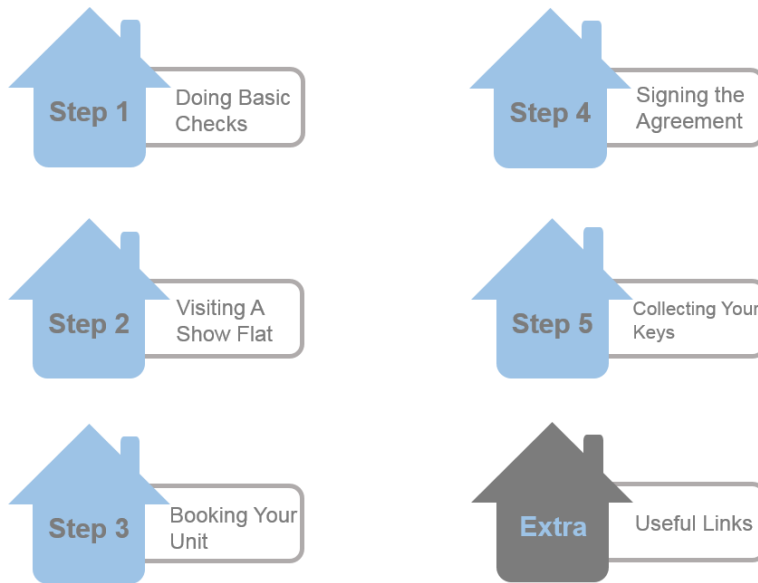


Home Buyers' Guide

What is it?

This guide provides basic information on the process of buying uncompleted private residential properties and considerations to take before committing to a purchase.

This guide is for general information purposes only and does not constitute advice, be it legal, financial or otherwise. Please read the [terms of access and information below before proceeding to use this guide](#).



If you need advice on your specific situation(s), whether you are a prospective home buyer or otherwise, you should consult the relevant professionals for further advice. Any reliance you place on this guide is strictly at your own risk. While we endeavour to ensure accuracy in this guide, we make no representations or warranties of any kind (whether express or implied) about the accuracy, completeness, format, currency or any other aspects of this guide or its application.



Before committing to a purchase, you should do some basic checks on the developer of the housing project and consider the costs involved in purchasing a private residential property.

Housing Developer's Licence

You should verify whether the developer is issued with a [sale or no-sale licence, if there are more than 4 units in the housing project](#). Developers must be issued with a sale licence and must obtain building plan approval for the housing project before commencing sale. Developers issued with no-sale licences are not allowed to sell any residential unit in the development. You can check if a developer holds a valid housing developer's licence [here](#).

Licensed housing developers must use the standard forms i.e. [Option to Purchase \(OTP\) as well as Sale and Purchase Agreement \(S&PA\)](#), for the sale of units in their housing project. When the housing project is completed with Certificate of Statutory Completion and individual titles issued to all units in the housing project, the developer will be de-licensed and will no longer be required to use the standard forms for the sale of the remaining unsold units in the project.

CONQUAS & Quality Mark

You may wish to check the Construction Quality Assessment System (CONQUAS) banding of the developer's past projects, which are available from BCA's [website](#). BCA would assess the workmanship of the completed project if the developer subscribes to these schemes. You may ask the developer for a listing of their completed projects, whether they were assessed under CONQUAS and if yes, the respective banding achieved. The CONQUAS banding will give you an indication of the quality achieved in the developer's past projects.

Commented [CH1]: Updated BCA's QHP link

Eligibility

If you own a HDB flat, a DBSS flat or an Executive Condominium, you have to fulfil the minimum occupation period set by HDB before you can purchase any private residential properties.

If you are not a Singapore citizen, you have to obtain approval from the [Controller of Residential Property](#), before you can buy landed houses including but not limited to strata landed houses.

Finances

Before buying a property, you should check the property prices in the areas of interest and compute your finances and fees payable. You should buy within your financial means.

➤ **Property prices and rentals**

URA provides free information on the property market, such as prices and rentals of private residential units, for you to do your research before purchasing your unit. Click [here](#) to find out.

➤ **Using your CPF**

You may use your CPF Ordinary Account (OA) savings to purchase your private residential property under the Private Properties Scheme. Your CPF OA savings will be released after you have paid the booking fee, required cash down payment and balance purchase price. The balance purchase price is calculated as such:

Balance purchase price = Purchase Price – Required Cash Down Payment - Housing Loan – CPF OA savings approved for use for the property

There are housing limits on the amount of CPF savings you can use to buy a property. Information on the use of CPF monies is available [here](#).

➤ **Bank loan**

You should enquire with the bank on your eligibility for housing loan as early as possible, preferably before you pay the booking fee or commit yourself to the purchase.

Click [here](#) for a guide on housing loan and other important information.

➤ **Stamp duty**

Stamp duty is a tax on dutiable documents relating to any immovable property (“property”) in Singapore and any stock or shares. Here are some stamp duty types related to property purchase:

Buyer’s Stamp Duty

You are required to pay Buyers’ Stamp Duty (BSD) after signing the S&PA.

Additional Buyer’s Stamp Duty

You may also need to pay Additional Buyer’s Stamp Duty after signing the S&PA depending on your profile:

1. Whether you are buying as an individual or as an entity
2. Your residency status e.g. Singaporean
3. Number of residential properties owned

Seller’s Stamp Duty

You may need to pay a Seller’s Stamp Duty (SSD) if you sell or dispose of the property within 4 years of acquisition (for property purchased between 14 Jan 2011 and 10 Mar 2017, both dates inclusive) or within 3 years of acquisition (for property purchase on or after 11 Mar 2017).

Learn more about stamp duty on [IRAS’ website](#).

➤ **Legal fees**

If you engage a lawyer, you should clarify the scope of services to be provided and the legal fees payable. In general, when you purchase a property, the services that a lawyer can provide you would include:

- Advising you on the transaction documents i.e. terms and conditions in your OTP and/or S&PA.
- Conducting title searches to verify the title of the property identified in the contract matches with the title record in the Land Titles Registry.
- Providing property law, regulatory and financing advice.
- Checking if there are any regulatory notices or government schemes that will affect the property you intend to purchase.

- Lodging a caveat against the title to the property on your behalf pending completion of your purchase. This serves to notify the public and third parties also interested in this property of your valid interest or claim.
- Liaising with your bank's lawyer who will prepare the mortgage for the bank.
- Liaising with the bank and CPF Board to ensure that your housing loan and CPF funds are in place and ready for drawdown.
- Completing the conveyance by exchanging your payment for the executed instrument of transfer.



At the show flat, review the information on the housing project and specific unit(s) carefully before committing to a purchase. Developers have to ensure that the plans and models displayed, and show units erected are accurate and in accordance with the approved building plans as required under the [Housing Developers \(Show Unit\) Rules](#).

Location plan

Location plan displayed must be drawn to scale and shows:

- Location of the housing project
- Scale used
- Street names, prominent buildings and facilities, e.g. schools, residential estates, shops, places of worship, etc, within a 500m radius of the housing project

Site plan

A site plan shows the common facilities in the housing project. The site plan must be drawn to scale and shows:

- Scale used for the drawn-to-scale plan
- All buildings and communal facilities, such as clubhouse, swimming pool, garden, BBQ pit, guard house, electrical substation, bin centre, etc, as approved by the relevant authorities and in accordance with the approved Building Plan
- Building Plan approval number and approval date

Project model

The project model displayed must be built to scale based on the approved building plan and shows:

- Scale used for the model
- All buildings and communal facilities, such as clubhouse, swimming pool, garden, BBQ pit, guard house, electrical substation, bin centre, etc, as approved by the relevant authorities and in accordance with the approved Building Plan
- Building Plan approval number and approval date

Unit model

The unit model displayed must be built to scale based on the approved building plan and shows:

- Scale used for the model.
- Building Plan approval number and approval date.

Show unit

A show unit is intended to depict a specific unit or unit type. The show unit must be built in accordance with the approved building plan for that specific unit or unit type.

If you are intending to buy another unit or unit type, there can be differences in the layout, materials or fittings, as compared to the show unit. You should clarify with the developer on the actual layout, materials or fittings provided in the unit which you are interested in.

Before you enter the show unit

Check the drawn-to-scale unit floor plan and written notice displayed at the entrance for:

- Address of the unit which the show unit is depicting
- A breakdown of the area of the unit, such as bedroom, living room, air-conditioner ledge, void area, etc
- Floor-to-ceiling height of the various rooms and spaces in the show unit
- Building Plan approval number and approval date

Inside the show unit

Do look out for the following:

- Some enclosures of the unit e.g. wall, railing, windows, and doors, may not be built to facilitate visitor movement or to show various interior design possibilities. This must be explained in the written notices and the location, thickness and width of the unbuilt enclosures must be clearly labelled and marked with solid lines on the floor.
- Written notices stating the materials, finishes, fittings, equipment, installation and appliances that will be provided, e.g. homogenous tiles, timber swing door with lock set.
- All cupboards, vanity units, cabinets and wardrobes to be provided in the actual unit must be installed in the show unit. They are meant to be an accurate representation of what is provided, and therefore must have the same specifications, dimensions and be made of the same materials as those to be provided in the depicted unit.
- Some features such as curtains, lightings, wallpaper, wall panels and appliances are displayed in the show unit as interior decorations only and will not be provided in the actual unit.
- If there is a household shelter, it must be identified in the show unit with a written notice displayed at the entrance to the household shelter.
- If lofts or furniture decks are shown, check with the developer if these will be built in the actual unit, and whether extra payment for construction is required. If the lofts or furniture decks do not come with the purchase of the unit and you wish to construct one after taking possession of the unit, you will need to engage a Qualified Person to obtain approval from BCA if the loft or furniture deck exceeds 5 square metres, or is not made fully of timber. Generally, only one loft or furniture deck is allowed in a residential unit.

Role of a property agent

Developers may appoint property agencies to help them to market uncompleted private residential properties. Under such circumstances, you should note that property agents of the appointed agencies represent the developers' interests.

If you engage a property agency to represent you, you should check that the property agency and agent are licensed and registered with the Council for Estate Agencies (CEA). Note that property agents are not allowed to offer you any benefit, in cash or kind, to induce you to engage their services. Visit the [CEA website](#) for more information on engaging a property agent and the role of an agent in a property transaction.

Issuing a “Blank” Cheque

When the property agent asks you to issue a “blank” cheque with the amount of money to be paid for the booking fee left unfilled as an expression of interest to purchase the property, it is not a commitment to a purchase with the cheque. You may wish to verify with the property agent that the issuance of the “blank” cheque is not a commitment to a purchase. You should request the cheque to be returned to you if you do not subsequently proceed with the purchase.

CEA has a set of guidelines for property agencies and agents on the use of cheques. The guidelines can be found in CEA's Practice Guidelines on the [Professional Service Manual](#).



The developer is required to provide you with a set of mandatory information on the housing project and unit before accepting the booking fee from you. If you decide to proceed with the purchase of the unit after reviewing the information, you will then pay a booking fee for the issuance of an Option to Purchase (OTP) for the unit.

Before you pay the booking fee

The developer will provide you with a set of particulars, documents and information related to the housing project and unit that you are interested in before accepting the booking fee, which will include the following:

- Scaled location plan, site plan and unit floor plan.
- Strata area of strata-titled properties, which is the amount of space sold to a buyer based on the strata boundary of the unit. To ensure that the property meets your needs, please review the strata area breakdown e.g. area of bedroom, balcony, air-conditioner ledge and void area. To understand more on void areas, you may refer to SLA's [info graphic](#).
- Specifications of the building e.g. floor materials, common facilities, appliances provided.
- General description of the housing project, including:
 - Total number of units in each class
 - Number and type of car parking lots provided, e.g. surface parking lots, mechanical parking lots or handicapped lots. If the number of car parking lots provided is less than the number of housing units and you are a car owner, you should check with the developer on the method of allocation of the car parking lots.
 - Conditions and restrictions imposed by the authorities. Some projects may be affected by public schemes such as drainage reserves, road reserves, sewage pipes and electrical cables. There may be specific conditions imposed by the relevant authorities in relation to these public schemes which may affect the liabilities of the owners or residents of the housing project after its completion.
 - Amendments to the prescribed Sale and Purchase Agreement (S&PA), as approved by the Controller of Housing.
 - Past projects completed by the developer or its related companies.

You should review the information carefully to ensure that the housing project and unit meet your needs before making any payment. You do not have to proceed with the purchase, if you do not wish to after reviewing the information. The developer is required to obtain written acknowledgement from you that these mandatory information has been provided to you.

The developer is also required to make available the Schedule of Strata Units for strata-titled properties, showing the share values assigned to each unit. The share value assigned to your unit will be the basis for computing the maintenance charges payable by you.

Provision of information to developers

For compliance with the anti-money laundering and counter financing of terrorism requirements, the developer is required to obtain from you [information and documents](#) to enable them to perform the necessary customer due diligence (CDD) and enhanced CDD

(ECDD) checks. If the CDD/ECDD checks cannot be completed or reasonably ascertained due to insufficient information, the developer is not allowed to accept your booking fee and issue you with an Option to Purchase. The developer may also lodge a suspicious transaction report with the Police if there are any suspicions of money laundering or terrorism financing.

Option to Purchase (OTP)

If you decide to proceed with the purchase after reviewing the information, you will have to pay a booking fee of between 5% and 10% of the unit's purchase price to the developer.

The developer will then grant an OTP to you, which is a right or option given to you to buy the unit. A licensed housing developer has to use [standard OTP form](#) and seek the approval from the Controller of Housing to include any amendments in the OTP.

Non-Assignment of Option

You cannot assign or transfer the OTP that has been granted to you by the developer to any other persons. Hence, you need to ensure that all persons who are intending to purchase the unit are correctly identified and named as the 'intending purchasers' in the OTP. Only the intending purchasers named in the OTP may exercise the option and sign the S&PA.

Exercising the Option

If you are granted an OTP, the developer is required to deliver the S&PA and the original or copies of the title deeds to you or your lawyer for review within 14 days from the date of the Option.

If you decide to proceed to purchase the property, you need to exercise the Option by doing all of the following before the Option expires, i.e. 3 weeks after the date of delivery of the S&PA and title deeds to you:

- Sign all the copies of the S&PA
- Return all copies of the signed Agreement to the developer
- Pay to the developer the balance down payment, which is 20% of the purchase price less the booking fee paid

The developer may allow you to pay the balance down payment within 8 weeks from the Option date instead of the 3 weeks mentioned above.

Non-Exercise of Option

If you do not wish to exercise the OTP, you can serve a written notice to the developer stating that you do not wish to exercise the Option. The Option will lapse immediately upon the receipt by the housing developer of the written notice.

If the OTP is not exercised before its expiry, the developer may forfeit 25% of the booking fee and refund 75% of the booking fee to you. The developer can then proceed to sell the unit to any other interested party.



Sale and Purchase Agreement (S&PA)

The S&PA is a private contract between the developer and the purchaser for the sale and purchase of a unit. Licensed housing developers are required to use the standard form of [S&PA](#) in the sale of the units in a housing project. No amendment to the S&PA can be made except with the prior approval of the Controller of Housing. You should review the terms in the S&PA before signing it.

Useful Information to Know in S&PA

Vacant Possession Date

The vacant possession date is the latest date where you can collect the keys to your unit. Do note that the actual handing over of the keys may occur before or after the vacant possession date. The developer is contractually bound to deliver vacant possession of the property to the buyer by the date stated in the Option to Purchase (OTP) and S&PA. Otherwise, the developer has to pay liquidated damages to you. Delivery of vacant possession will occur after the issuance of the Temporary Occupation Permit (TOP) for the project, or, if all the relevant legal requirements have been met, the Certificate of Statutory Completion (CSC) for the project, which will allow you to occupy your unit. Occupation of a building or part thereof without a TOP or CSC is an offence under the Building Control Act.

Developers or their appointed property agencies may sometimes also provide an “estimated TOP date” to buyers, which is estimated based on the planned construction schedule. You should note that the actual TOP date may vary, depending on the project’s construction progress.

Developers’ obligation

The developer is required to build the unit with all the common property in a workmanlike manner according to the S&PA’s specifications and the relevant authorities’ approved plans.

The developer has to obtain consent from the buyer before making any changes to the unit and substantive changes to the approved plans on the common property, unless the changes are required by the relevant authorities.

Specifications of Unit

The developer is required to build the unit in accordance with the Specifications and approved plans stated in the S&PA. No changes shall be made unless they have been agreed to by the buyer and approved by the relevant authorities, or they are required by the relevant authorities.

The type of materials, finishes, fittings, appliances, and furnishings to be used or provided for a unit and the common facilities are set out in the "Specifications of the Building" in the S&PA. To view a sample of what is contained in the Specifications, click [here](#).

You should obtain a written confirmation from the developer if there are any other items offered by the developer which are not stated in the specifications, e.g. free washing machine, cooker.

Share Value

The share value of a unit determines your share in the housing project. This is used to compute your share of contribution for the recurrent maintenance fees and charges for the common property.

If you purchase a unit in a strata-titled housing project (includes apartments, condominiums and strata landed housing with common property), you should take note of the share value that has been allocated to the unit in relation to the whole housing project.

You can get more information on living in a strata-titled property from BCA's publication "[Strata Living in Singapore](#)".

Lodging a caveat

A caveat notice is a legal notice to notify your interest as a buyer and to prevent further dealings on your unit without your knowledge. You can lodge a caveat notice with SLA against the unit that you are purchasing after paying your booking fee or signing your S&PA.

Progress payment

You must ensure that all payments due to the developer are made promptly according to the payment schedule (click [here](#), Form 4 for landed housing; Form 5 for condominium in the S&PA. Instalment payments of the purchase price have to be made at the completion of each stage of the project construction. Prior to that, the Qualified Person (a [registered architect](#) or [professional engineer](#)) engaged by the developer will issue a copy of the requisite certificate at each stage to certify the completion.

You will be liable to pay interest in accordance with the formula set out in the S&PA if any amount of the purchase price due is not paid by the deadline specified in the payment schedule.

If any payment of the purchase price and interest remains unpaid for more than 14 days after it is due, the developer has the right to treat the S&PA as having been repudiated by you and may take steps as specified in the Agreement to annul the S&PA.

Once the S&PA is annulled, the developer has the right to forfeit 20% of the purchase price, recover all outstanding interest owing and unpaid by you, and to resell the unit to any other person.

Sub-sale of Unit

If you wish to sub-sell the unit after signing the S&PA and the sale of the unit has not been completed (i.e. the developer has not conveyed the legal title of your unit to you), you will have to inform the developer of the sub-sale.

At the request of the sub-purchaser, the developer will then enter into a new S&PA with the sub-purchaser. The terms and conditions of this new agreement will put the developer and the sub-purchaser in the same position as if the sub-purchaser was the original purchaser in the original S&PA.



Once Temporary Occupation Permit (TOP) is issued and you have paid the progress payment due upon TOP, the developer will inform you of the procedure to collect the key to your unit. After collecting the key, you can inspect your unit, housing project and common property or limited common property and report any defects to the developer to carry out rectification works.

Delivery of Vacant Possession

The developer is required to deliver vacant possession of the unit to you no later than:

- The date as specified in the Sale and Purchase Agreement (S&PA); and,
- 21 days from the date of receipt of the payment of 25% of the purchase price. This payment is due when TOP has been issued, and the roads, drainage and sewerage works serving the housing project have been completed (item 3 of the payment schedule).

The developer is liable to pay liquidated damages to you if they fail to deliver vacant possession of the unit by the above dates.

Maintenance Fee

As specified under the Sale and Purchase Agreement (S&PA), you would need to pay the developer maintenance fee for the maintenance of the common property and limited property of the development starting on:

- The date the developer delivers vacant possession of the unit to you; or,
- The 15th day after you have received the Temporary Occupation Permit or Certificate of Statutory Completion and infrastructure completion notice specified under item 3 of the Payment Schedule.

You are required to pay a lump sum of 6-month maintenance charges to the developer, followed by every quarter in advance after that. Once the management corporation (MCST) is formed, you are required to pay the maintenance charges to the MCST. The payment of maintenance charges are for the provision of cleaning and services for the development. Click on BCA's [link](#) to learn more about the maintenance fee contribution.

Defects

A defect is any fault in the unit, housing project and common property or limited common property which is due either to defective workmanship or materials or to the unit not having been constructed according to the Specifications in the S&PA. For units in a strata subdivided housing project, the term "defect" in the S&PA also covers defects in the common property and housing project.

BCA regulates construction works to ensure compliance with the requirements under the Building Control Act and Regulations, which focuses primarily on the structural safety of buildings. BCA issues a TOP for a project after all the relevant requirements under the Building Control Act and Regulations are met and clearances from the relevant technical authorities are obtained. However, defects in the unit and the housing project are not regulated. Instead, they are contractual matters under the terms of the S&PA.

You should make a thorough inspection of the unit upon taking vacant possession and highlight any defects to the developer. Do clarify with the developer or seek professional advice if you are unsure whether there are defects in the unit. You may also refer to BCA's [guide](#) on good practices for quality workmanship.

Defects Liability Period

The developer is obliged to rectify any defect in the unit, the common property or the housing project which becomes apparent within a period of 12 months from:

- The date the developer delivers vacant possession of the unit to you; or
- The 15th day after you receive notice that the TOP has been issued and that the infrastructural works serving the housing project have been completed, whichever is earlier.

If you discover defects at any time during the defects liability period, you should follow the procedure set out in the S&PA to get the developer to rectify the defects.

If the developer fails to rectify the defects within the specified time, you may rectify the defects and instruct Singapore Academy of Law to withhold the sum held as stakeholder of the developer by following the procedures set out in the S&PA (see [link](#)).

Procedure for completion of sale

When the developer is ready to convey the legal title of your unit to you, the process known as the completion of sale will take place. The procedure is as follows:

1. The developer will issue you a Notice to Complete which must be given by the date specified in the S&PA or 3 years after the date of delivery of vacant possession of the unit, whichever is earlier.
2. Completion must take place within 14 days after you receive the Notice to Complete.
3. On completion, the developer must issue a proper conveyance and a duplicate of the unit's title to you. The title issued is either the Duplicate Subsidiary Strata Certificate of Title (for strata subdivided property) or the Duplicate Certificate of Title (for non-strata subdivided property).

These certificates are official documents issued by the Registrar of Titles stating that the person named in the certificate is the legal owner of the property described in the certificate.

The area of the unit based on the title survey as approved by the Chief Surveyor in SLA will be stated in the title of the unit. Should the final surveyed area of the unit be less than the area stated in the S&PA by more than 3%, the purchase price shall be reduced at the unit purchase price for every square metre of deficiency which is in excess of 3% of the area stated in the

S&PA. For example, a unit with an as-built area of 96sqm is 4sqm (4%) short of the 100sqm (100%) area stated in the S&PA. The as-built area deficiency is 4%, which is more than 3% of the area stated in the Agreement. Thus, the affected purchaser can claim for the unit purchase price reduction for the 1sqm deficiency which is in excess of 3% of the area stated in the Agreement.

Liquidated Damages

You have a right to claim for liquidated damages according to the formula specified in the S&PA if the developer does not issue you the Notice to Complete by the deadline specified in the S&PA.

Disputes

In the event of a dispute, you should initiate discussions with the developer to resolve the differences. You may consider seeking legal advice on your rights under the S&PA and the appropriate course of action to take should the need arise. You are strongly encouraged to consider resolving any dispute through direct negotiation, failing which, to consider mediation.

In mediation, an impartial third party, a mediator, will help you and the developer to negotiate an amicable settlement of the differences. The mediator is not a judge and will not decide on who is right. Rather, the mediator helps both parties reach a binding agreement by focusing on problem-solving. Mediation is likely to be less costly than litigation or arbitration and may help to resolve disputes more quickly.

The Singapore Mediation Centre (SMC) offers mediation services to help disputing parties resolve their dispute. For claims of less than \$60,000, the parties could subscribe to the Small Case Commercial Mediation Scheme. For claims exceeding \$60,000, the parties could subscribe to the Commercial Mediation Scheme.

SMC also offers a Neutral Evaluation service, in which an unbiased third party such as a former Judge or Senior Counsel – the Neutral – hears your case either through written submissions and/or oral presentations. They consider the legal merits of your case and give you their reasoned opinion. This allows contending parties to better understand their strengths and weaknesses of their case. More information on the services offered by SMC is available at their [website](#).

Mediation services are also available at:

- [Law Society of Singapore \(Law Society Mediation Scheme\)](#)
- [REDAS Conciliation Panel](#) which deals with disputes between purchasers and developers who are members of the Real Estate Developers' Association of Singapore
- [SISV Dispute Resolution Centre](#)



SLA has provided a checklist to assist you in going through the process of purchasing an uncompleted private residential property. Click on SLA's [link](#) to see more details.

URA's Links

Changing Use of Your Premises
Home Office
Leasing and Subletting Residential Property
Master Plans
Property Market Data
Renovating Your Home

Government Related Websites

Ministry of National Development
Building and Construction Authority
Central Provident Fund Board
Council for Estate Agencies
Housing and Development Board
Inland Revenue Authority of Singapore
Monetary Authority of Singapore
Personal Data Protection Commission
Singapore Academy of Law
Singapore Land Authority

Professional Bodies

Real Estate Developers' Association of Singapore
Singapore Institute of Architects
Singapore Institute of Surveyors and Valuers
The Institution of Engineers Singapore
The Law Society of Singapore