Carving a niche in after-death services

Melody Zaccheus The Straits Times, 26 January 2015

A spinning crystal orb greets you as you step into a carpeted lobby and families chat in a lounge filled with cushy seats.

There are plenty of rooms in this building and its priciest suite could set you back by \$20,000.

Some might mistake the lush set-up for a five star hotel, but Nirvana Memorial Garden in Choa Chu Kang is a resting place for the dead. It opened in 2009.

Part of Malaysian conglomerate NV Multi Corp, it is one of two foreign premium after-death service providers getting into the business of here - a sector dominated by about 60 local religious groups.

The Straits Times understands that Nirvana will be building more niches in a new block at its existing compound in the next five years. This could double its total number of niches, which stands at about 20,000 today.

The other foreign player is Taiwanese group Lung Yen Life Service Corp, which plans to invest NT10 billion (S\$429 million) to develop columbarium towers and funeral services here.

It is reportedly in talks with the Government.

This follows Australian-listed firm Life Corp's establishment of a columbarium in Fernvale, Sengkang, to be ready next year.

Experts say their entry into the Singapore market is not surprising as the population ages and grows in affluence.

"If there are profits to be made, there will be always be potential providers to meet the demand for niches," said National University of Singapore (NUS) sociologist Tan Ern Ser.

Private operators such as Nirvana charge upwards of \$5,000 for a simple design to \$20,000 for a single niche at its royal suite. Nirvana's package includes a high-tech departure ceremony.

Niche purchases at Nirvana have more than tripled from its 50 a month in its first year here.

Its general manager of sales and marketing Dennis Ng told The Straits Times: "Singaporeans plan ahead for their marriages, future homes and retirement.

"Now, they have become more receptive towards the need to prepare for their deaths."

The National Environment Agency (NEA), which runs four government columbaria, said demand projections, as well as people's preference for government or privately-run niches, are considered in its plans to ensure adequate facilities.

There were about 18,000 deaths here a year from 2009 to last year.

NUS sociologist Paulin Straughan said the entry of more premium after-death services could spur young entrepreneurs to pursue such businesses as foreign entities "inject a glam factor and buzz into the market".

Despite the growing for-profit sector, demand is still strong for government niches, which cost \$500 for a standard vault.

NEA said 148,000, or nearly half, of the 325,000 niches in Mandai, Yishun, Choa Chu Kang and Upper Aljunied are occupied.

There were almost 13,000 cremations at Mandai Crematorium last year. This is expected to "increase significantly as our population ages rapidly over the next two decades", said NEA.

Meanwhile, five church-run and temple-run columbaria interviewed said they have no plans to offer upmarket services.

Mr Larry Han, operation manager of the Christian Garden of Remembrance, with 40,000 niches, said it is not about profits.

Its niches are from \$3,900 to \$4,680 for a single unit.

"We might not have carpets or ivory cases, but we provide a dignified way for the bereaved to respect their dead," he said.

Associate Professor Straughan warned that local death rituals could be diluted with the entry of foreign players.

As it is, she said, the young today have lost touch with some cultural practices and rely on death-service providers for guidance on how to honour the dead.

"If there are knowledge and practice gaps, will foreign practitioners be able to advise the grieving families in a culturally sensitive manner?"