CORPORATE REAL ESTATE

Extensions to ABSD Remission Timeline for Housing Developers Undertaking Large-scale En Bloc Redevelopments

Introduction

The Singapore Government has announced that it will provide a further extension to the Additional Buyer's Stamp Duty ("**ABSD**") remission timelines for Housing Developers ("**HDs**") for two groups of en bloc sites ("**Large Sites**" and "**Mega Sites**"), where the site is purchased on or after 29 July 2026. The move aims to support HDs in undertaking large-scale redevelopment projects.

1. For Large Sites, the completion and sale timelines for ABSD(HD) remission will be extended from 5.5 years to 6 years.
2. For Mega Sites, the completion and sale timelines will be extended from 5.5 years to 7 years, with an additional interim sales condition that at least 50% of the residential units must be sold within 6 years.
3. The commencement timeline will remain unchanged at 2.5 years for Large Sites and Mega Sites.

This Update provides an overview of the current ABSD remission framework and the criteria for the newly-announced extensions.

Current Framework

Currently, licensed HDs purchasing residential land are subject to 40% ABSD, comprising: (i) a 5% upfront non-remittable component; and (ii) a 35% upfront remittable component that will be clawed back with interest, if the following timelines from the date of the acquisition of the site are not met:

1. **Commencement timeline**: Commencement of housing development within **2 years**.
2. **Completion timeline**: Completion of the housing development within **5 years**.
3. **Sale timeline**: Sale of all housing units within **5 years**.

On 6 March 2025, the Government implemented the ABSD(HD) Remission Timeline Extension Framework for Complex Projects ("**Extension Framework**") to provide extensions to the ABSD(HD) remission timelines for projects that fall within one of the following four categories:

1. **Category 1**: En bloc projects (i) that can yield at least 700 units upon redevelopment and (ii) where the redevelopment yield is at least 1.5 times that of the original development.
2. **Category 2**: Projects with complex technical or infrastructural requirements.
3. **Category 3**: Projects approved under the Strategic Development Incentive (SDI) scheme.
4. **Category 4**: Projects that aim to achieve higher productivity targets through the adoption of nascent construction technologies, methodologies or progressive practices.

Projects that fall within one of these categories are eligible for a **6-month extension** to the ABSD(HD) remission timelines (commencement, completion and sale timelines), and projects that fall within more than one category are eligible for a **12-month extension**.

Further Extensions to ABSD(HD) Remission Timelines for Large-scale En Bloc Redevelopments

The Government has now announced that, for en bloc sites purchased on or after 29 July 2026, it will provide a further extension to the ABSD(HD) remission timelines for two groups of en bloc sites under Category 1:

1. **Large Site (Category 1A)**: Where (i) the site yields at least 700 residential units but less than 1,400 residential units upon redevelopment and (ii) the redevelopment yield is at least 1.5 times that of the original development [1], the completion and sale timelines will be extended to **6 years**, from 5.5 years currently.

2. **Mega Site (Category 1B)**: Where (i) the site yields at least 1,400 residential units upon redevelopment and (ii) the redevelopment yield is at least 1.5 times that of the original development [1], the completion and sale timelines will be extended to **7 years**, from 5.5 years currently. HDs of these projects must sell **a minimum of 50% of the residential units** by the **end of 6 years** [2] ,or they will incur the clawback on the 35% upfront remittable component of the ABSD with interest at the end of 6 years. [3]

Further, **Large Sites or Mega Sites that qualify for more than one category** of the Extension Framework will be provided an additional extension of 6 months to the ABSD(HD) remission timelines. This means that the following ABSD(HD) remission timelines from the date of acquisition of the site apply:

[1] The number of dwelling units allowable for the en bloc redevelopment will be based on the Urban Redevelopment Authority's conveyance at: (i) the Outline Application Stage (in the form of an Advice or Outline Planning Permission); or (ii) the Development Application Stage (in the form of Provisional Permission or Written Permission).

[2] Developers who have sold at least 50% of residential units in the project at the end of 6 years will still be required to sell all units and complete the housing development by the end of 7 years or similarly be subject to ABSD clawback of the 35% upfront remittable component with interest.

[3] If a housing project has at least 90% of units sold by the end of the ABSD remission sale timeline, the lower ABSD remission clawback rates announced in Budget 2024 will apply. The reduction in the ABSD remission clawback rate will depend on the proportion of units sold.

For projects that are eligible for the extended ABSD(HD) remission timelines, the proportion of units sold and the corresponding ABSD remission clawback rate will be assessed at the end of the extended ABSD(HD) remission sale timeline.

1. For Large Sites (Category 1A) that qualify for more than one category of the Extension Framework:
   - **Commencement timeline**: **3 years**.
   - **Completion timeline**: **6.5 years**.
   - **Sale timeline**: **6.5 years**.

2. For Mega Sites (Category 1B) that qualify for more than one category of the Extension Framework:
   - **Commencement timeline**: **3 years**
   - **Completion timeline**: **7.5 years**
   - **Sale timeline**: **7.5 years.** However, at least 50% of the residential units must be sold within 6 years, [2] or they will incur the clawback on the 35% upfront remittable component of the ABSD with interest at the end of 6 years. [3]

For en bloc redevelopment sites with mixed uses (e.g. Serviced Apartments ("**SA**") and Serviced Apartments 2 ("**SA 2**")), when determining the eligibility for the timeline extensions, both SA and SA 2 units will be counted towards the number of existing residential units, as well as the number of residential units upon redevelopment, as SA and SA 2 units also contribute to the overall housing supply and help cater to occupation demand. However, for all such en bloc sites regardless of size, the sale remission timelines will be based on the residential units that are meant for sale (i.e. excluding SA and SA 2 units).

The above is a summary of the information from:

- Inland Revenue Authority of Singapore ("**IRAS**") web page titled "ABSD Housing Developers Remission Timeline Extensions for Complex Projects and CORENET X" (available on the IRAS website at www.iras.gov.sg)
- Joint press release from the Ministry of Finance ("**MOF**") and the Ministry of National Development titled "Revisions to Additional Buyer's Stamp Duty Regime to Support Housing Developers Undertaking Large-scale En Bloc Redevelopments" (available on the MOF website at www.mof.gov.sg)

Concluding Words

The extension to the ABSD(HD) remission timelines aims to support HDs in undertaking large-scale redevelopment projects, facilitating the rejuvenation of these sites and providing additional housing supply to meet Singapore's housing demand.

HDs seeking to redevelop sites should consider whether they fall within the ambit of Large Sites or Mega Sites, and if so, take into account the new remission timelines for commencement, completion and sale. Such HDs should also ensure that they comply with the applicable criteria to qualify for the relevant extensions.

For further queries on ABSD, remission, and the applicable timelines, please reach out to our team set out on this page.

For regional real estate matters, please see Rajah & Tann Asia's Real Estate Practice for more information.

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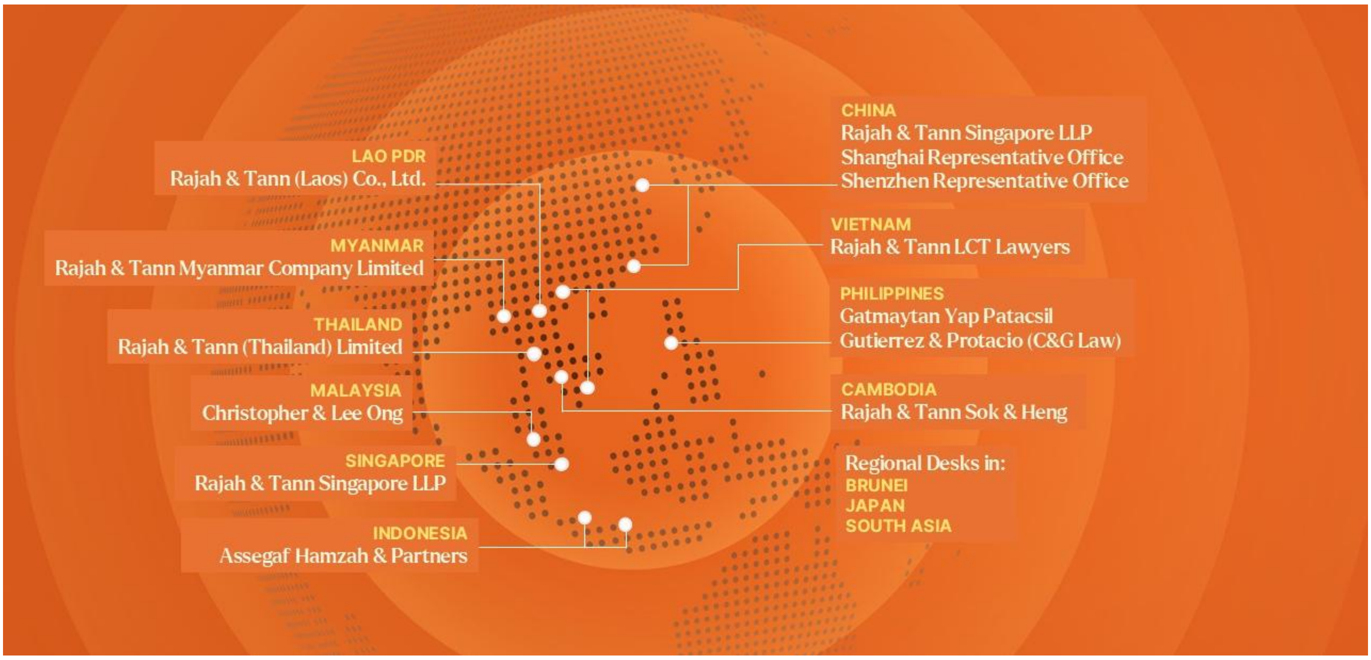

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