

## Information on Accommodation in Singapore

Westerners coming to Singapore and looking for a place to stay will find many differences to their home countries. They can see some of them immediately, some of them only later. It is best to be well equipped with information when in search for an accommodation.

### *Living in Singapore*

Most of the local residents stay in so called HDB flats (HDB = Housing Development Board) subsidized by the state. They will call their place proudly "my house", even if they do not mean a house but just this flat. We call it "a flat". There are no HDB flats in the prime central area.

The expatriates live usually as tenants in a condominium (we call their place "an apartment") where they enjoy more of western life style and comfort like a swimming pool, gym, security, tennis courts etc. You can find condos in various categories and qualities everywhere on the island. Some expats prefer houses which can be pretty pricey, according to the area, renovations or age.



A general impression is that real property – inside and outside – ages much faster here than anywhere in Europe or US. A 10-year old building and especially a 10-year old apartment looks like a 30-year old property elsewhere, thanks to different materials, the permanent high temperatures and humidity around 80-90%, and with the so much different way of maintenance.

The size of an apartment will be given in square foot and will be measured from outer wall to outer wall, which means inclusive of balconies, utility toilettes, private lift lobbies or planters etc. All surfaces where you can step on will be equally counted. Hence, an apartment of 1500sft (ca. 150m<sup>2</sup>) feels much smaller than a "western" 150 m<sup>2</sup> place.

A typical structure of an apartment will give you a quite large living and dining area (one huge room) and pretty small bedrooms. The newer an apartment the smaller the bedrooms. Terraces or balconies are not too common.

Only bedrooms will be counted, as living/dining is anyway there. So a three-room unit means an apartment with three bedrooms.

The usual rental term is two years. Anything shorter will be called short-term and is subject to negotiations. The contract will be signed for two years and you cannot resign earlier. Thus it is vital to find a good place because you will be staying there long.

**All apartments have air condition, kitchen and bathrooms cabinets, built-in wardrobes in bedrooms.** Others like white appliances or furniture will be a part of negotiations and price. Living/dining areas usually have a marble floor, kitchen and bathrooms have tiles, bedrooms have timber flooring or parquet. Some older developments may offer some storage space. You can generally find more space or storage rooms in a house.

There is an excellent possibility for families with kids to hire a live-in or a part-time maid. They will usually stay in small rooms behind the kitchen. However, most of the newly built apartments do not come with this room so the helper will need to stay in the safe-like "household shelter", with no windows and mostly located somewhere in the apartment.

## *How do the „Expats“ live in Singapore*

The western expats prefer to live in condos or houses.

### **Condominium**

A condo apartment seems to be the most popular place to stay amongst expatriates. It offers a large amount on security as well as a holiday feel.



#### ***Advantages, equipment***

- \* A fenced in and guarded area
- \* There is always someone around in case of emergency or needs (management, guard house)
- \* A condo offers a lot of luxury (facilities like a pool, gym, sauna, multi-purpose room, convenience shop, hairdresser)
- \* Easy to socialize within a good international community, easy for kids to find friends
- \* Plenty of parking lots
  
- \* The management maintains the campus (gardener, regular fogging against insects, cleaning)

#### ***Disadvantages / what to mind***

- \* Can offer little privacy
- \* It can get loud, depending on the position of the unit within the condo (pool, street traffic)
- \* An apartment usually has at most 4 bedrooms of various sizes
- \* Lack of international community in a condo if far off the main stream
- \* Hardly any or too small storage space (no attic or basement)
- \* You are at the mercy of other residents

## A house

There are several types depending on the size, like a good size bungalow, bungalow, detached house, semi-detached, inter-terrace/corner inter-terrace. There are no basements and hardly any attics in Singapore.



### **Advantages, equipment**

- \* You enjoy more privacy
- \* Can offer more space than apartments
- \* Can be very representative
  
- \* Mostly located in beautiful and green areas
- \* Parking slots can be limited

### **Disadvantages/what to mind**

- \* No facilities
- \* You have to take care of maintenance
- \* Can be far off a main road/public transportation (you need a car)
- \* Higher exposure to insects, snakes, apes, ants etc.
- \* The power supply bill will be significantly higher than in a condo

## Cluster houses

Since recently a mixture of condo and a house has emerged: a cluster house residential area. It is a fenced in and a guarded area of semi-detached houses with common condo facilities. They command very high prices of houses but offer the advantages of both houses and condos.

Please note: should you wish to purchase a property in Singapore, it will have to be a condominium unit. HDB and landed property purchases are restricted to residents.

## **How much do I spend on a house / apartment**

Singapore ranks amongst the most expensive places in the world regarding the commercial and residential rentals. The price increase in 2007 alone was in average around 30%. As there are big differences according to the location of developments, some of the units in the prime area have doubled or even tripled in prices compared to two years back. Developments closer to international schools will demand higher rent even if they are located outside of central area.

The price range is quite wide as the location and condition strongly determine the price. The named rental prices do not include utilities like power supply, water or gas, internet or TV.

### ***Condo apartment***

#### **City living**

2 bedrooms: S\$ 4.000-7.000

3-4 bedrooms: S\$ 5.500-25.000

#### **Holland Village / other intl. schools / British, Swiss Club**

1-2 bedrooms: S\$ 3.500-6.000

3-4 bedrooms: S\$ 4.000-18.000

#### **Outside of central region**

3-4 bedrooms: S\$ 3.800-7.000

### ***House***

(Renovated) Shophouse or similar

3-5 bedrooms : S\$ 10.000-40.000

4-6- bedrooms: S\$ 8.000-35.000

4-6- bedrooms: S\$ 5.000-15.000

Prices correct as in July 2011

### ***Last remarks***

When you are coming for the first time from Europe or another "western" country, you will surely experience a **culture shock**. Part of it will be the impression that things have a different value here; that time runs at a different speed; that competencies are not a part of a vocabulary; that threat and pressure will not result in anything positive. It is vital to arrive with the lowest possible expectations and maybe get positively surprised at the end. Too high expectations and a strong adherence to familiar procedures may translate into disappointment and anger. This is a different country, a different culture, a different mode of operation and thinking. Not a better or a worse one, just different.

### **More web pages where you can find information on living in Singapore**

<http://www.singaporeexpats.com/>

<http://www.propertyguru.com.sg>

## *A few basic data*

- The regular duration of a **Tenancy Agreement is two years.**
- There is usually an **Option to extend** for another year, at a then prevailing rent.
- In case of foreigners, we implement a „**diplomatic Clause**“ which allows the tenant to terminate a tenancy after 12 months giving a 2 month notice. It can happen only in the case that the tenant ceases to work in Singapore and has to leave the country, or his company closes shop here.
- As soon as a tenant decided for an apartment/house, he has to fill a **Letter of Intent** (LOI) and accompany it by a cheque over the first month rent, made out to the landlord.
- An agreeable landlord signs the LOI to demonstrate his acceptance, and passes a **Tenancy Agreement** (TA) draft to the tenant.
- When both parties agree on the wording and conditions, they sign the TA and the tenant will issue a security deposit cheque over two month rent.
- All further conditions are subject to negotiations. All parties use and modify standard forms.
- It is a commonplace in Singapore that a unit which is rented out will be offered for sale. In that case the purchase is subject to existing tenancy and the tenant can certainly stay his 24 months.
- Tenants in Singapore have significantly less rights than in most European countries.

# Singapore 'world's 8th most costly city'

**It climbs from 11th place after substantial increase in housing costs: Survey**

SINGAPORE overtook Hong Kong for the first time as a more expensive city among expatriates, driven by a stronger currency and higher rents, according to Mercer's Worldwide Cost of Living Survey.

The island nation was ranked as the eighth-most expensive city worldwide, rising from the 11th spot last year, following a "substantial increase" in housing costs, Mercer said in an e-mailed statement on Monday.

Hong Kong dropped one spot to ninth place, the survey showed.

Inflation in the city state rose 4.5 per cent in May, exceeding economists' estimates as food and transport costs climbed, supporting the central bank's decision to allow the currency to appreciate further.

"You have high inflation, and we are talking generally about consumer price pressures, rise in property prices, the strong Singapore dollar and tight labour markets," said Mr Vishnu Varathan, an economist at Capital Economics Asia in Singapore. "So it is quite clear how Singapore managed to edge out Hong Kong."

The Singapore dollar has risen 13 per cent in the past year against the US dollar, ranking with the South Korean won as the best-performing currencies in Asia excluding Japan.

The island nation uses the exchange rate as its main tool to manage inflation and

has allowed its currency to appreciate to a record high to contain price gains.

The Hong Kong dollar's peg to the weakening US dollar had little impact on the city's ranking due to increasing housing costs, the report said.

Hong Kong may also be hurt by China's efforts to cool the economy through housing curbs and five interest rate increases since October last year.

Singapore came in third and Hong Kong

## HIGHER INFLATION, COSTS, CURRENCY

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**Mr Vishnu Varathan, an economist with Capital Economics Asia in Singapore, on how Singapore overtook Hong Kong as the most expensive city among expatriates**

took fourth place in the ranking of the most expensive Asian cities. Tokyo is ranked as the costliest Asian city, followed by Osaka in second place.

In the global ranking, Brazil's two biggest cities, Rio de Janeiro and Sao Paulo, are among the highest climbers, as the nation's economic growth continues to outpace that of Europe and the US.

Sao Paulo jumped to 10th place in the list from 21st last year, while Rio de Janeiro

surged to 12th from 29th, according to the consulting firm's report.

Australian cities are now among the least affordable in the world for skilled expats, the survey showed.

A rise in the value of the Australian dollar and surging demand driven by a mining boom pushed Sydney, Australia's largest city, to the 14th spot in the ranking of the most expensive cities in the world. It was ranked 24th last year.

Melbourne moved up to the 21st spot from 33rd last year, Perth rallied 30 places to 30th and Brisbane rose 24 places to 31st, according to a Wall Street Journal report.

Luanda in Angola retained its title of the world's most expensive city, while Tokyo was ranked No. 2, Mercer said. New York, the most expensive city in the US, dropped to 32nd place from 27th, while London slipped one place to 18th.

Mercer's survey put only three European cities in the top 10 list of the most expensive cities.

Moscow, in fourth place, remains the most expensive European city on the list, followed by Geneva in fifth place and Zurich in seventh place.

Mercer's annual cost of living survey covers 214 cities across five continents and measures the comparative cost of over 200 items in each location, including housing, transport, food, clothing, household goods and entertainment.

New York is used as the base city for comparison, with currency movements measured against the US dollar, a BBC report said.

**BLOOMBERG**



Singapore is one of five financial centres cited by survey respondents as likely to become more significant in the next few years. ST PHOTO: AIDAH RAUF

# S'pore remains 4th in financial centre survey

It is expected to join HK in the big league soon, says think-tank

SINGAPORE remains fourth in a ranking of international financial centres, according to a twice-yearly survey.

London was No. 1, followed by New York and Hong Kong, in the Global Financial Centres Index, which ranks 75 centres based on surveys of professionals and criteria including business environment, market access and infrastructure.

According to London-based think-tank Z/Yen Group, the report's publisher, Singapore scored 728 out of 1,000 – 32 points behind Hong Kong. The previous report, in March, also ranked Singapore fourth.

"Hong Kong (in third place) is now within 10 points of New York and London (having been 84 points behind in March last year)," the report said.

"Hong Kong has joined London and New York as a genuinely global financial

## World's top financial hubs

1. London
2. New York
3. Hong Kong
4. **Singapore**
5. Tokyo

centre. Singapore may well join this trio soon," it added.

The top four centres, it said, control a large proportion of financial transactions – more than 70 per cent of stock trading – and are likely to remain powerful financial centres for the foreseeable future.

"Hong Kong continues to benefit from its very close ties with China, whereas Singapore is a financial hub for the whole region and perhaps even larger than that," said Mr Phillip Overmyer, chief executive of the Singapore International Chamber of

Commerce.

Headhunter Deborah Sawyer of Odgers Berndtson (Singapore) said that judging from her interactions with candidates, Singapore is actually a more "desirable posting" than Hong Kong.

"Housing is cheaper in Singapore than in Hong Kong, while the cost and style of living are more attractive in the former," she said.

The survey polled 1,876 finance industry professionals. When asked which financial centres are likely to become more significant in the next few years, the respondents cited Shenzhen, Shanghai, Singapore, Seoul and Beijing – all in Asia.

The report also said that Asia continues to exhibit enhanced competitiveness, with Shanghai breaking into the top 10 and Seoul cracking the top 25.

An earlier survey by the Bank for International Settlements showed Singapore ranked the fourth-largest foreign exchange centre globally and the second-largest in Asia, after Tokyo.

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