

## **AV Assessment Case Study Example #1: Condominium Unit**

Mr Tan owns a 3-bedroom condominium unit (3BR) at 1 ABC Road with a floor area of 90 sqm. His property is currently let out at a gross rent of \$5,000 per month. To determine the Annual Value (AV) for his property, IRAS relied on the monthly rents of similar or comparable 3BR units within his development, which ranged from \$4,600 to \$5,300:

**Table 1: Rents of 3BR units in 1 ABC Road**

Street Name	Storey	Unit No.	Type of Unit	Floor Area (sqm)	Monthly Rent
1 ABC Road	10	08	3BR	94	\$4,600
1 ABC Road	09	06	3BR	84	\$4,900
1 ABC Road	11	14	3BR	90	\$5,000
1 ABC Road	06	16	3BR	96	\$5,100
1 ABC Road	12	03	3BR	89	\$5,300

*Please note that the datapoints above are hypothetical and do not represent actual cases. Hence, the figures should not be used as a direct 1-to-1 comparison for your specific property.*

We assessed the AV of his property at \$39,000 (\$3,250 per month), after considering its attributes, and to accord a reasonable allowance for furniture, furnishings and maintenance fees.

Mr Tan's neighbour, Mr Chan, owns and stays in a 3BR unit in the same condominium development.

Both Mr Tan's and Mr Chan's properties are assessed at the same AV of \$39,000, because their properties are 3-bedroom units of similar size and located within the same development.

### **Owner-occupiers pay lower property taxes**

The eventual property tax bill depends on the AV, applicable tax rates and tax rebate granted (if any).

As Mr Chan is staying his unit, his property tax for 2025 is at \$918 because he is taxed at the lower owner-occupier tax rates and enjoys the 2025 property tax rebate for owner-occupied residential properties. Meanwhile Mr Tan's property tax is higher at \$5,400 as he is renting out his unit and is taxed at the non-owner-occupier tax rates.



For Annual Value of \$39,000

OWNER-OCCUPIERS	NON-OWNER-OCCUPIERS
First \$12,000 @ 0% = \$0 Next \$27,000 @ 4% = \$1,080 [Owner-Occupier Tax Rates] Less: 10% Property Tax Rebate capped at \$500	First \$30,000 @ 12% = \$3,600 Next \$9,000 @ 20% = \$1,800 [Non-Owner-Occupier Residential Tax Rates]
Owner-Occupiers pay \$972	Non-Owner-Occupiers pay \$5,400