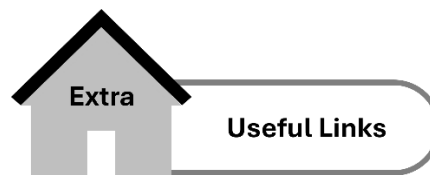
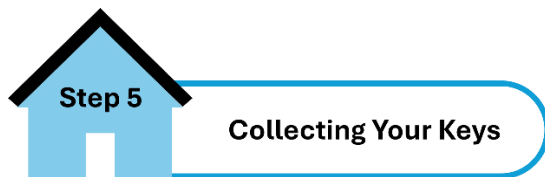
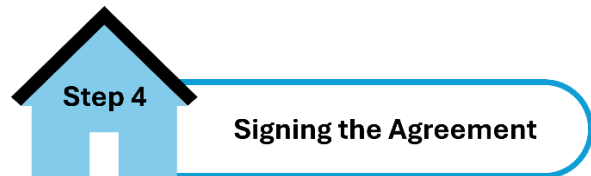
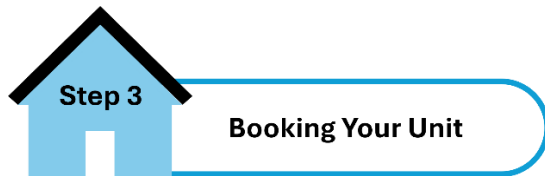
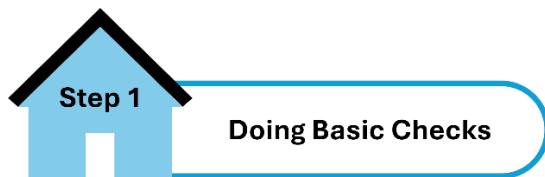


Home Buyers' Guide

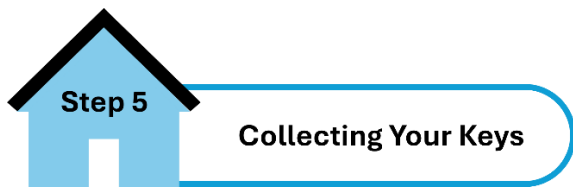
What is it?

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.



Once Temporary Occupation Permit (TOP) is issued and you have paid the progress payment due upon TOP, the developer will inform you of the procedure to collect the key to your unit. After collecting the key, you can inspect your unit, housing project and common property or limited common property and report any defects to the developer to carry out rectification works.

Delivery of Vacant Possession

The developer is required to deliver vacant possession of the unit to you no later than:

- The date as specified in the Sale and Purchase Agreement (S&PA); and,
- 21 days from the date of receipt of the payment of 25% of the purchase price. This payment is due when TOP has been issued, and the roads, drainage and sewerage works serving the housing project have been completed (item 3 of the payment schedule).

The developer is liable to pay liquidated damages to you if they fail to deliver vacant possession of the unit by the above dates.

Maintenance Fee

As specified under the Sale and Purchase Agreement (S&PA), you would need to pay the developer maintenance fee for the maintenance of the common property and limited property of the development starting on:

- The date the developer delivers vacant possession of the unit to you; or,
- The 15th day after you have received the Temporary Occupation Permit or Certificate of Statutory Completion and infrastructure completion notice specified under item 3 of the Payment Schedule.

You are required to pay a lump sum of 6-month maintenance charges to the developer, followed by every quarter in advance after that. Once the management corporation (MCST) is formed, you are required to pay the maintenance charges to the MCST. The payment of maintenance charges is for the provision of cleaning and other maintenance services for the development. Click on BCA's [link](#) to learn more about the maintenance fee contribution.

Defects

A defect is any fault in the unit, housing project and common property or limited common property which is due either to defective workmanship or materials or to the unit not having been constructed according to the Specifications in the S&PA. For units in a strata subdivided housing project, the term "defect" in the S&PA also covers defects in the common property and housing project.

BCA regulates construction works to ensure compliance with the requirements under the Building Control Act and Regulations, which focuses primarily on the structural safety of buildings. BCA issues a TOP for a project after all the relevant requirements under the Building Control Act and Regulations are met and clearances from the relevant technical authorities are obtained. However, defects in the unit and the housing project are not regulated. Instead, they are contractual matters under the terms of the S&PA between the developer and the purchaser.

You should make a thorough inspection of the unit upon taking vacant possession and highlight any defects to the developer. Do clarify with the developer or seek professional advice if you

are unsure whether there are defects in the unit. You may also refer to BCA's [guide](#) on good practices for quality workmanship.

Defects Liability Period

The developer is obliged to rectify any defects in the unit, the common property or the housing project which becomes apparent within a period of 12 months from:

- The date the developer delivers vacant possession of the unit to you; or
- The 15th day after you receive notice that the TOP has been issued and that the infrastructural works serving the housing project have been completed, whichever is earlier.

If you discover defects at any time during the defects liability period, you should follow the procedure set out in the S&PA to get the developer to rectify the defects. The developer must make good any defects at its own cost and expense within one month of receiving your notice requiring rectification.

If the developer fails to rectify the defects within the specified time, you may engage your own contractors to carry out the rectification works and deduct the cost of those rectification works from the sum held by the Singapore Academy of Law as stakeholder for the developer for this purpose by following the procedures set out in the S&PA. You will also need to serve a notice of deductions to the Singapore Academy of Law (see [link](#)).

Procedure for completion of sale

When the developer is ready to convey the legal title of your unit to you, the process known as the completion of sale will take place. The procedure is as follows:

1. The developer will issue you a Notice to Complete which must be given by the date specified in the S&PA or 3 years after the date of delivery of vacant possession of the unit, whichever is earlier.
2. Completion must take place within 14 days after you receive the Notice to Complete.
3. On completion, the developer must issue a proper conveyance and a duplicate of the unit's title to you. The title issued is either the Duplicate Subsidiary Strata Certificate of Title (for strata subdivided property) or the Duplicate Certificate of Title (for non-strata subdivided property).

These certificates are official documents issued by the Registrar of Titles stating that the person named in the certificate is the legal owner of the property described in the certificate.

The area of the unit based on the title survey as approved by the Chief Surveyor in SLA will be stated in the title of the unit. Should the final surveyed area of the unit be less than the area stated in the S&PA by more than 3%, the purchase price shall be reduced at the unit purchase price for every square metre of deficiency which is in excess of 3% of the area stated in the S&PA. For example, a unit with an as-built area of 96sqm is 4sqm (4%) short of the 100sqm (100%) area stated in the S&PA. The as-built area deficiency is 4%, which is more than 3% of the area stated in the Agreement. Thus, the affected purchaser can claim for the unit purchase price reduction for the 1sqm deficiency which is in excess of 3% of the area stated in the Agreement.

Liquidated Damages

You have a right to claim for liquidated damages according to the formula specified in the S&PA if the developer does not issue you the Notice to Complete by the deadline specified in the S&PA.

Disputes

In the event of a dispute, you should initiate discussions with the developer to resolve the differences. You may consider seeking legal advice on your rights under the S&PA and the appropriate course of action to take should the need arise. You are strongly encouraged to consider resolving any dispute through direct negotiation, failing which, to consider mediation.

In mediation, an impartial third party, a mediator, will help you and the developer to negotiate an amicable settlement of the differences. The mediator is not a judge and will not decide on who is right. Rather, the mediator helps both parties reach a binding agreement by focusing on problem-solving. Mediation is likely to be less costly than litigation or arbitration and may help to resolve disputes more quickly.

The Singapore Mediation Centre (SMC) offers mediation services to help disputing parties resolve their dispute. For claims of less than \$60,000, the parties could subscribe to the Small Case Commercial Mediation Scheme. For claims exceeding \$60,000, the parties could subscribe to the Commercial Mediation Scheme.

SMC also offers a Neutral Evaluation service, in which an unbiased third party such as a former Judge or Senior Counsel – the Neutral – hears your case either through written submissions and/or oral presentations. They consider the legal merits of your case and give you their reasoned opinion. This allows contending parties to better understand their strengths and weaknesses of their case. More information on the services offered by SMC is available at their [website](#).

Mediation services are also available at:

- [Law Society of Singapore \(Law Society Mediation Scheme\)](#)
- [REDAS Conciliation Panel](#) which deals with disputes between purchasers and developers who are members of the Real Estate Developers' Association of Singapore
- [SISV Dispute Resolution Centre](#)



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**

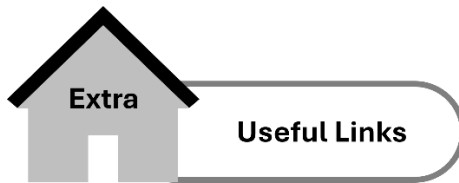
Beware of any information which is unclear or may be misleading and seek clarification from the developer if necessary to help you make a more informed buying decision. You may wish to request for pertinent information on the property and housing project, such as floor area, facilities provided, expected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