

Circular No : URA/COH/Circular-2021-01
Our Ref : URA/COH/Circular

CIRCULAR TO PROFESSIONAL INSTITUTES

Who Should Know:
Developers and solicitors

Effective Date:
1 July 2021

COMMENCEMENT OF PART 8C OF THE COVID-19 (TEMPORARY MEASURES) ACT

1. Part 8C of the COVID-19 (Temporary Measures) Act and the COVID-19 (Temporary Measures) (Part 8C Relief) Regulations have been gazetted and are effective from 1 July 2021. Please refer to the [legislations](#) for more details.
2. The COVID-19 (Temporary Measures) (Amendment No. 3) Bill was passed in Parliament on 3 November 2020¹ as part of Government's support for the construction sector, which has been hit by the COVID-19 pandemic.
3. Part 8C of the COVID-19 (Temporary Measures) Act serves to provide support to developers who face construction delay due to COVID-19 and are unable to meet the committed delivery date of possession in the Sale and Purchase (S&P) Agreement to purchasers. As purchasers may have to incur out-of-pocket costs due to the delay in the delivery of the units, Part 8C also allows purchasers affected by the delay to seek reimbursement from developers.
4. Under Part 8C, developers who require relief may serve a notice on purchasers for an extension of the date of delivery of possession by up to 122 days, in line with the extension of time for construction projects. Should a developer require an extension of more than 122 days, they will be required to apply for an assessor's determination of the period of extension, which is equivalent to the length of construction delay materially caused by COVID-19.
5. For projects where the developer has extended the date of delivery of possession, purchasers may seek reimbursement from the developers for qualifying out-of-pocket costs incurred due to the delay in delivery of the unit, up to a cap of 70% of the liquidated damages originally payable under the S&P Agreement. Purchasers of flats from the Housing and Development Board may similarly claim up to 70% of the liquidated damages based on a prescribed formula, which is aligned to that stated in the Housing Developers Rules for private housing. This approach allows for co-sharing of the delay costs between the developer and purchaser. An assessor's determination may be sought if there is any dispute over the qualifying costs claimed by purchasers.

¹ Further amendments to the COVID-19 Act were made on 5 April 2021 to facilitate the implementation and delivery of the relief under Part 8C.

6. Please refer to Annex A for a summary of the relief measures. For more details on the relief measures and the processes under Part 8C of the COVID-19 (Temporary Measures) Act, please refer to <https://go.gov.sg/ura-covid-19-relief-measure>.
7. For any enquiries or feedback relating to this circular, you can email to ura_covid19_registry@ura.gov.sg.

LING HUI LIN (MS)
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

Summary of relief measures

COVID-19 (TEMPORARY MEASURES) ACT PART 8C



- **Developers** can extend the delivery date of the new property without being liable to pay liquidated damages for late delivery up to the extended period
- **Purchasers** can seek reimbursement from the developer for qualifying costs to secure alternative premises during the period of delay, up to a cap of 70% of the original liquidated damages based on the terms in the Sale & Purchase Agreement

QUALIFYING CONDITIONS

- Option granted, or Sale & Purchase Agreement entered before 25 March 2020
- Delivery date stated in Sale & Purchase Agreement is on or after 1 February 2020
- Permit to carry out structural works granted by BCA before 7 April 2020
- Temporary Occupation Permit (TOP) not issued as at 7 April 2020
- No proceedings before a court or arbitral proceedings have been commenced before 2 November 2020 for the failure to deliver possession

DEVELOPERS

FOR EXTENSIONS UP TO 122 DAYS

Process

Serve written notice on purchaser to extend the delivery date by up to 122 days

(More than one notice may be served, provided the total extension period does not exceed 122 days)

FOR EXTENSIONS MORE THAN 122 DAYS

Process

- 1 Serve written notice on purchaser on the intent to seek Assessor's certification for an extension of more than 122 days
- 2 Apply for an Assessor's certification for an extension of more than 122 days
- 3 Notify purchaser of the Assessor's certification on the extended delivery date

By when must notice be served on Purchaser

For projects issued TOP

Before



notice to be served by 29 Jul 2021

On/After



notice to be served within 28 days after TOP

PURCHASERS

Process

Upon being served notice by developer for extension of delivery date, purchaser can submit claim(s) for qualifying costs with supporting documents to developer



✓ What can be claimed

- Rent for alternative premises
- Stamp duty, legal fees or estate agent fees for securing the alternative premises or extending a lease agreement
- Moving costs to move to the alternative premises
- Costs for the storage and transportation of items (e.g. furniture and appliances, etc.)

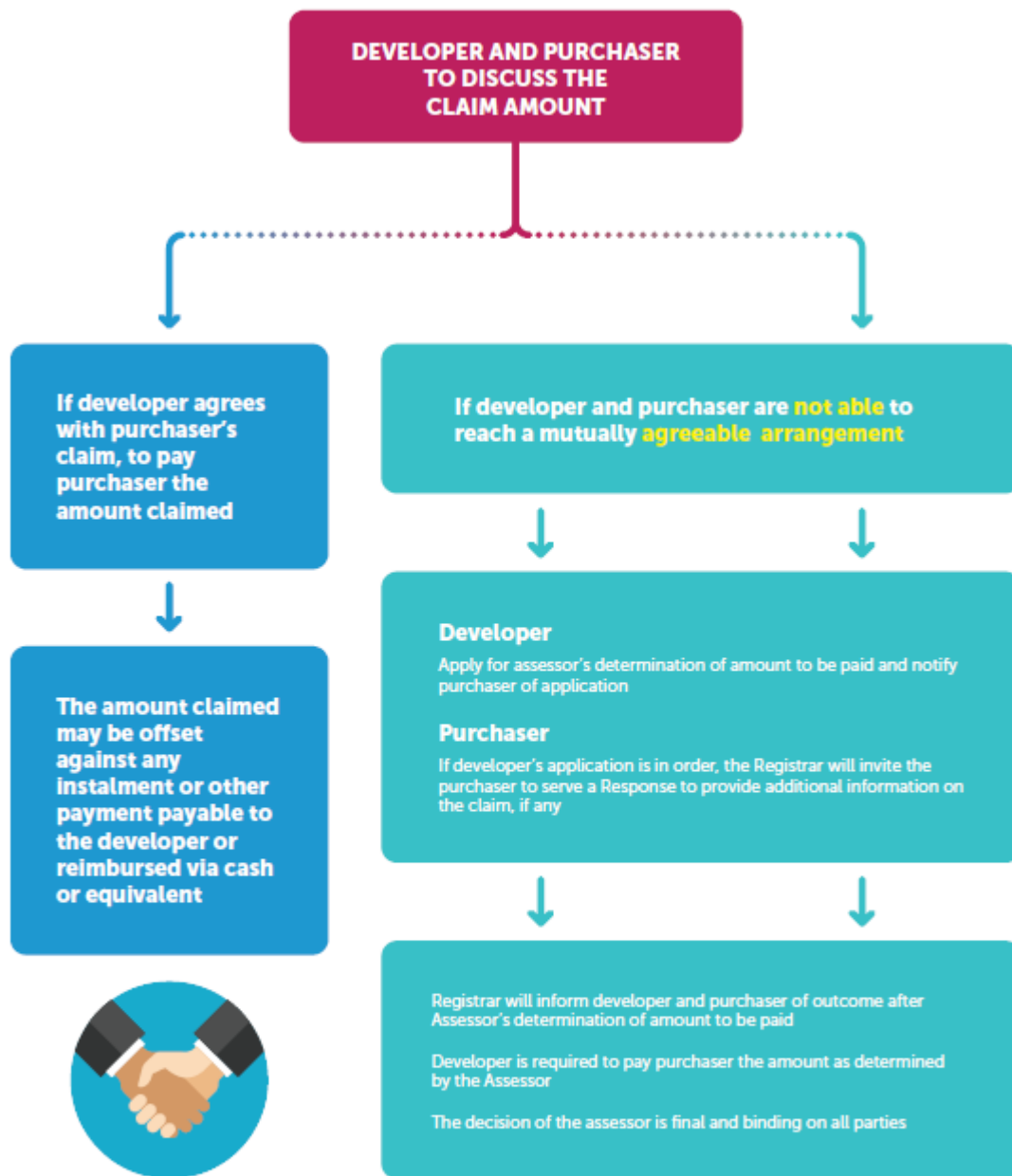
that would have been stored in the new property

- Penalty for early termination of an existing lease agreement, if the lease's end date is after the extended delivery date of the unit (subject to a cap of 1 month's rent)

✗ What cannot be claimed

- Opportunity costs (e.g. loss of rental income from the new property)
- Interest paid on mortgage loan for the new property

WHAT HAPPENS AFTER CLAIM IS SUBMITTED



This infographic is for reference only. For a full appreciation of rights and obligations, please refer to the COVID-19 (Temporary Measures) Act 2020 and seek legal advice.

www.go.gov.sg/ura-covid-19-relief-measure