

Example 1: CASE STUDY OF AV DETERMINATION FOR RESIDENTIAL PROPERTIES

Mr Tan owns a 3-bedroom apartment (3BR) at 5 Siglap Road with a size of 130sqm. He rented out his property at a gross rent of \$4,800.00 from 1 Jan 2022.

To determine the Annual Value (AV) for his property, IRAS relied on the market rentals of similar or comparable properties within his development.

Table 1: Market Rentals in 5 Siglap Road

Street Name	Storey	Unit No.	Bedroom Type	Floor Area	Gross Rent
5 Siglap Road	09	06	3BR	132	\$4,300
5 Siglap Road	04	03	3BR	130	\$4,400
5 Siglap Road	04	06	3BR	130	\$4,500
5 Siglap Road	02	04	3BR	132	\$4,650
5 Siglap Road	11	04	3BR	130	\$4,800
5 Siglap Road	03	04	3BR	132	\$5,000
5 Siglap Road	09	04	3BR	132	\$5,100
5 Siglap Road	12	03	3BR	130	\$5,250

The example provided above is a hypothetical situation and does not represent an actual case.

From our analysis, comparable properties within the development are fetching monthly rentals ranging from \$4,300 to \$5,250. After providing a reasonable allowance for furniture, furnishings and maintenance fees, we derived the AV of his property at \$36,000 (\$3,000 per month)*.

**We may not necessarily adopt the apportioned rental in his Tenancy Agreement.*

His neighbour, Mr Chan owns another 3-bedroom apartment with the same floor area and in the same development. Mr Chan is living in his unit.

As both Mr Tan’s and Mr Chan’s units are 3-bedroom units of the same size, in the same development, they will be assessed at the same AV of \$36,000. However, the tax payable differs based on the applicable tax rates. As Mr Chan is owner-occupying his unit, his property tax is at \$1,180.00 because he is taxed at the lower owner-occupier tax rates. Meanwhile Mr Tan’s property tax is higher at \$4,260.00 as he is renting out his unit and is taxed at non-owner-occupier tax rates.

DID YOU KNOW?
Owner-Occupiers pay LESS tax than Non-Owner-Occupiers

For Annual Value of \$36,000

OWNER-OCCUPIERS	NON-OWNER-OCCUPIERS
First \$8,000 @ 0% = \$0	First \$30,000 @ 11% = \$3,300
Next \$22,000 @ 4% = \$880	Next \$6,000 @ 16% = \$960
Next \$6,000 @ 5% = \$300	[Non-Owner Occupier Residential Tax Rates]
[Owner-Occupier Tax Rates]	
Owner-Occupiers pay \$1,180	Non-Owner-Occupiers pay \$4,260

Note: The example provided above illustrates the property tax rates that take effect from 1 Jan 2023.

Example 2: CASE STUDY OF AV DETERMINATION FOR RESIDENTIAL PROPERTIES

Ms Lee owns a 2-bedroom apartment (2BR) at 5 Siglap Road with a size of 70sqm. She rented out her property at a gross rent of \$3,000.00 from 1 Jan 2022.

To determine the Annual Value (AV) for her property, IRAS relied on the market rentals of similar or comparable properties within her development.

Table 1: Market Rentals in 5 Siglap Road

Street Name	Storey	Unit No.	Bedroom Type	Floor Area	Gross Rent
5 Siglap Road	2	14	2BR	68	\$1,900
5 Siglap Road	6	16	2BR	70	\$2,700
5 Siglap Road	4	13	2BR	70	\$3,000
5 Siglap Road	4	16	2BR	70	\$3,000
5 Siglap Road	5	14	2BR	68	\$3,050
5 Siglap Road	7	14	2BR	68	\$3,100
5 Siglap Road	9	16	2BR	72	\$3,300
5 Siglap Road	11	16	2BR	70	\$3,350
5 Siglap Road	9	14	2BR	68	\$3,500
5 Siglap Road	10	13	2BR	72	\$3,700

The examples provided above is a hypothetical situation and does not represent an actual case.

From our analysis, comparable properties within the development are fetching monthly rentals ranging from \$1,900 to \$3,700. After providing a reasonable allowance for furniture, furnishings and maintenance fees, we derived the AV of her property at \$24,000 (\$2,000 per month)*.

**We may not necessarily adopt the apportioned rental in her Tenancy Agreement.*

Her neighbour, Ms Koh owns another 2-bedroom apartment with the same floor area and in the same development. Ms Koh is living in her unit.

As both Ms Lee and Ms Koh's units are 2-bedroom units of the same size, in the same development, they will be assessed at the same AV of \$24,000. However, the tax payable differs based on the applicable tax rates. As Ms Koh is owner-occupying her unit, her property tax is at \$640.00 because she is taxed at the lower owner-occupier tax rates. Meanwhile Ms Lee's property tax is higher at \$2,640.00 as she is renting out her unit and is taxed at non-owner-occupier tax rates.



Note: The example provided above illustrates the property tax rates that take effect from 1 Jan 2023.