



Image Source: Pexels

by Andy Chen / Translated by Shelina Hsieh

Singapore is one of the wealthier countries in the world. It is well known for its stable political status, proper and efficient government, and also as an important financial and service center in Asia.

According to the 2018 Global Financial Centres Index, Singapore is the fourth largest international financial center after London, New York, and Hong Kong. The industrial sector is also a major force in Singapore's economic development. It has developed rapidly and Singapore has become one of the world's largest oil refiners and one of the world's main electronics industry centers. Singapore is one of the cleanest and greenest countries in the world and has earned the reputation of being a "garden city".

Singapore is seen as the trial balloon of global economic growth, and because Singapore is strongly dependent on exports, the economic prospect is closely related to global trade. Officials predicted that Singapore's economic growth rate in 2019 is estimated to be between 1.5% and 3.5%, with growth expected to come in slightly lower than the 3.3% in 2018.

Purchasing real estate in Singapore is an attractive investment target, mainly because of the high probability of long-term appreciation, and the rising awareness of Asian culture will provide a new start for the next generation. According to the Urban Renewal Authority, the private housing price index in the last quarter decreased by 0.1% from the previous quarter; and the price of the prime location was revised by a drop of 1.5% mainly because of the government's implementation of the real estate market regulation policy. However, the index still rose 7.9% for the entire year, having the best performance in the last eight years.

The new regulation policy raised the stamp duty by 5% for purchases other than the first set of residential property of Singapore citizens and permanent residents. This means that the stamp duty paid by individual buyers is raised by 5% and that the additional buyer stamp duty for Singapore citizens to purchase a second home will also increase from the previous 7% to 12%, and foreigners buying real estate properties will rise from 15% to 20%.

Even though the emergence of regulatory policies has had an impact on the real estate market, Singapore has several advantages that other Asian countries are less likely to replace at this stage, such as the perfection of legal guarantees. Any relevant investment transactions in Singapore can be found on the country's government website. The transparency of its law is superior; and it makes it easy for real estate investors in Singapore to ensure the security of their transactions.

In addition, the possibility of an appreciation of real estate properties in Singapore is higher because Singapore has a limited land area with a large and increasing population and the real estate market will be subject to value adjustment due to imbalances in supply and demand. Simultaneously, the circulation of Singapore dollars is quite stable. Not only is the domestic political situation stable, but the economic development market also has a fairly complete financial system. The country's market and economy are stable, which indirectly affects its real estate market, and may prevent the real estate market from having a substantial change.

An important factor to consider when purchasing a property is to evaluate the school district in the area. The quality of education in Singapore will bring positive development to its real estate. Singapore's overall national competitiveness is quite strong and enjoys many irreplaceable conditions in Asia. It is definitely a country worthy of attention.