BUYING PRIVATE RESIDENTIAL PROPERTY
IN SINGAPORE

Non-Singaporeans may purchase private residential apartments in flats and condominiums. They are restricted from purchasing landed residences unless they first obtain approval from the Land Dealings (Approval) Unit of the Singapore Land Authority.

Buying a Completed Residential Property

Purchasing a residential property in Singapore will usually involve the following steps and timings:

<table>
<thead>
<tr>
<th>Key Event</th>
<th>Relevant Payments</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to purchase: An option to purchase reserves the property exclusively for the interested buyer for a short period of time, usually two weeks.</td>
<td>An option fee must be paid. This is usually 1% of the purchase price. This will be forfeited if the option to purchase is not exercised.</td>
<td>Day X</td>
</tr>
<tr>
<td>Exercise of the option: Once the buyer exercises the option, the parties enter into a sale and purchase agreement for the property. This is often on standard terms, known as the Law Society’s Conditions of Sale 2012.</td>
<td>A deposit is paid upon the exercise of the option. This is usually 4% of the purchase price. The deposit will be held by stakeholders pending completion of the sale. The buyer may require his lawyers or the Singapore Academy of Law to act as stakeholder.</td>
<td>X+2 weeks</td>
</tr>
<tr>
<td>Pre-completion: The buyer’s lawyers will conduct searches called “legal requisitions” to check whether the property is adversely affected by any government charges or plans. If so, the buyer may be able to rescind the sale.</td>
<td>Stamp duty on the signed sale and purchase agreement must be paid within 14 days of the exercise of the option. More information on the amount of stamp duty payable is available below.</td>
<td>--</td>
</tr>
<tr>
<td>Completion: The seller hands over the keys to the property to the buyer.</td>
<td>The remaining 95% of the purchase price is paid. The stakeholder will release the deposit monies to the seller.</td>
<td>X+8 to 10 weeks</td>
</tr>
</tbody>
</table>

Buying an Uncompleted Residential Property

If the property is being developed by a developer, the steps and timings will be somewhat different to those for a completed property. The differences are set out below:

- **Option to purchase:** The option period will usually be about three to five weeks. The option will be in the form specified by the Housing Developers Rules. The interested buyer usually pays an option fee of 5% in exchange for the option. If the interested buyer chooses not to exercise the option, the developer must refund 75% of the option fee.

- **Exercise of the option:** The expiry date of the option is three weeks from the date that the buyer/buyer’s solicitors receive the sale and purchase agreement from the developer/developer’s
solicitors. 15% of the purchase price and such other progress payments that may be applicable (depending on the construction milestones) would be payable within eight weeks from the date of the option.

- **Completion**: Completion will take place over stages as the development is built. The remainder of the purchase price is paid in instalments pegged to specified construction milestones. The final instalment is only paid when the building is awarded its Certificate of Statutory Completion or when separate title is issued for the property, whichever is the later.

### Stamp Duty

A foreign buyer must pay the following stamp duties on purchasing a residential property in Singapore:

- A basic buyer’s stamp duty calculated as follows:
  - For every S$100 of the first S$180,000 of the purchase price of the property, S$1;
  - For every S$100 of the next S$180,000 of the purchase price of the property, S$2; and
  - For every S$100 of the remainder, S$3; and
- An additional buyer’s stamp duty amounting to 15% of the total purchase price of the property.

While Singapore has no capital gains tax, a purchaser that resells property within four years of its purchase must pay a seller’s stamp duty determined as follows:

<table>
<thead>
<tr>
<th>Year of resale after initial purchase</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of seller’s stamp duty payable</td>
<td>16%</td>
<td>12%</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>

If you would like information on this or any other area of law, you may wish to contact the partner at WongPartnership that you normally deal with or any of the following partners:

**Rachel Eng**
Joint Managing Partner  
DID: +65 6416 8002  
Email: rachel.eng  
@wongpartnership.com  
Click [here](#) to see Rachel’s CV.

**Low Kah Keong**
Head – Asset Management & Funds Practice  
DID: +65 6416 8209  
Email: kahkeong.low  
@wongpartnership.com  
Click [here](#) to see Kah Keong’s CV.

**Tan Teck Howe**
Partner – Corporate Real Estate Practice  
DID: +65 6416 8013  
Email: teckhowe.tan  
@wongpartnership.com  
Click [here](#) to see Teck Howe’s CV.
CONTACT DETAILS

Singapore
WongPartnership LLP
12 Marina Boulevard Level 28
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: +65 6416 8000
Fax: +65 6532 5711/5722

China
WongPartnership LLP
Beijing Representative Office
Unit 3111 China World Office 2
1 Jianguomenwai Avenue, Chaoyang District
Beijing 100004, PRC
Tel: +86 10 6505 6900
Fax: +86 10 6505 2562

Malaysia
Foong & Partners (an associate firm)
Advocates & Solicitors
13-1, Menara 1MK, Kompleks 1 Mont’ Kiara
No 1 Jalan Kiara, Mont’ Kiara
50480 Kuala Lumpur
Malaysia
Tel: +60 3 6419 0822
Fax: +60 3 6419 0823
Website: foongpartners.com

Middle East
WongPartnership LLP
Abu Dhabi Branch
Licensed by the QFCA
Al Bateen Towers
Office 12-20
Building C3 Office 11-01 (P1)
Amwal Tower, West Bay
P.O. Box No. 37883
Doha, Qatar
Tel: +971 2 651 0800
Fax: +974 4491 2339

contactus@wongpartnership.com

wongpartnership.com