



HOW HAVE THE LATEST COOLING MEASURES AFFECTED THE PROPERTY MARKET?

SHOULD I WAIT FOR 2024 TO INVEST IN A PROPERTY?

FAQ



01

Is the latest cooling measure effective? Are the agents seeing foreigners / 2nd property holders halting their purchases because of the ABSD?

Our cooling measures have been effective in ensuring a very stable residential property market since 2018.

Our private property price index did not dip even during COVID crisis in 2020 which shaved off 30% of value in S&P500 (US stock market) & STI (Singapore stock market). In previous global crisis (1997 Asian Financial Crisis, 2000 Dot Com Bubble, 2008 Global Financial Crisis), our property prices corrected heavily due to not having all these cooling measures in place because our cooling measures have ensured that most owners have strong holding power through stringent loan lending and higher downpayment.

This is the fifth round of cooling measure on Additional Buyer Stamp Duty with changes mainly impacting foreigners and companies purchasing residential properties. In 2022, 77% of non-landed properties are done by singaporeans, 17% from PRs, 4% from foreigners and 1% from companies. Singaporeans have been using decoupling/trust strategy to buy additional residential properties without coming with ABSD for many years. Volume of transactions done by foreigners have reduced by about 70% post 5th ABSD from 114 transactions in Mar 2023 to 32 transactions in Jul 2023. In the short term, this will impact and reduce demand of luxury apartments which has higher proportion (>50%) of foreigners buyers. Properties that are popular with Singaporean buyers will see minimal to no impact.

02

When will the cooling measure stop? ABSD is too high.

Our first cooling measure started in 2009 and this is 15th round of cooling measures. Cooling measures either reduces loan to value; reduces loan affordability by reducing total debt serving ratio and increasing stress test; more tax on your second residential properties onwards or seller stamp duty to encourage to hold onto your property for longer. So far, we have not removed or relaxed any cooling measure except for reducing seller stamp duty from 4 years to 3 years on 11 mar 2017. It is unlikely for cooling measures to stop unless the world stops increasing its money supply by printing of money. Additional buyer stamp duty measure is to ensure that Singaporeans can still own 1 residential property without suffering from runaway prices by imposing additional tax on investment related purchases for Singaporeans, PRs and foreigners. The ABSD rate is only high for foreigners and companies to ensure long term affordability for locals.

03

Any idea what are the possible measures to be announced by PM during NDR?

During National Day Rally, our prime minister have announced the introduction of plus flats from second half of 2024. This is to ensure that not just high income families can stay in central parts of Singapore and to remove the lottery effect from getting a BTO located in the central part of Singapore. This are all in the effort to ensure that Singaporeans can continue to have access to affordable housing, including the central areas of Singapore



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and we hope you had an insightful time.**

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