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INVESTMENT POTENTIAL OF THE CENTRAL AREA

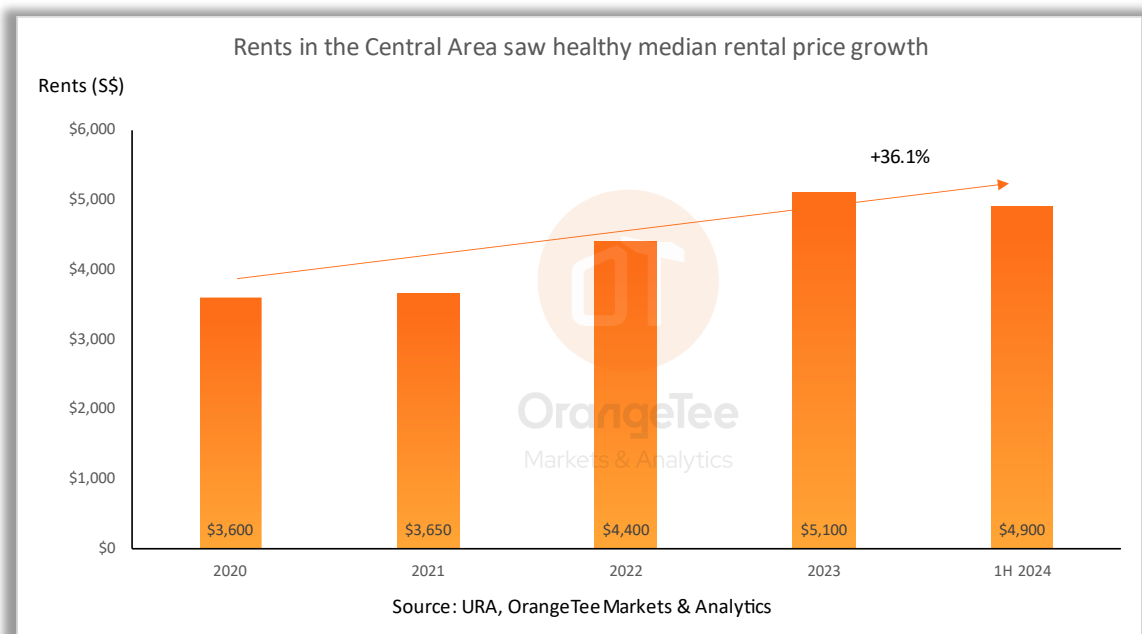
Consumer Investment Playbook

Discover the vibrant Central Area situated at the heart of Singapore. With its prime location in districts 1, 2, 6, and 7, the central part of the island offers unparalleled access to the bustling Central Business District, a diverse culinary scene, endless leisure activities, and an extensive MRT network. Live, work, and play in the epitome of urban convenience!

There are 3 key reasons why private homes in the Central Area offer a lucrative prospect for investors who are looking to grow their wealth:

1. Remarkable rental growth in recent years
2. High profitability of condos in the Central Area
3. More improvement work under the Master Plan

1. Remarkable Rental Growth in Recent Years



The Central Area has experienced strong rent appreciation in recent years, making it an appealing option for investors seeking alternative income sources. According to data from the Urban Redevelopment Authority (URA), the median monthly rents for condos in the Central Area in the first half of 2024 were 36.1 per cent higher than the median rents in 2020. This outpaces the price growth of median monthly condo rents in the entire Core Central Region, which increased by 35.7 per cent over the same period. This underscores the potential for lucrative condo rentals in the Central Area.

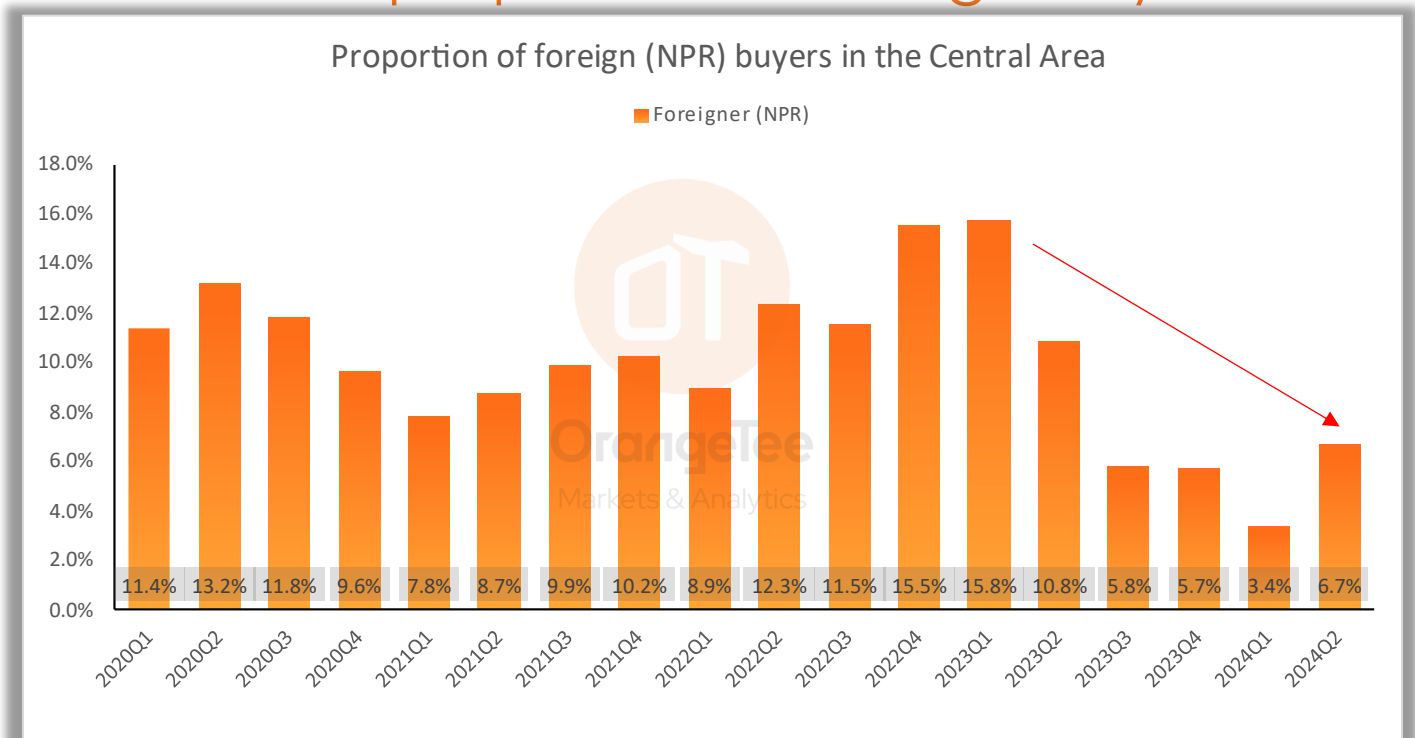
2. Investment Potential of Condos in the Central Area

It is a buying opportunity now for properties in the Central Area because foreign buyers have exited the market temporarily and many luxury homes are currently undervalued when compared to the other market segments

Based on URA data, the number for foreign buyers in the Central Area have dipped from a high of 15.8 per cent in Q1 2023 to 6.7 percent in Q2 2024, mainly due to the increased ABSD to 60 per cent for any foreign buyers purchasing any condos after April 2023. With foreign demand dropping, there is now greater opportunity for Singaporeans to invest in the Central Area. However, this could be temporary because we have noticed more foreigners purchasing homes after they obtain PR status. Therefore, it is possible the demand may spike again especially if interest rates start to fall and borrowing cost drop.

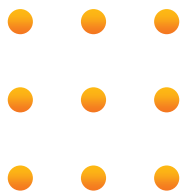
Moreover, the price gap between the Central Area and OCR has been narrowing from 94.6 per cent in 2014 to 40.7 per cent in 2023. Over the past 10 years, the median PSF of condos in the Central Area grew by 2.0 per cent, while the median PSF of OCR condos climbed much faster at 41.0 per cent. As HDB prices continue to appreciate, we anticipate that prices of condos in OCR will continue to hold firm due to demand from HDB upgraders. With time, prices of Central Area properties will also start to rise in value. Therefore, buyers should take the opportunity to snap a unit before that happens.

Decrease in proportion of foreign buyers



Source: URA, OrangeTee Markets & Analytics

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Moreover, the Central Area also presents lucrative opportunities for investors and homeowners alike. URA data from 1995 to 2023 demonstrates that an impressive 73.1 per cent of properties in this area have proven to be profitable, with 47.7 per cent of them being sold within a 5 to 10-year holding period. This makes the Central Area an ideal location for individuals seeking to maximize profits within a short time frame.

More than half of the profitable units, or 511 condos, yielded gross profits of at least S\$300,000, and about 220 condos made a gross profit of at least S\$700,000. Impressively, 87 units have generated profits of at least S\$1 million.

The highest profit was recorded for a condo at The Sail @ Marina Bay, purchased for about S\$2.32 million in 2004 and resold in 2011 for about S\$6.23 million, yielding a substantial gross profit of S\$3.91 million.

The second-highest profit was for another unit at The Sail @ Marina Bay, with a purchase price of S\$1,942,247 in 2004 and a resale price of S\$5.77 million in 2010, resulting in a gross profit of S\$3.83 million.

Most Profitable Deals in Central Area

Project Name	Bought Date (QQ-YYYY)	Bought Price	Sold Date (QQ-YYYY)	Sold Price	Gross Profit After SSD	Holding Period (Years)	Planning Area	Tenure	Property Type	Area (Sqft)
THE SAIL @ MARINA BAY	Q4-2004	\$2,318,624	Q2-2011	\$6,231,000	\$3,912,376	6	Downtown Core	LH	Apartment	2077
THE SAIL @ MARINA BAY	Q4-2004	\$1,942,247	Q3-2010	\$5,768,642	\$3,826,395	6	Downtown Core	LH	Apartment	1873
THE SAIL @ MARINA BAY	Q4-2004	\$2,346,520	Q2-2012	\$5,761,100	\$3,414,580	8	Downtown Core	LH	Apartment	2174
THE SAIL @ MARINA BAY	Q4-2004	\$2,211,480	Q1-2010	\$5,242,800	\$3,031,320	5	Downtown Core	LH	Apartment	2056
MARINA BAY RESIDENCES	Q4-2006	\$4,839,300	Q3-2017	\$7,700,000	\$2,860,700	11	Downtown Core	LH	Condominium	2379
THE SAIL @ MARINA BAY	Q1-2005	\$1,814,994	Q3-2009	\$4,528,000	\$2,713,006	4	Downtown Core	LH	Apartment	1776
THE SAIL @ MARINA BAY	Q4-2004	\$2,299,176	Q4-2023	\$5,000,000	\$2,700,824	19	Downtown Core	LH	Apartment	2056
MARINA BAY RESIDENCES	Q1-2007	\$4,799,000	Q1-2015	\$7,459,200	\$2,660,200	8	Downtown Core	LH	Condominium	2368
THE SAIL @ MARINA BAY	Q4-2004	\$1,659,152	Q1-2010	\$4,163,920	\$2,504,768	5	Downtown Core	LH	Apartment	1679
THE SAIL @ MARINA BAY	Q4-2004	\$2,164,590	Q3-2009	\$4,452,800	\$2,288,210	5	Downtown Core	LH	Apartment	2024
MARINA BAY RESIDENCES	Q4-2006	\$5,185,800	Q2-2013	\$7,351,110	\$2,165,310	6	Downtown Core	LH	Condominium	2379
DUO RESIDENCES	Q4-2016	\$9,339,253	Q3-2022	\$11,475,720	\$2,136,467	6	Downtown Core	LH	Apartment	4392
THE SAIL @ MARINA BAY	Q4-2004	\$1,017,632	Q4-2009	\$3,099,000	\$2,081,368	5	Downtown Core	LH	Apartment	1033
THE SAIL @ MARINA BAY	Q4-2004	\$997,216	Q1-2010	\$3,000,000	\$2,002,784	5	Downtown Core	LH	Apartment	936
THE SAIL @ MARINA BAY	Q4-2004	\$1,035,408	Q4-2011	\$2,980,000	\$1,944,592	7	Downtown Core	LH	Apartment	1033

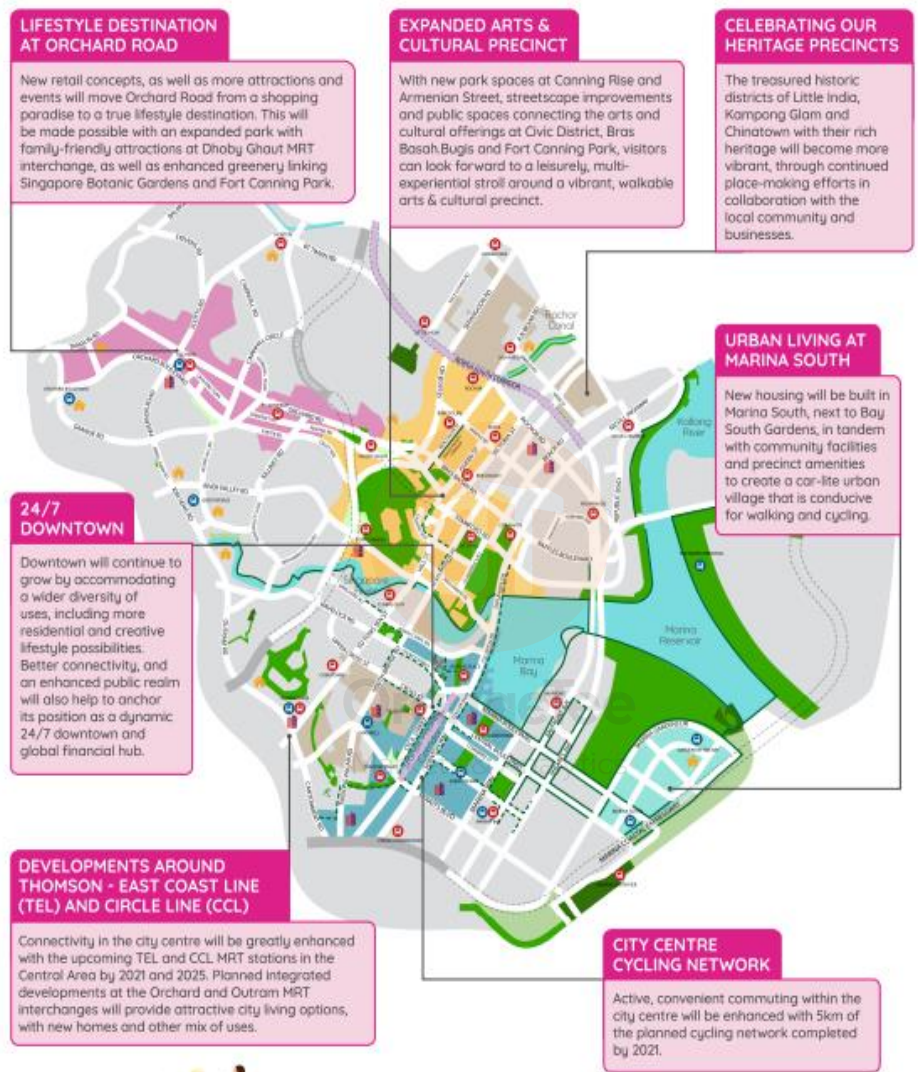
Source: URA, OrangeTee Markets & Analytics

3. More Improvement Work under the Masterplan

Nestled within the heart of Singapore, the Central Area is set to take on new forms as it undergoes urban transformation. While traditionally known as a commercial hub where businesses operate, more lifestyle and recreational amenities are being brought in to introduce different uses to the area.

The Central Area stands out as an area with many unique precincts offering a wide array of amenities and facilities. The area will undergo exciting improvements in the Downtown and Marina South area, bringing a new lease of life to the surroundings. Residents will soon have access to a greater variety of amenities nearby.

The completion of new MRT stations will help to boost connectivity in the area, making travelling around the area even more convenient.



Source: <https://www.ura.gov.sg/-/media/Corporate/Planning/DMP19/Regional-Resources/CA-Flyers/Central-Area.pdf>
This flyer aims to give a broad idea of upcoming future developments and does not form part of the Draft Master Plan 2019. All information is updated as at March 2019 but may be subject to change depending on development needs and detailed study. While reasonable endeavours have been made to ensure accuracy of the information provided, locations shown in the map as well as illustrations are indicative only, and the Urban Redevelopment Authority disclaims all liability for any injury, loss or damage whatsoever that may arise as a result of any inaccuracy, change, error or omission in the information. Copyright © 2019. All rights reserved.



Source: URA, OrangeTee Markets & Analytics

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Distinctive Features of Central Area



Source: OrangeTee Markets & Analytics

Based on the investment potential and upcoming development plans, buyers should not wait too long. They should take advantage of today's opportunity to buy a condo within the Central Area. Doing so will not only allow them to enjoy the attractive locational benefits and future developments, but also guarantee that their investment will yield financial benefits in the long run.

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For the pleasure of owning a home in the Central Area, please contact your preferred OrangeTee sales advisor.

Don't miss out on this chance to capitalize on a sound investment that promises substantial benefits!