

## OUR SINGAPORE CONVERSATION: HOUSING

# Scrap COVs, they say, but S'poreans also want to monetise flats

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**SINGAPORE** – Singaporeans want flats to be affordable but also want to make a tidy sum when they sell their units, if the views of participants at Wednesday's Our Singapore Conversation (OSC) session on housing were anything to go by.

The three-hour session — the third so far organised by the Ministry of National Development (MND) — was at-

tended by 50 people and held at the Singapore Management University.

Several called on the authorities to scrap the Cash-Over-Valuation (COV) component for resale flats.

Mr Ganessaraj Soocelaraj, a 39-year-old engineer, pointed out that the sale prices of resale flats would affect the prices of all flats in the vicinity.

Civil servant Fiona Tan, 42, questioned why the MND accepts the practice of allowing sellers to ask for a premium in cash above the market

valuation. "If the unit has been given a professional assessment, I do not understand why such an under-table deal is still allowed," she said.

The HDB had previously explained that COV is not mandated by the authorities and that it is subject to the dynamics of the housing market, prevailing economic factors and negotiations between buyer and seller.

Speaking to TODAY, Mr Colin Tan, head of consultancy and research at Chesterton Suntec International, pointed out that COVs "cannot be eradicated until the valuation price comes as close to the selling price as possible".

The HDB should "relook how to close this gap", he said.

At the OSC session, which was attended by Bukit Panjang Member of Parliament Teo Ho Pin, about 60 per cent of the participants said they would like resale flat prices to go down.

However, most of them were against suggestions the MND had made to limit profiteering. The Min-

istry suggested that 1) flats have to be sold back to the HDB at the purchase price; 2) part of the sales proceeds have to be refunded back to the Government; 3) part of the sale proceeds have to be channelled back to the sellers' Central Provident Fund accounts.

None of the suggestions received support from more than 10 participants. They instead suggested, among other things, giving buyers more options such as no-frills flats or having a variety of leases and minimum occupation periods for Build-to-Order flats.

To manage the prices of flats, analysts whom TODAY spoke to suggested abolishing subletting.

Mr Chris Koh, from property firm Chris International, said: "If you remove the investment element of the flat and it becomes solely for owner occupation, I believe both the resale and BTO flat prices can be controlled."

The final OSC session focused on housing will be on June 12 and will explore how to help elderly Singaporeans who wish to monetise their flats.