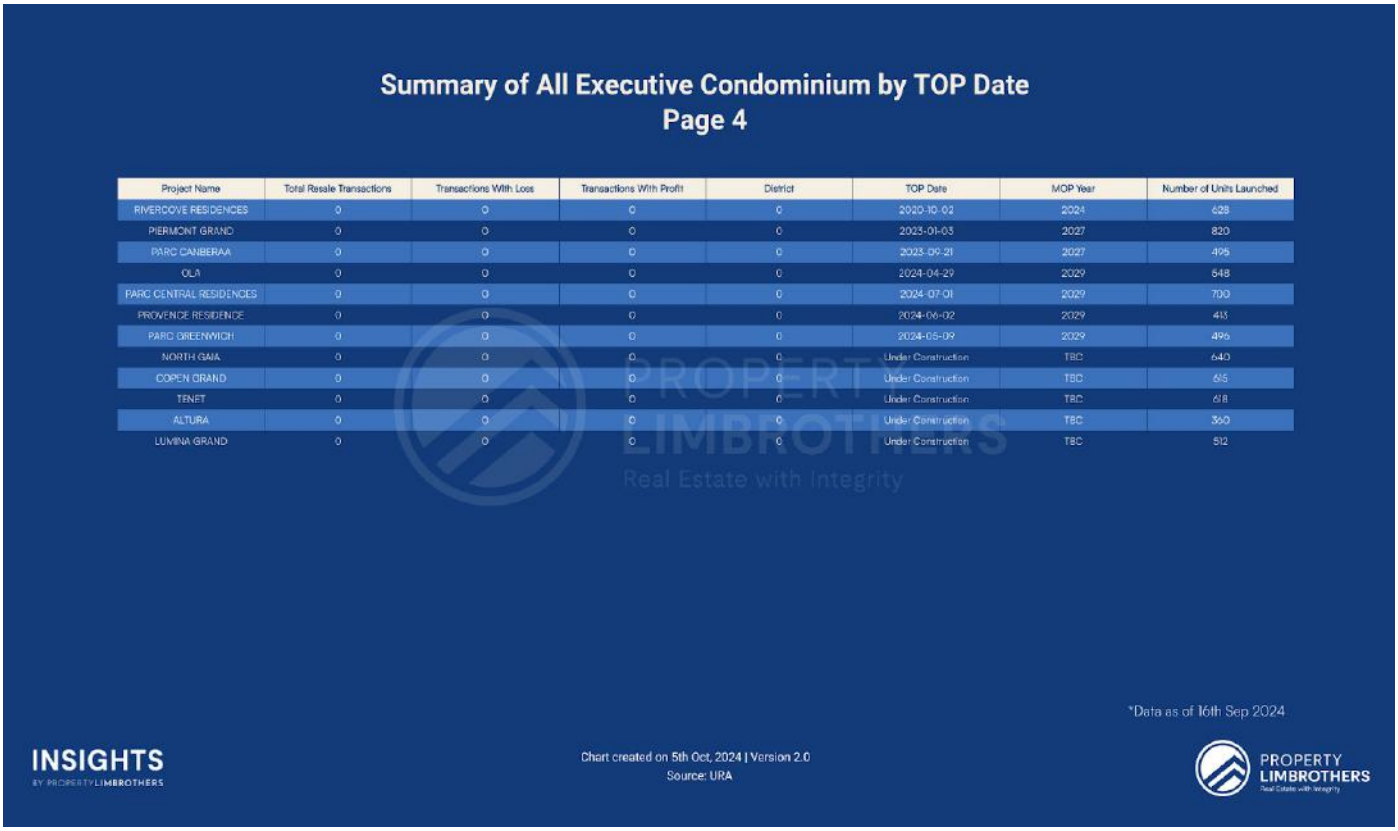
Figure 3c: All ECs that were launched since 1999 Page 3



Project Name	Total Resale Transactions	Transactions With Loss	Transactions With Profit	District	TOP Date	MOP Year	Number of Units Launched
RIVERCOVE RESIDENCES	0	0	0	0	2020-10-02	2024	628
PIERMONT GRAND	0	0	0	0	2023-01-03	2027	820
PARC CANBERRA	0	0	0	0	2023-09-21	2027	495
OLA	0	0	0	0	2024-04-29	2029	548
PARC CENTRAL RESIDENCES	0	0	0	0	2024-07-01	2029	700
PROVENCE RESIDENCE	0	0	0	0	2024-06-02	2029	413
PARC GREENWICH	0	0	0	0	2024-05-09	2029	495
NORTH GAIA	0	0	0	0	Under Construction	TBC	640
COPEN GRAND	0	0	0	0	Under Construction	TBC	615
TENET	0	0	0	0	Under Construction	TBC	618
ALTURA	0	0	0	0	Under Construction	TBC	360
LUMINA GRAND	0	0	0	0	Under Construction	TBC	512

Figure 3d: All ECs that were launched since 1999 Page 4

As shown in Figure 3a-3d, 27 ECs reached TOP before 2006, before the government began ramping up supply by launching 45 additional EC projects from 2010 onwards, with the exception of La Casa, which reached TOP in 2008. This shift highlights the significant change in government policy post-2010, as more ECs were introduced to meet the growing demand from the middle-income segment, which had been priced out of the private housing market post-GFC when private home prices rose sharply.

However, between 2017 and 2020, there were growing concerns about a potential oversupply in the EC market when demand was not as robust. Cooling measures implemented by the government since 2013, such as the Total Debt Servicing Ratio (TDSR) has helped temper speculative demand in both private and EC markets. These measures were designed to promote sustainable growth and avoid overheating in the property market, but they also contributed to a slowdown in transaction volumes, reducing the need for a large supply of ECs during this period. As a result, the government responded by reducing the supply of ECs in the market between 2017 and 2020.

In addition, over the last two years, we have seen an increase in EC supply again, as noted in Figure 3d. This is likely due to the rapid rise in private housing prices since the onset of the COVID-19 pandemic, prompting the government to release more EC units while implementing additional cooling measures to stabilise the market. This strategy ensures a balanced supply of affordable housing for the middle-income group while maintaining overall market stability.

2.3.2 Number of ECs Units Based On Bedroom Types

Figure 4: All ECs by bedroom types (based on new sale transactions)

This chart represents the new sale transactions for EC projects by bedroom type, as of September 2024, highlighting the Singapore government's focus on targeting families through the EC scheme.

3-Bedroom Units as the Main Offering:
The overwhelming majority of new sale transactions are for 3-bedroom units, totaling 27,437 transactions. This reflects the primary target audience for ECs — families. The government has designed the EC scheme to provide affordable, family-sized units for middle-income families who may not qualify for HDB flats but cannot afford private condominiums.

2-Bedroom and 4-Bedroom Units:
2-bedroom units are likely appealing to smaller families or couples planning for future family expansion.

4-bedroom units (4,034 transactions) are typically purchased by larger families who require more space or those with multi-generational living arrangements.

1-Bedroom and 5-Bedroom Units Have Limited Appeal:

The smallest number of transactions occurred for 1-bedroom units (198 transactions), as ECs are generally not designed to target singles or smaller households, with the focus being on families. 5-bedroom units (912 transactions) represent a niche market, catering to affluent families needing extra space but still benefiting from the government's subsidies for EC buyers.

3. Proportion of Executive Condominium Units Sold Based on Number of Years After MOP

Having explored the macroeconomic events and their implications on the EC market, we will now shift focus to the microeconomic aspects. In the subsequent sections, we will examine the profitability of ECs based on the number of years they are held after the MOP.

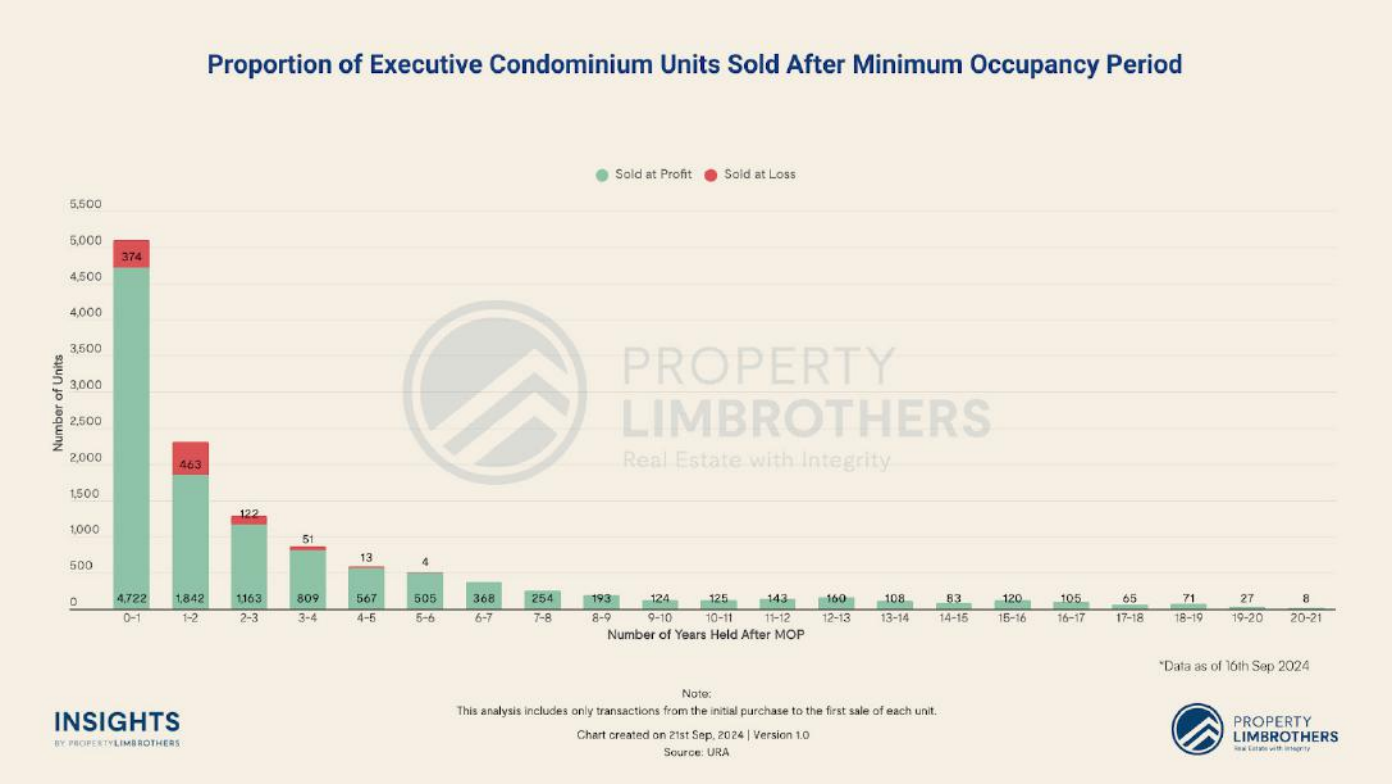


Figure 5: Proportion of Executive Condominium Units Sold After MOP

Figure 5 illustrates the proportion of EC units sold after the MOP. The y-axis indicates the number of units sold, while the x-axis shows the number of years the units were held after MOP.

Based on the latest data from the URA, a total of 12,589 units (with unique addresses) were sold during the period between 0 and 21 years post-MOP. Among these, 5,096 units, or 40.5%, were sold within the first year after MOP, representing the highest proportion compared to other years.

For a comprehensive breakdown, we have listed in a table to illustrate the proportion in percentage of EC units sold by number of years held after MOP below:

Number of Years Held After MOP	Proportion of Units (%)	Proportion of Units Sold at Loss (%)[1]
0-1	40.5%	7.3%
1-2	18.3%	20.1%
2-3	10.2%	9.5%
3-4	6.8%	6.0%
4-5	4.6%	2.2%
5-6	4.0%	0.8%
6-7	2.9%	0%
7-8	2.0%	
8-9	1.5%	
9-10	1.0%	
10-11	1.0%	
11-12	1.1%	
12-13	1.3%	
13-14	0.9%	
14-15	0.7%	
15-16	1.0%	
16-17	0.8%	
17-18	0.5%	
18-19	0.6%	
19-20	0.2%	
20-21	0.1%	

[1] *Proportion of Units Sold at Loss is calculated by dividing the number of units sold at loss in the period (measured by Number of Years Held After MOP) by the total number of units sold in the same period.*

Table 1: Proportion of EC units sold after MOP and Proportion of EC units sold at loss (%)
Source: URA

Table 1 presents the proportion of EC units sold after the MOP and the corresponding percentage of units sold at each time period. In the first year post-MOP (0-1 year), 40.5% of all units sold accounted for the highest proportion across all periods. In the first year post-MOP (0-1 year), 40.5% of all EC units sold represented the highest proportion of sales across all periods. Of these transactions, 7.3% resulted in a loss, which may be attributed to unforeseen circumstances such as divorce or other special appeal cases, where owners were compelled to sell their ECs before fully benefiting from MOP price appreciation.

Additionally, there is typically a 3-month lag before transactions are officially lodged and reflected on the URA platform. This delay can result in a discrepancy when analysing transaction data, as certain market trends, like the Volume Effect noted in PLB's MOAT analysis, may not be fully captured in the first year, potentially underestimating the influence of market conditions on the data.

It is also important to note that during this first year post-MOP, when 40.5% of the total resale EC transactions occur, the Volume Effect (under PLB's MOAT analysis) is triggered. As a result, demand for ECs that have just attained MOP and entered the market tends to be high, placing upward pressure on prices and valuations. This allows EC owners to reap substantial profits when they sell immediately upon reaching MOP, benefiting from the surge in demand.

Moving on, we noticed that the percentage of units sold at a loss peaked in the 1-2 years post-MOP period, where 20.1% of the units sold in this period recorded a loss, despite only 18.3% of total units being sold during this timeframe. Notably, no unprofitable transactions were recorded beyond the 6-year mark. However, it is important to note that the proportion of EC units sold gradually decreases after 6 years post-MOP, reflecting a lower volume of transactions in the later years.

4. Number of Executive Condominium Units Sold By Profit Quantum

Figure 6: Number of EC Units Sold by Profit Quantum

Among the 12,589 units sold, 1,027 units, or 8.1%, were non-profitable transactions. Additionally, 5.3% of total units were sold with profits below $100,000, while 11.9% of units achieved profits between $100,000 and $200,000.

The highest number of transactions occurred within the $300,000 to $400,000 profit range, with 2,371 units, or 18.8% of total units, falling into this category. This was followed by 2,200 units (17.4% of total units) sold in the $200,000 to $300,000 profit range, and 2,103 units (16.7% of total units) sold in the $400,000 to $500,000 range.

Overall, more than half (52.9%) of the units sold achieved profits within the $200,000 to $500,000 range.

Meanwhile, only 1,356 units, or 10.8% of total units, were sold with profits ranging between $500,000 and $1 million, while a small minority (0.5%) of units achieved profits exceeding $1 million.

4.1 Proportion of Executive Condominium Units Sold After MOP With Profit Quantum of $200K-$300k

Figure 7: Proportion of EC units sold with profit quantum of $200K-$300K

Figure 7 demonstrates the number of EC units sold with a profit quantum of $200k - $300k across various periods after MOP. The majority of profitable transactions occurred in the first year post-MOP (0-1 year), with 1,115 units sold, significantly higher than any other period. However, there is also a noticeable spike during the 5th to 6th year after MOP, at the time when ECs are fully privatised, with 165 units sold. Despite this increase, the number of units sold during this period is still considerably lower than the first-year post-MOP transactions, reflecting the volume effect (which is the initial surge in demand and transactions) immediately following MOP.

4.2 Proportion of Executive Condominium Units Sold After MOP With Profit Quantum of $300K-$400k

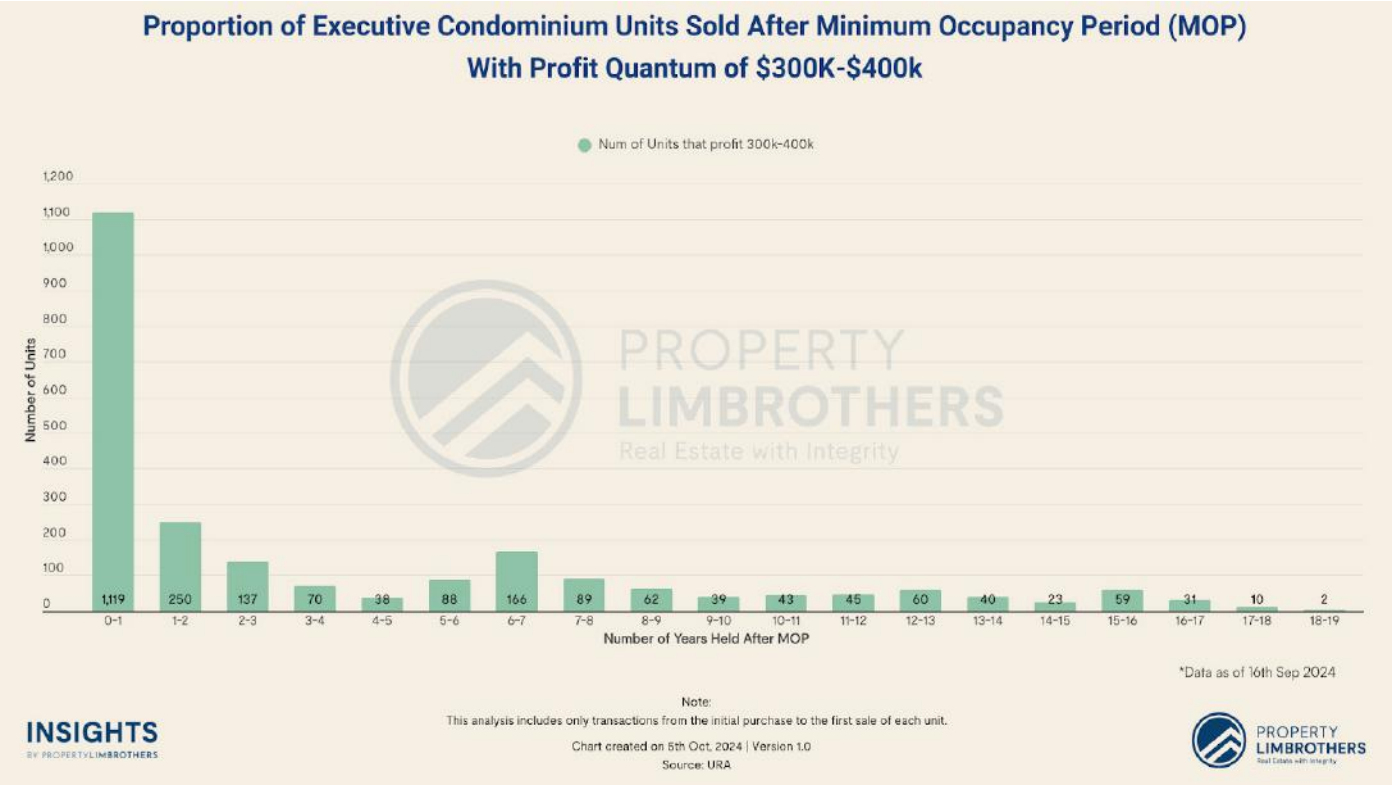


Figure 8: Proportion of EC units sold with profit quantum of $300K-$400K

Figure 8 shows the proportion of EC units sold post-MOP with a profit quantum of $300k–$400k over different holding periods. Similar to Figure 7, the highest proportion of profitable transactions occurred in the first year post-MOP (0-1 year), with 1,119 units sold. This represents the most substantial volume across all time periods, indicating that many EC owners prefer to sell immediately upon MOP to capitalise on price appreciation, driven by volume effect.

Another notable spike occurs in the 6-7 years post-MOP range, with 166 units sold. This period aligns with the phase when ECs are fully privatised, attracting more buyers and potentially increasing prices. However, the number of units sold during this period remains significantly lower than the first-year sales. This trend illustrates how EC owners can still achieve substantial profits both immediately after MOP and closer to full privatisation, although the highest gains tend to occur in the first year.

4.3 Proportion of Executive Condominium Units Sold After MOP With Profit Quantum of $400K-$500k

Figure 9: Proportion of EC units sold with profit quantum of $400K-$500K

Figure 9 follows a similar pattern to the previous two, illustrating the number of EC units sold with a profit quantum of $400k - $500k over varying time periods after MOP. Once again, the highest number of transactions occurred in the first year post-MOP (0-1 year), with 943 units sold, underscoring the strong demand for ECs shortly after they become eligible for resale.

There is also a significant number of sales in the 1-2 year post-MOP period (387 units) and another smaller spike in the 7-8 year period (105 units), highlighting moments when ECs are fully privatised and potentially more attractive to a broader range of buyers. These numbers suggest that while the first year post-MOP consistently yields the most sales and profits, there are other windows of opportunity where owners can still achieve substantial returns.

In linking all three charts, it's clear that most EC owners achieve their largest profits within the first few years after MOP, particularly in the 0-1 year period. This is likely driven by volume effect as most transactions happen in the first year, and therefore driving up prices and valuation. The data also shows that significant profits can still be made at later stages, especially around the full privatisation window (5-7 years post-MOP), albeit at a lower frequency.

5. Average Percentage Change in PSF ($) Based on Number of Years Held After MOP

Figure 10: Executive Condominium Median Percentage Change in PSF ($)

We analysed the average percentage change in price per square foot (PSF) for the 12,589 EC units sold. The key finding is that the median percentage change in PSF price is highest in the 20-21 years range after the MOP. However, it is important to note that overall housing prices have experienced substantial growth over the years alongside inflation, particularly in the last two decades, which has contributed to the observed increase in PSF over longer holding periods.

The median percentage change in PSF price generally increases from 0 to 10 years after MOP, with a slight dip observed between the 3-4 years period. This indicates that while price tends to rise over time, short-term fluctuations—potentially driven by macroeconomic conditions or supply dynamics—can still occur.

An inflection point is observed in the 9-10 years period, where the median percentage change in PSF reaches its peak. Following this period, prices generally decline, up till the 16-17 years period.

6. Return of Investments Based on The Number of Years Held After MOP

6.1 Median Simple Rate of Return Based on The Number of Years Held After MOP

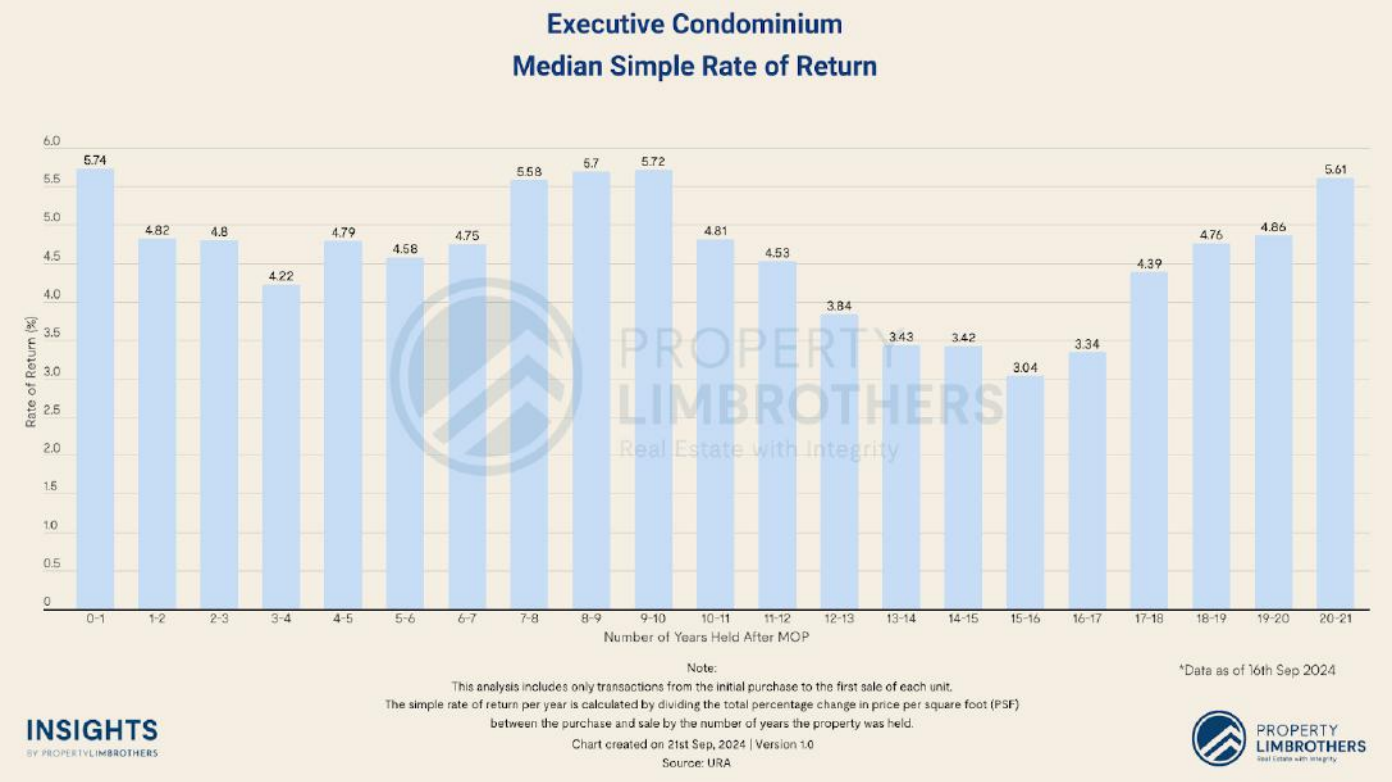


Figure 11: Executive Condominium Median Simple Rate of Return

We then calculated the average simple rate of return for each time period after MOP, providing insights into the annual profit sellers can expect from selling their units. The simple rate of return is determined by dividing the total percentage change in PSF between the purchase and sale by the number of years the property was held. This measure gives an indication of how much profit, on average, is generated by holding and selling an EC unit over various time periods after MOP.

The average simple rate of return is highest in the 0-1 year after MOP, at 5.74%. Despite being the shortest holding period, this rate is comparable to, and even exceeds, that of holding an EC for 20-21 years. This suggests that homeowners who choose to sell their ECs immediately after MOP can achieve a similar rate of return as those who hold the property for the longest period. This can be attributed to the market's immediate response to the limited supply of resale ECs and pent-up demand, which leads to a surge in prices when these newly eligible resale ECs enter the secondary market.

However, it is important to note that long-term holding benefits from the steady appreciation of property values over decades due to factors such as inflation, economic growth, and enhancement in the surrounding infrastructure and amenities which help push up valuations. In addition, while returns are elevated during this short-term window of 0-1 year after MOP, such high rates may not be sustained in subsequent years as market forces, including supply and broader economic conditions, start to influence price growth more gradually. This can be seen from the simple rate of return in other time periods in Figure 11 above.

To enhance readability, we have broken down the key observations over varying time periods post-MOP below:

Highest Return in the 0-1 Year Post-MOP (Peak)
The highest median simple rate of return is observed in the 0-1 year period after MOP, at 5.74%. This suggests that EC units sold immediately after MOP tend to generate the most annualised profit.
Steady Returns from 1-7 Years Post-MOP (Slower Growth)
Between the 1-7 year periods post-MOP, the rate of return remains relatively consistent, ranging between 4.22% and 4.82%. This indicates stable price appreciation during these years, with slightly lower returns between 3-4 years (4.22%), which may reflect market conditions during that specific holding period.
Secondary Peak in 7-8 Years Post-MOP (Secondary Peak)
A secondary peak is observed in the 7-8 year range, with a return of 5.58%. This could reflect favourable market conditions or the impact of ECs being fully privatised, making them more attractive to a broader pool of buyers.
Inflection Point After 10 Years Post-MOP (Stagnation Risk)
The rate of return remains high around the 10-11 year mark (5.72%), suggesting another period of strong appreciation. However, after this peak, there is a constant decline in the median rate of return, dropping to 3.04% between 15-16 years post-MOP, likely contributed by market conditions.
Rebound After 17 Years Post-MOP (Rebound)
After a dip in the 15-16 year period, the rate of return starts to rebound, with gradual increases observed from the 17-21 year period, ultimately reaching 5.61% at 20-21 years. This rise reflects long-term market growth and enhanced value appreciation over extended periods, buoyed by inflation. Additionally, this timeframe is particularly relevant for ECs that attained MOP in the early 2000s. 20 years after their MOP marked the onset of the COVID-19 pandemic, which saw housing prices surge to unprecedented highs.

Table 2: Key observations from the average simple rate of return trend over the respective periods
Source: PLB Insights

As seen in Figure 11 and Table 2, the simple rate of return for ECs follows a distinct life cycle pattern over the course of 0 to 21 years after MOP, characterised by Peak → Slower Growth → Secondary Peak → Stagnation Risk → Rebound phases (illustrated in Figure 12 below), before the effects of lease decay start to take hold in the longer term. However, the rebound period is more relevant to older ECs (those launched before 2006), as housing prices for these ECs increase over time alongside inflation and economic growth.

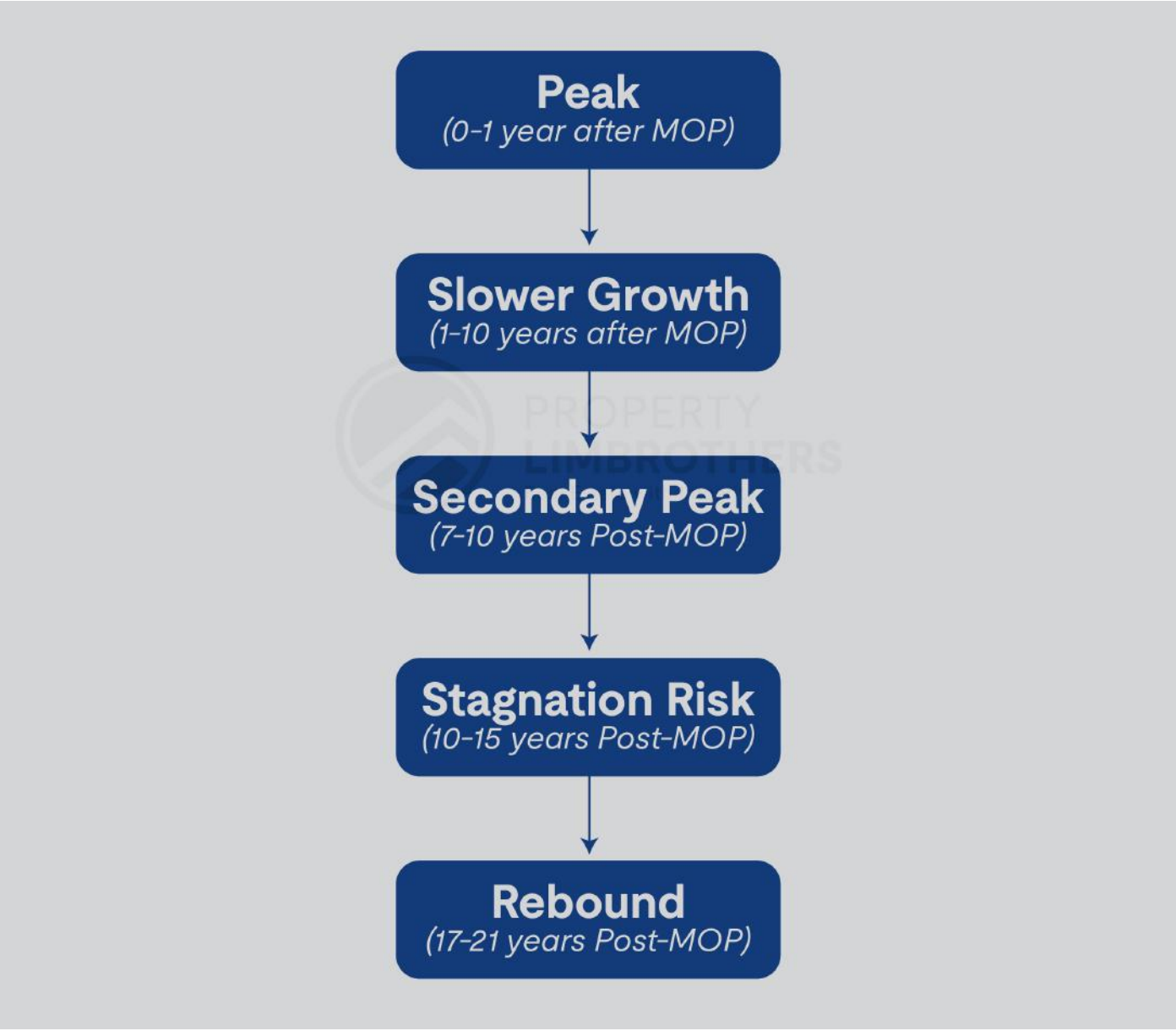


Figure 12: Life Cycle of EC profitability
Source: PLB Insights

6.2 Compounded Annual Growth Rate Based on The Number of Years Held After MOP

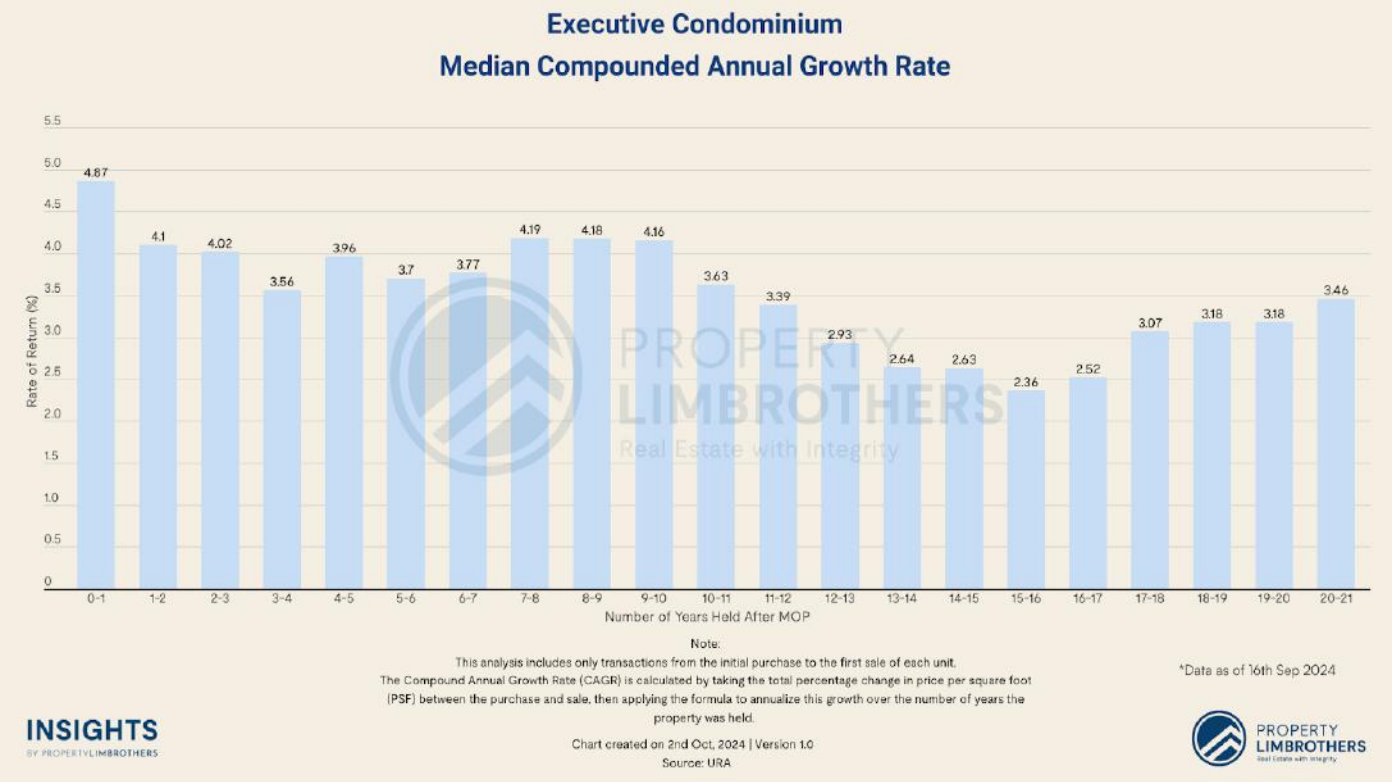


Figure 13: Compounded Annual Growth Rate (CAGR) for ECs based on number of years held after MOP

We also examine the CAGR for ECs over different holding periods post-MOP, providing insights into how EC prices have appreciated on an annual basis. Including the CAGR is particularly insightful as it takes into account the compounded effect over the years, and therefore gives rise to a clear and standardised measure of performance that can be compared across different holding periods.

The findings mostly align with that of the simple rate of returns. The CAGR is the highest in the 0-1 year period, standing at 4.87%. This once again suggests that ECs sold immediately after the MOP tend to experience the highest annualised price growth, likely driven by the high demand for newly eligible resale ECs and limited supply in the market.

To enhance readability, we have broken down the key observations over varying time periods post-MOP below:

Highest Growth in the First Year (Peak)
The CAGR is the highest in the 0-1 year period at 4.87%. The first-year boost is typically associated with the release of ECs into the private market, which can result in immediate price appreciation.
Fluctuations Between 1-7 Years (Slower Growth)
From the 1-10 year range, the CAGR remains relatively consistent, fluctuating between 3.56% and 4.19%. However, it is noteworthy to mention that at the 3-4 years mark, the CAGR dipped from 4.02% to 3.56% despite the ECs approaching full privatisation.
Secondary Peak in 7-8 Years Post-MOP (Secondary Peak)
A secondary peak is observed in the 7-8 year range, with a return of 4.19%. This could reflect favourable market conditions or the impact of ECs being fully privatised, making them more attractive to a broader pool of buyers.
Decline After 8 Years (Stagnation Risk)
After the 10-year period, the CAGR starts to decline, reaching its lowest point at 2.36% between 15-16 years post-MOP. This drop can be explained by the shorter remaining leases of ECs and increasing competition from newer developments, which could slow down the rate of price appreciation for older projects.
Rebound in Long-Term Holding Periods of 17-21 Years (Rebound)
The CAGR begins to rebound after 16 years, increasing from 2.52% at 16-17 years to 3.46% at 20-21 years. This rise could be attributed to market conditions favouring long-term real estate investments which has resulted in appreciation in the broader property market driven by inflation and economic growth over the long term. Additionally, this timeframe is particularly relevant for ECs that attained MOP in the early 2000s. 20 years after their MOP marked the onset of the COVID-19 pandemic, which saw housing prices surge to unprecedented highs.

Table 3: Key observations from the CAGR over the respective periods
Source: PLB Insights

Similar to the simple rate of return, ECs follows a distinct life cycle pattern when we use CAGR over the course of 0 to 21 years after MOP, characterised by Peak → Slower Growth → Secondary Peak → Stagnation Risk → Rebound phases (Figure 12 above), before lease decay effect starts to kick in the longer-term. Similarly, the rebound period is more relevant to older ECs (those launched before 2006), as housing prices for these ECs increase over time alongside inflation and economic growth.

7. Top 10 Executive Condominium Projects by Median Percentage Change in PSF ($)

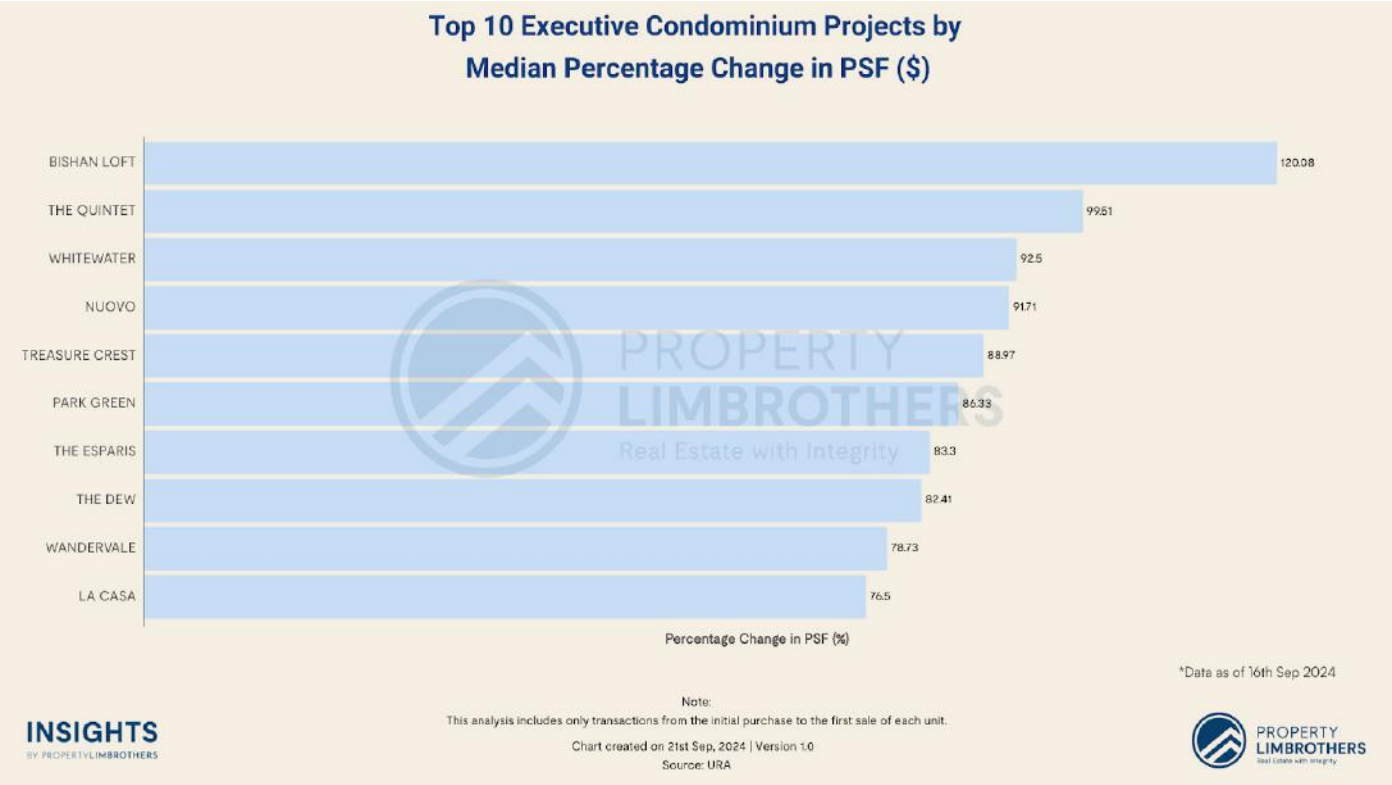


Figure 14: Top 10 EC Projects by Median Percentage Change in PSF ($)

In the section, we examine the top 10 EC projects by their median percentage change in PSF (%). The chart highlights the Top 10 Executive Condominium (EC) Projects by Median Percentage Change in PSF price, illustrating appreciation trends among the top-performing developments. **Leading the list is Bishan Loft, with a median percentage change in PSF ($) of 120.1%**. This substantial growth indicates that Bishan Loft has experienced significant capital appreciation, driven by its prime location, desirable amenities, and strong demand in the surrounding area. Bishan Loft MOP-ed in 2009 and this year marks the 15th year post-MOP.

Following closely behind is The Quintet, which achieved MOP in 2011, saw a median PSF price increase of 99.51%, almost doubling its original value. Whitewater, which achieved MOP in 2009, ranks third, showing a gain of 92.5%. Both developments have benefited from strong market conditions due to the increasing demand for well-located ECs as more Singaporeans seek private living spaces at an affordable price.

Other developments such as Nuovo (MOP in 2009) and Treasure Crest (MOP in 2023) have also shown impressive growth, with median PSF increases of 91.71% and 88.97%, respectively. These projects, though slightly behind the top three, still offer owners substantial returns on their investment, indicating strong performance in the EC market over time.

Projects like Park Green (MOP in 2009) and The Esparis (MOP in 2010) show consistent growth, with median PSF increases of 86.33% and 83.3%, respectively. These developments have experienced steady appreciation, further reinforcing the appeal of ECs as viable long-term investments. Toward the lower end of the top 10, The Dew (MOP in 2008), Wandervale (MOP in 2023), and La Casa (MOP in 2013) reflect growth rates between 74.5% and 82.4%, which, while slightly lower than the top performers, still demonstrate strong capital appreciation and a positive return on investment.

In summary, Bishan Loft stands out as the highest performer, but all 10 projects in the chart show significant value appreciation. This suggests that ECs, particularly those in favourable locations, provide strong price appreciation over the year.

A noteworthy observation is that many of the top-performing ECs reached their MOP between 2009 and 2010, a period when the market was recovering from the global financial crisis of 2008. During this recovery, property prices began to climb as Singapore's economy regained momentum, leading to a boom in real estate values. As the demand for affordable yet quality housing surged, ECs became highly attractive to buyers who sought private living standards at a more accessible price point. The favourable economic conditions, coupled with low-interest rates and government support, contributed significantly to the capital appreciation observed in these projects.

8. Executive Condominium Projects with Highest Loss-Making Units

Figure 15: Number of Profitable vs Loss-Making Units by EC Projects

Next, we examine EC projects with one or more non-profitable transactions in this section. The 1,027 unprofitable transactions seen in Figure 6 comes from EC projects listed in Figure 15. For a comprehensive breakdown, we have provided this list alongside their MOP year and % of units sold at loss in a table:

EC Project	MOP Year	% of Units Sold at Loss
Yew Mei Green	2005	30.3%
Simei Green Condominium	2004	36.7%
Northoaks	2005	25.0%
Woodsvale	2005	23.0%
The Floravale	2005	21.9%
The Rivervale	2005	24.3%
The Florida	2005	26.2%
Chestervale	2004	30.0%
Windermere	2004	27.5%
Summerdale	2005	20.5%
Pinevale	2005	26.3%
Eastvale	2004	27.5%
Westmere	2004	33.0%
Ecopolitan	2021	0.6%

Table 3: EC project with highest units sold at a loss
Source: URA

All EC projects that reached MOP around 2004-2005, as listed in Table 3, show a consistent percentage of units sold at a loss, while Ecopolitan, a newer EC that reached MOP in 2021, is an outlier, with only 0.6% of its units sold at a loss. This suggests that market conditions between 1999 and 2008 were marked with uncertainties and fluctuations, which may not have been as favourable for owners seeking to resell their units. On the other hand, ECs launched in the last decade have performed well, with nearly zero unprofitable transactions, except for the one unit at Ecopolitan.

8.1 The Reasons Behind The Unprofitable EC Transactions

As mentioned in section 2.1, Singapore recovered from the 1997 Asian Financial Crisis, and private residential prices surged by 40% between the end of 1998 and 2000. Homeowners of ECs launched during 1999-2000 purchased their properties at relatively high prices, aligning with the peak of this market rebound.

However, the property market, including ECs, faced declining demand during times of adverse macroeconomic events. As a result, resale prices stagnated or even fell during this period, leading to a market where EC owners who had bought at peak prices found themselves unable to sell at profitable levels.

Although Singapore's economy began to recover around 2005, the rebound was slow. The real estate market experienced a delay in price recovery, as buyers remained hesitant to invest in property due to lingering concerns over global economic stability. **This slow recovery, combined with earlier economic shocks, placed pressure on homeowners who had entered the market at higher price points between 1999 and 2000. As a result, many EC sellers faced unprofitable transactions when they sold their properties after MOP (between 2004 and 2008), as shown in Table 3.**

9. Projected Profitability for ECs

In this section, we will assess the projected profitability for ECs that are set to reach their MOP, as well as those launched between 2023 and 2025. The analysis is grounded in several key factors: developers' land bid prices, the breakeven PSF prices for developers, and a projected 20% markup to estimate the final average PSF price at new sale.

Furthermore, we will forecast the projected PSF price 9 years after the launch year, assuming a typical timeline of 4 years to achieve TOP and an additional 5 years to reach MOP. This forecast is based on PLB's methodology of an incremental $400 PSF price growth every 5 years, which will be elaborated on below. The projected PSF price after 9 years provides a useful outlook, based on current assumptions, on the potential profits for today's EC market entrants.

9.1 PLB's Four Seasons (Spring, Summer, Autumn and Winter) of The Private Property Market in Singapore

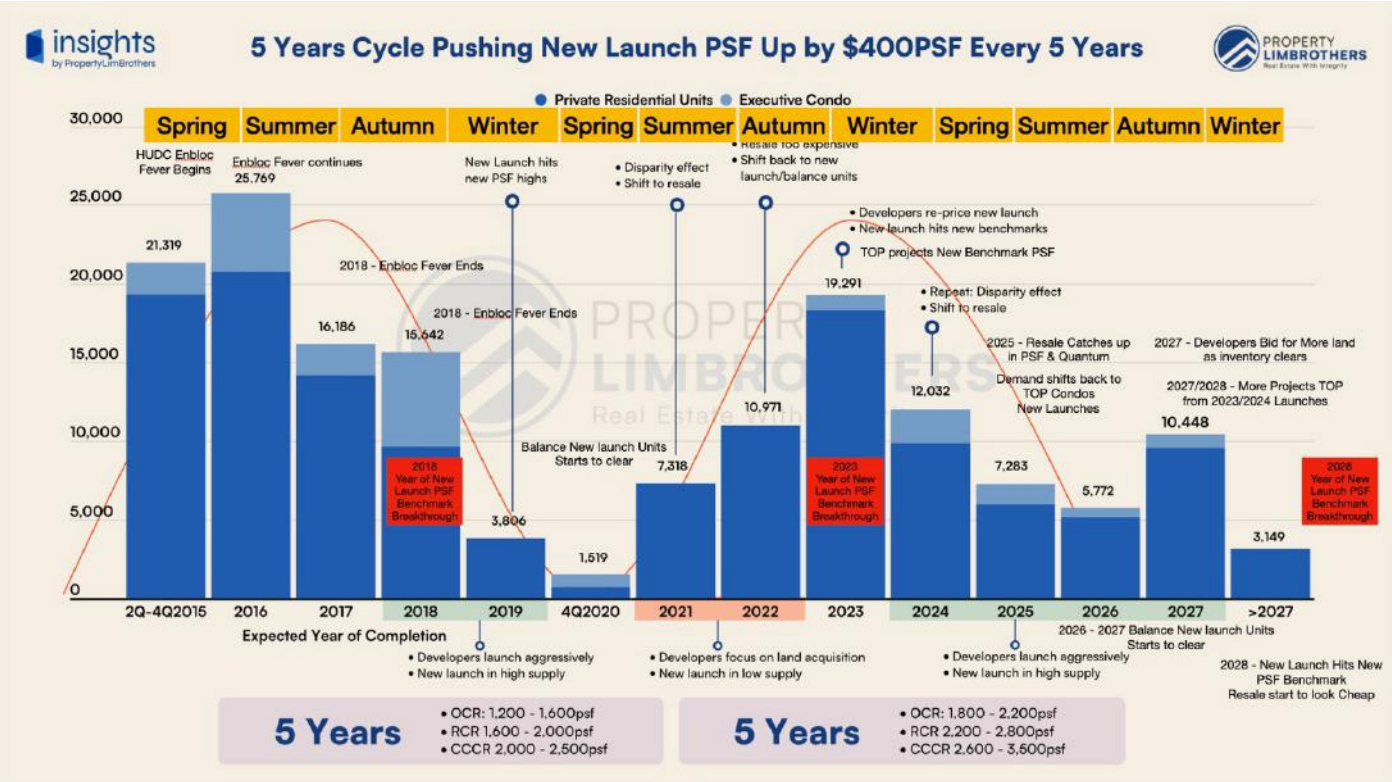


Figure 16: 5 years cycle where new launch PSF price increase by $400 PSF every 5 years

In Figure 16, the y-axis represents the inventories/supply of new launch condos while the x-axis represents the year.

Figure 16 illustrates the 5-year cycle of private residential and EC prices, highlighting an incremental $400 PSF price growth every 5 years for new launches. Several key phases and trends are captured in the chart, driven by both supply fluctuations and macroeconomic factors like interest rates and en-bloc activity.

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1. Cyclical Supply and Impact on PSF

Figure 16 demonstrates that the supply of new residential condos follows a cyclical pattern, with peaks every 5 years. For instance, between 2015-2017, we see a peak in supply driven by en-bloc fever that pushed up land acquisition and new launches. As supply increases, developers set new PSF benchmarks, which influence the overall average price in the condo market, including resale condos.

2. New PSF Benchmarks Every 5 Years

At the peak of the supply cycle, a new PSF price benchmark is set. For example:

2018 marked a new PSF breakthrough, setting higher price levels. Similarly, 2023 marks another benchmark breakthrough as supply peaked, pushing new launch prices higher.
These PSF price benchmarks tend to influence the resale market eventually, as buyers become more willing to pay higher prices for resale condos due to increasing new launch prices.

3. Disparity Effect Between Resale and New Launch PSF

The chart also indicates a disparity effect between the PSF of new launches and resale units. During periods of low new supply, like 2019, when new supply tapers off to 1,519 units, the market often shifts back to resale units, which appear more affordable in comparison to the rising prices of new launches. This dynamic is clearly visible again in 2024, where the resale market catches up in PSF and quantum as demand shifts back to resale due to high new launch prices.

The disparity effect creates a cycle of switching between new launches and resale units. Investors and homebuyers will move towards resale units when new launch prices rise too quickly, and once resale prices start catching up, the demand shifts back to new launches, keeping the market balanced.

4. Boom Cycles and Supply Clearing

Figure 16 highlights that when supply dips after a peak (as seen in 2020), it often leads to boom cycles, during which developers aggressively launch new projects. Extrapolating this trend, between 2025 and 2027, supply is expected to clear, driving demand for new projects, which in turn pushes prices higher. By 2028, the chart forecasts another PSF price benchmark breakthrough, continuing the trend of $400 PSF incremental growth every 5 years.
In a nutshell, Figure 16 illustrates the cyclical nature of Singapore's condo market, where supply peaks and new launch PSF benchmarks create ripple effects across the resale market. Investors and buyers switch between new launches and resale units based on price disparity, while developers capitalise on these cycles by introducing new projects during supply lows.

9.2 Projected Profits for ECs set to reach their MOP

EC Project	District	Current District Average $PSF[2]	TOP Year	MOP Year	New Launch Average PSF Price	Projected Average $PSF Upon MOP[3]	Projected Profit PSF Upon MOP
Hundred Palms Residence	D19	$1,514	2019	2024	$836	$1,677	$841
Rivercove Residences	D19	$1,514	2020	2025	$965	$1,236	$271
Piermont Grand	D19	$1,514	2023	2028	$1,080	$1,800	$720
Parc Canberra	D27	$1,181	2023	2028	$1,080	$1,720	$640
OLA	D19	$1,514	2024	2029	$1,135	$1,855	$720
Parc Central Residences	D18	$1,439	2024	2029	$1,177	$1,817	$640
Provence Residence	D27	$1,181	2024	2029	$1,142	$1,782	$640
Parc Greenwich	D28	$1,352	2024	2029	$1,200	$1,840	$640
North Gaia	D27	$1,181	2027	2032	$1,320	$2,120	$800
Copen Grand	D24	N.A[4]	2027	2032	$1,300	$2,100	$800
Tenet	D18	$1,439	2026	2031	$1,360	$2,160	$800
Altura	D23	$1,754	2026	2031	$1,433	$2,073	$640
Lumina Grand	D23	$1,754	2029	2031	$1,464	$2,264	$800

[2] Average PSF Price of non-landed private property based on region (district) in 2024, as of 29 September 2024.

[3] Based on data provided by EdgeProp as of 5 October 2024. For projects that have seen 0 transactions or have not attained TOP, we will leverage PLB's methodology of increment of $400 PSF every 5 years to calculate the projected average $PSF and profit PSF.

[4] Tengah (District 24) is a new town currently in its development phase, with no private condominium projects launched thus far. As a result, there are no recorded condominium transactions in the area, and consequently, no average PSF price has been established for private residential units. Once the planned developments in Tengah progress, we can expect the introduction of private condos, which will then generate the first transaction data and set the initial PSF benchmarks for the area.

Table 4: Projected average $PSF and profit PSF for launched ECs that are set to reach MOP soon
Source: URA, EdgeProp, PLB Insights

9.3 Projected Profits for ECs with Awarded Land Parcels

In addition, we will also be projecting the average $PSF and profit PSF for projects that have not been launched yet, but will be launched in the next two years. We will take the developers' breakeven PSF price and do a 20% markup to gauge for the eventual launch PSF price. From there, we will leverage PLB's methodology of increment of $400 PSF every 5 years to calculate the projected average $PSF and profit PSF. However, it is important to note that this is on the basis that the current macroeconomic environment remains stable.

EC Project	Developers' Breakeven $PSF[5]	Estimated New Launch PSF Price	Projected Average $PSF upon MOP[6]	Projected Profit PSF upon MOP
Plantation Close/Loop	$1,292	$1,550	> $2,350	> $800
Tampines Street 62 (Parcel B)	$1,316	$1,579	> $2,379	> $800
Plantation Close	$1,289	$1,547	> $2,347	> $800
Jalan Loyang Besar Parcel	$1,326	$1,591	> $2,391	> $800

[5] Based on EdgeProp Land Sale Data.

[6] We leveraged PLB's methodology of an incremental $400 PSF growth every 5 years to calculate the projected average $PSF and profit PSF. Assuming a 10-year time period from 2024 to reach MOP (4 years to TOP and 5 years to MOP), this results in a projected $800 PSF increase upon MOP.

Table 5: Projected Average $PSF and Profit PSF for ECs with Awarded Land Parcels
Source: URA, EdgeProp, PLB Insights

10. Conclusion

The Executive Condominium market in Singapore has demonstrated robust performance over the years, driven by a combination of market dynamics, government policies, and a well-structured supply-demand balance. The data reveals that ECs tend to experience their highest profitability immediately after reaching the MOP, with the 0-1 year post-MOP period consistently delivering the greatest returns. This is largely due to the volume effect underpinned by the pent-up demand and limited supply of newly eligible resale ECs, creating a surge in prices and valuations of resale ECs that enter the secondary market upon their MOP.

The analysis also shows that while the first year post-MOP represents the peak profitability, significant returns can still be achieved in later years, particularly around the full privatisation window (5-7 years post-MOP), though at a lower volume. ECs sold after this period generally exhibit steady returns, and the longer-term holding periods of 17-21 years demonstrate a rebound in returns alongside inflation and economic growth, suggesting that ECs can still be attractive as a long-term investment.

From a macroeconomic perspective, government interventions, such as cooling measures and efforts to control speculative demand, have ensured the sustainability of the EC market, protecting homeowners and ensuring continued affordability for the middle-income segment. Moving forward, the EC market is expected to remain a key player in providing affordable housing options, especially as prices in the private residential sector continue to rise.

Caveats & Disclaimers

The findings of our report are reliant on the data accuracy and integrity of URA's published data, REALIS. We rely on their data and filtering tools to help us with data slicing and subsample analysis.

This report is a non-parametric analytical study. We do not include the use of any economic, forecasting, or machine learning models in arriving at our conclusions. Forecasts and predictions made are based on theoretical insight from economic theory and extrapolating current trends.

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