

OPTION TO PURCHASE FOR TRANSACTION OF PRIVATE RESIDENTIAL PROPERTY

1. The Digitalised Property Transactions Workgroup (DPTWG) aims to move the real estate industry towards offering seamless, efficient, and secure digital property transactions. As a step towards meeting the objective, the DPTWG is working on promoting the use of contract templates for property transactions, which subsequently could then be digitalised and executed electronically in future. The DPTWG has earlier completed contract templates for the lease of residential properties and has now developed the following Option to Purchase template for the sale and purchase of a private residential property.
2. The following Option to Purchase template is divided into two main sections:
 - (a) The Option to Purchase – which contains the main generally-applicable clauses that will govern parties’ obligations for the sale and purchase of the property.
 - (b) Annexes A to D – Annexes A to C contain additional modes to vary the scope of the relevant corresponding clauses in the Option to Purchase, and Annex D enables parties to add or vary terms of the Option to Purchase. Each of the Annexes comes with an Explanatory Note which should be **read carefully** together with the Option to Purchase.
3. Please note that use of this Option to Purchase is not mandated and parties are free to amend the template or negotiate on the terms contained in the document to suit their needs and/or requirements.

IMPORTANT: This document is intended as a guide to generally applicable terms and conditions in an Option to Purchase. You expressly understand and agree that you assume full responsibility and risk for your use of this document, whether on an “as is” basis or as may be amended by you. The DPTWG including each of its members, does not make any express or implied warranties or representations as to the suitability of this document for all transactions and shall not be liable in any way to you whether in contract, tort or otherwise for any direct and indirect loss or damage (including but not limited to economic and financial loss or damage) howsoever arising or caused, arising out of or in connection with the use of this document. **When in doubt, you are strongly encouraged to seek professional advice in relation to transacting for the sale and purchase of a private residential property on such terms and conditions that are best suited to your needs and requirements.**

[Version 1.2]
Updated on 10 February 2021

OPTION TO PURCHASE

From: [Full Name & NRIC No./Passport No. of Vendor(s)]
[Address of Vendor(s)]

(*collectively referred to as the “Vendor”)

To : [Full Name & NRIC No./Passport No. of Purchaser(s)]
[Address of Purchaser(s)]

(*collectively referred to as the “Purchaser”)

(the Vendor and the Purchaser shall be collectively referred to as the “Parties”, and individually, a “Party”)

RE: _____

_____ Singapore _____ (the “Property”)

1. In consideration of the sum of **Singapore Dollars** _____ **only** (S\$ _____) (the “Option Money”) received by the Vendor from the Purchaser by _____ [mode of payment], the Vendor hereby **offers to sell** to the Purchaser the Property at the price of **Singapore Dollars** _____ **only** (S\$ _____) (the “Purchase Price”) **subject to** all provisions, terms and conditions set out below.
2. This Option to Purchase (“Option”) remains open for acceptance in the manner set out until *4 p.m. / _____ [time] *on _____ [specific date] / before the expiry of two weeks from the date of this Option.
3. This Option may be accepted by the Purchaser by signing at the portion of this Option marked “ACCEPTANCE COPY”, and delivering this Option duly signed to the Vendor’s solicitors, _____ at _____, Singapore _____, together with payment of **Singapore Dollars** _____ **only** (S\$ _____) (being ___ percent (___%) of the sale price less Option Money), which together with the Option Money shall constitute the “Deposit” for the purchase.

The said payment of S\$ _____ shall be paid to:

- *The Vendor by * _____ [mode of payment] which shall exclude any charges and deductions arising from such payment.
- * _____ (name of Vendor’s solicitors’ law practice) – CVY by * _____ [mode of payment] which shall exclude any

charges and deductions arising from such payment, to be held by the Vendor's solicitors as stakeholders pending completion.

- *The "Singapore Academy of Law" by *cheque no. _____/cashier's order no. _____/electronic fund transfer to [*Singapore Academy of Law's designated account*] _____ excluding bank charges and deductions. The Singapore Academy of Law shall hold the said payment as stakeholder pending completion in accordance with the Singapore Academy of Law (Conveyancing Money) Rules 2011 and instructions referred to therein.
4. Save as provided in clause 4 of the Conditions (as defined in Clause 6 below), if the Purchaser does not exercise this Option in the manner stipulated in Clause 3 above, this Option will be null and void, and the Option Money will be forfeited to the benefit of the Vendor.
 5. Upon the Purchaser's valid exercise of this Option, there shall be constituted between the Purchaser and the Vendor a valid and binding agreement for the sale and purchase of the Property (the "**Agreement**").
 6. This Option is subject to the Law Society of Singapore's Conditions of Sale 2020 (the "**Conditions**") in so far as the Conditions are not contrary to or in conflict with the following:
 - (a) Conveyancing and Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing and Law of Property Act (Cap. 61) ("**Conveyancing Rules**"); and
 - (b) Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act (Cap. 294A) ("**SAL (Conveyancing Money) Rules**").
 7. *For the avoidance of doubt, the clauses of the Conditions as set out in Annex A are excluded and shall not apply to the sale and purchase of the Property.
 8. Where the terms and conditions of this Option are in conflict with the Conditions, the former shall prevail. Where the terms and conditions of this Option are in conflict with the Conveyancing Rules and/or the SAL (Conveyancing Money) Rules, the Conveyancing Rules and the SAL (Conveyancing Money) Rules shall prevail.

ADDITIONAL TERMS AND CONDITIONS

Completion Date

9. This sale and purchase shall be completed on or before the ____ day of ____ or on such other date as may be agreed by the Parties (the "**Scheduled Completion Date**"), at the Vendor's solicitors' office or at such other place as the Vendor's solicitors may specify, whereupon the Purchaser shall pay the Vendor the balance of the Purchase Price together with any other sums the Purchaser is required to pay.
10. The Vendor authorises the Vendor's solicitors as its agents to collect the balance of the Purchase Price and any other monies due under this Agreement and acknowledges that

payment to or payment as directed by the Vendor's solicitors shall constitute a full discharge of the Purchaser's obligations under this Agreement.

Delivery of Possession

11. The Property is sold with *vacant possession as at the Scheduled Completion Date / subject to existing tenancy, copies of the Tenancy Agreement and relevant stamp duty certificate are attached together with inventory list (if any), and if the tenancy expires or is terminated before the Scheduled Completion Date, the Purchaser shall accept the Property with vacant possession.

Title Not Issued

12. Where the title to the Property is not issued, the sale will be by way of an assignment of the Vendor's sale and purchase agreement with the developer and on completion, the Vendor will procure a fresh sale and purchase agreement to be entered into between the Purchaser and developer and direct the developer to credit all monies paid previously by the Vendor to the Purchaser. For the avoidance of doubt, it is hereby expressly provided that all costs for the fresh sale and purchase agreement are to be borne by the Purchaser.

Legal Requisitions and Acquisition

13. The Property is sold subject to the Purchaser's solicitors receiving satisfactory replies to all usual legal requisitions to the various authorities. Where any of the replies to such requisitions are unsatisfactory, the Purchaser may rescind the Agreement and in such event the Vendor shall forthwith refund to the Purchaser all monies paid by the Purchaser to the Vendor but without any interest, compensation, or deductions whatsoever and thereupon neither Party shall then have any claims or demands against the other for costs, damages, compensation, or otherwise. For the avoidance of doubt, Clause 16 shall not apply where the Agreement is rescinded pursuant to this Clause 13. ***PROVIDED ALWAYS** that the terms set out in Annex B shall apply.
14. The Property is sold subject to there being no notice of acquisition or intended acquisition in whole or in part of the Property by the Government or other competent authority and in the event of such notice of acquisition or intended acquisition being issued by the Government or other competent authority in respect of the Property whether in whole or in part on or before the Scheduled Completion Date, the Purchaser shall be at liberty to rescind this Agreement by way of written notice given to the Vendor's solicitors before such date. Upon such notice being received by the Vendor's solicitors, Clause 16 shall apply.

Non-Merger

15. Notwithstanding the completion of this sale and purchase, the terms herein where applicable shall remain in full force and effect between the Vendor and the Purchaser insofar as the same are not fulfilled or performed and shall not merge in the conveyance of the Property to the Purchaser on completion of this sale and purchase or upon registration of such conveyance.

Cancellation, Termination or Rescission

16. Upon the lawful cancellation, termination or rescission of this Agreement by either Party in accordance with the terms and conditions herein save for Clause 13, the Vendor shall forthwith refund to the Purchaser all monies paid towards the Purchase Price by the Purchaser

under this Agreement to the Vendor or the Vendor's solicitors but without any interest, compensation, or deductions whatsoever. The Purchaser shall return to the Vendor all documents of title in the Purchaser's or the Purchaser's solicitor's possession belonging to the Vendor and shall remove all caveats or encumbrances notified against the Property. Each Party shall bear their own legal costs and expenses in the matter.

Sale to Foreign Purchaser

17. Where the Purchaser is prohibited from acquiring the Property without approval under the Residential Property Act (Cap. 274), the Purchaser shall make his application to the Controller of Residential Property for the grant of approval for the purchase of the Property within _____ weeks from the date of exercise of this Option and notify the Vendor of the result of such application within _____ weeks after receipt thereof. If for whatever reason approval for the purchase of the Property is not obtained within _____ weeks after the date of exercise of this Option or such further period as the Vendor and Purchaser may agree, Clause 16 shall apply.

Notices

18. Any notice, request, demand or other communication ("**Notice**") served or made hereunder by either Party hereto, the Notice shall be deemed to be sufficiently served by a Party and/or a Party's solicitors:-
 - (a) when delivered by hand to the last known residential address of the other Party or in the case of the other Party's solicitors, their registered business address; or
 - (b) if delivered by and in accordance with any other method set out in Annex C.

Miscellaneous

19. A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any of the terms or conditions of this Agreement.
20. In the event that any provision or provisions of this Agreement or any part thereof shall be waived by the Parties or held to be invalid, illegal, or unenforceable for any reason, the waiver, invalidity, illegality, or unenforceability of such provisions shall not be construed nor operate to waive or invalidate the remainder of the terms of this Agreement.
21. The terms and conditions contained herein supersede any information given by the Parties or the Parties' agent(s) and this Agreement shall solely govern the rights of the Parties save and except those mutually agreed in writing between the Parties.
22. No representation, promise, inducement, or statement of intention has been made by the Parties or any of the Parties' agent(s) which is not embodied in this Agreement. Neither the Parties nor their agent(s) shall be bound by or liable for any alleged representation, promise, inducement, or statement of intention not so set forth.

Governing Law and Jurisdiction

23. This Option and Agreement shall be subject to the laws of the Republic of Singapore and the Parties herein submit themselves to the exclusive jurisdiction of the Singapore Courts.

24. *Notwithstanding Clause 23 of this Option and Agreement, in the event of any dispute arising out of or in connection with this Option and Agreement, no Party shall proceed to any form of dispute resolution **UNLESS** the Parties have made reasonable efforts to resolve the same through mediation, at a mediation centre to be mutually agreed by the Parties, in accordance with the mediation rules of such mediation centre in force for the time being. For the avoidance of doubt, a Party who receives a notice for mediation from the other Party shall consent and participate in the mediation process in accordance with this Clause. Unless otherwise agreed by the Parties, the mediator shall be appointed by the chosen mediation centre. The mediation shall take place in Singapore in the English language and Parties agree to be bound by any settlement agreement reached.

Other Terms and Conditions

25. The terms and conditions set out in Annex D shall also apply to this Option and Agreement.

Dated this _____ day of _____ 20__

Signature: _____

Name of Vendor(s): _____

Signature: _____

Name of Witness: _____

*NRIC/Passport No. of Witness: _____

ACCEPTANCE COPY

In relation to the property known as _____,

*I/ We, _____ as Purchaser(s), do hereby accept the above offer upon the terms and conditions set out in the said Option.

*My/ Our Solicitors are _____.

Dated the _____ day of _____ 20__

Signature: _____

Name of Purchaser(s): _____

*NRIC/ Passport No.: _____

Signature: _____

Name of Witness: _____

*NRIC/Passport No. of Witness: _____

ANNEX A

Insofar as this Agreement is subject to the Conditions pursuant to Clause 7, the following clauses of the Conditions are excluded and shall not apply to the sale and purchase of the Property:

- (a) _____
- (b) _____
- (c) _____
- (d) _____

Explanatory Note:

When negotiating the terms of the Option to Purchase, and in particular the incorporation of the Law Society of Singapore's Conditions of Sale at Clause 6 above, Parties can decide whether to exclude any of the Conditions found in the applicable Conditions of Sale from this Option to Purchase.

When in doubt, you may wish to seek independent legal advice on whether any of the Conditions needs to be modified or excluded from the sale and purchase.

ANNEX B

In relation to Clause 13 of the Agreement, it is **PROVIDED ALWAYS THAT**: -

- (a) *if replies to such legal requisitions are not received by *7 days before the Scheduled Completion Date / _____, then such replies shall be deemed to be satisfactory;
- (b) *replies to legal requisitions shall be deemed unsatisfactory if the same disclose that the Property is adversely affected by any notice or order which the Vendor shall have refused to, is not able to, or does not comply with by the Scheduled Completion Date at the Vendor's sole expense;
- (c) *any reply from the Land Transport Authority that the public road serving the Property is categorised as "category 5" road shall be considered as satisfactory;
- (d) *any approved road, backlane or drainage lines reserves or proposals shall be considered unsatisfactory if such lines reserves or proposals cuts into the building line of the Property regardless of whether the same is adopted or safeguarded or is to be implemented before or after completion PROVIDED that if such lines reserves or proposals will be implemented only if there is re-development of the Property, then the reply shall not be considered unsatisfactory;
- (e) *any reply from the Land Transport Authority showing that the Property is adversely affected by any rapid transit system proposal shall be deemed unsatisfactory.
- (f) * _____

- (g) * _____

Explanatory Note:

Legal requisitions are generally applied for to check if the Property being purchased is affected by governmental development plans. As the Purchaser potentially has the right to rescind the Agreement if the replies to requisitions turn out to be unsatisfactory, Parties may negotiate for specific instances where certain replies to requisitions does not entitle the Purchaser to rescind.

When in doubt, you may wish to seek independent legal advice on whether any of the clauses in this Annex needs to be modified or excluded, or other clauses are to be included in this Annex.

ANNEX C

In addition to the mode of service set out in Clause 18 of this Agreement, any Notice to be served or made by either Party shall be also be deemed to be sufficiently served:

- (a) *if by regular facsimile, the day after the date of the facsimile and where evidence of it being received can be proved;
- (b) *if by email, the day after the email is sent and where evidence of it being sent without any response that it has not been delivered; and
- (c) *if by normal post or by a certificate of posting, ____ day(s) after the date it is posted.
- (d) * _____

Provided always that in the case of service by facsimile or email there must be evidence of transmission of the communication by the relevant Party and that the transmission of that communication has been successful.

Explanatory Note:

To cater for Parties' preferences on the mode(s) of serving Notices that will be recognised as being sufficient service in addition to delivery by hand as set out in Clause 18, Parties are free to negotiate and incorporate on any other mode(s) of service through which they are agreeable to receive Notices.

When in doubt, you may wish to seek independent legal advice on the suitability of such other mode(s) of service that is intended to be incorporated into this Annex.

ANNEX D

The following terms and conditions shall also apply to this Agreement:

Explanatory Note:

If the Parties wish to vary any terms of the Agreement or include additional term(s) and condition(s) to the Agreement, they can do so using this Annex.

When in doubt, you may wish to seek independent legal advice on whether any of the terms and conditions in this Agreement need to be modified or excluded, or other clauses are to be included in this Annex.