



PROPERTY PORTFOLIO

EXPANSION



STRATEGIES

BY:

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FAQ

01

Hi Melvin, I'm single and have 2 private properties. Both are under my names and I don't have any other names to use. Can you share strategies for me to expand further?

Property Expansion do not necessary mean expanding in terms of number of properties you own. It could be expanding into a more valuable property type: higher property value etc. You could also consider expanding into commercial/industrial properties where there is no additional buyer stamp duty. You can attend a consult with us to review the potential of your current portfolio and see if there are any actions you can take to expand your portfolio. Reach out to us directly [here](#).

02

How about ABSD? Can only one of the couple own the HDB whilst the other couple own the condo?

It can be done if the HDB is structure in a applicant and occupier. where occupier can own the private property after the minimum occupancy period of HDB without coming up with Additional Buyer Stamp Duty.

03

Are there any ways to obtain mortgage loan at 75% and up to 75 years old at the same time, assuming 1st property?

No, it cannot be done base at one go base on prevailing ruling. once you extend the loan beyond 65 years, your loan to value will reduce to 45%. This can be achieved in 2 step process.

04

Can PR own HDB & condo at the same time?

A PR household must dispose of their HDB within 6 months of acquiring a private property.

05

Can the child be the essential occupier?

What about the HDB loan has been paid off but CPF is still owing? What do you suggest for the owners who want to buy a second property or even the third property?

Is the scenario of a husband and wife. one of the spouse must be either applicant or essential occupier. the child can be an essential occupier to fulfill the family nucleus in the scenario of divorcee. if you currently own a HDB, then the most efficient way to expand into 2 properties will be to let go of HDB and go into two GOOD private properties. Our consultants will be able to help you map out the financial strategy and most important on selection of 2 good private properties. Reach out to us directly **here**.

06

How many % of my cash/equity/bond portfolio should I let go to put this into a downpayment?

Eg. If i have \$10M in assets, would liquidating \$5M for a downpayment be too much?

% varies according to your life stage, goals, risk tolerance. We have studied different asset class (US stocks, SG stocks, bitcoin, SG real estate) performance from 2020, the conclusion is SG real estate offers stable growth with almost no volatility during crisis. It is an asset class that you can preserve and grow your wealth in the long term. The key will be deploying your funds into good property that can preserve and grow your wealth. Speak with our consultants to have a customised plan for you.

07

We have sold our HDB and my spouse had single named bought a Condo which will be for our home stay. Hence, we have one name being "free" out, which we intend to buy a 2nd property for investment...

Does it make sense if we are more keen to the idea on "buy & hold" for like 5-10 year meanwhile renting it out?

If yes, what is the factor of the condo should we be looking out for?

99 or FH? We do have some worries if getting a condo that is >25-30 years old, we might face some difficulty to liquidate.

Congratulations. it will be good to review your investment property every 3 to 5 years. buying a good property while renting it out to take advantage of other people's money is a great strategy.

We use MOAT analysis & Disparity Effect to help our clients identify the market segment, property type and the specific unit that is worth owning. Some of these factors include right entry price, volume of transactions and many more. Freehold or 99 years is not the main consideration of a good investment.

For older properties, it will depend on if the property is located in a high demand area where the newer properties are much higher in pricing. In locales where the newer properties are not too far away in price point, you may find it harder to sell at appreciated prices if you buy a too old property today.

08

Just passed 30 with fiancée combined income ~300K thereabouts. Bought a new launch EC and we have ambition to purchase a freehold landed once we reach MOP for the EC. We do not need the landed to be cat 1 landed, cat 3/4 would do (cat 3-ish with A&A, ideally cat 4 with rebuilt though we also note rising construction costs). Land plot size ideally ~ 1600 sqft will do but ~ 1300 sqft will do.

Can we ask:

1. How much should we increase our income to afford a freehold landed that size ~ 9 years down the road?
2. How much should we save/for downpayment/A&A/rebuilt loan?

Happy for you to reach out on email!

Assuming an inter-terrace of 1615sf land plot that doesn't need to do major A&A or rebuild, projecting at a conservative 3% increase in prices every year. It will be about \$5M.

base on prevailing policies, you will need 25% downpayment and 5% buyer stamp duty which will work out to be around \$1.5m, assuming that there is no Additional Buyer Stamp Duty. You may need another \$500K for full renovation of the interior of the house.

To qualify for 75% loan of \$3.75m for loan tenure of 25 years (assume you are age 40), you will need a income of \$36,500 fix income every month assuming you let go of your EC and have no other loans.

09

I am an SG citizen, single, mid-40s and own a condo (pivot home for own stay). What is the best option for an investment property if I have a budget of ~1M (including 400k CPF)? Assume I could borrow upto another 700K.

We will need to know your situation better to answer this question like is the own stay condo fully paid, and if you have additional names that u can utilise. It is likely that you have fulfilled your prevailing retirement sum. There are potential strategies that can help you get a higher loan amount (not pledge/unpledge) by restructuring the loan in your current portfolio, that may potentially allow u to own a much higher value second property. As the budget range may swing widely, what your best options are could change widely as well. You will be able to get a better advise with our consultants.

10

The property prices are at all time high. Will there still be upside? What are risk factors which we need to look out for for property investment?

Base on our research, the outcome of your property investments is mostly depending on what property you buy and less dependent on which part of the market cycle you are in. Not all properties will rise in prices, in PLB we follow our MOAT analysis and Disparity Effect analysis to identify good investment properties. It is also important to make sure to own a property where there is ample rental demand (usually they are near work nodes or international schools) to ensure that it can be rented out easily. We are need to ensure that we have the holding power by ensuring that loan instalment is within a safe percentage of our income and having 6-12 months of monthly instalment set aside in event of job loss or rental income loss.



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**Thank you for taking part in our PLB Webinar
and we hope you had an insightful time.**

If you would like to have more of your personal questions answered, you can read more of our articles **here**. If you are more of a visual person, you can follow our Nuggets On The Go (NOTG) series on YouTube in the link **here**. Alternatively, you can have a more personalised experience by speaking to our consultants. You can reach out to us directly **here**.



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