



To make Singapore a great city to live, work and play in

Our Ref : COH/Policy/HDR/Review

Fax: 6321 6596

Date: 26 Sep 2008

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CIRCULAR TO PROFESSIONAL INSTITUTES REVISED EDITION OF THE HOUSING DEVELOPERS RULES

Objective

This circular is to inform developers and solicitors of the publication of the revised edition of the Housing Developers Rules (HDR) by the Attorney-General's Chambers (AGC).

Effective date

The revised edition of the HDR will come into force on 30 Sep 2008.

Revised edition of the HDR

- 1 AGC has published a revised edition of HDR. The revised edition is available for sale from today and will come into force on 30 Sep 2008.
- 2 The changes to the HDR in the revised edition are editorial in nature, e.g. updating the reference to the Building Maintenance and Strata Management. We have summarised the key changes to the Housing Developers Rules (see Appendix 1), Option to Purchase (see Appendix 2) and Sale and Purchase (S&P) Agreements (see Appendix 3 and Appendix 4) for your easy reference.

- 3 The revised edition of the HDR is available from SNP Corporation Ltd at \$10.90 per copy. Please contact SNP Corporation Ltd at Tel: 6826 9691 for purchase information.

Use of prescribed forms

- 4 All Options to Purchase and S&P Agreements made in the existing forms before the effective date of the revised edition will remain valid for the purposes of the HDR.
- 5 For Options for private residential properties which are granted before 30 Sep 2008, the S&P Agreement shall be in the form as prescribed in the HDR before 30 Sep 2008. If the Options are granted on or after 30 Sep 2008, developers are required to adopt the revised S&P Agreement.
- 6 For sub-sale cases where the developer is required to enter into a fresh S&P Agreement with the sub-purchaser, whether the developer is required to adopt the amended S&P Agreement will depend on the date the original purchaser assigns all his rights and interests in the property to the sub-purchaser, i.e. the date when the sub-purchaser exercises the option. If the assignment of rights and interests occurs before 30 Sep 2008, the S&P Agreement between the developer and sub-purchaser shall be in the form as prescribed in the HDR before 30 Sep 2008. If the assignment of rights occurs on or after 30 Sep 2008, the developer is required to adopt the revised S&P Agreement with the sub-purchaser.

Follow-up actions

- 7 We would appreciate it if you could convey the contents of this circular to members of your organisation.
- 8 We would also appreciate if you can let us know of any feedback that you received from your members.
- 9 If you or your members have any queries concerning this circular, please do not hesitate to call the COH hotline at Tel: 6329 3513 or send an e-mail to us at ura_coh_registry@ura.gov.sg.

Thank you.

MARC BOEY
CONTROLLER OF HOUSING
URBAN REDEVELOPMENT AUTHORITY

CHANGES TO THE HOUSING DEVELOPERS RULES

Existing Edition	Revised Edition
<u>Rule 2</u> <u>Definition of “Commissioner of Buildings”</u> “Commissioner of Buildings” means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act 2004 (Act 47 of 2004); <u>Definition of “limited common property”</u> “limited common property” has the same meaning as in the Building Maintenance and Strata Management Act 2004;	<u>Rule 2</u> <u>Definition of “Commissioner of Buildings”</u> “Commissioner of Buildings” means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act (Cap. 30C); <u>Definition of “limited common property”</u> “limited common property” has the same meaning as in the Building Maintenance and Strata Management Act;
<u>Rule 5</u> Every licensed housing developer shall obtain the written permission of the Advisory Committee on Street Names before using any name for any site used for a housing project.	<u>Rule 5</u> Every licensed housing developer shall obtain the written permission of the Street and Building Names Board before using any name for any site used for a housing project.
<u>Rule 16(3)</u> The housing developer shall forthwith deliver to an assignee for the assignee’s signature the new agreement containing any amendment or alteration to or deletion of the terms and conditions in the original agreement only after the Controller has approved the amendment, alteration or deletion.	<u>Rule 16(3)</u> The housing developer shall immediately deliver to an assignee for the assignee’s signature the new agreement containing any amendment or alteration to or deletion of the terms and conditions in the original agreement only after the Controller has approved the amendment, alteration or deletion.

Note: Changes are in bold and italic.

CHANGES TO THE PRESCRIBED OPTION TO PURCHASE (FORM B)

Existing Edition	Revised Edition
<u>Clause 3</u> This option will expire 3 weeks after the date of the delivery to You or, if You have already appointed a solicitor, to your solicitors of the documents referred to in clause 2.	<u>Clause 3</u> This option will expire 3 weeks after the date of the delivery <i>of the documents referred to in clause 2</i> to You or, if You have already appointed a solicitor, to your <i>solicitor</i>.

Note: Changes are in bold and italic.

Appendix 3

CHANGES TO THE PRESCRIBED SALE & PURCHASE AGREEMENT (FORM D) (FOR LANDED PROPERTIES)

Existing Edition	Revised Edition
<u>Clause 1.1.1</u> <u>Definition of “Base Rate”</u> "Base Rate" means the average of the prevailing prime lending rates of the Development Bank of Singapore, the Overseas Chinese Banking Corporation, the Overseas Union Bank and the United Overseas Bank, rounded downwards to the nearest one-eighth of 1%; <u>Definition of “Commissioner of Buildings”</u> “Commissioner of Buildings” means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act 2004 (Act 47 of 2004);	<u>Clause 1.1.1</u> <u>Definition of “Base Rate”</u> "Base Rate" means the average of the prevailing prime lending rates of DBS Bank Ltd, Oversea-Chinese Banking Corporation Ltd and United Overseas Bank Ltd, rounded downwards to the nearest one-eighth of 1%; <u>Definition of “Commissioner of Buildings”</u> “Commissioner of Buildings” means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act (Cap. 30C);
<u>Clause 5.1.2(a)</u> Notice that the foundation works of the Building have been completed	<u>Clause 5.1.2(a)</u> Notice that the foundation work of the Building has been completed
<u>Clause 13.4</u> If the Vendor, for any reason does not deliver vacant possession of the Property to the Purchaser by the Transfer Date, the Vendor must pay to the Purchaser liquidated damages.	<u>Clause 13.4</u> If the Vendor for any reason does not deliver vacant possession of the Property to the Purchaser by the Transfer Date, the Vendor must pay to the Purchaser liquidated damages. <i>(Note: The comma after the word “Vendor” is deleted.)</i>

Existing Edition	Revised Edition												
<u>Clause 16.2</u> Completion must take place 14 days after the Purchaser receives the Vendor's Notice to Complete accompanied by a certificate by the Vendor's qualified person stating that the Competent Authority approves the subdivision of the land on which the Housing Estate is constructed.	<u>Clause 16.2</u> Completion must take place 14 days after the Purchaser receives the Vendor's Notice to Complete accompanied by a certificate by the Vendor's qualified person <i>engaged by the Vendor</i> stating that the Competent Authority approves the subdivision of the land on which the Housing Estate is constructed.												
<u>Clause 18.3</u> Where, on completion of a title survey as approved by the Chief Surveyor, it is discovered that the area of the Property is less than the area stated in this Agreement, the Purchase Price is to be reduced as follows: <table> <tr> <th><i>Deficiency</i></th><th><i>Reduction</i></th></tr> <tr> <td>(a) Not more than 3% of the area stated in this Agreement</td><td>No reduction</td></tr> <tr> <td>(b) More than 3% of the area stated in this Agreement</td><td>Reduction at \$(Unit Purchase Price) per square metre of deficiency which is in excess of 3% of the area stated in this Agreement</td></tr> </table> Any adjustment of the Purchase Price under this clause shall be made on Completion Date and may be deducted from any instalment due to the Vendor under item 4 of the Payment Schedule or clause 5.4, as the case may be.	<i>Deficiency</i>	<i>Reduction</i>	(a) Not more than 3% of the area stated in this Agreement	No reduction	(b) More than 3% of the area stated in this Agreement	Reduction at \$(Unit Purchase Price) per square metre of deficiency which is in excess of 3% of the area stated in this Agreement	<u>Clause 18.3</u> Where, on completion of a title survey as approved by the Chief Surveyor, it is discovered that the area of the Property is less than the area stated in this Agreement, the Purchase Price is to be reduced as follows: <table> <tr> <th><i>Deficiency</i></th><th><i>Reduction</i></th></tr> <tr> <td>(a) Not more than 3% of the area stated in this Agreement</td><td>No reduction</td></tr> <tr> <td>(b) More than 3% of the area stated in this Agreement</td><td>Reduction at \$(Unit Purchase Price) per square metre of deficiency which is in excess of 3% of the area stated in this Agreement.</td></tr> </table> Any adjustment of the Purchase Price under this clause shall be made on Completion Date and may be deducted from any instalment <i>of the Purchase Price</i> due to the Vendor under item 4 of the Payment Schedule or clause 5.4, as the case may be.	<i>Deficiency</i>	<i>Reduction</i>	(a) Not more than 3% of the area stated in this Agreement	No reduction	(b) More than 3% of the area stated in this Agreement	Reduction at \$(Unit Purchase Price) per square metre of deficiency which is in excess of 3% of the area stated in this Agreement.
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(a) Not more than 3% of the area stated in this Agreement	No reduction												
(b) More than 3% of the area stated in this Agreement	Reduction at \$(Unit Purchase Price) per square metre of deficiency which is in excess of 3% of the area stated in this Agreement.												

Note: Changes are in bold and italic.

Appendix 4

CHANGES TO THE PRESCRIBED SALE & PURCHASE AGREEMENT (FORM E) (FOR STRATA TITLED PROPERTIES)

Existing Edition	Revised Edition
An Agreement made between _____ of _____ Housing Developer's Licence No. _____ (the Vendor) and _____ of _____ (the Purchaser) on _____ 19____.	An Agreement made between _____ of _____ Housing Developer's Licence No. _____ (the Vendor) and _____ of _____ (the Purchaser) on _____. <i>(Note: The word "19" is deleted".)</i>
<u>Clause 1.1.1</u> <u>Definition of "Base Rate"</u> "Base Rate" means the average of the prevailing prime lending rates of the Development Bank of Singapore, the Overseas Chinese Banking Corporation, the Overseas Union Bank and the United Overseas Bank, rounded downwards to the nearest one-eighth of 1%; <u>Definition of "Commissioner of Buildings"</u> "Commissioner of Buildings" means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act 2004 (Act 47 of 2004); <u>Definition of "limited common property"</u> "limited common property" has the same meaning as in the Building Maintenance and Strata Management Act 2004;	<u>Clause 1.1.1</u> <u>Definition of "Base Rate"</u> "Base Rate" means the average of the prevailing prime lending rates of DBS Bank Ltd, Oversea-Chinese Banking Corporation Ltd and United Overseas Bank Ltd, rounded downwards to the nearest one-eighth of 1%; <u>Definition of "Commissioner of Buildings"</u> "Commissioner of Buildings" means the Commissioner of Buildings appointed under the Building Maintenance and Strata Management Act (Cap. 30C); <u>Definition of "limited common property"</u> "limited common property" has the same meaning as in the Building Maintenance and Strata Management Act; <i>(Note: The reference to "2004" is deleted.)</i>

Existing Edition	Revised Edition
<u>Clause 5.5</u> If the Purchaser desires to make deductions from the 5% of the Purchase Price held by the stakeholder under this Agreement, he may serve on the stakeholder and Vendor a notice of deductions from the Purchase Price.	<u>Clause 5.5</u> If the Purchaser desires to make deductions from the 5% of the Purchase Price held by the stakeholder under this Agreement, the Purchaser may serve on the stakeholder and Vendor a notice of deductions from the Purchase Price.
<u>Clause 5.8</u> The notice referred to in clause 5.7 must be served on the stakeholder at least one working day before the due date for payment under clause 5.3(a) or the Final Payment Date as the case may be.	<u>Clause 5.8</u> The notice referred to in clause 5.7 must be served on the stakeholder at least one working day before the due date for payment under clause 5.3(a) or the Final Payment Date, as the case may be. <i>(Note: A comma is inserted after the word "Date".)</i>
<u>Clause 13.2</u> The amount of the maintenance charge shall be as approved by the Commissioner of Buildings.	<u>Clause 13.2</u> The amount of the maintenance charges shall be as approved by the Commissioner of Buildings.
<u>Clause 13.5</u> The Purchaser need not pay the maintenance charge and any goods and services tax relating to it once the management corporation of the Housing Project takes over from the Vendor the function of maintaining the Housing Project and the provision of cleaning and other services.	<u>Clause 13.5</u> The Purchaser need not pay the maintenance charges and any goods and services tax relating to it once the management corporation of the Housing Project takes over from the Vendor the function of maintaining the Housing Project and the provision of cleaning and other services.
<u>Clause 13.6</u> If any part of the maintenance charge or goods and services tax is not paid at the end of 14 days after it is due, the Purchaser must then pay interest calculated on a daily basis at 2% above the Base Rate on such unpaid amount until such time as it is paid.	<u>Clause 13.6</u> If any part of the maintenance charges or goods and services tax is not paid at the end of 14 days after it is due, the Purchaser must then pay interest calculated on a daily basis at 2% above the Base Rate on such unpaid amount until such time as it is paid.

Existing Edition	Revised Edition
<u>Clause 16.7</u> Any liquidated damages payable to the Purchaser under clause 16.5 may be deducted from any instalment due to the Vendor.	<u>Clause 16.7</u> Any liquidated damages payable to the Purchaser under clause 16.5 may be deducted from any instalment <i>of the Purchase Price</i> due to the Vendor.
<u>Clause 17.1</u> The Vendor must make good at his own cost and expense any defect in the Unit, the Housing Project or the common property which becomes apparent within the defects liability period, namely the period of 12 months from the date the Purchaser receives the Notice of Vacant Possession in respect of the Unit.	<u>Clause 17.1</u> The Vendor must make good at his own cost and expense any defect in the Unit, the Housing Project or the common property which becomes apparent within the defects liability period, namely, the period of 12 months from the date the Purchaser receives the Notice of Vacant Possession in respect of the Unit. <i>(Note: A comma is inserted after the word “namely”.)</i>

Note: Changes are in bold and italic.