

12 VIEWS FROM THE TOP

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THE current property boom is a testament to the strength and resilience of the Singapore economy having recovered dramatically from the previous downturn. However, unless you're a property developer or a landlord, the boom can have an adverse effect on most businesses, due to rental being a major constituent of operational costs. From services companies to retail and manufacturing, the property boom is increasing the cost of doing business in Singapore, and if left unchecked can hamper the competitiveness vis-a-vis our neighbours in the region.

Across the board, the rise in rents will most likely trickle down to be passed on to consumers. Consumer spending may be hit too as consumers scale back on big-ticket purchases or defer purchases. Ultimately, if left unchecked, inflation may creep in and become a dampener on the overall economy. Hence, the recent move by the government to closely monitor the price movements in the property sector for any possible signs of overheating is applauded.