

PRESENTS

T.O.P. PROJECTS

SPECIAL EDITION

Living On Top

By Romesh Navaratnarajah

With property prices in Singapore down by more than nine percent since their peak in 2013, the market appears to be stabilising after nine rounds of cooling measures. In this buyer's market, you should consider buying a home for own stay or investment, but remember to do your due diligence and study the market first.

There are several types of properties available for sale, such as resale homes, new launches and newly-completed properties (TOP projects). TOP projects allow you to move into a unit after certain building requirements have been met. If you are in a hurry to move, there are a number of projects nearing completion with units for sale, such as The Triling in Clementi and Mon Jervois in prime District 10.

Under current rules, property developers must complete a project and sell all the units within five years of acquiring the site. To beat the deadline, some developers have begun to sweeten the deal by reducing prices, while others are offering incentives. Meanwhile, we've put together a comprehensive guide of why you should consider TOP properties, which projects to watch out for, and what you need to know before the big move. Enjoy the read.



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TOP projects: What are they?

Prospective buyers can opt to purchase a few types of properties in Singapore - resale, new homes or TOP properties. We look at how TOP projects differ from other properties and why consumers should explore this market.

By Joanne Poh



Buying a TOP unit allows you to collect the keys and move in immediately.

When considering a property purchase, one must know exactly where the property is on its timeline – whether it has just been launched, is under construction, has received its temporary occupation permit (TOP), or has already been inhabited for some time.

In the case of resale properties, one key advantage purchasers enjoy is being able to inspect the premises before committing to the purchase, and the ability to move in immediately upon completion of the sale.

Conversely, purchasing a unit in a new development that is still under construction usually involves waiting for the property to be built before finally collecting the keys. While purchasers enjoy being the first to move into a brand new unit, the wait for the property to be ready for occupation can take years.

TOP projects, on the other hand, offer purchasers the advantage of being able to move in right after the sale, while still being able to enjoy a brand new unit.

These are developments which have recently been constructed and are now ready to be occupied for the first time. Purchasers who buy units in TOP projects are able to collect their keys once they have paid the necessary amount.

What is a TOP and how does it affect purchasers?

In order to understand what a TOP project is, it is necessary to first know what a TOP is.

When developers are working on a new development, there comes a time, usually after several years of construction, when the property is ready for occupation by residents.

At this point, the developer has the option to apply for a TOP. In order to receive one, the property must fulfil a number of regulations put in place by the Building and Construction Authority (BCA).

These regulations ensure that the building is safe for occupation. When the developer receives the TOP, this means that purchasers can officially pick up their keys and move in.

While a TOP indicates that residents are officially allowed to move into their units, it does not necessarily mean that the entire development has been completed. For instance, certain shared facilities could still be under construction. Despite the fact that the property has not officially been completed at the TOP stage, it is certified as suitable for habitation.

When the entire development is finally completed, the developer can then apply for a CSC (Certificate of Statutory Completion).

The TOP enables buyers to move into a brand new unit without having to wait for the developers to receive the CSC, which often arrives years later. They are also free to immediately rent out the unit, and the rent can then be channelled into paying their home loan installments.

How are TOP projects different?

Simply put, a TOP project is a development which has already reached the stage where developers can apply for a TOP.

Instead of waiting years for the development to be completed, purchasers commit to buying the property only when the TOP has been released. Once the purchase has been set in motion, they are free to collect their keys and move in.

Conversely, purchasers at units in developments that have only just been launched face a much longer wait for their new homes to be ready, as work is unlikely to have commenced on the building, and all that stands in its place is an empty plot of land. Buying at the TOP stage instead of at the launch enables purchasers to avoid having to make a financial commitment years before enjoying the fruits of their purchase.

One key way TOP projects differ from purchases made early on in the development of a property is the fact that payment must be made within a compressed timeframe.

PropNex CEO Mohamed Ismail said: "In the case of ready-to-occupy properties, payment has to be made upfront and all at once instead of in progress installments,

as is the case for under-construction properties.”

When you purchase a unit in a new launch, payment is made in stages according to the state of completion of the project.

You will first start by paying a booking fee, followed by the downpayment and stamp duty. You then pay the rest of the purchase price in installments according to what has been built. For instance, you pay 10 percent of the purchase price when the foundations of the property have been laid, 10 percent when the reinforced concrete framework has been completed, five percent when the partition walls have been built, and so on.

When it comes to TOP projects, you are required to pay the booking fee, downpayment, stamp duty and the bulk of the progress instalments upfront.

Unlike purchasers at new launches, who often have months to source for home loans or raise funds for the next progress payment, TOP project purchasers are obliged to work on a much shorter timeline, and must ensure they are of good financial standing before they commit to the purchase.

Pricing of TOP projects

Ismail cautions that the purchase price of TOP projects may differ from that of newly-launched projects.

“Generally, ready-to-occupy properties are priced higher than under-construction properties, as a lot of infrastructure developments, such as roads or MRT stations, have already been completed. Price appreciation also has to be taken into consideration.”

On the other hand, TOP projects can have the advantage of being more affordable than resale property.

Resale homes in established estates are often priced at a premium. In addition, resale property prices are usually set by the owners rather than developers, which frequently makes them costlier, such as in the case of non-urgent sales.

A new home to be enjoyed right away

Despite the higher prices vis-a-vis new launches, the ability to occupy or rent out TOP property immediately after the purchase mitigates the added cost, while being able to move into a brand new unit often makes TOP projects more desirable than resale property.

It is easy to see why many purchasers prefer not to have to wait years for under-construction property be built. There are many reasons to want to be able to occupy the property immediately, such as the desire to move into a new home

5 REASONS TO PICK A TOP PROJECT OVER A NEW LAUNCH

- ➡ There is no need to wait years for the development to be built.
- ➡ Purchasers can inspect the actual property beforehand instead of a showflat that might differ from the finished product.
- ➡ Collection of keys can take place immediately, and residents can move in or the unit can be rented out soon after.
- ➡ Rental yield can be worked out at the time of purchase, and the rent can offset the cost of the purchase or mortgage instalments.
- ➡ Purchasers who intend to live in the unit can move in immediately and need not worry about obtaining alternative accommodation in the interim.

without first having to find temporary accommodation, and the need for immediate rental income in order to finance the purchase.

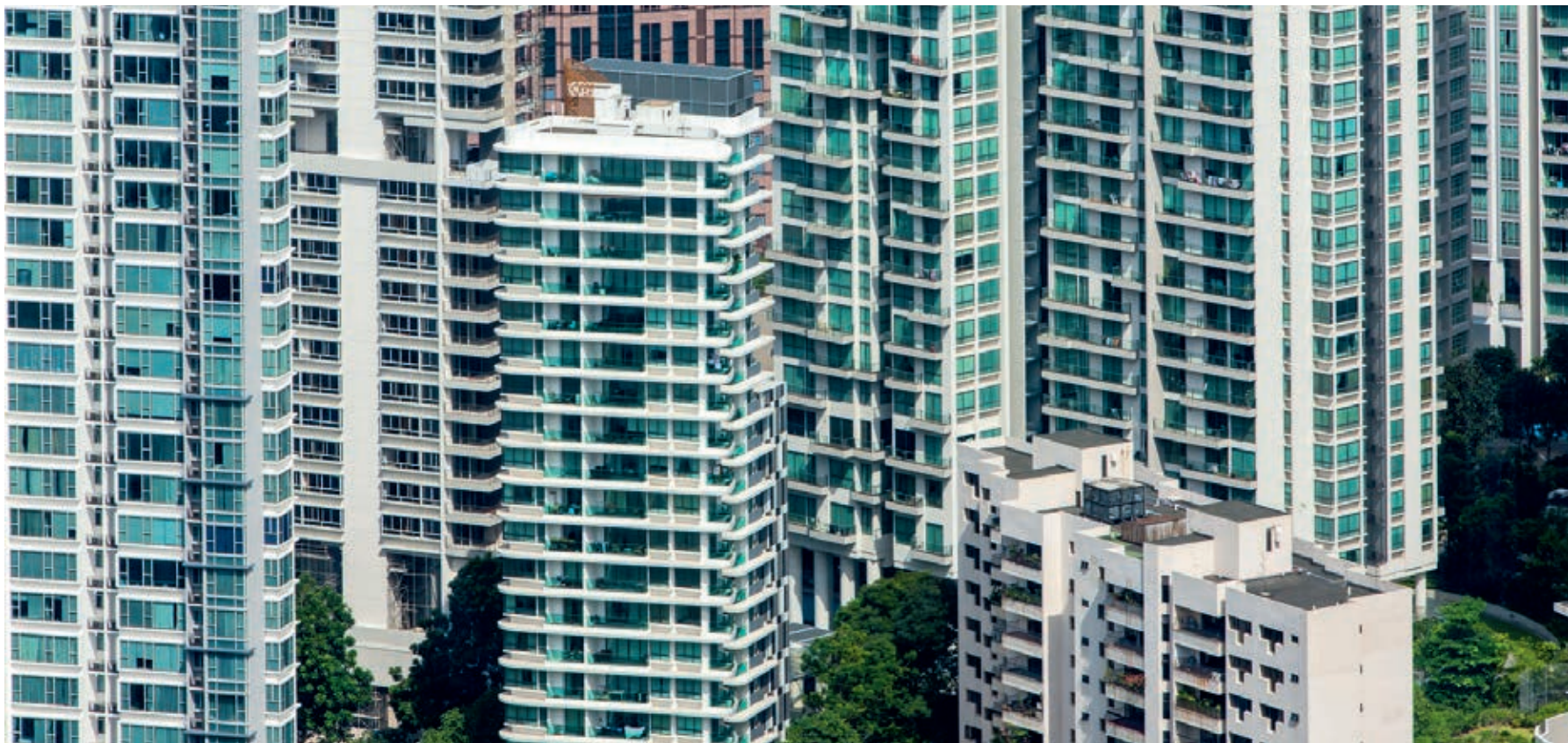
At the same time, purchasers are free from many of the hassles which plague buyers of resale property, such as protracted home inspections and having to undertake extensive renovations.

There is a surplus of unsold units in many developments, and in a best-case scenario, buyers are even able to choose between several unit types and multiple floors. TOP projects thus enable buyers to buy brand new property

without facing the constraints placed on them by the limited volumes of resale property.

Purchasing TOP projects also offers buyers a way to get their hands on a unit at a sold-out development, by taking over a purchase from another buyer in what is called a sub-sale.

There is much to like about TOP projects from an investor's perspective. TOP projects are especially attractive to buyers who wish to see immediate returns on their investment, or be able to inspect a property before committing to a purchase.



Aerial view of newly completed high-rise apartments in Singapore.

Reasons to purchase a TOP project instead of a resale property

Buying a unit at a project that has just obtained its TOP can be less stressful and less costly. We explore the advantages of ready-to-move-in properties.

By Joanne Poh



Buyers don't necessarily have to spend money on renovations for new homes, which can turn out to be a costly and messy endeavour.

One of the biggest inconveniences about buying newly-launched property is having to wait years before being able to pick up the keys to your unit.

Buyers of TOP projects get to avoid this, as they are able to pick up the keys once they have made all necessary payments. They can begin to rent out the property or occupy it within a matter of weeks.

In addition, they are purchasing a property that already exists, rather than one that has yet to be constructed. This provides them with the opportunity to fully inspect the property before committing to a purchase. There is no need to worry that the finished product will fall short of what the showflat has promised.

While buying resale property also gives purchasers the above benefits, there are some distinct advantages of choosing TOP property over resale property.

Condition of the property

Whenever you purchase resale property, you are taking over a unit that has been used (and maybe abused) by previous residents or tenants.

This often means buyers of resale property are forced to deal with quite a bit of wear and tear. Fixing damaged or aged property often costs a considerable amount.

Inspecting a resale property is also trickier than inspecting a TOP

project. You should spend more time inspecting the unit for damage. Look out for cracks, holes, stains or signs of water damage on floors, walls, tiles and ceilings, inspect electrical wiring, and check for leaks.

TOP property, being unused, is far easier to inspect. Defects in workmanship tend to be easier to spot in a brand new unit.

Minimal renovation works

Buyers of resale property often end up spending a tidy sum renovating the unit.

Other than rectifying any damage or wear and tear the unit might have suffered over the years, many also prefer to change configurations put

in place by the previous owners, or erase traces of their questionable interior design choices.

Renovation works usually cost a hefty five-or six-figure sum, and involve the inconvenience of hiring and supervising contractors. They also prevent purchasers from moving in or renting out the property in a timely fashion, which can result in a considerable loss of rent.

In any resale property, there is also the danger of discovering somewhere down the road that the previous owner installed unauthorised fixtures or fittings, which you will then have to rectify at your own expense.

As TOP projects are brand new, little or no renovation is needed to prepare them for occupation.

Continued on page 6



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Sennett

residence

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8338 8280 (Cluny Park Residence)
8338 2028 (Sennett Residence)
salesenquiry@tuansing.com

Continued from page 4

One-year defects liability period

One of the biggest advantages of TOP projects is the fact that there is a defects liability period, lasting one year from the date the TOP is released.

During the defects liability period, the developers are contractually obliged to rectify at their own expense any genuine defects in the property. This means that buyers are practically guaranteed a unit in good working order.

On the other hand, resale properties are sold on an as-is-where-is basis, which means the purchaser is forced to accept the property in the state and condition in which it is found. Even if defects or damage are found shortly after the purchase has been completed, there is usually little the purchaser can do to be compensated.

No need to wait for transfer of ownership before being able to collect the keys

According to Wong Xian Yang, Head of Research and Consultancy at OrangeTee, buyers of TOP projects are able to move into their new units much sooner than buyers of resale property.

“As they purchase the property directly from the developer and the TOP has already been obtained, buyers should be able to acquire the keys very quickly. For a resale unit, they would have to wait for the transfer of ownership to be completed, which typically takes three to six months,” said Wong.

It sounds counterintuitive, but TOP purchasers can pick up their keys so quickly because they need not wait until the sale is completed. Completion only occurs when the Certificate of Statutory Completion for the property is received by the developers and ownership is transferred, usually years later.

Conversely, purchasers of resale property will need to complete the entire sale process and have ownership transferred before they can collect the keys.

Wider selection of property available

At times, buyers turn to TOP projects simply because there is a wide choice of available units at certain developments.

“Purchasers of resale property are at the mercy of whatever units have been put up for sale by their owners,” said Wong. “Depending on how many units are unsold in a TOP project, they may have a larger selection to choose from than they would on the resale market.”

It is not uncommon for there to be numerous unsold units in residential developments even at the TOP stage, which means that purchasers are spoiled for choice, with a range of floors and unit types open to them.

For those looking to buy occupation-ready property, it is a good idea to browse not only the resale units available on the market, but also to have a look at TOP projects in the same area.

Pricing

Resale property in Singapore can sometimes be more expensive than TOP projects. However, as resale properties are priced according to the wishes of their owners, this should not be taken as a hard and fast rule.

It is worth noting that on the resale market, there are many sellers who do not need to sell urgently and quote a high price just to test the market. On the other hand, TOP projects are priced by developers at set prices that are based on market conditions.

Modern fixtures and fittings

Fixtures and fittings become outdated quickly. One of the advantages of purchasing TOP property is that you are assured of brand new and modern fixtures and fittings. It is becoming increasingly common for developers to have high-end, brand-name fixtures, fittings and appliances installed.

Conversely, when you purchase resale property, the chances are higher that you'll be dealing with outdated or obsolete fixtures and fittings that can be extremely costly to replace.

For instance, stoves and air conditioning units must be maintained, cleaned and occasionally serviced to remain in good working order. If the owner has neglected to do so, be prepared to have them replaced.

Freebies from developers

Developers frequently dangle freebies to entice buyers, and these

are sometimes still available at the TOP stage. Buyers only stand to profit in the current sluggish housing market, as developers compete to drive better bargains.

Some examples of freebies include shopping vouchers, rental guarantees, and rebates, often amounting to a percentage of the purchase price. There have even been reports of developers enabling purchasers to buy cars at a five-figure discount.

Some even offer straight-up discounts on their units, which can become tens of thousands of dollars cheaper.

These freebies make TOP projects an even better deal than they might first appear, based on their sticker price.

Better design and facilities

The design of residential properties keeps getting more luxurious, and there is a distinct difference in the appearance and facilities of properties built decades ago and those of new developments.

Many older private properties look dated and lack the facilities that modern condominium or townhouse developments enjoy, such as Jacuzzis and saunas.

Conversely, developers these days face stiff competition when it comes to the design of their properties, which is why some new developments boast features like gardening plots, free cycling facilities, and enhanced swimming pool features like wavepools, saunas and even spa facilities. Even the more affordable developments are designed to look as luxurious as possible nowadays, and it is not uncommon to find common areas styled after tropical resorts.

Developers also recognise the importance of good views, and many new developments now boast scenic views from balconies and terraces.

This heightened emphasis on aesthetics is, more often than not, absent in older properties, and gives buyers another reason to pick TOP projects in favour of resale units.



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Developer: Sing Holdings (Robin) Pte Ltd (UEN 199400309Z) • Developer's License No.: C1094 • Location: Lots 195A, 369T, 370V, 603V and 99787X TS 26 • Building Plans No.: A1378-01202-2012-BP01 dated 28 Feb 2014, A1378-01202-2012-BP02 dated 08 Apr 2014, A1378-01202-2012-BP03 dated 27 May 2014, A1378-01202-2012-BP04 dated 14 April 2015 • Tenure of Land: Freehold • Encumbrances on Land: Mortgages in favour of Oversea-Chinese Banking Corporation Limited • Expected Date of Vacant Possession: 31 December 2016 • Expected Date of Legal Completion: 31 December 2019

Don't let defects defeat you

What buyers need to know when inspecting for defects in TOP projects.

Buying a new home is considered one of the biggest investments you could make in your lifetime, therefore it is important to ensure that the property that was sold to you is in mint condition.

For newly completed projects, the developer is obliged to fix any flaws found within the defects liability period as long as it's due to shoddy workmanship or materials, or the property was not built in accordance with the agreed specifications.

Fixing such defects should be borne out of the developer's own cost within one month of receiving the homeowner's complaints. If they are not rectified, the homeowner may inform the developer of his intention to hire a third party to correct these defects, along with an estimated cost. However, the owner is required to allow the developer another 14 days to fix the flaws. If this last chance is foregone, the owner can look to hire a contractor to fix the defects and recover the cost from the developer.

Here is a list of some common defects found in newly completed properties and the simple tools needed to detect them. Once a defect is discovered, don't forget to highlight them with masking tape and markers, then photograph them with a digital camera.

Private homeowners in Singapore looking for professional help to fix property defects can choose to engage the services of home inspection specialists such as Ark Interior, Branoz and Inspect First. The cost of inspecting a home starts at around \$300.



Before you move in, list down any defects and report it to the developer to fix.

1



Hollow and uneven floor tiles

When you tap coins or marbles on the tiles, you can determine if there are hollow spots. You can also use a ruler to make sure all the tiles are level with each other.

2



Faulty electrical sockets

Ensure all the electrical outlets are working by utilising a simple plug-in LED light and also check for rust.

3



Cracked and slanted walls

Watch out for leaking walls during the rain. As for slanted walls, use a Spirit Level to check if they are straight.

4



Clogged toilets and leaky pipes

To ascertain that your pipes are not clogged or leaking, let the water flow and try flushing the toilet. This will also allow you to check if your taps and basins are working properly.

5



Defective windows and doors

Check that all your doors and windows have no rusty parts and are properly aligned within their respective frames. Aside from checking the locking mechanism, test if you can easily open and close them.

ecopolitan

EXECUTIVE CONDOMINIUM

翠林雅居



Artist's Impression

T.O.P. Soon

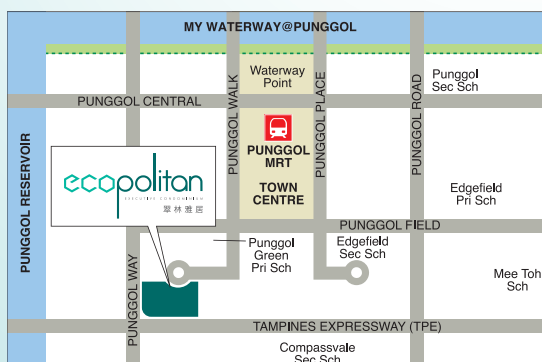
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Artist's Impression

Enquiries: 6858 5777 www.cnqc.com.sg

Developer: Qingjian Realty (Punggol Way) Pte Ltd. (ROC:201222637C) • Developer's Licence No.: C1042 • Lot/Mukim No.: Lot 2540T MK21 at Punggol Way/Punggol Walk • Tenure of Land: 99 years commencing from 4 December 2012 • Building Plan No.: A1716-00001-2012-BP02 dated 29 May 2013 • Expected Date of Vacant Possession: 31st December 2016 • Expected Date of Legal Completion: 31st December 2019

Developer:

CNQC 青建地产
QINGJIAN REALTY

11 TOP projects to watch out for in 2016

BELLEWOODS EC

Developer:
Qingjian Realty



Location/District:
Woodlands Avenue 5 in D25

Unique selling features:
Designed to evoke nature, Bellewoods features a Mangrove Trails walk with a cascading and undulating design, linking five zones with striking themes. Facilities include numerous pools, an aquatic deck and a Jacuzzi. Looks set to benefit from plans to transform the Woodlands Regional Centre into the future hub of the North.

Nearest MRT:
Admiralty

Total no. of units:
561

Available units:
230

ASCENT @ 456

Developer:
Tiong Aik Corporation



Location/District:
Balestier Road in D12

Unique selling features:
Mixed-use residential and commercial development, enables residents to enjoy retail and F&B outlets at their doorstep. Excellent location with Novena Medical Hub, prestigious schools and Zhongshan Park nearby.

Nearest MRT:
Toa Payoh

Total no. of units:
28

Available units:
12

THE TRILINQ

Developer:
IOI Properties



Location/District:
Jalan Lempeng in D5

Unique selling features:
Built on raised ground with great views over Sungei Ulu Pandan and Pandan Reservoir. Features eight sky terraces, a party pool with cascades, water-themed gardens, a party lawn and barbecue facilities.

Nearest MRT:
Clementi

Total no. of units:
755

Available units:
433

ROBIN RESIDENCES

Developer:
Sing Holdings



Location/District:
Robin Drive in D10

Unique selling features:
Premium luxury design and fittings. High-end facilities include a meditation deck, sky terrace comprising of a party pavilion, barbecue pits and tennis court. Situated in one of the most prestigious locations in Singapore.

Nearest MRT:
Botanic Gardens

Total no. of units:
134

Available units:
42

MON JERVOIS

Developer:
Singland Development



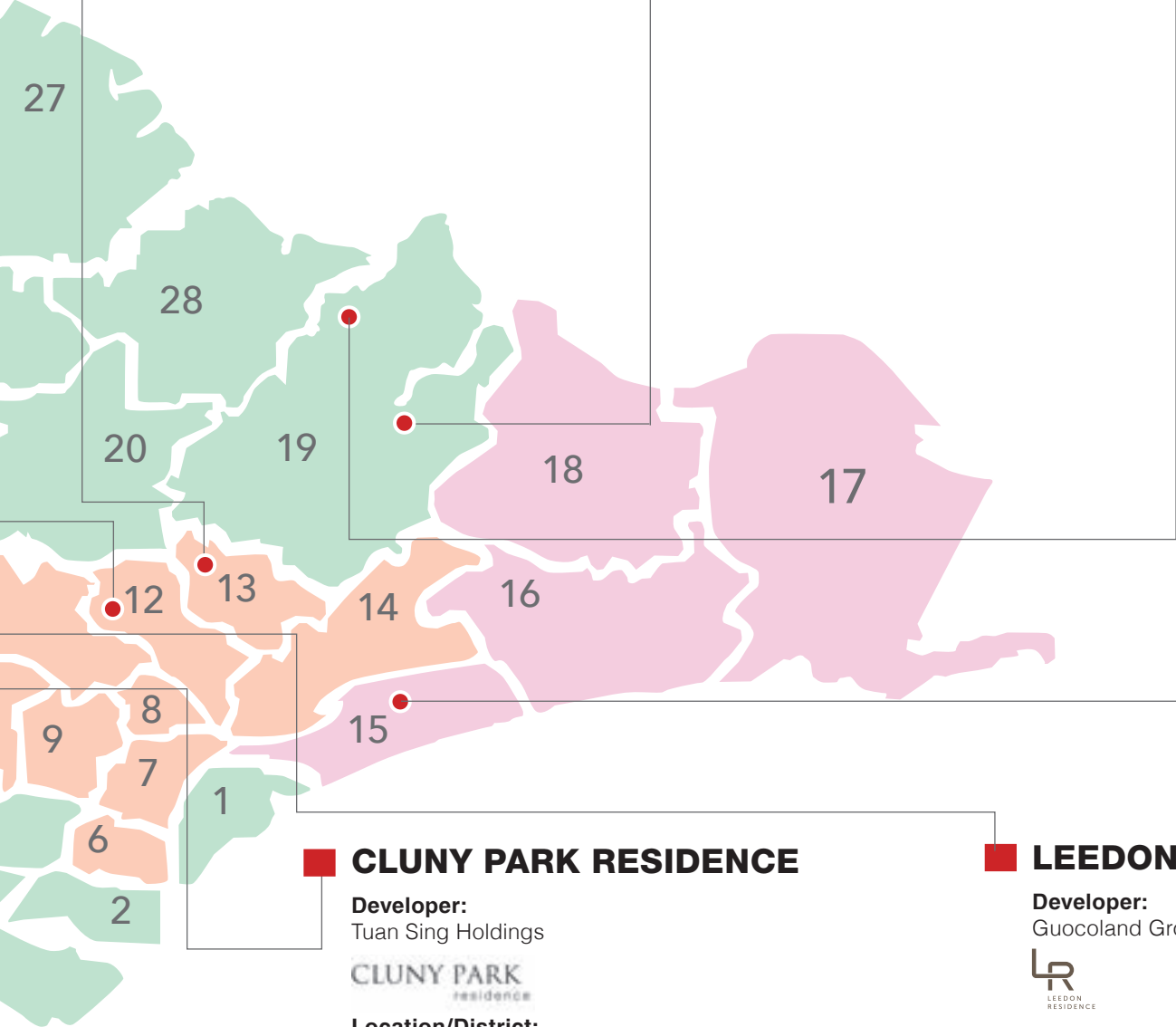
Location/District:
Jervois Road in D10

Unique selling features:
Premium design, situated just five minutes' drive from Orchard Road. Loft units enjoy 4.7m high ceilings and a furniture deck.

Nearest MRT:
Redhill

Total no. of units:
109

Available units:
57



SENNETT RESIDENCE

Developer:
Tuan Sing Holdings


Location/District:
Upper Serangoon Road in D13

Unique selling features:
Less than a minute's walk to the closest MRT station, and less than half an hour to the CBD by MRT, with NEX Shopping Mall and Plaza Singapura less than 10 minutes away. Facilities include a sky bridge and infinity pool.

Nearest MRT:
Potong Pasir

Total no. of units:
335

Available units:
17

ECOPOLITAN EC

Developer:
Qingjian Realty


Location/District:
Punggol Walk in D19

Unique selling features:
Lush green environment and a wide range of facilities including a blue lagoon, cascade waterfall, tennis court, forest jogging trail and putting green.

Nearest MRT:
Punggol

Total no. of units:
512

Available units:
15

BELLEWATERS EC

Developer:
Qingjian Realty


Location/District:
Anchorvale Crescent in D19

Unique selling features:
Resort-style design with extensive pool area and pool decks. Features include a swimming pool, children's pool and spa house. Within walking distance of the scenic Sengkang Riverside Park and Sengkang Sports and Recreation Centre.

Nearest MRT:
Farmway

Total no. of units:
651

Available units:
122

THE CRISTALLO

Developer:
Tiong Aik Corporation


Location/District:
Lorong K Telok Kurau in D15

Unique selling features:
Low-rise residential enclave with a maximum of five floors. Close to popular eateries and East Coast Park via a park connector. Idyllic neighbourhood with NTUC Fairprice, Cold Storage, Kembangan Plaza, 112 Katong and Parkway Parade in the vicinity.

Nearest MRT:
Kembangan

Total no. of units:
74

Available units:
4

CLUNY PARK RESIDENCE

Developer:
Tuan Sing Holdings


Location/District:
Cluny Park Road in D10

Unique selling features:
Bespoke, modern, ultra-luxurious design featuring quality finishes and brand-name fittings and appliances, including custom-designed kitchen cabinets and wardrobes by Poliform, bathroom and kitchen fittings by Zucchetti, and kitchen appliances by Gaggenau. Facilities include an infinity pool overlooking the greenery of the Botanic Gardens.

Nearest MRT:
Botanic Gardens

Total no. of units:
52

Available units:
26

LEEDON RESIDENCE

Developer:
Guocoland Group


Location/District:
Leedon Heights in D10

Unique selling features:
Situated next to the prestigious Leedon Park Good Class Bungalow enclave, close to fashionable areas like Holland Village, Dempsey Hill and Orchard Road, as well as the Botanic Gardens and numerous elite schools. Grounds feature extensive greenery and luxurious poolside cabanas.

Nearest MRT:
Farrer Road

Total no. of units:
381

Available units:
137

Selling your existing property to fund a TOP purchase

Selling your house for a bigger profit means the money can be used to upgrade to a larger unit.

By Joanne Poh



Hiring an experienced property agent can help ensure you get a good price on your existing unit.

Many Singaporeans upgrade their homes by purchasing a new property and selling their old one at the same time. In this way, the proceeds from the sale of their existing property can be parlayed into the purchase of a new property.

This is a procedure that should be very precisely timed, preferably with the help of a lawyer, in order to help save on costs and ensure you are able to maximise the sale proceeds of your existing property. Here are some tips for making the most out of your sale and purchase.

Make sure you get a good price for your sale

Selling your property in a hurry is not a good idea but unfortunately, it

can happen, especially when you are trying to sell in time to raise funds for a new property purchase.

Avoid being lowballed by having a very clear idea of the psf selling price of similar properties in your neighbourhood.

Ideally, you want to ensure you receive at least the average psf price for your area, property type and amenities. This might require extensive research on the latest transaction prices in your area, as well as properties that are currently on sale there.

Other than hiring a capable agent, you should also want to ensure you do all you can to give

your property the best shot at a good selling price. This means making sure it is clean and presentable for viewing by potential purchasers, and enhancing the interior with items like potted plants.

Make sure you are not paying too much for your purchase

You will need to do similar research when it comes to hunting for a suitable TOP project. Once again, you will need to get an idea of the last transacted psf prices of properties in the area, as well as similar properties which are currently on sale there.

Note that factors like amenities and the size of your unit can affect the psf selling price. For instance,

smaller properties like shoebox units tend to command higher psf prices.

You also want to be aware of the fact that developers can slash their prices when they are looking to dispose of unsold units. Do research on the selling prices of previous units in the development and you will have a better idea of whether you are getting a good deal.

Choose a TOP property in an area with growth potential

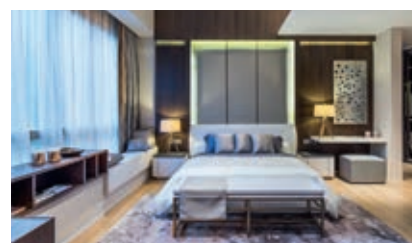
Ideally, you want the TOP property you are purchasing now to be worth much more in future. Do research on the area in which you are

Continued on page 14



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Name of Housing Project: Leedon Residence • Name of Developer: Leedon Residence Development Pte. Ltd. (Reg. No.: 200002478E) • Developer's Licence No.: C0471 • Tenure of Land: Estate in Fee Simple (Freehold) • Encumbrances on the Land: Mortgages IA/900091S and ID/51817V in favour of Oversea-Chinese Banking Corporation Limited • Expected Date of Vacant Possession: Temporary Occupation Permit has been issued • Expected Date of Legal Completion: 31 December 2019 • Legal Description: Government Resurvey Lots 2464/L, 2219N, 2222N, 2220A, 2228V, 2229P and 70000W of Mukim 2 at Leedon Heights

The information and plans contained herein are subject to changes and deviations as may be required by the developer or required or approved by the authorities. All art renderings, illustrations, pictures, photographs and other graphic representations and references (where applicable) are artist's impressions only. Nothing herein shall form part of an offer or contract or be construed as any representation by the developer or its agents. Plans herein may not be drawn to scale and all areas and measurements stated herein are approximate and subject to adjustment on final survey.

* For select units

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purchasing the property to ascertain if there is potential for growth.

For instance, if a new MRT station is slated to open in a few years' time, it is a great sign that the value of your property will rise significantly.

Pay attention to the Urban Redevelopment Authority's (URA) plans for the future in an area where you are considering making a purchase. If plans are underway to increase accessibility by building new roads, or to revitalise the neighbourhood by constructing new facilities like hawker centres, that is an indication that your property's value is likely to soar.

It is always a good idea to explore the area around the site to get a more accurate idea of what it will be like to live there.

Consider rental yield for investment property

One of the benefits of purchasing a unit in a TOP project rather than a newly launched development is the fact that you can begin to rent out the property almost immediately, which can go a long way towards covering the cost of your initial outlay and mortgage repayments.

If you are purchasing a unit in a TOP project as an investment to be rented out, the projected rental yield should also be considered when choosing a property.

Buyers who wish to immediately start renting out their property might be better off purchasing TOP units in areas where the URA's plans to improve infrastructure have already been carried out, as this will mean higher rents from the get-go.

Do the math

Selling one property in order to buy another is a complicated procedure, and it is imperative that you do the math to ascertain exactly how much you will have to pay in cash or borrow to avoid any nasty surprises.

Ong Teck Hui, National Director of Research and Consultancy at JLL, says, "Whenever one disposes of a property, homework should be done to determine the outstanding

loan to be repaid if any, and the cash gains to be realised. If one is upgrading from a less expensive property to a more expensive one, the gains from the disposal of the existing property could be ploughed into the new property together with CPF monies available for the purchase to keep the loan quantum manageable."

Do not be tempted to take a shortcut by simply subtracting the cost of your property sale from the purchase price of your TOP project.

There are various miscellaneous costs involved that will reduce the actual amount you receive from the sale. For instance, the cost of your legal fees, Seller's Stamp Duty (if any) and your share of the property tax will be deducted from the total amount you receive.

You will also end up paying more for the TOP project than the price quoted to you by the developer, due to legal fees, administrative fees to the bank from which you are taking your home loan, as well as Buyer's Stamp Duty and Additional Buyer's Stamp Duty (ABSD), if applicable.

To avoid surprises, it is a good idea to have your lawyer advise you

on your finances. He or she will be able to work out exactly how much you will need to set aside for the purchase, and the amounts to be paid in cash, through CPF and via a bank loan.

There is no one-size-fits-all approach to buying and selling in tandem, and you will need to obtain advice on your particular situation.

Mr Ong advises, "Some buyers may wish to retain part of the disposal gains for other purposes but this would result in a higher loan amount to be serviced, assuming compliance with borrowing limits. Buyers should be prudent and make sure they are comfortable with their monthly mortgage payments. In the event that one is downgrading from a more expensive property to a less expensive one, say in the case of retirees, it may be possible to fund the purchase with just equity, in order to be loan-free."

Have your lawyer coordinate your sale and purchase

Timing is crucial when you are trying to orchestrate a sale and purchase hand-in-hand.

Eugene Lim, Key Executive Officer at ERA Realty, advises, "Buyers should time their selling and buying of the properties well in order to avoid having to pay ABSD, or selling too early such that they do not have a place to stay."

According to Wong Xian Yang, Head of Research and Consultancy at OrangeTee, once a prospective buyer has exercised the option-to-purchase of the property you are selling, that property will no longer be taken into account when determining your liability for ABSD. You are then free to enter into a contract for sale of a TOP project.

Still, that does not mean you should set in motion the sale of your current property before you have found a TOP project to purchase. Ideally, both transactions should be timed with precision.

Speak with your agent and your lawyer, who can advise you on a suitable timeline for the sale and purchase of the two respective properties. Your agent will work to secure a buyer for your property in a timely fashion, while your lawyer will be instrumental in timing the completion of the sale of the property, such that you can use the sale proceeds to offset your purchase.



TOP projects located near MRT stations will benefit from capital appreciation and good rental yield.

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Developer: Clementi Development Pte Ltd • Co Reg. No.: 201202465M • Developer's Licence No.: C1014 • Tenure of Land: 99 years w.e.f. 16 Apr 2012 • Legal Description: Lot 8754K MK 05 at Jalan Lempeng • Expected Date of Vacant Possession: 15 Apr 2017 • Expected Date of Legal Completion: 15 Apr 2020 or 3 years after notice of vacant possession whichever is earlier • Building Plan No.: A1557-00005-2012-BP03 dated 4 Jul 2016 • (Savills-L3009688B) CEA License No.: R007485G/Vinson Tan • (CBRE-L3002163I) CEA License No.: R048118E/Jude Edward • (ET&Co.-L3006301G) CEA License No.: R027863J/Kevin Teoh

Coming out on TOP

These homeowners bought properties that would soon achieve their TOP, and have not regretted it.

By Cheryl Marie Tay



Sennett Residence is set to achieve its TOP later this year. (Photo: Christopher Chitty)

We've heard property industry professionals espouse the benefits of buying and owning a TOP unit, but how do real-life experiences measure up to these claims? As these two owners of TOP units shared with us, they do live up to the hype.

Pleasant surprise

Manager MC Choo, 29, purchased a Sennett Residence apartment shortly before the project achieved its TOP, and it ended up being completed earlier than expected. She also had a generally positive experience when house-hunting, and eventually settled on Sennett Residence after being impressed by its "great" showflats; she also describes the buying experience as "wonderful".

Though she has no complaints regarding her purchase and ownership of a TOP unit, she admits that there are both "pros and cons of buying a unit that is about to achieve (its) TOP".

For those whose priority in owning a residential property is

investment rental yield, she advises that "a resale unit might be a better idea, because the rental income can come as soon as possible".

On the other hand, those who want to be owner-occupiers and for whom "time is not an issue" would be better off opting for a soon-to-TOP unit.

Ultimately, however, she believes what is most important is the location of the property. "If the location is good, just go for it!"

Having had a smooth ride to property ownership, Choo says, "The adrenaline of being a new property owner is just awesome."

Prepared for TOP

Sophie Koh, a research manager in her early 30s, bought a unit at Bellewaters, an executive condominium (EC) at Anchorvale Crescent, with its upcoming TOP in mind.

She says, "It was a factor of consideration when deciding on

whether we should go ahead with the purchase. However, the landscaping of the development was also very attractive compared to all the other developments we had viewed.

Koh is looking forward to enjoying this particular feature of the development when she finally collects the keys to her unit.

Paying the price

While she did run into several administrative hiccups along the way, such as the full set of documents she had signed taking more than three months to be handed to her, she felt Bellewaters was a good choice, as it is the only EC left in Singapore without a resale levy, so "it is likely there is plenty of interest from potential HDB upgraders".

She also believes this was probably the underlying reason for her longer than expected wait to receive the full set of documents.

What's the difference?

Koh has observed certain differences between owning a soon-

to-TOP unit and other types of units, in terms of price, location and lease. Regarding price, she says, "The developer was not inclined to give as large a discount as with other newly launched EC units which had a later TOP date."

She feels her purchase in particular pales in comparison to resale condos in the same price range when it came to location, as the latter tend to be situated in mature estates. However, she acknowledges that "getting the full 99-year leasehold of a soon-to-TOP EC was an important consideration".

To buy or not to buy?

As for whether Koh would advise other buyers to invest in a soon-to-TOP or TOP project, she says: "It really depends on the reason why they are purchasing the unit. If the purchase is by newlyweds who want their own space, then the TOP date will likely be important.

"An earlier TOP date will mean savings in rental, and not having to stay with in-laws or parents."

How to move into a new TOP project within a month of your purchase

Before you move into your new unit, there are several steps that need to be taken, such as how and when to pick up your keys, utilities application, and home inspections, among others.

By Joanne Poh

Before you can collect the keys to your new TOP unit, you must ensure that all the necessary formalities concerning the purchase have been completed. This includes signing the sale and purchase agreement, applying for the use of CPF funds and / or a bank loan, and disbursement of the monies needed for the purchase.

Eugene Lim, Key Executive Officer at ERA Realty, cautions, “You need to factor in the processing time of the bank and especially CPF, which could take more than a month.”

According to Ong Teck Hui, National Director of Research and Consultancy at JLL, you should expect all the necessary administrative work, including application for use and release of CPF funds, loan arrangements and searches on the part of your lawyer, to be completed in about three months.

Your lawyer will be able to advise you on the timeline so you are better able to estimate when you can pick up the keys to your new property.

Once the purchase of the TOP unit has been set in motion and all necessary payments have been made to the developers, you can collect your keys and move in if you wish. Here are the steps typically taken by TOP purchasers before they move into their new units.

Arrange for financing as soon as possible

When you buy resale property, you pick up your keys on the date of completion of the sale, which is also when your lawyer will hand payment

over to the seller, often several months after you have committed to the purchase.

With TOP projects, things work a little differently. As the development has not yet received its CSC, the sale will not officially be completed until then. However, you are able to pick up the keys long before completing the sale, so long as you have paid all the outstanding sums to the developer.

This means that the sooner you manage to secure financing for your

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Prestigious Developments by TA Corporation Ltd

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Moving into a new apartment involves more than just moving your belongings.

TOP purchase, the sooner you can move in. Take note that it could be weeks before your application to use your CPF funds or for a home loan are approved, so if moving in as soon as possible is a priority, you need to arrange for these as soon as possible.

It is only after the disbursements from your CPF account and / or bank loan have been released that you will be able to pick up the keys to your new unit, as vacant possession will only be granted to you following payment of all outstanding sums.

Once payment has been made, it is possible to move in to your unit within a month if you do not intend to renovate the property.

Make an appointment and pick up your keys

Many developers in Singapore now maintain an online system for booking appointments for collection of keys, while others will have a hotline to call. Appointments are usually made on a first-come, first-served basis.

In the days after the Notice of Vacant Possession is issued, expect a surge of purchasers snapping up available appointment slots. If you need to move in urgently, it is advisable that you make an appointment as soon as you can.

You are required to pick up your keys in person after presenting a valid ID and any other documents required by the developer. If you cannot be present, you may authorise somebody else to collect them on your behalf by signing the Letter of Authorisation sent to your lawyer by the developer.

At the appointment, you will usually be presented not just with your keys, but also with a package of other items, which might include manuals and warranties for the appliances in your new home, controllers for air conditioning units, residents' handbook and so on.

Obtain approval for renovations

While many purchasers move into TOP projects without undertaking renovations, should

you wish to make alterations to your unit, you will have to first obtain approval from the management.

Failure to have any alterations approved could invalidate the year-long defects liability period to which you are entitled. Approach your management office to enquire about the proper procedures for obtaining approval.

You will usually be required to pay a renovation deposit, which may be withheld if you breach any rules or fail to clear up rubbish resulting from the works.

In certain cases, you might be required to obtain approval from the authorities and submit this to the management office before you can be granted permission to carry out the desired works. This can be quite a lengthy process.

If you wish to have window grilles installed, you may or may not have to apply for approval, depending on the rules governing your development. In any case, it is always advisable to first check with the management office of the development before

commencing installation. Many developments impose regulations for grilles in order to ensure the facade of the building is not too drastically altered.

Inspect the unit thoroughly

For one year from the date the TOP is granted, the developers will rectify, at their own cost, genuine defects found on the property.

When you pick up the keys to your property, the defects liability period is likely to still be in force. It is thus imperative that you thoroughly inspect the property for defects as soon as possible. Also, test all appliances such as air conditioning units and stoves to ensure they are in good working order.

Do note that while the defects liability period is officially one year long, you will in practice have less than a year to identify and notify the developer of any defects.

This is because the defects liability period begins when the TOP for the property is released, which is

also the date indicated on the Notice of Vacant Possession the developer will have sent to your lawyer to be forwarded to you. Many people erroneously assume that the defects liability period begins on the date you take possession of the property.

Even if your purchase has been timed to coincide perfectly with the release of the TOP, there will be several days or even weeks from the date the TOP is released and the day you collect your keys.

It is thus important that you identify any defects and instruct your lawyer to serve notice in writing to the developer before the defects liability period has expired. Once developers have received the notice of defects, they are obliged to rectify them within one month.

If you intend to rent out the property, avoid having the tenants move in before you have fully inspected the property for defects. It is also important to instruct tenants

to immediately notify you if they become aware of any defects while they are occupying the unit.

Apply for utilities

Since you will be the first occupants of your TOP unit, you will need to apply for utilities at Singapore Power. This can be done in person or online, and you should expect to wait about three working days before utilities for your unit are activated.

Apply for car parking if necessary

If you have one or more cars, you will need to check the regulations imposed by your development pertaining to allocation of parking lots.

Some developments will require you to make an application for a car decal and / or to reserve personal lots, while others maintain carparks that operate on a first-come, first-served basis, without the need to reserve lots.



If you're in a rush to move, consider buying a fully-furnished unit from the developer.

Consider what furnishings you need to purchase and install

If you have an urgent need to move into your unit as soon as possible, you may want to consider units which are sold fully furnished

by the developer, advises Wong Xian Yang, Head of Research and Consultancy at OrangeTee.

Otherwise, you will need to factor in the time taken to purchase and install all the necessary furnishings before you are able to move into your new unit.

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Singland Development (Jervois) Pte Ltd (Co. Reg. No 201203397N), Developer's License No. : C0964, Encumbrances: NIL, Tenure of Land: 99 years wef 7 May 2012, Location: Lot 02255W TS 24 at Jervois Road, Date of T.O.P.: 20 May 2016, Expected Date of Legal Completion: 30 November 2020.

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