Institute of Policy Studies 35th Anniversary Conference: Revisitings

Revisiting Housing

Sing Tien Foo Department of Real Estate, Business School National University of Singapore 12 June 2022





Housing dilemma: Is housing still not affordable?



BUSINESS

SCHOOL

National Universit of Singapore

- Total Residential Properties (Excl HUDC)
- ----Percentage Of Home-Ownership Flats (Per Cent)
- Percentage Of Population Living In Home-Ownership Flats (Per Cent)

Three housing dilemma



Younger households' Dilemma: Will I be priced out of the market?



NUS National University of Singapore

Do my parents stay in bigger flats?

- Social mobility via housing
 - Children of grass-root parents: strong upward mobility in housing wealth.
 - Children in the middle-class families: worse off than their parents.
 - Children of rich parents: the strongest persistence in housing mobility.





Middle-aged Households' Dilemma: Will my housing value depreciate?

• Decaying balance lease



Resale price and building age relationships



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Price change and building age relationships



HDB flats above 30 years depreciate less than private non-landed housing:

rdplot resale_price age, c(40) p(1)

Elderly Households' Dilemma: Home for life and monetization choice?

The asset-rich and cash-poor cohort

Regression function fit 55 50 45 40 35 30 20 60 Ω 40 Sample average within bin Polynomial fit of order 4

• Buyer age and building age relationships

Downsizing or bequest choice

Retirement-saving puzzle



• Resale price and buyer age relationships



Do different cohorts of buyers make rational choices in housing consumption?





