Outstanding Undergraduate Researcher Prize 2014/2015

The OUR Prize was launched in AY 2006-2007. The objective of this annual, university-wide competition is to encourage research among undergraduates at NUS by presenting opportunities for them to participate in research while integrating teaching and research at various levels of experience and expertise. This allows undergraduates to develop the capacity for discovery through research.

NUS Real Estate OURP Winner's Testimonial:

Goh Kun Han Justin, Department of Real Estate, Individual Category

Project Title: Rethinking URA Incentive Scheme for Underground Connectivity in Key Urban Areas

I am deeply honoured to receive the Outstanding Undergraduate Researcher Prize from NUS and I would like to express my heartfelt appreciation to the following people who assumed an integral role in bringing this project to fruition. First, I am very grateful to my dissertation supervisor, A/P Yu Shi-Ming, for his mentorship and support throughout the course of research. Second, I would like to thank A/P Tay Kah Poh for his invaluable insights and expertise on the topic and A/P Alice Christudason for her legal advice on subterranean property rights. Third, I would also like to thank the eight interviewees who participated in this research and shared their experiences, perspectives and ideas. Lastly, I am appreciative of my girlfriend, Tang Huimin, and my parents for their unwavering support and encouragement throughout my university education.

About the Project

In land-scarce Singapore, land optimisation is a strategic thrust that is achieved by reclaiming land, intensifying land use upwards and building downwards. Singapore’s city centre is envisaged to be a pedestrian-friendly district that synergises both below and aboveground land uses. To promote the growth of an extensive Underground Pedestrian Network, the URA Cash Grant Incentive Scheme (URA Scheme) for Underground Pedestrian Links (UPLs) was introduced in 2004. However, developers have yet to capitalise on the URA Scheme to undertake a UPL development. This provides the main motivation for this research.

This study evaluates the feasibility of a UPL development from an integrated perspective, comprising of developers, retailers and the public. The analysis is done by developing a valuation model and conducting in-depth interviews with eight real estate experts. From a developer’s perspective, the aggregate of total development cost and subterranean land premium makes it commercially infeasible to undertake a UPL development. From a tenant’s perspective, basement two rents are typically lower than levels one to three, except in cases with direct accessibility to an MRT Station. From the public’s perspective, one would use a UPL only if it is visible, provides convenience and it is easy to navigate within the UPL.
Four recommendations are proposed to encourage the development of UPLs and to enhance the URA Scheme. First, the government could undertake the construction of UPLs and sell the retail spaces to investors. The next two proposals for the URA Scheme include an enhancement in the subsidy for UPLs and provision of feasibility studies. Lastly, an enhancement in plot ratio could incentivise developers to undertake redevelopment or major addition and alteration works. Ultimately, an effective URA Scheme requires a delicate balance between the objectives of the State (underground connectivity) and market (profit-maximisation).