

Windfall profits in resale market make executive condos an alluring buy for HDB upgraders

Nearly 300 ECs yielded at least S\$500,000 each in resale gross profit based on OrangeTee analysis of caveat data from 2007 to August 2022

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EXECUTIVE condominiums (ECs) are fast becoming an attractive option for Housing & Development Board (HDB) upgraders, with nearly 300 ECs yielding S\$500,000 in resale profit as at Aug 29.

Nearly all the sampled 4,266 ECs netted around S\$300,000 in gross profits, as demand far exceeds supply, according to a profit analysis by OrangeTee.

Of these 4,266 units, 294 yielded a gross profit of at least S\$500,000 each.

The record gross profit for an EC in 2021 was S\$1.38 million for a resale unit at CityLife@Tampines, followed by S\$1.02 million for a resale unit at The Quintet in Choa Chu Kang.

Around 4,001 of the sampled units were sold less than 10 years from the date of purchase, OrangeTee said.

The study also noted a narrowing price gap between new and resale ECs, dropping to 14.4 per cent in January-August 2022 from 28.6 per cent in 2019. The median price of resale ECs is also climbing faster than new ECs, gaining 30.3 per cent

to S\$1,115 per square foot (psf) in the first eight months of 2022, from S\$856 psf in 2019. In contrast, new ECs grew 15.9 per cent to S\$1,276 psf, from S\$1,101 psf over the same comparison period.

Size also matters when it comes to demand for such properties, as bigger units tend to fetch better prices, the study observed. Or-

developers but sold at a lower price than private condos. An EC project is privatised 10 years after completion, which means it can be sold to foreigners.

For the profitability analyses, OrangeTee calculated the gains and losses of individual EC units by matching URA Realis new sale caveats between 2007 and Aug 21,

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angeTee found that 170 ECs of at least 1,600 sq ft yielded an average gross profit of S\$455,207 per unit.

Those ranging from 1,200-1,599 sq ft yielded an average gross profit of S\$362,997, while 2,717 units spanning 800-1,199 sq ft yielded an average gross profit of S\$268,493.

ECs, a hybrid of public and private housing, are built by private

developers but sold at a lower price than private condos. An EC project is privatised 10 years after completion, which means it can be sold to foreigners.

For the profitability analyses, OrangeTee matched 4,266 caveats mined from a database of 26,882 new EC transactions. The rest of the EC units were either not put up for resale or did not have a caveat lodged.



The record gross profit for an EC in 2021 is S\$1.38 million for a resale unit at CityLife@Tampines (pictured), followed by S\$1.02 million for a resale unit at The Quintet in Choa Chu Kang. PHOTO: CMG FILE