

A nighttime city skyline with several skyscrapers illuminated against a dark blue sky with wispy clouds. A semi-transparent red horizontal band is overlaid across the middle of the image, containing the main text and logo.

WHY COVID-19 WILL NOT CAUSE PROPERTY PRICES TO TUMBLE



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01 WHAT IS QUANTITATIVE EASING?



THE INTRODUCTION OF NEW MONEY INTO THE
MONEY SUPPLY BY A CENTRAL BANK.

THE INFLUENCE OF QUANTITATIVE EASING

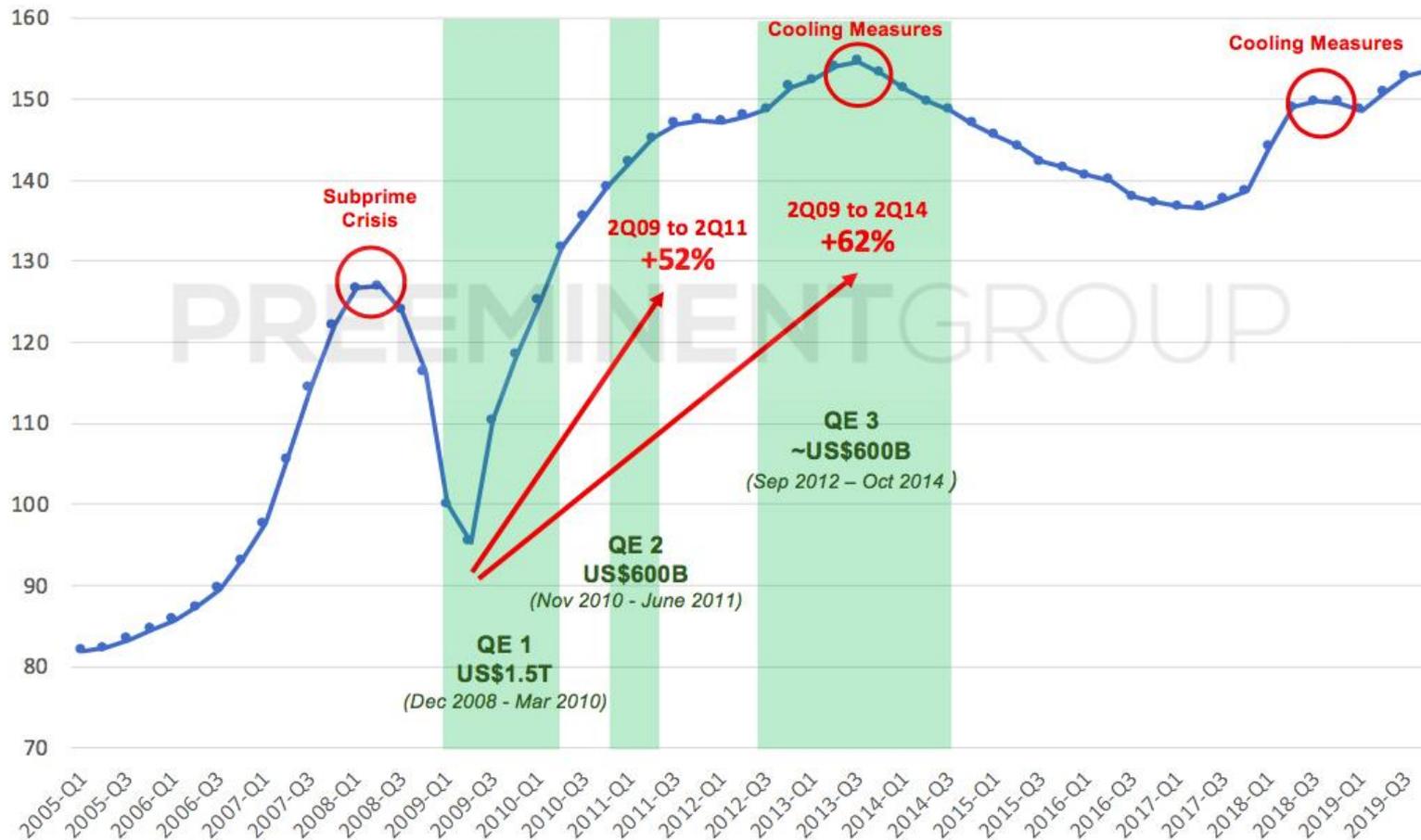


Boost to Singapore Property Prices



Firms will use “**New Money**” to lend to businesses and consumers to increase consumers spending and to acquire more assets.

Singapore Property Price Index



UNLIMITED QUANTITATIVE EASINGS



The Federal Reserve (FED), launched a massive **\$700 billion quantitative easing** program to shelter the economy from the effects of the virus

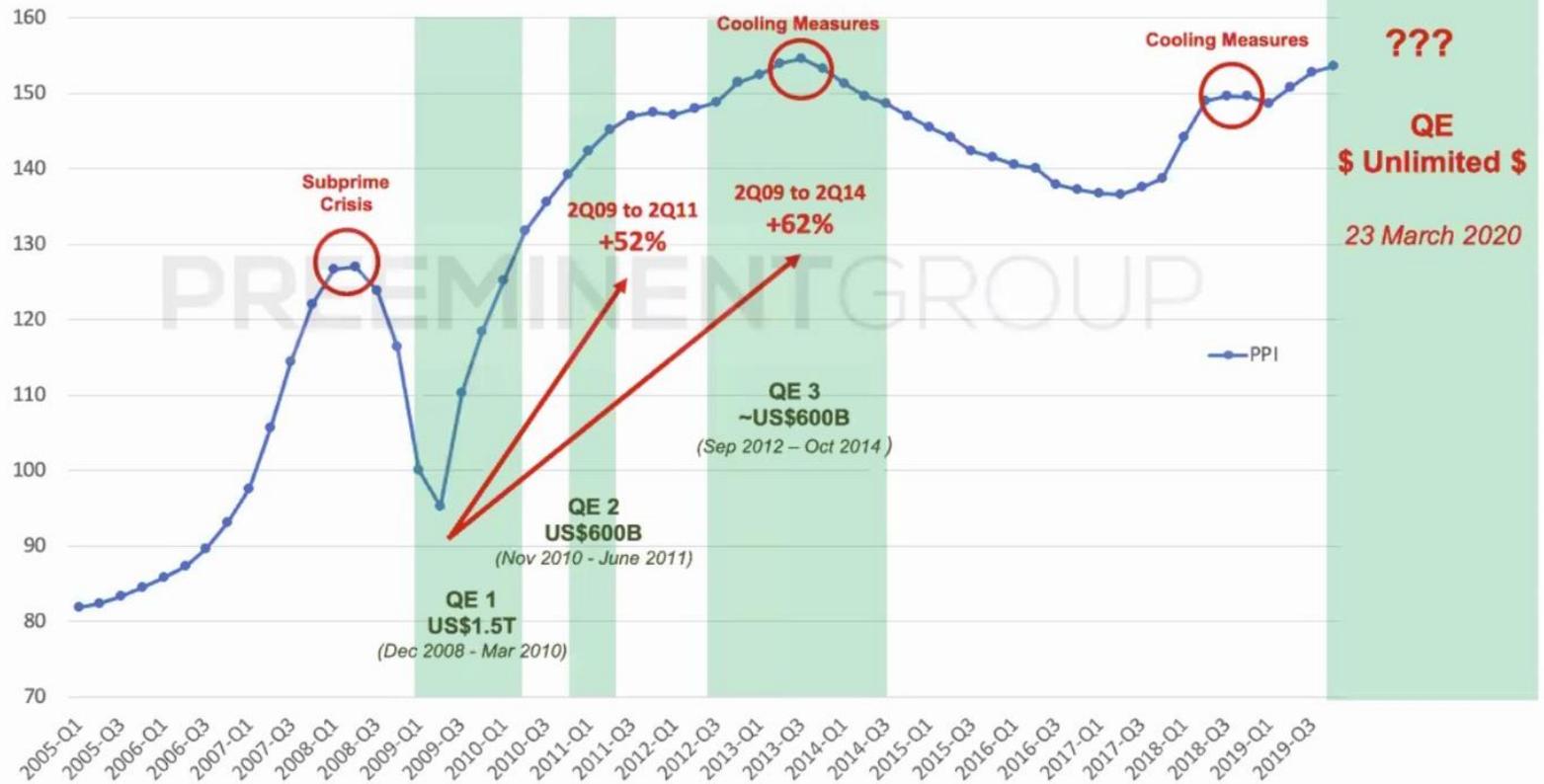
Source: CNBC ; March 16, 2020



Then, FED pledges **Unlimited QE** to keep markets functioning.

Source: Marketwatch; March 23, 2020

Singapore Property Price Index



02 LOW MORTGAGE INTEREST RATES



FED rates cut to '**NEAR ZERO**'.

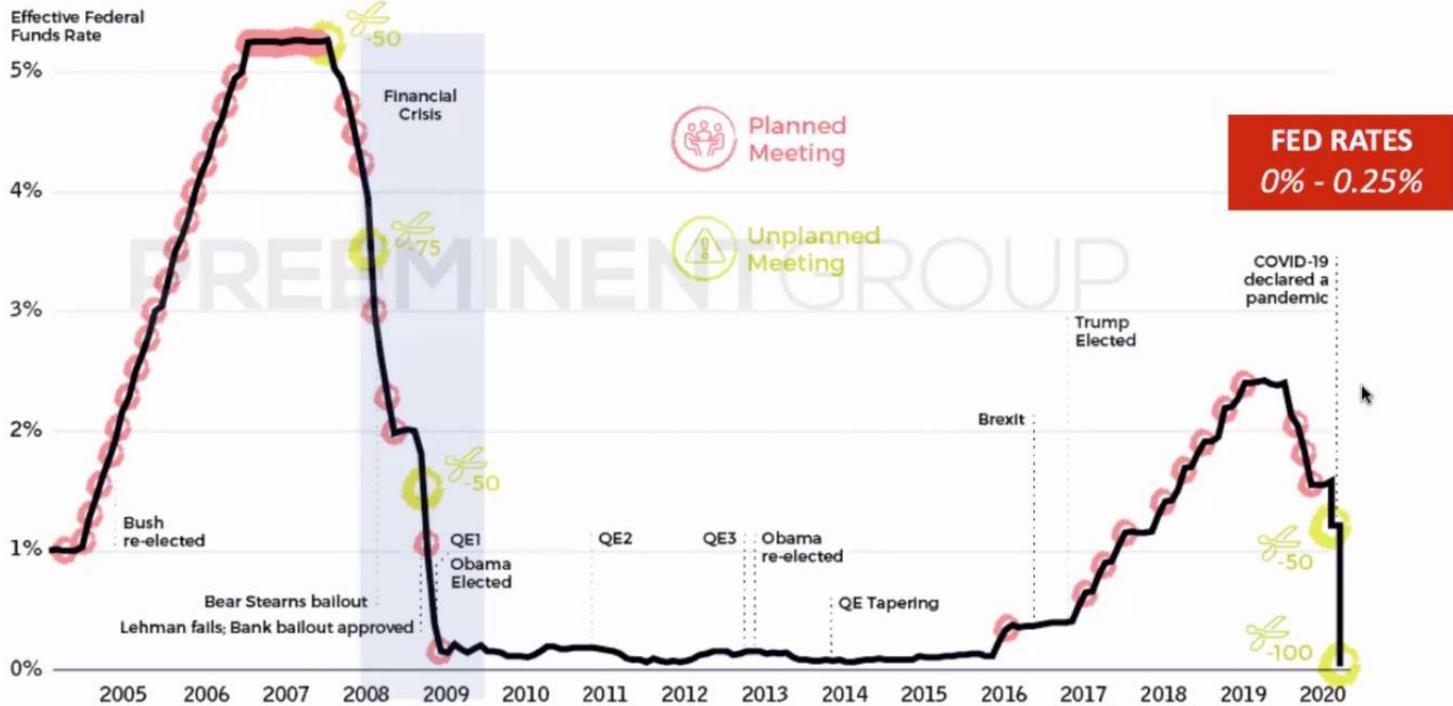


Dip in **SIBOR**.



Mortgage rates in Singapore **PLUNGE**.

FED RATES CUT TO NEAR ZERO



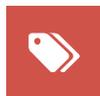
HOW DOES IT AFFECT HOME OWNERS?

Profit While You Sleep (P.W.Y.S) – TOP 5 Yrs

Mortgage Interest Decreased from 2.5% to 1.5%. Based on \$1M property after 5 years.
(\$250K Down payment)

 Lower borrowing costs.

 Good time to buy.

 Save more due to QE.

2.5% p.a @ 30 Yrs

Monthly payments est.

● \$1,400 Principal ● \$1,562 Int



Total mortgage paid after 5 years: **\$177,708**

1.5% p.a @ 30 Yrs

Monthly payments est.

● \$1,650 Principal ● \$937 Int



Total mortgage paid after 5 years: **\$155,280**

Total Savings of \$22,500 in 5 Years!

03 PROTECTION BY ANTI SPECULATING MEASURES

9 rounds of **COOLING MEASURES** since 2013



- Total Debt Servicing Ratio (**TDSR**)
- Seller Stamp Duty (**SSD**)
- Loan-To-Value (**LTV**)
- Additional Buyer Stamp Duty (**ABSD**)



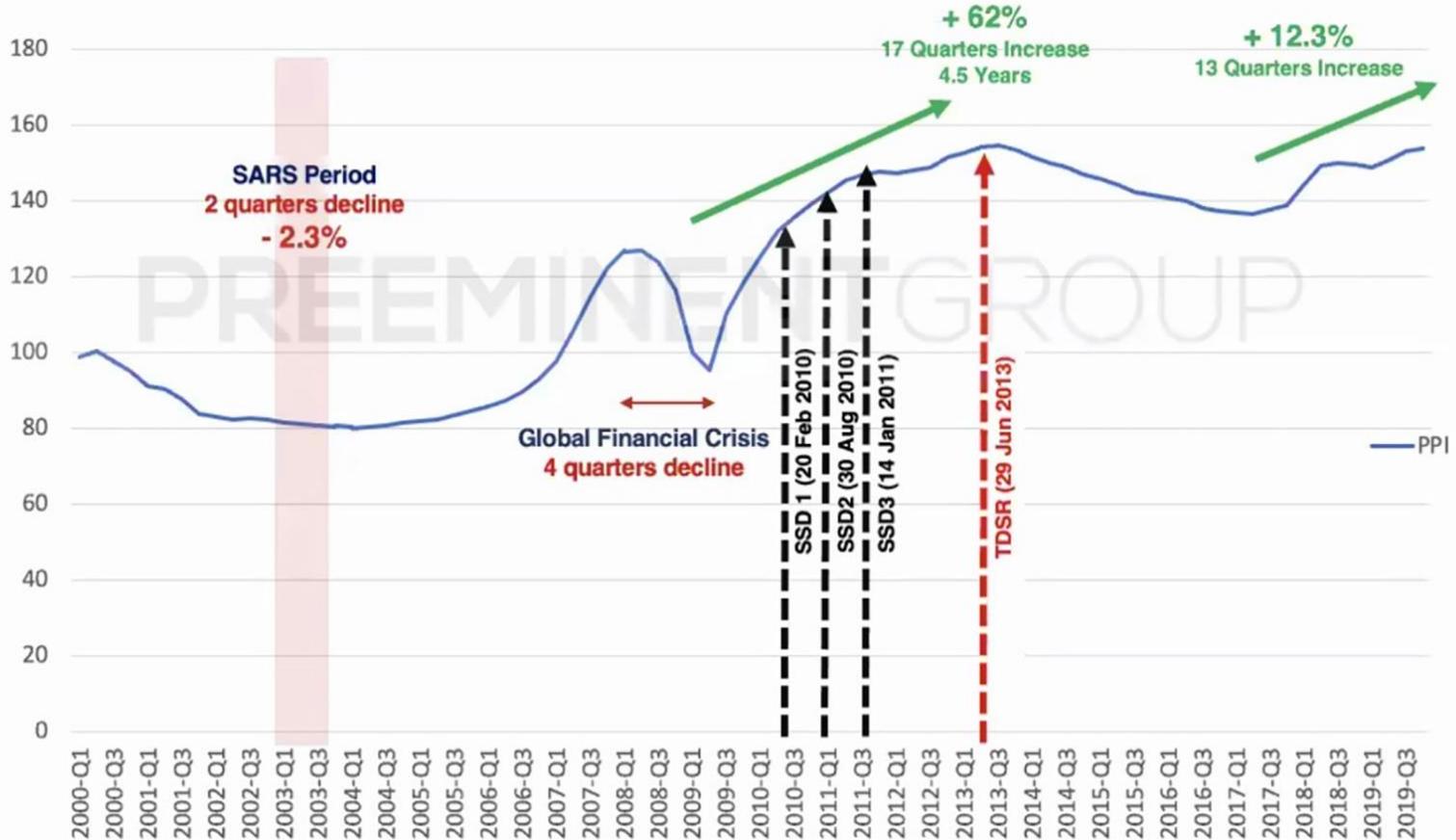
THE RESILIENCE BUDGET

- To prevent drastic fall in property prices
- Defer mortgage payments for 9 months

“**NO NEED TO PANIC SELL!**”

Real Estate Policies Supporting Property Price Growth

Introduction of SSD & TDSR will avoid big and short term price fluctuations and panic selling



04 DEMAND POTENTIAL FROM SGD CURRENCY DEVALUATION



MAS eases SingDollar stance to help economy.



Devaluing of SingDollar

- More **AFFORDABLE** to purchase a private property
- Overseas buyers **SAVE**

Benefit from the SGD Plunge Against USD



S\$1M Property

Save S\$54,000

OVERSEAS BUYERS BENEFIT

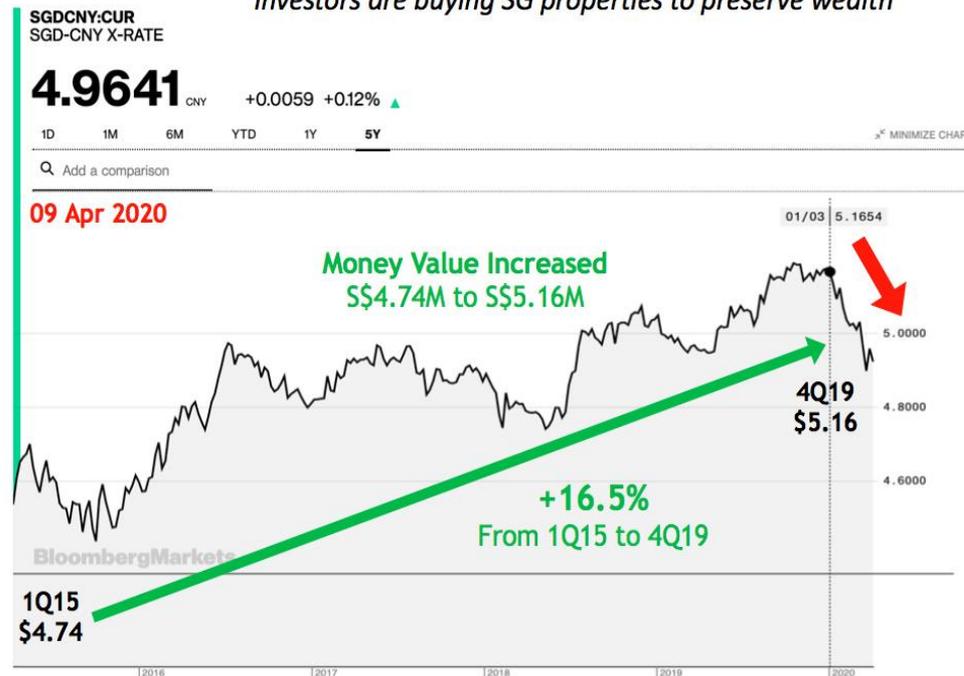
Chinese investors can buy SG property at a **Discount**

Investors are buying SG properties to preserve wealth

 **DEVALUING** SingDollar
Against Chinese Yuan

 Chinese buyers **SAVE**

 Results in **PENT UP**
Demand from the
Chinese market



-4.1%
DISCOUNT

05 SAFETY NET BY GOVERNMENT INTERVENTIONS



Resilience Budget announced by MAS on Mar 26, 2020

- Deferment of loan payments up to Dec 31, 2020.
- Continue to receive rental income.
- HDB owners are applicable



To cushion and support the SG job market

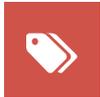
- Keep unemployment rate **Low**
- More **Holding Power** for home owners



PREVENTS PANIC SALE AND KEEPS

HDB RESALE MARKET STABLE

SAFETY NET BY GOVERNMENT INTERVENTIONS



Singapore Real Estate Policies as **Safety Mechanisms**

- **Seller Stamp Duty**
- **Total Debt Servicing Ratio**
- **Loan to Valuation**



Investors need **Holding Power** to purchase

- **Prevents Irrational Sales**
- **Prevents Fire Sales**

06 CONCLUSION



**COVID-19 WILL NOT CAUSE
PROPERTY PRICES TO TUMBLE!**

CONCLUSION



There are always solutions. Prices will not only recover **faster** and also **higher** due to **pent up demand**



If this crisis takes along journey to recover, humans will eventually learn to **adapt and embrace** the situation. This is when business will be back to usual, and you are still enjoying the **benefits** of the Low Interest Rates



Singapore government have the **ability** to intervene by easing any cooling measures to **prevent drastic falls** and will even **rebound** property prices

CONCLUSION



Singapore has been labelled as a **role model** for other countries in dealing with the Covid-19 Crisis, providing a **massive confidence boost** in our government, healthcare & economy.

- Government implemented the Circuit Breaker Measures urging all citizens to stay home, those who are affected by this measure, can always fall back on The Resilience Budget.
- The banks or finance companies granting the loan will not be able to enforce mortgages or seize equipment.
- Harder to declare bankruptcy.



Foreigners will be looking to purchase a piece of real estate in Singapore to make it their **safe haven** once the situation recovers.



**SINGAPORE IS THE BEST PLACE
TO INVEST FOR HEALTH;
FAMILY AND FUTURE.**

A hand holding a key with a house-shaped keychain, overlaid with text. The background is a solid red color.

Let Real Estate be your
BEST HEDGE against
ALL CRISIS now!