

Our Ref: LS/56/07/AC/lcd

Your Ref: COH/enquiries/HDR

19 October 2007

Controller of Housing Singapore
Urban Redevelopment Authority
45 Maxwell Road
The URA Centre
Singapore 069118

BY FAX AND POST

Fax No: 6321 6596
No. of pages: 2 page(s)
(including this page)

Attention: Mr Poh Bu Hap

Dear Sirs

AMOUNT PAYABLE BY SUB-PURCHASER TO THE DEVELOPER'S SOLICITORS IN A SUB-SALE

We refer to your letter dated 28 September 2007 requesting for the Law Society's feedback on Rule 16(4) of the Housing and Developers Rules ("the Rules").

Rule 16 (4) provides that (in addition to the fee chargeable by the housing developer for himself) the housing developer is entitled to require the assignee to reimburse him up to the amount of \$200 (excluding GST) for costs payable by the housing developer to his solicitor for providing the solicitor's services in connection with the discharging of the housing developer's obligations under Rule 16 (1) to (3).

You have asked us for our feedback on whether the said sum of \$200/- should be increased, and if so, our recommendation of the increased sum.

We thank you for giving us the opportunity to give you our feedback.

Your request was referred to our Conveyancing Practice Committee ("the Committee") for their views.

The Committee's views are as follows:

1. The prescribed amount of \$200 (excluding GST) is not commensurate with the work done by a developer's solicitor under Rule 16 (1) to (3)
2. A reasonable amount would be \$700 (excluding GST), taking into account the scope of work involved for such matters and the fact that the developer's solicitor would incur some costs like transport and printing.

A sub-sale typically involves a significant amount of additional work for the developer's solicitor as the solicitor is not only required to produce a fresh sale and purchase agreement but also, in order to protect his client's interests, required to, among other things:

- i) check the updated title search on the unit being sub sold;



THE LAW SOCIETY
OF SINGAPORE

39 South Bridge Road
Singapore 058673
Tel: 6538 2500
Fax: 6533 5700
Email: lawsoc@lawsoc.org.sg
Website: www.lawsociety.org.sg

Pro Bono Services Office
1 Havelock Square
Level 5
Subordinate Courts Complex
Singapore 059724
Tel: 6536 0650
Fax: 6534 5237
Email: ProBonoServices@lawsoc.org.sg
Email: CLAS@lawsoc.org.sg

**40 YEARS OF SERVICE &
LEADERSHIP 1967 - 2007**

Council Members 2007

Philip Jeyaretnam, SC (President)
Michael Hwang, SC (Vice President)
Malathi Das (Vice President)
Michael S Chia (Treasurer)

Gan Hiang Chye
Jimmy Yim, SC
Wong Siew Hong
Alvin Yeo, SC
Francis Xavier
Leo Cheng Suan
Andrew Ong
Yap Teong Liang
Thio Shen Yi
Pradeep Kumar Gobind
Chia Boon Teck
Rajan Chettiar
Lisa Sam
Anand Nalachandran
Lee Terk Yang
Laura Liew
Smitha Menon

Secretariat
Chief Executive Officer
Chua Lik Teng

Representation & Law Reform
Alvin Chen

Conduct
Yashodhara Dhoraisingam

Compliance
Yashodhara Dhoraisingam
Sharmaine Lau

Pro Bono Services
Lim Tanguy
Rajvant Kaur

**Communications/
Membership Interests**
Shawn Toh

Publications
Sharmaine Lau

Continuing Professional Development
June Tan

Finance
Clifford Hang

Information Technology
Michael Lee

- ii) ensure that all encumbrances relating to the unit are removed on completion of the sub sale;
- iii) peruse the sub sale contract and assignment made between the original purchaser and sub purchaser;
- iv) ensure that the fresh sale and purchase agreement is issued to the correct party;
- v) ensure that all progress payments are paid up to date and there is no interest payment due;
- vi) ensure that there is no breach of the existing contract; and
- vii) liaise with the Controller of Housing where the fresh agreement requires or contains any amendment or alteration to or deletion of the terms and conditions in the original agreement e.g., if there is a change in the payment scheme.

In addition, the staff/solicitor from the law firm of the developer's solicitor is required to be present at the completion of the sub-sale, which not uncommonly takes place after office hours.

The Committee also notes that the prescribed amount of \$200 has remained constant since the Rules were enacted in 1985 and changes in the purchasing power of money since then should be considered.

Once again, thank you for giving the Law Society the opportunity to present our views on the matter.

Yours faithfully



Alvin Chen
Director, Representation & Law Reform

cc. (1) Council
(2) Conveyancing Practice Committee