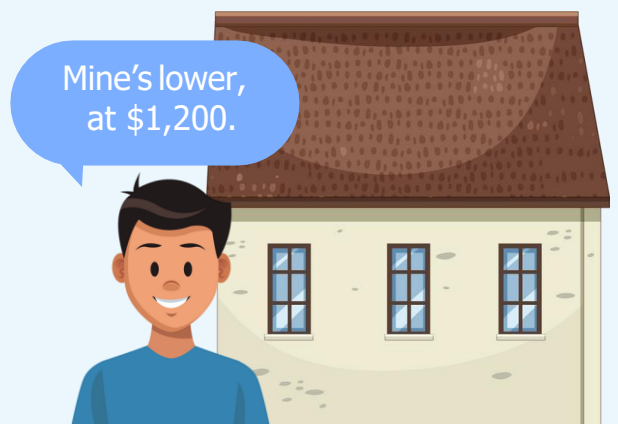


Case Study 2: “Can the property tax for a condominium unit be higher than for a landed property?”

Eve owns a modern 3-bedroom condominium with sea view.

Eve’s cousin, Den, owns a terrace house located away from central region.



During a family gathering, they compared their property tax bills:



Your house is a landed property and mine is just a condo unit. Shouldn’t your property tax be higher?

This scenario raises an important point: property tax isn’t simply determined by whether a property is landed or non-landed, but by the rent it can fetch in the market.

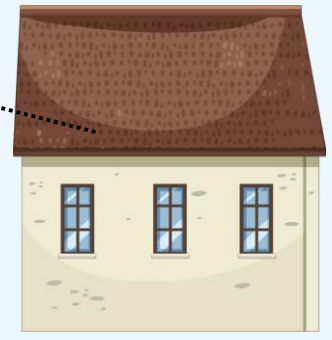
Difference in Annual Value (AV)



AV: \$66,000



AV: \$45,600



The Annual Value reflects the market rent that the property could fetch in the year. Eve’s 3-bedroom condominium unit obtained TOP 3 years ago, and has an **AV of \$66,000** (equivalent to \$5,500 monthly rental). Den’s terrace house, built 30 years ago, has a larger floor area than Eve’s condo, and was assessed at an **AV of \$45,600** (equivalent to \$3,800 monthly rental).

The AVs were determined by analysing rentals. The AV difference reflects various factors that influence rental potential:



Location, location, location: Eve’s sea-view condominium has a prime location near the CBD, with proximity to amenities such as East Coast Park. In contrast, Den’s property would have a rental potential that reflects a suburban location.



Property attributes: Beyond location, the rental value of properties varies depending on building age, condition, size, and facilities. Eve’s condo unit is relatively new, with units in the same development fetching attractive rents.

This comparison demonstrates that AV assessments reflect rental market conditions. It is possible for a well-located modern condominium to command higher rental rates than a landed property in a different area.

The Bottom Line

In short, **Annual Value assessment** reflects what tenants are willing to pay for your property (and all its positive factors). A larger landed property may not necessarily fetch a higher rent compared to a smaller condominium unit.

To better understand rental rates in your area and how they compare across different districts and property types, you can visit the **[URA website](#)**, which provides comprehensive property market information and transacted rents.

