

Tips on Rental Transactions

You may be thinking of leasing your entire flat or room(s) to generate a steady stream of additional income or you might be seeking a place to stay. There is more to consider in a rental transaction than the commission payable to the property agent or the rental fee in question.

1. Check the public register to verify that the property agent you are engaging is registered with CEA. Do not fall for rental scams where unregistered persons collect rental payments and abscond.
2. Your property agent is expected to assist in the following:
 - Advise you on the eligibility to lease a HDB flat.
 - Arrange for property viewings.
 - Provide assistance and advice to you throughout the leasing transaction.
 - Represent you in negotiations and promptly update you on all offers and proposals from interested parties.
 - Assist you to enter into a binding agreement and explain to the client all relevant forms and documents.
 - Advise tenant to stamp the tenancy agreement with the Inland Revenue Authority of Singapore (IRAS).
 - The property agent cannot collect commission or fees from both landlord and tenant. If he collects

commission from you, he cannot collect a commission or co-broking fee or payment from the other party or from the latter's property agent.

- Property agents earn their commission and receive payment only upon successful transaction.

3. Check the guidelines stipulated by the Housing & Development Board (HDB) and Urban Redevelopment Authority (URA) on renting HDB flats and private residential properties respectively.

HDB Rental Transactions

HDB flats are meant for owner-occupation. As flat owners, you are not allowed to sublet your flats/rooms on a short term basis. The period of subletting must be six months or more.

Subletting the Whole Flat

- You need to seek prior approval from HDB. If the five-year Minimum Occupation Period is not satisfied, you cannot sublet the whole flat.

Subletting Rooms

- No prior approval from HDB is required. However, you must register the subletting with HDB within seven days of doing so.

- You must continue to live in the flat during the period of subletting and comply with other subletting conditions. Locking one bedroom is unacceptable.
- If you own one or two-room flats, you are not allowed to sublet your bedrooms.

Tenants renting an HDB flat/room(s) should note the following key points:

- Request the flat owner to show you the HDB's approval letter.
- Visit the flat you plan to rent.
- Ensure that the person you are dealing with is the rightful owner of the flat.
- Request for documentary proof of the flat's ownership e.g. Agreement for Lease, Service & Conservancy charges booklet, loan instalment payment booklet/annual loan statements which bear the flat owner's name.
- Move into the flat immediately after collecting the keys.
- A non-citizen tenant must be legally residing in Singapore on an employment permit or Long-Term Social Visit Pass for six months and above.

Visit [HDB's website](#) for more information on renting HDB flats and rooms.

Private Rental Transactions

Short term leases are also disallowed in private properties approved for residential use. Under URA's guidelines, condominium units and landed houses, or rooms within such premises are not allowed to be rented out on a daily or weekly basis.

- Allows rental for periods of at least three consecutive months.
- Allows a maximum of six unrelated occupants in a property. This cap includes you as the owner if you are residing on the premises. If you are a family of four who intend to rent out part of your home, you may accommodate up to two additional unrelated tenants.
- Internal partitioning works that alter the layout of the property to create more rooms is not allowed.

Visit [URA's website](#) for more information on renting private residential properties.

Tips on payment of rental:

- Rent is usually paid monthly in advance on the day of tenancy commencement and thereafter on the same day of each month.
- Deposit is usually paid upon signing of the tenancy agreement together with the first month's rent.
- Do not pay more than one month's rent.

- Pay the rental deposit and rents directly to the landlord by crossed cheque or other verifiable means. Do not hand over transaction monies to property agents or any third party.