

IRAS e-Tax Guide

Property Tax Assessment on Common Property



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Property Tax Assessment on Common Property

1. Aim

- 1.1. This guide clarifies the property tax treatment of common property, including common areas and facilities, atrium space, as well as the maintenance office(s) in both residential and non-residential buildings.

2. At A Glance

- 2.1. Common property refers to the part of a development which is intended for use and enjoyment by all occupants. In relation to strata-titled properties, common property includes the area which is not comprised in a strata lot or unit, and is collectively owned by all owners of the development. In a condominium that is a strata development, common property include the common amenities and facilities such as swimming pools and tennis courts, as well as common lift lobbies, concierge areas, car parks, guard houses, maintenance offices and so on. In the case of non-strata titled properties, common property would similarly include such spaces for common use.
- 2.2. Common property is a tenement and is subject to property tax. However, the Chief Assessor may, by way of administrative concession, decide not to ascribe separate Annual Values to any parts of the common property.

3. Basis for Property Tax Assessment

- 3.1. Under the Property Tax Act, all houses, buildings, lands and tenements are subject to tax. "Tenement" refers to any space that is let or licensed out, or is capable of being let or licensed out. Hence if any part of the common property is let or licensed out or is capable of being let or licensed out separately, it is subject to property tax. The Chief Assessor may ascribe an Annual Value to this part of the common property. Examples of parts of the common property which have been let or licensed out include car parks and the atrium areas in retail malls which are let or licensed out for automated teller machines (ATMs), retail kiosks, pushcarts and so on. Annual Values are ascribed to each of these demarcated areas.
- 3.2. The basis for property tax assessment has been affirmed by the Court of Appeal in *Management Corporation Strata Title Plan Nos 1298 and 1304 v Chief Assessor and Comptroller of Property Tax [2006] 4 SLR 404*. In that case, the court decided that the areas which are let or licensed out for placing a weighing machine, a temporary kiosk for promotions activities, pushcarts for retail merchandise, retail kiosks, and automated teller machines were "tenements" and it was correct for Chief Assessor to assess these areas and ascribe Annual Values separately to these areas.

4. Administrative Practice

- 4.1. Not all parts of common property can be let or licensed out for the exclusive use by the tenants to the exclusion of all building occupants. Examples include common passageways, staircases, elevators, toilets, plant rooms, cable rooms and AHU rooms. Hence it would not be practical for the Chief Assessor to ascribe separate Annual Values to all common areas.
- 4.2. Where any parts of the common property are let or licensed out instead of being held for enjoyment in common by all occupants, the Chief Assessor would ascribe separate Annual Values to these parts. These include car parks and areas occupied by ATMs, retail kiosks and pushcarts in a retail mall which are let or licensed out for rents or fees.
- 4.3. Where parts of the common property or facility are used and enjoyed by all occupants, such as swimming pools, tennis courts, gymnasiums and carparks, the Chief Assessor may choose not to ascribe Annual Values separately to these parts. In addition, the Chief Assessor may, by way of administrative concession, also not ascribe separate Annual Values to the guard houses, security rooms, and maintenance offices/rooms needed by essential maintenance staff for the day to day maintenance of the development.
- 4.4. The administrative concession would not be extended to any part of the common property that is not held for enjoyment in common by all owners/occupants. This would include marketing or leasing office or any area designated as “management office” that is used exclusively by the developer or building owner. Such areas would be treated in the same manner as any other area that is owner-occupied by the developer/building owner. These are tenements and are subject to property tax.

5. Contact Information

- 5.1. For any enquiries or further clarification, please contact:

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