

Corporate Real Estate

# Additional Temporary Relief Measures for Property Sector due to COVID-19 Pandemic

## Introduction

On 8 October 2020, the Singapore Government announced additional temporary relief measures<sup>1</sup> ("**October 2020 Additional Temporary Relief Measures**") for the property sector. The October 2020 Additional Temporary Relief Measures, granted in addition to the temporary relief measures announced on 6 May 2020 ("**May 2020 Temporary Relief Measures**") (covered in our Update in May 2020 on "Temporary Relief Measures against Disruptions Caused by COVID-19 and 'Circuit Breaker' Measures for Eligible Property Developers & Married Couples", accessible [here](#)), offer immediate relief for eligible property developers that are affected by and have experienced disruptions to their construction schedules arising from the COVID-19 pandemic. Again, the Singapore Government has emphasised that these temporary relief measures do not alter the Government's prevailing residential property market cooling measures.

## October 2020 Additional Temporary Relief Measures for Property Developers

The October 2020 Additional Temporary Relief Measures aim to alleviate the effects of the COVID-19 pandemic on the construction timelines and schedules. Broadly, the October 2020 Additional Temporary Relief Measures comprise of the following:

- (a) Extension of the Project Completion Period ("**PCP**") by a further six months for residential, commercial and industrial development projects in respect of qualifying residential, commercial and industrial projects on Government sale sites or on land which was directly alienated or had their lease renewed by the Singapore Land Authority ("**SLA**");

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<sup>1</sup> For more details, please refer to the Singapore Government's press release (accessible [here](#))

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Corporate Real Estate

- (b) Extension of time by a further six months for the commencement and completion of the residential development projects in relation to the remission of the October 2020 Additional Buyer's Stamp Duty ("**ABSD**") for housing developers<sup>2</sup>; and
- (c) Extension of the PCP by up to a further six months to housing developers for residential development projects under the Qualifying Certificate ("**QC**") regime, granted pursuant to Section 31 of the Residential Property Act (Cap. 274) ("**RPA**"), by way of a waiver of extension charges chargeable under the terms of the QC for the completion of the construction of the housing units in residential developments.

The October 2020 Additional Relief Measures are targeted to grant additional time and support to contractors and developers to carry out and complete the construction due to the inevitable disruptions to their construction schedules arising from the COVID-19 pandemic and the various public health measures being implemented to prevent the industry from going into another lockdown. It is therefore notable that unlike the May 2020 Temporary Relief Measures, the timeline for developers to dispose of the housing units in the residential developments is not extended by a further six months under the October 2020 Additional Relief Measures.

From the Government's press release, the eligibility conditions to qualify for the October 2020 Additional Temporary Relief Measures remain the same as the eligibility conditions for the May 2020 Temporary Relief Measures.

The October 2020 Additional Temporary Relief Measures, granted to eligible property developers, to be implemented with immediate effect, are summarised in the table below.

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<sup>2</sup> For more details, please refer to the Stamp Duties (Housing Developers) (Remission of ABSD) (Amendment) Rules 2020 (accessible [here](#)); Stamp Duties (Housing Developers) (Remission of ABSD) Rules 2013 (accessible [here](#)) & Stamp Duties (Non-Licensed Housing Developers) (Remission of ABSD) (Amendment) Rules 2020 (accessible [here](#)); Stamp Duties (Non-Licensed Housing Developers) (Remission of ABSD) Rules 2015 (accessible [here](#))

Corporate Real Estate

	PCP imposed on residential and non-residential development projects on Government sale sites, or on residential and non-residential land which was directly alienated from or had their lease renewed by SLA	ABSD post-remission conditions for non- licenced and licenced housing developers <sup>3</sup>			Housing developers under the QC Regime <sup>4</sup>
<b>Existing timelines / deadlines</b>	Dependent on terms of purchase, alienation and/or lease renewal (as the case may be) imposed by the authorities.	Commencement of residential development within two years from the date of purchase of land (or collective sale order).	Completion of construction of residential development:  (i) (for licenced housing developers) within five years from the date of purchase of land (or collective sale order); and  (ii) (for non-licenced housing developers) three years from the date of purchase of land (or collective sale order).	Sale of all housing units in the residential development:  (i) (for licenced housing developers) within five years from the date of purchase of land (or collective sale order); and  (ii) (for non-licenced housing developers) three years from the date of purchase of land (or collective sale order).	(i) Completion of construction of residential development and obtaining the Temporary Occupation Permit ("TOP") or Certificate of Statutory Completion ("CSC") within five years from the date of issue of the QC (or collective sale order); and/or  (ii) Disposal of all housing units within two years from the issue of TOP or CSC.
<b>Extension granted under May 2020 Temporary Relief Measures</b>	Extension of PCP by <b>six months</b> .	Extension of timeline for commencement of residential development by <b>six months</b> .	Extension of timeline for completion of residential development and sale of all housing units in the residential development project by <b>six months</b> .	Extension of timeline for sale of all housing units in the residential development project by <b>six months</b> .	Grant of waiver of extension charges of up to total of <b>six months</b> for existing completion and/or disposal deadlines.
<b>Extension granted under October 2020 Additional Temporary Relief Measures</b>	Further extension of PCP by <b>six months</b> .	Further extension of timeline for commencement of residential development by <b>six months</b> .	Further extension of timeline for completion of residential development by <b>six months</b> .	<b>No further extension</b> of timeline for sale of all housing units in the residential development project.	Grant of waiver of extension charges for a further <b>six months</b> for existing completion deadline.

<sup>3</sup> ibid

<sup>4</sup> Section 31 of the RPA

# Client Update: Singapore

## 2020 OCTOBER

### Corporate Real Estate

	PCP imposed on residential and non-residential development projects on Government sale sites, or on residential and non-residential land which was directly alienated from or had their lease renewed by SLA	ABSD post-remission conditions for non- licenced and licenced housing developers <sup>3</sup>			Housing developers under the QC Regime <sup>4</sup>
<b>Qualifying Criteria (all conditions must be met) (as per eligibility conditions imposed for May 2020 Temporary Relief Measures)</b>	(i) The land was awarded on or before 1 June 2020, or the land was directly alienated or had their lease renewed by SLA on or before 1 June 2020; and (ii) The original timeline for the project to be completed was on or after 1 February 2020.	(i) The land was purchased on or before 1 June 2020; and (ii) The original timeline for commencement of the residential development expired on or after 1 February 2020.	(i) The land was purchased on or before 1 June 2020; and (ii) The original timeline for completion of the residential development and sale of all housing units in the development expired on or after 1 February 2020.	(i) The land was purchased on or before 1 June 2020; and (ii) The original timeline for completion of the residential development and sale of all housing units in the development expired on or after 1 February 2020.	(i) The QC or SLA approval requiring the completion and sale of all units in the residential development was issued on or before 1 June 2020; and. (ii) The original timeline for completion and sale of units in the residential development expired on or after 1 February 2020.
<b>Applicability of October 2020 Additional Temporary Relief Measures</b>	Eligible developers will be notified by the respective agencies. No application is necessary.	Eligible developers will be granted extension automatically. No application is necessary.	Eligible developers will be granted extension automatically. No application is necessary.	Eligible developers will be granted extension automatically. No application is necessary.	Eligible developers who have applied for and obtained an extension under the May 2020 Temporary Relief Measures will be automatically granted the further six months waiver of extension charges.  Otherwise, eligible developers can write to SLA's Land Dealings Approval Unit (LDAU) at SLA_LDU@sla.gov.sg by 1 December 2020 to apply.

Corporate Real Estate

## Conclusion

Notably, for housing developers who have applied for and obtained ABSD remission<sup>5</sup>, the October 2020 Additional Temporary Relief Measures do not offer a further extension of the post-remission condition to dispose of all housing units in the residential development project. For example, if an eligible housing developer has been granted a six-months extension of time under the May 2020 Temporary Relief Measures to commence and complete the residential development projects and this date falls on, let's say, 31 December 2021, then with the additional extension granted under the October 2020 Additional Temporary Relief Measures, the deadline to commence and complete the residential development projects will be extended for a further six months, which will then expire on 30 June 2022 whilst the deadline to dispose of all the housing units in the residential development project will still remain as 31 December 2021, this being the extended timeline granted under the May 2020 Temporary Relief Measures.

Similarly, the October 2020 Additional Temporary Relief Measures do not offer a waiver of extension charges to extend the timeline to dispose of all the units in the residential development under the QC regime. So, for example, if a waiver of extension charges of up to a further six months for the existing completion deadline is being granted to the eligible housing developer under the October 2020 Additional Temporary Relief Measures and if the housing developer completes the construction before the extended deadline granted under the October 2020 Additional Temporary Relief Measures, the sale timeline under the QC or the extended sale timeline granted under the May 2020 Temporary Relief Measures will not be extended by the remaining unused six months extension granted under the October 2020 Additional Temporary Relief Measures.

No doubt, the May 2020 Temporary Relief Measures and the October 2020 Additional Relief Measures together offer a fair measure of relief to developers from the financial penalties that they may have been liable for if they were unable to complete construction of the housing units in their residential projects under the original timelines imposed by the relevant authorities. However, as housing developers would have, prior to the May 2020 Temporary Relief Measures and the October 2020 Additional Relief Measures, committed to delivering vacant possession of the housing units in the residential developments by a certain deadline (usually calculated based on/derived from the original timelines imposed under the conditions for the ABSD remission and/or the QC granted and/or State Leases (as the case maybe)), the developers will still be bound by the original contractual date for delivery of vacant possession of the units to purchasers as stated in the sale and purchase agreements as there is no legislative relief granted to-date for this deadline between developers and their purchasers.

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<sup>5</sup> Pursuant to Stamp Duties (Housing Developers) (Remission of ABSD) Rules 2013 (accessible [here](#))

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