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GUIDELINES ON FOREIGNERS OWNING REAL ESTATE *SINGAPORE*

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ECONOMIC DATA



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Per Capita Income:	<i>S\$63,050</i>
GDP Growth Rate:	<i>4.9% (2011)</i>
Inflation rate:	<i>5.2%, Core inflation 2.2%</i>
Bank Borrowing Rate:	<i>3 month interbank 0.38%</i>
Unemployment :	<i>2%</i>
Major Exports:	<i>Refined Petroleum products (26.1%) Electronic components (20.4%) Office & Data Processing components (4.2%)</i>

Source: MTI

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LEGAL RESTRICTIONS / CONTROLS



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Name of Regulations:

Residential Property Act (CHAPTER 274)

Name of Regulatory Body:

Controller of Residential Property / Land dealings (Approval) unit /
Minister for Law

Source: SLA

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LEGAL RESTRICTIONS / CONTROLS



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Definition of Foreigner or Non-Resident:

“foreign person” means any person who is not any of the following:

- a citizen of Singapore;
- a Singapore company;
- a Singapore limited liability partnership;
- a Singapore society;

Source: SLA

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LEGAL RESTRICTIONS / CONTROLS



Types of Properties Foreigners can buy:

No restrictions on foreigners buying properties in Singapore except residential properties

Foreigners may buy the following residential properties:

- Any apartment within a building
- Any unit in an approved Condominium
- Any unit in an Executive Condominium which is at least 10 years old

Source: SLA

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LEGAL RESTRICTIONS / CONTROLS



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A foreigner cannot purchase “restricted residential property” unless he obtains the prior approval of the Minister for Law.

“Restricted residential properties” include:

- vacant residential land
- landed property i.e detached house, semi-detached house, terrace house (including linked house or townhouse)
- landed property in strata developments which are not approved condominium developments under the Planning Act

Source: SLA

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LEGAL RESTRICTIONS / CONTROLS



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A foreigner is allowed to own “restricted residential property” in Sentosa Cove but must obtain approval from the Controller of residential property and the unit must be used for owner-occupation.

Source: SLA

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LEGAL RESTRICTIONS / CONTROLS



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Any limit to the value and no. of properties that foreigners buy:

Not allowed to acquire ALL the apartments within a

- Building
- Condominium
- Executive condominium

without the prior approval of the Minister for Law.

Successful applicants for “restricted residential
properties” are only allowed one “restricted residential
property” at any time

Source: SLA

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INCENTIVES



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Any special incentive for foreigners to purchase real estate in Singapore?

There are no incentives given to foreigners to purchase property in Singapore.

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FINANCING FOR FOREIGNERS



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Any financing for foreigners to borrow from local banks?

Yes local financing is available.

What are the requirements and conditions for approval?

As per bank' s credit evaluation

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FINANCING FOR FOREIGNERS



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Any limit on foreigners borrowing?

Foreign buyers should take note of the following:

- For individuals without any outstanding housing loans,

Loan-To-

Value (LTV) limit is 80%

- For individuals with one or more outstanding housing

loans, LTV

limit is 60%

Source: JRA
• For non-individuals (companies), the LTV limit is 50%.

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FOREIGN EXCHANGE REGULATION



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Whether foreigners can bring in their own money to purchase properties?

Yes

What are the foreign exchange regulation for them to bring money into Singapore?

- Foreigners have to declare if they bring in more than SGD\$30,000 in physical cash into Singapore.
- No restriction for funds transfer

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FOREIGN EXCHANGE REGULATION



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What are the regulations for repatriation of profits by foreigners after sale?

No restrictions on funds transferred out of Singapore from sale of
property

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INVESTMENTS RETURNS



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What are the preferred types of properties purchased by foreigners in Singapore?

Mainly residential properties in prime districts. Also purchases outside prime districts.

Rental / Yield return

- Grade A Office S\$9 - S\$11psf / 3.5% - 4.5% net yield
- Luxury residential S\$5 – S\$7psf / 2.5% - 3% net yield

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LAND TENURE



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Type of Tenure:

- Freehold
- 999 year leasehold
- 99 year leasehold
- 60 year leasehold
- 30 year leasehold
- Others

Mainly industrial and other uses

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FEES AND TAXES



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Buyer's stamp duty

1% on first \$180,000
2% on next \$180,000
3% for the remainder

Additional Buyers' stamp duty

- Foreigners and non-individuals buying any residential property will pay an ABSD of 10%
- Permanent Residents (PRs) owning one and buying the second and subsequent residential property will pay an ABSD of 3%
- Singapore Citizens (Singaporeans) owning two and buying the third and subsequent residential property will pay an ABSD of 3%.

Source: IRAS

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FEES AND TAXES



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Seller's Stamp Duty (SSD):

For residential property bought on or after 14 Jan 2011, SSD will be payable as follows:

- SSD at 16% if property is sold within 1 year of purchase
- SSD at 12% if property is sold within 2 years of purchase
- SSD at 8% if property is sold within 3 years of purchase
- SSD at 4% if property is sold within 4 years of purchase

Source: IRAS

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FEES AND TAXES



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Property Tax:

- Property tax is payable at 10% of annual value
- For owner occupied properties, concessionary rates are payable

Source: IRAS

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FEES AND TAXES



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Procedures for purchase of property in Singapore:

Resale property

- 1% of purchase price payable as option fee
- Option to be exercised within 2-3 weeks
- If exercised, additional 4% - 9% is payable
- Execution of sales agreement between buyer and seller
- Balance of the sale price payable upon completion of sale 3 months later

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FEES AND TAXES



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Procedures for purchase of property in Singapore:

Property under development

- Booking/option fee of 5% of purchase price payable
- Execution of Sales & Purchase Agreement between buyer and seller within 8 weeks and 15% of purchase price payable
- Balance of the sale price payable as progress payments according to the stages of construction of the project

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FEES AND TAXES



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Fees when renting property:

- Leasing commission of 1 month rent payable for a 2 year lease
- Conservancy charges borne by Landlord

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