

# BUILDING A DIGNIFIED RETIREMENT IN SINGAPORE

Beyond the paycheck and CPF: A data-driven  
framework for calculating your retirement  
number and building a lasting legacy



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# PREFACE

I wrote this book reflecting on my parents' journey. They are incredibly hard workers who provided a wonderful life for me. Yet, a part of me has always felt that if they had access to better financial knowledge in their youth, their path could have been easier. They could have leveraged asset growth to give them a boost, rather than relying solely on their labor.

This ebook is a compilation of my personal truth—how I view using assets to build a better life within the Singaporean framework (specifically CPF and residential property). I do not intend this to be a bible; there are many paths in life. Instead, I hope to share my strategies for a "dignified retirement" in the hopes that they might fit into your own planning. Consider this a "living book," documenting how I am actively building my own future.

# What is Retirement?

In the post-COVID years, my perspective has shifted significantly. We often view retirement as a labor concept: work until a statutory age, then stop. But history shows us this is a modern luxury; our ancestors worked until their final days simply to survive.

While modern retirement is an improvement, the current model has flaws. The demand of modern work stretches us to our limits, often at the cost of our health. Many reach the finish line too exhausted to enjoy it. This leads me to ask: is the typical career path worth aspiring to?

The answer, for me, is Dignified Retirement.

This isn't about hitting a specific age. It is about reaching a point where your wealth and assets exceed your expenses, giving you the dignity of choice. You can retire, but you don't have to.

Achieving this requires more than just active income; it requires building your asset column with ferocity. In Singapore, property is a massive component of our culture and balance sheets. It cannot be ignored. This book explores how to use it as a pillar for that dignified future.

# THE REAL COST OF YOUR FUTURE LIFESTYLE

Retirement isn't just an age; it's a number. To find yours, we must project today's lifestyle costs into the future. A critical factor in this projection is inflation.

While the long-term historical core inflation rate in Singapore is approximately 1.7%, prudent financial planning requires a margin of safety. Therefore, for all calculations in this guide, we will use a conservative 2% annual inflation rate to ensure our targets provide a comfortable buffer.

For this financial planning exercise, we will use age 65 as the target retirement milestone. While the statutory retirement age is lower, 65 is the standard age when CPF LIFE payouts begin, forming the foundation of your retirement income.

## **A Note on Lifestyle Benchmarks:**

The following lifestyle costs are not arbitrary. They are benchmarked against public data, such as the Minimum Income Standard research by the Lee Kuan Yew School of Public Policy, and then calibrated upwards to reflect the aspirations of high-income professionals.

- **Essential Lifestyle (\$6,000/month):** Represents a comfortable, debt-free retirement, covering all necessities, healthcare, a car, and regional travel—well above a basic standard of living.

- **Comfortable Lifestyle (\$10,000/month):** Aims to sustain the lifestyle many successful professionals currently enjoy, allowing for frequent international travel, club memberships, and greater discretionary spending.
- **Affluent Lifestyle (\$18,000/month):** Represents true financial independence, enabling a top-tier lifestyle, business-class travel, and the ability to build a significant legacy for future generations.

### **Note on Calculations & Life Expectancy:**

You might wonder how life expectancy factors into these calculations. It's a critical question. Singaporean residents aged 65 today are expected to live well into their late 80s, and for younger cohorts, this will likely be longer.

This is why we use the **4% withdrawal rule**. This financial planning principle is not designed to deplete your funds by a specific age. Instead, it's a "safe withdrawal rate" designed to make your nest egg last for a long retirement (30+ years). In many market scenarios, it allows your portfolio's returns to replenish your withdrawals, preserving the original capital. The nest egg figures below are therefore inherently conservative, accounting for a long life and the possibility of leaving a legacy.

Below are three potential lifestyle scenarios and the total nest egg a household would need at age 65 to fund them indefinitely, based on their current age.

Chart 1: Nest Egg Required at Retirement (Age 65)

Desired Lifestyle (Monthly Spend, Today's Dollars)	If you are 25 today... (Retiring in 40 years)	If you are 35 today... (Retiring in 30 years)	If you are 45 today... (Retiring in 20 years)	If you are 55 today... (Retiring in 10 years)
Essential Lifestyle (\$6,000/month)	\$3,975,000	\$3,260,000	\$2,675,000	\$2,195,000
Comfortable Lifestyle (\$10,000/month)	\$6,625,000	\$5,435,000	\$4,460,000	\$3,660,000
Affluent Lifestyle (\$18,000/month)	\$11,925,000	\$9,780,000	\$8,025,000	\$6,585,000

*Calculations are based on the 4% withdrawal rule applied to future-adjusted annual expenses.*

These numbers are often a sobering moment. They represent the capital required to generate the income you'll need, long after your salary stops. The next question is: how do we get there?

# THE ROLE OF CPF LIFE & THE RETIREMENT GAP

CPF is the foundational pillar of retirement for Singaporeans. To create a realistic scenario for our target audience, our analysis will model a dual-income couple, where both partners have been consistently contributing to CPF throughout their careers.

Why the FRS is a Moving Target: The Full Retirement Sum (FRS) is not a static number. It increases for younger cohorts (by approx. 3% annually) to ensure that their eventual CPF LIFE payouts keep pace with inflation and rising living standards. A higher FRS for a younger person means a higher monthly payout in their retirement.

Therefore, to create an accurate picture, we must use the projected FRS and its corresponding payout for each specific age group. The table below shows the estimated combined monthly payout for our dual-income couple.

Your Age Today	Projected FRS at Age 55 per person	Estimated Couple's Monthly Payout
55	~\$205,800	~\$3,340
45	~\$276,500	~\$4,500
35	~\$371,700	~\$6,060
25	~\$500,000	~\$8,160

This state-provided pension provides a solid base. However, when we subtract this from the future income required for your desired lifestyle, a significant shortfall still emerges. This is The Gap.

How "The Gap" is Calculated (Chart 2 Explanation):

The shortfall is calculated by comparing the annual income you will need at retirement with the annual income CPF will provide. The numbers in Chart 2 represent the annual shortfall starting at age 65. Let's use a 45-year-old couple aiming for a "Comfortable Lifestyle" as an example:

- Project Future Annual Income Needed: A \$10,000/month lifestyle today is \$120,000/year. At 2% inflation for 20 years, this becomes ~\$178,320 per year needed at age 65.
- Calculate Annual CPF Payout: Their combined CPF payout is \$4,500/month, or \$54,000 per year.

The result is the annual shortfall at retirement:  $\$178,320 - \$54,000 = \$124,320$ . This is the gap their personal net worth must cover each year.

Chart 2: The Annual Retirement Income Gap (The Shortfall)

Desired Lifestyle (Annual Shortfall)	If you are 25 today...	If you are 35 today...	If you are 45 today...	If you are 55 today...
Essential	-\$61,080	-\$57,720	-\$52,980	-\$46,500
Comfortable	-\$167,040	-\$145,500	-\$124,320	-\$98,400
Affluent	-\$379,020	-\$318,660	-\$267,000	-\$214,800

This shortfall is the amount your personal net worth must generate for you, every year, for the rest of your life.

Most high-income professionals are surprised when they see their actual “retirement gap” for the first time.

If you’d like to see what your numbers look like – and how the right property strategy can help close that gap – send me a message on [WhatsApp](#).

It’s not a sales meeting, just a focused discussion to put real numbers to your plan.

# YOUR TARGET NET WORTH

To close The Gap identified above, you need a portfolio of assets. This is your Target Net Worth—the capital required on top of your CPF, to achieve your goals.

## How "Target Net Worth" is Calculated (Chart 3 Explanation):

The numbers below are calculated by applying the 4% withdrawal rule in reverse to the annual shortfall from Chart 2. The formula is: Target Net Worth = Annual Shortfall / 4%. For the 45-year-old couple, that's  $\$124,320 / 0.04 = \sim\$3,110,000$ .

**Chart 3: Target Net Worth Required to Fund "The Gap"**

Desired Lifestyle	If you are 25 today...	If you are 35 today...	If you are 45 today...	If you are 55 today...
Essential	\$1,525,000	\$1,445,000	\$1,325,000	\$1,165,000
Comfortable	\$4,175,000	\$3,640,000	\$3,110,000	\$2,460,000
Affluent	\$9,475,000	\$7,965,000	\$6,675,000	\$5,370,000

This is your number. This is the net worth you must build through strategic saving and investing.

# WORKING BACKWARDS - THE COMPONENTS OF A WEALTH STRATEGY

Knowing your target number is the first step. The next is to understand the components required to build a portfolio capable of reaching it. While some specialists may concentrate their wealth in a single area of expertise, most successful long-term investors employ a balanced approach, understanding that different types of assets play different roles in a portfolio.

A sound wealth-building strategy typically involves a thoughtful allocation across three core asset classes:

## 1. Assets for Growth (e.g., Equities):

- Role: The primary engine for wealth creation. The goal of this component is to generate returns that significantly outpace inflation over the long term, growing your capital base. This typically includes investments in a diversified range of local and global businesses through stocks or funds.

## 2. Assets for Stability (e.g., Fixed Income):

- Role: The defensive anchor of a portfolio. This component, which includes instruments like high-quality bonds, aims to preserve capital and provide a stabilizing influence during periods of economic uncertainty or stock market volatility.

### 3. Assets for Foundation (e.g., Real Estate):

- Role: The tangible bedrock of a portfolio. Real estate in a robust market like Singapore serves as a powerful hedge against inflation and a durable store of long-term value. It is a 'real asset' that provides a sense of stability and has the unique characteristic of being accessible through leverage (mortgages).

### **A Perspective on Modern & Alternative Assets:**

The modern investment landscape offers a wider array of tools for wealth creation than ever before, from cryptocurrencies to complex derivatives. For individuals with deep, specialized expertise and a high-risk tolerance, these instruments can present significant opportunities.

Ultimately, the optimal mix of these components is unique to every individual's financial situation, risk tolerance, and time horizon. The key principle is strategic allocation, which should be explored further with a licensed financial professional.

# THE STRATEGIC ROLE OF SINGAPORE PROPERTY IN YOUR PORTFOLIO

A discerning investor will correctly identify the primary challenge of real estate within a retirement plan: the "Illiquidity Paradox." Your family home is a significant part of your net worth, but how can it contribute to the 4% withdrawal rule if you are living in it?

The answer lies in viewing your property not as a single-purpose asset, but as a dynamic tool with two distinct phases: Capital Accumulation (pre-retirement) and Capital Monetization (post-retirement).

**Phase 1: Property as a Leveraged Wealth Accumulator**  
During your high-income years, your primary residence serves two key functions that paper assets cannot:

- **Prudent Capital Amplification:** Property is the only major asset class where a bank will lend you up to 75% of its value at a low interest rate. This allows you to control a large, appreciating asset with a smaller amount of initial capital, dramatically accelerating the growth of your net worth compared to an unleveraged stock portfolio.

- **Portfolio Ballast:** As a tangible, real asset in a land-scarce global hub, private property provides a powerful inflation hedge and a non-correlated store of value. It acts as a stabilizing anchor, less susceptible to the daily volatility of financial markets.

## **Phase 2: Unlocking Illiquid Equity to Fund Retirement**

As you approach retirement, the equity built up in your property must be strategically "unlocked" to generate the liquid cash flow needed to fund The Gap. This is achieved through well-planned monetization.

### **Strategy 1: Strategic Rightsizing to Unlock and Redeploy Capital**

This is the most direct method. It is not about "downgrading," but about efficiently reallocating capital.

- **The Scenario:** A couple at age 65, with their children having moved out, sells their fully-paid S\$4M family condominium.
- **The Action:** They purchase a comfortable, newer S\$2M two-bedroom private property for their own stay.

- **The Outcome:** This single transaction unlocks significant cash. While one must account for the total cost of ownership over the years (including bank interest, taxes, and maintenance) and transaction costs (agent and legal fees), the capital gains from the sale of a primary residence in Singapore are completely tax-free. This newly liquid capital can then be strategically redeployed to generate retirement income, perhaps by investing in a diversified portfolio of income-producing assets or by acquiring an additional property for rental income, creating a tangible and inflation-hedged cash flow stream.

## **Strategy 2: Equity Term Loan for Pre-Retirement Wealth Acceleration**

This strategy leverages a unique advantage available only to private property owners and is most powerful during your peak earning years, well before retirement.

- **The Concept:** As your property appreciates and your mortgage is paid down, you build significant equity. An equity term loan allows you to borrow against this "trapped" equity, converting it into liquid cash without selling the property.
- **The Pre-Retirement Advantage:** Unlike a retiree who faces a short loan tenure (capped at age 75), a 45-year-old can secure a much longer tenure (e.g., 20-25 years), making the monthly repayments manageable.

- The Scenario: A 45-year-old couple owns a S1M and have utilized CPF funds which, with accrued interest, now total S\$500,000.
- The Calculation: A bank assesses the maximum loan they can take is 75% of the property value (S\$2.25M). The actual cash they can unlock is calculated as:  $(\text{Loan-To-Value Limit} * \text{Current Property Valuation}) - \text{Outstanding Loan} - \text{CPF Utilised} = \text{Cash Out}$ . In this case: S\$2,250,000 - S\$1,000,000 - S\$500,000.
- The Outcome: They unlock S\$750,000 in cash. This capital, which was previously illiquid, can now be deployed to significantly accelerate their journey to their Target Net Worth—for example, by investing in a diversified portfolio of assets, all while their primary residence continues to appreciate.

By planning for these monetization strategies in advance, your primary residence transforms from an illiquid "paper" asset into a flexible cornerstone of your retirement and legacy plan.

# YOUR NEXT STEP: FROM CALCULATION TO A CONCRETE PLAN

This guide was designed to give you clarity on your financial freedom number. The next, most critical step is to architect a personalized plan on how strategic property investment can feature in achieving your freedom number, bridging the gap between your current assets and your aspirations.

In this 45-minute strategic session, we will:

- Review your personal "Freedom Number" based on your specific lifestyle goals.
- Identify potential gaps in your current asset portfolio and discuss how a strategic property investment plan can serve as the cornerstone of your wealth-building journey.

This isn't a sales meeting. It's a high-level strategic consultation designed to give you clarity and confidence in your financial future.

Start the conversation on [WhatsApp](#) to schedule your consultation.

# ABOUT DELVIN

Delvin Goh is a real estate broker with PropNex Realty, specializing in Singapore's private residential properties.

A graduate in Financial Economics from the National University of Singapore, Delvin began his career in the public sector and banking before transitioning into real estate. His background gives him a unique ability to combine data-driven insights with a practical understanding of how housing loans, government policies, and market cycles impact property decisions.

Over the years, Delvin has come to realize that conversations about property ownership often go beyond buying a home — they are about planning for the future. Through countless discussions with clients, he found that real estate decisions are deeply tied to one's long-term financial goals and vision for retirement.

This book distills those real-life conversations into a clear and actionable framework — helping readers understand how thoughtful property ownership can become a cornerstone in building a secure and dignified retirement in Singapore.

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