



Consumer Guide

Selling Completed Private Residential Properties (Resale)

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Know Why You Are Selling



Cashing Out / Taking Profit



Selling in order to Purchase Another Property



Upgrading / Downgrading



***By when you must complete the transaction
(set the timeline)***



Are You Affected By Sellers' Stamp Duty (SSD)?

SSD rates will be imposed on residential properties which are acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within 4 years of acquisition, as follows:

- ***Holding period of 1 year : 16% of price or market value, whichever is higher***
- ***Holding period of 2 years : 12% of price or market value, whichever is higher***
- ***Holding period of 3 years : 8% of price or market value, whichever is higher***
- ***Holding period of 4 years : 4% of price or market value, whichever is higher***

The dates of acquisition and disposal refer to the date of execution of documents (e.g. date of exercise of the Option to Purchase) relating to the purchase and subsequent resale.



Setting The Selling Price

It is not in your interest to overprice or underprice your home for sale.

- You can get an idea of the transacted prices of similar private residential properties from URA’s e-Service – Private Residential Property Transactions with Caveat Lodged

<https://www.ura.gov.sg/realEstateIWeb/transaction/search.action>
; OR

- Just ask your friendly ERA Real Estate Professional for a Comparative Market Analysis to help you set the asking and reserve price.



Calculating The Sales Proceeds

Resale Price	\$ _____
<i>Less:</i>	
Outstanding Loan with Bank	\$ _____
CPF Utilized + Accrued Interest	\$ _____
Sellers’ Stamp Duty (if any)	\$ _____
Legal Fees	\$ _____
= SALES PROCEEDS	\$ _____



Sales Procedure Using The Option To Purchase

Stage 1

- *Vendor & Purchaser Negotiate the Terms of the Contract:*
- *Option to Purchase (OTP) must have:*
- *Purchase Price*
- *Vacant Possession / With Tenancy*
- *Stakeholder Clause (Singapore Academy of Law OR Vendor's Law Firm's Conveyancing ("CVY") Account)*
- *Completion Date*

Stage 2

- *Pre-Contract Stage:*
- *Purchaser makes a payment of 1% (option money) in exchange for the OTP that is signed by the Vendor.*
- *Time Limit: Purchaser has 14 days to exercise the OTP*
- *After granting the OTP, the Vendor cannot issue another OTP to any other party until the current OTP expires.*

Stage 3

- *Contract Stage:*
- *Purchaser exercises the OTP (within the option period of 14 days) in the manner prescribed in the OTP by:*
- *Making payment of the balance 4% (to stakeholder); AND*
- *Returning the duly signed Acceptance Copy of the OTP to the Vendor or the Vendor's solicitors before 4pm on the date of expiry of the option.*
- *Once the OTP is exercised, the contract is legally binding.*
- *Should the Purchaser fails to exercise the OTP before its expiry, the OTP will lapse.*
- *The Vendor is entitled to forfeit the Purchaser's option money and is free to resell the property to other parties.*

Stage 4

- *Completion:*
- *On the date fixed for completion, the Purchaser pays balance 95% (usually via Cashier's Order) in exchange for Instrument of Transfer & the keys to the property.*

Legal Fees

Under section 108 of the Legal Profession Act (the 'LPA') and the Solicitors' Remuneration Order 2003 ('SRO'), the remuneration of a solicitor for non-contentious matters shall be the sum that is fair and reasonable having regard to all the circumstances of the case, in particular:

- the importance of the matter to the client;
- the skill, labour, specialised knowledge and responsibility involved on the part of the solicitor;
- the complexity of the matter and the difficulty or novelty of the question raised;
- where money or property is involved, the amount or value thereof;
- the time expended by the solicitor;
- the number and importance of the documents prepared or perused, without regard to length; and
- the place where, and the circumstances under which, the services or business or any part thereof are rendered or transacted.

When you sell Property, your lawyer's primary responsibility is to ensure that on completion, you are ready to deliver the title to the property free from your mortgage and CPF charge.

This requires your lawyer to liaise with your bank's and CPF Board's lawyer for payment, out of the sale proceeds, the outstanding loan amount and refund of your CPF funds sufficient to discharge the bank's mortgage and CPF charge.

