

What Is Better? New Launches And Resale Condos / Private Apartments?

The Singapore Condo Dilemma: Shiny New Launch vs. Spacious Resale

In Singapore's hyper-competitive property market, choosing a condominium is rarely just about finding a roof over your head. It is a calculated, high-stakes financial play. As we navigate the real estate landscape, buyers stand at a familiar but increasingly sharp fork in the road: Do you buy a shiny, unbuilt New Launch, or do you opt for an established Resale unit?

While conventional wisdom says "new is always better" or "resale is always cheaper," the reality is far more nuanced. Driven by elevated land acquisition costs and shifting buyer demographics, the dynamics between these two asset classes have evolved. Here is an eye-opening look at what is actually happening behind the showroom glitz and the open-house viewings.

1. The Per-Square-Foot (PSF) Illusion vs. The Absolute Price

The most striking divergence between new launches and resale units lies in the price premium. Today, new launches command an average premium of 15% to 30% over comparable resale units in the same neighborhood.

Developers are bound by high Government Land Sales (GLS) prices and construction costs, forcing them to price new units at historic highs.

Current Market Reality (Average Price Benchmarks)

Region	New Launch PSF	Resale PSF	Estimated Premium
Core Central Region (CCR)	S\$2,800 – S\$3,200+	S\$2,200 – S\$2,800	~15% – 20%
Rest of Central Region (RCR)	S\$2,400 – S\$2,700	S\$1,800 – S\$2,200	~20% – 25%
Outside Central Region (OCR)	S\$2,000 – S\$2,200	S\$1,400 – S\$1,700	~25% – 30%

The Eye-Opener: While a new launch at S\$2,100 PSF sounds incredibly steep compared to a nearby resale at S\$1,500 PSF, developers compensate by designing highly efficient, ultra-compact layouts. A 2-bedroom new launch might only be 650 sq ft, while an older resale 2-bedroom might be 900 sq ft. Thus, the *absolute quantum* (total price) can sometimes look surprisingly similar, forcing buyers to make a stark trade-off: **Do you want maximum livable space, or maximum modern efficiency?**

2. Cash Flow Psychology: Progressive vs. Lump Sum Payments

How you pay for these properties fundamentally changes your lifestyle during the transaction period.

- **New Launches utilize the Progressive Payment Scheme (PPS).** You do not service the full mortgage from day one. Instead, your bank releases funds in stages based on construction milestones (e.g., completion of the foundation, structural framework, brickwork). If you are an HDB upgrader or someone juggling current rental costs, this significantly lowers initial monthly mortgage stress.
- **Resale properties require a rapid, full capital outlay.** Once the legal completion process wraps up (usually within 10 to 12 weeks), you are responsible for the full monthly mortgage installment immediately.

3. The Unspoken Risks: Hidden Costs and Asset Dead-Zones

Every choice has its hidden traps. In the battle of new versus old, the financial landmines are completely different.

The Resale "Valuation Trap" (COV)

When purchasing a resale condo, bank valuation is king. If a seller insists on a "spicy price" of S\$2 million due to holding power, but the bank values the unit at S\$1.8 million, the bank will only loan you a percentage of that S\$1.8 million. You, the buyer, must bridge that S\$200,000 deficit entirely in cash.

Furthermore, unless the previous owner kept the place immaculate, you face the "renovation headache." Fully overhauling an older condo to modern standards can easily set you back **S\$80,000 to S\$150,000** in cold, hard cash.

The New Launch "Construction Lock-In"

Buying a new launch is essentially a 3-to-4-year forward bet on the market. You are buying an idea. If personal circumstances change or the market dips during construction, you cannot easily pivot. Selling the unit before it obtains its Temporary Occupation Permit (TOP) triggers a heavy **Seller's Stamp Duty (SSD)** (up to 16% if sold within the first year). You are effectively locked into a paper asset until the keys are handed over.

4. Investment Geometry: Yield vs. Capital Gains

If you are buying purely to grow your wealth, the choice boils down to what kind of investor you are.

What is your priority?

Immediate Cash Flow



(Choose RESALE)

Long-Term Capital Gains



(Choose NEW LAUNCH)



3% - 4.8% Gross Yield
Immediate rental income
Predictable history



"First Mover" pricing
Value often jumps post-TOP
Fresh 99-year lease

- **Resale is for Income Gen:** Resale units offer **immediate rental yields** (historically hovering around 2.5% to 4.8%, outperforming new launches in early years). You can physically inspect the unit, look at past rental transactions in the block, and calculate your exact ROI before signing.
- **New Launch is for Asset Growth:** New launches capitalize on the **"TOP Effect."** Historically, buyers who enter at the earliest developer pricing tiers see a sharp spike in capital appreciation once the project is physically completed and becomes a tangible product for the resale market. It also resets the clock on the 99-year leasehold decay, ensuring a healthier runway for future exit strategies.

The Verdict: Which Side of the Fence Are You On?

Ultimately, the choice isn't about finding the "better" property, but finding the one that matches your financial timeline.

- **Go with a New Launch if:** You have a 4-year runway to wait, prefer structured, bite-sized mortgage increases, value smart-home integrations, and want a developer warranty that handles defects for free during the first year.
- **Go with a Resale if:** You need immediate housing, want a larger physical footprint for family living, want to avoid paying cash over valuation, and prefer a predictable, tangible asset that can start generating rental income by next month.