



Buying Properties In Singapore

Buying a property in Singapore. It is a simple process, right? Just decide what property you are interested in, appoint a property agent, buy the property and go and obtain a mortgage loan, pretty much the same steps detailed in [Wikipedia](#).

This used to be the case but the reality is that things are much more complicated today with the changes in the regulations issued by various government agencies including Urban Redevelopment Board (URA), Housing Development Board (HDB), Singapore Land Authority (SLA) and the Monetary Authority of Singapore (MAS).

There simply are too many regulations to go through, not to mention too confusing!

However, it pays to understand the basic considerations before one actually starts the property search.

Regulatory Requirements For Properties

The first step is to determine if you are eligible to purchase the property you are eyeing. Whether it is a landed property, condominium or a HDB property, there are guidelines / limitations / policies / preconditions that you need to take note of.

For easy reference, a list of excellent resources is compiled below:

HDB : [For New Flats](#)

HDB : [For Resale Flats](#)

Moneysense : <http://www.moneysense.gov.sg/Life-Events/Buying-a-Home.aspx>

URA : <http://www.ura.gov.sg/uol/guidelines/residential-property/Home-Buyers.aspx>

In addition, foreigners (including Singapore Permanent Residents) who are looking at purchasing landed properties should take a look at the [Singapore Land Authority regulations](#).

Financing Requirements

The first step is to work out whether one is to assess the affordability of owning a property. The monthly installments can be worked out using a tool such as [this calculator](#).

In addition, one has to consider if one is eligible to purchase a property. The rules and criteria applied in the purchase and financing of residential properties are spelled out in [MAS632](#) and [MAS645](#) respectively. While the minimum criteria has been stated in these regulations, banks and finance companies all have credit policies which may be stricter in terms of application.

Given that the loan evaluation process has become more complicated with the regulatory changes, it makes sense for one to obtain an Approval-In-Process (AIP) prior to purchasing a property.

To do this, one has to approach a finance institution for such an AIP. However, given that there are numerous such institutions, each looking to promote its own products, it may make sense to work closely with independent mortgage brokers such as us at [wiseloans.sg](#).

Buying The Property

After obtaining the requisite approvals from the regulators and banks, the property can be purchased. It is important to note that prior to making an offer for a property, one needs to confirm the valuation with the bank. There have been situations where clients have purchased properties, only to realise there is a gap between the purchase price and the valuations. This means that the clients have to fork out additional cash to cover the gap.

All Set!

So there you go. These are the considerations one has to think about when deciding to go into the Singapore property market. Welcome to a very exciting ride!