



REDAS Comments - New Cooling Measures for the private residential and HDB resale markets

16 December 2021

Dear Members,

In response to media request, REDAS has provided comments as follows:

- The recalibrated tough measures are rather unexpected in view that the property market is just beginning to emerge from the challenging COVID-19 situation. Significant uncertainties still persist and the operating environment of many businesses remain challenging.

The quantum of increase in ABSD, especially the revised land ABSD rate of 35% on developers will impose immense additional pressure on land acquisition as they compress their development, sales, project completion period and land replenishment cycle time in order to meet the stringent requirements for the remission. REDAS maintains its call to the government to differentiate the remission criteria for projects of different sizes especially given the current challenges in the construction sector to meet project completion timelines. The property market should be allowed a bit more time to recover and reach a sustained equilibrium.

The measures are sudden and we hope the Government will consider some leeway on certain deserving cases. Some developers were recently granted OTP to purchase development land subject to certain Conditions Precedent (CPs) and have longer time to exercise, on fulfilment of the CPs.

We would like to appeal to government to consider, on a case by case basis, to allow such developers to exercise on the date stipulated in the existing OTP (without amendment) and in case the period is too long, to allow another 3 months extension from 16 December 2021 for the fulfilment of CPs before the revised ABSD rate applies.

We fully support the Government efforts to help Singapore Citizens (SCs) and Singapore PRs purchase their first residential private property. We hope the Government will consider allowing first-time HDB upgraders to private property a deferment of the payment of the upfront ABSD until 6 months after the completion of the new property, as in the case of EC purchase.

REDAS is of the view that the existing ABSD and total debt servicing ratios in place since 2013 remain a restraining factor for foreign buyers and Singaporeans.

We hope the Government will continue to maintain a sustainable property market when it reviews the cooling measures.

– end –

Thank you.
With best regards
Chua Geok Lee

*REDAS Secretariat | Tel : +65 6336 6655 | Fax : +65 6337 2217 | Email :
redas_secretariat@redas.com*

Real Estate Developers' Association of Singapore (REDAS)
190 Clemenceau Avenue, #07-01 Singapore Shopping Centre, Singapore 239924
Tel: 6336 6655 Fax: 6337 2217 Email: redas_secretariat@redas.com URL : www.redas.com
