GUIDELINES ON FOREIGNERS
OWNING REAL ESTATE

SINGAPORE
<table>
<thead>
<tr>
<th>Economic Data</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Income:</td>
<td>S$63,050</td>
</tr>
<tr>
<td>GDP Growth Rate:</td>
<td>4.9% (2011)</td>
</tr>
<tr>
<td>Inflation rate:</td>
<td>5.2%, Core inflation 2.2%</td>
</tr>
<tr>
<td>Bank Borrowing Rate:</td>
<td>3 month interbank 0.38%</td>
</tr>
<tr>
<td>Unemployment:</td>
<td>2%</td>
</tr>
<tr>
<td>Major Exports:</td>
<td>Refined Petroleum products (26.1%)</td>
</tr>
<tr>
<td></td>
<td>Electronic components (20.4%)</td>
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<tr>
<td></td>
<td>Office &amp; Data Processing components (4.2%)</td>
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</tbody>
</table>
Name of Regulations:

Residential Property Act (CHAPTER 274)

Name of Regulatory Body:

Controller of Residential Property / Land dealings (Approval) unit / Minister for Law
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;
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
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
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.
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.
Any special incentive for foreigners to purchase real estate in Singapore?

There are no incentives given to foreigners to purchase property in Singapore.
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
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%
- For non-individuals (companies), the LTV limit is 50%.

Source: URA

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

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

Type of Tenure:

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

Mainly industrial and other uses
FEES AND TAXES

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
FEES AND TAXES

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
Property Tax:

- Property tax is payable at 10% of annual value
- For owner occupied properties, concessionary rates are payable
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
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
Fees when renting property:

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