



COMMENTARY

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Meeting the needs of both seniors and first-time homebuyers

February 2021 BTO launch

The Housing Development Board (HDB) announced the launch of 3,740 new flats for sale today under the February Build-To-Order (BTO) exercise. The new BTO flats are located in Bukit Batok, Tengah, Bidadari and Whampoa.

BTO projects for seniors

A new public housing concept designed to support seniors, called Community Care Apartments (CCA) are introduced at Bukit Batok. Unlike the usual public housing flats with 99-year leases offered by HDB, these apartments will have flexible lease ranging from 15 to 35 years, as long as it covers the applicant and spouse until the age of 95 years. The payment for the apartments will include both the flat prices and the service package to provide support to the seniors' care and social needs.

The Community Care Apartments are much more affordable compared to 2-room flexi flats within the same town. Eligible buyers can buy a CCA with a 30-year lease for as low as \$52,000 excluding grants; while the price after government grants for a 2-room flexi flat within the same vicinity starts from \$101,000. While both BTO projects at Bukit Batok are not located near a MRT station, they are located within close proximity to neighbourhood parks, nursing home and places of worship. There will also be a food centre to be built within the Community Care Apartment project.

In the mature town Whampoa, 2-room flexi flats with shorter lease of 40 years are also offered in this BTO exercise. These flats might be in higher demand compared to the Community Care Apartments as they are only 500m away from Boon Keng MRT station. Bendermeer Shopping Mall and Kallang Community Club are also within walking distance to this BTO project. While there is no service package for these flats, they are located next to Kwong Wai Shiu Hospital and the upcoming polyclinic with long term care facility.

Figure 1 | Location map of BTO projects at Bukit Batok



Source: HDB

Figure 2 | Location map of BTO projects at Kallang/Whampoa



Source: HDB

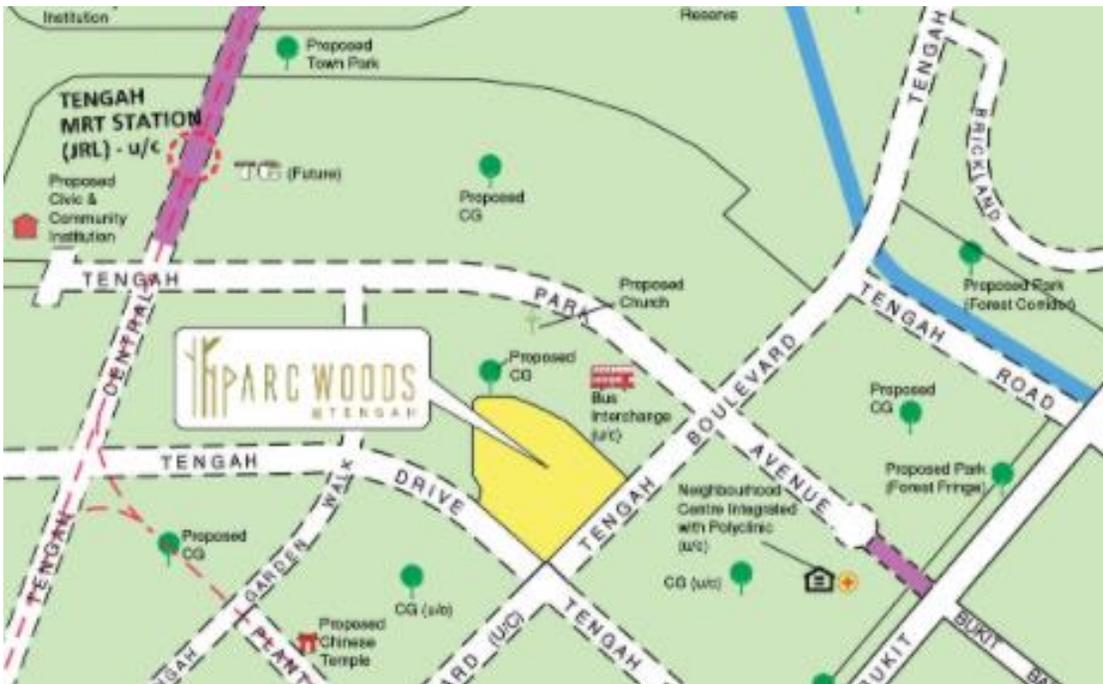
BTO projects for young couples

First time homebuyers will have the choice to apply for flats at all four locations in this BTO exercise. Among the different BTO projects, the three projects at Bidadari are likely to be the most popular. The three projects, namely Bartley Greenrise, ParkEdge @ Bidadari and Alkaff Breeze, are located within 1km to prestigious primary schools like Maris Stella High School and Cedar Primary School.

Bartley Greenrise and ParkEdge @ Bidadari are only 130m and 640m from the Bartley MRT station respectively, while Alkaff Breeze is 530m from Woodleigh MRT station.

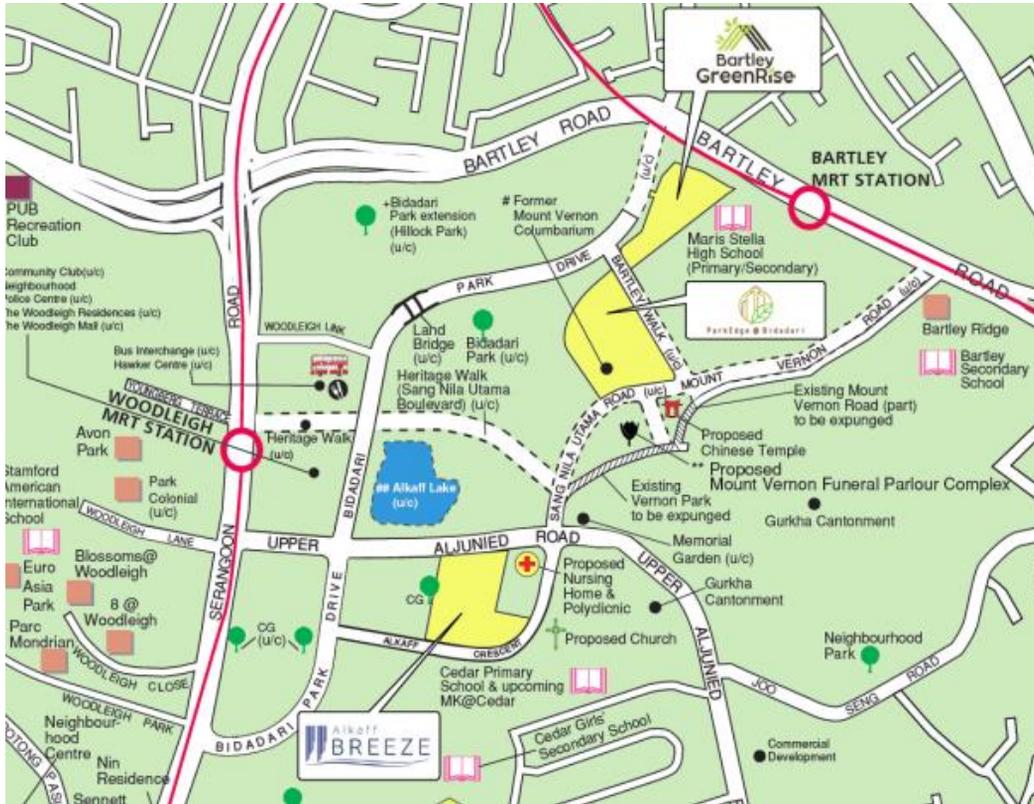
The prices of the HDB flats in these three BTO projects are quite close to one another and the prices are reflective of the locations of each project. The prices of 4-room HDB flats in these BTO projects at Bidadari ranged from \$464,000 to \$580,000.

Figure 3 | Location map of BTO projects at Tengah



Source: HDB

Figure 4 | Location map of BTO projects at Toa Payoh



Source: HDB

Impact on HDB resale market

With most of the BTO projects expected to complete in 3 to 4 years, the pace of construction for these BTO projects seem to have picked up from the pause during the height of the Covid-19 pandemic in 2020. These projects might draw some first-time homebuyers back to the BTO markets. Among the 3,740 flats offered during this BTO exercise, first-time buyers are eligible to apply for 2,975 flats.

The HDB resale price index increased 5.0% in 2020, which was more than twice the rate of the 2.2% growth of private residential property price index. Last year, 24,748 HDB resale flats exchanged hands, which was 4.4% higher than the resale volume in 2019. It illustrated the robust demand for HDB resale flats, which was partly contributed by buyers turning to the resale market to avoid the expected delay in the completion of new HDB flats.

As the HDB offer more BTO flats at attractive prices and if these flats can be completed in the usual expected construction period of about three years, it could draw some buyers from the resale market and moderate the pace of HDB resale price growth to about 3% to 5% in 2021.

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