Summary

More 'CPF rich' HDB flat owners and cash rich Singaporeans are becoming property investors. Greater affluence has meant that for many middle and upper-middle class people, owing a second property is an achievable and legitimate investment objective.

This burgeoning trend has already distorted the property cycle and could well be the market's most significant phenomenon in the years ahead. This calls for greater attention and research into the residential investment market which has thus far received only superficial treatment by researchers and practitioners.

This study is an endeavour to provide a deeper insight of the residential investment market, in particular, it analysed the various facets of the condominium investment market based on a survey of 17,141 condominium units in 103 developments.

It was found that up to 35% of condominiums were rented out and the condominium investment market had been growing at an average rate of 10% annually between 1986 and 1992. Smaller developments tend to be more popular because of a higher degree of exclusiveness and the most sought after location is still the prime districts 9, 10, 11 while the highest average percentage of condominium unit type rented is the maisonettes.

It is hoped that this study would provide the impetus for more extensive research of the residential investment market as more and more join the rank of property investors in Singapore.