

# GUIDE FOR Buyers in contracts with developers

## Do you qualify for relief?

- ✓ In a contract with a housing, commercial or industrial developer (private developers or Government agencies):
  - Option to Purchase (OTP);
  - Sale and Purchase (S&P) Agreement; or
  - Agreement for Lease (AFL)
- ✓ Entered into contract before 25 March 2020
- ✓ **Unable to make payment** on 1 February 2020 or later, **due to COVID-19**:
  - Payment required upon exercising the OTP; or
  - Payment due under the S&P Agreement / AFL

The Act does not apply if your case has any of the following factors:

- ✗ Contracts where seller is not a developer (e.g. reseller)
- ✗ Inability to make payment for reasons unrelated to COVID-19
- ✗ Payments due before 1 February 2020
- ✗ OTP booking fee already forfeited, or S&P Agreement / AFL already terminated



## What does the relief do?

If you serve a Notification for Relief, then, up to 31 December 2020\*:

- Booking fee or other consideration paid under OTP cannot be forfeited
- S&P Agreement / AFL cannot be terminated
- The developer cannot impose new charges, increase charges or interest rates beyond what is provided for in the contract
- The late payment interest and charges for arrears accrued between 1 February and 31 December 2020 under an S&P Agreement will be capped at an amount equal to 5% per annum of simple interest on the arrears

\* The Ministry of Law will extend the relief period from 19 October 2020 to 31 December 2020.

### Take note

- The relevant payments (e.g. down-payment, progress payments) under the S&P Agreement / AFL continue to accrue and remain payable after 31 December 2020
- If you terminate the S&P Agreement / AFL, the developer may still forfeit payments, if such a course of action is provided for in the S&P Agreement / AFL

## How to get relief?

Serve a Notification for Relief on the developer, using the form at [www.mlaw.gov.sg/covid19-relief/notification-for-relief](http://www.mlaw.gov.sg/covid19-relief/notification-for-relief). The relief applies after the Notification is served.

You should also take the chance to re-examine your ability to make the necessary payments. If you still intend to purchase the property, you should negotiate an extension of the OTP or a new payment schedule with the developer. If your OTP is with a licensed housing developer, you may also have to seek approval for the extension from the Controller of Housing via email at [ura\\_coh\\_registry@ura.gov.sg](mailto:ura_coh_registry@ura.gov.sg).

## What if the developer does not agree?

The developer may not agree that relief applies, and may wish to forfeit your booking fee, or terminate the S&P Agreement / AFL.

If you cannot agree, either of you may apply for an Assessor from the Ministry of Law to make a determination. Applications must be made by 31 December 2020 for S&P Agreements / AFL, or 28 February 2021 for OTPs. The determination will aim to be fair to both parties. The determination by the Assessor is binding on the parties, and is not appealable.