ABSTRACT

Executive Condominiums are strata-titled apartments, designed and built to private development standards, but sold with HDB conditions applicable for a limited period of time.

Aimed at helping young graduates and upgraders achieve private home ownership, ECs received overwhelming response in 1996/97 because of their high quality finishes, full condominium facilities, and their substantial discount to private condominiums. The subsequent erosion of their competitive price advantage left the EC developments with poor sales and a growing supply overhang.

This study seeks to analyse the effectiveness of the EC scheme in meeting its intended objectives, and their continued viability in the light of the changing market conditions. It is concluded that an equilibrium price differential of at least 20% was necessary at the time of launch to make homebuyers indifferent between ECs and comparable private condominiums.

ECs are thus effective only in a rising market, but not in a falling market.

Keywords:
Executive Condominiums
Strata-titled
HDB Conditions
Competitive Price Advantage
Equilibrium Price Differential
Continued Viability