



REAL CENTRE NETWORK PTE LTD

PAPER ONE

**CU1: REAL ESTATE AGENCY INDUSTRY OVERVIEW
& BASIC LAND LAW CONCEPTS**
CU2: DEALINGS WITH INTERESTS IN LAND

PREFACE

The Course books are compiled to prepare Real Centre Network (RCN) Real Estate Salesperson (RES) Course participants for the Real Estate Salesperson (RES) exams.

The information provided is given in good faith and has been derived from various sources believed to be reliable and accurate. While every reasonable effort has been taken to compile these notes, errors may still arise in the course of compilation and production. If you notice any error, kindly write to feedback at info@realcentrenetwork.com so that we can review it.

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OVERVIEW

INTRODUCTION

All real estate salespersons who carry out estate agency work in the sale or leasing transactions of residential (HDB and private housing), commercial and industrial properties must be registered with the Council for Estate Agencies (CEA). CEA is the regulatory body for the real estate agency industry and administers the Estate Agents Act 2010 and Regulations.

Prior to applying for registration as a salesperson, one must pass the Real Estate Salesperson (RES) Examination, which is one of the registration criteria stipulated under the Estate Agents (Licensing and Registration) Regulations 2010. The RES Examination consists of two Papers which test on the knowledge that is essential for practice as a real estate salesperson.

The RES Examination Syllabus is prepared in the context of local laws, rules and regulations governing estate agency work and practices, and the buying/selling/leasing of HDB flats and private residential, commercial and industrial properties in Singapore.

OBJECTIVES

The objectives of the RES Examination are to ensure that new entrants meet the following requirements before they practise as real estate salespersons. The objectives are:

1. Possess the fundamental knowledge of real estate concepts, real estate market, law of contract, law of agency, planning and development control, and principles of marketing so as to be professionally knowledgeable when performing estate agency work.
2. Able to apply knowledge required for estate agency services, in particular knowledge on the handling of sale and lease of residential, commercial and industrial properties and including but not limited to title searches, immigration checks and financial calculations.
3. Understand and apply good ethics, relevant laws and regulations, and best practices in estate agency work so as to uphold the professional standing of salespersons.
4. Be knowledgeable about prevailing market information and government policies and regulations.

RES EXAMINATION FORMAT

The RES Examination consists of two papers, each with exam duration of 2.5 hours. Both papers are of the same format as follows:

Format of RES Examination Paper 1 and Paper 2	
Section A: 50 Multiple Choice Questions (MCQs)	1 mark each
Section B: 15 MCQs with reference to one or two Case Studies*	2 marks each
Section C: 10 Short Answer Questions (SAQs)	2 marks each

*The objective is to test candidates' ability to interpret and analyse the questions in a practice-oriented context.

RES PAPER 1

Paper 1 comprises Competency Units (CU):

- CU1: Real Estate Agency Industry Overview & Basic Land Law Concepts
 - CU2: Dealings with Interests in Land
-

USING THE COURSE NOTES

Each unit contains:

- Learning Outcomes: At the beginning of each section, the specific learning outcomes which you are expected to achieve are outlined. It is useful for you to review your learning against this checklist in preparation for the examinations.
- Course Materials: These detailed notes are supplementary to the lesson slides.

CU1: REAL ESTATE AGENCY INDUSTRY OVERVIEW & BASIC LAND LAW CONCEPTS

This unit introduces the real estate market with its characteristics, its constituent elements/parts and the players. Economic factors affecting supply, demand and property prices, the property cycles and the effect of government policies, provide the basis for understanding how the market functions as a whole and as submarkets, in Singapore.

Real estate salespersons who represent their clients in dealing with their property transactions must be equipped with the basic understanding of the law concepts and principles on real estate property in Singapore.

UNIT 1.1: REAL ESTATE MARKET AND SUBMARKETS

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Identify the characteristics of real estate vs. real estate investment trusts (REITS) and property stocks.
- ✓ Understand the characteristics of real estate market as a whole.
- ✓ Categorise properties into residential, commercial and industrial according to title (land, lease or strata), form and planning parameters.
 - Identify title/tenure of property, zoning, use and classification of property.
 - Identify types of commercial properties (i.e. strata-titled shop/office units), industrial and residential properties.
- ✓ Understand the micro- and macro-factors affecting supply, demand and prices of properties.
- ✓ Understand the functioning of each submarket (by property types, locations, and socioeconomic characteristics, etc.).
- ✓ Understand the relationship between property cycle and business cycle.
- ✓ Source and interpret property supply, transaction statistics/data and other market information.
- ✓ Convert a 6-digit postal code to its old district number.

CHARACTERISTICS OF REAL ESTATE

Real estate has **physical** and **economic** characteristics, which makes it different from other commodity.

PHYSICAL CHARACTERISTICS

- **Indivisible**

You cannot buy or sell one square metre of a property at a time.

- **Immobile**

Once a property is built it is fixed to that location. You cannot move property from an area of low demand to an area of high demand.

- **Durable**

Pure land is totally durable, and buildings and other capital improvements have a relatively long life compared to other goods. Once you develop a building it remains in existence for a significant period of time.

Over time, property deteriorate and investors must expect repair and refurbishment costs, or depreciation occurs in the value of their asset. The first type of depreciation refers to the deterioration of buildings over time as a result of wear and tear. The second is obsolescence which is related to changes in market conditions, building technology and the functional requirements of the occupiers.

- **Heterogeneous**

Each unit of property is unique. They vary by location, design, type, construction, size, use, tenant and lease terms.

ECONOMIC CHARACTERISTICS

- **High transaction costs**

Costs involved in selling/buying a property include legal costs, agent costs, stamp duty etc. The high cost of buying and selling property rights inhibits market participants from responding rapidly to changing conditions.

- **Illiquid**

Takes time to buy and sell a property. The time that it takes to realise the cash tied up in a property is significantly longer than the time it takes to sell equities.

- **Long transaction time**

Takes at least 6 to 8 weeks for property transaction to be completed.

- **Supply is very inelastic** (fixed) in the short run

It takes time to undertake development or redevelopment projects. In the long run, it is more elastic but this is limited by the capacity of the construction industry and the supply of land.

- **External costs and benefits** associated with the use of land and property.

Adjacent land uses may complement one another, thereby adding to the value of those properties. Alternatively, bad neighbour uses may reduce the value of some properties.

- **Intervention of the government**

Extensive government control exists in the property market and these influence the demand and supply of property.

Eg: Introduction of Buyer's Stamp Duty, lifting up restriction of foreign property ownership

- **Irrational participants**

Market participants do not always behave rationally or seek profit/utility maximisation. Status, symbolism and other non-financial benefits attached to property may result in some owners being unwilling to sell their property despite certainty of monetary gain.

- **Imperfect information**

Information is not readily and completely available in the property market.

- **Costs in property management**

There may be a need to management and administration which includes maintenance, rent collection, rent reviews and lease negotiations for properties.

INVESTMENT

Investment: Using resources (asset) with the expectation that it produce income or appreciate in the future.

RISK-RETURN TRADEOFF

In any investment, there is always a risk of losing money, either the initial money invested or a loss in earnings.

Returns: Gain or loss made on investment. May be in the form of income earned and/or capital gain or loss.

Risk: Risk in investment arises as actual returns from an investment may be more or less than expected from the investment.

FORMS OF INVESTMENT

There are various types of investment, namely:

- **Financial** investments: e.g. stocks, shares, bonds, unit trusts, Investment linked insurance etc
- **Tangible** investments: e.g. futures, gold, antiques, art etc
- **Real Estate** investments: e.g. property, real estate company shares, REITs

REAL ESTATE AS AN INVESTMENT

PROS

- **Capital growth/hedge against inflation:** Property value will grow over time.
- **Financial leverage:** Due to availability of loans, a good strategy and leveraging, investors are able own more properties.
- **Estate building:** Investor can build up a portfolio over time.
- **Security:** Property is durable. It will still be there over time.
- **Tax benefits:** There is no capital gains tax on property. Although rental income is subjected to income tax, operating expenses can be deducted.
- **Ownership:** May be a status symbol for some.
- **Personal use:** Property can be for own use.
- **Control:** There is direct control of the property investments.

CONS:

- **Liquidity:** Property is illiquid. It takes time to sell a property.
- **Huge capital outlay:** Due to the property prices, the initial outlay may be substantial as compared to other forms of investments.
- **Financial risks:** As with any investment, risk increases when there is a loan.
- **Business risks:** For rental properties, when there is high vacancy, the actual income may less than expected.
- **Fluctuations:** Property is subject cycles.
- **Depreciation:** Building may deteriorate if there is no proper maintenance.
- **Management fees:** If property is for rental, there are costs involved for property management and regular maintenance..
- **Complexity of ownership:** There may be legal constraints and subject to some government controls and guidelines.

REAL ESTATE INVESTMENT TRUSTS (REITS)

REITs are investment schemes where there is aggregation of funds to invest in a portfolio of real estate assets, generating an income for the unit holders.

Real estate assets can range from commercial (offices), industrial properties, retail malls, hospitality assets such as hotels or serviced apartments. These assets are professionally managed and income generated are normally distributed at regular intervals to the unit holders.

Investment objectives for REITs are similar to stocks investments which include income distribution and long term appreciation potential.

CHARACTERISTICS OF REAL ESTATE INVESTMENT TRUSTS (REITS)

- **Diversification**

REITs may own various property portfolios with different tenants. The risk of relying on a single property or tenant is reduced due to the pool of properties owned by the REIT.

Some REITs may have diverse range of assets in various countries.

- **Affordability**

The is better opportunity as REITs have the advantage of having the pooled capital to acquire various properties as compared to an individual investor. REIT allows unit holders to invest in large assets based on what is affordable to them.

- **Liquidity**

Unit holders can easily convert their assets to cash as compared to investing directly in real estate. As REITS are listed on the stock exchange, it is easy to buy and sell a REIT as compared to a real estate asset.

- **Tax Benefits**

Distribution of dividends are tax-exempt for REITs investors.

- **Transparency and flexibility**

As REITS are traded on the stock exchange, the process of buying and selling a REIT is transparent and flexible. Investors have access to REIT prices and can trade throughout the trading day.

In addition, there is corporate governance and transparency as REITS have to abide to applicable laws protecting the interests of the unit holders.

COMPARISON OF REITS VS PROPERTY STOCKS

	REITs	Property Stocks
Business Focus	Investment in income-generating properties	Generally property related, but may diversify into other unrelated activities or industries
Safe Custody of Properties	Properties are held on trust by an independent trustee	Properties are held by the company
Dividend Policy	Must pay out at least 90% of net income after tax	Subject to the decision of the board
Investment and Leverage Guidelines	Subject to the Property Funds Appendix in the Code on Collective Investment Schemes	None
Tax-Exempt Income (dividend)	Yes	No
Traded Through Broker	Yes	Yes
Management Fees	Yes	No
Clearing Fees	Yes	Yes
Brokerage Commission	Yes	Yes
Settlement	Third Business Date after Trade Date	Third Business Date after Trade Date

Source: www.moneysense.gov.sg

REAL ESTATE MARKET

Real estate market:

- place where the **exchange** of real property goods and services take **place**.

Function of the real estate market:

- **Allocate scarce** resources, ie land and interests associated with property ownership **through a price mechanism**, ie person who offers the highest price gets the rights

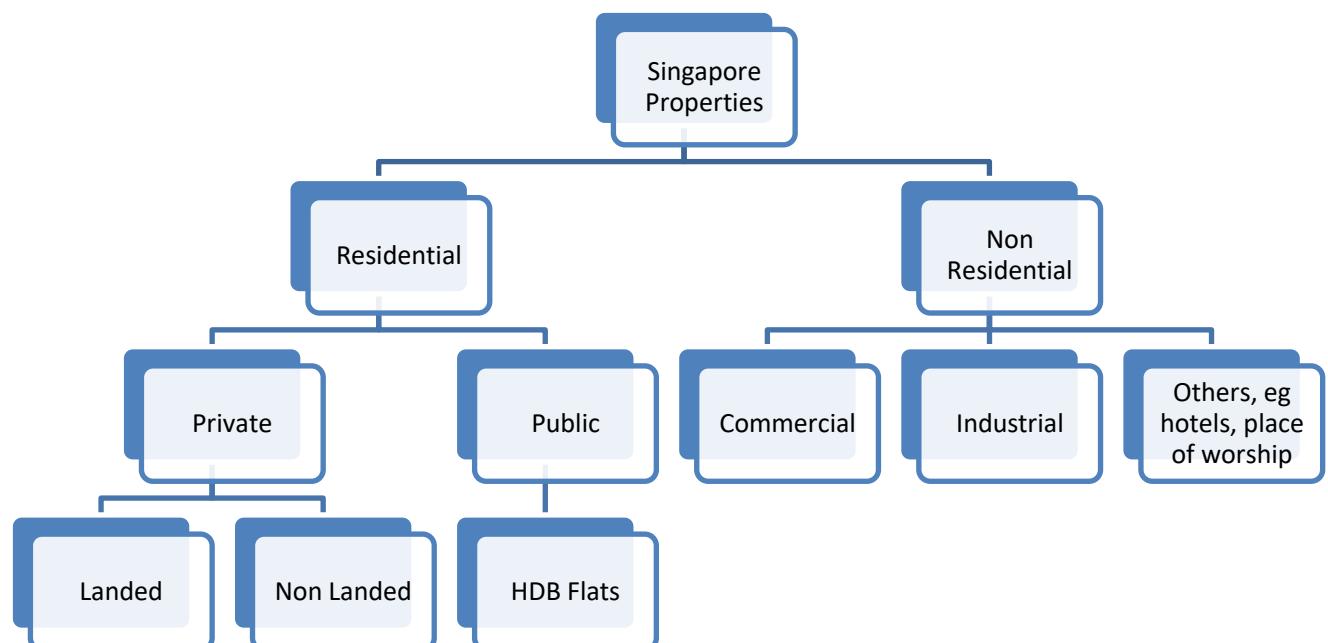
CHARACTERISTICS OF REAL ESTATE MARKET

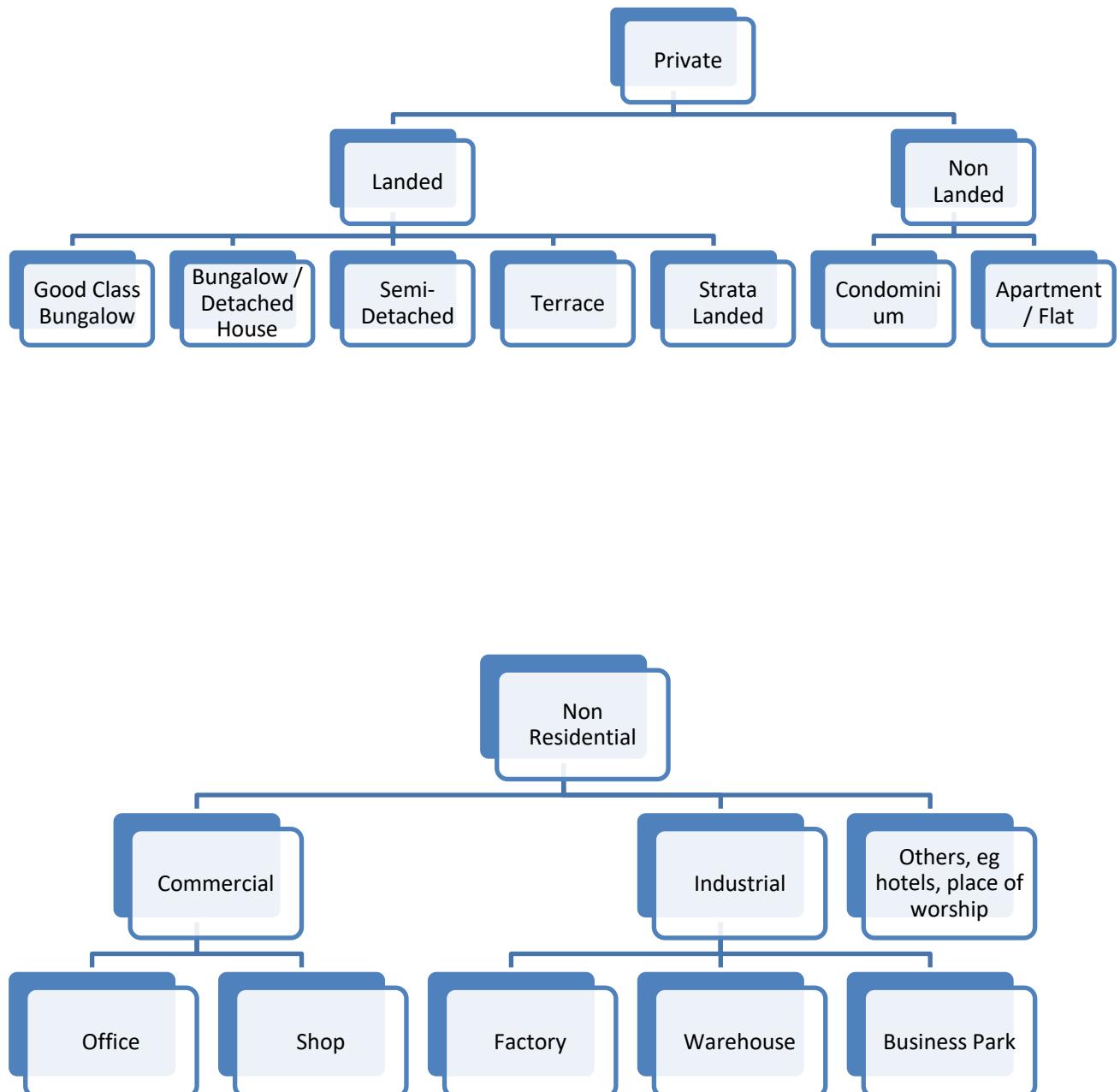
The real estate market is unique in that:

- **No central market**: unlike stocks and shares, there is no defined market. There also exists several sub markets for different property types and different geographical area.
- **Data inefficiency**: Real time information is not available. There is some time lag for publicly available information such as URA and HDB data.
- **Imperfect market**: Due to the characteristics of product, property is not traded frequently and it is not homogenous.

TYPES OF PROPERTIES

OVERVIEW OF SINGAPORE PROPERTIES CLASSIFICATION





RESIDENTIAL DEVELOPMENTS

URA's classification of Residential Developments – **3 Ways:**

i) REGISTRATION INSTRUMENT

- Landed (with land title or strata title)
- Non-landed (with strata title or strata lease)

ii) DENSITY

- a. Low density housing development
- b. Medium density housing development
- c. High density housing development

iii) HOUSING TYPE

- a. Landed Housing

Detached houses (bungalows), semi-detached houses, terrace houses, strata detached houses (strata bungalows), strata semi-detached houses, strata terrace houses and mixed strata landed housing.

Low density housing.

- b. Flats

i. Condominium flats development on sites of 0.4 ha or larger.

ii. Non-condominium flats development on small sites below 0.4 ha.

Flats development whether condominium or not, are mainly medium and high density housing. The low intensity and low-rise flats are low density housing.

Classification of Residential Developments

Registration Instrument Density	Housing Type		
	Landed		Non Landed
	Land Title	Strata Title	Land Title or Strata Title
Low Density	Landed Housing - Bungalows - Semi-detached - Terrace	Low rise Strata - Strata detached (bungalow) - Strata semi-detached - Strata terrace - Mixed strata landed	4 storey flats with gross plot ratio up to 1.4
Medium Density	NOT APPLICABLE		Condominium flats, non-condominium flats
High Density			Condominium flats Non-condominium flats HDB flats & areas designated for HDB type housing

Source: URA

LANDED HOUSING

- **Low-rise/low density** residential development
- Categorised under:
 - i. **Land title**
 - detached house (bungalow);
 - semi-detached house;
 - terrace house I or II.
 - ii. **Strata title** (No condominium status allowed)
 - strata detached houses (bungalows);
 - strata semi-detached houses;
 - strata terrace houses;
 - mixed strata landed housing.

Detached House (Bungalow)

- Free standing house within a plot of land, own boundary, no common wall
- May be single-story, double story or higher.
- Minimum plot size: **above 400m²** unless the existing lots are already subdivided with a land area less than this
- Maximum **site coverage** control depends on the plot size
 - Bungalows (> 800m²): **50%**
 - Bungalows (<= 800m²): 50%
 - Bungalows (<= 800m²) in 2-storey mixed landed and 2-storey semi-detached housing areas: 50%

Good Class Bungalow (GCB)

- Land cannot be developed for more intensive use (Eg condominium)
- Minimum plot size must be at least 1400 sq m
- Max 2-storey excluding basement
- Max site coverage: 40%
- **39 GCB area**



Belmont Park	Cornwall Gardens	Leedon Park
Bin Tong Park	Dalvey Estate	Maryland Estate
Binjai Park	Eng Neo Avenue	Nassim Road
Brizay Park	Ewart Park	Oei Tiong Ham Park
Bukit Sedap	First / Third Avenue	Queen Astrid Park
Bukit Tunggal	Fort Avenue	Raffles Park
Caldecott Hill Estate	Fourth / Sixth Avenue	Rebecca Park
Camden Park	Gallop Road / Woollerton Park	Ridley Park
Chatsworth Park	Garlick Avenue	Ridout Park
Chee Hoon Avenue	Holland Park	Swiss Club Road
Chestnut Avenue	Holland Rise	Victoria Park
Cluny Hill	Kilburn Estate	Windsor Park
Cluny Park	King Albert Park	White House Park

Semi-Detached House

- A house sharing a **common wall** with its immediate similar residential unit.
- Each one of the pair is considered as a separate property from the other
- Minimum plot size is 200 sq m



Terrace House

- A unit in a row of at least 3 dwelling houses joined together by a **common boundary**.
- Each house has its **own side walls, boundary walls** and its own roof.
- Each has its own title
- 2 types of terrace houses;
 - terrace house I (Minimum plot size is 150 sq m)
 - terrace house II (Minimum plot size 80 sq m)
- **Width not less than 6 m** for intermediate terrace



Corner Terrace House

- The **end unit** in a row of terrace houses. Therefore, a corner terrace house is **joined** to the others by **one party wall** only. It normally has a larger garden area as compared to the other terrace houses.
- Width not less than 8 m for corner terrace

SUMMARY OF LANDED HOUSING DEVELOPMENT

The minimum plot dimensions and plot sizes for all types of landed (land title) housing development are as follows:

HOUSING FORM	PLOT WIDTH(min)	PLOT DEPTH(min)	PLOT SIZE(min)
Good class bungalow	18.5m	30m	1400m ²
Other bungalow	10m	nil	400m ²
Semi-detached house (including corner terrace I)	8m	nil	200m ²
Back-to-back Semi-detached house	10m	nil	200m ²
Terrace house I (intermediate units)	6m	nil	150m ²
Terrace house II (corner units)	8m	nil	80m ²
Terrace house II (intermediate units)	6m	nil	80m ²

STRATA LANDED HOUSING (STRATA TITLE)

- Other low-rise/low density residential developments with strata title arrangement
- **No condominium status** accorded to such developments.
- Each strata unit to have a **minimum building footprint** with ground contact of **100 sq m**.
- Upper storeys and basement of each strata unit are not to be subdivided into separate strata units.
- Minimum plot size requirement of 1,000sqm
- Maximum site coverage allowed for strata landed housing developments located outside GCBAs is 50%, GCBAs is 40%.
- **Minimum 45%** of the nett site area set aside for the provision of **Communal Open Space (COS)** and communal facilities.
- Can comprise one of the three basic types:
 - Strata detached houses (bungalows)
 - Strata semi-detached houses
 - Strata terrace houses (to comprise at least three strata terrace units)



Townhouse

- A residential building designed as a **single dwelling unit** with ground contact and forming part of a row of **not less than 3 residential units**. All units have **undivided share of the common properties** such as access roads, garden (if any).
- **Car park** attached to the lot – as an **accessory lot**. Must be sold with the unit.
- Townhouse is a strata-titled property.
- Classified as restricted properties



Cluster Houses

- Similar to a condominium but housing form is landed houses instead of apartments.
- Housing units are strata titled properties.
- Classified as restricted properties.

NON-LANDED PROPERTIES

- **Apartments** in Singapore are non-landed housing developments.
- Each unit is for residential purpose only
- Has its own separate access usually taken from a common property area
- Form the bulk of medium to high density housing in Singapore.
- Building height of flats varies from 4 storeys to 30 storeys or even higher.

High-Rise Apartment

- **6 storey and up.** May come with/without facilities like gym or pool.
- With effect from 19 July 2005, foreigners are eligible to buy high and low rise apartment regardless of its height.

Low-Rise Apartment

- **Less than 6-storey.** May come with/without facilities like gym or pool.

Walk-up Flat

- Apartment or flat within a building which is **generally 4-storey or less**. As the name suggests, the apartments or flats on the upper floors are accessible by staircase only as no lifts are provided.

Condominium

- A housing development with **site area of 0.4 ha minimum**
- **Maximum site coverage** allowed for condominium development is **50%** (including covered car parks)
- Comes with facilities like pool, gym, landscaping etc.
- URA announced with effect from **3 Apr 2012** that **mix strata landed and apartments will no longer** be granted **condominium** status.

Duplex

- It is an apartment with rooms with **two adjoining floors** connected by an inner staircase.

COMMERCIAL/INDUSTRIAL PROPERTIES

General description of the various commercial/industrial properties are as follows:

Office:

- a building used as a place of **business** and for **conducting administrative work**; and includes a bank but does not include a shop.

Shops:

- a building used for the carrying on of any trade or business where the primary purpose is the **sale of goods or foodstuff by retail** or the provision of services; and
- includes a building used as a furniture shop, department store, pawnshop, dispensary, medical clinic, dental clinic, beauty salon, ticket agency, travel agency, confectionery or take-away foodshop

Retail shops:

- Departmental store, Supermarket, Provision shop, Minimart, Fashion boutiques, Florist, Gift shop, Electrical appliances / equipment, Computers & Accessories, Chinese medical hall, Furniture shop, Home Furnishings & Textile shop, Stationery, Aquarium, Shops selling takeaway food and drinks/beverages with no consumption on the premises.

Light industrial building:

- an **industrial building** in which the processes carried on or the machinery installed are such as can be installed in any residential area without detriment to the amenity of the area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit; and includes a building used for any industrial use which is classified as "light industry" by the Director of Environmental Pollution Control

General industrial building:

- an industrial building **other than a light industrial building** or special industrial building; and
- includes a building used for any industrial use which is classified as "general industry" by the Director of Environmental Pollution Control.

Warehouse

- building (excluding any land occupied therewith) where **storage** is the principal use and where no business is transacted other than incidentally to such storage.

Shophouse

- A **hybrid** building of duo-functionality: shop and house, hence, the shophouse.

COMMERCIAL DEVELOPMENT

Broadly be categorised as:

- Commercial buildings
- Mixed commercial & residential buildings
- Residential with commercial

COMMERCIAL BUILDINGS

- Include office blocks, shopping complexes, convention/ exhibition centres, commercial schools/banks, market/food centre/restaurants, cinemas, entertainment and trade missions. They may also include mixed commercial developments comprising a combination of commercial activities such as a shopping podium with an office tower block.
- Can be in the form of free-standing development, a podium/ tower arrangement, a pure tower block or party wall development. The building form depends on the location and street block plans for the site.
- Commercial buildings may be strata subdivided.

MIXED COMMERCIAL & RESIDENTIAL DEVELOPMENT

- Area used or intended to be used mainly for mixed residential and commercial purposes
- Unlike a pure commercial development which can have up to 100% GFA used for commercial purpose, a commercial and residential development has a maximum commercial quantum control of 40% of the total allowable GFA.
- Most common building form for mixed commercial & residential buildings is office/ shopping podium with apartment tower block.
- Commercial areas cannot be located above the residential areas
- Can be in the form of a pure tower block or a party wall development. The residential component may also be physically separated from the commercial use. Determination of the building form depends on the location of the site and street block plans for the site.
- Strata subdivision may be allowed

SHOPHOUSES & SHOP FLATS

- Developments with shops at the 1st storey with flats above. The commercial use is restricted to the 1st storey only. Basements are not allowed for commercial use.
- Shophouses and shop flats can be in the form of free-standing development or party wall development. The building form depends on the location of the site and street block plans for the site.
- Strata subdivision is generally allowed for shophouse and shop flats development except for conservation properties.

INDUSTRIAL/WAREHOUSE DEVELOPMENT

Broadly be categorised by building form as follows:

- Detached Factory/ Warehouse This category would also include flatted Factory/warehouse.
- Semi-detached Factory/Warehouse
- Terrace Factory/Warehouse

SUPPLY AND DEMAND OF PROPERTIES

MARKET /PRICE MECHANISM

SUPPLY

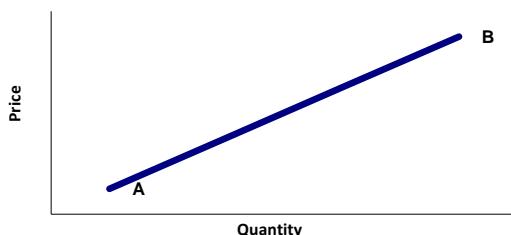
Supply: Amount a product is **placed in the market**, ie amount of property available in the market

Supply curve: Relationship between **price** and **quantity** in the market at a specified time.

Slopes upwards as quantity supplied will increase as price increases.

Supply comes from sellers and developers. At higher price, there will be more sellers in the market.

Supply Curve



In the **short run**, supply is very **inelastic** as it takes times for buildings to be constructed. In the long run, the supply will be flatter.

Factors affecting supply of real estate are:

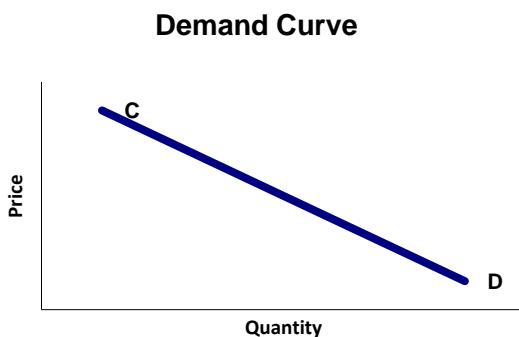
- Vacant development sites
 - o Government's land sale programme
 - o Supply can change by increasing intensity of land, eg higher plot ratio
- Existing stock of buildings/houses
 - o Fixed at any point in time
- New buildings

DEMAND

Demand: Amount a product that the market is willing to purchase

Demand curve: Relationship between **price** and **quantity purchased** in the market at a specified time. **Slopes downwards** as price decreases, more goods are being purchased.

Demand comes from buyers. As price decreases, there will be more buyers.



Factors affecting demand are:

- Political
 - o Political stability
 - o Government policies such as the introduction of additional stamp duty, relaxation of HDB policies will affect the demand.
- Social
 - o Population sizes, demographic shifts, lifestyle and preferences/needs and tastes
- Economic
 - o Economic conditions, interest rates, employment rate, GDP, inflation

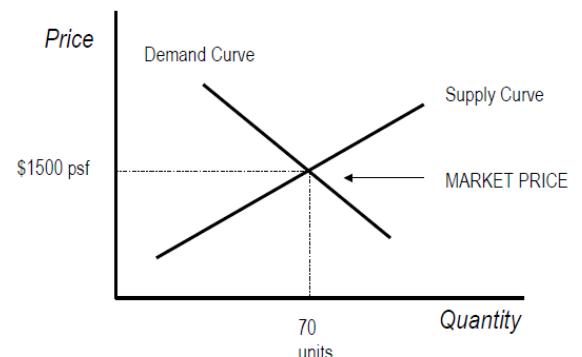
INTERACTION BETWEEN SUPPLY AND DEMAND

The **interaction** between Demand and Supply determines **price**.

Price: where demand and supply curve meets

Seller's market: Price increase when demand increases or supply decreases.

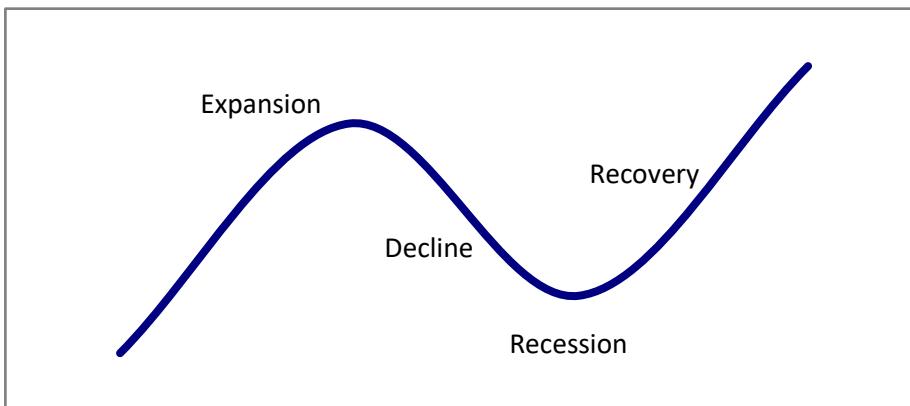
Buyer's market: Price decrease when demand decreases or supply increases.



REAL ESTATE CYCLE

- Real estate activities level fluctuate, and the change formed can be measured by the changes in price and volume of sales over time
- The cycle, which is a wave like form is similar to the business cycle, influenced by economic events
- Starting from a low turning point, the cycle expands as activity builds up till it reaches an upper turning point, followed by a decline into a period of recession.

Real Estate Cycle



- **Expansion (boom or peak)** — sustained growth in demand, increasing construction, speculators enter market, high consumption, liberal banks, and keen competition among the banks to court big spenders
- Characterised by high transaction volume and high prices
- **Decline** — positive but falling demand. Speculative developers enter the market, more properties are built and supply eventually exceeds demand. Banks start to restrict loans, interest rates gets higher, tighter credit supply ; increasing vacancy
- **Recession (bottom or trough)** — falling demand, increasing vacancy, low rentals, high interest rates, buyers difficulty in servicing loans, results in mortgagee sale, may drag for a few years.
- **Recovery (Upswing)** — Improvement in economy, confidence returns, interest rates lowered to encourage buyers to enter market, resulting in increasing demand, decreasing vacancy. Increased volume of activity and prices will move market into expansion again.
- The intensity and length of each phase depends on the overall socio-economic climate.

BUSINESS AND REAL ESTATE CYCLES

There have been many researches and papers on the relationship of business and real estate cycles.

Most studies conclude that there is some form of relationship, and real estate cycle is a composite of the business cycle.

As real estate plays major role in the economy, a rise in real estate prices can affect businesses. The construction industry, regulatory and monetary policies by the government have significant roles in affecting the cycles. The theory that the major real estate cycles, accommodated by monetary inflation, have significantly contributed to the major depressions is consistent with the historical record.

Whereas the smaller and more frequent business cycles may be due to random shocks or non-real-estate causes, the larger real estate cycles have exhibited similar patterns and, historically, have occurred in regular intervals.

REAL ESTATE SUBMARKETS

Real estate in Singapore can be further classified into the following submarkets:

- Property types: Residential, Commercial, Industrial
- Location: Core Central Region, Rest of Central Region or Outside Central Region
- Socio-economic characteristics: Public or private housing
- For rent or for sale
- For investments or own occupation

SINGAPORE PROPERTY MARKET

Singapore's property market fluctuations are characterised by:

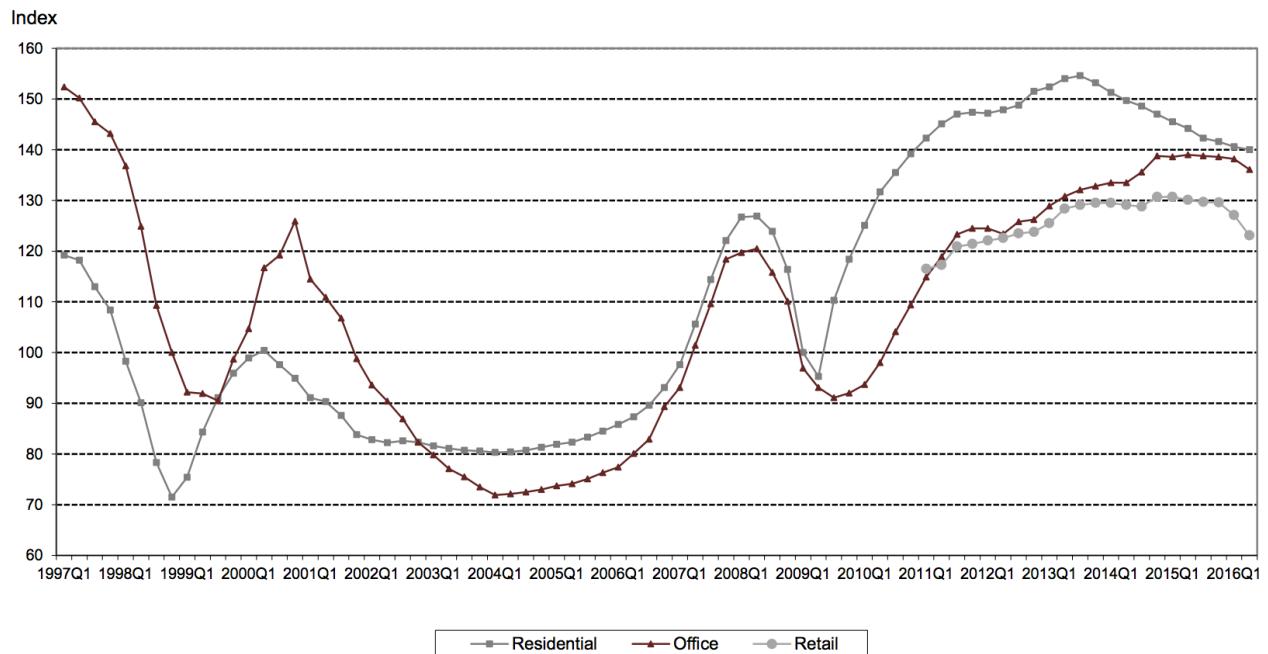
- Government Intervention
 - Can be both direct or indirect government intervention, eg. Seller stamp duties, removal of deferred payment scheme etc
 - Housing policies used frequently, eg HDB resale curb by imposing Minimum Occupation Period
 - CPF housing policies
- Economic Environment
 - Movements of property prices reflect economic sentiments
- Foreign Investment Funds
 - Flow of foreign funds influence demand, eg increase in foreigners investing in properties

SINGAPORE PROPERTY PRICE INDEX

The URA Property Price Index reflects the broad price trends in Singapore's Property Market.

Price statistics are released by URA and HDB on quarterly basis.

Property Price Index by Type of Property



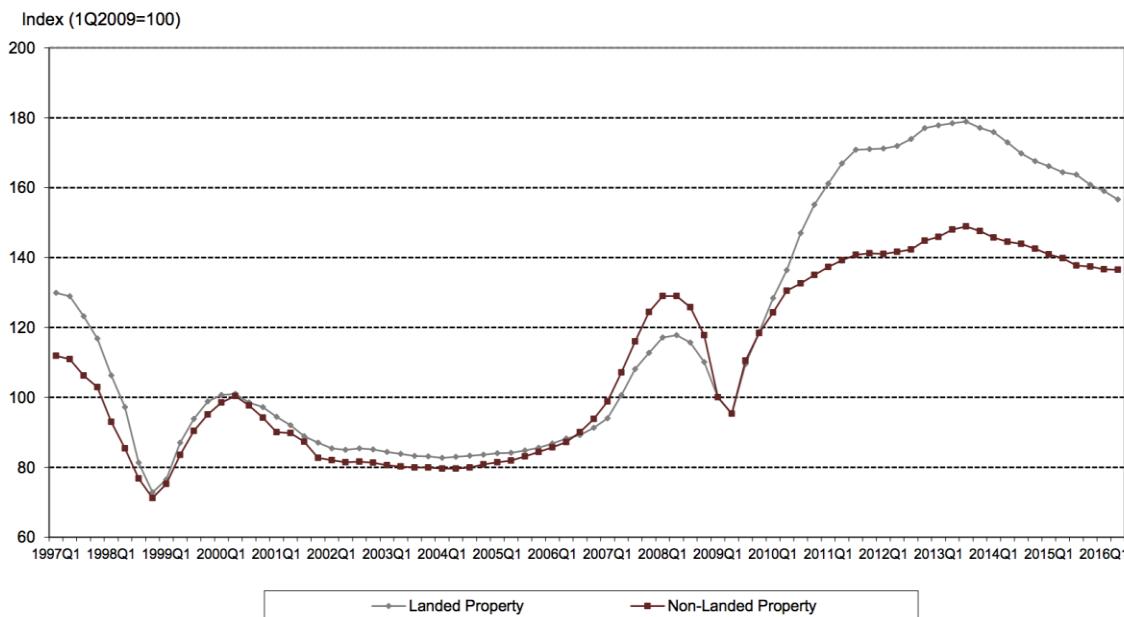
Covers the following sub markets:

- Residential
- Office
- Retail

a) URA Private Residential Price Index

Besides an overall property price index for private residential properties, sub-indices for detached, semi-detached, terrace houses, apartments and condominiums are also compiled. HDB flats and other public sector buildings are excluded in the compilation of the property price index.

Residential Price Index by Type



For each type of residential property, sub-indices by Planning Region are also compiled. Singapore is divided into five Planning Regions, viz. Central Region, East Region, North-East Region, North Region and West Region. Each Planning Region consists of several planning areas. As certain Planning Regions may have very few transactions of a certain type of property, not all the five Planning Regions will have a sub-index compiled for each type of property. For example, sub-indices for detached houses in the North and West Regions are not compiled as most of the transactions involving detached houses are concentrated in the Central, East and North-East Regions.

Core Central Region

The Core Central Region is made up of postal districts 9, 10, 11, Downtown Core Planning Area and Sentosa.

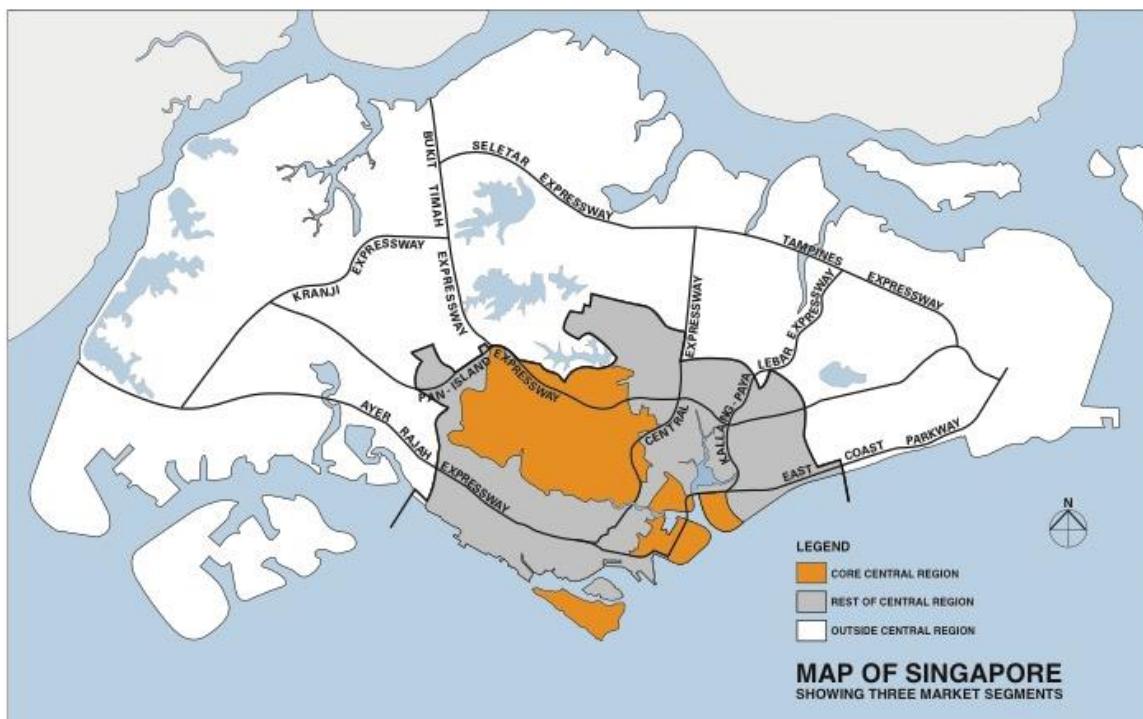
Rest of Central Region

This comprises the area within the Central Region outside of postal districts 9, 10, 11, Downtown Core Planning Area and Sentosa.

Outside Central Region

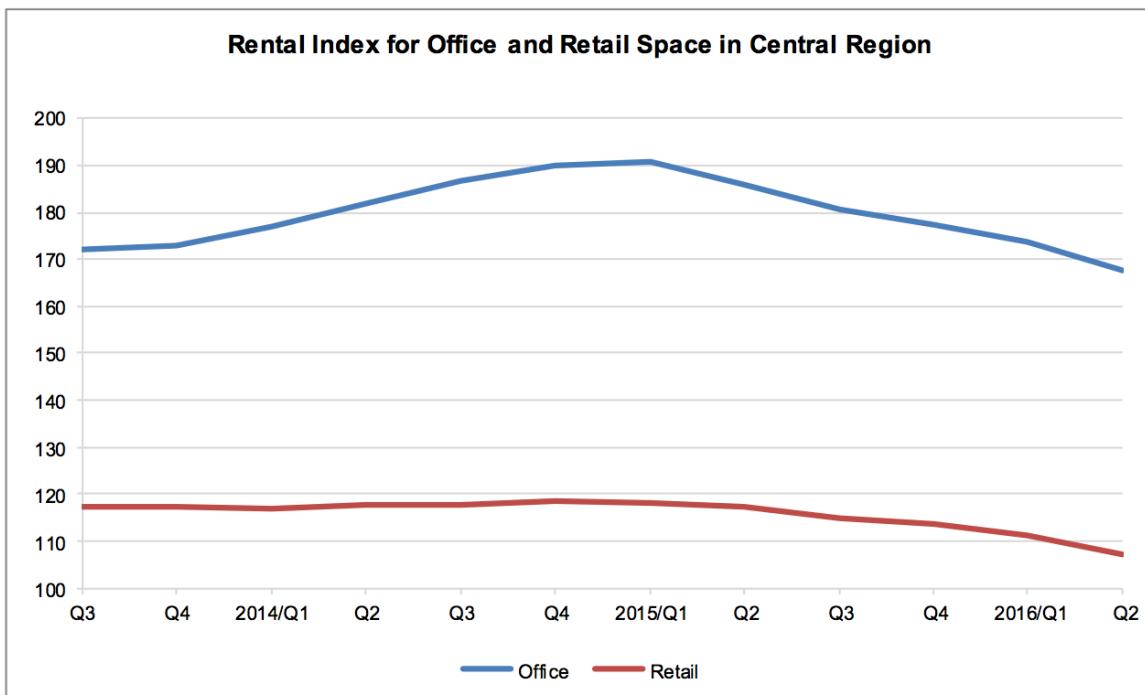
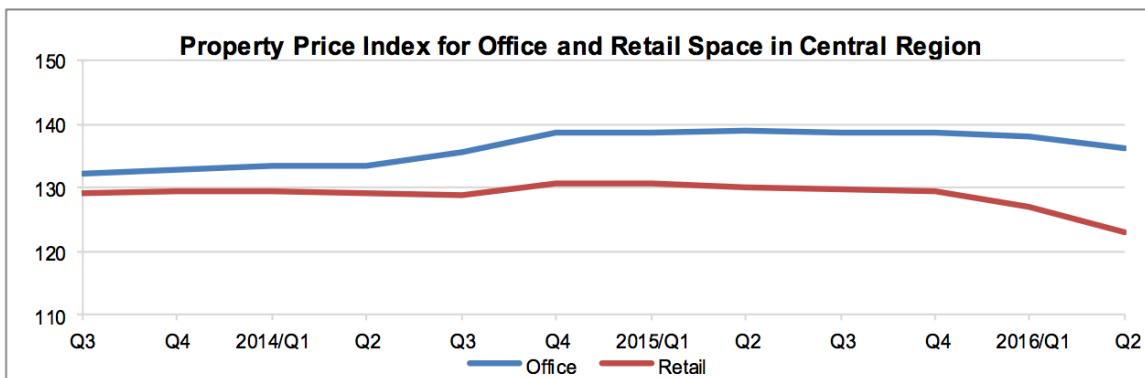
This comprises of areas in Singapore outside the Central Region:

- East Planning Region
- North East Planning Region
- North Planning Region
- West Planning Region.



b) Commercial Property Price Index

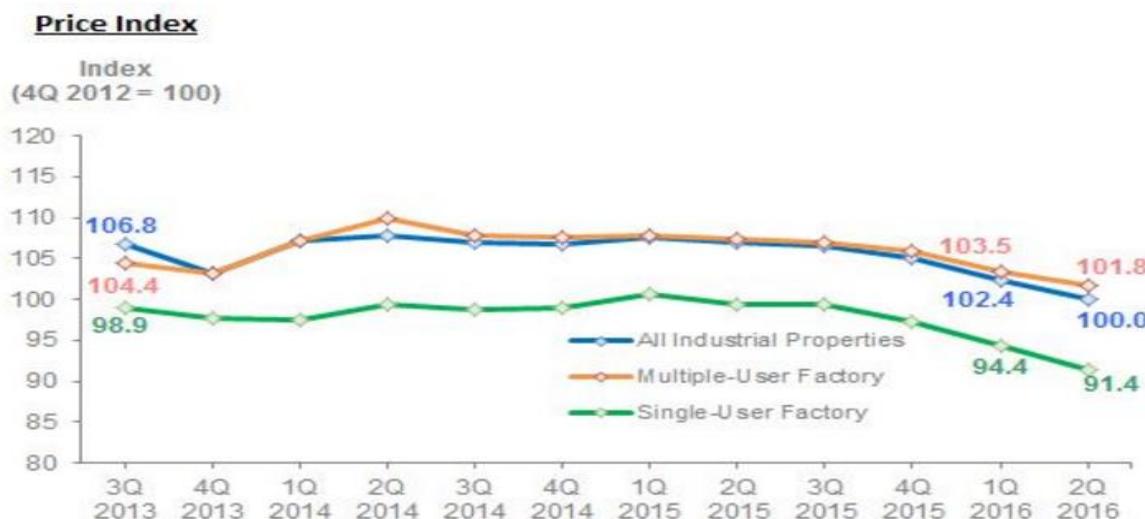
For commercial space, indices for office and shop as well as sub-indices by locality are compiled. As most of the office and shop space are concentrated in the Central Region, sub-indices for the outlying regions are not compiled. Within the Central Region, the locality classifications used are Central Area and Fringe Area.



c) JTC Industrial Property Price Index

The Industrial Property Price Index is released by JTC to provide information on price and rental movements based on property attributes and include property types single-user, multiple-user factories, and business parks.

**Figure 1. Price Index of Industrial Properties
(3Q 2013 - 2Q 2016)**



Industrial Property Price and Rental Indices and Sub-Indices

Market Segment	Price	Rental
Overall	<i>Industrial Property Price Index*</i>	<i>Industrial Property Rental Index*</i>
Multiple-User Factory	<i>Multiple-User Factory Price Index*</i>	<i>Multiple-User Factory Rental Index*</i>
Planning Region	Central Region	Central Region
	North Region	North Region
	West Region	West Region
	Other Regions [^]	East Region
		Northeast Region
Remaining Tenure	≤ 30 years	-
	31-60 years	-
	> 60 years	-
Land-Use Zoning	Business 1 (B1)	Business 1 (B1)
	Business 2 (B2)	Business 2 (B2)
Single-User Factory	Single-User Factory Price Index	Single-User Factory Rental Index
Business Park	-	Business Park Rental Index

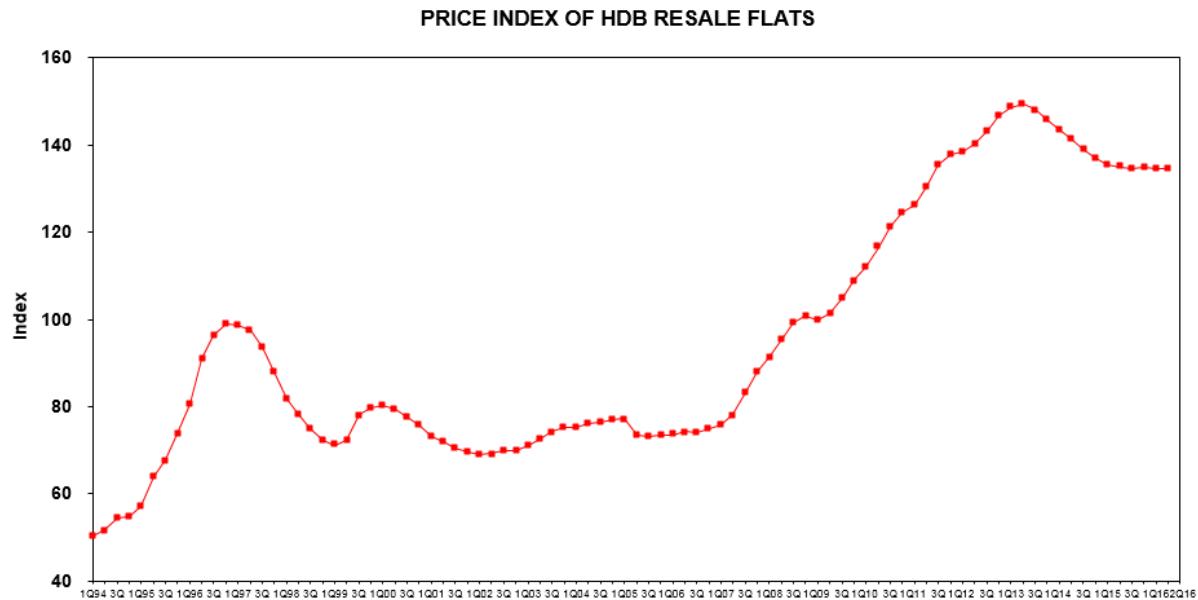
*Currently released every quarter.

[^]Transactions for East and Northeast regions have been combined into "Other Regions" due to lower volume of sales transactions in each region.

Source: JTC

d) HDB Resale Price Index

The HDB Resale Price Index is used to compare the overall price movements of HDB resale flats. It is computed using resale transactions registered across towns, flat types and models.



Notes:

- 1) 1Q2009 is adopted as the new base period with index at 100.
- 2) The index from 1Q1990 to 3Q2014 are rebased to the new base period at 1Q2009.
- 3) The index for 4Q2014 onwards is computed using the stratified hedonic regression method.

FACTORS AFFECTING PRICE

- **Location**

Location, location, location.

Where the property is situated influences its price. A property located in Sentosa Cove and a similar property in the outskirts command different price.

- **Condition of property**

A well kept property will command a higher price than an old dilapidated one.

- **Market Trends**

During the boom of property market, buyers sentiment is high and buyers are willing to pay a higher price.

- **Size, Shape and Frontage**

The land size and floor area will influence price. Regular plots is preferred over odd shape plots of land.

The frontage whether it is facing the main road or a cemetery will affect the price the property commands.

- **Height and view**

Property located at higher levels will have a higher price.

Units facing, such as west facing will usually have a lower price

- **Accessibility**

Close proximity to public transportation, amenities such as schools, market, food outlets etc, will command a higher price.

- **Neighbourhood/environment**

The neighbourhood environment has an impact on prices. The presence of undesirable activities will affect the property value.

- **Facilities**

Facilities in the development, such as gym, swimming pool will cause prices to be slightly higher than one without these facilities

- **Layout and Design**

The overall layout of the property has an impact on price. Property with award winning designs may fetch a higher price.

CONVERT 6 DIGIT POSTAL CODE TO OLD DISTRICT NUMBER

Singapore was originally divided into 28 postal districts in 1950, with a number being allocated to each district, for example, the Orchard Road area was in District 9.

On 1 September 1995, this was replaced by a six-digit system, in which every building was given its unique postcode, the first two digits of which represented the old sector, i.e. 23.

Although the old districts are no longer used by Singapore Post, they are still widely used to refer to locations of properties for sale or rent.

To ascertain the old postal district classification

- Log on the SingPost to find the postal code
- Take the first 2 digits of the 6-digit postal code and compare to the list below.

Postal District	Postal Sector (1st 2 digits of 6-digit postal codes)	General Location
01	01, 02, 03, 04, 05, 06	Raffles Place, Cecil, Marina, People's Park
02	07, 08	Anson, Tanjong Pagar
03	14, 15, 16	Queenstown, Tiong Bahru
04	09, 10	Telok Blangah, Harbourfront
05	11, 12, 13	Pasir Panjang, Hong Leong Garden, Clementi New Town
06	17	High Street, Beach Road (part)
07	18, 19	Middle Road, Golden Mile
08	20, 21	Little India
09	22, 23	Orchard, Cairnhill, River Valley
10	24, 25, 26, 27	Ardmore, Bukit Timah, Holland Road, Tanglin
11	28, 29, 30	Watten Estate, Novena, Thomson
12	31, 32, 33	Balestier, Toa Payoh, Serangoon
13	34, 35, 36, 37	Macpherson, Braddell
14	38, 39, 40, 41	Geylang, Eunos
15	42, 43, 44, 45	Katong, Joo Chiat, Amber Road
16	46, 47, 48	Bedok, Upper East Coast, Eastwood, Kew Drive
17	49, 50, 81	Loyang, Changi
18	51, 52	Tampines, Pasir Ris
19	53, 54, 55, 82	Serangoon Garden, Hougang, Ponggol
20	56, 57	Bishan, Ang Mo Kio
21	58, 59	Upper Bukit Timah, Clementi Park, Ulu Pandan
22	60, 61, 62, 63, 64	Jurong
23	65, 66, 67, 68	Hillview, Dairy Farm, Bukit Panjang, Choa Chu Kang
24	69, 70, 71	Lim Chu Kang, Tengah
25	72, 73	Kranji, Woodgrove, Woodlands
26	77, 78	Upper Thomson, Springleaf
27	75, 76	Yishun, Sembawang
28	79, 80	Seletar

UNIT 1.2: REAL ESTATE MARKET PLAYERS AND GOVERNMENT INTERVENTION

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Identify market players in the various property sectors, e.g. developers, investors and users.
- ✓ Interpret the effect of government control and intervention in the real estate market, e.g. introduction of cooling measures.
- ✓ Understand the role and functions of various relevant government agencies, e.g. BCA, JTC, HDB, IRAS, LTA, MAS, SLA, URA, etc. relating to property transactions.

MARKET PLAYERS

Participants in real estate markets are:

- **Occupiers** – People who are owners as well as tenants. Purchase/lease properties for their own use.
- **Investors** – People who regard property as an investment asset.
- **Producers** – Include developers, construction companies etc who provide the supply of properties through development and re-development.
- **Facilitators** - This includes banks, Real Estate persons, lawyers, and others that facilitate the purchase and sale of real estate.

GOVERNMENT AGENCIES

MINISTRY OF NATIONAL DEVELOPMENT (MND)

- Key government ministry responsible for national land use planning and development.
- Guide Singapore's land use planning, urban redevelopment and building conservation, deliver affordable and quality public housing, develop an efficient construction industry to ensure a safe, quality and sustainable built environment, provide and manage parks, open spaces and the conservation of nature areas, maintain a high standard of primary food safety and animal and plant health, as well as protect consumer interest by raising the professionalism in the real estate agent industry.
- Statutory Boards under MND:
 - Agri-Food & Veterinary Authority (AVA)
 - Building and Construction Authority (BCA)
 - Council for Estate Agencies (CEA)
 - Housing & Development Board (HDB)
 - National Parks Board (NParks)
 - Urban Redevelopment Authority (URA)

BUILDING AND CONSTRUCTION AUTHORITY (BCA)

Building and Construction Authority shapes a safe, high quality, sustainable and friendly built environment. championing the development of an excellent built environment for Singapore. “Built environment” refers to buildings, structures and infrastructure in our surroundings that provide the setting for the community’s activities.

CENTRAL PROVIDENT FUND BOARD (CPF)

Central Provident Fund (CPF) is a comprehensive social security savings plan that has provided many working Singaporeans with a sense of security and confidence in their old age. The overall scope and benefits of the CPF encompass the following:

- Retirement
- Healthcare
- Home Ownership
- Family Protection
- Asset Enhancement

COUNCIL FOR ESTATE AGENCIES (CEA)

Council for Estate Agencies administers the enhanced regulatory framework for the real estate agency industry.

Principal functions: license the estate agents (i.e. estate agencies) and register salespersons (i.e. property agents), promote the integrity and competence of estate agents and salespersons and engage in public education efforts to help consumers in property transaction.

HOUSING AND DEVELOPMENT BOARD (HDB)

Housing & Development Board provides affordable homes of quality and value. It creates vibrant and sustainable towns, and promotes the building of active and cohesive communities. Through its renewal and upgrading programmes, it also brings new features, facilities and improvements to its older estates and towns to ensure their vibrancy and continued relevance.

INLAND REVENUE AUTHORITY OF SINGAPORE (IRAS)

IRAS acts as agent of the government to assess, collect and enforce payment of taxes. In connection with such functions, IRAS is responsible for administering the following Acts:

- Income Tax Act;
- Economic Expansion Incentives (Relief from Income Tax) Act;
- Property Tax Act;
- Goods & Services Tax Act;
- Betting & Sweepstake Duties Act;
- Private Lotteries Act;
- Stamp Duties Act;
- Casino Control Act – Part IX (Casino Tax); and
- Estate Duty Act

JTC CORPORATION (JTC)

JTC is Singapore's leading industrial infrastructure specialist spearheading the planning and development of a dynamic industrial landscape.

LAND TRANSPORT AUTHORITY (LTA)

LTA is responsible for planning, operating, and maintaining Singapore's land transport infrastructure and systems.

MONETARY AUTHORITY OF SINGAPORE (MAS)

As Singapore's central bank, the Monetary Authority of Singapore (MAS) promotes sustained, non-inflationary economic growth through appropriate monetary policy formulation and close macroeconomic surveillance of emerging trends and potential vulnerabilities. It manages Singapore's exchange rate, foreign reserves and liquidity in the banking sector. MAS is also an integrated supervisor overseeing all financial institutions in Singapore -- banks, insurers, capital market intermediaries, financial advisors, and the stock exchange. With its mandate to foster a sound and progressive financial services sector in Singapore, MAS also helps shape Singapore's financial industry by promoting a strong corporate governance framework and close adherence to international accounting standards. In addition, it spearheads retail investor education. MAS ensures that Singapore's financial industry remains vibrant, dynamic and competitive by working closely with other government agencies and financial institutions to develop and promote Singapore as a regional and international financial centre.

NATIONAL ENVIRONMENT AGENCY (NEA)

National Environment Agency (NEA) is the leading public organization responsible for improving and sustaining a clean and green environment in Singapore. The NEA develops and spearheads environmental initiatives and programmes through its partnership with the People, Public and Private sectors. It is committed to motivating every individual to take up environmental ownership and to care for the environment as a way of life.

PERSONAL DATA PROTECTION COMMISSION (PDPC)

Personal Data Protection Commission (PDPC) is a Singapore Government statutory body established to administer and enforce the Personal Data Protection Act 2012 (PDPA). The other roles of PDPC include undertaking public education and engagement programmes to help organisations understand and comply with the PDPA as well as to promote greater awareness of the importance of personal data protection in Singapore.

SINGAPORE LAND AUTHORITY (SLA)

Singapore Land Authority (SLA) is a statutory board under the Ministry of Law.

Focus is on land resource optimization with 2 main roles: developmental and regulatory.

Developmental: Responsible for the management of State land and buildings, land sales, leases, acquisitions and allocation, developing and marketing land-related information and maintaining the national land information database.

Regulatory: National land registration authority responsible for the management and maintenance of the national land survey system.

URBAN REDEVELOPMENT AUTHORITY (URA)

Urban Redevelopment Authority (URA) is Singapore's national land use planning authority. URA prepares long term strategic plans, as well as detailed local area plans, for physical development, and then co-ordinates and guides efforts to bring these plans to reality. Prudent land use planning has enabled Singapore to enjoy strong economic growth and social cohesion, and ensures that sufficient land is safeguarded to support continued economic progress and future development.

STRATA TITLES BOARD

Strata Titles Board is a body constituted under Part VI of the Building Maintenance and Strata Management Act to hear applications:

- For orders for collective sales
- Relating to certain types of disputes or matters arising in respect of the strata units or the strata development including the common property.

UNIT 1.3: BASIC LAND LAW CONCEPT: INTRODUCTION

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Distinguish real property from personal property, proprietary right from personal right, ownership (the largest form of proprietary interest) from lesser interests, and legal interest from equitable interest.

LAND LAW

Land law deals with the rights to use, alienate or exclude others from land. (Wikipedia)

In Singapore, land law applicable are derived from:

- English common law and equity
- Local legislations

REAL PROPERTY

- Real property is a legal term describing ownership of permanent & immovable properties, which **includes land and buildings, and anything affixed to the land.**
- Real property: immovable such as warehouses, factories, offices
- Personal property: movable such as goods or chattels. E.g. cars, clothing, furniture
- In law, a hereditament (from Lat. hereditare, to inherit, heres, heir) is any kind of property that can be inherited.
- The 2 types of hereditaments are:
 - **Corporeal hereditaments:** tangible property, ie can see and touch, like a house.
 - **Incorporeal hereditaments:** intangible property, ie, neither seen nor handled, like an easement (right of one individual to use another's property)

CLASSIFICATIONS OF RIGHTS

Proprietary Right: Rights in rem, enforceable against the world at large, and instead of following particular persons, follow particular things

Personal Right: Rights in personam, can be enforced against a limited number of specific persons, e.g. breach of contract or negligence

Distinction: Exigibility, “against whom can the right be enforced?”

Property right: Must be definable, identifiable by third parties, capable in its nature of assumption by third parties and have some degree of permanence or stability

E.g.: Landlord grants a lease of his house to Tenant and then sells his house. The lease continues in existence despite the fact that there is a new Landlord. The lease is not simply a personal relationship between the original landlord and the original tenant but is also a proprietary interest in land. By contrast, the licence (permission to be on another's land) is purely personal. If the licensor sells his interest in the land, the new owner is not bound by the licence and can simply ignore it.

INTERESTS IN LAND

Property interest refers to the extent of a person's or entity's **rights in property**.

It deals with the percentage of ownership, time period of ownership, right of survivorship, and rights to transfer.

LEGAL INTEREST

- A right in or over land.
- Binds the whole world and all 3rd parties.

EQUITABLE INTEREST

- Only good against certain people and is defeated by the Bona Fide Purchaser for value without notice (Equity's Dealing)
- Equity's Dealing must:
 - Be genuine and honest (bona fide)
 - A buyer (purchaser)
 - Give consideration (for value)
 - Not have any notice of the equitable rights, be it actual, implied or constructive notice.
- Arises in property where it would be against conscience to allow the legal owner of property to keep the benefit of the property for himself.
- E.g: trusts, vendor-purchaser and mortgage relationships, restrictive covenants

UNIT 1.4: LAND

LEARNING OUTCOME:

At the end of this unit, you should be able to:

- ✓ Infer the legal meaning of land.
- ✓ Understand the legal definition of fixture and the two tests of determining whether a chattel is/has become a fixture, and ascertain whom (buyer or seller, landlord or tenant) a fixture belongs. Understand the common usage of the term “fitting” by the industry and how it relates to “fixture”.
- ✓ Identify the legal description of land lot, strata lot and accessory lot, and the documents from which to obtain such information.

LAND

Land Titles Act define “land” as

- the **surface** of any defined parcel of the **earth**, all **substances** thereunder and so much of the column of **airspace above** the surface whether or not held apart from the surface as is reasonably necessary for the proprietor’s use and enjoyment, and includes any estate or interest therein and all vegetation growing thereon and structures affixed thereto; or
- any parcel of airspace or any subterranean space whether or not held apart from the surface of the earth and described with certainty by reference to a plan approved by the Chief Surveyor and filed with the Authority, and includes **any estate or interest** therein and **all vegetation growing** thereon and **structures affixed** thereto,

and where the context so permits, the proprietorship of land includes **natural rights to air, light, water** and support and the **right of access to any highway** on which the land abuts.

Includes:

- Surface, i.e. the soil
- Airspace
- Interest or estate in the land
- Vegetation growing
- Structures affixed
- Natural rights to air, light and access to road

FIXTURES & FITTINGS

Chattels: an item of **personal property** which is **movable**, as distinguished from real property.

FIXTURES

If a piece of equipment (chattels) which has been **attached to real estate** in such a way as to be **part of the premises** and its removal would do harm to the building or land, then it becomes a **fixture**.

In essence:

- A fixture is transformed from a movable asset to an integral part of the real property
- Fixtures possess the attributes of both real and personal property.
- If a chattel becomes a fixture, the ownership will be transferred to the new owner if there is a sale of the real property, even if it is not part of the contract.

Fixture Test

2 tests are usually performed to determine whether a chattel has indeed become a fixture.

1. Degree of annexation of the chattel on the land

The degree of annexation test says that the chattel does not become part of the land unless it is connected to the land or building in a substantial way.

Assumptions made when determining the degree:

- An item is presumed not to be a fixture if it is resting on its own weight and the person who asserts that it is a fixture, is obliged to prove it
- An item is presumed to be a fixture if it is attached to the land to any extent and the person who asserts that it is not a fixture, is obliged to prove it.

2. Purpose of annexation

If the chattel has been fixed to the land with the intention (purpose of annexation) of permanently improving the land, then it can be presumed to be a fixture.

Consider if item is for its own enjoyment (eg television) or whether it will improve the convenience and use of the land.

Examples of fixtures: Toilet bowls, swimming pool, pond, lifts, grille gates etc

FITTINGS

Considered a personal property because it is **not permanently attached** to the land, hence is not a real property and will not be passed down to the successor.

Fittings or chattels personal are movable tangible articles, e.g. carpets, curtains, household goods, etc.

When IRAS calculates the annual value of the property to determine the property tax payable, the "rent" for fixtures is not allowed as deduction whereas the "rent" for the fittings is allowed to be deducted.

THE RIGHT TO FIXTURES AS BETWEEN LANDLORD AND TENANT

The general rule is that a chattel always remains the tenant's and is removable by him at the end of the tenancy, whereas a **fixture is the property of the landlord** and the **tenant has no right of removal**.

Exceptions to the general rule exist and fixtures have become classified as:

- **Landlord's fixtures:** Those let as part of the premises at the start of the term, and any other put up by the tenant of which he has no right of removal.
- **Tenant's fixtures:** Those which the tenant is entitled to remove, either through contract or law.

Includes:

- Trade fixtures: These are attached to the land for the purpose of carrying on a particular trade. However, these are not removable if to do so would necessitate the destruction of the building to which they are affixed. Eg, liquor bars, display shelves, booths, counters etc.
- Ornamental fixtures: installed for convenience or ornament, provided that they can be removed without seriously damaging the land. Eg, stoves, shelves.
- Agricultural fixtures: installed for the purpose of farming

LEGAL DESCRIPTION OF LAND

Each land parcel in Singapore is uniquely identified by a lot number.

Identifier has 2 components, namely the survey districts Mukim (MK) or Town Subdivision (TS) number and the lot number.

For administrative purposes, Singapore is divided into 30 TS (TS1 to TS30) and 34 MK (MK1 to MK34).

TS are located around the city area whereas MK are found in the rural districts since mukim is the Malay word for rural area. The TS and MK boundaries may be altered by the Chief Surveyor.

SLA issues lot numbers to identify land parcels, more commonly called land lots, within a TS or MK. Meanwhile, strata lot numbers are assigned to units in a building when a building is subdivided.

LOT BASE SYSTEM

The Lot Base System (LBS) maintains a complete inventory of all lot numbers in Singapore. It records the history of lot creation, amalgamation and subdivision of all lots in Singapore.

When are new lot numbers allocated?

New land lot numbers are allocated when:

- part of an existing lot is alienated or acquired by the Collector of Land Revenue; or
- there is a request, with the relevant approval or authorisation to amalgamate and/or subdivide the land; or
- new land parcels are formed arising from reclaimed land, allocation of new foreshore lot, airspace lot or subterranean lot.

For Strata lots, new lot numbers are allocated when there is a request, with the relevant approval, to:

- subdivide a building; or
- amalgamate and/or subdivide an existing strata lot.

LAND LOT

SLA issues lot numbers to identify land parcels, more commonly called land lots, within a TS or MK.

Lot number alone cannot uniquely identify a lot as lots in different TS or MK may have the same lot number.

A lot also cannot sit on more than one TS or MK.

If a lot created by an amalgamation of parent lots crosses TS or MK boundaries, SLA will redefine such boundaries so that the new lot is wholly contained within one single TS or MK.

A lot can be subdivided into 2 or more lots, while two or more lots can be amalgamated into 1.

A land lot is the unit of land ownership. It can be owned by one owner or multiple owners as joint tenants or tenants-in-common with undivided portions.

Airspace and subterranean lots are 3-dimensional lots which are designated above and below the ground surface respectively. Airspace lot numbers start with the 70,000 series, and subterranean lot numbers start with the 80,000 series.

STRATA LOT

Strata lot numbers are assigned to units in a building when a building is subdivided.

They bear the prefix "U" e.g. U12345X.

A strata lot can be further subdivided into 2 or more strata lots, and 2 or more strata units can be amalgamated into 1.

A provisional lot is a strata lot in 2 phased development where the future building shall be subdivided when it is built. Being a strata lot, it also bears the prefix "U".

An accessory lot is a strata lot which is made appurtenant to another strata lot. It bears the prefix "A" e.g. A22X

LOT NUMBERING SYSTEM

The format for the land, strata and accessory lot numbers is designed to provide a simplified and uniform lot numbering system.

Lot numbers are allotted uniquely in a running series within each survey district and suffixed with a check alphabet.

Check alphabet is computer-generated and serves as a check against misquotes.

Please see the table below for a description of the lot number format where N () is numeric and A () is alphabetical:

Type of lot number	TS or MK	TS or MK number	Prefix	Lot no.	Check Alphabet	Range
Land lot no.	A(2)	N(2)	-	N(5)	A(1)	1-69999 & 90000-99999
Airspace lot no.	A(2)	N(2)	-	N(5)	A(1)	70000-79999
Subterranean lot no.	A(2)	N(2)	-	N(5)	A(1)	80000-89999
Strata lot no.	A(2)	N(2)	U	N(6)	A(1)	U1-U999999
Accessory lot no.	A(2)	N(2)	A	N(4)	A(1)	A1-A9999

Source: SLA

INTEGRATED LAND INFORMATION SYSTEM (INLIS)

Integrated Land Information Service (INLIS) provides Land Titles searches where one can obtain map and /or textual land information.

Information obtained from INLIS:

- Property Title Information
- Property Ownership Infomration
- Land Information on Lot Particulars and Lot History
- Caveat Index Information
- Historical information
- Images of Instruments
- Images of Index to Land Books, Index to Caveat Books and Deeds

SURVEY MAPS

After a lot number is assigned to a parcel of land or a property, a cadastral survey of the land is carried out to obtain an accurate measurement of the boundaries of the real property. The survey is required for or in connection with the registration of any title to the land or a property.

SLA maintains maps and plans in electronic form. These records include

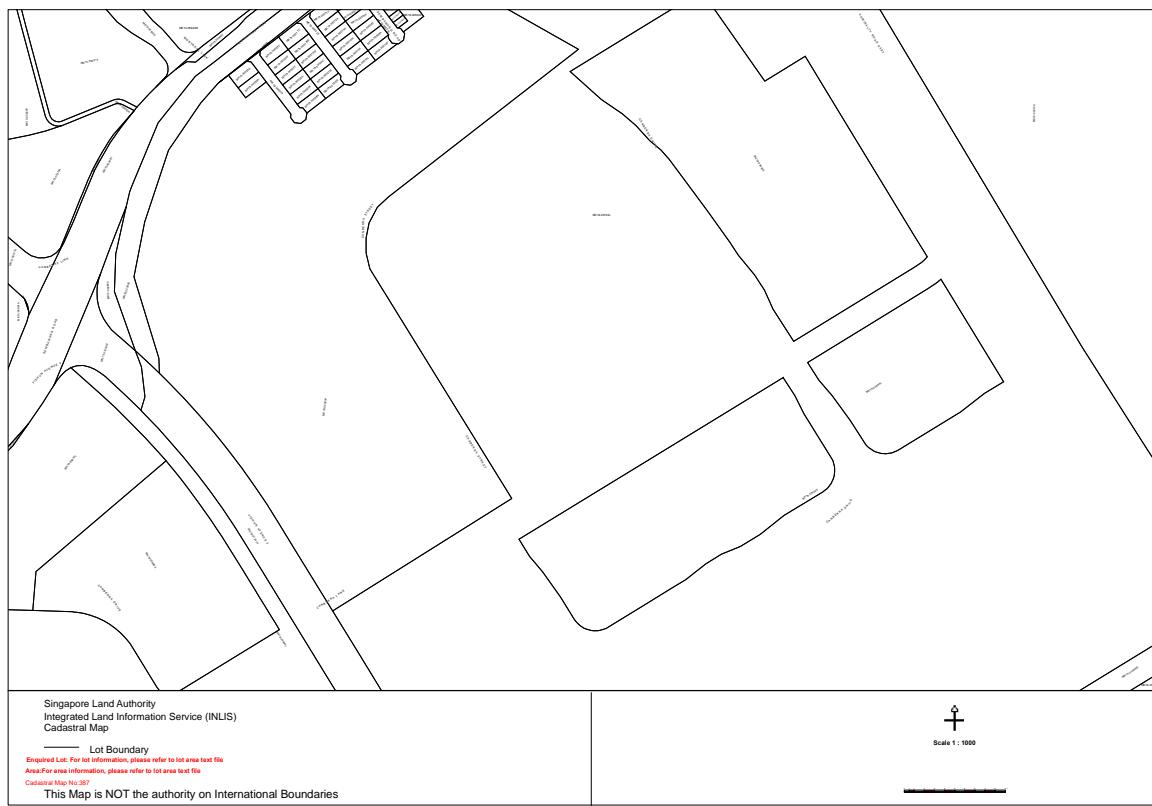
- Cadastral maps
- Registrar of Title Plans (RT)
- Certified Plans (CP) and Strata Certified Plans (CPST).

CADASTRAL MAPS

Cadastral Maps are survey maps prepared and maintained under the Boundaries and Survey Maps Act. To-date, there are 1,596 maps covering the whole of Singapore.

The data items shown in the maps are land lot numbers, house numbers, areas, lot boundaries, land tenures, title boundaries, survey plan numbers, survey district numbers and their boundaries, and road names.

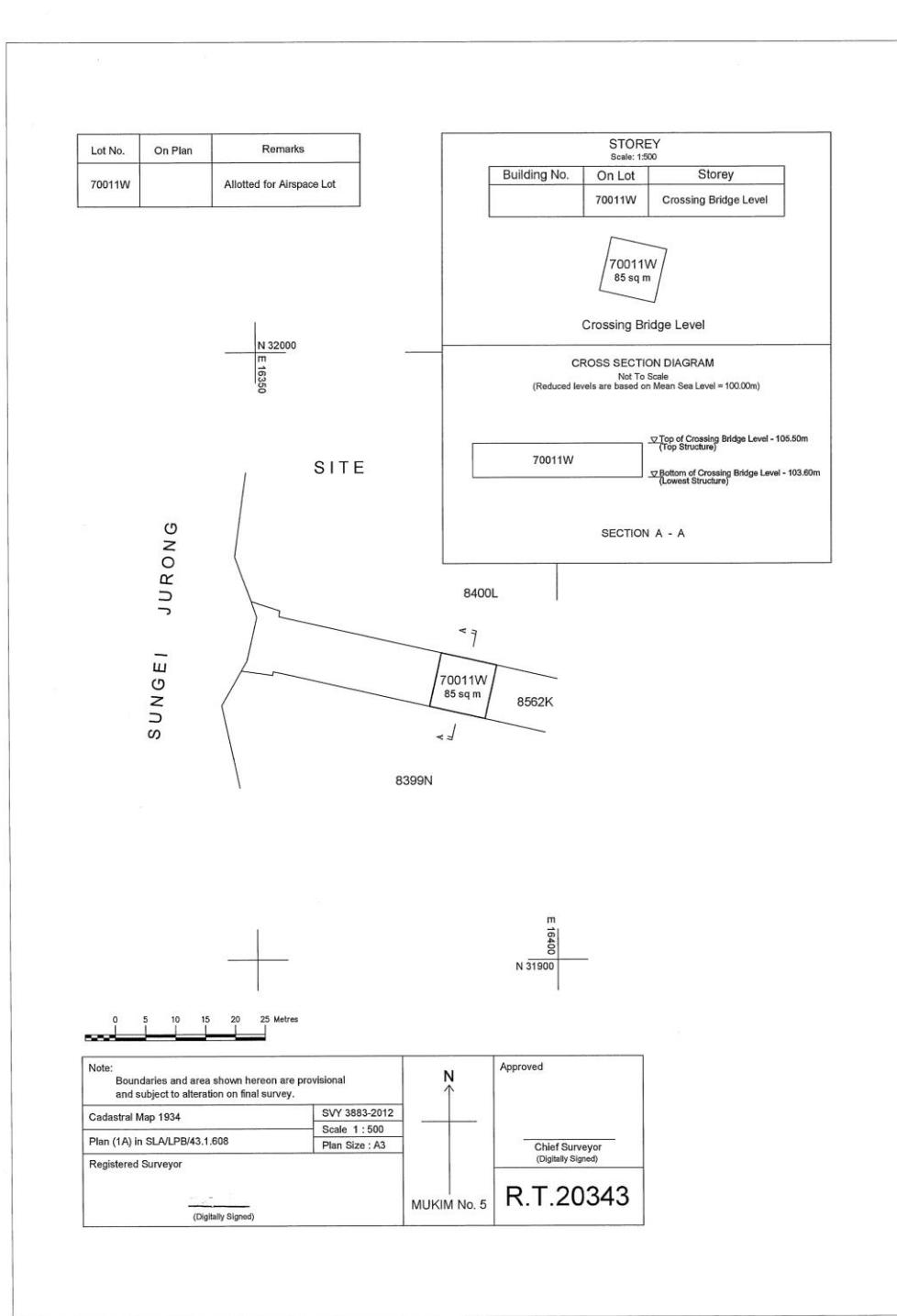
The Cadastral Maps are updated as soon as the survey plans showing the subdivision or amalgamation of land parcels have been approved by the Chief Surveyor. New Cadastral Maps are created to accommodate newly reclaimed lands.



REGISTRAR OF TITLE PLANS (RT)

A Registrar of Title (RT) Plan is a survey plan showing the provisional boundaries and areas of land lots. The plan is prepared by registered surveyors and must be approved by the Chief Surveyor. RT Plan will be superseded by the Certified Plan (CP) after a ground survey has been conducted. Since 1 Apr 2003, the RT plan has been abolished except in the survey of subterranean lot, airspace lot, reclaimed land and foreshore structure.

These are survey plans prepared for the survey of subterranean lots, airspace lots, reclaimed lands and foreshore structures

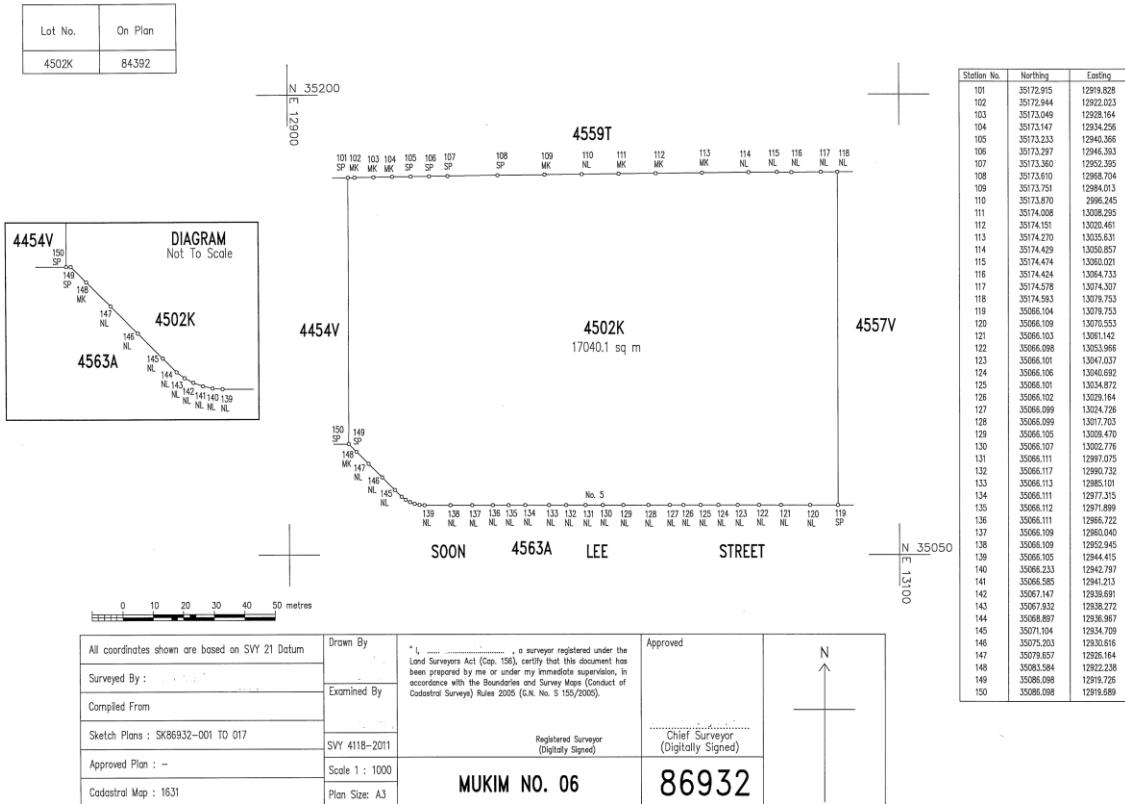


CERTIFIED PLAN (CP), STRATA CERTIFIED PLAN (CPST)

These are survey plans prepared upon final survey of the land and strata lots. The plans are called Certified Plan (CP) for land lots and Strata Certified Plan (CPST) for strata lots.

These plans show the final boundaries and areas of the lots. They must be approved by the Chief Surveyor. Plans which depict land parcels are called Certified Plans (CP). Plans depicting strata lots are referred to as Strata Certified Plan (CPST). Each plan bears a unique plan number.

Sample of a Certified Plan



Sample of a Strata Certified Plan

STRATA TITLE PLAN NO. 4035

SHEET 1

3158W
3160M
7516K
7517N
LORONG
H
TELOK
KURAU
95481V
NO.59
95480W
741.6 sq m
8743A
N
SITE
95480W
Scale 1:500

0 5 10 15 20 25 Metres

FD No. 101631 - 1 - 5
Cadastral Map 1837

For Official Use Only.

I, Chief Surveyor, Singapore, certify that the strata certified plans ST.101631 to 101634 shown on this Strata Title Plan have been lodged with the Singapore Land Authority and approved by me.

Date: _____ Signature: (Digitally Signed)

SLA/SVY 3105/2012

MUKIM NO.26	ST. 101631
-------------	------------

14.11.2013
REGISTERED SURVEYOR
(Digitally Signed)

UNIT 1.5: ESTATES IN LAND

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Understand tenure and estate, and the various types of freehold and leasehold estates.

TENURE AND ESTATE IN LAND

Estate: Duration of ownership

Tenure: Conditions and terms of ownership

2 types of land tenure:

- Freehold
- Leasehold

FREEHOLD LAND

In order to be categorized as a freehold, an estate must possess the characteristics of

- Immobility – land/property
- indeterminate duration – holds land ‘forever’ (unless the Singapore Government overrides it by compulsorily acquiring it)

A freehold title allows the owner to **own the land forever**.

2 categories of Freehold Property exists:

- i. Estate in Fee Simple
 - Also known as Grant in Fee Simple
 - Issued by the State
 - Greatest possible estate in land, wherein the owner has the right to use it. A fee simple represents absolute ownership of land, and therefore the owner may do whatever he or she chooses with the land. If an owner of a fee simple dies intestate, the land will descend to the heirs.
 - Property Tax is the only expense annually payable by all property owners. No further payments compared to Statutory Land Grant (SLG).
- ii. Estate in Perpetuity
 - Also known as Statutory Land Grant (SLG)
 - Freehold title issued by the State, subject to conditions in State Lands Act

LEASEHOLD LAND

Duration of ownership is defined.

Government Land Sales (GLS) for residential are ALL 99 years leasehold

- Eg HDB land
- URA for condos and apartments

Private leases (not from government) possible at 999 or 9999 year lease.

Other leases:

- JTC/HDB: 60/30 years
- MUIS properties: 199-year lease

LAND TITLES (STRATA) ACT

- **Provides** for the vertical subdivision of land into lots and common property
- Each lot is issued with a different title

TYPES OF STRATA-TITLED PROPERTIES

Strata titles are conferred upon:

- condominium;
- residential flats;
- townhouse;
- cluster housing;
- strata-bungalow;
- flatted factories;
- flatted warehouse;
- office;
- shopping;
- any combination of office, shopping and residential flats uses.

STRATA TITLE PLAN

- Submitted by developers to the Chief Surveyor for approval under the Boundaries and Survey Maps Act.
- **Schedule of Entitlement** indicates the **share values** for each strata lot.
- Registrar will rely on the share value stated in the Schedule of Entitlement to issue the SSCTs.
- Strata title plan will be deemed registered upon the registration of the Strata Title Application.
- Register will assign a number to the strata title plan which forms the name of the management corporation

SUBSIDIARY STRATA CERTIFICATE OF TITLE

Subsidiary Strata Certificates of Title are issued for units in a building or development which is strata subdivided. This enables the transfer of the legal titles for the strata units.

When to apply

- When a development with 3 or more strata units is completed up to roof level and strata subdivision approval has been granted by Chief Planner, URA.
- When subdivision approval for a strata lot is granted by Chief Planner, URA e.g. when an office strata lot is subdivided to form 2 new office strata lots.
- When planning permission is granted by Chief Planner, URA for amalgamation of strata lots e.g. when 2 existing office strata lots are amalgamated as one large strata lot.
- When owners of flats built before the operation of the Land Titles (Strata) Act with leases registered under the Registration of Deeds Act or Land Titles Act apply to convert their leases to strata titles.

Refer to the Appendix for a Sample of a Strata Certificate of Title

UNIT 1.6: STATE LANDS ACT

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Explain the implied covenants and conditions in the grant in perpetuity and State lease.
- ✓ Understand when differential premium is payable.
- ✓ Understand the nature of temporary occupation licence (TOL) issued by the State.
- ✓ Describe the State's reversionary interest in State leases and the power to acquire land compulsorily under Land Acquisition Act.

COVENANT

Covenant: Legal agreement made between 2 parties that is contained in a deed.

Covenantor: Person making the promise

Covenantee: Person to whom the promise is made

IMPLIED COVENANTS AND CONDITIONS

Under the State Lands Act, State land is granted or leased on special covenants and conditions.

The special covenants and conditions are endorsed and inserted in the titles.

IMPLIED COVENANTS IN STATUTORY GRANT

Grantee, his executors, administrators will:

- Pay rent, if any subject to period revisions
- Maintain all landmarks defined by the boundaries of the land
- Not to use any portion of the land for burial of a human body without written permission of the Minister
- Not assign or demise the land in parcel or in entirety except for a lease term of not exceeding 7 years

Covenants will run with the land.

IMPLIED CONDITION

State:

- has the right to enter the land and to search for and take any mineral oil which can be found, and paying the grantee or lessee of the land for any damages.
- Owner or occupier of any land adjacent to the land has a right of way from his land to the nearest public road
- Any land issued before 1st March 1961 is conferred an estate in perpetuity on the grantee
- A royalty of 10% of the gross produce of all mines and minerals other than laterite found in the land
- Earth, clay, gravel, sand and stone and other materials which may be required for the roads, public buildings or other public purposes may be taken or removed from the land
- Officers of the government and their workmen can have free access to the land for the purpose of making drains and sewers, and laying down water pipes, electric and telegraph wires, and other underground communications, and using, repairing and maintaining them
- Collector of Land Revenue and any officer authorised shall have free access to the land
- In case of breach of implied covenants other than for the payment of rent and maintenance of landmarks, Collector of Land Revenue can re-enter the land and forfeit the land.

STATE COVENANTS

- restrictive covenant that CANNOT be removed by court order
- eg: zoning, plot ratio, height restriction, setbacks, leasehold 99-year
- CAN be removed only by paying Differential Premium (DP).

DIFFERENTIAL PREMIUM

State lands are sold at a price based on the proposed use and intensity at the time of sale. The use and intensity are stipulated as conditions in the State title.

Differential Premium (DP): Charged for lifting the title restriction.

DP is the difference in value between the use and/or intensity stated in the State title and the approved use and/or intensity in the provisional planning permission.

DP is computed based on the Development Charge (DC) Table of Rates. The material date of determination of DP is pegged to the date of Provisional Permission (PP) or the start date of the validity of the second and subsequent PP extensions. Where the tenure of the land is leasehold, the DC rates will be adjusted to reflect the remaining tenure of the land using the Leasehold Table. However, in suitable cases where the State Title contains special restrictions, the DP payable may be determined using other methods and the resultant amount could be higher than the rate determined by the DC table.

Where the use stipulated in the title restriction does not fit into any of the Use Groups in the DC Table, the DP payable will be determined by the Chief Valuer on a case-by-case basis.

For more information on how to calculate DP, please refer to Appendix: The Differential Premium System and Changes to Differential Premium system on 18 July 2007.

EXEMPTION FROM DEVELOPMENT CHARGE IF DIFFERENTIAL PREMIUM IS PAID

Lessees, with State leases that do not specify the use and/or the maximum allowable intensity for the land, are liable to pay Development Charge in respect of the enhancement in land value arising from a development proposal. With effect from 1 Sep 2011, subject to certain terms and conditions being satisfied, a lessee may be exempted from paying Development Charge if Differential Premium is paid for the enhancement in land value.

TEMPORARY OCCUPATION LICENCE (TOL)

SLA rents out vacant State lands through Temporary Occupation Licenses (TOLs).

A Temporary Occupation Licence (TOL) is a **Licence** issued by SLA for the **temporary use** of State land or for the purpose of the retention of minor encroachment from private properties onto State land.

The TOL issued can either be **renewable** on a monthly or yearly basis **depending on the use**.

- Examples of uses under renewable TOL are worksite, signage, showflat, landscaping, etc.

Where the use of State land is for a one-off event and for a fixed duration of not more than 3 months, a **Non-Renewable Temporary Occupation License (NRTOL)** will be issued instead.

- Examples of uses under NRTOL are tradefair, pasar malam, religious event, wayang, funeral wake, sale/entertainment event, etc.

LAND ACQUISITION ACT

GOVERNMENT'S RIGHTS TO ACQUIRE PROPERTY COMPULSORILY

Private property owners hold their land subject to the ability of the State to compulsorily acquire it for public purposes. Compulsory acquisition of private land by the State in Singapore is governed by the Land Acquisition Act.

Land in Singapore can be acquired for:

- for any public purpose;
- by any person, corporation or statutory board, for any work or an undertaking which, in the opinion of the Minister, is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purposes

VALUATION BASIS FOR COMPENSATION

On **7 May 2007**, the Land Acquisition Act (LAA) was amended to **pay market value compensation** for land acquired.

This Act amends the Land Acquisition Act to abolish the use of a statutory date in determining the basic compensation for land that is compulsorily acquired on or after 12 February 2007 and to provide that the basic compensation will instead be the market value of the land as at the date of its acquisition.

However, the market value of the acquired land cannot exceed the price which a bona fide purchaser might reasonably be willing to pay for the land.

The market value of the land is to be arrived having regard (but not only) to the zoning and density requirements and any other restrictions imposed by or under the Planning Act at the date of acquisition, and any restrictive covenants in the title of the acquired land. However, no account is to be taken of any potential value of the land for any other use more intensive than what is permissible by or under the Planning Act as at the date of its acquisition.

The Land Acquisition Act is also amended so that when assessing the market value of acquired land, it will no longer be prohibited to take into account any increase in value arising from any improvement to the land within 2 years before the date the land is declared to be required for a public purpose, or from development in the neighbourhood by the provision of roads, drains, electricity, water, gas or sewerage or social, education or recreational facilities within 7 years preceding that date.

The special compensation provisions for acquired land which is used as a burial ground and acquired land that is devastated or affected, directly or indirectly, by fire, explosion, thunderbolt, earthquake, storm, tempest, flood or any act of God, have also been abolished. Such land, if acquired, will be assessed no differently from other acquired land.

The compensation for land acquired before 12 February 2007 continues to be governed by the existing law.

UNIT 1.7: RIGHTS IN ANOTHER'S LAND

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Explain the term “encumbrances” on land title.
- ✓ Explain the nature of a licence.
- ✓ Distinguish a licence from a lease.
- ✓ Explain the nature and characteristics of an easement.
- ✓ Understand how an easement may be acquired and extinguished at common law, and under the Land Titles Act (LTA) and Land Titles (Strata) Act (LTSA).
- ✓ Explain the easements implied under LTA and LTSA.
- ✓ Understand the extent to which covenants affecting adjacent land owners bind their respective successors in title.
- ✓ Ascertain the existence of a restrictive covenant in a land title.
- ✓ Explain how a restrictive covenant may be discharged at common law and under the Land Titles Act.

ENCUMBRANCES

Encumbrance: A right to, interest in, or legal liability on real property that does not prohibit passing title to the property but may diminish its value

Can be in the form of: lien, mortgage, easements, unpaid property tax

LICENCE

A license may be **granted by a party** ("licensor") **to another party** ("licensee") as an agreement between those parties

A licence **does not** give licensee a **property right**; it simply allows licensee to act in a way that would otherwise interfere with licensor's property right.

Licensee will **not have any legal interest** in the property.

4 TYPES OF LICENCES:

- **Bare licences:** permission to enter land. eg, if I invite you to dinner, this removes your duty not to enter my land. However, I am free to change my mind and revoke the licence.
- **Contractual licences:** Licence for specified period cannot be revoked until contractual period has expired
 - o Granted by contract (valuable consideration)
 - o Short term licences:
 - Entry to cinema, football match, car park.
 - o Long term licences:
 - Occupy house/flat/shop
- **Estoppe licences:**

What is an 'estoppel'?

"Equity...prevent a person insisting on his strict legal rights...when it would be inequitable for him to do so having regard to the dealings which have taken place between the parties."

Eg: if the licensee was informally promised certain interest provided he spends significant amount of money to enhance the land, then the licensor (strict legal right) may be 'estopped' from stopping the licensee from using the land.
- **Licences coupled with a grant:** permission to enter the land to carry out approved activities, usually for a profit.

Eg: A licence to go on land to sever and remove trees, are accepted examples of a licence coupled with an interest.

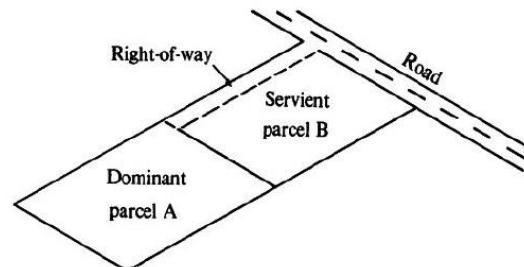
EASEMENT

Easement: An easement is a **certain right to use the real property of another without possessing it.**

Easements require the existence of at least **two parties**. The party gaining the benefit of the easement is the dominant tenement – “A”, while the party granting the burden is the servient tenement – “B”.

A good example would be the ‘Right of Way’ displayed by diagram – A’s (receiving benefits) users can only access to his land by passing through B’s (suffering the burden) land.

Land that benefits from an easement on another property. The other property, which usually is adjacent, is the servient tenement. **Example:** In Figure below the owner of Parcel A has a right-of-way easement to the road by going across Parcel B.



Easement appurtenant is one that benefits the dominant estate and "runs with the land", i.e., an easement appurtenant generally transfers automatically when the dominant estate is transferred.

AFFIRMATIVE AND NEGATIVE EASEMENTS

Affirmative easement: Right to use another's property (servient) for a specific purpose, while a negative easement is the right to prevent another from performing an activity on their property.

Eg, an affirmative easement might allow land owner A to walk/drive over the land of B to go home. A has an affirmative easement from B.

Negative easement might restrict B from blocking A's sea view by putting up a wall of trees. A has a negative easement from B

ESSENTIAL CHARACTERISTICS OF AN EASEMENT

- There must be a **dominant** (A) and a **servient** (B) tenement;
- The easement must provide the dominant tenement with **benefits** and enjoyment;
- The dominant and servient owners must be **different persons**;
- The ‘easement right’ claimed must be capable of forming the **subject-matter** of a grant, eg you can define the right of way for A over B’s land.

CREATION OF EASEMENTS

Easements are most often created by express language in binding documents. Parties generally grant an easement to another, or reserve an easement for themselves.

There are a few ways that easements are created:

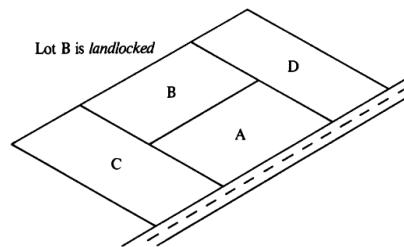
- **Express easement:** An express easement is created by a deed or by a will (must be in writing). An express easement can also be created when the owner of a certain piece of property conveys the land to another, but saves or reserves an easement in it. This arrangement is known as an "easement by reservation."
- **Implied Easements:** Even when no document or agreement has created an express easement, an easement right may still be implied (understood) in certain situations or circumstances.

Eg PUB takes care of the sewerage & sanitary works in Singapore, thus, it has implied easement to enter a private property to perform its function of maintenance & repairs.

- **By necessity:**

E.g. An easement by necessity can only be created when land held by a single owner is severed into two or more parcels.

After severance, if any of the newly created parcels (parcel 'B') is physically unable to reach a public road, an easement by necessity may be created.



Easements by necessity are either granted to a buyer of a landlocked parcel ('B' in diagram), or reserved by a seller of land who retains a landlocked parcel ('B') after the severance and sale.

- **Easement by prescription:** A right to use property, acquired by a long tradition of open and obvious use.

For example, if hikers have been using a trail through your backyard for ten years and you've never complained, they have an easement by prescription through your yard to the trail.

TERMINATION OF EASEMENTS

A party claiming termination should show one or more of the following factors:

- **Release:** agreement to terminate by the grantor and the grantee of the easement
- **Merger:** When one owner gains title to both dominant and servient tenement
- **Necessity:** If the easement was created by necessity and the necessity no longer exists
- **Prescription:** The servient estate reclaims the easement with actual, open, hostile and continuous use of the easement
- **Abandonment:** This is usually claimed where the easement has not been used or enjoyed for a significant length of time. Under the Land Titles Act, an easement can be removed if the period exceeds 12 years of non-usage.

EASEMENTS UNDER THE LAND TITLES ACT

- Easements for installations: right to lay or maintain pipes or other installations through the land of a proprietor confers on the person or authority entitled to that right the exclusive possession or occupation of the soil, or of the space occupied by the pipes or other installations, shall not of itself prevent the right of passage of matter or energy through the pipes or other installations being registrable as an easement.
- Easement for passage of water, electricity, gas, sewerage, drainage and other services for development
- Implied easements for right of way and other rights shown in subdivision plan
- Contribution to repairs
- Grant of right of way
- Party walls

EASEMENTS UNDER THE LAND TITLES (STRATA) ACT

- Easement of support
- Easement of shelter
- Easement for passage of water, sewerage, drainage and other services
- Easements for light over-hanging eaves and other projections
- Ancillary rights: Implied to make easements effective



LEASE VS LICENCE VS EASEMENT

Licence	Lease	Easement
Not an interest	Interest	Interest
No exclusive possession	Exclusive possession	No exclusive possession
Not assignable	Can assign the balance of the lease term	Assign together with land
Revocable during the term	Not revocable during the term	Not revocable
Temporary	Definite term	
Terminates upon sale of property; upon giving notice to quit	Pass on to the buyer who buys with tenancy via Privity of Estate	Permanent till terminated
Does not run with land	Runs with land	Runs with the land

COVENANT

A covenant is a **type of contract** in which the covenantor **makes a promise** to a covenantee to do or not do some action.

POSITIVE COVENANTS

A covenant to do or perform something. Does not automatically 'run with the land' unless:

- 'Touch and concern' the land – relate to interest in land
- Privity of estate - the relation that subsists between a landlord and his tenant (eg sale with tenancy means the new buyer covenants to fulfill the Tenancy)

Useful tools to enforce obligations between landowners (e.g. a contribution towards the upkeep of common facilities).

RESTRICTIVE COVENANTS

- Restrain/restrict from doing something.
- It 'runs with the land', ie subsequent buyers assume the 'burden' if it 'touch and concern' the land.
- May prevent a landowner from using the land for a particular use (e.g. prohibit the sale of alcohol) or may restrict development (e.g. no building without consent).
- Eg HDB/URA/Conservation of Trees
- Can be either:
 - Implied by law (planning policies) – eg MCST by-laws in strata buildings; or
 - Private agreement – restrict the height of trees so it does not block the neighbour's view of the reservoir.
- The Land Titles Act provides for restrictions to expire 20 years from the date of creation/entry of a notification thereof on the land register.

- Removed by:
 - release wholly or in part by notification of registered owner of dominant land and person having a registered interest in the land;
 - expiry term of restrictive covenants; and
 - by extinguishment or variation by order of court.

RESTRICTIONS UNDER THE LAND TITLES ACT

Duration: Restrictions shall cease to be enforceable against assigns of the servient land at the expiry of 20 years from the date of entry of a notification thereof on the land-register.

Where a restriction was created before bringing the servient land under the provisions of this Act and the owner of the servient land is not the covenantor, the restriction shall (unless extended in the manner provided by this section) cease to be enforceable against the owner or assigns of the servient land at:

- the expiry of 20 years from the date of creation of the restriction;
- the expiry of 5 years from the date of entry of a notification thereof on the land-register; or
- the expiry of 24 months from 20th August 2001*,

whichever expires the latest.

UNIT 1.8: REGISTRATION OF TITLES

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Associate a property type with a property title: certificate of title, subsidiary strata certificate of title, or lease title.
- ✓ Interpret dealings that are notified in the title document, e.g. transfers, mortgages, charges, and leases exceeding 7 years.
- ✓ Understand the effect of registration and the priority of registered interests.
- ✓ Understand the function of a caveat and the period of its effectiveness.

LAND REGISTRATION SYSTEM

Land Titles Registry, which comes under the SLA umbrella, handles the registration of property transactions in Singapore.

The Registry registers **all legal transactions** affecting land, including

- landed property (bungalows, terrace houses and semi-detached houses)
- flats (whether private or HDB) and
- commercial and industrial properties.

Land register shows who owns the land and whether there are encumbrances, such as mortgages or charge affecting the land.

- **Protects the rights** of property owners
- **Prevent fraudulent** or secret **transactions**. Enables those purchasing, financing or otherwise dealing in land to conduct their transactions and business affairs efficiently and with certainty
- **Facilitate transactions** by giving proof of title
- Allows public searches to be conducted

TYPES OF REGISTRATION

2 Systems for registration of property rights in Singapore

- i. The Register of Deeds for Common Law land under the Registration of Deeds Act; (OLD SYSTEM) and
- ii. The Land Titles Register for titles land under the Land Titles Act (Current System)

REGISTRATION OF DEEDS ACT (RODA)

- Title Deeds administered by the Registry of Deeds
- In use since colonial times
- Registrable instruments must be registered with the Registry of Deeds – registrable instruments includes conveyance, charge order of court, probate and letters of administration
- Cumbersome as title has to be deduced for 15 years to “good root of title”
- Legal interests in land pass by deed, i.e. a document signed, sealed and delivered.
- Under the Act, **not compulsory** for owners of land to register the deeds at the Registry of Deeds.
- **To verify the ownership** of the land, a **15-year title search** at the Singapore Land Registry must be made.
- Difficult and time consuming.
- Deed : document that transfers ownership of real estate. It contains the names of the old and new owners and a legal description of the property, and is signed by the person transferring the property

REGISTER OF DEEDS

- Record of deeds lodged against land held under the old Common Law system of land registration.
- Presently there are hardly any deeds lodged at the Registry of Deeds.

What can be registered?

- Conveyance
- Mortgage
- Lease or agreement of lease exceeding 7 years
- Memorandum of lien, charge or discharge. (Where an equitable mortgage created by a deposit of title deeds is accompanied by a memorandum, the memorandum is registrable);
- Deed of consent to the discharge of a trustee;
- Order of court (i.e. any judgement, decree, writ of execution or sequestration, adjudication in bankruptcy)
- Certificate of appointment of trustee in bankruptcy
- Grant of probate or letters of administration

Any document which does not come within the definition of a deed or assurance cannot be registered.

A person who has a non-registrable instrument, e.g. an agreement for sale, may want to protect his interest. He can do this by lodging a caveat with the SLR.

ADVANTAGES FOR REGISTRATION

a) Evidence

A registered document can be used as evidence of title.

b) Secure priority

Registered documents have priority according to their dates of registration.

TORRENS TITLE SYSTEM (LAND TITLES ACT AND LAND TITLES (STRATA) ACT)

- Introduced in 1960.
- Registration of title was modelled on the Torrens system of title registration in Australia.
- Introduced under Land Titles Act, and extended to Strata Titles under Land Titles (Strata) Act
- Simplify form of titles by using standardised forms in place of deeds
- Facilitate transactions and results in lower registration costs
- Single document of proof of title (Certificate of Title)
- Contain all notifications of any dealings over land, therefore need not trace back 15 years.
- A Land Titles Register is maintained
- Registration is mandatory to effect the transfer of an estate or interest in land
- **Indefeasible Title:** Title is guaranteed by the State
- Register through STARS eLodgement.
- Some interests that need not be registered such as short-term tenancies & statutory easements are not reflected in the Certificate of Title.
- Most of the old titles under the common law system have been converted to Torrens system.

THREE PRINCIPLES OF TORRENS SYSTEM

The Torrens system works on three principle:

- **Mirror principle** – the register (Certificate of Title) reflects (mirrors) accurately and completely the current facts about a person's title.
- **Curtain principle** – one does not need to go behind the Certificate of Title as it contains all the information about the title. All of the necessary information regarding ownership is on the Certificate of Title.
- **Insurance principle** – Assurance Fund provides for compensation of loss if there are errors made by the Registrar of Titles

THE LAND REGISTER

Land register is the authoritative record on the ownership of all properties registered under the Act in Singapore.

The Land-register provides information on:

- Whether it is freehold or leasehold or others
- Land area of the property
- The name(s) of the registered owners
- The legal arrangement by which the registered owners own the property (eg. Joint tenants or Tenants in common)
- The addresses for service of legal notices on the registered owners
- Whether there are legal interests (eg. Mortgages, CPF Charge) affecting the property

CERTIFICATE OF TITLE (CT)

Whenever the State issues a State title, the Registrar of Titles will issue a Certificate of Title for that piece of land.

New Certificates of Title are issued when land is subdivided or amalgamated. This facilitates the transfer of the legal titles relating to landed properties

QUALIFIED TITLES

- One which has a caution endorsed on it, stating that the title is subject to the pre-existing claims or encumbrances.
- Means that State does not guarantee the title and buyer must investigate the pre-existing common law deeds
- Only when caution lapses that the title becomes indefeasible.
- Caution automatically lapse after 10 years after land is converted, or after 2 years from the commencement of the amendment of the Land Title Act in 2001, even if there has been a sale after title conversion
- This will completely eliminate the number of qualified titles, as it is now more than 10 years from the amendment in 2001.

CAVEATS

- Legal document lodged at SLA by any person (caveator) against a claiming an interest in land against a property in which the caveator claims an interest
- Land Titles Act allows any person who claims an interest in the property to lodge a caveat
- When a caveat is lodged, the Registrar of Titles will notify it against the property
- Includes the following information
 - the name of the caveator and the caveatee;
 - an address in Singapore at which notices may be served on the caveator and the caveatee;
 - particulars of the estate or interest claimed by the caveator;
 - the grounds in support of the claim;
 - the nature of the prohibition of the dealing in land;
 - the lot affected by the caveat and, where that lot is comprised in a folio, the folio;
 - where the caveat relates to only part of the land, such description of that part as will enable it to be identified to the satisfaction of the Registrar;
 - if the caveator is a purchaser or sub-purchaser of the interest in the land, the amount of the purchase price and the date of the caveator's contract or the date on which he exercised the option to purchase the interest in the land, as the case may be; and
 - the particulars required by section 19 of the Residential Property Act (Cap. 274).

CAVEATABLE INTERESTS

Caveats are lodged to protect interest in land and these include:

- transfer of land in favour of the Government by way of surrender for the purpose of reissuing one or more new titles;
- an instrument of vesting pursuant to compulsory acquisition;
- a transfer of land sold;
- a total or partial discharge of a mortgage or a registered mortgage;
- a transfer of a mortgage or a registered mortgage;
- a transmission upon death of a registered proprietor, notice of death of one or more joint tenants, a transmission upon a registered proprietor being adjudicated a bankrupt or on the vesting of a corporation's estate or interest in land upon the effective date of its winding up in the Official Receiver;
- easements or restrictions which are not expressly prohibited by the caveat, or any discharge thereof;
- a total or partial release of any easement or a total or partial release or extinguishment of restrictions;
- a change in the name of a registered proprietor;

- in relation to a lease lodged in registrable form (leases above 7 years) and accepted before the lodgment of the caveat, a dealing effected by the lessee pursuant to a right conferred by the lease or by or under any existing law;
- an application made to a Strata Titles Board

LAPSING OF CAVEATS

Caveat shall lapse and cease to affect land:

- after 30 days from the date of the service of the notice given; or
- after 5 years from the date of the lodgment of the caveat, or where an extension is validly claimed for a further 5 year

WITHDRAWAL OF CAVEATS

A caveat may be withdrawn either wholly or as to part of the land by:

- caveator or his authorised agent including a solicitor acting on his behalf;
- caveator is a natural person who has died, by his personal representative or the trustee of the caveator's estate;
- 2 or more caveators claim to be entitled as joint tenants and one or more (but not all) of them has died, by the surviving caveator or caveators;
- where the caveator is adjudicated a bankrupt, by the Official Assignee; or where the caveator is a corporation and is in liquidation, and the estate or interest claimed by the caveator has become vested in the liquidator, by the liquidator;
- by the person or the deputy appointed or deemed to be appointed for such person by the High Court under the Mental Capacity Act 2008, with power in relation to the management and care of the estate or interest claimed in the caveat; or
- by the solicitor acting for any of the persons mentioned above
- by court order

CU2: DEALINGS WITH INTERESTS IN LAND

To be able to advise clients on property matters and to deal with property transactions on behalf of buyers/sellers or landlords/tenants, real estate salespersons need to understand when a contract is entered and the consequences, if the obligations are not fulfilled. They should be mindful that they owe a fiduciary duty to their principals and the duty of care to others.

Real estate salespersons should also understand an important concept of land, whereby “land” refers not so much to the physical land but an “interest” or a “bundle of rights” in land. One of the characteristics is the right of the owner to deal with the land. An interest is usually acquired through a sale and purchase, but it may also be vested in a person by way of gift, trust or succession. Other than alienation of the entire interest, an owner may carve out a lesser interest such as a lease, mortgage or an easement to co-exist with his proprietary interest. If the right to possession is vested only in the future, it is a future interest.

UNIT 2.1: LAW OF CONTRACT

LEARNING OUTCOME:

At the end of this unit, you should be able to:

- ✓ Understand what constitute a valid contract with reference to letter of intent, tenancy agreement, option to purchase (OTP) and sale & purchase (S&P) agreement:
 - Offer and acceptance (including the 3Ps: Parties, Property, Price)
 - Form (i.e. deed) or consideration
 - Capacity of parties (cross-refer to Paper 1, Unit 2.12)
 - Legality of object
- ✓ Illustrate the legal effects of valid, void, voidable and unenforceable contracts.
- ✓ Differentiate between warranty and condition in a contract.
- ✓ Explain misrepresentation vis-à-vis duty of disclosure (vs. caveat emptor) and its effect on contract.
- ✓ Name and describe how a contract may be discharged and the remedies available for breach of contract.
- ✓ Relate the above principles to real estate contracts in respect of (cross-refer to Paper 2, Units 4.2 and 4.3):
 - When a contract for sale and purchase or for lease is formed
 - Assignment of contract
 - What constitutes a breach of condition
 - What facts/defects ought to be disclosed

- What constitutes misrepresentation
- When a contract is completed, rescinded or repudiated
- When to seek assistance from a solicitor

DEFINITION OF CONTRACT

A **contract** is an **agreement** entered into voluntarily by **two parties or more** with the **intention** of creating a legal obligation, which may have elements in writing, though contracts can be made orally.

Examples of Contracts:

- Option to Purchase (HDB / Private sale)
- Sales & Purchase Agreement
- Lease Agreement
- Sole Agency Agreement
- Commission Agreement etc

ELEMENTS OF CONTRACT

For a contract to be valid and enforceable, the following essential elements must be present:

- Intention to create legal relations
- Offers
- Acceptance
- Consideration

INTENTION TO CREATE LEGAL RELATIONS

- **Creation of legal relations** is a doctrine that states an agreement is legally enforceable only if the contracting parties may be deemed by the court to have intended it.

- **Commercial Agreements:**

Parties involved are presumed to create legal relations, unless the circumstances or nature of an agreement preclude this.

E.g., where a contract states expressly that it does not intend to create legal relations, then the courts will not seek to create any

- **Social and Domestic Agreements**

Generally presumed not to intend legal consequences.

OFFER

- Promise, or other expression of willingness, by one person (offeror) to be bound on certain specified terms upon the unqualified acceptance of these terms by the other person (offeree).
- Must be **communicated** and **conveyed**

INVITATION TO TREAT

An invitation to treat is an indication that someone is prepared to receive offers with the view to forming a binding contract. It is not an offer in itself.

4 types of an invitation to treat

1. Auction sales

The rule is that the bidder is making an offer to buy and the auctioneer accepts this in whatever manner is customary, usually the fall of the hammer.

2. Advertisements

This is an attempt to induce offers and is therefore classified as an invitation to treat.

3. Exhibition of goods for sale

This is displaying goods in a shop such as Tesco etc. this constitutes inviting customers to make offers to purchase such items or invitation to treat.

4. An invitation for tenders

A tender is an estimate submitted in response to a prior request. When a person tenders for a contract he is making an offer to the person who has advertised a contract as being available.

UNILATERAL CONTRACT VS. BILATERAL CONTRACT

A real estate sales contract is a "bilateral" (two-way) agreement. The seller agrees to sell, and the buyer agrees to buy. Compare this with an option; an option is a unilateral (one-way) agreement in that the seller is obligated to sell, but the buyer is not obligated to buy - it is his option to do so.

COUNTER-OFFERS

If the offeree tries to change the terms of the offer in the acceptance, then it is not an acceptance, it is a counter-offer.

A counter-offer rejects the offer.

The position of the two parties is reversed. The offeree becomes the offeror and the offeror becomes the offeree.

TERMINATION OF AN OFFER

Can be terminated under the following situations:

- Withdrawal: can happen at any time prior to its acceptance, provided there is communication of the withdrawal to the offeree, whether by the offeror or through some reliable source
- Rejection of an offer: includes making of a counter-offer or a variation of the original terms.
- Lapse: In the absence of an express stipulation as to time, an offer will lapse after a reasonable time.
- Death of the offeror: If known to the offeree, would render the offer incapable of being accepted by the offeree. Even in the absence of such knowledge, death of either party terminates any offer which has a personal element

ACCEPTANCE

Offer is accepted by **unconditional acceptance** to its terms by the offeree. Counter offer is not an acceptance.

Acceptance **must be communicated** to the offeror and cannot be inferred from mere silence.

Acceptance must be in the mode specified, eg options indicates that acceptance must be handed to solicitor by 4pm.

CONSIDERATION

- Consideration is something of value
- Each party to the contract must receive something of value for the promise
- For real estate transactions, consideration is usually money.
- Few rules governing consideration:
 - Consideration must **move from the promisee**;
 - Consideration must move **to the promisor**;
 - **Past consideration** is **no** consideration;
 - The consideration given must be **sufficient**, but it **need not be adequate**.

DOCUMENTATION

Real estate contracts **must be in writing** to be enforceable.

Under the Conveyancing and Law of Property Act (Chapter 61), conveyance of any estate or interest in land other than a lease for a period not exceeding 7 years must be done in deed in the English language.

THE “3PS”

The 3Ps : parties, property, and price must be stated for a valid contract. For some cases, common law may require a 4th P, “Provisions”

This can be in the form of emails or any other written correspondence and need not be in a single document.

OPTION TO PURCHASE

Option to Purchase = Right to buy

When a property buyer has an Option (a right) , he has the right to demand for the seller's title, and to demand that the seller goes to legal completion.

If the option is assigned or transferred, (if assignment of Option is allowed), the same right is enjoyed.

In order for the right to arise, the buyer must do the following:

- i. Pay the seller the option money which is equivalent to 1% of the agreed sale price
- ii. Within the stipulated Option period (usually within 14 days of the Option) exercise the right by signing the 'acceptance copy' of the Option form, and pay the balance of 4%/9% of the sale price.

IMPORTANT RULES OF OTP

- A right granted to the buyer to buy

It stops the seller from offering the same property to another prospective buyer up till the expiry date of the option. When the Option provides for 'and/or nominee(s)' the seller has to accept the contract with the eventual option holder.

- Does not compel the buyer to buy

If the buyer decides not to go ahead with the purchase, he is free to walk away from the deal, losing only the 1% option money.

- Compels seller to sell

The OTP compels the seller to enter into a sale contract with the option holder, whoever the holder may be, unless there is a provision prohibiting the assignment of the Option. Once a binding contract is formed, neither party could retract from the contract without facing the legal consequences.

- Seller has right to forfeit Option Money

In the event that the buyer decides not to go ahead with the purchase, the seller has the right to forfeit the Option money and therefore no party can take any further action.

OPTION MONEY

- Where a vendor gives an "option" to a prospective purchaser, he is making an offer to sell his property at a specified price.
- In consideration of the 'option money' paid by the prospective purchaser, the vendor thereby agrees to keep the offer open for the purchaser's acceptance, until the expiry of the appointed day and time specified in the 'option'.
- Without the payment of the 'option money', the vendor is free to revoke his offer, at any time before acceptance by the prospective purchaser.

SUBJECT TO CONTRACT

A contract specifies "subject to contract" may fall into one of three categories:

- The parties are immediately bound to the bargain, but they intend to restate the deal in a formalised contract that will not have a different effect; e.g. Letter of Intent prior to the signing of Tenancy Agreement or
- The parties have completely agreed to the terms, but have made the execution of some terms in the contract conditional on the creation of a formalised contract; e.g. subject to optioning the approval from LADU for foreigners purchasing restricted properties or
- It is merely an agreement to agree, and the deal will not be concluded until the formalised contract has been drawn up, e.g. option to purchase will not translate to a sale and purchase until the exercise of the option

LEGALITY OF CONTRACT

Any agreement to violate the law and any agreement forbidden by law is void.

E.g.. Foreigners are not allowed to buy landed properties in Singapore without permission.

CAPACITY

The **parties must have the capacity** to enter into a legally binding contract.

Persons do not have such capacity include:

- Minors

Under the law, persons who are below 21 years of age cannot enter into a contract involving property transactions.

- Persons suffering from mental illness

Any contract made with a person who is suffering from mental illness at the time of contracting and who is incapable of understanding the nature of the contract would be void.

TERMS OF CONTRACT

- Term(s) are provision(s) forming part of a contract.
- Each term gives rise to a contractual obligation

CONDITIONS & WARRANTIES

Conditions: terms which go to the very root of a contract

If one party breaches a condition then the other party may:

- End the contract: Refuse to perform their part of the contract; or
- Claim damages: Continue with the contract but then sue for damages.

Warranty: Warranty is not so imperative so the contract will subsist after a warranty breach.

If one party breaches a warranty then the other party can only continue with the contract and then sue for damage

EXPRESS AND IMPLIED TERMS

- Term may either be express or implied
- Express term is stated by the parties during negotiation or written in a contractual document.
- Implied terms are not stated but nevertheless form a provision of the contract.

UNSATISFACTORY REPLIES

Buyer's lawyer writes to relevant government department to obtain satisfactory replies on legal requisitions. If no satisfactory reply, buyer can annul the OTP and take back all deposits.

REPRESENTATIONS

Not everything that's said during the negotiations for a contract end up being actual terms of the contract; some information only amounts to a **representation**

To distinguish between a term and a representation:

- **Relative knowledge.** Does one party have expert knowledge of the subject matter?
- **Reliance.** Did one party obviously rely on what was said when they entered into the contract?
- The **strength** of the statement.
- **Timing.** Did the statement immediately precede the making of the contract?

VITIATING FACTORS IN A CONTRACT

Contracts can be:

- Void: Stating that the contract does not exist
- Voidable: Vitiating factor identified and acknowledged yet party can continue if to benefit, or avoid and set aside
- Unenforceable: Contract that is valid, but court will not enforce. For eg, contract is unenforceable if it violates frauds.

Vitiating Factors:

- Mistake
- Misrepresentation
- Duress
- Undue influence

MISTAKE

3 different types of mistake in contract

- Unilateral mistake: Only one party has made a mistake
- Mutual mistake: Both parties have made a different mistake
- Common mistake: Both parties have made the same mistake

Mistakes relating to signed documents - *non est factum*

- If one of the parties signs a document under the complete misapprehension as to its affects a plea of non est factum (it is not my deed) may be raised. However, this is rarely successful. It applies only where the document signed is fundamentally different to what was believed to be signed and only where the party was not careless in signing.

MISREPRESENTATION

A misrepresentation is a **false statement of fact**, made by one party to another, **which induces the other party to enter into a contract**.

In the course of negotiations leading up to the formation of a contract, many statements of fact may be made. Some of them may be incorporated into the final contract and they become the terms of the contract. Other statements of fact may not be so incorporated. Yet, if they are material and turn out to be untrue and there is a misrepresentation, the aggrieved party may **rescind the contract**.

A representation may be express, or it may be inferred from the representor's conduct. On its own, silence or non-disclosure does not usually constitute a representation. There are, however, exceptions to this general rule. If a party makes a positive but incomplete disclosure, the omitted disclosure may amount to a misrepresentation if it has the effect of distorting the truth of the information disclosed. Similarly, a failure to correct an earlier (and continuing) representation that was true at the time it was made but which has subsequently become incorrect is actionable. A failure to disclose material facts whilst negotiating contracts uberrimae fidei, such as insurance contracts, would also give rise to an action for misrepresentation.

In order for an action for misrepresentation to succeed, the following must be shown:

- **Statement of fact**, not opinion.
- **False statement**.
- **Statement must be material** (sufficiently important) enough to make a difference in the decision of the innocent party to enter into the contract. If it can be shown that the innocent party would have entered into the contract regardless of whether the statement is true or false, then an action for misrepresentation will not succeed.
- Statement of fact must be **addressed to the innocent party**.

TYPES OF MISREPRESENTATION

Fraudulent misrepresentation

Fraudulent misrepresentation is a statement made with an intent to deceive and with the knowledge that it is false.

Negligent misrepresentation

Negligent misrepresentation is a statement made in the belief that it is true but without reasonable grounds for the belief, because it was made without due care for its accuracy. Therefore, where due care was taken, e.g. proper checks were performed, but the statement was nonetheless incorrect, the courts have refused to impose liability for negligent misrepresentation.

Negligent misrepresentation arises not from the agent's intent to mislead or deceive the purchaser, but rather from his lack of care in ascertaining or confirming the accuracy of the information he provides to the purchaser. It can also be the result of the agent's failure to check the information he receives from the vendor.

The most common complaint brought by potential purchasers against estate agents, is their misrepresentation of information relating to a property.

Innocent misrepresentation

Innocent misrepresentation is a statement made in the belief that it is true and with reasonable grounds for that belief.

CAVEAT EMPTOR

Principle of **caveat emptor** (let the buyer beware) applies i.e. the prospective buyer is required to **examine and satisfy himself of the property he is buying**. He will bear his own risk in buying the property subject to the seller not misleading him by making false statements or misrepresentations.

UNDUE INFLUENCE

- A contract is said to have been entered into as a result of undue influence where one is in a **position to determine the will** of the other party and uses the position to obtain an **unfair advantage** over the other.
- He is prevented from exercising an independent judgment because of the unfair pressure exerted on him

ELEMENTS OF UNDUE INFLUENCE

- One person is in a position to dominate the will of the other.
- The party dominating the will uses the position to dominate the will of the other.

DURESS

- Duress occurs when the **buyer is given no choice to make his decision**

Duress in contract law falls into two broad categories:

- i. Physical duress: threat of physical violence
- ii. Economic duress: economic pressure

DISCHARGE OF A CONTRACT

Discharge of a contract refers to the way in which it comes to an end.

Contracts can come to an end in the following ways:

- by performance
- by agreement
- by frustration
- by breach

DISCHARGE BY PERFORMANCE

The contract comes to an end when both parties perform their contractual obligations.

DISCHARGE BY AGREEMENT

The parties themselves can agree to end the contract, form a new contract or vary the original one.

- Performance of a contract may be subject to a condition precedent allowing for discharge upon the failure of a certain event – e.g. in a contract for the sale of land where the purchaser has been unable to obtain finance.
- A contract may contain a term that if some specified event occurs after the contract is formed then it may be terminated at the option of either or one of the parties. This is a condition subsequent e.g. the return of an item that is defective for a refund.
- The parties may enter a new contract to end the old one. This is called novation. Obviously the new contract must satisfy all the usual rules for contractual formation.
- The parties can also release each other from their remaining obligations – called release and discharge; or they may release each other from some of their obligations and retain or add others – called variation.

DISCHARGE BY FRUSTRATION

A contract automatically comes to an end if it is discharged by frustration.

Four conditions must be satisfied for frustration to discharge a contract:

- an unforeseeable event – something that the parties did not expect to happen and didn't make provision for in the contract
- no fault of either party that makes performance impossible – i.e. death of one of the parties where personal performance is necessary; destruction of the subject matter of the contract

- change in the law making a previously legal contract illegal
- or radically different than agreed– i.e. due to destruction of the object or purpose of the contract

FORCE MAJEURE CLAUSE

Common clause in contracts that essentially frees both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties, such as a war, strike, riot, crime, or an event described by the legal term act of God (such as hurricane, flooding, earthquake, volcanic eruption, etc.), prevents one or both parties from fulfilling their obligations under the contract.

WILL THE CONTRACT BE DISCHARGED UPON DEATH OF SELLER

The contract is not discharged upon death of seller. If the buyer is willing to wait, buyer is able to proceed with the purchase after obtaining the following. Otherwise, buyer can rescind the contract.

Seller death:

- 1) If there is a will, the court will issue a **grant of probate**.
- 2) If there is no will, **letters of administration** will substitute the term probate.

This process can last a few months to 2 years.

DISCHARGE BY BREACH

Where one of the parties fails to perform their side of the contract the innocent party may be able to **terminate** the contract and commence proceedings for damages (or other appropriate remedy).

Not all breaches entitle the innocent party to terminate the contract. It is only breaches of **conditions** or **fundamental** breaches that allow for termination. Breaches of **warranties** do not allow for termination, however, the innocent party is entitled to sue for damages.

REMEDIES OF BREACH OF CONTRACT LAW

When a contract is breached, there are specific remedies to it:

- Damages
- Specific performance
- Injunction

DAMAGES

The major remedy available at common law for breach of contract is an award of damages. This is a monetary sum fixed by the court to compensate the injured party.

In order to recover substantial damages the innocent party must show that he has suffered actual loss; if there is no actual loss he will only be entitled to nominal damages in recognition of the fact that he has a valid cause of action

In making an award of damages, the court has two major considerations:

- Remoteness – for what consequences of the breach is the defendant legally responsible?
- The measure of damages – the principles upon which the loss or damage is evaluated or quantified in monetary terms

LIQUIDATED DAMAGES

If a contract includes a provision that, on a breach of contract, damages of a certain amount or calculable at a certain rate will be payable, the courts will normally accept the relevant figure as a measure of damages. Such clauses are called liquidated damages clauses. Eg, Law Society's Conditions of Sale provides a liquidated damage of 8% for delay in completion.

SPECIFIC PERFORMANCE

- Usually damages are granted by way of monetary compensation.
- In general the court will only grant specific performance where it would be just and equitable to do so
- Specific performance shall not be granted as follows:
 - i. Where monetary compensation is adequate remedy.
 - ii. Where contract is of personal nature.
 - iii. Where the court cannot effectively supervise the execution of the contract e.g. building contract.
 - iv. Where it will be inequitable e.g. against a minor.
 - v. Where the contract made be the company is ultra-vires the company.
 - vi. Where the contract is revocable.
 - vii. Made by trustee in breach or trustship.

INJUNCTION

An injunction is an order issued by a court that forces the defendant—a person, corporation or government entity—to do something or stop doing something, depending on what the plaintiff is requesting. In relatively rare cases, the court may issue a mandatory injunction, compelling a person, company, or governmental unit to take affirmative action in carrying out a specified action.

CLAUSES IN CONTRACTS

Limitation Clause: a clause that limit one's damages.

Eg. This option shall expire on the Expiry Date and will become null and void if not exercised on or before the Expiry Date and the Option Money shall be forfeited to the Vendor.

Disclaimer Clause: a clause that disclaim one from being sued due to mistakes made on printing materials.

E.g.. While we make every effort to ensure that all information displayed herein is accurate and complete, we provide it for information purposes only and it is therefore indicative rather than definitive. We thus do not guarantee its accuracy, whether explicit or implicit, and we do not accept responsibility for any errors, inaccuracies or omissions, or for any loss which might result directly or indirectly from reliance on the content it contains. We reserve the right to correct or update content at any time without prior notification.

Indemnity Clause: a clause to indemnify the other party for breach of contract or tort.

Eg. The Tenant will indemnify the Landlord in respect of all liabilities costs and expenses suffered or incurred by the Landlord in its capacity as Landlord of the site arising from any negligent act or omission by the Tenant in the exercise of the rights granted by this Lease or by reason of any non observance or non performance of the Tenant's covenants and obligations herein.

Exclusion Clause: a clause to restrict the rights of the parties to the contract. The clause recognizes a potential breach of contract, and then excuses liability for the breach.

Eg. The laundry shall not be responsible for any damage howsoever arising.

UNIT 2.2: LAW OF AGENCY

LEARNING OUTCOMES:

At the end of this unit, you should be able to:

- ✓ Apply the fundamental knowledge of the following in the context of real estate agency:
 - Meaning and creation of agency relationships (including the use of prescribed Estate Agency Agreements).
 - Differences between exclusive and non-exclusive agency.
 - Agency as a contract uberrimae fidei, i.e. contract of the utmost good faith.
 - Agent's authorities as viewed by principal and third party.
 - Rights and duties between principal and agent (e.g. right to commission and duty to transmit all offers) and to third party.
 - Termination of agency relationships.
 - Remedies for breach of duties by principal, agent or third party.

GENERAL AGENCY PRACTICE

Agency: Describes the relationship that exists where one party, the agent, acts on behalf of another, the principal, to create a legal relationship with a third party.

3 Parties:

1. Principal: Vendor/Landlord
2. Third Party : Buyer/Tenant
3. Agent: Real Estate Agent/Salesperson

In practice, there are many examples of agency relationships such as: estate agents and travel agents.

CREATION OF AGENCY

- Agency relationship cannot be created unilaterally
- Both parties must consent
- Principal must allow the agent to represent him and to be bound by contracts entered into on his behalf by the agent.
- Legal language or even knowledge that they are creating an agency relationship is not necessary

AGENCY BY CONSENT/AGREEMENT

Most common method by which an agency relationship comes into being between estate agents and their principals.

Consent may be express or implied.

An agency can be expressly created either orally or in writing.

In commercial transactions it is usual (but not essential) to appoint an agent in writing, so that the terms and extent of the relationship are set down to avoid misunderstanding. Oral and implied contracts of agency is difficult to enforce.

For real estate work in Singapore, it is prudent to have CEA's prescribed Estate Agency Agreements signed. They are:

- Estate Agency Agreement for the Sale of Residential Property
- Estate Agency Agreement for the Purchase of Residential Property
- Estate Agency Agreement for the Lease of Residential Property by a Landlord
- Estate Agency Agreement for the Lease of Residential Property by a Tenant
- Exclusive Estate Agency Agreement for the Sale of Residential Property
- Exclusive Estate Agency Agreement for the Purchase of Residential Property
- Exclusive Estate Agency Agreement for the Lease of Residential Property by a Landlord
- Exclusive Estate Agency Agreement for the Lease of Residential Property by a Tenant

The 8 prescribed documents can be found on CEA's website.

AGENCY BY ESTOPPEL (OR 'HOLDING OUT')

Agency by estoppel arises when:

- Words or **conduct of the principal** give to a **third party** the **impression** that the person who purports to contract with the third party **is the agent** of the principal, and
- The third party, as a result, acts upon this.

The principal is 'estopped', or prevented, from denying the existence of the agency.

Agency by estoppel can only arise where the conduct of the apparent principal creates it. Agency does not arise by estoppel if it is the 'agent' who holds himself out as agent, not the 'principal'.

AGENCY BY RATIFICATION

In certain circumstances the relationship of principal and agent can be created or extended with retrospective effect, that is, once the contract has been entered into by the agent and third party.

Ratification only validates past acts of the purported agent. It gives no authority for the future.

Thus, where A makes a contract on behalf of P at a time when A has no authority from P, P may later ratify the contract. This will have the retrospective effect of establishing an agency as at the time the contract was made. All parties are then in the same position as if the principal had been the original contracting party, ie the principal may sue or be sued by the third party and the agent no longer has any liability.

The principal may only ratify if the following conditions are satisfied:

- The principal must have been in existence at the time of the agent's act.
- The **principal must have the legal capacity** to make the contract himself, both at the time the act was carried out and at the time of the purported ratification.
- The agent must, at the time of making the contract, either **name or sufficiently identify the principal** on whose behalf he is making the contract.

The principal must ratify the contract within a **reasonable time** and a ratification of part of the contract will operate as a ratification of the **entire** contract (ie the principal cannot just select such parts of the contract as he considers to be to his advantage). In order to ratify the contract, the principal must communicate a **sufficiently clear intention of ratifying**, either by express words or by conduct, such as refusing to return goods purchased for him by an agent who lacked authority. Mere passive inactivity will not amount to ratification.

AGENCY OF NECESSITY

An agency of necessity is another way in which an agency can arise by operation of law. Its origins can be found in mercantile law, and in shipping law in particular. It may arise where a person is faced with an emergency in which the property or interests of another person are in imminent jeopardy and, in order to preserve that property or those interests, it becomes necessary to act for that person without his authority. An agency of necessity probably only applies where there is already some existing contractual relationship between the parties, as the law is highly unlikely to allow a person to be bound by the act of a complete stranger.

An agent who seeks to bind a principal on the grounds of an agency of necessity will need to show that:

- The agent had **no practical way of contacting the principal** in order to obtain the principal's instructions
- His actions arose from some **pressing need for action** (usually an emergency of some kind, involving perishable goods or starving animals, for example)
- He acted in **good faith** in the interests of the principal rather than in his own interests, and
- His action was **reasonable and prudent** in the circumstances.

TYPES OF AGENCY

The common types of agency appointment are:

- Non exclusive agency: owner is open to deal with any agent who can introduce buyers/tenants
- Sole agency: owner appoints only 1 agent, but owner reserves the right to market the property himself
- Exclusive agency: owner appoints only 1 agent to market the property. If owner were to sell the property himself or through another agent, there must be compensation to the exclusive agent

CONTRACT UBERRIMAE FIDEI

Uberrimae fidei is a Latin phrase meaning "utmost good faith" (literally, "most abundant faith"). Uberrimae fidei contracts are made in utmost good faith. There is no concealment or deception in such contracts. If one of the parties to a contract has a special knowledge, he/she must disclose such knowledge relevant to the contract. Although all contracts are to be made in utmost good faith, insurance contracts are very strict in this regard. Failure to disclose these facts will make the contract voidable.

AGENT'S AUTHORITY

The **contract** made by the agent is **binding** on the principal and the other party only if the **agent was acting within the limits of his authority** from his principal.

3 sources of authority:

- Actual express authority
- Actual implied authority
- Ostensible or apparent authority

ACTUAL EXPRESS AUTHORITY

This is authority explicitly given by the principal to the agent to make a particular contract either **orally or in writing**.

ACTUAL IMPLIED AUTHORITY

Authority may also be **implied** from the nature of the agent's activities or from what is usual in the circumstances.

Implied authority cannot be contrary to authority expressly given.

Thus an agent also has actual implied authority

- To do all things that are incidental to the actions expressly authorised
- To do all things that are usual by virtue of the agent's office.

Eg, an agent appointed to sell a property will also have implied incidental authority to advertise the car for sale.

OSTENSIBLE OR APPARENT AUTHORITY

The ostensible (or apparent) authority of an agent is that which his **principal represents to other persons** (with whom the agent deals) that he has given to the agent. As a result, an agent with limited actual authority can be held in practice to have a more extensive authority.

The representation must be **made to the third party** and it must be shown that the **third party relied on the representation**. If there is no causal link between the third party's loss and his reliance upon the representation, the third party will not be able to hold the principal liable.

If a principal creates the impression that an agent is authorized but there is no actual authority, third parties are protected so long as they have acted reasonably. This is sometimes termed "agency by estoppel" or the "doctrine of holding out", where the principal will be estopped from denying the grant of authority if third parties have changed their positions to their detriment in reliance on the representations made.

BREACH OF WARRANTY OF AUTHORITY

Agent is in breach of warranty of authority when he enters into a contract with a third party (for and on behalf of a principal) where he has no authority to do so, creating an impression

LIMITS OF AN AGENT'S AUTHORITY

Agent can:

- Describe and discuss all the relevant aspects of the property
- CANNOT sign on or behalf of the principle, unless Power of Attorney is given
- CANNOT receive money/deposit in agent's name

RIGHTS AND RESPONSIBILITIES OF AGENTS

DUTIES OF AN ESTATE AGENT

DUTY TO ACT OR PERFORM THE CONTRACT OF AGENCY

- Under duty to act for the benefit of his principal in the way which he has been commissioned to do
- If it is or becomes impossible to carry out what he has been commissioned to do, he must inform his principal accordingly.
- However, where an agent is not receiving a fee to perform a specified function, but is entitled to a fee or commission conditional upon his fulfilment of a task (e.g. finalizing a sale at a minimum specified price), it is currently unclear whether he will be in breach of duty if he does not act (e.g. he does not do anything at all to attempt to secure a sale).
- While a real estate agent is not in breach of duty if he fails to sell a house, he will normally be obliged to make reasonable endeavours to do so. This is particularly the case in relation to sole agencies, since a sole agent impliedly promises to use his best endeavours to bring about a sale, and could thus be sued for breach of contract if he did nothing.

DUTY TO OBEY THE PRINCIPAL'S INSTRUCTION

- Agent is bound to obey the instructions of his principal.
- Obligation only extends to instructions which are reasonable, lawful and which fall within the agency agreement.

DUTY TO EXERCISE REASONABLE CARE AND SKILL

- Agents must also exercise reasonable care and skill in doing what they have undertaken
- Must display qualities which are generally associated with those involved in the real estate agency business, although the standard of care may be higher where the agent has held out that he has some special competence and has been paid to exercise that competence on behalf of his principal.
- Examples of breaches of this duty include:
 - Failing to obtain the best price for the seller because of failure to inform the seller of a better offer. This duty to disclose a better offer applies so long as the contract has not been signed.
 - Negligently misinforming prospective purchasers about the characteristics of a property. The purchaser must show that he relied on what the agent has told him, and it must be within the scope of the agent's ordinary business".

DUTY NOT TO DELEGATE

- Agent has a duty to perform personally what he has undertaken to do and not to delegate his function unless specifically authorised by the principal
- Actions of a sub-agent, whose appointment has not been authorised, is the responsibility of the agent alone.

DUTY TO ACT HONESTLY (FIDUCIARY DUTIES)

- An agent must act in good faith and honesty when discharging his act in the best interests of his principal alone
- Where any potential conflicts of interest arise (between the principal's interests and the agent's, or a third party's), agent must make full and frank disclosure to the principal of all relevant facts, so as to give the principal an opportunity to decide whether or not to continue with the proposed transaction or with the employment of the agent. Otherwise, the principal may for any profit the agent has made or for any loss the principal has suffered.
- Examples of the duty to act honestly general include:
 - Not acting for both parties to a transaction.
 - Not making a secret profit e.g. by receiving commission from the third party, bribes, or discounts.
 - Disclosing all material facts. For example, he should not sell his own property to the principal and should not purchase his client's property in his own name or that of a nominee without giving full disclosure.
 - Not misusing or disclosing information acquired by him as agent or by means of opportunities which has as agent. "Misuse" includes using the information for his own benefit or the benefit of another client without the original client's consent. This applies even if the agent is no longer engaged by the original principal.
 - Disclosing conflicts of interest
 - Accounting for all monies received on the principal's behalf e.g. option monies etc. where an agent has multiple clients, the agent's duty to each of them cannot require him to disclose information confidential to another client.

DUTIES OF AN AGENT TO THIRD PARTIES

DUTY NOT TO MISREPRESENT HIS AUTHORITY

- Agent has a duty not to misrepresent his authority innocently, negligently or fraudulently.

DUTY TO ACT HONESTLY

- Where a defect is hidden knowingly from a third party, the agent may be liable for fraud.
- In order for fraud to be actionable, there must be a representation of a material fact (not opinion) which is false, or known to be false, or made in culpable ignorance of its truth or its falsity. This representation must be reasonably relied upon by the third party, and leads to injury to him.
- An agent acts in culpable ignorance when he consciously has no knowledge of the truth or falsity of a particular matter but nevertheless makes representations without regard for their accuracy, e.g. where an agent is asked if the house is connected to the sewer system and he replies in the affirmative even though he has no knowledge, or is not certain, of this fact.

DUTY TO EXERCISE CARE AND SKILL

- Agent must exercise due care and skill, e.g. in ensuring accuracy of the information he provides, or he may be liable for negligence.

RIGHTS OF AN ESTATE AGENT

RIGHT TO REMUNERATION

Agent is only entitled to remuneration for his services as an agent if the terms of the agency agreement provides.

If it is not expressly provided in the agency agreement for payment of remuneration to the agent, and there is a dispute between the principal and agent as to the right to claim any remuneration and the amount and terms of payment of such remuneration, the court may have to determine if, on the facts of the case, there are any implied terms in respect of the same in the agency agreement.

In the business world, if services are rendered by the agent and accepted by the principal, there is often an implied term that the agent may be entitled to reasonable remuneration for such services rendered, even if there is no express agreement for the payment of remuneration.

Where it is expressly provided that remuneration is payable upon the happening of an event (for example, on successful completion of a transaction), the agent is not entitled to claim the remuneration until that event has actually occurred. And if the event specified does not occur, the agent will not be entitled to claim any remuneration even if he has spent time and effort in trying to bring about the event.

Subject to any special terms in the agency agreement, where the remuneration of an agent is a commission on a transaction to be brought about by the agent, the agent is not entitled to such commission unless his services are the effective cause of the transaction being brought about. The real question is whether the agent's action and services actually and directly bring about the contractual relation between the principal and the third party. The agent's action and services must not have been merely incidental.

RIGHT TO REIMBURSEMENT AND INDEMNITY

Generally, an agent has a right to be reimbursed by his principal for all expenses and to be indemnified against all losses and liabilities incurred by him in the performance of his duties to the principal.

When an agent carries out his duties according to the principal's instructions and in the course of which he incurs expenses, he is normally entitled to reimbursement by the principal of such expenses, as long as they are reasonable. Expenses may include items such as travelling expenses, photocopying charges, fees for registration of documents payable to government departments, etc.

REMEDIES FOR BREACH

Where there is breach

- Agent are not entitled to commission
- Third party can sue Principal under tort (vicarious liability) for damages
- Principal can sue agent for damages

TERMINATION OF AGENCY

An agency relationship can be terminated at any time by:

- **Agreement**

Relationship can also be brought to an end by mutual agreement between the parties, either in writing or orally.

Can also occur in the following situations:

- If the agreement provides for the appointment of the agent for a specified period of time, the agency will come to an end automatically when that period of time expires.
 - If the agreement provides for the agency to terminate upon the occurrence of a specified event, the agency will come to an end upon the happening of the specified event
- **Act of the parties**
- Performance by the agent
 - If an agent is appointed to accomplish a particular task or for a specific purpose, when the task is accomplished by the agent or the specific purpose is attained, the agency will terminate.
 - Revocation by principal
 - The authority of an agent may be revoked at any time by the principal. However, unilateral revocation otherwise than in accordance with the provisions of the agency agreement may render the principal liable to the agent for breach of the agency agreement.
 - Any word or conduct of the principal inconsistent with the continued exercise of authority by the agent may operate as revocation of the agency.
 - Revocation of the agent's power by the principal may not automatically discharge the principal from liability to a third party who is entitled to rely on the apparent authority of the agent on grounds of representation by the principal or previous course of dealing with the agent before notice of revocation is given to the third party. Therefore, notice of revocation of an agent's power should be given to the third party as soon as possible.
 - Renunciation by agent
 - An agent is entitled to renounce his power by refusing to act or by notifying the principal that he will not act for the principal.

- Unilateral termination of the agency by the agent before he has fulfilled his obligations to the principal under the agency agreement will render the agent liable to the principal for breach of the agency agreement, such as payment of damages for loss suffered by the principal.
- By notice
 - If the agency agreement provides that the agency may be terminated upon either party serving on the other written notice of a specified duration, for example, three months' written notice, either party may terminate the agency agreement by serving the required notice on the other party.
 - However, if the agency agreement does not contain any termination provision, the general rule is that reasonable notice has to be given to the other party to terminate the agency.
- By operation of law
 - Upon the following situation of the parties involved:
 - Death
 - Insanity
 - bankruptcy
 - Frustration of the contract of agency

UNIT 2.3: LANDLORD AND TENANT LAW

LEARNING OUTCOME:

At the end of this unit, you should be able to:

- ✓ Understand a lease as an interest in land and its implications (cross-refer to Paper 1, Unit 1.3).
- ✓ Explain the dual relationship between landlord and tenant: privity of contract and privity of estate, and the implications on the binding effect of their covenants on assignees.
- ✓ Distinguish fixed term lease, periodic lease, tenancy at sufferance and tenancy at will.
- ✓ Understand the essential elements of a lease and the formalities required.
- ✓ Understand the effect of dealing with a lease by assignment, subletting or novation.
- ✓ Understand option to renew and circumstances leading to the determination of a lease.
- ✓ Understand what rights and duties are implied by law on the part of the landlord and tenant respectively.
- ✓ Explain commonly expressed terms/ covenants.
- ✓ Understand the remedies available for breach of term/covenant.

LEASES

Lease is an interest in land giving the tenant/lessee **exclusive possession** for a **fixed period** of a certain duration, usually in consideration of a **payment termed 'rent'**.

Singapore laws relating to landlords and tenants are mainly derived from statutory provisions under the Conveyancing and Law of Property Act, Chapter 61 ("CLPA") and under common law which is based historically on English laws.

ESSENTIAL FEATURES OF A TENANCY

- Tenant has **exclusive possession** of the property.
- Tenancy runs for a certain or **fixed period of time**.
- Landlord's **rights** are **subject to the tenancy**.
- Landlord has **reversionary interest** of the property upon termination of the tenancy.

LEASE VS LICENCE

Interest in property: License is a contractual right to do something on a property, whereas a lease is a property interest that includes possession of the property

Exclusive possession: Tenant has exclusive possession in a lease, but a licence does not confer this right on licensee

TYPES OF LEASE

FIXED-TERM LEASE

- Lasts for a fixed period of time
- Has a definite beginning date and a definite ending date
- fixed term tenancy comes to an end automatically when the fixed term runs out

PERIODIC TENANCY

- A periodic tenancy also known as a tenancy from year to year, month to month, or week to week
- Exists for some period of time determined by the term of the payment of rent.
- Either the landlord or the tenant may terminate a periodic tenancy when the period or term is nearing completion, by giving notice to the other party

TENANCY AT WILL

- A tenancy at will is a tenancy which either the landlord or the tenant may terminate at any time by giving reasonable notice.
- Unlike a periodic tenancy, it isn't associated with a time period.
- Could be ended at any time by either the lessor or the lessee for any reason, or for no reason at all.
- Proper notice must be given

TENANCY AT SUFFERANCE

- A tenancy at sufferance (sometimes called a holdover tenancy) exists when a tenant remains in possession of a property after the expiration of a lease, and until the landlord acts to eject the tenant from the property.
- Although the tenant is technically a trespasser at this point, and possession of this type is not a true estate in land, authorities recognise the condition in order to hold the tenant liable for rent.
- Landlord may evict such a tenant at any time, and without notice.
- Landlord may also impose a new lease on the holdover tenant.

TERMS IN A LEASE

A lease agreement consists of the following:

- Premises: Includes the date, name of parties and address of the property concerned
- Habendum: Meaning “to have and to hold”, indicates the commencement and duration of the lease term
- Reddendum: Rent clause in the lease. Includes rent amount, deposit, service charge, rent review
- Covenants: Expressed and implied covenants
- Conditions
- Warranty

A copy of a Sample TA with all the terms can be found in the Appendix.

OPTION TO RENEW

Option to renew a lease allows tenant to **continue to occupy** the premises after the initial term of lease expires.

Tenants have **no automatic entitlement** to renewal of a lease. It must be a specific ‘option to renew’ clause is contained in the lease.

Clause must state:

- notice to exercise the option to renew the lease,
- how it should be exercised, eg in writing,
- the notice is served in accordance with the lease; and
- conditions that must be fulfilled.

DIPLOMATIC OR REPATRIATE CLAUSE

This clause is to safeguard the tenant if they are no longer employed, transferred to other countries.

Tenant can terminate the lease after 12 months by giving 2 months notice. The security deposit will be refunded.

RENT REVIEW CLAUSE

Rent reviews take place at whatever intervals are agreed in the lease. Their purpose is usually to adjust the rent to the current market level at the review date.

RIGHTS AND DUTIES IN TENANCY RELATIONSHIP

Although the rights and obligations of the tenant and landlord are expressly provided in the lease agreement, common law will imply certain rights even if they are not specified.

LANDLORD'S COVENANT

- Quiet enjoyment of the premises, which means tenant can enjoy the use of the premises without interference.
- No derogation from the grant, landlord must observe all the terms granted to tenant.
- Property must be fit for habitation at the start of the lease term
- Structure and facilities must be in good repair
- Good title
- Pay property tax and quit rent
- Exclusive possession of the premises for the fixed term, so long as the fixed term given has not expired
- If landlord has sold or transferred his interest, buyer or successor-in-title is bound to observe the terms of the lease granted

TENANT'S COVENANT

- To pay rent
- Keep the premises in good repair
- No authorised alterations
- Not to commit waste
- Not to sublet
- Not to cause nuisance
- Use the premises for its permitted purpose
- Allow access to landlord or potential tenant/buyer to view premises
- Pay all other rates, utilities etc

RIGHTS OF THE LANDLORD

The Land Title Acts implied the following powers in the landlord:

- Twice in every year during the term at a reasonable time of the day, landlord can give the lessee 2 days notice to enter upon the leased premises and view the state of repair. He can serve a notice in writing of any defect, requiring tenant within a reasonable time
- If tenant fails to repairing any defect according to notice, the landlord may from time to time enter the premises and effect the required repairs;
- Landlord or his agents at all reasonable times during the term, with workmen and others and all necessary materials and appliances, enter upon the leased premises for the purpose of complying with any written law affecting the premises and with any notices served by any public authority involving the carrying out of repairs or the doing of any work or other act which the tenant may not be bound, or, if bound, may neglect to do. Repairs, work or other acts carried out or done must not interfere with the occupation and use of the premises by the lessee;
- Landlord may re-enter the leased premises:
 - o when the rent is in arrear for 30 days (although no formal demand therefor has been made);
 - o default is made in the fulfilment of any covenant, condition or stipulation, whether expressed or implied in the lease, and on the part of the lessee to be performed or observed, and such default is continued for the space of 30 days; or
 - o the repairs required by a notice are not completed within the time therein specified

However this does not release tenant from liability in respect of the breach or non-observance of any such covenant, condition or stipulation.

TERMINATION OF A LEASE

1. By expiry of the fixed term in the Lease Agreement

A lease automatically terminates when the term has expired, unless there is an option to renew for a further period which was exercised by the Tenant.

2. By express power

This is where a clause is provided in the agreement allowing either party to terminate the lease before the end of the fixed term on the happening of certain events.

3. By surrender of the unexpired term

This occurs when the tenant gives notice to the landlord that he will surrender the lease even though the term of the lease has not yet expired, and the landlord accepts the surrender of the lease. The surrender can be by express words of the tenant or by operation of law. The latter happens if the tenant either accepts a new lease or gives up possession of the premises even though he does not have to.

4. By forfeiture

This is where a term of the lease allows the landlord to end the lease in the event of certain breaches by the tenant, for example, using the premises for an unlawful purpose.

5. By notice to quit

In any lease including one for a fixed term, there must be a clause clearly allowing for this right to be exercised.

Under section 72 of the CLPA, any notice to be given under a lease must be in writing, including a notice to quit.

RELIEF NON-PAYMENT OF RENT

The action must be brought within six years of the date that the arrears became due.

1) Distress Act

Tenant's goods are seized and sold, and the rent owing must not exceed 12 months of the tenancy.

Procedure:

- File writ of distress that is addressed to the sheriff.
- Sheriff seize the goods, and make an inventory and a valuation.
- Notice given to tenant on the seizure, informing him of the rent owed and that the goods seized will be sold at a stated place and time.
- Such a notice pasted in a conspicuous place on the premises.
- Tenant has five days to pay up from the date of notice or to apply to court for an order to stop the sale.
- On the tenant's application, the court may order that the goods be released unconditionally, direct that an issue be tried and so suspend the writ, or hold that the goods may be sold.
- If no application is made, the goods will be sold and the proceeds applied first to pay the sheriff's costs and then to satisfy the outstanding rent. The balance, if any, would be returned to the tenant.
- Where the tenant has abandoned the premises and there is insufficient property for distress, then if (a) the rent is not less than 75 per cent of the annual value of the property and (b) the rent has been in arrears for at least two months, the landlord may apply to court to enter and take possession of the premises.
- Sheriff will paste a notice informing the tenant that possession will be given to the landlord unless the tenant applies within 10 days, or the court orders otherwise, on the application of the tenant or some other interested party.
- If the distress action is brought after bankruptcy proceedings have started against the tenant, then only three months of arrears of rent are recoverable against him. The landlord may also file a proof of debt with the Official Assignee against the bankrupt tenant, just as he could with any other unsecured creditor.

2) Forfeiture of lease

The landlord may also apply for forfeiture of the lease, which would effectively bring the lease to an end.

Tenant get relief from forfeiture

- by paying into court all the arrears of rent and costs within 4 weeks of notice and can continue with the lease and not have to enter into a new lease.

DOCTRINE OF WASTE

Waste is any alteration or damage to land by an occupier of the land and can be brought to court to address the change in condition.

PERMISSIVE WASTE

- Occupier allows the land to fall into disrepair.
- A person is not usually liable for permissive waste.
- Liability to repair can be imposed by the instrument creating the relationship between the occupier of the land and the person whose interest in the land is being infringed

VOLUNTARY WASTE

- A positive act, where the occupier does something intentionally to damage the land. For instance, a tenant is liable for voluntary waste unless excused by the lease

EQUITABLE WASTE

- Waste by an occupier, which is so serious that it will be restrained in equity, because it is an act of 'wanton destruction' and a Court will not allow a party to a contract to act against conscience by engaging in acts of 'wanton destruction'
- It should, however, be noted that a life tenant can be excuse from liability for even equitable waste by the instrument creating the relationship

AMELIORATING WASTE

- Waste that improves the land.
- Although the person, whose interest in the land is to be infringed, has not suffered loss, a Court will nevertheless restrain the act of waste. The court, however, will only intervene where the ameliorating waste is of a 'substantially injurious character'.

ASSIGNMENT OF THE LEASE

An Assignment of Lease may be executed in a situation where an **existing landlord** assigns all the tenancy **rights** to the **new owner** who has purchased the property subject to tenancy.

Assignment of rights under a contract is the complete transfer of the rights to receive the benefits accruing to one of the parties to that contract.

Assignment only transfers the rights/benefits to a new owner. The obligations remain with the previous owner.

NOVATION

A Novation document may be executed in a situation where an **existing tenant** assigns all the tenancy rights to an incoming tenant.

- Novation replaces the original party with a new party.
- For a valid novation
 - o all parties must assent to novation,
 - o there must be a previously valid contract,
 - o the duties provided for in the contract be extinguished immediately, and
 - o a new, enforceable contract need be created
- E.g. in tenancy agreements, tenant finds a new tenant with landlord's consent. Novation agreement is signed, with incoming tenant taking over the obligations of the tenancy.

SUBLETTING OF THE LEASE

In sub-letting, the tenant relinquishes only some part of the leased property.

Tenant will still be responsible to the landlord in terms of his lease obligations and for what the sub-tenant does. The landlord does not have anything to do with the sub-tenant except for giving approval for the sub-letting. The landlord will hold the tenant responsible of any wrong doing of the sub-tenant.

PRIVITY OF CONTRACT

- Principle of privity states that only parties to contract can sue and be sued on contract
 - Only contractual parties can use the contract to sue each other
-

PRIVITY OF ESTATE

- Situations where it is possible for third party whose name is not in the contract but has interest in the property to sue based on the contract
- E.g. Buyer who buys with tenancy: Law binds the new landlord and tenant via Privity of Estate

UNIT 2.4: NEGLIGENCE

LEARNING OUTCOME:

At the end of this unit, you should be able to:

- ✓ Distinguish the tort of negligence from negligent misrepresentation.
- ✓ Appreciate when a duty of care exists and whether it can be varied expressly.
- ✓ Assess the standard of care required in estate agency work.
- ✓ List and explain the remedies for breach of duty of care.

LAW OF TORT

- Tort: a **civil wrong** which does not depend on an agreement between the parties.
- Arises in situations where the law holds one party responsible to another party.

DEFINITION OF NEGLIGENCE

Negligence is a tort which targets a breach of duty by one person to another.

Elements of negligence are:

- A duty of care (Neighbour principle)
- Breach of that duty (Objective test)
- Breach causing harm in fact (But for test)
- Harm must not be too remote as a consequence of the breach.

DUTY OF CARE

An individual may be owed a **duty of care** by another, to ensure that they do not suffer any unreasonable harm or loss. If such a duty is found to be breached, a legal liability is imposed upon the duty-owner, to compensate the victim for any losses they incur.

Establishment of a duty of care:

- Concept of reasonable foreseeability of harm
- Relationship of proximity
- Fair, just and reasonable to impose liability on the defendant for his careless actions

THE NEIGHBOUR PRINCIPLE

The rule that one must love one's neighbour becomes in law one must not injure one's neighbor.

Who is my neighbour?

Persons who are so closely and directly affected by my act that I ought reasonably to have them in contemplation as being so affected when I am directing my mind to the acts or omissions that are called in question.

BREACH OF THE DUTY OF CARE

In order to establish whether a duty of care has been breached the court will look first of all at the **standard of care** that is expected in the circumstances.

The standard of care is determined by looking at what a "reasonable man" would have done (or not done) in the same circumstances. (Objective test)

Where a defendant has acted in an unreasonable way or their actions fell well below the standard expected they will be found to have breached their duty of care.

Where the defendant was in a special profession, e.g. being a doctor, the court will ask what standard of care a "reasonable doctor" or the like might have done. No allowance is made for other personal circumstances, such as the fact that the defendant was inexperienced in the task he set out to perform. He is expected to perform this task as a reasonably skilled and competent person.

For real estate, a standard of care will include:

- Salesperson giving advice should have knowledge of the property market
- Agent knows that client would act on such advice

CAUSATION

Basic test for establishing causation is the "but-for" test in which the defendant will be liable only if the claimant's damage would not have occurred "but for" his negligence.

The claimant must prove, on the balance of probabilities, that the defendant's negligence caused or materially contributed to the injury or loss sustained.

REMOTENESS OF DAMAGE

The damage suffered by the claimant must not be too remote, which means that it must be reasonably foreseeable. This is an objective test, and the defendant is only responsible for the damage which a reasonable man would have foreseen as a likely consequence of his action.

DEFENCES

3 defences which may be raised against an action for a claim of damages resulting from negligence of the defendant are:

- Contributory Negligence
- Volenti Non Fit Injuria
- Illegality

CONTRIBUTORY NEGLIGENCE

- applies to cases where a plaintiff/claimant has, through his own negligence, contributed to the harm he suffered.
- claimant's damages are reduced in accordance with the percentage of contribution made by the claimant to the loss or damage suffered.

VOLENTI NON FIT INJURIA

- Latin for "to the willing, no injury is done"
- If someone willingly places themselves in a position where harm might result, knowing that some degree of harm might result, they will not be able to bring a claim against the other party in tort

ILLEGALITY

- Ex turpi causa non oritur actio: Latin for "no right of action arises from a despicable cause".
- If the claimant is involved in wrongdoing at the time the alleged negligence occurred, this may extinguish or reduce the defendant's liability.

REMEDIES FOR BREACH OF DUTY OF CARE

- Damages
- Law of negligence awards compensation based on culpability meaning who is at fault

NEGLIGENCE VS NEGLIGENT MISREPRESENTATION

Professional Negligence: Breach of fiduciary duty and Duty of Care

Negligent Misrepresentation: Giving wrong factual information carelessly

UNIT 2.5: CONVEYANCE INTER VIVOS

This topic is pertinent to estate agents and salespersons and the scope is extensive. It will be dealt with in detail in Paper 2, Competency Unit 4.

UNIT 2.6: MORTGAGE

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Understand the nature of mortgage as a security.
- ✓ Ascertain the existence of a legal mortgage on a property title.
- ✓ Explain the mortgagor's right to redeem and to lease the property, and the actions that the mortgagee may take on the mortgagor's default.
- ✓ Understand the priority of mortgages and charges e.g. a charge by CPF Board.
- ✓ Explain fixed rate and floating rate mortgages.

MORTGAGE

A mortgage occurs when an owner (mortgagor) pledges his or her interest (right to the property) as security or collateral to a financial institution (mortgagee) for a loan.

- Mortgages have an interest rate and are scheduled to amortize over a set period of time.
- The mortgagee will return the interest to the mortgagor after the loan has been repaid.

Basic components of mortgages:

- Loan amount: you can loan up to 80% of the valuation of the property, or sale price, whichever is lower.
- Interest: Interest rate can be
 - fixed rate,
 - flexible rate, or
 - a combination of both over the duration of the loan.
- Term: duration of the loan (typically between 15-30 years)

Mortgage is also usually the cheapest financing available for people (e.g. compared to personal loans).

LEGAL ASPECTS

Mortgages may be legal or equitable.

Legal mortgage: gives the mortgagee rights over the property, such as the right to gain ownership over the real estate or to execute a sale of the property. However, until the mortgagee chooses to exercise the rights, the mortgagor possesses the legal ownership of the property. Also, to provide safety to the mortgagee, the details of mortgage are recorded in a register.

Equitable mortgage: an agreement relating to the deposit of title deeds of the property to secure the financing from the mortgagee.

Generally, the main difference between a legal and an equitable mortgage is that an equitable mortgage loses priority to a subsequent legal mortgage if the subsequent mortgagee was a purchaser for value in good faith without actual or constructive notice of the prior equitable mortgage.

RULES OF PRIORITY

Under the Land Titles Act, priority is determined according to the date of registration of the legal mortgage, followed by equitable mortgages.

When a property is sold, the money received are discharged in the following order:

1. Payment for all costs and expenses incidental to the sale
2. Discharge of mortgage money, interest and costs secured by mortgage
3. Payment of subsequent mortgages and charges (if any) in order of their priority

When a property is purchased with a loan with banks or HDB and CPF monies, the priority of charges are:

1. Payment for all costs and expenses incidental to the sale
2. Discharge of mortgage money, interest and costs secured by banks/HDB
3. Payment of CPF monies
4. Any charges (if any) in order of their priority

RIGHTS OF THE MORTGAGOR (BORROWER)

- Right of Redemption: entitles the mortgagor to call for the re-transfer ownership to the mortgagor when the secured debt is satisfied
- Right to sell the property: Mortgagor can sell the property
- Right to grant lease

RIGHTS OF THE MORTGAGEE (LENDER)

When the mortgagor defaults, the mortgagee (bank, financial institute) has the following rights:

- Entry into Possession
- Power of sale: Provided notice given and mortgagor fails to pay up after 3 months from notice
- Appointment of a Receiver
- Foreclosure

COMMON TYPES OF MORTGAGES IN SINGAPORE

There can be many variations of mortgage packages offered by financial institutions in Singapore. Below is a list of common ones found in Singapore.

STANDARD MORTGAGE (CAPITAL AND INTEREST)

Borrowers make payment for both the interest and the principal monthly.

Monthly payments are usually the same throughout the loan period. During the early years, a bigger proportion of the installments will go towards interest payments. And the principal payment portion gradually grows larger over the loan term. At the end of the loan term, the debt would have been fully repaid.

INTEREST-ONLY MORTGAGE

There are no payments towards the principal throughout partial or whole loan term.

Only pay for the interests of the loan.

The full loan principal is then paid off at the end of the loan period.

FIXED RATE MORTGAGE

Fixed rate packages offer a fixed interest rate for a certain period, eg 1/2/3-year lock-in, after which it becomes a floating rate loan.

Fixed rate loans also typically come with a lock-in period and early repayment penalties.

VARIABLE RATE MORTGAGE

Interest rate will fluctuate during the loan term.

Based on reference rate, eg the SIBOR (Singapore Inter Bank Offered Rate) or the bank's board rate.

UNIT 2.7: GIFT

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Explain the formalities and the effect of a gift of property.
- ✓ Explain what makes a gift void or voidable under the Bankruptcy Act.

GIFTS OF PROPERTY

A gift, in the law of property, is the **voluntary transfer** of property from one person (the donor or grantor) to another (the donee or grantees) **without consideration of money**.

Deed of Gift has to be drafted by lawyer.

Gifts can be either:

- lifetime gifts - a gift of a present or future interest made and delivered in the donor's lifetime; or
- Testamentary gifts – A Testamentary gift is a gift made by will. Such gifts do not become effective until the death of the donor. The ownership of the gift is transferred to the donee only after the testator's death.
- If the Donor (person giving the property) is bankrupt within 2 years from the date of the Deed of Gift, the gift becomes absolutely void as against the Official Assignee (section 98 of the Bankruptcy Act)
- Up to a period of 5 years from the date of the Deed of Gift, the Grantor's bankruptcy will make the instrument voidable at the option of the Official Assignee only being rebuttable on evidence being furnished of the Grantor's solvency at the date of the gift (section 52 of the Bankruptcy Act, Cap. 20)

UNIT 2.8: TRUST

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Explain trust, and alienation by way of trust *inter vivos* or by succession.
- ✓ Understand the implications of buying property held on trust.

TRUSTS

A **fiduciary relationship** in which one party, known as a **trustor**, gives another party, the **trustee**, the **right to hold title** to property or assets **for the benefit of a third party**, the **beneficiary**.

Eg, a trust can be used if a beneficiary is under age or has a mental disability that impairs the person's ability to maintain his or her own real estate. Once the beneficiary is deemed able to manage the real estate by the terms dictated under the trust, the beneficiary will receive possession of the trust.

Deed of Trust: Document that lay out the conditions of the trustor-trustee relationship.

Trustees have the right to make decisions based on due diligence and in the best interest of the beneficiary, and can be held personally liable for their actions if the beneficiary deems there was a breach of trust.

When buying properties held in trust, ensure that trustee has the right to make decisions. It is important to ensure who has the legal interest and deal with the person who has the legal interest of the land.

In Singapore property ownership where foreigners are restricted from buying properties, a Singaporean cannot buy a landed property and hold it in trust on behalf of the foreigner. Such trust is illegal and un-enforceable.

HOW IS A TRUST CREATED?

By 3 ways:

- **Express intentions** of the trustor

Inter Vivos Trust: Trust established by a living person for the benefit of another, such as a trust established by a parent for an offspring.

- **Will of the trustor**

Testamentary trust: created by a will going into effect only when the will maker dies.

- **Operation of law**

Implied trusts – resulting and constructive trust.

TYPES OF TRUST IMPLIED BY LAW

Resulting Trust – the true purchaser paid the price of the property but registered it in another person's name. But under the Residential Property Act, Singaporeans are not allowed to hold restricted property on trust for any foreigner. Any such trust is null and void

Constructive Trust – eg. Misappropriated company's money to buy property under one's name

Unregistered Trust – seller is holding the property on trust during transitional period before completion

FIDUCIARY DUTIES OF TRUSTEE

- Not to gain any profit for himself
- Act with honesty
- To invest trust property carefully
- To render proper account of his dealings
- Act at best interest of the beneficiaries
- No misappropriation of trust funds

REMOVAL OF TRUST

- Remove it himself
- Apply to court

REAL ESTATE INVESTMENT TRUSTS (REITS)

Purpose of REITs is to encourage small investors to pool their money and participate in larger real estate project.

Investors buy REIT shares or transfer title to real estate to a trustee, who agrees to manage the property for the benefit and profit of the investors (beneficiaries).

Investors receives certificates of ownership as evidence of their investments.

These certificates are similar to shares of stock and can be freely traded to anyone else.

Income from the trust is distributed to the certificate owners.

REITs are for investors who wish to have liquidity or do not have high capital to buy real property.

UNIT 2.9: SUCCESSION

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Explain how an estate devolves by will and by intestate succession.
- ✓ Assess whether the right of a beneficiary to dispose of an inherited property has arisen, e.g. obtaining the grant of probate or letter of administration, registration of transmission on death of proprietor.
- ✓ Appreciate the difference between the Civil law and Syariah law on inheritance.

SUCCESSION

When a person passes on, properties under his name will be passed to his successors.

WILL

A will provides for the administration and distribution of a person's estate when he dies.

Valid Will must be:

- in writing
- signed by Testator and
- Witnessed by at least 2 persons who must be present at the same time and not beneficiaries nor spouse of any of the beneficiaries under the Will.

Testator: Person who makes a will

Beneficiaries: persons how benefit/inherit the will. If there are minors (persons under age of 21), trustee will administer assets for the benefit of the minors

Executor: Person nominated by the testator to administer his estate

Trustee: Usually the same person as executor, person who has the power to hold the estate of the deceased

TESTATE SUCCESSION

Executors will apply to Court for Grant of Probate

Court issues the Grant once all procedural requirements are met.

Once Grant of Probate is issued, Will becomes a public document.

Executors will get a copy and all property and assets will be administered and distributed according in the Will.

INTESTATE SUCCESSION

If there is no will, assets will be distributed according to the Intestate Succession Act.

Administrators will administer the estate.

Letters of Administration: instead of Grant of Probate

Procedure is more complicated and lengthy.

Intestate Rules:

Rule	Surviving Relatives	Beneficiary
1	Spouse (no parents or children)	Spouse – 100%
2	Spouse and children (with or without parents)	Spouse – 50% Children – 50%
3	Spouse, Parents (no children)	Spouse – 50% Parents – 50%
4	Parents (no spouse or children)	Parents – 100%
5	Siblings (no spouse, children or parents)	Siblings – 100%
6	Grandparents (no spouse, children, parents or siblings)	Grandparents – 100%
7	Uncles and Aunts (no spouse, children, parents, siblings or grandparents)	Uncles and Aunts – 100%
8	None of the above	Government – 100%

ESTATE DUTY:

No longer applicable with effect from 15 February 2008.

Estate duty or sometimes called death duty is a tax levied on the market value of properties (both movable and immovable) that pass upon the death of the person domiciled in Singapore.

SYARIAH LAW ON INHERITANCE

In Singapore, the estate of a Muslim must be distributed in accordance with Islamic inheritance laws.

Under Section 115(1) of the Administration of Muslim Law Act, the beneficiaries must apply to the President of the Syariah Court for an Inheritance Certificate to establish the share of each beneficiary. Muslims can only dispose of or give away 1/3 of their estate to persons who are not already entitled under the Inheritance Certificate mentioned above.

REAL PROPERTY

If the property of the deceased, be it a HDB property or private property, is held by the deceased and other parties as tenants-in-common, then it is clear that the deceased's share in the property is to be divided according to his Will and/or Faraid.

All properties, regardless of whether they are private properties or say, HDB properties, if shared through a joint tenancy, which is probably the case for most estates, will now give effect to the right of survivorship as per the civil law position. This is the current state of the law in relation to joint tenancies for Muslim estates.

An updated Fatwa which followed on the 3 April 2010 on joint tenancy, has suggested the use of Islamic legal instruments in the form of a nuzriah or the 'hibah ruqbah' and so forth, to affirm and facilitate the intention of a party in a joint tenancy to give effect to the right of survivorship in the event of his/her demise.

The updated Fatwa also says that in cases where a party who solely inherits a property in a joint tenancy but nevertheless wishes to distribute the deceased's share according to Faraid can still do so. In such a situation, the surviving joint tenant is not obliged in any way to dispose of the said property immediately just so he/she can make the distribution to the Faraid beneficiaries.

For more information regarding of the joint tenancy issue, please refer to MUIS website at www.muis.gov.sg.

UNIT 2.10: FUTURE INTERESTS

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Explain what constitutes a future interest.
- ✓ Distinguish reversionary interest from remainder interest of a life estate.

FUTURE INTEREST

Future interest is a legal right to property ownership that does not include the right to present possession or enjoyment of the property.

REVERSIONARY INTEREST

Any future interest kept by a person who transfers property to another.

Eg developer bought condominium land and was granted 99-year lease. After 99-year lease is up, the land shall return to the state.

A reversion occurs when a property owner makes an effective transfer of property to another but retains some future right to the property.

Eg, if James transfers a piece of property to Kenny for life, Kenny has the use of the property for the rest of his life. Upon his death, the property reverts, or goes back, to James, or if James has died, it goes to his heirs. This is also commonly known as "LIFE ESTATE". In this case, James maintains his reversionary interests.

LIFE ESTATE

Designate the ownership of land for the duration of a person's life.

An estate in real property that ends at death when there is a "reversion" to the original owner. The owner of a life estate is called a "life tenant"

For example, a deed stating that land would go "to Amy for life, then to Beth" gives Amy a valid life estate, and Beth a remainder. Amy could use the land during her lifetime, and even sell her interest to a third party, but that third party would have to surrender the property to Beth upon Amy's death.

Amy is said to hold the life interest whilst Beth the remainder interest.

UNIT 2.11: CO-OWNERSHIP

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Distinguish between the two forms of co-ownership: joint tenancy and tenancy in common.
- ✓ Explain how tenancy in common may be created at law and in equity.

CO-OWNERSHIP OF LAND

Two or more people may share ownership of a property.

There are two different ways to share:

- i. Joint Tenancy
- ii. Tenancy in common

JOINT TENANCY

Land is conveyed to **2 or more persons without indication that they are to take distinct shares**.

Each owner is presumed to have an equal share in the property, unless proven otherwise.

Separate rights but as against all other persons they are in the **position of a single tenant**, i.e. each is regarded as being wholly entitled to the property.

CHARACTERISTICS OF A JOINT TENANCY

The **right of survivorship**: On the death of one joint tenant his interest automatically passes to the surviving tenants.

The existence of the 4 Unities:

- **Unity of Possession**: Possession of the land is vested in all the joint tenants, and none of them holds any part of it to the exclusion of the others.
- **Unity of Interest**: The interest of each is the same in quantity; in practice, the rents and profits of the lands divided equally between the joint tenants and that there can be no joint tenancy between persons of different interest.
- **Unity of Title**: All the joint tenants together constitute a single tenant and each derives his title from the same act or instrument.
- **Unity of Time**: All the joint tenants acquired the land and the interest in it at the same time.

Common mode of co-ownership between married couples or close relatives. Neither of the 2 can dispose of their interest by will and on the death of either one, the survivor takes all.

Joint tenancy can be severed and converted to a tenancy-in-common by an instrument of declaration.

TERMINATION OF JOINT TENANCY

- **By alienation:** which means by selling away one's share making the joint tenancy a sole ownership or tenancy-in-common. Eg. One of the co-owners need money, sells his share to his other joint tenant, such that the it's now owned by one owner, sole ownership.
- **By partitioning:** means breaking the joint tenancy by way of mutual agreement. Sometimes husband and wife in order to prevent the other party from being implicated in a law suit, may partition the joint tenancy of their assets into tenancy-in-common so that the spouse can be spared the joint liabilities.
- **By partitioning via court order:** eg in divorce where the court will instruct the divorced couple to dispose of the marital home and split the sale proceeds according to a certain apportionment by percentage. This effectively breaks up the joint tenancy into ownership by percentage shares.

TENANCY IN COMMON

Concurrent ownership of a property by 2 or more persons, each having a distinct but undivided share in the property.

Each is not regarded as being entitled to the whole property.

Situations in which a tenancy in common arises are:

- Where land is limited to two or more persons with "**words of severance**" i.e. words importing distinctness of interest showing intention to hold separate or equal shares in the land
- Where what is in strict legal terms a joint tenancy is treated in equity as though it was a tenancy in common e.g. where joint tenants of land have provided the purchase money in unequal shares, or where land is purchased by partners or where land is taken on mortgage by two or more mortgagees.
- Where the law provides, e.g. the common property of a strata-titled building is held by subsidiary proprietors as tenants in common
- Where one joint tenant alienates his interest to a stranger, e.g. by selling it, the stranger holds the interest as a tenant in common with the remaining joint tenants who, however, as among themselves, remain joint tenants.

FORMS OF OWNERSHIP: SUMMARY

Tenants-in-common

1. Shareholdings need not be equal
2. The rule of survivorship does not apply. The deceased owner's entitlement in the property passes to his estate.
3. Upon death of a co-owner, the property cannot be dealt with until the personal representative of the deceased co-owner has been appointed.
4. Where the shareholding is equal, the tenancy-in-common can be converted to a joint tenancy by registering a declaration in the prescribed form at the Singapore Land Registry.
5. Only 1 unity present, unity of possession

Joint Tenants

1. Upon severance, each owner is presumed to have an equal share.
2. The rule of survivorship applies. Upon the death of an owner, the deceased owner's entitlement in the property passes to the survivor(s).
3. Upon death of a co-owner, the surviving co-owner can deal with the property.
4. The joint tenancy can be converted to a tenancy-in-common in equal shares by registering a declaration in the prescribed form at the Singapore Land Registry.
5. 4 unities must be present

UNIT 2.12: RESTRICTIONS ON CAPACITY TO HOLD LAND

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Determine the restrictions on the capacity of companies, societies, partnerships, infants, and mentally handicapped persons to hold land.
- ✓ Be conversant with the Mental Capacity Act and the Lasting Power of Attorney (LPA) when advising customers and/or performing estate agency work.
- ✓ Ascertain the extent to which foreign persons are restricted from acquiring or holding residential restricted properties under the Residential Property Act.

RESTRICTIONS TO HOLD LAND

A Singapore citizen of majority age (i.e. 21 years old) may own land in Singapore.

MINORS

The Civil Law (Amendment) Act 2009 came into effect on 1 March 2009. The Act reduced the age of contractual capacity from 21 to 18 years.

However, the Act excludes the following types of contract:

- Any contract for sale, purchase, mortgage, assignment or settlement of any land, other than a contract for a lease of land not exceeding 3 years
- Any contract for a lease of land exceeding 3 years
- Any contract for the sale, transfer or pledging of collateral for a minor's beneficial interest under a trust; and
- Any contract for settlement of any legal proceedings or action in respect of which the minor is, pursuant to any written law, considered to be a person under disability on account of his age, or of any claim from which any such legal proceedings or action may arise.

While those below 21 are not allowed to hold land in their name or sell their beneficial interests in land, the Act now allows them to contract for leases up to 3 years.

A minor may own properties or land subject to the Settled Estates Act. The land or property owned by the infant will be managed by trustees.

MENTALLY DISORDERED PERSONS

If a person is of unsound mind and incapable of managing his affairs, the court may appoint a committee of the person and of the estate of the person.

On appointment, the court may order that the person to have powers for the management of his property. But the powers shall not extend to the sale, mortgage or charge of any part of the property, and to lease of more than 3 years. Where it is deemed desirable to so deal with the property, application should be made to the court through the registrar.

The court may order the sale, charge or mortgage of the property of the unsound person where it considers this necessary or expedient for the purposes of his maintenance or benefit, provision for his family, discharge his debts and that of his estates.

COMPANIES

A company which is registered under the Companies Act may own land in its own name since it is a separate entity. One should check that the company's Memorandum and Articles of Association provides for the company to hold land.

SOCIETIES

Societies cannot hold land in its registered name, but must do so through trustees. There should be at least 2 trustees, or if only one, then it should be a trust corporation.

PARTNERSHIPS

A partnership is not a legal person and cannot hold property. When the property is intended as partnership property, then the individual as legal owners hold the property in trust for themselves as partners.

MENTAL CAPACITY ACT (MCA)

The Mental Capacity Act came into operation on 1 March 2010. The Office of Public Guardian (OPG), headed by the Public Guardian, is set up under the MCA to provide a range of functions that contribute towards the protection of persons who lack capacity.

The MCA allows individuals to voluntarily appoint one or more persons to decide and act on their behalf, if they were to lose their mental capacity someday. Through a legal instrument, the Lasting Power of Attorney (LPA), an individual may voluntarily appoint one or more trusted persons to decide and act on his behalf in two broad areas: personal welfare and/or property and affairs matters.

Even if the individual does not choose to elect a proxy decision maker in advance, applications can be made to the Court to appoint a deputy to make decisions on an individual's behalf, when he loses his capacity. The MCA also enables parents of a child with intellectual disabilities to appoint a deputy to oversee the child's welfare and financial matters.

Under the Act, individuals who wish to make advance plans for themselves can do so through a new statutory document known as the Lasting Power of Attorney ("LPA"). In the LPA, the individual (donor) can appoint a proxy (donee) to act or make decisions on his behalf for matters relating to his personal welfare and/or property and finances.

The Act also sets out safeguards to protect these vulnerable members of our society.

LASTING POWER OF ATTORNEY (LPA)

An LPA is a legal document which allows a person aged 21 years or older ('donor'), to voluntarily appoint one or more persons ('donee') he trusts, to decide and act on his behalf should he lose mental capacity.

An LPA takes effect when the donor loses mental capacity. A donee steps in only when the person has lost mental capacity.

The LPA allows for a person to plan for a possible future occurrence where he/she may lose his/her mental capacity.

There are two prescribed LPA forms. If the donor wishes to give his donee(s) powers to decide on all matters for him, he may use the LPA Form 1, which is available at OPG (Office of the Public Guardian) or which can be downloaded from www.publicguardian.gov.sg. If the donor has more requirements to be included in his LPA, he should consult a lawyer to make the LPA, using LPA Form 2.

An independent certificate issuer is required to explain the terms of the LPA to every individual looking to make an LPA, and ensure that the individual understands what he/she is signing, and that he/she is doing it voluntarily and is not making the LPA under duress. The prescribed certificate issuers include practising lawyers, psychiatrists and accredited general practitioners.

There is a six-week mandatory waiting period before an LPA can be registered. Objections which can be raised during this waiting period include:

- The donor made the LPA under duress.
- The donor does not have the mental capacity to make the LPA.
- The donor is a bankrupt and appoints a property and affairs donee.

DONEE(S)

Donees can be appointed in two broad areas, namely: personal welfare and/or property & affairs matters. If there are more than one donees appointed, the donor can specify for them to act

- Jointly: donees must always act together; or
- Jointly and severally: donees can act together or separately

A donor may choose to appoint one or more donees for similar/different matters. Any actions or decisions made by the donee on behalf of the donor must be made in the best interest of the donor.

The donee should be a family member or friend who is:

- trustworthy;
- reliable; and
- competent to make decisions that you have authorised.

TERMINATION OF DONEE'S POWERS OR REVOCATION OF LPA

An LPA and/or powers of the donee(s) can be revoked under certain circumstances:

- The donor, while he still has mental capacity, decides to revoke the LPA;
- Death of the donor or donee;
- The donee loses mental capacity;
- Bankruptcy of the donor or donee terminates any powers granted by the LPA in respect of property and affairs; and
- Dissolution or annulment of the marriage between the donor and donee, unless the donor specified in the LPA that such an event will not cause the LPA to be revoked.

RESIDENTIAL PROPERTY ACT

RESIDENTIAL PROPERTY ACT

RESTRICTION OF FOREIGN OWNERSHIP

Since 1973, the Singapore Government has imposed restrictions on foreign ownership of all private residential property in Singapore. Such ownership is governed by the Residential Property Act.

Residential Property (Amendment) Act 2010 was enacted by Parliament on 22 November 2010, come into force on 17 January 2011.

A foreign person is not allowed to acquire or hold residential property in Singapore without approval.

The Act seeks to strike a balance between giving Singaporeans a stake in the country by being able to buy and own residential property at an affordable price and at the same time, attract foreign talent by allowing permanent residents and foreign companies who make an economic contribution to Singapore to purchase such properties for their occupation.

The **Land Dealings (Approval) Unit** administers the provisions of the Act and its rules by:

- processing applications from foreign persons for approval to acquire or retain restricted residential property;
- issuing clearance certificates to Singapore companies, limited liability partnerships and societies;
- prosecuting offences under the Act; and
- dealing with general enquiries relating to the operation of the Act

FOREIGN PERSON

Under the Act, a foreign person means any person who is not any of the following:

- Singapore citizen;
- Singapore company;
- Singapore limited liability partnership; or
- Singapore society.

Permanent Resident is considered a foreign person.

RESTRICTED PROPERTIES

Foreigners are **restricted** from purchasing:

- vacant residential land;
- landed houses with land titles [i.e detached house, semi-detached house, terrace house (including linked house or townhouse)]; and
- landed houses with strata titles in non-condominium developments under the Planning Act. (eg strata terrace houses, strata bungalow, townhouse, cluster house); and
- shophouses which are not strata subdivided and are erected on land other than land which has been declared to be non-residential property;
- Association premises;
- Place of worship; and
- Worker's dormitory/service apartments/boarding house (not registered under the provisions of the Hotels Act).

Approval will have to be obtained from the Minister for Law to purchase any of the above.

Foreign ownership rules for landed properties on Sentosa is relaxed, with an express processing time and no minimum occupation period.

NON-RESTRICTED PROPERTIES

Foreigners are **not restricted** from acquiring:

- Condominium unit;
- Flat unit;
- Strata landed house in an approved condominium development
Note: A foreign person is not allowed to acquire all the apartments within a building or all the units in an approved condominium development without the prior approval of the Minister for Law.
- a leasehold estate in restricted residential property for a term not exceeding 7 years, including any further term which may be granted by way of an option for renewal;
- Shophouse (for commercial use);
- Industrial and commercial properties;
- Hotel (registered under the provisions of the Hotels Act); and
- Executive condominium unit, HDB flat and HDB shophouse.
 - Purchasers of these properties are subject to the eligibility conditions set out by the Housing and Development Board (HDB)

CRITERIA FOR APPROVAL

Every application is considered on its own merits.

The main criteria are:

- whether the person applying is a permanent resident of Singapore; and
- their economic contribution to Singapore.
- In assessing economic contribution to Singapore, the main factors considered are:
 - professional/technical/academic qualifications;
 - expertise and working experience needed by Singapore; and
 - investments in the type of industry or service sector needed in Singapore.

TO APPLY FOR APPROVAL

- Download and complete the Approved Form from SLA website
- Submit forms together with relevant supporting documents with application fees
- Application Fees Payable:

Sole application	\$1220 per property
Husband and wife applying jointly	\$1220 per property

For joint applications, other than by 2 persons who are married to each other and whose marriage is recognized by the law of Singapore, applicants are required to submit separate applications.

Processing Time: Generally 20 working days after date SLA receive all the requisite documents and information

If rejected, may appeal against the Minister's decision within 3 months from the date of the letter informing of the disapproval.

Approval In-Principle (AIP) is valid for 1 year and not renewable. Once the 1-year period has lapsed, a fresh application must be made and full application fee payable for another Approval In-Principle.

Application can be submitted before specific property in mind (encouraged)

If foreigner enter into any contract to purchase a specific property before getting approval, must ensure that a clause stating that the purchase of the restricted residential property is subject to obtaining Government approval is incorporated. Otherwise, the Option to Purchase or Sale and Purchase Agreement is invalid under the Residential Property Act and LDAU cannot process an invalid application.

OWNING RESTRICTED PROPERTIES

Purchase of vacant residential land

If approval is granted for individual buying vacant land to build own dwelling, it will be subject to:-

- to obtain the Temporary Occupation Permit or Certificate of Statutory Completion (whichever is earlier) within 36 months after the date of letter conveying the decision;
- not to dispose of your interest in the property within 5 years after the date of issue of the Temporary Occupation Permit or Certificate of Statutory Completion (whichever is earlier); and
- to use the property for your own occupation and that of your family members as a dwelling house and not for rental or any other purpose.

Time limit to own property

- Cannot sell estate and interest in the property within **5 years** after the date of purchase of the property.

Note: The 5 years shall run from the date of contract to purchase the property if it is a built-up property. If you enter into a contract to dispose of your interest in the property, the date of contract shall be after the expiry of the 5-year non-disposal period. The date of contract refers to the date of the exercise of the option or the date of the sale and purchase agreement

- Breach of the condition is an offence under the Residential Property Act ("the Act"). May be fined up to \$200,000 and/or imprisoned for a term of up to 3 years.
- Controller of Residential Property will lodge a caveat to prevent any unauthorised disposal of the property.
- No MOP for Sentosa Cove

Restriction on land area

- Land area of the property should not exceed 1,393.5 sq metres (15,000 sq ft).
- Does not matter if property is freehold or leasehold

Disposal of other property if approval granted

- Must dispose of HDB flat/Executive Condominium if granted approval to buy restricted residential property
- Must also ensure that meet HDB or EC's MOP
- If own another restricted property, must dispose
 - o (where separate legal title has been issued for the new property to be purchased), on or before the legal completion of the purchase of the new property; or
 - o (where the new property to be purchased is under construction), within 3 months from the date issue of the Temporary Occupation Permit or Certificate of Statutory Completion (whichever is the earlier) for the new property; or
 - o (where the Temporary Occupation Permit or Certificate of Statutory Completion for the new property to be purchased has been issued but separate legal title has not been issued), within 3 months from the date when the seller delivers vacant possession of the new property

Rental Of Property

- Property is used solely for own occupation and that of family members as a dwelling house and not for rental or any other purpose.
- Breach of the condition subject to financial penalty of up to 3 times the rental income earned over the period of breach or \$10,000 whichever is higher

Inheritance

- Foreign person cannot acquire/inherit a restricted residential property unless he obtains approval. If approval is not granted to him, the personal representatives of the estate of the deceased person must dispose of the foreign person's share in the restricted residential property within a period of 5 years from the date of the death of the deceased person.
- If after 5 years still not disposed, have to apply to Land Dealing (Approval) Unit for an extension of time to dispose of the foreign beneficiaries' interests in the property by completing Form ST
- Singaporean can will restricted residential property to foreign person as beneficiary. Upon death, foreign beneficiary will have to obtain approval to acquire interest. If approval not granted, have to dispose property within the 5 year period.

Obtaining Citizenship Status

- Individuals who subsequently obtain Singapore Citizenship need to write in officially to Land Dealings (Approval) Unit on the change.
- Required to forward certified true copies of either Singapore passport, Singapore (pink) identity card or certificate of Singapore citizenship.
- Will be released from the conditions imposed as SPR

Individuals Who Renounce Or Lose Their Singapore Citizenship Or Permanent Residency Giving Up Of PR/Citizenship Status

- Individuals who renounce or lose their Singapore Citizenship or Permanent Residency will be required to dispose of their restricted residential properties within 2 years from the date of cessation of Citizenship/Permanent Residency

If fail to do so, liable to fine not exceeding \$20,000 and/or imprisonment for a term not exceeding 3 years

UNIT 2.13: PLANNING AND DEVELOPMENT OF LAND

LEARNING OUTCOMES:

At the end of this unit, you should be able to

- ✓ Identify, interpret and extract information that describes site uses and development parameters for a specific property (e.g. the master plan).
- ✓ Explain the terms “zoning”, “plot ratio”, gross floor area”, “net lettable area”, “street block plan”, “void” and others.
- ✓ Describe the planning concept and development control on designated landed housing area, condominium, non-residential properties (e.g. 60:40 rule, approved use) and conservation areas.
- ✓ Identify the need to apply for permission for change of use, building works or redevelopment.
- ✓ Keep abreast of regulations and news releases from the following statutory authorities involved in development of land:
 - Housing and Development Board
 - JTC Corporation
 - Urban Redevelopment Authority

LAND PLANNING IN SINGAPORE

The Urban Redevelopment Authority (URA) is Singapore's national land use planning authority.

URA takes a long term and integrated approach in land use planning to optimise the use of Singapore's limited land in meeting the current and future needs of the people.

URA works with relevant government agencies to develop broad planning strategies to guide long term planning, identify sufficient land for different needs and establish the broad pace of development. Infrastructure is then planned and developed to support the proposed land uses, and resources channelled to develop these areas over time.

PLANNING PROCESS:



CONCEPT PLAN

- A strategic land use and transportation plan that guides Singapore's development over the next **40-50 years**.
- Reviewed every 10 years
- Ensures that there is sufficient land to meet long-term population and economic growth needs while providing a good quality living environment for Singapore.
- First Concept Plan was formulated in 1971 and subsequently reviewed in 1991 and in 2001 to factor in changes in local and global trends, and ensure that plans remain relevant to address future challenges and meet needs.
- Most recent review was carried out in 2011.

In January 2013, the government released the Population White Paper which set out the key considerations and roadmap for Singapore's population policies and also projected Singapore's potential population by 2030. MND released the Land Use Plan to complement the Population White Paper. It outlines the strategies to support population and economic growth, while ensuring a high quality living environment for all Singaporeans.

The Land Use Plan is a conceptual plan that outlines the strategies to provide the physical capacity to sustain a high quality living environment for a possible population range of 6.5 to 6.9 million by 2030. It also sets aside land to provide options beyond 2030, so that future generations will have room for growth and opportunities.

The strategies to sustain a high quality living environment include:^{[L1][SEP]}

- Providing good affordable homes with a full range of amenities^{[L1][SEP]}
- Integrating greenery into the living environment
- Providing greater mobility with enhanced transport connectivity
- Sustaining a vibrant economy with good jobs^{[L1][SEP]}
- Ensuring room for growth and a good living environment in future

The broad strategies and proposals set out in the Land Use Plan will be translated into detailed plans in the upcoming Master Plan review, which will guide Singapore's development over the next 10 to 15 years.

MASTER PLAN

- A statutory plan
- Guides development over the next 10 to 15 years.
- Translates the broad, long-term strategies of the Concept Plan into detailed plans for implementation by specifying the permissible land uses and densities.
- Reviewed once every five years.
- First introduced in 1958 and has undergone regular updates every 5 years.
- Has evolved from being a plan which simply reflected preceding land use amendments to one which focuses on planning ahead for future developments. In particular, it was transformed to a more forward-looking planning document in the mid 1990s through the advent of the Development Guide Plans (DGPs), which set out detailed planning objectives at the local and regional levels that were aligned with the broader planning intentions of the Concept Plan.
- Master Plan 2019 was gazetted on 27th November 2019.

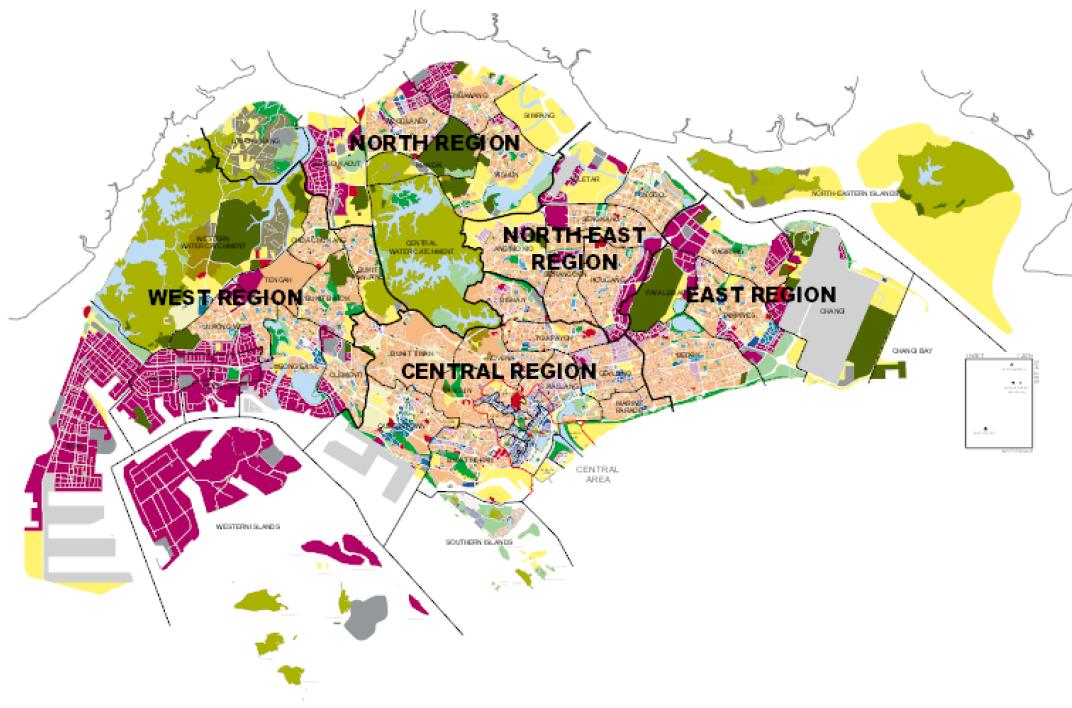
PLANNING BOUNDARIES

PLANNING REGIONS

URA divides Singapore into 5 regions:

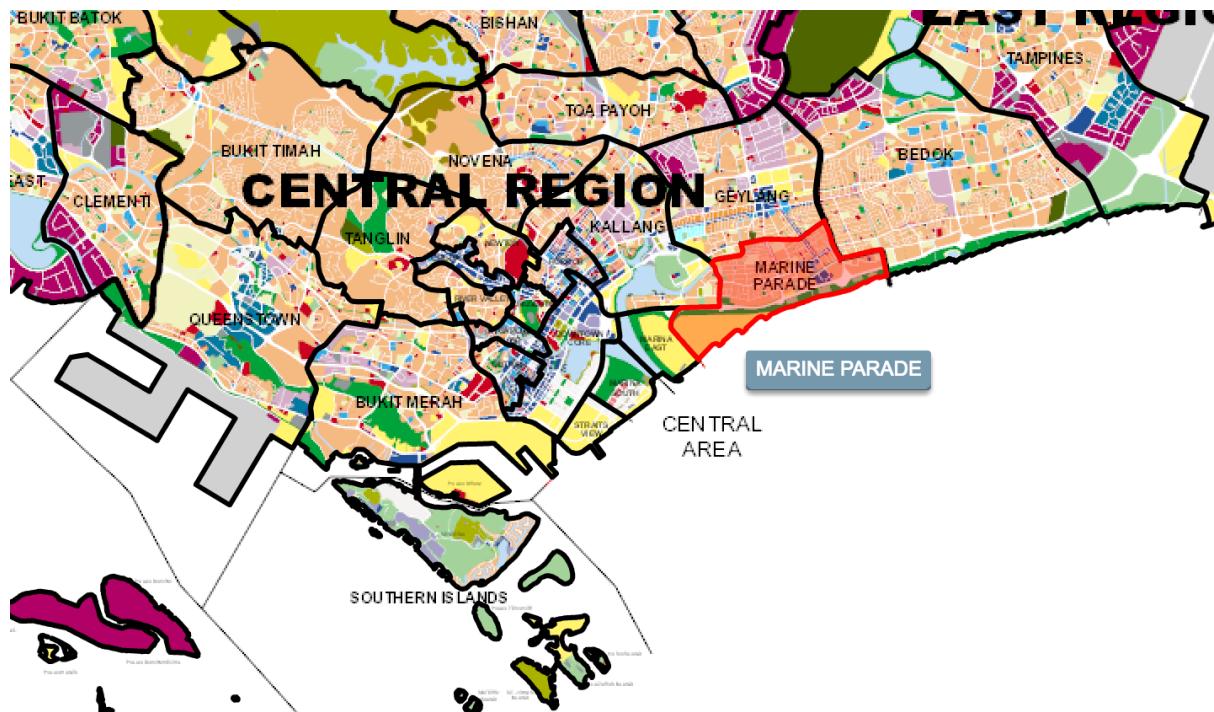
- Central
- West
- North
- North-East
- East

Each region has a population size of more than 500,000 people and provide a mix of residential, commercial, business and recreational areas. Each region will be served by a Regional Centre to complement the activities in the Central Business District.



PLANNING AREAS

- Planning Regions are divided into smaller Planning Areas.
- 55 Planning Areas
- Each Planning Area having a population of about 150,000 and served by a town centre and several neighbourhood commercial/shopping centres.



- Number of Planning Areas within a Planning Region ranges from 6 to 22 depending on the distribution of population within the region.
- Each Planning Area is further divided into smaller subzones which are usually centred around a focal point such as neighbourhood centre or activity node. There can be more than 10 subzones within a Planning Area.
- The size of each planning area and its subzones varies depending on the land uses, proximity to the Central Area, existing physical separators like expressways, rivers, major open spaces and other demarcators.



RESIDENTIAL DEVELOPMENT CONTROLS

ZONING

Under the Master Plan 2014, land is zoned into following zones:

Zoning	Uses	Examples Of Developments	Remarks
Residential	These are areas used or intended to be used mainly for residential development. Serviced apartments and student hostels may be allowed subject to evaluation by the competent authority.	Residential developments for: 1. Flats 2. Condominium 3. Townhouse 4. Terrace House 5. Semi-Detached House 6. Detached House 7. Strata-Landed Housing 8. Retirement Housing 9. Serviced Apartments 10. Student Hostel	The developments in this zone are subject to controls on building form and building height as determined by the competent authority. The quantum of all ancillary or non-residential uses needed for support or management of a residential estate such as a condominium development are to be determined by the competent authority according to the scale of the residential development.
Residential with commercial at 1 st storey	These are areas used or intended to be used mainly for residential development with commercial use at the 1 st storey only. Residential developments, without any commercial use, may be allowed subject to evaluation by the competent authority.	1. Flats with commercial uses at 1 st storey 2. Shophouse 3. Residential Developments (e.g. Flats)	Commercial areas are normally restricted to the 1 st storey. Commercial areas may be allowed above and/or below the 1 st storey subject to evaluation by the competent authority. Where the competent authority allows commercial area above and/or below the 1 st storey, the total quantum of the floor area of commercial uses in the 1 st and other storeys shall not exceed the maximum allowable floor area at the 1 st storey.

Zoning	Uses	Examples Of Developments	Remarks
Commercial & Residential	These are areas used or intended to be used mainly for mixed residential and commercial purposes.	1. Mixed Commercial & Residential development (e.g. Shopping/Office & Residential)	Commercial areas shall not be located above residential areas. The type and quantum for commercial and related uses shall be determined by the competent authority with regard to the locality concerned. The commercial quantum shall not, unless otherwise allowed by the competent authority exceed 40% of the maximum allowable floor area.
Commercial	These are areas used or intended to be used mainly for commercial development. Recreation Clubs may be allowed subject to evaluation by the competent authority.	Developments for: 1. Offices 2. Mixed Uses (e.g. Office/ Shopping/Cinema/ Flat) 3. Convention/Exhibition Centre 4. Commercial School 5. Bank 6. Market/Food Centre/ Restaurant 7. Cinema 8. Entertainment 9. Foreign Trade Mission/ Chancery 10. Recreation Club	The developments in this zone are subject to controls on the type and quantum of commercial uses as determined by the competent authority.
Hotel	These are areas used or intended to be used mainly for hotel development.	1. Hotel 2. Backpackers' Hostel 3. Boarding House	At least 60% of the total floor area shall be used for hotel room floors and hotel related uses as defined in the Planning (Development Charges) Rules. Commercial and residential uses may be considered by the competent authority subject to control on the use quantum as determined by the competent authority and they shall not exceed 40% of the total floor area.

Zoning	Uses	Examples Of Developments	Remarks
White	These are areas used or intended to be used for commercial, hotel, residential, sports & recreational and other compatible uses, or a combination of two or more of such uses as a mixed use development.	A development for any one or more of the following uses: 1. Residential 2. Office 3. Shop 4. Hotel 5. Serviced Apartments 6. Recreation Club 7. Association 8. Convention/Exhibition Centre 9. Entertainment	To realise the overall planning intention for an area, specific controls on quantum and types of uses may be imposed in some areas.
Business Park	These are areas used or intended to be used mainly for business park operations.	1. Business Park 2. Science Park	At least 85% of the total floor area shall be used for any combination of business park operations (as may be defined and set out in guidelines issued by the competent authority on Business Park) and other permitted ancillary uses. Not more than 40% of the total floor area comprised in this 85% shall be used for other permitted ancillary uses. Not more than 15% of the total floor area shall be used for uses permissible under White zone.
Business Park - White	These are areas used or intended to be used mainly for business park operations and uses permissible under White zone as a mixed use development.	1. Mixed Business Park and commercial, residential, hotel (or other compatible uses) development. 2. Mixed Science Park and commercial, residential, hotel (or other compatible uses) development.	The quantum for the uses permissible under White zone shall not exceed the percentage of the total floor area specified in the Amendment Plan. For example, for a site zoned as BP-W[40], the total quantum of permissible White use shall not exceed 40% of the total floor area of the development. The Business Park use quantum shall be used for any combination of business park operations

Zoning	Uses	Examples Of Developments	Remarks
			(as may be defined and set out in guidelines issued by the competent authority on Business Park) and other permitted ancillary uses. Not more than 40% of the total floor area of the Business Park use quantum shall be used for other permitted ancillary uses.
Business 1 (B1)	These are areas used or intended to be used mainly for clean industry, light industry, warehouse, public utilities, and telecommunication uses and other public installations for which the relevant authority does not impose a nuisance buffer greater than 50m. Certain general industrial uses that are able to meet the nuisance buffer requirements of not more than 50m imposed by the relevant authority may be allowed in the B1 zones, subject to evaluation by the relevant authority and the competent authority.	Developments for: <ol style="list-style-type: none"> 1. Computer software development 2. Distribution services 3. Assembly and repair of computer hardware and electronic equipment 4. Printing, publishing and allied industries 5. Packing of dried foodstuff 6. Warehouse except for storage of chemicals 	The quantum of permitted ancillary uses shall not exceed 40% of the total floor area. The types of B1 and ancillary uses that may be allowed are subject to the evaluation of the competent authority and other relevant authorities.

Zoning	Uses	Examples Of Developments	Remarks
Business 2 (B2)	<p>These are areas used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. Special industries such as manufacture of industrial machinery, shipbuilding and repairing, may be allowed in selected areas subject to evaluation by the competent authority.</p>	<p>Developments allowed under B1 and for the following:</p> <ol style="list-style-type: none"> 1. Biotechnology 2. Manufacture of electrical apparatus and supplies 3. Vehicle repair and servicing 4. Manufacture of furniture and fixtures 5. Warehouse 6. Electric Substation 7. Industry/power generation plant 8. Gas Installation 	<p>The quantum of permitted ancillary uses shall not exceed 40% of the total floor area.</p> <p>The types of B2 and ancillary uses that may be allowed are subject to the evaluation of the competent authority and other relevant authorities.</p>
Business 1 - White	<p>These are areas used or intended to be used mainly for uses permissible under B1 zone and White zone as a mixed use development.</p>	<p>A development for any one or more uses that may be allowed under B1 zone and White zone.</p>	<p>A minimum plot ratio must be achieved for the B1 uses before White uses can be allowed. For example, for a site zoned as “4.2 [B-2.5] W”, the permissible B1 uses must achieve a minimum plot ratio of 2.5 before White uses can be allowed subject to the maximum prescribed plot ratio of 4.2 for the whole development.</p> <p>The quantum of permitted ancillary uses shall not exceed 40% of the total floor area for B1 uses.</p> <p>The types of B1, White and ancillary uses that may be allowed are subject to the evaluation of the competent authority and other relevant authorities.</p>

Zoning	Uses	Examples Of Developments	Remarks
Business 2 - White	These are areas used or intended to be used mainly for uses permissible under B2 zone and White zone as a mixed use development.	A development for any one or more uses that may be allowed under B2 zone and white zone.	<p>A minimum plot ratio must be achieved for the B2 uses before White uses can be allowed. For example, for a site zoned as “4.2 [B-2.5] W”, the permissible B2 uses must achieve a minimum plot ratio of 2.5 before White uses can be allowed subject to the maximum prescribed plot ratio of 4.2 for the whole development.</p> <p>The quantum of permitted ancillary uses shall not exceed 40% of the total floor area for B2 uses.</p> <p>The types of B2, White and ancillary uses that may be allowed are subject to the evaluation of the competent authority and other relevant authorities.</p>
Residential/ Institution	These are areas used or intended to be used mainly for residential purpose, community institution facilities or other similar purposes.	<ol style="list-style-type: none"> 1. Residential Developments (e.g. Flat) 2. Community Institutions uses (excluding funeral parlour and workers' dormitory) 	The type of community institution uses and other similar developments that may be allowed are subject to evaluation by the competent authority.
Health & Medical Care	These are areas used or intended to be used mainly for medical services.	<ol style="list-style-type: none"> 1. Hospital 2. Polyclinic 3. Clinic/Dental Clinic 4. Veterinary Clinic 5. Nursing Home 6. Medical suite 	Hospitals shall only be allowed subject to evaluation by the competent authority.

Zoning	Uses	Examples Of Developments	Remarks
Educational Institution	These are areas used or intended to be used mainly for educational purposes including tertiary education.	1. Kindergarten 2. Primary School 3. Secondary School 4. Junior College 5. Institute of Technical Education 6. Polytechnic 7. University 8. Religious School/Institute 9. Foreign System School 10. Special Education School (e.g. School for the Disabled)	Nil
Place of Worship	These are areas used or intended to be used mainly for religious buildings.	1. Church 2. Mosque 3. Temple	Praying area shall be the predominant use and shall be at least 50% of the total floor area of the development.
Civic & Community Institution	These are areas used or intended to be used mainly for civic, community or cultural facilities or other similar purposes.	<u>Civic Institutions</u> 1. Courts 2. Police Station 3. Fire Station 4. Prison 5. Drug Rehabilitation Centre/Halfway House 6. Reformatory Centre <u>Community Institutions</u> 7. Association premises 8. Community Centre/ Club 9. Community Hall 10. Welfare Home 11. Child Care Centre 12. Home For The Aged 13. Home For The Disabled 14. Funeral Parlour 15. Workers' Dormitory <u>Cultural Institutions</u> 16. Television/ Filming Studio Complex 17. Performing Arts Centre 18. Library 19. Museum 20. Arts Centre/ Science Centre 21. Concert Hall	The specific institutional use that may be allowed for a site is subject to evaluation by the competent authority.

Zoning	Uses	Examples Of Developments	Remarks
Open Space	These are areas used or intended to be used as open space.	<ol style="list-style-type: none"> 1. Wooded Area 2. Swamp Area 3. Natural Open Space 4. Public Promenades 5. Outdoor Pedestrian Malls 6. Landscaped Plazas 	Where additional sites for open space are deemed necessary, they may be secured by the competent authority.
Park	These are areas used or intended to be used mainly for parks or gardens for the enjoyment of the general public and includes pedestrian linkages.	<ol style="list-style-type: none"> 1. National Park 2. Regional Park 3. Community Park/ Neighbourhood Park 4. Park Connectors 5. Zoological Gardens, Botanic Gardens, etc 	Where additional sites for parks are deemed necessary, they may be secured by the competent authority. The notations used to delineate the park connectors may not show their precise boundaries which are subject to interpretation and determination by the competent authority.
Beach Area	These are areas used or intended to be used for coastal recreational purposes for the enjoyment of the general public.	Nil	The notation used to delineate the beach areas may not show their precise boundaries. The extent of a beach area is subject to survey.
Sports & Recreation	These are areas used or intended to be used mainly for sports and recreational purposes.	<ol style="list-style-type: none"> 1. Sports Complex/ Indoor Stadium 2. Swimming Complex 3. Golf Course 4. Golf Driving Range 5. Recreation Club 6. Campsite 7. Chalet 8. Marina 9. Water Sports Centre 10. Outward Bound School 11. Theme Park 	Nil

Zoning	Uses	Examples Of Developments	Remarks
Waterbody	These are areas used or intended to be used for drainage purposes and water areas such as reservoirs, ponds, rivers and other water channels.	<ul style="list-style-type: none"> 1. River 2. Major Drain & Canal 3. Reservoir 4. Pond 	The notations used to delineate the drainage reserves may not show their precise alignment which is subject to interpretation and determination by the competent authority and other relevant authorities. Additional drainage reserves may be secured by the competent authority for any locality as may be deemed necessary.
Road	These are areas used or intended to be used for existing and proposed roads. Other uses under an elevated road may be allowed subject to evaluation by the competent authority.	<ul style="list-style-type: none"> 1. Expressway 2. Semi-Expressway 3. Major Arterial Road 4. Arterial Road 5. Primary Access Road 6. Local Access Road 7. Service Road & Backlane 	The notations used to delineate the route of the roads may not show their precise alignment, which is subject to interpretation and determination by the competent authority and other relevant authorities. All roads including their junctions are subject to widening and improvement, as may be determined by the competent authority. Buffers along and adjoining roads may be required to be set aside where deemed necessary by the competent authority. Additional road reserves may be secured by the competent authority for any locality as may be deemed necessary.
Transport Facilities	These are areas used or intended to be used mainly for the parking of vehicles and transport facilities including garages	<ul style="list-style-type: none"> 1. Car Park 2. Heavy Vehicle Park 3. Trailer Park 4. Bus Depot/ Terminal 5. Transport Depot 6. MRT /LRT Marshalling Yard/Depot 	Petrol Station/Kiosk shall only be allowed subject to evaluation by the competent authority.

Zoning	Uses	Examples Of Developments	Remarks
	and at-grade structure of underground road tunnel and rapid transit system.	7. Driving Circuit/ Test Centre 8. Petrol Station/ Kiosk	
Rapid Transit	These are areas used or intended to be used mainly for Rapid Transit purposes.	1. MRT/LRT Station	The notations used to denote the MRT/LRT lines and the locations of stations are diagrammatic. The precise alignment of the MRT/LRT lines and the locations of stations are subject to interpretation and determination by the competent authority and other relevant authorities.
Utility	These are areas used or intended to be used mainly for public utilities and telecommunication infrastructure, including water works, sewage disposal works and other public installations such as electric substations.	1. Electric Substation 2. Power Station 3. Gas Installation 4. Natural Gas Receiving Terminal 5. Gas Takeoff/ Regulator Stations 6. Water Treatment Plant 7. Water Reclamation Plant 8. Service Reservoir 9. Water Pump House 10. Sewage Pumping Station 11. Incineration Plant 12. Desalination Plant 13. Transmitting Station/ Receiving Station 14. Earth Satellite Station	Additional sites for such purposes for any locality may be secured by the competent authority, where deemed necessary.
Cemetery	These are areas used or intended to be used for burial grounds, crematoria and columbaria.	1. Cemetery 2. Crematorium 3. Columbarium	Nil
Agriculture	These are areas used or intended to be used mainly for agricultural purposes and includes plant nursery.	1. Agrotechnology Park 2. Aquaculture Farm (e.g. Aquarium fish) 3. Plant Nursery 4. Hydroponics Farm 5. Agriculture research/ experimental station	Nil

Zoning	Uses	Examples Of Developments	Remarks
Port/ Airport	These are areas used or intended to be used for airport/airfield or dock/ port purposes.	<ol style="list-style-type: none"> 1. Airport 2. Port Area 3. Port/Airport Related Facilities 4. Ferry Point/Terminal 5. Cruise Centre 6. Landing Sites 7. Fishing Port 	Nil
Reserve Site	These are areas the specific use of which has yet to be determined. Interim uses that are compatible with the uses in the locality may be allowed subject to evaluation by the competent authority.	Nil	Nil
Special Use	These are areas used or intended to be used for special purposes.	Nil	Nil

PLOT RATIO

Plot ratio is defined as the ratio of the gross floor area of a building(s) to its site area.

Plot ratio: Gross Floor Area / Site Area

Gross Floor Area: Total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. Accessibility and usability are not criteria for exclusion from GFA.

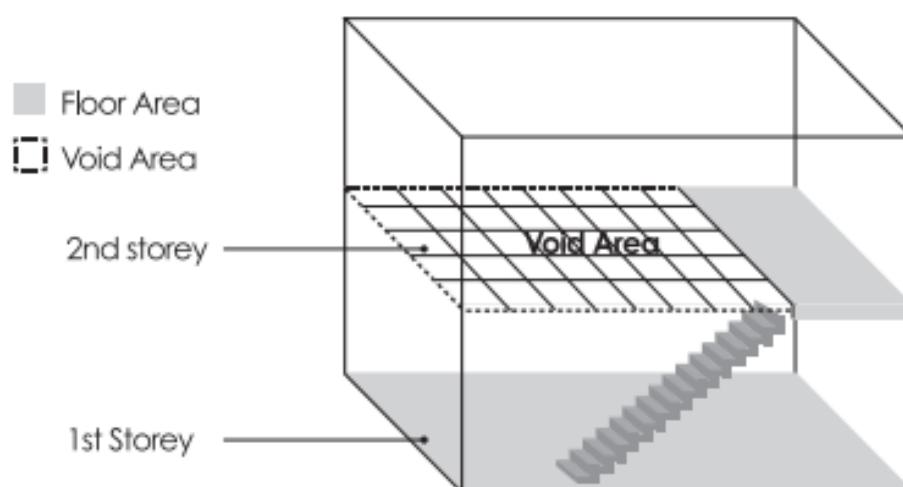
Net Lettable Area: NLA is the floor space between the internal finished surfaces of permanent internal walls and the internal finished surfaces of dominant portions of the permanent outer building walls. It generally includes window frames and structural columns and excludes toilets, cupboards, plant/motor rooms and tea rooms where they are provided as standard facilities in the building. It also excludes areas dedicated as public spaces or thoroughfares such as foyers, atrium and building service areas.

VOID AREA

A Void Area refers to the empty space above the floor in a strata unit but the area is included in the total saleable floor area of the strata unit. It is usually found in a property with a very high ceiling. The detailed breakdown of a strata unit's floor area is available in the Sale and Purchase (S&P) agreement. Some examples of Void Areas are void over staircase, or a double-volume living room within a maisonette.

For example developers construct a raised platform over the part of the unit with high ceiling height, and market as an increase of usable floor area, which is not allowed.

VISUALISING VOID AREA

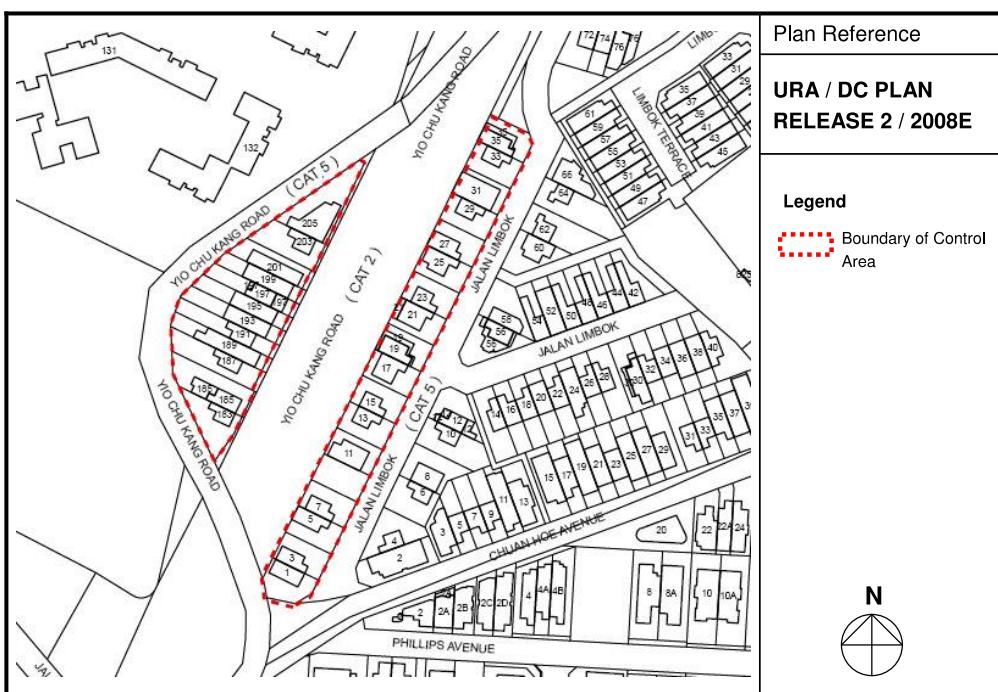


STREET BLOCK PLAN

Street Block Plan guides the layout or form of development within identified development areas.

Details on development control parameters for identified areas can be found on URA's website.

Sample of a Street Block Plan



STREET BLOCK PLAN:

AREA BOUNDED BY

JALAN LIMBOK / YIO CHU KANG ROAD

FOR HOUSE NOS 1 TO 35 JALAN LIMBOK [HOUGANG PLANNING AREA] AND HOUSE NOS 183 TO 205 YIO CHU KANG ROAD [SERANGOON PLANNING AREA]

The purpose of this release is to inform the public of an approved control plan for regulating the residential development in the area bounded by Jalan Limbok and Yio Chu Kang Road

Note:

This streetblock plan is released on 07 Jul 2008 under circular URA/PB/2008/14-DCD.

Where relevant, Envelope Control Guidelines for landed housing may be applicable. Please refer to the circular URA/PB/2015/02-DCG.

GUIDELINES	
Planning Parameter	Requirement
Land Use	Residential
Building Form	Existing terrace and Semi-detached houses
Height Control	Maximum 3 storeys
Minimum Building Setback Requirement	Front (facing Jalan Limbok and Yio Chu Kang Road) (Cat 5): To comply with the required setback of 7.5m (minimum)
	Side (for corner terrace and semi-detached units): 1st and 2nd storey – 2m (minimum) 3rd storey – 3m (minimum)
	Rear (facing Yio Chu Kang Road) (Cat 2): 3m green buffer (minimum)

BUILDING HEIGHT PLAN

Areas without special height controls are subject to prevailing development control guidelines. For example, residential development will follow the GPR / Storey Height Typology for flats and condominium as shown in Table. For other land uses without stipulated building height controls, the permissible height will be subject to evaluation.

Standard GPR/Storey Height Typology for Residential Developments:

Gross Plot Ratio	Storey Height Control
1.4	5
1.6	12
2.1	24
2.8	36
>2.8	>36

LANDED HOUSING AREAS PLAN

The Landed Housing Areas Plan is drawn up to help retain the character of landed housing estates. By safeguarding these estates, URA ensures a variety of housing mix, to meet the needs and aspirations of Singaporeans who want to live in landed housing.

The locations of these safeguarded estates, and the type of housing that can be built in each estate can be found on the Landed Housing Plan. These estates are categorised by the predominant housing form as follows:

Good Class Bungalow area

- bungalow development must have a minimum plot size of 1,400 sqm. Strata bungalows are also permitted.

Bungalow area

- bungalow development must have a minimum plot size of 400 sqm. Strata bungalows are also permitted.

Semi-detached area

- where bungalows, strata bungalows, semi-detached and strata semi-detached houses are permitted.

Mixed Landed housing area

- any form of landed housing such as bungalows, semi-detached houses and terrace type I (occupying a land area of 150 sqm) are permitted. In addition, townhouses, strata bungalows and cluster housing with their own control guidelines are also permitted. Terrace type II (occupying a land area of 80 sqm) is, however subject to evaluation as these houses with 1.0m front setback could affect the streetscape.

DESIGNATED LANDED HOUSING AREAS	HOUSING FORMS											BUILDING HEIGHT
	DETACHED (BUNGALOW)	STRATA DETACHED (BUNGALOW)	LINKED HOUSES	SEMI-DETACHED	STRATA SEMI-DETACHED	MIXED STRATA DETACHED/ SEMI-DETACHED	TERRACE HOUSES I	TERRACE* HOUSES II	STRATA TERRACE	OTHER MIXED STRATA LANDED HOUSING	FLATS**	
GOOD CLASS BUNGALOW AREAS	Allowed	Allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	2 storeys (maximum)
BUNGALOW AREAS	Allowed	Allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	2 or 3 storeys depending on prescribed height control
SEMI DETACHED HOUSING AREAS	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed	
MIXED LANDED HOUSING AREAS	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Allowed	Alowed	Allowed	Not Allowed	

PLOT SIZE

The minimum plot dimensions and plot sizes for all types of landed (land title) housing development are as follows:

HOUSING FORM	PLOT WIDTH(min)	PLOT DEPTH(min)	PLOT SIZE(min)
Good class bungalow	18.5m	30m	1400m ²
Other bungalow	10m	nil	400m ²
Semi-detached house (including corner terrace I)	8m	nil	200m ²
Back-to-back Semi-detached house	10m	nil	200m ²
Terrace house I (intermediate units)	6m	nil	150m ²
Terrace house II (corner units)	8m	nil	80m ²
Terrace house II (intermediate units)	6m	nil	80m ²

MODIFICATIONS TO EXISTING BUILDINGS

Existing buildings may remain until they are rebuilt in the future.

The proposal to rebuild the existing building is subject to evaluation based on the landed housing proposal for the area.

The following guidelines must be followed when renovating or modifying the existing house. In addition, the prevailing planning controls on plot size, plot width and building setback requirements must be satisfied. For bungalows, the proposed extensions must also satisfy the site coverage requirements.

PREVAILING PLANNING CONTROLS FOR LANDED HOUSING

Type	Minimum Plot Size (M ²)	Minimum Width (M)	Minimum Dept (M)	Site Coverage	Setback Control (M)	Boundary Clearance For Roof Eaves (M)
DETACHED	400 > 800	10	No control	50%	Front : 7.5 ¹ Side : 2 Rear : 2 <i>For 3rd storey,</i> Side & Rear : 3	Front Patio : 2.4 ² Carporch : 2.4 ² Side / Rear : 1
GOOD – CLASS BUNGALOW	1400	18.5	30	40%	Front : 7.5 ¹ Side : 3 Rear : 3	Front patio : 5.1 ² Carporch : 2.4 ² Side / Rear : 1.6
SEMI – DETACHED & CORNER TERRACE-I	200	8	No control	No control	Front : 7.5 ¹ Side : 2 Rear : 2 <i>For 3rd storey,</i> Side & Rear : 3	Front patio: 2.4 ² Carporch: 2.4 ² Side / Rear: 1
TERRACE-I INTERMEDIATE	150	6	No control	No control	Front : 7.5 ¹ Rear : 2 <i>For 3rd storey,</i> Rear : 3	Front patio: 2.4 ² Carporch: 2.4 ² Rear: 1
TERRACE-II INTERMEDIATE	80	6	No control	No control	Front : 1 (fixed) Rear : 2 <i>For 3rd Storey,</i> Rear : 3	Front : nil Rear : 1
CORNER TERRACE-II	80	8	No control	No control	Front : 1 (fixed) Side : 2 Rear : 2 <i>For 3rd Storey, Side & Rear : 3</i>	Front : nil Side / Rear : 1

1. Applicable to sites fronting category 3 to 5 road. For sites fronting category 2 road, the front setback would be according to the buffer requirements.
2. Applicable to sites fronting 3 to 5 road.
3. Applicable to 2-storey mixed landed and 2-storey semi-detached housing areas.

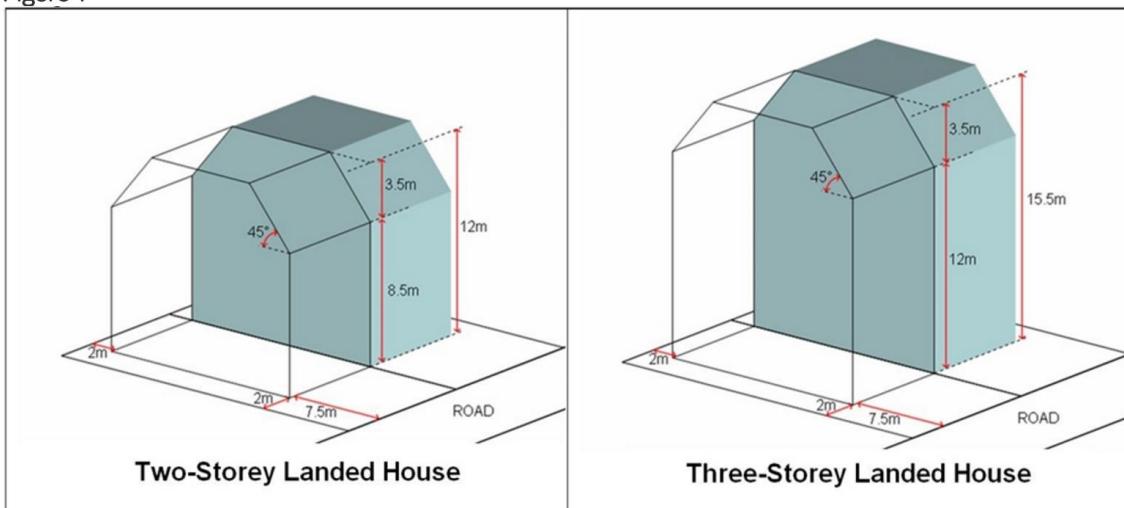
ENVELOPE CONTROL GUIDELINES FOR LANDED HOUSING

Envelope control guidelines guides the size and shape of the house in the redevelopment of landed houses. It is effective from 11 May 2015.

The guidelines simplify the existing guidelines and provide developers and homeowners more flexibility in the design of landed housing while safeguarding the low-rise character of landed housing estates.

The new guidelines adopt a volumetric approach, where the allowable building massing of landed houses is guided by the permissible building envelope. The latter serves as a three-dimensional limit within which a landed house can be designed. It is determined by a combination of setbacks from the road and common plot boundaries, as well as the allowable height for the house. Figure 1 shows the envelope control for two and three-storey landed houses. They have an overall height of 12.0 m and 15.5 m for two and three-storey landed houses respectively, with the topmost floor being 3.5 m high and set back from the front and rear building facade as defined by the 45 degree line.

Figure 1



Within the building envelope, homeowners will now have flexibility to deviate from the existing planning guidelines to configure the interior space of their homes. The existing planning guidelines on the attic profile, basement protrusion, third storey setback and floor-to-floor height will no longer apply. For instance, homeowners can now vary floor to ceiling height to have a mix of spacious and compact spaces. They can also design the attic without the sloping roof and the basement to have more protrusion above ground, which will let in more ventilation and light.

The envelope control guidelines are meant to guide only the main building. Hence, landed houses will continue to be subject to existing guidelines on other building features and appendages such as car porches, roof eaves and reinforced concrete ledges. In addition, the requirements of other agencies, especially those relating to construction standards and safety, will continue to apply. As the envelope control guidelines are not intended to promote intensification, houses should continue to keep to the two-storey or three-storey height control applicable to the respective landed estates. This will continue to safeguard the character of our landed estates.

The envelope control guidelines is applicable to all landed houses island-wide. They will supersede the existing guidelines for proposals involving new erection or major reconstruction works to landed houses. However, minor Additions & Alterations (A&A) works to existing landed houses which were approved under the existing guidelines will continue to be evaluated under the existing guidelines.

FLATS AND CONDOMINIUMS

SHOEBOX UNITS

To ensure that there will not be an excessive development of shoebox units and to ensure that residential estates can be supported by local infrastructural capacities, URA implemented a guideline on the maximum number of dwelling units (DUs) for flat.

The dwelling unit (DU) cap stipulates the maximum number of DUs for all new flats and condominium developments outside the Central Area (CA), including the residential component of mixed-use developments, such as Residential with 1st storey commercial or commercial & residential developments and residential estates within GPR 1.4.

The DU Cap is based on the following formula:

$$\text{Maximum number of DUs per development} < \frac{\text{MP Allowable GPR} \times \text{Site Area}}{85 \text{ sqm}}$$

SMALL OFFICE HOME OFFICE (SOHO)

SOHO is a marketing term used by developers and estate agents. It does not refer to any specific use or type of development that is allowable or approved by the Competent Authority under the Planning Act. The planning permission for a unit marketed as a SOHO unit is for either residential or office use but not for both uses.

Residential units are intended for long-term residential stay, and cannot be converted to other uses, like commercial uses, that could cause disturbances and inconveniences to residents. However, under the Home-Office Scheme, owners of residential units can use their homes to conduct small-scale businesses, provided they do not cause disamenity to other residents. To do so, the owner must register for the home-office use under the Home Office Scheme (see <http://www.ura.gov.sg/uol/home-office/Register/Guidelines/about.aspx> for details). Only small-scale businesses that comply with the planning guidelines applicable to home-offices (e.g. not hiring more than two non-resident employees) are permitted within residential units. Other commercial businesses or uses that do not meet the guidelines are not allowed.

Office properties are to be used according to their approved use (i.e. as offices), and are not meant for residential use. Hence, the term “SOHO” for office developments in any of advertisements should be refrained and should not make any representations to intending purchasers that the office units may be used for residential uses.

HOME OFFICE SCHEME

Under the Home Office (HO) scheme, home owners, tenants or occupiers of private residential properties can conduct small-scale businesses in their homes, as long as they satisfy the prevailing HO guidelines and performance criteria and ensure that the use does not cause amenity problems to the neighbours.

Registering for the Home Office Scheme

Anyone who is the owner, tenant or any authorised occupier of a private residential property and wish to operate a Home Office (HO) can register.

Written consent must be obtained from the owner before a tenant register for the Home Office use.

Restrictions

Restrictions and performance criteria ensures the scale of the home office use is kept small so that it does not disturb or cause inconvenience to the neighbours.

These include:

- not hiring more than 2 non-resident employees
- not displaying any external business signage or advertisements
- not generating noise, smoke, odour, waste matter or dust
- the use does not fall within the list of businesses that are not permitted under the HO scheme (e.g. car trading business, shops and any form of retail activity, etc)

Businesses Permitted/Not Permitted Under The Home Office Scheme

Permitted Businesses	Not Permitted
Accountancy services	Beauty, hair dressing or massage therapy services
Architectural services	Car trading business
Consultancy services (business, engineering, IT, management or education)	Card reading/palm reading or fortune telling in any form
Design/Advertising services	Catering/restaurants
Insurance/Financial planning services	Clinics and pharmacies (e.g. dental, medical, veterinary)
Real estate agencies	Commercial school (e.g. dance, music, language, tuition centre)
Technology based and knowledge intensive businesses	Courier business
Transportation services	Classes on dress-making and embroidery
Trading office	Employment agency
	Funeral chapels or homes
	Maid agency
	Mausoleums
	Manufacturing, preparation or processing of any products and goods
	Money lending businesses
	Opticians
	Repair activities (e.g. household appliances, electrical products, footwear, etc.)
	Sales/marketing that involves conducting seminars and talks for large number of customers
	Shops and any form of retail activity, including pet shops

COMMERCIAL DEVELOPMENTS

SHOEBOX RETAIL

With effect from 27 March 2013, average retail unit size should be at least 50 square metres (sqm), or the development's total net floor area divided by the number of retail units at commercial or mixed-use developments.

In addition, corridors width must have minimum width of 2.0m – 2.4m for corridors with only a row of retail units on one side (single loaded). For corridors with retail units on both sides (double loaded), the minimum width is between 2.4m and 3.0m.

INDUSTRIAL B1 SPACE

URA zones land as B1 to support industrial activities so as ensure that land is kept affordable.

Offices and shops are not considered industrial use and are not allowed within industrial developments. These activities should be carried out on land zoned for commercial use.

URA requires at least 60% of the total floor area of an industrial development to be used for core industrial activities.

Supporting non-industrial uses, together with other ancillary areas (e.g. lift lobbies and circulation spaces) are allowed to occupy up to 40% of the total floor area of an industrial development.

GUIDELINES FOR SUPPORT USES IN INDUSTRIAL DEVELOPMENT

Industrial Canteens

Under previous guidelines, staff canteens within industrial developments were restricted to serving staff working within the same building. To expand the range of food options within industrial estates, URA will now allow such canteens to serve not only the workers of the same building but also external customers. These canteens which serve primarily workers in the industrial estate will now be termed as “industrial canteens”.

New industrial canteens will be:

- i. Capped at a size of 700 sqm or 5% of the total proposed Gross Floor Area (GFA) per development, whichever is lower;
- ii. Levied Industrial “D” rates when computing Development Charge/Differential Premium; and
- iii. Approved on Temporary Permission (TP) for up to 3 years.

URA USE CLASSES

A Use Class is a broad group of building uses with similar mode of operations or impact to the surrounding. There are 18 Use Classes:

Class 1 – Shop

Class 2 – Office

Class 3 – Restaurant

Class 4 – Amusement Centre

Class 5 – Motor Vehicle Showroom

Class 6 – Theatre

Class 7 – Light Industrial Building

Class 8 – General Industrial Building

Class 9 – Special Industrial Building

Class 10 – Warehouse

Class 11 – Convalescent Home

Class 12 – Child Care Centre

Class 13 – Community Building

Class 14 – Sports and Recreation Building

Class 15 – Nightclub

Class 16 – Pet Shop

Class 17 – Community Sports and Fitness Building

Class 18 – Commercial School



USE CLASS	Includes:	Does not include:
<p>Class 1 – Shop Premises used for any trade or business where its primary purpose is the sale of goods or foodstuff by retail or provision of services.</p>	<ul style="list-style-type: none"> - Furniture shop, department store, pawnship - Beauty salon, ticket agency, travel agency - Confectionery or take-away food shop that retails food or drinks for consumption away from the premises only and without any provision for ancillary food preparation area. Retail Shops <ul style="list-style-type: none"> - Departmental store, supermarket*, provision shop, minimart, pawnshop - Fashion boutique, florist, gift shop, stationery shop - Furniture shop, home furnishings and textile shop - Electrical appliances/equipment, computers and accessories - Dispensary, Chinese medical hall - Aquarium - Other shops selling takeaway good and beverages without consumption on the premises Services <ul style="list-style-type: none"> - Barber shop, beauty salon, hairdressing salon - Photo studio, tailor shop - Foot reflexology, Chinese physician/acupuncturist - Medical clinic, dental clinic - Receiving agency, money changer, travel/ticket agency - Launderette (collection of goods to be cleaned elsewhere) Takeaway foodshops <ul style="list-style-type: none"> - Shops selling curry puffs, rice dumplings, pastries, buns, bubble tea, ice cream, barbecue meat, etc purely for takeaway and without tables and chairs for dining at the premises - Light and simple food preparation (eg baking, microwaving and steaming) may be allowed. You will need to comply with licensing 	<ul style="list-style-type: none"> - Preparation of food for sale by distribution or catering, even though the food is consumed away from the premises. - Storage or wholesale of goods or foodstuff. - Sale of coffins or motor vehicle parts and accessories. - Repair and servicing of motor vehicles. - Laundry shop, dry cleaner's shop, pet shop, petrol station. - Market, fun fair, amusement centre, health centre, nightclub, bar. - Sex shop i.e. a building used for the carrying on of any trade or business where the primary purpose is the sale of products (including toys, magazines, clothing or equipment) connected with sexual activity. - Showroom, motor vehicle showroom, betting outlet, office. - Any part of an industrial retail building or warehouse retail building used for business zone retail. - Medical clinic which has the same meaning as in the Prival Hospitals and Medical Clinics Act (CAP 248)

	<p>conditions from the National Environment Agency and ensure that activities do not cause fumes, odour or other nuisances.</p> <p>* Supermarkets located in shophouses may be subject to LTA's carparking requirements and may not be appropriate in locations where there are existing traffic and parking problems. Operators are advised to seek prior clearance from URA and LTA for their proposal before committing on the lease or purchase of the shop premises.</p>	
Class 2 – Office Premises used as a place of business and for conducting administrative work.	<ul style="list-style-type: none"> - Bank Office - Finance office, insurance company, stock exchange. - Real estate housing agency. - Contractors, transport office. - Professional, consultant, architect, engineer, lawyer, accountant, advertising agency, research and marketing office. - Employment agency, secretarial services. - Astrologers/palmists. - Security office. - Political party office. 	<ul style="list-style-type: none"> - Shops
Class 3 – Restaurant Premises that are used for carrying on of any trade of business where the primary purpose is the sale of food for consumption on the premises without performance of live music or live entertainment, and where the sale of liquor and alcoholic drinks, if any is for consumption on the premises and incidental to the consumption of food.	<ul style="list-style-type: none"> - Coffee shop - Eating house - Snack bar - Cafeteria - Foodcourt - Fast-food restaurant - Tea house 	<ul style="list-style-type: none"> - Canteen - Bar - Pub

USE CLASS	Includes:	Does not include:
Class 4 – Amusement Centre Premises where jackpot machines, pin-ball machines, video-game machines and other similar machines are provided for entertainment.	<ul style="list-style-type: none"> - Video games arcade - Computer gaming centre - Billiard saloon - Bowling alley 	
Class 5 – Motor Vehicle Showroom Premises used for the display and sale of new or used motor vehicles.	<ul style="list-style-type: none"> - Car-mart - Car-trading office - Motor vehicle rental office - Motor vehicle trading office 	
Class 6 – Theatre Premises where live theatrical performances, including plays, operas and music performances, are performed.		<ul style="list-style-type: none"> - Nightclub - Cinema
Class 7 – Light Industrial Building Premises where the processes carried out or the machinery installed can be done so in any residential area without polluting the area with noise, vibration, odour, fumes, smoke, soot, ash, dust or grit.	<p>Premises classified as “light industry” by the Director of Environmental Pollution Control, which includes:</p> <ul style="list-style-type: none"> - Manufacture of made-up textile goods (excludes wearing apparel) without dyeing, bleaching and/or other finishing operations. - Servicing and refilling of fire extinguishers. - Packing and bottling of medicinal herbs and medicated oil. - Manufacture of aluminium window frames and grilles from aluminium extrusions without spray-painting operations. - Packing of dried foodstuff. - Manufacture of containers and boxes of paperboard. - Printing, publishing and allied industries. <p>For more details, please refer to the Code of Practice on Pollution Control on the NEA’s website.</p>	

<p>Class 8 – General Industrial Building</p> <p>Premises that are industrial buildings but not light industrial or special industrial buildings.</p>	<p>Premises classified as “general industry” by the Director of Environmental Pollution Control, which includes:</p> <ul style="list-style-type: none"> - Vehicle / motorcycles repair and servicing. - Installation of tyres & batteries. - Installation of car accessories. - Food manufacturing, food catering. - Manufacture of furniture & fixtures. - Manufacture of musical instruments. - Manufacture of wooden & cane containers & small cane wares. - Manufacture of emergency lighting and power supply systems. - Repair and maintenance of engines, motor and mechanical pumps. - Industrial laundry services without scheduled boilers. - Manufacture of sporting and athletic goods - Blending of detergents and cleaning preparations, perfumes, hair-care products, cosmetics and other toilet preparations. 	
<p>Class 9 – Special Industrial Building</p> <p>Premises that are industrial buildings where dangerous or offensive processes are carried out.</p>	<p>Premises classified as “special industry” by the Director of Environmental Pollution Control</p>	
<p>Class 10 – Warehouse</p> <p>Premises where storage is the principal use and where no business is transacted other than incidentally to such storage.</p>		<ul style="list-style-type: none"> - A warehouse retail building

USE CLASS	Includes:	Does not include:
Class 11 – Convalescent Home Premises used or intended to be used to receive, accommodate and nurse persons suffering or convalescing from any sickness, injury or infirmity.		<ul style="list-style-type: none"> - Hospitals - Premises used solely to receive, accommodate and care for dying or terminally ill persons.
Class 12 – Child Care Centre Premises that are: <ul style="list-style-type: none"> - licensed as a child care centre under Section 4 of the Child Care Centres Act (Chapter 37A). - used as a centre where 5 or more school-going children between the ages of 7 and 14 years are cared for/supervised before or after school hours. - registered as a kindergarten under Section 23 of the Education Act (Chapter 87). 		
Class 13 – Community Building Premises used for community-based activities	<ul style="list-style-type: none"> - An office of an association or a society - Community centre - Community club - Family service centre - Residents' committee centre 	<ul style="list-style-type: none"> - Funeral parlour - Welfare home - Child care centre - Home for the aged - Home for the disabled
Class 14 – Sports and Recreation Building Premises used for sports and recreation activities.	<ul style="list-style-type: none"> - Sports club - Sports complex - Recreation club - Clubhouse - Fitness centre - Gymnasium 	<ul style="list-style-type: none"> - Community sports and fitness building

USE CLASS	Includes:	Does not include:
<p>Class 15 – Nightclub Premises used for any trade or business where its primary purpose is the sale of alcoholic drinks (with or without the sale of foodstuff) for consumption on the premises with singing, dancing or live music/entertainment performances. Includes karaoke lounge and discothque.</p>		
<p>Class 16 – Pet Shop Premises used for the sale of live animals or birds normally kept as domestic pets.</p>	<ul style="list-style-type: none"> - Veterinary clinic - Domestic pet grooming service 	<ul style="list-style-type: none"> - Premises or aquariums used for the sale of ornamental fish
<p>Class 17 – Community Sports and Fitness Building Premises used for sports and fitness activities and operated by:</p> <ul style="list-style-type: none"> - the Singapore Sports Council; - any person as agent of the Singapore Sports Council; or - any person who is in a public-private partnership agreement with the Singapore Sports Council. 		

USE CLASS	Includes:	Does not include:
Class 18 – Commercial School Premises used for the purpose of teaching, training or imparting of knowledge or skill.	<ul style="list-style-type: none"> - Tuition centre - Language school - Computer school - Dress-making school - Baking and cooking school - Music school - Dance school - Acting school - Speech and drama school - Child development centre, or play school - Art school 	<ul style="list-style-type: none"> - Primary school - Secondary school - Junior college - Vocational and technical institution - Polytechnic and university

UNCLASSIFIED USES

Any uses that do not fall under these are Unclassified Uses, which requires planning permission.

Common unclassified uses include:

BAR/PUB

Premises used for any trade or business where its primary purpose is the sale of alcoholic drinks for consumption on the premises without dancing, singing or performance of live music or live entertainment.

MASSAGE ESTABLISHMENT

Massage Establishment means an establishment for massage within the meaning of section 2 of the Massage Establishments Act (Cap. 173) that is required to be licensed under section 4(1) of that Act.

BACKPACKERS' HOSTEL/BOARDING HOUSE/HOTEL

Backpackers' Hostel

Premises used as open concept dormitories with minimum 6 beds per room used for providing boarding and lodging or lodgings only. The business is run for the purpose of gain or profit.

Boarding House/Hotel

Premises used for boarding and lodging only. The business is run for the purpose of gain or profit.

SHOWROOM

Premises used for the display of goods with no retail sales and does not include a shop or motor vehicle showroom.

Showroom premises are used for the display of primarily 2 categories of products:

- products that are not typically transacted or exchanged over the counter (e.g. cars); or
- products that are predominantly delivered and installed off-site (e.g. floor tiles).

STUDENTS' HOSTEL

Students' hostels are premises used to provide boarding and lodging for students who are studying in the local primary schools, secondary schools, junior colleges and tertiary institutions.

Owners of residential premises including landed houses and apartments can rent out bedrooms to full-time students for long-term stays of **at least 6 months** without having to apply for Change of Use permission if:

- the number of students per bedroom does not exceed 3;
- the number of students per residential unit does not exceed 15; and
- no internal partitions were constructed to create more bedrooms

WORKERS' DORMITORY

Workers' Dormitories (WD) in industrial premises are used to house foreign workers who are engaged to perform industrial or production activities.

- Ancillary WD – for workers employed by the owner or lessee of the factory; and workers who work on-site at the subject factory.
- Secondary WD – mainly for workers who are not employed by the owner or lessee of the factory; as well as both on-site and off-site workers.

SELECTED COMMERCIAL USES

URA will now allow selected commercial uses (i.e. clinic, banking hall/ATM, minimart and fitness centre/gym) in outlying industrial estates which are located far from existing commercial nodes, as these are basic amenities which serve the needs of industrial workers.

These commercial uses will be capped at a size of 200 sqm or 10% of the total proposed GFA per development, whichever is lower. They have to be located on the first storey of the building. If supported, the uses will be approved on TP for up to three years and levied Commercial "A" rates.

CHANGE OF USE

Planning permission for Change of Use is required when the proposed use changes:

- from one Use Class to another Use Class
 - e.g. furniture shop (Class 1) to gym (Class 4).
- from one Use Class to an unclassified Use Class, or vice versa
 - e.g. office (Class 2) to student hostel (unclassified).
- from an unclassified Use Class to another unclassified Use Class
 - e.g. hotel to pub.

Planning permission for Change of Use is not required when the proposed use is within the same Use Class, e.g. retail shop (Class 1) to beauty salon (Class 1).

Planning permission is also not required for Change of Uses that are authorised under the following categories:

- HDB commercial premises and living quarters of HDB shops
- private commercial premises and shophouses
- childcare centres in work places, commercial, community and institutional buildings
- changing from a general industry to light industry

The authorisations apply to change of use of individual units and do not involve en-bloc conversions.

The approved use of premises is indicated in the Grant of Written Permission issued by URA. A copy of the document can be obtained from the landlord or the property owner.

Alternatively, a search enquiry can be submitted to URA to find out the approved use. There is a search fee of S\$53.50 (including GST) per property unit and the result will be received within 2 weeks.

URA has a free Electronic Development Register to check for approved use. This is an electronic repository for information on all Written Permissions granted or rejected by URA from 2000.

CONSERVATION PROPERTIES

Historic buildings provide a valuable link to Singapore's heritage and conserving them is an important part of Singapore urban planning. There are over 7,000 buildings have been gazetted for conservation. They are located mainly in the city centre and around its fringes, and comprise largely shophouses and bungalows.

The 4 main categories area are:

- **Historic Districts:** include Boat Quay, Chinatown, Kampong Glam and Little India, are among the city's oldest areas. Most of the buildings in these areas are still intact, and the entire building has to be retained and restored.
- **Residential Historic Districts:** Blair Plan, Cairnhill and Emerald Hill. Rear extension lower than the main roof can be built for greater flexibility in adapting the building for modern living.
- **Secondary Settlements:** Geylang and Joo Chiat areas. Emphasis is placed on retention of streetscape. A new rear extension up to the maximum height allowed for the area can be built.
- **Bungalows:** Detached buildings with architectural styles. For bungalows, the main house needs to be kept.

SHOPHOUSE

- narrow, small terraced houses, with a sheltered 'five foot' pedestrian way at the front.
- can be used for both business and living.
- constructed between the 1840s and the 1960s,
- two- to three- storeys high, built in contiguous blocks with common party walls.
- Form the bulk of our gazetted conservation buildings.
- Need to follow URA's guidelines for restoration.

DEVELOPMENT CHARGE

- **Tax on the enhancement in land value (betterment tax)** resulting from the State approving a higher value development proposal.
- Payable when:
 - Change in use to a higher use
 - **Change in zoning to a higher use zone**, e.g. from a residential zoning to a commercial zoning
 - **Increase in intensity of development**, e.g. an increase in the plot ratio beyond what is permitted in the Master Plan 2003
 - A **combination** of both change in use and intensity **resulting in a higher value**.
- Owner of the land or the applicant for the planning permission is liable for payment.
- Development charge rates may vary.
- IRAS and MND carry out a joint review of the rates every 6 months, in Mar and September of each year.
- Latest information on the DC rates, use groups and sector maps can be obtained at <http://www.ura.gov.sg/dc/Development%20Charge.htm>.

The following forms of development or property projects are exempt from payment of Development Charge:

- a) Buildings under conservation
- b) Dwelling houses within a landed housing development that cannot be subdivided
- c) Conversion of “industrial” land in Hillview and Bukit Timah areas for residential development
- d) Erection or extension to any single detached, semi-detached, linked or terrace house
- e) Conversion from net plot ratio as per 1958 and 1985 Master Plan to gross plot ratio
- f) Land sold by the government or by a statutory board

CALCULATION OF DEVELOPMENT CHARGE

Development charge is payable when the development ceiling exceeds the development baseline, i.e.

Development Charge payable = Development Ceiling – Development Baseline

2 Basis of computing:

- 1) Fixed rate Development Charge
 - Refers to a Fixed Rate Table containing rates for different land use groups in different geographical areas.
 - 118 geographical sectors, 10 use groups (2 for residential groups)
 - If you are dissatisfied with the development charge determined by the fixed rate method, you may request the Competent Authority to determine the development charge on a case by case valuation of the land enhancement. However, this must be done within 14 days of the Interim Order being served on you.

2) Case by case valuation

- Once you have chosen the case by case basis to determine the development charge, you cannot revert to the fixed rate system. However, you may abort the first application for planning permission, and reapply for a new planning permission.
- With effect from 18 July 2007, development charge is determined at 70% of the enhancement in value.

DEVELOPMENT CEILING

Development ceiling is the value of the development proposed for a site and allowed by URA.

You can work out the development ceiling by using the following formula:

Development Ceiling = Proposed Gross Floor Area X DC rate for the use group in the Sector where the site is located

DEVELOPMENT BASELINE

With effect from 1 Jan 2008, development baseline is defined in the Planning Act as the value derived from the use and intensity of the approved development on the land, for which development charge was paid, exempted, remitted or not required to be paid.

USE GROUP

Purposes of Development within Use Groups (W.E.F. 1st Sep 2013)

Use Group	Purposes for which development is permitted or to be authorised
A	Shop, office, association office, cinema, place of entertainment, clinic, medical suite, restaurant, petrol station, auto-service centre, commercial garage, market
B1	Residential (landed dwelling-house ¹)
B2	Residential (non-landed residential building)
C	Hospital and health centre, hotel room and hotel-related uses
D	Industrial, warehousing, science park, business park, transport depot, airport, dock, port uses, utility installation, telecommunication infrastructure, Mass Rapid Transit Station, Light Rail Transit Station
E	Place of worship, community building, educational and institutional uses, government building
F	Open space, nature reserve
G	Agriculture
H	Drain, road, railway, cemetery, Mass Rapid Transit Route, Light Rail Transit Route
I	Business zone commercial use

¹ Can be land-titled or strata-titled dwelling house

² Refer to residential density at 185 persons per hectare or less, or at 75 persons per acre or less

³ Refer to residential density more than 185 persons per hectare or 75 persons acre

EXAMPLE ON COMPUTATION OF DEVELOPMENT CHARGE

USING FIXED RATE TABLE

Information

Land area: 2,000 sq m

Existing development: Residential (Use group B1), plot ratio 2

Proposed development: Retail commercial (Use group I), plot ratio 3

Geographical Sector: 27

Latest DC Table: Use Group B1: \$2,100; Use Group I: \$4,184

Development ceiling

Proposed retail commercial development

Gross floor area (2000 x 3) @ \$4,184	= \$25,104,000
---------------------------------------	----------------

Less

Development baseline

Existing residential development

Gross floor area (2000 x 2) @ \$2,100	= \$8,400,000
---------------------------------------	---------------

Development Charge = \$16,704,000

Using Valuation Method

Residential Land worth \$8,000,000

Rezoned to commercial development, valued at \$28,000,000

Value of commercial land:	\$28,000,000
---------------------------	--------------

Less value of residential land:	\$ 8,000,000
---------------------------------	--------------

Enhancement in value:	\$20,000,000
-----------------------	--------------

DC @ 70% = 70% of \$20,000,000 = \$14,000,000

SOURCES OF INFORMATION

REFERENCES

- Attorney-General Chambers: Singapore Statutes Online
- Government websites and government publications:
 - o Council for Estate Agencies (CEA)
 - o Urban Redevelopment Authority (URA)
 - o Housing Development Board (HDB)
 - o Singapore Land Authority (SLA)
 - o Inland Revenue Authority Singapore (IRAS)
 - o Central Provident Fund (CPF)
 - o Building & Construction Authority (BCA)
 - o Jurong Town Corporation (JTC)
 - o Immigration and Checkpoints Authority of Singapore (ICA)
- CASE Singapore
- Singapore Law Watch website, www.singaporelawwatch.sg
- Jacobus, C J (2010) Real Estate Principles, Cengage Learning, USA
- Tan, SY (2009) Principles of Singapore Land Law, LexisNexis, Singapore
- Tay, KP and Lee-Khor, ALS (1996) CCH/SISV Singapore Real Estate Handbook, CCH Asia Pte Limited, Singapore

APPENDICES

APPENDIX – STRATA CERTIFICATE OF TITLE

SINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

SAMPLE

PSSRS100A : LAND REGISTER SEARCH PRINTOUT
(PRINT WHOLE LAND REGISTER)

RT_STA12
13/01/2015 17:47:50
PAGE : 1

[#1] INTELLECTUAL PROPERTY

The data and information supplied to you through this system (such data and information hereinafter collectively known as "Information") is the intellectual property of the Singapore Land Authority ("SLA") and as such is protected by copyright and other intellectual property laws. All ownership rights remain with SLA.

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SLA is not responsible for the accuracy or completeness of data extracted from instruments and/or deeds.

[#4] INFORMATION ON DOCUMENTS LODGED

Information on caveats and brief particulars of instruments (parties' names, lot numbers and time of lodgement) will be shown on the day of lodgement or by 9:00 am on the next working day.

[#5] CAVEAT INDEX

Land and strata lots may be subdivided or amalgamated. Please check the up-to-date lot numbers before making your search.

[#6] PROPERTY ADDRESS

- [a] You can make a search by using the property address. Please verify that the property address is correctly correlated to the lot.
- [b] Data on the correlation of the property address to the lot is not administered by the Commissioner of Lands, Registrar of Titles and Chief Surveyor and therefore they are not responsible for the incorrect correlation (if any).

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SAMPLE

SINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

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(PRINT WHOLE LAND REGISTER) 13/01/2015 17:47:50
PAGE : 2

Subsidiary
Strata Certificate of Title
Volume 459 Folio 125

[CONDOMINIUM]
Ref No : C/6058..(1)-(S120-12) PAGE 1
Pursuant to : I/98909K Edition 4
Number of Updates 0
dated 13 JAN 2015

This is to certify that the person described as proprietor hereto is the registered subsidiary proprietor of the estate in the land hereinafter described SUBJECT to any subsisting exceptions, reservations, covenants and conditions contained or implied in the undermentioned State Titles and SUBJECT also to the encumbrances and interests registered or notified in this folio and section 46 of the Land Titles Act and on the undermentioned registered strata title plans and any amendments shown on the plans.

===== ESTATE AND LAND DESCRIPTION =====

Land Tenure	: ESTATE IN FEE SIMPLE
State Title No	: GRANT 11
State Title Date	: 26/06/1858
Title District	: UPPER KALLANG
Land Tenure	: ESTATE IN FEE SIMPLE
State Title No	: GRANT IN FEE SIMPLE 700
State Title Date	: 15/08/1957
Title District	: ULU KALLANG
Land Tenure	: ESTATE IN FEE SIMPLE
State Title No	: GRANT IN FEE SIMPLE 1555
State Title Date	: 03/05/1983
Supplemental Deed to State Title Date (affecting covenants terms and conditions)	: 17/09/1987

CONTINUED ON NEXT PAGE

SAMPLE

SINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

PSSRS100A : LAND REGISTER SEARCH PRINTOUT
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Subsidiary
Strata Certificate of Title
Volume 459 Folio 125

[CONDOMINIUM]
Ref. No. : C/6058..(1)(S120-12)
Pursuant to : I/98909K
PAGE 2
Edition 4
Number of Updates 0
dated 13 JAN 2015

----- ESTATE AND LAND DESCRIPTION (CONTINUED) -----

Lot No ..	Area (Sq M)	*Certified	Plan No	Area Type
MK23-U6666K	202.0	CPST 1000		--
		CPST 1001		
		CPST 1002		

*Plan filed in Chief Surveyor's Office

Land Lot Particulars:

Certificate of Title : Volume 256 Folio 111 Land Lot No : MK23-2081A

-----: PARTICULARS OF PROPRIETOR AND ADDRESS -----

JOINT TENANTS

ID No :S9257291I
Name :FPOCO WGP NQL MKO
Address :7A ONTARIO AVENUE #03-02
 SINGAPORE 576197
 Noted vide MORTGAGE IA/21444L Registered on 23/02/2012
Citizen of / :MALAYSIA
Place Incorp'd
Instrument :TRANSFER IA/11378B | Registered on 31/08/2009

CONTINUED ON NEXT PAGE

SAMPLE

SINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

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PAGE : 4

Subsidiary
Strata Certificate of Title
Volume 459 Folio 125

[CONDOMINIUM]

Ref No : C/6058..(1)(S120-12)
Pursuant to : I/98909K

PAGE 3
Edition 4
Number of Updates 0
dated 13 JAN 2015

===== PARTICULARS OF PROPRIETOR AND ADDRESS (CONTINUED) =====

Noted vide MORTGAGE IA/21444L Registered on 23/02/2012
Citizen of / : SINGAPORE
Place Incorp'd
Instrument : TRANSFER IA/11378B Registered on 31/08/2009

===== MEMORIAL =====

Strata Title Plan No. 4000 registered on 26/08/1989 vide I/48790A
Strata Title Plan No. 4000 (R/S 1) registered on 28/11/1990 vide I/53098L

The within registered subsidiary proprietor's share in the common property
of the whole land lot(s) MK23-2080P MK23-2081A is 4 out of 688 shares.

SAMPLESINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

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Subsidiary
Strata Certificate of Title

Volume 459 Folio 125

[CONDOMINIUM]

Ref. No : C/6058..(1)(S120-12)
Pursuant to : I/98909KPAGE 4
Edition 4
Number of Updates 0
dated 13 JAN 2015

===== CAUTION =====

Nil

===== NOTICE =====

Nil

===== ORDER OF COURT =====

Nil

===== INTEREST/ENCUMBRANCE =====

APPLICATION TO NOTIFY CHARGE IA/38789Q lodged on 26/08/2009 at 11:30

CHARGEES

CENTRAL PROVIDENT FUND BOARD

Type of Charge : WITHDRAWAL FOR PURCHASE OF PROPERTY

NOTIFIED ON : 31/08/2009

===== PUBLIC INSPECTION AND SEARCH =====

The information contained in this Subsidiary Strata Certificate of Title forms part of the public records available for inspection and search by members of the public upon payment of a fee.

SAMPLE

SINGAPORE TITLES AUTOMATED REGISTRATION SYSTEM
(S T A R S)

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PAGE : 6 ..

Subsidiary
Strata Certificate of Title

Volume 459 Folio 125

[CONDOMINIUM]
Ref No : C/6058..(i)(S120-12)
Pursuant to : I/98909K

PAGE 5
Edition 4
Number of Updates 0
dated 13 JAN 2015

===== POST REGISTRATION =====

Nil

===== PENDING INSTRUMENTS =====

Nil

===== CERTIFICATION =====

Date of Issue : 28 NOV 1990

REGISTRAR OF TITLES
SINGAPORE

IMPORTANT NOTICE - THE INFORMATION PRINTED IN THIS TITLE IS THE LATEST
AS AT THE TIME WHEN PRINTING STARTED.

** This Subsidiary Strata Certificate of Title is safe-kept with the Registry **
** through an arrangement with the Mortgagee/Chargee.
** Please contact the Mortgagee/Chargee to submit an "Authorisation Form - **
** Suppressed Title" to register any instruments that require the production **
** of this Subsidiary Strata Certificate of Title.

===== END OF LAND REGISTER SEARCH =====

APPENDIX - THE DIFFERENTIAL PREMIUM



THE DIFFERENTIAL PREMIUM SYSTEM

- 1 With effect from 31 Jul 2000, the Singapore Land Authority has implemented a transparent system of determination of differential premium (DP) for the lifting of State title restrictions involving change of use and/or increase in intensity. This is to encourage optimisation of land use and to facilitate the overall pace of redevelopment in Singapore. It will also provide greater certainty to landowners who will now be able to compute the DP payable themselves.
- 2 The determination of DP will be based on the published Table of Development Charge (DC) rates. The material date of determination of DP will be pegged to the date of Provisional Planning Permission (PP) or the start date of the validity of the second and subsequent PP extensions, similar to DC. The prevailing Table of DC rates at the date of grant of PP will be used.
- 3 In addition, where tenure of the land is leasehold, the DC rates will be adjusted to reflect the residual tenure¹ of the land. In this regard, a Leasehold Table, which expresses the value of the residual tenure as a percentage of freehold value, will be applied to the DC rates to determine the DP payable. A copy of the Leasehold Table is at Appendix 1.
- 4 Where the use as spelt out in a particular title restriction does not fit into any of the Use Groups in the Table of DC Rates, the DP payable will be determined by the Chief Valuer on a case-by-case basis.
- 5 The current system will not be applied retrospectively to past cases where the offers have already been accepted prior to 31 July 2000.
- 6 As the material date for determination of DP is pegged to the PP date, all applications for lifting of title restriction must have a valid PP. Applications without a valid PP will be rejected. The Singapore Land Authority reserves the discretion on whether to grant an application for lifting of title restriction and/or topping up of lease in accordance with its policies.

¹ The residual tenure shall be rounded down to the nearest year if the fraction of a year is less than 0.5, i.e. 6 months. Conversely, the residual tenure shall be rounded up to the nearest year if the fraction of a year is equal or more than 0.5, i.e. 6 months.

- 7 Examples of how DP will be determined under the new system are at Appendices 2, 3 and 4.
- 8 The new system for determining DP does not apply to the computation of premium payable for the upgrading of lease tenure (i.e. the topping-up of lease tenure). Such premium will still be assessed by the Chief Valuer on a case-by-case basis.
- 9 If you have any queries concerning this circular, please feel free to contact us at SLA. We will be pleased to answer queries on this matter.

Last updated 25 Nov 2010

APPENDIX 1**TABLE SHOWING LEASEHOLD VALUES AS A PERCENTAGE OF FREEHOLD VALUE**

Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value	Term of Years	Percentage (%) of Freehold Value
1	3.8	37	66.2	73	87.5
2	7.5	38	67.0	74	88.0
3	10.9	39	67.7	75	88.5
4	14.1	40	68.5	76	89.0
5	17.1	41	69.2	77	89.5
6	19.9	42	69.8	78	90.0
7	22.7	43	70.5	79	90.5
8	25.2	44	71.2	80	91.0
9	27.7	45	71.8	81	91.4
10	30.0	46	72.4	82	91.8
11	32.2	47	73.0	83	92.2
12	34.3	48	73.6	84	92.6
13	36.3	49	74.1	85	92.9
14	38.2	50	74.7	86	93.3
15	40.0	51	75.2	87	93.6
16	41.8	52	75.7	88	94.0
17	43.4	53	76.2	89	94.3
18	45.0	54	76.7	90	94.6
19	46.6	55	77.3	91	94.8
20	48.0	56	77.9	92	95.0
21	49.5	57	78.5	93	95.2
22	50.8	58	79.0	94	95.4
23	52.1	59	79.5	95	95.6
24	53.4	60	80.0	96	95.7
25	54.6	61	80.6	97	95.8
26	55.8	62	81.2	98	95.9
27	56.9	63	81.8	99	96.0
28	58.0	64	82.4		
29	59.0	65	83.0		
30	60.0	66	83.6		
31	61.0	67	84.2		
32	61.9	68	84.5		
33	62.8	69	85.4		
34	63.7	70	86.0		
35	64.6	71	86.5		
36	65.4	72	87.0		



APPENDIX 2**EXAMPLE 1****COMPUTATION OF DIFFERENTIAL PREMIUM FOR CHANGE OF USE**

Location : Upper Bukit Timah Road
 Land Area : 5,000 sqm
 Tenure : 99-year lease commencing from 1 Jan 1980
 (unexpired term of lease remaining: 78 years and 5 months as at 31 Jul 2000)
 Restriction in title : Industrial GPR 2.5
 Proposed Use : Residential GPR 1.4

DP COMPUTATION

Prevailing DC Table : Mar 2000 DC Table
 Sector : 113
 Residual Tenure : 78 years (rounded down to the nearest year)
 Leasehold value as Percentage of Freehold Value : 90%

Base Value

Use Group	:	Group D
DC Rate	:	\$600/-
Base GFA	:	12,500m ²
Base Amount	:	\$6,750,000

(5,000m² x 2.5)
 (12,500m² x \$600 x 90%)

Proposed Value

Use Group	:	Group B2
DC Rate	:	\$1,600/-
Proposed GFA	:	7,000m ²
Proposal Amount	:	\$10,080,000

(5,000m² x 1.4)
 (7,000m² x \$1,600 x 90%)

Differential Premium : **\$3,330,000** (Proposal Amount - Base Amount)

APPENDIX 3**EXAMPLE 2****COMPUTATION OF DIFFERENTIAL PREMIUM FOR INCREASE IN INTENSITY**

Location : Shenton Way
 Land Area : 6,500 sqm
 Tenure : 99-year lease commencing from 1 Feb 1979
 (unexpired term of lease remaining: 77 years and 6 months as at 31 Jul 2000)
 Restriction in title : Commercial GPR 7.0
 Proposed Use : Commercial GPR 7.3

DP COMPUTATION

Prevailing DC Table : Mar 2000 DC Table
 Sector : 9
 Residual Tenure : 78 years (rounded up to the nearest year)
 Leasehold value as Percentage of Freehold Value : 90%

<u>Base Value</u>		
Use Group	: Group A	
DC Rate	: \$3,000	
Base GFA	: 45,500m ²	(6,500m ² x 7.0)
Base Amount	: \$122,850,000	(45,500m ² x \$3,000 x 90%)
<u>Proposed Value</u>		
Use Group	: Group A	
DC Rate	: \$3,000/-	
Proposed GFA	: 47,450m ²	(6,500m ² x 7.3)
Proposal Amount	: \$128,115,000	(47,450m ² x \$3,000 x 90%)
Differential Premium	: \$5,265,000	(Proposal Amount - Base Amount)



APPENDIX 4**EXAMPLE 3****CASE INVOLVING CHANGE OF USE AND UPGRADING OF LEASE TENURE**

Location : Upper Bukit Timah Road
 Land Area : 5,000 sqm
 Existing Tenure : 99-year lease commencing from 1 Jun 1951
 (unexpired term of lease remaining: 49 years and 10 months as at 31 Jul 2000)
 Proposed Tenure : Fresh 99-year lease
 Restriction in title : Industrial GPR 2.5
 Proposed Use : Residential GPR 2.8

2-STEP APPROACH –

- Step 1 - Computation of differential premium for change of use from industrial GPR 2.5 to residential GPR 2.8 with 50 years (rounded up to the nearest tenure) remaining.
- Step 2 - Assessment of upgrading premium for topping up of existing tenure from 50 years (rounded up to the nearest tenure) to 99 years based on residential GPR 2.8.

STEP 1

COMPUTATION OF DIFFERENTIAL PREMIUM FOR CHANGE OF USE FROM INDUSTRIAL GPR 2.5 TO RESIDENTIAL GPR 2.8 WITH 50 YEARS (ROUNDED UP TO THE NEAREST TENURE) REMAINING

Prevailing DC Table: Mar 2000 DC Table
 Sector : 113
 Residual Tenure : 50 years (rounded up to the nearest year)
 Leasehold value as
 Percentage of
 Freehold Value : 74.7%

<u>Base Value</u>		
Use Group	:	Group D
DC Rate	:	\$600/-
Base GFA	:	12,500m ² (5,000m ² x 2.5)
Base Amount	:	\$5,602,500 (12,500m ² x \$600 x 74.7%)
<u>Proposed Value</u>		
Use Group	:	Group B2
DC Rate	:	\$1,600/-
Proposed GFA	:	14,000m ² (5,000m ² x 2.8)
Proposal Amount	:	\$16,732,800 (14,000m ² x \$1,600 x 74.7%)
Differential Premium	:	\$11,130,300 (Proposal Amount - Base Amount)

STEP 2

ASSESSMENT OF UPGRADING PREMIUM FOR TOPPING-UP OF EXISTING TENURE FROM 50 YEARS (ROUNDED UP TO THE NEAREST TENURE) TO 99 YEARS BASED ON RESIDENTIAL GPR 2.8

Chief Valuer will assess the market value of the 99-year lease based on residential use at GPR 2.8. Assuming valuation is at \$50,000,000/-.

Leasehold Table

Value of 99 years as Percentage of Freehold Value	:	96%
Value of 50 years as Percentage of Freehold Value	:	74.7%
Premium for 50-year tenure	:	(\$50,000,000 / 96%) x 74.7% = \$38,906,250
Upgrading premium :		\$11,093,750 (\$50,000,000 - \$38,906,250)

APPENDIX – SAMPLE TENANCY AGREEMENT

SAMPLE

TENANCY AGREEMENT

THIS AGREEMENT is made on the _____ day of _____ 200_____

BETWEEN

Name: _____

NRIC: _____

Address: _____
_____ Singapore _____

(hereinafter known as “the Landlord” which expression where the context so admits shall include the Landlord’s successors and assigns) of the one part

AND

Name: _____

NRIC: _____

Address: _____
_____ Singapore _____

(hereinafter known as “the Tenant” which expression where the context so admits shall include the Tenant’s successors and assigns) of the other part.

WHEREBY IT IS AGREED AS FOLLOWS:

1. That the Landlord agrees to let and the Tenant agrees to take all that premises known as _____ Singapore _____ (hereinafter known as “the premises”) together with the furniture, fixtures and other effects therein (as more fully described in the Inventory List attached) for a period of _____ () months commencing from _____ day of _____ 20_____, at the monthly rental in the sum of Dollars _____ (\$ _____) comprises of : Dollars _____ (\$ _____) being the rental for the premises: & Dollars _____ (\$ _____) being the hiring charges for the furniture & fixtures enumerated in the attached inventory which is payable monthly in advance without deduction whatsoever on the _____ day of each calendar month.

Initials	
Landlord	Tenant

- | | |
|---|---|
| The Tenant shall pay to the Landlord the sum of Dollars _____ (\$\$) which is equivalent to _____ () months rental upon signing hereof to be held by the Landlord as a security deposit for the due performance and observance of the stipulations and agreements hereinafter contained and upon the expiration of the tenancy provided the Tenant shall have duly performed and observed the stipulations and agreements the said sum shall be refunded within fourteen (14) days at any expiry or lawful termination of this tenancy without interest to the Tenant but otherwise the same or part thereof shall be used by the Landlord to offset any payments owing by the Tenant without prejudice to the right of the Landlord to recover all monies which may become due or payable by the Tenant under this Agreement. | TENANCY DEPOSIT |
| 3. The Tenant hereby agrees with the Landlord as follows: | |
| (a) To pay the said rent and hiring charges at the times and in the manner aforesaid without any deduction whatsoever. | RENT/HIRING SERVICE CHARGES |
| (b) Not to do or suffer or permit to be done anything whereby the policy or policies of insurance in respect of the said premises or any part thereof against loss or damage by fire may become void or voidable or whereby the rate of premium thereon may be increased and to pay the Landlord all sums paid by way of increased premiums and all expenses incurred by them in or about the renewal of such policy or policies rendered necessary by a breach of this Agreement. | NOT TO VOID INSURANCE |
| (c) At the Tenant's own cost and expense to keep the interior of the premises in good and tenantable repair and condition, fair wear and tear excepted, throughout the term and to replace the same with new ones if damaged, lost or broken and to yield up the same in good order and condition at the termination of the tenancy. | REPAIR OF DEMISE PREMISES |
| (d) To provide and replace electric bulbs and tubes at the Tenant's own expense. | REPLACE ELECTRIC BULBS |
| (e) To permit persons with authority from the Landlord at all reasonable times by prior appointment to enter and view the Premises for the purpose of taking a new tenant during two (2) calendar months immediately preceding the termination of the tenancy. | ACCESS TO PREMISES – NEW TENANT |
| (f) To permit persons with authority from the Landlord at all reasonable times by prior appointment to enter and view the Premises whenever the Landlord wants to sell the Premises. | ACCESS TO PREMISES - POTENTIAL PURCHASER |
| (g) Not to assign, sublet or part with the possession of the said premises or any part thereof without the written consent of the Landlord, whose consent shall not be unreasonably withheld, in the case of respectable or reputable person or corporation. | SUBLETTING |
| (h) Not to carry out or permit or suffer to be carried out alterations, additions or any changes of whatsoever nature to the premises without first having obtained the consent in writing of the Landlord | NO UNAUTHORISED ALTERATIONS |
| (i) Not to do or permit to be done anything on the premises which shall be or become a nuisance or annoyance or cause injury to the Landlord or to the inhabitants of the neighbouring premises nor to carry on any activity on the premises of an unlawful or illegal nature or constituting an offence or being in contravention of any statute or law of the country. | NOT TO CAUSE NUISANCE |
| (j) To use the premises as a private dwelling house only and not for any immoral or illegal or other purpose. | PERMITTED USE OF PREMISES |

Initials	
Landlord	Tenant

- (k) To take up a service contract with a competent air-conditioned maintenance contractor, but the Landlord shall pay for all necessary repairs of the air-conditioned.
- (l) To be responsible for all minor repairs and routine maintenance of the premises not exceeding S\$100.00 throughout the term of the said lease.
- (m) To pay all rates, taxes, levies, fees, charges and other outgoings on water, sewerage, sanitation, electricity, gas, telephone and other services imposed on, charged or payable upon or in respect of the said premises with the exception on property tax and quit rent payable by the Landlord under clause 4 (b).
- (n) Not to keep or permit to be kept on the said premises or any part thereof any materials of a dangerous, explosive or radioactive nature or the keeping of which may contravene any local statute or regulations or bye-law or in respect of which an increased rate of insurance is usually or may actually be required or the keeping of which may cause the fire policy in respect thereof to become null and void.
- (o) To maintain the garden and fencing, if any, surrounding the Premises in a neat and tidy manner at the Tenant's own expenses.
- (p) At the expiration of the tenancy to peaceably and quietly deliver up to the Landlord the said premises in like condition as if the same were delivered to the Tenant at the commencement of this Agreement, fair wear and tear and act of God excepted.
- (q) If the Tenant is in breach of any clause and /or terminates this tenancy prematurely / exercise the diplomatic clause, then the Tenant shall in any event reimburse the Landlord commission paid to the Agency on a pro-rata basis for the remaining unfulfilled term.
- (r) The Landlord shall be entitled to deduct such reimbursement from the security deposit held by the Landlord under Clause 2.
- (s) To permit only occupants who are registered herein to occupy the premises. The Tenant must produce original/photocopy of documents such as Nric/passport/work permit/employment pass/student pass to prove his/her legal stay in Singapore to the landlord.
- (t) To insure for personal chattels against theft, loss or damage by fire.
- (u) To comply and conform at all times and in all respects during the continuance of this agreement with the provisions of all laws, acts, enactment's and ordinances and rules, regulations, by-laws, orders and notice made thereunder or made by other competent authority.
4. The Landlord hereby agrees with the Tenant as follows:-
- (a) The Tenant paying the rents hereby reserved, performing and observing the several covenants and stipulations herein contained shall peaceably hold and enjoy the premises during the term without any interruption by the Landlord or any person rightfully claiming under or in trust for the Landlord.
- (b) To pay all property tax, rates and assessments in respect of the premises.
- (c) To keep the roof, ceiling, main structure, walls, floors, wiring and pipes of the premises in good and tenantable repair and condition.
- (d) To insure the said premises against loss or damage by fire and to pay the necessary premium punctually.

Initials	
Landlord	Tenant

3

SERVICE OF AIRCON**MINOR REPAIRS****PAY ALL RATES,
ETC.****DANGEROUS
MATERIALS****MAINTAIN GARDEN****YIELDING UP OF
PREMISES****REIMBURSE
COMMISSION FOR
PREMATURE
TERMINATION****REGISTERED
OCCUPANTS****INSURANCE****COMPLIANCE WITH
LAW AND RULES****QUIET ENJOYMENT****PAYMENT OF
PROPERTY TAX****KEEP PREMISES IN
GOOD REPAIR****FIRE INSURANCE**

5. PROVIDED ALWAYS and it is hereby agreed as follows:-

- (a) If the rent hereby reserved or any part thereof shall be unpaid for **seven (7) days** after becoming payable (whether formally demanded or not) or if the Tenant shall at anytime fail or neglect to perform or observe any of the obligations, stipulations and agreements herein contained on his part to be performed or observed or if the Tenant or any other person in whom for the time being the tenancy be vested shall become bankrupt or enter into composition with the Tenant's creditors or suffer any distress or execution to be levied on the Tenant's goods or if the Tenant being a company shall go into liquidation whether voluntary (save for the purpose of amalgamation or reconstruction) or compulsory then and in any of the said cases it shall be lawful for the Landlord at any time thereafter to re-enter upon the premises or any part thereof and thereupon this tenancy shall absolutely terminate but without prejudice to the right of action of the Landlord in respect of any antecedent breach of this Agreement by the Tenant.
- (b) The Landlord shall not be held to have waived the condition herein contained where the Landlord has permitted the Tenant to do any act in breach of conditions or stipulations herein and the Landlord shall always have the right to enforce such conditions or stipulations notwithstanding any antecedent breach of the conditions or stipulations permitted by the Landlord.
- (c) In the event of the rent, hire charge, management fee and or service charge remaining unpaid for **SEVEN (7)** calendar days after becoming payable (whether formally demanded or not) it shall be lawful for the Landlord to claim an interest at **ten percent (10%)** per month. Amount unpaid calculated as from the date payable.
- (d) Provided the Tenant has occupied the premises for a minimum period of **TWELVE (12)** months, the Tenant may exercise the diplomatic clause by giving the Landlord **Two (2)** calendar month's notice in writing of the Tenant's intention to terminate the tenancy or Two (2) months' rent in lieu of such notice if _____, the occupier of the premises and employee of the Tenant shall be required by the Tenant to leave Singapore permanently on a job transfer or if the said occupier's employment with the said Tenant is terminated for any reason whatsoever. Provided always that the said written notice shall be accompanied by documentary evidence proving the event relied upon by the Tenant in the said written notice.
- (e) Any notice required under this Agreement shall be sufficiently served if it is sent by post in a registered letter addressed to the Tenant or the Landlord or other person or persons to be served by name at their address specified herein at the last known place of abode or business. A notice sent by registered letter shall deemed to be given at the time when it ought in due course of post to be delivered at the address to which it is sent.
- (f) That the Landlord shall on the written request of the Tenant made not less than two (2) calendar months before the expiration of the tenancy hereby created and if there shall not at the time of such request be any existing breach or non-observance of any of the agreements and stipulations on the part of the Tenant grant to the Tenant a tenancy of the said premises for a further term of one (1) year from the expiration of the tenancy hereby created at the prevailing market rent and upon the same terms and conditions.

**DEFAULT OF
TENANT**

**WAIVER OF
DEFUALTS**

**INTEREST FOR RENT
ARREARS**

**DIPLOMATIC
CLAUSE**

SERVICE OF NOTICE

OPTION TO RENEW

Initials	
Landlord	Tenant

- (g) In case the said premises or any part thereof shall at any time during the said tenancy be destroyed or damaged by fire, lightning, riot, explosion or any other inevitable cause so as to be unfit for occupation and use then and in every such case (unless the insurance money shall be wholly or partially irrecoverable by reason solely or in part of any act of default of the Tenant) the rent hereby reserved or a just and fair proportion thereof according to the nature and extent of the damage sustained shall be suspended and cease to be payable in respect of any period while the said premises shall continue to be unfit for occupation and use by reason of such damage.

- (h) In case the said premises shall be destroyed or damaged as in Clause 5(g) herein and if the Landlord or the Tenant so thinks fit shall be at liberty to terminate the tenancy hereby created by notice in writing and upon such notice being given the term hereby created shall absolutely cease and determine but without prejudice to any right of action of the Landlord in respect of any antecedent breach of this Agreement by the Tenant.

- (i) In the event of Enbloc Redevelopment the Landlord shall be at liberty by giving three months notice in writing to determine the tenancy hereby created and shall refund the deposit to the tenant without interest. Neither party shall have any claims against the other.

- (j) The law applicable in any action arising out of this lease shall be that governing the Republic of Singapore and the parties hereto submit themselves to the jurisdiction of the law of Singapore.

- (k) It is expressly understood by the Landlord that the commission paid to _____ as the brokerage fee in this transaction has been fully earned for services rendered and there shall be no claim made by the Landlord against _____ for a refund of the commission should the Tenant prematurely terminate the tenancy herein or for any other reasons. In the event that the Landlord should grant the Tenant an extension of the said term herein then the Landlord and the Tenant shall pay the agency another commission equivalent to one half (½) of the new monthly rental for every year of extension.

- 6. The stamp duty on the original and duplicate of this Agreement shall be borne by the tenant and paid forthwith.

AS WITNESS the hands of the parties hereto the day and year first above written.

SIGNED by / for and on behalf of **LANDLORD**

SIGNED by / for and on behalf of **TENANT**

Name : _____
NRIC No.: _____

Name : _____
NRIC No.: _____

in the presence of

in the presence of

Name : _____
NRIC No.: _____

Name : _____
NRIC No.: _____

**Delete where applicable*

List of occupants:

The Landlord : Please inspect the original employment or work pass, original travel and identification documents of the prospective foreign tenants.

The Tenant and Occupants are required to inform the Landlord of any visitors staying in the house from time to time.