

# Why super-rich are snapping up homes in S'pore

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**By Khalil Adis (courtesy of PropertyGuru)**

Whenever I visit my friend at his sprawling [Binjai Rise](#) bungalow, I would jokingly ask him if he has had the opportunity to say “hello” to his newfound neighbour, Asian star-turned-Hollywood actor, Jet Li.

Ever since news broke that the celebrity snapped up a Good Class Bungalow (GCB) for a reported S\$19.8 million, there has been a lot of talk about Singapore attracting the rich and famous as well foreigner eligibility in buying such properties.

I have to say, despite its no-nonsense and staid reputation, Singapore has over the years done a good job in shedding its conservative image to one that is hip and “happening”.

Foreigners have often been lured here due to the ease of doing business, our political stability, geographic location and efficiency.

However, they, particularly those in show biz, also bemoan about the lack of entertainment and liken the city to a “cultural desert”.

Nevertheless, Singapore has managed to successfully reinvent itself to a place that is buzzing with activities, especially with recent events like the Formula One and the opening of its two new integrated resorts, Marina Bay Sands and Resorts World Sentosa.

This has helped put our city on the world map and on the radar of foreign investors.

The Global Property Guide agrees and recently said Singapore is the hottest real estate market in the world, attracting the rich from far and beyond.

### **Foreign eligibility**

For the record, a foreigner can own landed properties in Singapore.

However, they do face restrictions and need prior approval from the Singapore Land Authority (SLA).

Foreigners will first need to be a permanent resident (PR) before they can be allowed to purchase landed homes in mainland Singapore.

Even so, getting a PR is not a guarantee.

They will need to be further assessed by the authorities based on their qualifications and their economic contribution to Singapore before being given the green light.

Having said that, [Sentosa Cove](#) is the only place where foreigners are allowed to purchase landed property without any restrictions.

### **GCBs are an attractive investment asset class**

The lure of owning a GCB is indeed very attractive.

GCBs refer to low-density prime real estate that are located in the leafy, prestigious neighbourhoods such as [Cluny Road](#), Ridley Park, Leedon Park, King Albert Park, Binjai Park and Yarwood Avenue.

According to DTZ, freehold landed properties in prime areas moved up 2 percent quarter-on-quarter to S\$1, 611 per sq ft, lower than the 3.3 percent growth recorded in the second quarter.

Meanwhile, freehold units outside the prime areas have hit a new high in the third quarter this year.

It's per sq ft pricing has now gone up 1.7 percent quarter-on-quarter to \$952 per sq ft, surpassing the high of \$943 per sq ft recorded during the 1996 boom for the first time.

Despite the slowdown in demand from ultra high net worth investors due to their cautious sentiment over the growth of major economies in the West, I do believe GCBs will continue to be an attractive investment asset class.

Firstly, they will always be in great demand due to their limited availability – there are around 1,000 GCBs spread across Singapore.

Secondly, they offer a good rental yield.

A real estate agent whom I spoke to who specialises in the GCB market said investors can expect to earn between \$28,000 to \$35,000 in rental income per month.

With the dismal interest rates that banks are currently offering (at less than 1 percent), it is no wonder cash rich investors would prefer to park their money in the GCB market.

In the meantime, I am hoping with bated breath that I would “accidentally” bump into Jet Li the next time I come round Binjai Rise and perhaps snag an autograph or two.

*Khalil Adis is an experienced property writer, with in-depth knowledge of Singapore's and Malaysia's property market.*

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