

FOR IMMEDIATE RELEASE

NEW COOLING MEASURES INTRODUCED TO REGULATE INVESTMENT DEMAND FOR A SUSTAINABLE PROPERTY MARKET

SINGAPORE, 27 April 2023 – In response to the growing demand for housing and to address market adjustments, the Singapore government has recently announced its third round of cooling measures, aimed at moderating investment demand through an increase in Additional Buyer's Stamp Duty (ABSD) rates for residential property.

Marcus Chu, CEO of APAC Realty & ERA Asia Pacific, said, “The revision of ABSD rates is expected to primarily impact foreign buyers. With Singapore's property market being perceived as a stable and secure investment ground, it has witnessed a surge of foreign interest, which has driven up property prices, especially in private residential real estate, by 3.2% in Q1 2023, as compared to 0.4% in the previous quarter. With the revised ABSD doubled for foreigners (from 30% to 60%), it may pose temporary challenges, but they are expected to pave the way for a more resilient and thriving residential real estate market in the long run.”

The revision of ABSD rates across all are illustrated as follows:

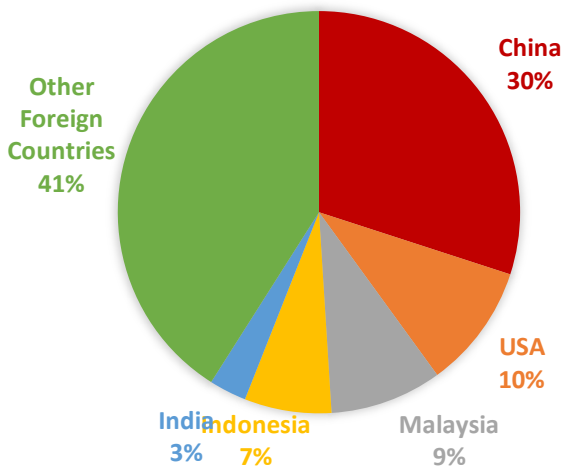
Additional Buyer's Stamp Duty (ABSD)		Rates before 27 April 2023	Rates on or after 27 April 2023
Singapore Citizens	First residential property	0%	0%
	Second residential property	17%	20%↑

	Third and subsequent residential property	25%	30% ↑
Permanent Residents (PR)	First residential property	5%	5%
	Second residential property	25%	30% ↑
	Third and subsequent residential property	30%	35% ↑
Foreigners	Any residential property	30%	60% ↑

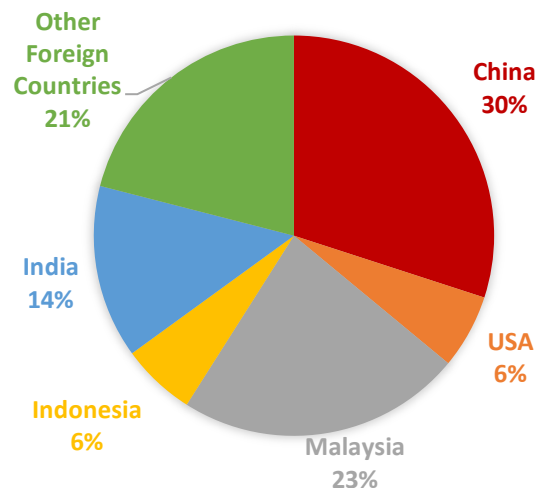
Source: MND, MOF and MAS joint press release on 26 April 2023.

To delve deeper into the foreign buyers in the private residential segment, ERA's Research and Market Intelligence has identified the top five purchasers based on the country and quantity of units bought in 2022:

NEW SALE CONDOS



RESALE CONDOS



Source: URA, ERA Research and Market Intelligence

With foreign buyers inflating prices in Singapore's private property market, the revision of the ABSD rates aims to prioritise owner-occupied housing. The new measures would help stabilise property prices



and ease the strain on tight rental and housing markets by boosting the housing supply. This is especially important given the challenges posed by high mortgage interest rates, environmental and economic uncertainties, and the growing concerns around global uncertainties.

First-time buyers of residential properties in Singapore, mainly Singapore Citizens (SCs) and Singapore Permanent Residents (SPRs), will not be affected as there will be no changes in ABSD rates (0% and 5% respectively). These buyers make up 90% of all residential property transactions according to data from 2022.

Eugene Lim, Key Executive Officer of ERA Singapore, adds, "Investors and foreigners are likely to back down and re-evaluate their options, but as Singapore Citizens (SCs) and Singapore Permanent Residents (SPRs) first time buyers are not affected by this increase, we can expect them to be the key demand drivers in the months ahead."

-END-

For media enquiries, please contact:

Catherine Yang
Senior Marketing Communications Manager
9108 9236, catherineyang@era.com.sg

Veronica Yong
Marketing Communications Director
9773 9202, veronicayong@era.com.sg

About ERA Singapore

ERA Singapore is the largest international agency in Singapore and has been setting and redefining industry standards through the pioneering of real estate concepts, technologies, initiatives and services since its inception in 1982. As a wholly-owned subsidiary of SGX mainboard listed APAC Realty Limited, ERA Asia Pacific is on track to reach 25,000 trusted advisers by 2024 across 11 countries: Singapore, Cambodia, China, Indonesia, Japan, Laos, Malaysia, South Korea, Taiwan, Thailand and Vietnam.





In Singapore, we provide a diverse range of professional services and solutions for: Private and HDB residential resale, residential leasing, project marketing, commercial and industrial, property management, auction, valuation and research. Through Ultimate Agent Training Programme, a series of specially-curated training courses developed for ERA trusted advisers, they are able to revolutionise their skills, equip themselves with the latest trends and insights of the property market, and stay ahead of the competition. With close to four decades of experience, extensive network and innovative technological tools, the company has secured innumerable dream homes for its customers in Singapore and around the world.

Recent accolades are testaments to the company's diligence - ERA Singapore was the first and only agency awarded the **5-Star Best Real Estate Agency (Single Office) in Singapore** by Asia Pacific Property Awards; **Innovator of the Year (Real Estate Agency)** by SBR Management Excellence Awards; **Best Luxury Real Estate Brokerage in Singapore** by Luxury Lifestyle Awards; **Singapore's Most Trusted Brands** by Asia Reader's Digest; **Top Property Agency** by Influential Brands; **Most Innovative Real Estate Agency** by SBR Listed Companies Awards; **Favourite Real Estate Agent (Gold) Award** by Expat Living Readers' Choice Awards; and **Marketing Agency Excellence Award** at EdgeProp Singapore Excellence Awards.

For more information, visit <https://www.era.com.sg>

