

Resale HDB flats with green views fetch higher prices: Study

Greenery trumped factors such as proximity to MRT station, number of years left on lease

Cheryl Tan

Home owners place an increasing value on greenery, with a new study showing that resale flats located close – but not too close – to tree cover have been able to fetch higher prices over the past three decades.

Balancing urban greenery, such as parks and forests, with Singapore's development and housing needs can bring about more useful urban ecosystem benefits, said the study's lead author Teo Hoong Chen, a PhD student from the NUS Centre for Nature-based Climate Solutions.

For instance, the cooling effects from trees can mitigate against the urban heat island effect, where densely built cities experience higher temperatures. Parks could also mean new recreational spaces for exercise and play.

The study, which compared long-term land use changes from 1990 to 2019 with resale flat sales over the years, found that flats located close to tree cover – urban forests, street trees, woodlands and nature reserves – were more popular than those near grass

patches.

As many grass patches are often vacant state land, buyers may have the perception that the area could soon be redeveloped, which could mean prolonged construction noise and obstructed views, said Mr Teo.

Grass cover could also reflect private golf courses, cemeteries, and small parks or gardens.

The findings were published in the scientific journal *Elsevier's Sustainable Cities and Society* on June 1.

Flats that were about 200m to 1km from tree cover were also found to be more popular than those within 200m of trees.

This could be because green views can be enjoyed from a greater distance and the cooling effects are more apparent, while being closer to parks and green spots could mean putting up with noise from exercise groups and children, more encounters with pests, and greater humidity, said Mr Teo.

The study also took into account other factors that influence a flat's resale price, such as its proximity to an MRT station and the Central Business District, and the number of years remaining on the lease.



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But closeness to greenery trumped these factors in fetching higher premiums over the decades.

In the 2010s, being near greenery accounted for up to 11.7 per cent of the average resale flat price, amounting to a premium of up to \$50,000. This figure was 9.2 per cent in the 1990s.

However, Dr Lee Nai Jia, who is in charge of real estate data intelligence at PropertyGuru Group, said that while being close to nature reserves and national parks may be an advantage, it may not be as critical as other factors such as proximity to schools, shopping centres and MRT stations.

"The Government has made concerted efforts to integrate green spaces into housing estates, potentially minimising the dispar-

ity between homes in this respect. The scale of natural spaces also significantly influences their perceived value," he said.

For the average flat unit, around 40 per cent to 50 per cent of the land cover within 200m, and from 200m to 1km, is greenery.

The study also found that in the 2010s, for every 1 per cent increase of tree cover within 200m of a Housing Board flat, its price would increase by an estimated \$553.

But a 1 per cent increase of tree cover from 200m to 1km to a flat could bring about a price increase of up to \$883.

"Overall, with declining green areas all around Singapore, buyers tend to value greenery closer to their homes a lot more. Improvements to some of our parks, nature reserves could also explain why

people value them a lot more," Mr Teo said.

Within residential towns, the area of greenery per person declined from 17.7 sq m to 13.7 sq m from 2008 to 2020, noted the study.

This is still above the World Health Organisation's recommendation of having 9 sq m of accessible green space per person – crucial for one's physical and social well-being, it added.

Ms Christine Sun, senior vice-president of research and analytics at OrangeTee & Tie, said demand for flats located closer to greenery or nature has always been strong, even from more than a decade ago.

"Greenery is one of the key selling points for many properties, as having green features or being near greenery has always been fa-

voured by Singaporeans.

"While such flats are popular and may be easier to sell, we have not done a study to track if prices are indeed higher than others who do not face greenery," she added.

ERA Realty Network key executive officer Eugene Lim said flats located close to nature, especially those facing greenery, attract more buyers.

Depending on market conditions, these flats could fetch 5 per cent to 10 per cent more in price.

Hutton Asia's senior director of research Lee Sze Teck said that with more people flocking to nature reserves or national parks during their free time or on weekends, staying close to nature makes it more convenient.

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