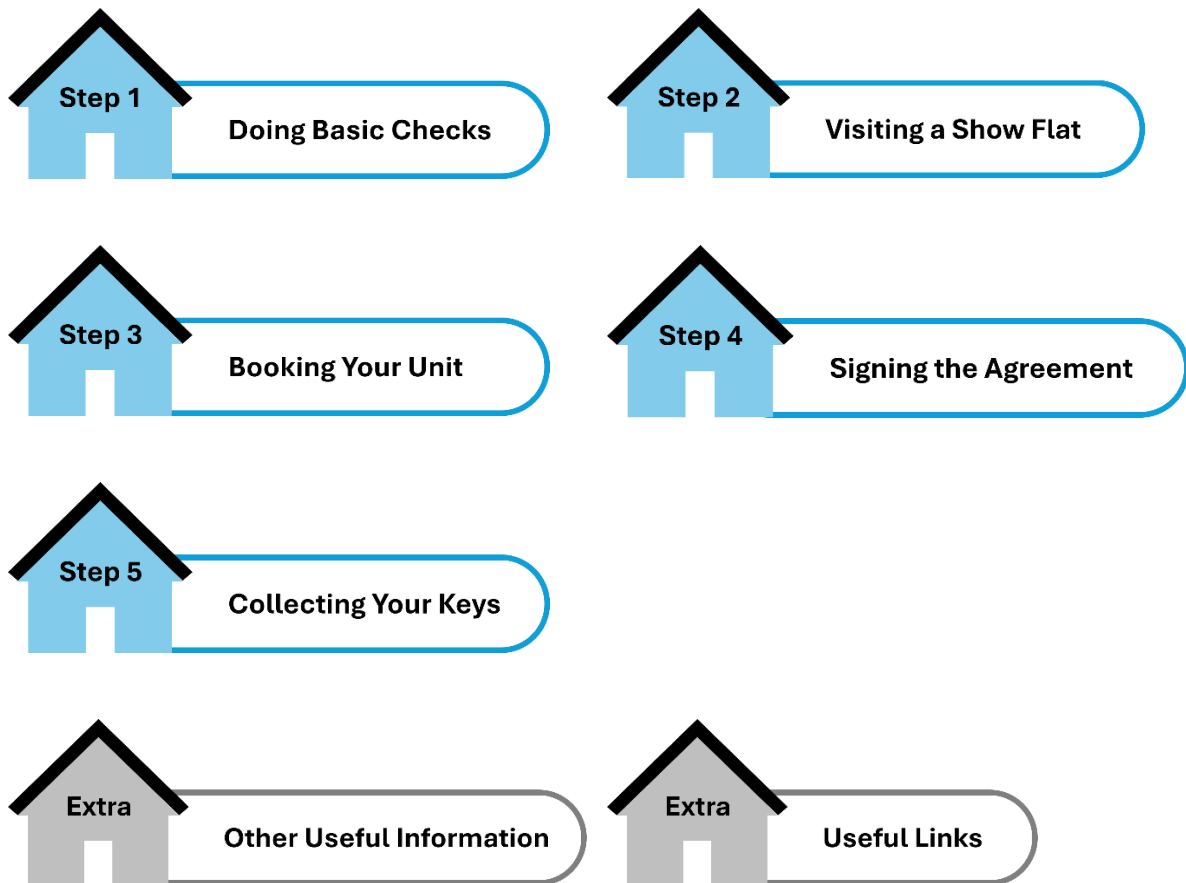


Home Buyers' Guide

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.



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 [infographic](#).
- 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 prevention of money laundering, proliferation financing and terrorism financing 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, proliferation financing 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.



Purchasing from Developers undertaking projects with 4 or fewer units

A developer who undertakes a housing project with 4 or fewer units is not required to be licensed under the Housing Developers (Control & Licensing) Act. As such developers are not subject to the same regulations that apply to licensed housing developers, you may wish to conduct more thorough due diligence when dealing with such developers, including through seeking legal advice as needed to allow you to make informed decisions and safeguard your interests.

If you are considering to purchase a property from such developers, you should take note of the following:

➤ **Advertisements**

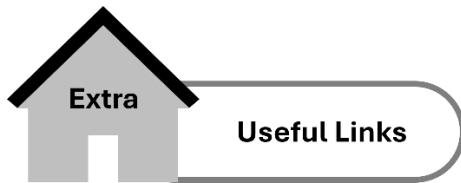
Beware of any information which is unclear or may be misleading and seek clarification from the developer if necessary to help you make a more informed buying decision. You may wish to request for pertinent information on the property and housing project, such as floor area, facilities provided, expected vacant possession and completion date.

➤ **Contractual terms**

The developer may use its own sales contract in the sale of the property. You should carefully review the terms of the contract and seek legal advice to ensure that your interests are safeguarded before making any payment or committing to the purchase. Some key provisions which you should look out for in the sales contract include schedule of instalment payments, provision for a defects liability period during which a developer is obliged to rectify defects reported at its own cost and expense, stipulated date of delivery of vacant possession of the property and legal completion with recourse for home-buyers should the developer fail to meet the stipulated date, specifications of the property and obligation for developer to build in accordance to the specifications and approved plans with recourse for home-buyers should the developer fail to do so.

➤ **Home-buyers' payments**

Developers undertaking projects with 4 or fewer units are not required to deposit payments of purchase price into a project account for the purpose of developing and completing the projects. You should therefore consider the financial circumstances of the developer, and the amount of instalment payments required at specific construction stage, to ensure that your interests are safeguarded. You should be particularly cautious about agreements that require substantial payments before construction begins or reaches significant milestones, such as Temporary Occupation Permit.



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