

«Property in Singapore, its importance and new measures»

Unlike many other countries, there is no constitutional right to property in Singapore. The High Court of Singapore held that, in Singapore, “*all land ultimately belongs to the state*”.

Before independence, the right of property existed by virtue of Article 13 of the Federal Constitution of Malaysia. However, when Singapore separated from Malaysia, the Government deliberately omitted the right of property clause in the Constitution, as it had a pressing need of land to develop its projects, especially public housing and industrialisation projects, and needed to be able to acquire it.

People can, however, own an estate or some interest in the land, in particular, a residential property. In order to avoid speculation and the property market becoming too “heated up”, the government has in past years adopted provisions such as Capital gains tax and stamp duty.

The Seller’s Stamp Duty (SSD), a transaction tax, is payable by owners when they sell their residential properties within a stipulated holding period. Originally, the objective of this tax was to discourage short-term speculative property disposals. Since the SSD was introduced in 2010, the Government noted that property sales within a four-year window from the date of purchase of the property (“the holding period”) had fallen significantly over the years.

In March 2017, the Government decided to reduce the holding period from four to three years during which the SSD will apply. The stamp duty rate payable is reduced by 4% with each passing year within the holding period, so that at the end of three years, there is no SSD payable.

In light of the above, it appears that the Government, who retains control over land, may be aiming to encourage sales of residential property and boost the real estate market.

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