Circular No: URA/COH/Circular-2017-01

Our Ref: COH/CIRCULAR

Date: 15 May 2017

CIRCULAR TO PROFESSIONAL INSTITUTES

Who should know

Developers and solicitors

Effective date

With effect from 15 May 2017

CLARIFICATION OF PROCESS TO CHANGE NAMES IN THE OPTION TO PURCHASE

- 1. This circular clarifies the process for developers and purchasers in instances where purchasers wish to make changes to the names in the Option to Purchase (OTP) issued.
- 2. Under the Housing Developers Rules (HDR) and Sale of Commercial Properties Rules (SCPR), an option issued is not assignable or transferable, i.e. the persons signing the Sale and Purchase Agreement (S&PA) must be the same persons named in the OTP.

Name change in OTP for residential properties

- 3. Under clause 3.2 in the standard OTP, the OTP shall lapse immediately upon the developer's receipt of a written notice from the purchaser stating that the intending purchaser does not wish to exercise the OTP.
- 4. This includes instances when, after the issue of OTP, the purchaser wishes to make changes to the parties who will be signing the S&PA, e.g.:
 - a. OTP issued to a person and the person wishes to include his/her spouse as a copurchaser;
 - b. OTP issued to 3 persons and one of them wishes to withdraw from the purchase of the property.
- 5. In such situations, the purchaser should, in accordance to clause 3.2, notify the developer in writing of the proposed changes and that the purchaser named in the OTP does not wish to exercise the OTP. Upon the developer's receipt of the written notice, the existing OTP shall lapse immediately. If the developer is agreeable, a new OTP with the amended names may be issued. Developers are not allowed to backdate the new OTP.
- 6. There is no need to seek the Controller's approval to terminate the existing OTP, if there are no changes to the terms and conditions of the new OTP.

Pre-approved new clause for early termination of OTP under the SCPR

- 7. For the sale and purchase of non-residential properties, the Controller has pre-approved a new clause in the OTP for the option to lapse immediately upon the developer's receipt of the purchaser's written notice stating that he does not wish to proceed to exercise the OTP. Please refer to Appendix 1 for the new pre-approved clause 3.2 in the OTP and updated list of pre-approved amendments to the OTP and S&PA under the SCPR.
- 8. If the developer has inserted the new pre-approved clause 3.2 in the OTP for the purchase of non-residential properties, the same procedure outlined in paragraph 5 above for proposed change of names in the OTP can be adopted for non-residential properties.
- 9. If the OTP for the purchase of non-residential properties did not contain the new preapproved clause 3.2, the Controller's approval in writing has to be obtained for any early termination of the OTP. Once approved, and if the developer is agreeable, a new OTP with the amended names may be issued upon the expiry of the existing OTP.

Follow up action

10. I would appreciate it if you could convey the contents of this circular to the relevant members of your organisation. If you or your members have any queries concerning this circular, please email us at ura_gov.sg.

Thank you.

LING HUI LIN (MS)
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

PRE-APPROVED AMENDMENTS TO PRESCRIBED FORMS IN THE SALE OF COMMERCIAL PROPERTIES RULES

Effective date: 15 May 2017

The prescribed Form B under the Sale of Commercial Properties Rules may be amended as indicated below without further approval from the Controller of Housing.

FORM B – OPTION TO PURCHASE		
Clause Pre-approved amendments		
Definition of "Unit"	The definition of "Unit" may be amended as follows: "Unit: ^ (type) on storey marked on the sale brochure as ^ No in the Building."	
	^ To specify the use of the Unit as approved in the Written Permission granted by the Competent Authority under the Planning Act (Cap. 232) e.g. factory, warehouse, staff canteen, showroom. No other use may be inserted.	
Definition of "Tenure"	The words "commencing from" may be inserted at the end of the paragraph to indicate the commencement date of the lease.	
Definition of "Expiry date of Option"	If the expiry date of the Option is not ascertainable at the date of Option, the statement "Refer to Clause 3 of this Option" may be inserted.	
Definitions of "Purchase Price", "Booking Fee" and Clause 1	The words "plus \$ (GST)" may be inserted in the following places:	
	a at the end of the definitions of "Purchase Price" and "Booking fee"; and	
	b in Clause 1 immediately after "booking fee of \$" and "Purchase Price of \$".	
Definition on "Estimated Floor Area"	The following definition may be inserted in the Option to Purchase:	
	"Estimated Floor Area: square metres [including *void area/void areas ofsquare metres] as shown in the registered land surveyor's certificate on strata area."	
	* To delete whichever is not applicable	
Clause 2.1(b) and 4.1(a)	Some vendors wish to have an additional copy (or copies) of the Sale and Purchase Agreement. The word "duplicate" may be amended accordingly, as required.	

FORM B – OPTION TO PURCHASE		
Clause	Pre-approved amendments	
Clause 3	Clause 3 is amended to add a new clause 3.2 to provide that the option may lapse immediately upon the vendor's receipt of the purchaser's written notice that he does not wish to proceed to exercise the Option:	
	3. Expiry of Option	
	3.1 Subject to clause 3.2, this Option will expire 3 weeks after the date of the delivery to You or, if You have already appointed a solicitor, to your solicitor of the documents referred to in clause 2.	
	3.2 Where, before expiry of this Option, you or your solicitor gives us written notice that You do not wish to exercise this Option, this Option will expire immediately upon the receipt by us of the written notice.	
Clause 4	If the vendor wishes to allow the purchasers up to 8 weeks pay the first instalment of 20% of the Purchase Price less the booking fee, Clause 4 may be amended as follows:	
	Delete Sub-clause 4.1(c) and add new Sub-clause 4.3:	
	"You shall pay us 20% of the purchase price less the booking fee within 8 weeks from the date of this Option."	
Clauses 4 and 7	The word "draft" in Clauses 4 and 7 appearing before the words "Sale and Purchase Agreement" may be deleted for consistency with Clause 2.	
New Clause - Where the Vendor is a Publicly Listed Company	Where the Vendor is a publicly listed company and the sale is subject to shareholders' approval in accordance with the requirements of the Singapore Exchange Limited and/or the Companies Act, the following new clause may be inserted in the Option:	
	"If approval of our shareholders or the shareholders of our holding company (hereinafter called "the Shareholders") to the sale is required, pursuant to the Companies Act, Cap. 50 or the Singapore Exchange Limited's Securities Trading Listing Manual, this Option is conditional upon us obtaining the approval of the Shareholders. You shall provide us with all the information necessary to enable us to determine whether procurement of approval of the Shareholders is necessary. If the Shareholders do not approve the sale of the Unit to you, this Option and the sale made pursuant thereto shall become null and void and all monies paid shall be refunded to you without interest and neither of us shall thereafter make any claim or demand against each other. In this clause, "holding company" shall have the same meaning as defined in the Companies Act, Cap. 50."	

The prescribed Form D under the Sale of Commercial Properties Rules may be amended as indicated below without further approval from the Controller of Housing.

FORM D – SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
Definition of "the Unit"	Definition of "the Unit" in Clause 1.1.1 of the S&P Agreement ""the Unit" means the ^ on the storey of the Building, comprising an estimated floor area of [including *void area/void areas of square metres] as shown in the registered land surveyor's certificate on strata area and which is known or to be known as (address);" ^ To specify the use of the Unit as approved in the Written Permission granted by the Competent Authority under the Planning Act (Cap. 232) e.g. factory, warehouse, staff canteen, showroom. No other use, except the approved use, can be inserted. * To delete whichever is not applicable	
Definition of "Base Rate"	It may be amended as follows:	
	"Base Rate" means the average of the prevailing prime lending rates of DBS Bank Limited, the Oversea-Chinese Banking Corporation Limited and the United Overseas Bank Limited, rounded downwards to the nearest one-eighth of 1%;"	
Definitions of "Booking fee" and "Purchase Price"	They may be amended to insert the words "plus \$ (GST)" at the end of their definitions.	
Definition of "Building"	It may be amended to insert the words "Statutory Land" immediately before "Grant No." if the tenure for the land is a Statutory Land Grant.	
Definition of "certified copy"	It may be amended as follows:	
	" "certified copy" in relation to the Temporary Occupation Permit or the Certificate of Statutory Completion in respect of the Unit, means a copy of that document which is confirmed in writing by the Vendor's solicitors to have been issued by the Commissioner of Building Control under the Building Control Act (Cap. 29), based on the written confirmation by a Qualified Person of the Building that such a document has been so issued by the Commissioner of Building Control;"	

	FORM D – SALE AND PURCHASE AGREEMENT		
Clause		Pre-approved amendments	
Definition "Specifications"	of	It may be amended as follows, if there are more than one schedule in the Agreement:	
		" "Specifications" means the specifications set out in the First Schedule;"	
		and the heading "The Schedule" listing the Specifications of the Unit may be amended correspondingly to read as the "First Schedule".	

FORM D - SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
Clause 3	The clause in the prescribed agreement may be amended as follows and incorporated in the main body of the agreement:	
	"3. Terms of Sale	
	3.1 The Unit is sold subject to – (a) the terms in this Agreement; and (b) the Law Society of Singapore's Conditions of Sale 2012 or any other conditions issued from time to time by the Law Society of Singapore in so far as they are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of this Agreement."	
	3.2 The Vendor and Purchaser agree that the amendments stipulated in the Second Schedule shall form an integral part of this Agreement, and shall be read together with the main body, First Schedule and all other parts of this Agreement. If, however, there is any inconsistency between the terms of this Agreement or the First Schedule and the amendments stipulated in the Second Schedule, the said amendments stipulated in the Second Schedule shall prevail."	
Clause 5.1.1	If the Vendor has allowed the Purchaser in the Option to Purchase up to 8 weeks from the Option Date to pay the first instalment of 20% of the Purchase Price, the words "Within 8 weeks from the date of the Option" can be inserted to replace the words "Upon signing this Agreement".	
Clause 5.1.3	The words "(or a certified copy thereof)" may be added at the end of the clause after the word "Unit".	
Clause 5.11	The words "a copy of" may be inserted before "the requisite certificate of the qualified person"	
Clause 6.2	As a consequential amendment to Clause 5.1.1, delete "15th day after the Purchaser has received the relevant document under Clause 5" and substitute with "day immediately after the expiry of the relevant period referred to in Clause 5."	

FORM D – SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
Clause 7.4	Clause 7.4 may be amended by inserting the following proviso at the end of the clause:	
	"Provided that if the instalments (excluding interest) previously paid by the Purchaser are not sufficient to cover the amounts referred to in Clauses 7.4(b) and 7.4(c), the Vendor has the right to claim and recover from the Purchaser any shortfall of the said amounts. The costs and expenses (including legal costs) incurred by the Vendor in such claim and recovery shall be paid by the Purchaser."	
Clause 16.1	The words "a certified copy of" may be inserted after "produce".	
Clause 16.4	The words "(including any goods and services tax payable thereon)" may be inserted at the end of Clause 16.4.	
Clauses 17.2 and 19.1	The words "copy of the" may be added immediately before "certificate".	
New Clause – Restrictions on Use and Enjoyment Pending Formation of Management Corporation	The following clause on the restrictions on use and enjoyment pending the formation of the Management Corporation may be included:	
	"The Purchaser agrees to comply with the restrictions in Schedule A from the date he takes possession of the Unit until the management corporation of the Building takes over from the Vendor the functions of managing and maintaining the Building".	
	Schedule A is at Annex 1. Any item in the Schedule which is considered to be not relevant to the particular project may be omitted.	
	The heading "Schedule A" may be labelled in other manner (for example, as "Appendix 1") and may run alphabetically or numerically with the labelling of other schedules or attachments to the Agreement. Consequentially, the reference to Schedule A in the above Clause on Restrictions may be amended to refer to the appropriate heading.	

FORM D – SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
New Clause – Where the Vendor is a Publicly Listed Company	Where the Vendor is a publicly listed company and the sale is subject to shareholders' approval in accordance with the requirements of the Singapore Exchange Limited and/or the Companies Act, the following new clause may be inserted in the Agreement:	
	"If approval of the shareholders of the Vendor or the shareholders of the holding company of the Vendor (hereinafter called " the Shareholders") to the sale of the Unit to the Purchaser is required under the Companies Act, Cap. 50 or the Singapore Exchange Limited's Securities Trading Listing Manual, the sale and purchase shall be conditional upon such approval being obtained by the Vendor. The Purchaser shall provide the Vendor with all the information necessary to enable the Vendor to determine whether procurement of approval of the Shareholders is necessary. If the Shareholders do not approve the sale to the Purchaser, the sale and purchase shall become null and void in which event all monies paid by the Purchaser to the Vendor shall be refunded to the Purchaser without interest and neither party shall have any further claim or demand against the other. In this clause, "holding company" shall have the same meaning as defined in the Companies Act, Cap. 50."	
New Clause – To Opt out of the Contracts (Rights Of Third Parties) Act 2001	The following clause may be inserted in the Agreement: "A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act to enforce any of its terms."	
New Clause – To provide more	The following clause may be inserted in the Agreement:	
information about the approved use of the non-residential unit to	"Approved Use of the Unit (1) The Unit is approved for use as a ^ in the grant of the Written Permission for the Building by the	
purchasers	Competent Authority under the Planning Act (Cap. 232).	
	(2) Unless with the prior permission of the Competent Authority under the Planning Act, the Purchaser shall not use the Unit or allow the Unit to be used for any purpose other than the approved use as specified above in accordance with the Written Permission of the Competent Authority."	
	^ To specify the use of the Unit as approved in the Written Permission granted by the Competent Authority under the Planning Act (Cap. 232) e.g. factory, warehouse, staff canteen, showroom. No other use may be inserted.	

FORM D - SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
New clause:- To provide more information about the size of the void areas in the units to purchasers	The following clause may be inserted in the Agreement:	
	"*Void Area/Void Areas	
	(1) There *is a space/are spaces within the Unit approved as *void area/void areas in the grant of the Written Permission for the Building by the Competent Authority under the Planning Act (Cap. 232).	
	(2) There shall not be any weight bearing floor created within or over any such *void area/void areas using any type of building materials (including concrete, metal or wood) unless with the prior written approval of the Competent Authority under the Planning Act.	
	* To delete whichever is not applicable	
For Pure Commercial Project - Clause 12.1 and Other References to "Housing Project" in the Agreement	If the Building is a pure commercial project, all references to "Housing Project" in Clause 12.1 and Clauses 1(a)(i), 1(b), 2(a), 2(e), 2(k), 2(m), 2(n), of Schedule A in Annex 1 may be deleted.	
Notes to the Specifications of the Unit	Any of the following notes to the Specifications may be inserted in the Agreement, if they are applicable:	
	"Air-conditioning system	
	To ensure good working condition of the air-conditioning system, the system has to be maintained and cleaned by the Purchaser on a regular basis. This includes the cleaning of filters, clearing the condensate pipes and charging of gas."	
	"* Cable Television and/or Internet Access The Purchaser is liable to pay annual fee, subscription fee and such other fees to the * StarHub Cable Vision Ltd (SCV) and/or internet service providers (ISP) or any other relevant party or any other relevant authorities. The Vendor is not responsible to make arrangements with any of the said parties for the service connection for their respective * subscription channels and/or internet access."	

^{*} delete if inapplicable

FORM D - SALE AND PURCHASE AGREEMENT

Clause

Pre-approved amendments

"Materials, Fittings, Equipment, Finishes, Installations and Appliances

Subject to Clause 15.3, the brand, colour and model of all materials, fittings, equipment, finishes, installations and appliances supplied shall be provided subject to Architect's selection, market availability and the sole discretion of the Vendor."

{Any item in the note which is not relevant to the particular project may be omitted}

"Internet Access

If the Purchaser requires internet access, the Purchaser will have to make direct arrangements with the Internet Service Provider and/or such relevant entities/authorities for internet services to the Unit and to make all necessary payments to the Internet Service Provider and/or the relevant entities/authorities."

"Marble, Limestone and Granite

Marble, limestone and granite are natural stone materials containing veins with tonality differences. There will be colour and markings caused by their complex mineral composition and incorporated impurities. While such materials can be pre-selected before installation, this non-conformity in the marble, limestone or granite as well as non-uniformity between pieces cannot be totally avoided. Granite tiles are pre-polished before laying and care has been taken for their installation. However granite, being a much harder material than marble cannot be re-polished after installation. Hence some differences may be felt at the joints. *Subject to Clause 15.3, the tonality and pattern of the marble, limestone or granite selected and installed shall be subject to availability."

{If any of the materials: marble, limestone and granite, is not relevant to a project, its references may be omitted from the note}

"Fan Coil Units, Electrical Points, Door Swing Positions and Plaster Ceiling Boards

Layout/Location of fan coil units, electrical points, door swing positions and plaster ceiling boards are subject to Architect's sole discretion and final design."

{If any of the items: fan coil units, electrical points, door swing positions and plaster ceiling boards, is not relevant to a project, its references may be omitted from the note}

FORM D - SALE AND PURCHASE AGREEMENT		
Clause	Pre-approved amendments	
	"Warranties Where warranties are given by the manufacturers and/ or contractors and/ or suppliers of any of the equipment and / or appliances installed by the Vendor at the *Unit/ Building, the Vendor shall assign to the Purchaser such warranties at the time when possession of the*Unit/ Building is delivered to the Purchaser."	
	"Timber Timber is a natural material containing *grain/vein and tonal differences. Thus it is not possible to achieve total consistency of colour and grain in its selection and installation."	
New Schedule To List Transaction Particulars	The Schedule at Annex 2, setting out the key transaction particulars may be inserted in the Agreement and the relevant amendments may be made to the main body of the Agreement to refer to the information in the Schedule. For example, the beginning of the Agreement may be amended as follows:	
	"An Agreement made between * of Housing Developer's Licence No (the Vendor) and the Purchaser named in the Schedule (the Purchaser) on 20"	

^{*} delete if inapplicable

SCHEDULE A RESTRICTIONS ON USE AND ENJOYMENT

1. The Purchaser will -

- a. allow the Vendor and its agents at all reasonable times and on reasonable notice being given (except in case of emergency when no notice is required) to enter the Unit for the purpose of
 - maintaining, repairing or renewing sewers, pipes, wires, cables and ducts used or capable of being used in connection with the enjoyment of any other unit in the Building *or Housing Project or the common property;
 - ii. maintaining, repairing or renewing the common property; and
 - iii. executing any work or doing any act reasonably necessary for or in connection with the performance or the enforcement of the stipulations contained in this Schedule:
- without delay carry out all work directed by any competent authority in respect of the Unit other than such work for the benefit of the Building *or Housing Project generally, and pay all assessments, charges and outgoings which are payable in respect of the Unit;
- c. repair and maintain the Unit and keep it in a state of good repair (reasonable wear and tear and damage by fire, storm, tempest or act of God excepted); and
- d. use and enjoy the Unit and the common property in such a manner as not to interfere unreasonably with the use and enjoyment thereof by other purchasers, their families, permitted tenants or visitors.

2. The Purchaser will not -

- a. use the Unit or permit it to be used for any purpose (illegal or otherwise) which may be injurious to the reputation of the Building *or Housing Project;
- b. use the Unit or permit it to be used in such a manner or for such a purpose as to cause a nuisance or danger to any other purchaser or the family, permitted tenants or visitors of such other purchaser;
- c. use the Unit for any purpose contrary to the terms of use of that Unit shown in the plans approved by the competent authority pursuant to the Planning Act (Cap. 232);
- d. store or use as fuel in the Unit any substance or material which may give rise to smoke, fumes or obnoxious odour;

^{##} The heading "Schedule A" may be labelled in other manner (for example, as "Appendix 1"), so that it runs alphabetically or numerically with the labelling of other schedules or attachments to the Agreement.

^{*} Delete if inapplicable

- e. throw or allow to fall any refuse or rubbish of any description on the common property or any part thereof except in refuse bins or in refuse chutes provided in the Building * or Housing Project;
- f. throw or allow any objects to fall onto any neighbouring railway line or railway area:
- g. use the tennis courts for any games or purposes other than for tennis;
- h. keep any animal in the Unit or the common property which may cause annoyance to any other purchaser or the family, permitted tenants or visitors of such other purchaser;
- obstruct or permit the obstruction of any walkway, pavement, entrance, ball court, corridor, lobby, stairway, fire escape, road or any other area of the common property;
- j. affix or erect any shade, blind, aerial, awning, grill, exhaust fan or the like to the windows, balconies or the exterior areas of the Unit without the prior written approval of the Vendor or which is not in accordance with the design and specifications of the Vendor;
- k. install any television, radio or other antenna on the roof of the Building *or any building in the Housing Project or any part of the common property;
- I. where the Unit has a roof terrace, erect or cause or suffer to be erected any structure on the roof terrace of the Unit;
- m. park or permit vehicles to be parked or stationary at any place except at such place(s) designated by the Vendor and shall not carry out any major repair work to any vehicle within the Building *or Housing Project;
- n. hold any funeral service and/or wake within the Building *or Housing Project except in the Purchaser's Unit / at areas designated by the Vendor and shall comply with any specific rules or requirements set down by the Vendor;
- mark, paint, drive nails or screws or the like into, or otherwise damage or deface any structure that forms part of the common property without the approval in writing of the Vendor;
- p affix or erect any shade, blind, awning, grill or other covering or enclosure or the like to the common lobbies of the Building *or Housing Project without prior written approval of the Vendor and the relevant competent authorities;
- q erect or cause or suffer to be erected any structure fixture or feature in, on or over the Unit which will obstruct or otherwise hinder any of the purposes set out in Clause 1(a) hereof;
- r hang or dry or permit the hanging or drying of any clothes, linen, washing and such like articles beyond the strata unit area except in areas specially provided for in and upon the Unit;

^{*} Delete if inapplicable

- s plant or place or cause to be placed potted plant(s) or other objects on any common area or on the balcony/ window ledge(s) which may pose a danger to residents of the Building * or Housing Project or passers-by below the Unit;
- t make or permit to be made any repair alteration or renovation works to the household shelter installed in the Unit which will weaken or damage the householder shelter; and
- u insert or deliver any junk mails to letter boxes.

PROVIDED ALWAYS THAT nothing herein contained shall impose or be deemed to impose on the Vendor any obligation to enforce or effectuate the aforesaid restrictive or other covenants or any of them against the Purchaser his successors, assignees and personal representatives.

Note: Any item in the above Schedule A which is considered to be not relevant to a project may be omitted.

^{*} Delete if inapplicable

(For Commercial Properties – Form D)

THE SCHEDULE TRANSACTON PARTICULARS

1	Purchaser – Name	_		
		(*NRIC / Pa	ssport / Co. Regn. No.	
	Address	:		
2	Booking Fee		plus \$	
3	Date of Option to Purchase	:	_	
4	Purchase Price	: \$	plus \$	(GST)
5	Purchaser's Solicitors – Name	:		
	Address	:		
6 the Unit	the Unit	Building, community square land survey	^ on the omprising an estimate [including *void area e metres] as shown in or's certificate on strate to be known as (addre	ed floor area of a/void areas of in the registered a area and which
		the Written Authority u factory, wa	ecify the use of the Un Permission granted by nder the Planning Act rehouse, staff canteen except the approve	the Competent (Cap. 232) e.g., showroom. No
		* To delete	whichever is not applic	cable
7	Unit Purchase Price	· \$	per squar	e metre

8	Share Value allotted to the Unit	:
9	Share of maintenance charges for	:
	the common property of the Building	
10	*Share of contribution to expenses	:
	relating solely to the limited common property	
	common property	

^{*} Delete whichever is inapplicable or if inapplicable.

^{*} The heading "The Schedule" may be labelled in other manner (for example as "Annex B"), so that it runs alphabetically or numerically with the labelling of other schedules or attachments to the Agreement.