

Our Ref: PC 05-15

Date: 5 Oct 2015

To: **Key Executive Officers**

Dear Sir / Madam

UNAUTHORISED USE OF RESIDENTIAL PROPERTIES FOR HOUSING OF FOREIGN WORKERS

1. The Council for Estate Agencies (CEA) has been informed by the relevant government agencies that they have noticed a proliferation of unauthorised use of residential properties, more egregious cases of overcrowding, and excessive creation of partitioned spaces to maximise rental revenue. The use of residential units as dormitories/hostels without the necessary approvals/licenses is illegal. Such misuse compromises the living environment for the occupants, and poses serious disamenities to the community.

2. CEA would like to inform you that government agencies will be stepping up checks at residential premises to crack down on infringements and misuse of residential properties. Such infringements will be dealt with severely and all parties responsible (including estate agents and their salespersons) will be held accountable. Please take note of the regulations by MOM, URA & HDB:

	Regulations	Penalties
MOM	Under Part III, First Schedule and Part III, Fourth Schedule of the Employment of Foreign Manpower (Work Passes) Regulations, employers are required to ensure that their work permit holders have acceptable accommodation.	A fine of up to \$10,000, or up to 12 months imprisonment, or both, for each work permit holder found housed in unacceptable conditions.
URA	Under Section 12 of the Planning Act, it is an offence to materially change the use of a premise without prior approval from URA. The use of a private residential unit, in particular, is subject to subletting guidelines on the arrangement of tenancies, erection of partitions, minimum duration of stay and a cap on	Persons responsible for the infringement (including those who have abetted or instigated it) will be liable to a maximum fine of \$200,000, if convicted.

	<p>the number of occupants where the property is sublet.</p> <p>(Refer to URA's website : http://www.ura.gov.sg/uol/buy-property/about/leasing/residential.aspx)</p>	
HDB	<p>HDB flat owners who wish to sublet their flats must meet HDB's eligibility conditions and obtain prior approval from HDB. During the period of subletting, the owners must adhere to all the terms and conditions of the subletting, including a cap on the number of subtenants.</p> <p>(Refer to HDB's website: www.hdb.gov.sg/subletting-regulations)</p>	<p>Under the Housing & Development Act, HDB may compulsorily acquire the flat or impose a financial penalty, in lieu of compulsory acquisition, for any infringement.</p>

3. In cases where employers engage the services of your estate agent or your salespersons to manage the accommodation of their workers, please advise your salespersons to adhere to the additional requirements under the Ministry of Manpower (MOM). Details can be found at the following links:

List of Approved Housing: <http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/housing-requirements>

Update the residential addresses of work permit holders:

www.mom.gov.sg/eservices/services/ofwas

[Updated on 11 Dec 2020: The above link has been updated].

4. CEA has been informed by MOM that it will take stern action against employers who house their workers in unauthorised accommodation, and also persons (including estate agents and their salespersons) who abet employers in housing their workers in illegal housing. CEA may also take further action if your estate agent or your salespersons were found to be responsible for or have abetted the breaches of MOM, URA and HDB regulations.

5. Please disseminate the information to your salespersons so that they do not unwittingly run afoul of the regulations on the use of public housing and private residential properties, under HDB and URA, respectively, and relevant laws governing the housing of foreign workers. Thank you.

Yours sincerely,

Heng Whoo Kiat

Deputy Director (Licensing)

Council for Estate Agencies