



PRESIDENT'S REPORT YEAR 2021

A Year of Challenge, against the Odds

2021 has been another long roller-coaster ride for many people, businesses and economies across the world as hopes rose and subsided with emergence of variants of the coronavirus, necessitating new measures and tighter control of international borders. Times were tough as we witnessed serious vulnerabilities across industries, in particular, labour supply, materials and key components' shortages and global supply chains disruptions.

In Singapore, the various stakeholders of the real estate and built environment, including developers, contractors, sub-contractors and supply chain vendors — continued to experience varying degrees of hardship and problems, coupled with higher business costs on the back of supply chain bottlenecks. For some companies, it was not back to business as usual. We take great comfort that the Government continued to roll out measures to support the construction sector's recovery. The COVID-19 (Temporary Measures) Act (COTMA) was one such measures implemented to support affected firms.

Despite the heavy burden of rising operational costs and construction cost over-runs as high as 20%-30% due to pandemic-related delays, developers tried their best to support their contractors by co-sharing the additional costs incurred. **The 4th Edition of REDAS Design & Build Conditions of Contract** was updated with new provisions to take into consideration the industry practice of providing advance payment to contractors for the costs of offsite fabrication of materials, the effect of the pandemic on the prolongation of the Works and the co-sharing of certain costs arising from the pandemic.

With the resurgence of Covid-19 cases and travel restrictions in 2021, it was also a very tough year for the retail and hospitality industries. As businesses grappled with declining sales, Government extended fiscal support to mitigate the impact of the slowdown on businesses and save jobs, including extending rental relief for tenants. At the same time, landlords also engaged with their tenants to work out amicable ways to ease their burden, such as by offering additional rental relief and/or restructuring their lease contracts. A new **Code of Conduct (CoC)** to establish industry norms on **Fair Tenancy** practices and contract terms was unveiled in March 2021 by an industry-led Committee of landlords and tenants. Underpinned by the principle of fair and balanced lease negotiations, the CoC provides a consistent set of

leasing principles for all retail landlords and tenants and a **Framework** to resolve disputes reasonably and in good faith. **REDAS is an inaugural member of this Committee.**

As we approached the end of 2021, things seemed to be more optimistic as a sense of normalcy and improved market sentiments returned to the property market. Many in the real estate sector were anticipating better times ahead. To their dismay, another round of **tough new property cooling measures** was introduced in December. The hefty ABSD rate of 35% on developers and tightened TDSR rates will certainly constrain developers' ability to embark on new projects as they endeavour to sustain their on-going business amid prolonged Covid-19 risks stacked against the built environment sector which is severely affected by labour shortages, rising material costs and financial woes.

REDAS appealed to the Government to consider extending the ABSD Remission timeline to sell off all housing units by another 12 months for projects where the land was purchased prior to 16 December 2021. We hope the Government will also review and consider tweaking the formula on land ABSD to be based on percentage of unsold units, rather than 100% sell-out, as in the case of the Qualifying Certificate requirements.

The battle against Covid-19 was indeed very difficult and challenging for all entities in the public and private sectors. The real estate industry needs time to reboot, restore and recover. We believe many business leaders are still reeling from the impact of the pandemic and are strategising on how to regroup and prepare to ride on the economic recovery post-Covid.

REDAS will continue to work in unity with the various stakeholders to keep the industry resilient amidst this difficult period.

REDAS at Work ... Connects and Collaborates

In 2021, REDAS remained unfazed and resilient. Our members' business interests and benefits remain at the forefront of REDAS work as the Association continued to actively engage in discussions with the authorities to put forth our views and suggestions on pertinent matters which impact real estate development and the built environment sector. These cover a wide range of issues including land use, Industry Transformation Maps (ITMs) to drive higher productivity and sustainability, last-mile B2C deliveries, loading bays in condominiums, interoperability among multiple agencies and construction recovery/restart and last but not least, BCA's CONQUAS / Quality Mark (QM) schemes, URA's Long-Term Plan Review and amendments to the

Housing Developers Rules (HDR) as well as SLA's digital conveyancing portal (DCP).

REDAS is also represented in workgroups for new contract provisions and various workgroups under iBuildSG Tripartite Committee (iBuildSGTC). The former made several recommendations to incorporate pandemic resilient provisions in the conditions of contract commonly used in the built environment sector. Apart from contributing feedback to the iBuildSGTC on emerging job roles for BE graduates at AU/Poly/ITE levels, REDAS Member companies have also been offering meaningful mentorship and internships to develop youth talent and leadership.

In 2021, we continued to hold regular social events and networking sessions to facilitate connectivity and business opportunities as well as practical courses on a myriad of topics and seminars like the Property Prospects Update and IDD Symposium to strengthen capabilities and competencies of members. In addition, REDAS engaged in enlightening “**In-Conversation**” sessions with Ministers and distinguished industry experts to listen and share views on the transformative change to the real estate landscape - from rethinking the roles of the different property sectors to repurposing space and envisioning the future of real estate needs. At recent session, panelists shared their thoughts on the benefits of connections between generations as well as youth and talent development. Many participants expressed interest to attending more iterations of the “In-Conversation” sessions.

Collaboration has been a constant theme in REDAS' works. As a key stakeholder of the built environment, we recognise the importance of adopting sustainable practices in our business and we advocate green and healthy buildings to enhance the community, environment, quality of life and hasten the transition to a more sustainable economy. REDAS has been working closely with the government on the digitalisation of the built environment sector to help Singapore becoming a Smart City and will continue to push on.

As the new year unfolds, we are moving into a new phase. **Decarbonisation, Sustainability and Digitalisation** are big on the national and global agenda and REDAS has key roles to play in these important areas. With conversation on climate change gaining momentum, REDAS will continue to form strategic collaborative partnerships with the public and private sectors to steer and transform the real estate and built environment industry towards greater productivity and climate resilience. Though a huge challenge, decarbonisation for businesses also offers tremendous potentials for the real estate industry to advance towards low carbon emission development path and green growth opportunities, creating an environment

to improve capital market attractiveness, boost investor confidence as well as strengthen brand and develop the requisite human capital.

On collaboration, REDAS has been partnering URA on “**SPARK**”, an annual competition that seeks ground-up innovation to raise the quality of the built environment as well as on the publication entitled ‘**Art in Public Space, Singapore**’. “SPARK” offers participants including students and young adults an opportunity to test and showcase their prototypes in participating developments and shopping malls. Jointly published by REDAS and URA, Art in Public Space is a celebration of the passion, dedication and creativity of many artists, developers, building owners, as well as the arts and community groups who have actively contributed to public art in our city, across different periods of Singapore’s development.

REDAS will continue to explore similar collaboration with other like-minded organisations on youth-centric programmes and projects to seek ideas on how we design our homes and our workplace as well as create a ‘neighbourhood’ community with integrated spaces for amenities to foster social interaction for the young and elderly.

REDAS Fraternity for the Future ... Forward-looking, Inclusive and Transformative

Over the last 62 years, REDAS and its members have worked hand in glove with the Government, as close and trusted partners in national development and nation building.

REDAS celebrated its 62nd Anniversary in November 2021 as a fraternity. The Association continues to recognise distinguished and successful business leaders in real estate who have made significant and on-going contributions to the community and the nation over the years. We conferred the **REDAS Lifetime Achievement Award** on Mr Edmund Cheng, REDAS’ Past President for his distinguished and unstinting support and contributions to REDAS, the real estate industry, the community and to nation building. Since its inception in 2013, REDAS had presented this award to four illustrious beneficiaries namely Patrons Mr Kwek Leng Beng, Mr Kwee Liong Keng and Mr Philip Ng as well as Past President, Mr Daniel Teo.

In 2021, REDAS maintained its tradition of honouring REDAS Management Committee Members who have dedicated more than 15 years of service to the Association. Mr Liam Wee Sin, Group Chief Executive of UOL Group was conferred the **REDAS Luminary Service Award**. Since 2016, 8 MC Members (past & present) received the Award.

As a responsible corporate citizen, REDAS has been reaching out to the underprivileged within our community, especially to help the needy and vulnerable among us. In 2021, REDAS committed **One Hundred Thousand Dollars(S\$100,000) to the Community Link (ComLink).**__This programme aggregates and coordinates support to assist low-income families with children in public rental housing. REDAS Fraternity is indeed proud to be part of the SG Cares Community Network's mission to strengthen community support for vulnerable groups in our society and help them in their journey towards sustainability, self-reliance and social mobility.

Looking forward to 2022 ... A New Economic Horizon

With Budget 2022 charting the strategy to rebuild and restore the economy, Singapore's economy is on a firmer footing 2 years into the pandemic. Singapore's overall economic prognosis remains optimistic and is poised for a more even recovery in 2022. According to data from the Ministry of Trade and Industry, Singapore's economy grew 7.6% in 2021. For 2022, the GDP growth forecast is 3-5%. Notwithstanding this, the trajectory of the pandemic remains a risk and external headwinds from the geopolitical tension between the international super powers may affect the economic recovery and growth.

I am hopeful that we will see broad support for growth and I think 2022 will be a pivotal year for companies to transform their business, engage in sustainability strategies and move ahead with business development plans that had been suspended or delayed by the pandemic. For the retail and tourism-related industries, progressive easing of Covid-19 restrictions and expansion of the Vaccinated Travel Lanes (VTLs) scheme will bode well for the growth of these sectors.

The pandemic has indeed been a massive test of our resilience, resourcefulness and governance, paving the way for greater cooperation and building trust to overcome a common enemy.

As a geopolitically non-aligned country with an advanced financial system, political stability, a pro-business environment, strong legal and regulatory framework, efficient infrastructure, international connectivity, as well as a highly skilled labour force, Singapore has established itself as an attractive investment destination to live, work, play and study. The country has been continually transforming its urban solutions and the ensuing quality of life for its people. This has underpinned Singapore's economic development and its position as a global financial and business hub as well as a global smart city.

As key stakeholder of the built environment & real estate industry, REDAS remains confident in Singapore's macroeconomic stability and strong track records for mid- to long-term capital value growth and preservation. We take a long term view of real estate development and support a pro-business environment which provides stability and growth. Singapore real estate has a strong edge to emerge stronger and make its mark in the post-pandemic economy.

Thank You

I would like to acknowledge fellow members of REDAS, industry partners and business associates who have stood by us over the years. We look forward to your continued strong support and many more years of collaborative and fruitful partnerships, including our collective endeavour to grow a strong fraternity, **F.I.T. for the future** - Forward-looking, Inclusive and Transformative.

As the Association continues to stand united with its fraternity, I would like to pay tribute to our visionary veterans, our Patrons, Presidents and Management Committee members, past and present for their guidance and dedication. To our advisors and members of the various sub-committees, our deep appreciation for your valuable time and contributions. I also hope the next generation of younger leaders from our industry will come forward to serve on the REDAS Management Committee (MC) – as this is an important succession plan to move in line with the national 4G.

With members' continued strong support for the many events and activities, the Association turned in a modest net operating surplus of \$225,001, an increase of 85% over last year's surplus of \$121,373. The Association will continue to exercise prudence and manage the expenses carefully.

As we begin a new fiscal year in 2022, continued efforts will be made to strengthen the position of REDAS, enlarge its role and raise the profile of the real estate development industry in Singapore and beyond.

Once again, thank you. I wish all members happiness, good health and abundant success in the years ahead.

Chia Ngiang Hong
President
REDAS

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