

REDAS AGM 2021 (Election Year) on 4 February 2021



**PRESIDENT'S REPORT
YEAR 2020**

Year of Covid-19, Cooperating & Overcoming 2020

2020 was an exceptionally challenging year under the “shadow of COVID-19”. In addition to its incalculable health risks and human toll, the pandemic delivered a very sharp economic contraction globally. Trade, tourism, aviation and social activities were badly disrupted and many businesses and individuals faced cash flow crisis.

The real estate and built environment industry was not spared. The industry players and stakeholders, including developers, contractors, sub-contractors and supply chain vendors — all experienced varying degrees of hardship, problems and hurdles. The tourism industry took a very serious toll, with knock-on effects on consumer confidence, higher vacancies in the retail, office and hospitality sectors and the business community at large.

At the onset of the pandemic, REDAS engaged the various government agencies to mitigate the impact of the pandemic on businesses and manage costs, from construction delay to showflat re-opening as well as rental rebates to tenants and contractual obligations with buyers and business partners. Our engagement focused on and reinforced the importance of preserving the health of the construction and real estate sector as well as the social-economic priority of protecting and creating jobs. Encouragingly, we made some headway.

The Government extended fiscal support, through 4 rounds of substantial Budgets, to mitigate the impact of the pandemic on businesses and jobs, in particular helping the SMEs. To provide relief to the property market, in May 2020, the Government granted 6-month extension of PCP, ABSD remission and QC deadline requirements.

In August, though construction projects restarted under Phase 2, the full resumption of on-site operations remained a challenge and progress of construction sites was painfully slow. Many businesses were under intense pressure to meet project timeline. In our appeal for further extension of the timeline for PCP and ABSD remission, we also requested for extension of the date on delivery of vacant possession of new projects under the COH's standard Sale & Purchase Agreement. In October, the Government extended some temporary relief measures for developers to meet the completion timeline.

REDAS AGM 2021 (Election Year) on 4 February 2021

As businesses grappled with the evolving pandemic on the back of heightened risk of a world-wide economic slowdown and mounting impact on demand, supply and financial stability, the Government continued to provide support and assistance to workers and the underserved. Businesses and communities continued to rally and cooperate with Government to contain the pandemic. Testing capabilities for early detection and public health action were ramped up. Mask mandates, social distancing, safe management measures and Covid testing were diligently implemented to contain the spread of the virus and keep community transmission low.

Building Solidarity within the REDAS Fraternity

2020 was also another busy year for the Association. In addition to holding social events, seminars and courses online, Town Hall Forums were ramped up to connect with and engage members. We listened to members' ground feedback and suggestions on how the Government can help pump-prime the economy, be pro-business, pro-investment and how businesses can pivot and plan as they navigate in the new normal.

To enhance productivity capability and processes, REDAS continued to form strategic collaborative partnerships with the public and private sectors to steer and transform the built environment industry towards greater innovation and digitalization. One such initiative is the recently announced development of a Developer-centric IDD Dashboard to streamline the fragmented BE eco-system and promote efficient workflow optimisation.

As key stakeholder of the built environment, REDAS was invited to sit in the Singapore Together Alliances for Action (AfA) on Digitalising Built Environment. The AfA was set up by the Emerging Stronger Taskforce (EST) to review how Singapore can stay economically resilient and build new sources of dynamism in a post-COVID-19 world. I hope to gather members' strong support for the AfA's drive to refresh the Industry Transformation Maps (ITM) and to encourage members to come together to create new ideas to strengthen the industry.

REDAS also participated actively in the ongoing Future Economy Committee (FEC) Built Environment (BE) Cluster Sub-committee as well as the many sub-committees under the iBuildSG Tripartite Committee (iBuildSG TC). Co-chaired by MND Minister Mr Desmond Lee, the FEC BE Cluster Sub-Committee met regularly to address Issues pertaining to construction re-start as well as drive the suite of programmes put up by the iBuildSG TC. I was invited to Co-Chair the iBuildSG TC. To help BE

REDAS AGM 2021 (Election Year) on 4 February 2021

firms attract and retain talents to meet immediate short-term challenges and to prepare for future upturns, the iBuildSG TC put up programmes which include Skills Framework, SGUnited Jobs and Skills initiatives, Work-Study Programme as well as strategies to transform the facilities management sector.

Last but not least, REDAS contributed to the Fair Tenancy Protem Committee, comprising key representatives from the landlord and tenant communities as well industry experts. The Committee seeks to strengthen collaboration and increase the vibrancy and competitiveness of Singapore's retail, food & beverage (F&B) and lifestyle sectors. This will contribute to Singapore's attractiveness as a lifestyle destination for Singaporeans and tourists alike.

The Association turned 61 in 2020. As always, we are thankful to have the support of the REDAS fraternity which has stood by us over the years, including our continued endeavour to grow a caring fraternity within REDAS and our civic duty to give back to Singapore by meeting the needs of the underserved.

In 2020, REDAS specially set up the REDAS Solidarity Project Fund and rallied members to contribute to the Funds to extend their care and appreciation for the nation's dedicated frontline workers, specifically those in the healthcare and built environment. Over 80 members contributed \$852,000. The monies went towards 200,000 care packs and 800 standings fans for migrant workers as well as gift vouchers to some 22,000 healthcare workers in SingHealth.

Year 2020 was indeed a time of awakening, when we learnt important lessons including what it means to be a business fraternity, working closely with the government and various value-chain partners/stakeholders, to provide insights, feedback and propose solutions to sustain the health of the construction and real estate sector as well as the social-economic priority of protecting and creating jobs.

Looking to 2021, Forging a Sustainable Future

On 28 December 2020, Singapore entered into Phase 3 of its COVID-19 reopening. With the availability of vaccines, the worst effects of the pandemic are likely to be over. As Prime Minister Lee said in his recent New Year message – *“After the pervasive darkness that filled the tunnel for almost 12 months, we can now see light at the end of the tunnel.”* Nevertheless, there are still signs of weakness. A slow and uneven global economic recovery is expected across regions. While Singapore's economy is forecast to grow by 4% to 6% in 2021, its recovery will depend on the extent of damages which the pandemic has done to the global economy and how

REDAS AGM 2021 (Election Year) on 4 February 2021

fast and wide the vaccines can reach the global population. Concerns remains on the prospects of weak economic growth, mounting debts and rising trade tension, hindering recovery and investment plans.

Unemployment rates have eased from 3.6% in previous months to 3.3% in November last year. Notwithstanding this, the business sector needs more stimulus in terms of fiscal and other regulatory support. This would help ensure companies have enough resources to capitalise on opportunities, support jobs and increase capabilities.

As countries continue to battle the COVID-19 crisis and emerging new variant of the virus, tourism and hospitality sectors could take longer to recover. Sectors like the built environment and retail are recovering but there are still many challenges ahead. The construction sector continue to face cash-flow issue and more recently manpower shortages. On the retail front, with increased competition from e-commerce, it is imperative that retailers adopt flexible/innovative approaches and greater use of omnichannel strategies for long term survival.

The pandemic has also accelerated integration of technology innovation, increased adoption of environmental standards and sustainability in the built environment as well as heightened focus on employee wellness. With definite action, the real estate industry is well positioned to better respond to changing market needs, both in the near term and over the longer term.

Climate change is another key area which warrants immediate attention. Even as the world focuses on the pandemic, climate shocks, natural disasters and ecosystem loss have not stopped. In addition to direct disruptions to economies through disruption in trade and supply chains, there are further knock-on effects on the environment. Warmer temperatures, sea level rise and extreme weather will damage property and critical infrastructure, impact human health and productivity, and negatively affect sectors such as agriculture, forestry, fisheries and tourism. It is thus important that developers rethink the design, purpose and sustainability of buildings and the environment and how to shape a greener, more resilient sector fit for the future. The rising demand for safer, healthier and more sustainable buildings as well as people-centric developments will shape the real estate sector and the infrastructure trends, going forward.

The pandemic has indeed drastically changed the real estate landscape and forced a reality check on many real estate businesses. Some businesses will have to think anew about how best to crisis-proof their operations and strategise sustainable

REDAS AGM 2021 (Election Year) on 4 February 2021

business practices that can prepare them for the new normal and take them to a better future. Strong collaborative partnership remains essential on multiple fronts.

As we move into 2021 with renewed resilience and measured optimism, we hope the Government will continue to support the innovation efforts of developers to optimise space usage and take a sympathetic view to provide relief targeted at sectors that are more severely affected to help them overcome pandemic induced difficulties to recover well.

Maintaining a Stable and Sustainable Property Market

As developers, to ensure business continuity, we undertake tough business decisions and risks amidst an uncertain and increasingly competitive business environment.

In the midst of the pandemic and economic challenges, the property market had stayed generally resilient. Property activities picked up in the second half of the year and there are some signs of renewed positive sentiments in the property market. Nevertheless, we remained concerned of the challenging new environment.

REDAS shares the Government's sentiment that the property market needs to remain "resilient to economic downturns, property bubbles and external shocks like a pandemic" and that "prices move in line with economic fundamentals." We are comforted that the government is preparing various contingencies to act where and when needed to maintain stability and sustainability of the property market.

Singapore has overcome many existential challenges to become one of the world's most liveable city states and a vibrant, thriving city. As a global financial city, Singapore's stable political environment, top quality infrastructure, efficient public service, diverse range of facilities and cosmopolitan ambience make it an increasingly attractive destination and a good place to live, work, play and study, and to operate from and invest in. Its real estate market presents an opportunity for the Government to welcome entrepreneurs, business builders and long term investors to own a piece of Singapore, sink their roots here and contribute to our economic development actively here by investing and expanding in businesses and other asset classes. Fortunately, because of Singapore's good track records and governance, properties here remains a viable asset class for Singaporeans and investors.

On this note, I will like to reiterate our collective commitment to forge a vibrant and transformative real estate and property market with sustainable growth that creates value and opportunities for all. The path to "***Emerging Stronger for a Better***

REDAS AGM 2021 (Election Year) on 4 February 2021

‘Tomorrow’ is a rallying call to fellow members to focus on resilience, stability and sustainability of the real estate sector and for the greater good of Singapore.

THANK YOU

REDAS turned 61 in 2020. Flashback to 1958 when the Association started with a small group of visionary real estate developers who wanted to invest in the future of our fledging nation, raise standards and promote the industry’s interests, REDAS has come a long way.

As the Association continues to stand united with its fraternity, I would like to pay tribute to our visionary veterans, our Presidents and Management Committee members, past and present for their guidance and dedication.

I would also like to extend my heartfelt appreciation to our advisors, fellow members of the Management Committee and members of the various sub-committees. A big thank you for your valuable contributions and going the extra mile to support the many initiatives to grow the industry.

To all fellow members, we look forward to your continued strong support and many more years of collaborative and fruitful partnerships.

With the support of Government grants (job support scheme), the Association turned in a modest net operating surplus of \$121,373, a drop of 73% over last year’s surplus of S\$447,727. The Association will continue to exercise prudence and manage the expenses carefully.

Once again, thank you. As we look forward to a better year, I wish all members happiness, good health and abundant success.

Chia Ngiang Hong
President
REDAS

18 January 2021

Real Estate Developers’ Association of Singapore (REDAS)
190 Clemenceau Avenue #07-01, Singapore Shopping Centre
Tel: 6336 6655 | Fax: 6337 2217 | Email: redas_secretariat@redas.com
URL: www.redas.com