

# **IRAS CIRCULAR**

## **CIRCULAR ON PROPERTY TAX TREATMENT OF EN-BLOC SALES SITES**



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE

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PTD Circular 2008/PT/02

12 Sep 2008

President  
Real Estate Developer's Association of Singapore

### **CIRCULAR ON PROPERTY TAX TREATMENT OF EN-BLOC SALES SITES**

1. Our earlier PTD Circular 01/07 to REDAS explains the basis for assessing en-bloc properties as development sites under section 2(3) of the Property Tax Act.
2. Following the representations by REDAS this year, IRAS has now agreed to defer the assessment of en-bloc properties under section 2(3) where the developers have changed their intentions by renting out the building units instead of redeveloping their en-bloc properties. Henceforth IRAS will be guided by the following set of criteria to decide on the deferment of the assessment under section 2(3):

***A minimum 25% of the units within the original en-bloc property must be let on tenancies of not less than one year, on arm's length basis, to parties not related to the developer; and there must not be any provision in these tenancy agreements to evict the tenants within the tenancy period.***

3. Once the above criteria are met, the assessment under section 2(3) shall be deferred. The deferment shall commence from the date of transfer or the date of vacation of the en-bloc property, whichever is applicable, but not earlier than 12 months prior to the above criteria being met, and in any case not before 1 Jan 2008. The annual value of the en-bloc property shall be determined on the basis of the aggregated annual value of all the building units during the period of deferment. The deferment will continue for one year from the date the criteria are met, and will be reviewed yearly thereafter.
4. Notwithstanding the above, should the developer decide to proceed with the redevelopment by obtaining planning approval or if demolition works has commenced on the building, or if the above criteria could not be met over a reasonable period of time, IRAS will resume the assessment of the property under section 2(3) based on 5% of the estimated land value.
5. We would appreciate it if you could convey the contents of this Circular to your members. If you or your members require any clarification, please contact Ms Loh Chye Ling at Tel: 63514138 or Ms Koh Wei Ling at Tel: 63512351.

Mrs Fong Lee Kheng  
Tax Director (PT-Industrial Branch)  
for Chief Assessor  
Inland Revenue Authority of Singapore