



**Prepared by
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HugReport dated 15 October 2017 for



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Co-founder of HugProperty



Your Property Requirements

The property is meant for your own residence.

A four-bedroom condominium, about 2,800-3,000sqft in size is preferred.

High-floor units above the tenth storey will be preferred.

The main door should be North-South or North-East facing, with no west sun in the unit.

Unit address should be acceptable for numerology-conscious buyers in future.

The purchase will be made within the next three months at around S\$5 million.

It is important for the property to be near to MRT stations (within a 10-minute walk) and amenities like eateries and supermarkets.

Preferably, the property is in the central districts 9, 10 and 11. Namely the Orchard, Bukit Timah, Holland and Novena areas.

Freehold or 999-year lease properties are favoured.

Top class 99-year leasehold properties may be considered as part of the shortlist.

Age of development can be up to 30 years if freehold, with no history of structural defects and corroding pipes and leaks.

Developments with adequate sinking fund and history of regular upgrading.

A well-equipped gym is important for your two sporty teenage children.

Also, a dog-friendly Condominium is necessary for your German Shepherd where pets should be allowed in the passenger lifts.

Another two investment properties in D9, 10, 11 has an allocated budget of S\$2.5 million each. For these properties, you are open to our recommendations.

Recommendations

Client would like to allocate his \$8mil cash to a primary residence (budget max \$5.0mil including renovations and furnishings) and 2 investment properties (non-landed with rental income at about \$2.5mil each with loans of about \$1mil each). In this scenario, the total value of the property portfolio will be \$5.0mil + \$2.5mil + \$2.5mil = \$10.0mil (composed of \$8mil cash and \$2.0mil loan).

Our suggestion is to increase the budget for the primary residence to \$6.0mil. As the scope of search might be rather limited if we looked for 2800-3000sqft 4-bedroom property at a \$5.0mil budget that includes renovations and furnishings, that provides more flexibility in our search. We would like to suggest \$4.0mil of cash (and CPF), with up to \$2.0mil in loans.

Secondly, the 2 investment properties should be geared with a revolving term loan that allows for interest servicing only, without contributing to principle. This will allow for positive cash flow every month and will provide the options for earlier retirement if Client wishes to. For these properties, we can assume two investments of [\$1.5mil cash + \$1.0mil loan] per investment, with about 50% LTV on the loan giving an enhancement to the Returns on Equity.

In terms of structuring, we might need to discuss and give it more thoughts. Given that Client is still receiving employment income, the investment properties' rentals might take Client into a higher tax bracket. Furthermore, there may be legacy planning considerations which might include trusts or offshore vehicles to be set up.

Timeline: We would suggest that Client first considers the private banking facilities that are needed for revolving term loans (interest servicing package). In today's environment, not many banks are able to offer such loans against Singapore properties.

Furthermore, Client would need to think about diversifying bank risks by selecting at least 2 private banks, perhaps 1 local and 1 foreign. After shopping for banking facilities and understanding the costs, prioritise the search for the primary residence such that if Client were to exceed the \$5.0mil budget (in case a paradise home is found!), the budgets for the 2 investment properties can be trimmed or the LTVs may be increased.

Depending on the state of the economy, and leaving ourselves some flexibility to be nimble and fast if we need to, Client should have obtained private banking facilities by the end of Dec17 and purchase the 3 properties between January to June 2018.

Developments to Consider



- Freehold
- D11
- Completed in 2005
- 650m to Novena MRT
- 260m to SJI Junior

Mr Ku's Insights

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Developments to Consider



- 99-year
- D10
- Completed in 2014
- 800m to Farrer Road MRT
- 1.2km to Nanyang Primary School & St Margaret's Secondary School

Mr Ku's Insights

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Developments to Consider



- Freehold
- D10
- Completed in 2012
- 550m to Stevens MRT
- 700m to Raffles Girls Secondary School

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Developments to Consider



- 999-year
- D10
- Completed in 2014
- 550m to Great World City
- 10 minute drive to Orchard Road

Mr Ku's Insights

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Developments to Consider



- Freehold
- D10
- Completed in 2004
- 1.3km to Holland Village MRT
- 1km to ACS International
- 10 minute drive to Orchard Road

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Developments to Consider



- Freehold
- D10
- Completed in 2005
- 550m to Stevens MRT
- 9 minute drive to Orchard Road

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