Property, housing and public opinion

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Housing as a social contract

Property is the point at which foreign wealth touches the daily life of Singaporeans most directly. Close to 80 per cent of the resident population lives in public housing built by the Housing and Development Board, most of it owned by its occupants on long leases.[1] For most citizens, the flat is the largest asset they will ever own and the main store of their retirement savings, which the Central Provident Fund described in Chapter D.I helps them to finance. The value of that asset, and the ability of the next generation to buy one, are central to the legitimacy of the government.

Foreigners are largely excluded from this market. Non-residents cannot buy flats from the Housing and Development Board, while permanent residents are subject to conditions and quotas.[2] The Residential Property Act 1976 restricts the acquisition by foreign persons of landed residential property, such as detached and semi-detached houses, without the approval of the government, while foreigners may buy apartments in private condominiums.[3] Foreign wealth therefore competes mainly in the private condominium market and, through permanent residents and naturalised citizens, in the markets for landed homes and resale flats.

The Additional Buyer's Stamp Duty

The main instrument for managing foreign demand is the Additional Buyer's Stamp Duty, payable on top of the ordinary buyer's stamp duty. It was introduced in December 2011 as part of a series of property cooling measures.[4] Its rate for foreigners has risen in successive steps. According to the Inland Revenue Authority of Singapore, it stood at 15 per cent from 12 January 2013, 20 per cent from 6 July 2018 and 30 per cent from 16 December 2021.[5]

On 26 April 2023, shortly before midnight, the government announced that the rate for foreigners would double to 60 per cent with effect from the next day. Since 27 April 2023 foreigners pay 60 per cent on any residential property and entities pay 65 per cent. Singapore citizens pay nothing on their first property, 20 per cent on a second and 30 per cent on further properties, while permanent residents pay 5, 30 and 35 per cent.[6] Transfers of residential property to a trustee also attract a rate of 65 per cent. The duty must be paid upfront. A refund down to the rate of the beneficial owner with the highest applicable rate is available only where the property is held for identifiable individual beneficiaries. The trust rate, first introduced at 35 per cent on 9 May 2022, closed a route that wealthy families had used to hold property for the next generation.[7]

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Some foreigners receive the treatment of citizens under free trade agreements. Nationals and permanent residents of Iceland, Liechtenstein, Norway and Switzerland, as well as nationals of the United States, are accorded the same stamp duty treatment as Singapore citizens, which is of practical relevance for Swiss clients considering a move.[8]

April 2023: the reasons and the reaction

The timing of the 2023 increase reflected the post-pandemic wave of wealth described above. Foreigners accounted for 6.9 per cent of private residential purchases in the first quarter of 2023, up from 3.1 per cent a year earlier and the highest level since 2018. In the market for homes costing S$10 million or more, permanent residents had made 17 per cent of purchases in the year to April.[9] The Minister for National Development, Desmond Lee, explained that the government aimed to prioritise Singaporeans buying homes for their own occupation while curbing demand from local and foreign investors.[10]

The market reacted as intended. Analysts described the new rate as one of the highest in the world and expected foreign interest to cool, while one adviser warned that it could discourage some wealthy foreigners from setting up homes in Singapore.[11] That trade-off was accepted deliberately. A government that wants to attract family offices also chose to make it expensive for their owners to buy homes unless they became permanent residents or citizens. The measure thereby links the property question with the residence question: foreign wealth that commits itself to Singapore through residence pays less than foreign wealth that merely parks itself in bricks and mortar.

Taxing wealth at home

The inflow of wealth has also shaped domestic tax policy. Singapore levies no capital gains tax, no inheritance tax and no general wealth tax, which is part of its attraction. Since 2022, however, the government has raised taxes that fall on high incomes and expensive property. From the year of assessment 2024, resident individuals pay 23 per cent on chargeable income above S$500,000 and 24 per cent above S$1 million, which IRAS describes as the current highest personal income tax rate.[12] For residential property bought on or after 15 February 2023, the buyer's stamp duty rises to 5 per cent on the portion of the price between S$1.5 million and S$3 million and to 6 per cent on any higher amount, against a former top rate of 4 per cent.[13] Property tax rates on high-value residential property were also raised in two steps in 2023 and 2024.[14]

These measures are modest by European standards. They show, however, that the government perceives a political need for the wealthy to contribute visibly. The tax system remains attractive for mobile families, while the burden of holding expensive property and earning very high incomes in Singapore has increased.

Public opinion and the politics of visible wealth

Public opinion in Singapore rarely expresses itself in protest. It finds its voice in elections, in parliamentary questions, in online debate and in the government's own feedback channels. On the

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subject of foreign wealth, three concerns recur. The first is the cost of housing, which the measures just described address. The second is competition for good jobs, school places and status, which overlaps with debates on foreign professionals that Chapter J.IV examines. The third is the fear that wealth of doubtful origin buys a place in Singapore society.

The third concern gained force after August 2023. The suspects in the money laundering case had lived in expensive homes, driven luxury cars and moved in circles that included respectable businesses and professionals. Their arrest suggested that Singapore's attraction for the wealthy also attracted criminals, and that the gatekeepers of the financial centre had not always looked closely enough. The government's response, discussed in the next section, was therefore also a response to public opinion. Its message was that Singapore would continue to welcome the wealthy, but only those whose wealth could withstand scrutiny.

Notes

1. Wikipedia, "Public housing in Singapore" (accessed November 2026): in 2025 "close to 80%" of the resident population lived in public housing, down from a high of 88.0 per cent in 2000.
2. Housing and Development Board rules on eligibility for HDB flats: foreigners not eligible to buy; permanent residents may buy resale flats subject to conditions; non-Malaysian PR quota introduced in 2010.
3. Residential Property Act 1976 (2020 Rev Ed), in particular the provisions on restricted residential property and the approval of the Minister; Singapore Land Authority, Land Dealings Approval Unit.
4. The Additional Buyer's Stamp Duty was introduced with effect from 8 December 2011, at 10 per cent for foreigners.
5. Inland Revenue Authority of Singapore, "Additional Buyer's Stamp Duty (ABSD)" (iras.gov.sg, accessed November 2026), tables of previous rates: foreigners 15 per cent from 12 January 2013 to 5 July 2018, 20 per cent from 6 July 2018 to 15 December 2021 and 30 per cent from 16 December 2021 to 26 April 2023.
6. Inland Revenue Authority of Singapore, "Additional Buyer's Stamp Duty (ABSD)" (iras.gov.sg, accessed November 2026): rates on or after 27 April 2023 of 0, 20 and 30 per cent for Singapore citizens, 5, 30 and 35 per cent for permanent residents, 60 per cent for foreigners on any residential property and 65 per cent for entities and trustees.
7. Inland Revenue Authority of Singapore, "Additional Buyer's Stamp Duty (ABSD)" (iras.gov.sg, accessed November 2026): ABSD (Trust) of 65 per cent on residential property transferred to a trustee; remission by refund where the property is "held on trust for one or more identifiable individual beneficiaries only", equal to the difference between 65 per cent and the rate of the beneficial owner with the highest applicable rate; upfront payment and refund application within six months; trustee rate of 35 per cent from 9 May 2022 to 26 April 2023.
8. Inland Revenue Authority of Singapore, "Foreigners Eligible for ABSD Remission under Free Trade Agreements (FTAs)" (iras.gov.sg, accessed November 2026): "Nationals or Permanent Residents" of Iceland, Liechtenstein, Norway or Switzerland and nationals of the United States are "accorded the same stamp duty treatment as Singapore Citizens"; the detailed conditions are in the Stamp Duties (Free Trade Agreements) (Remission of ABSD) Rules.
9. "Foreigners face sky-high ABSD: developers, investors and home buyers feel the impact", *Yahoo Finance Singapore*, 28 April 2023, citing data from Huttons Asia (foreigners 6.9 per cent of private residential purchases in Q1 2023, against 3.1 per cent in Q1 2022, the highest since Q1 2018) and PropNex (permanent residents 17 per cent of purchases of homes of S$10 million or more in the year to 18 April).
10. *Yahoo Finance Singapore*, 28 April 2023, as above, quoting Desmond Lee: the government aims to "prioritise Singaporeans who are buying for owner-occupation".

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11. *Yahoo Finance Singapore*, 28 April 2023, as above: DBS Group Research described the 60 per cent rate as "one of the highest rates globally"; Chia Siew Chuin of JLL said that "the substantial ABSD imposed on foreign buyers could discourage some of the wealthy from setting up homes in Singapore".
12. Inland Revenue Authority of Singapore, "Individual Income Tax rates" (iras.gov.sg, accessed November 2026): from YA 2024, 23 per cent on chargeable income from S$500,001 to S$1,000,000 and 24 per cent in excess of S$1,000,000, "The current highest personal income tax rate".
13. Inland Revenue Authority of Singapore, "Buyer's Stamp Duty (BSD)" (iras.gov.sg, accessed November 2026): for residential property on or after 15 February 2023, 1 per cent on the first S$180,000, 2 per cent on the next S$180,000, 3 per cent on the next S$640,000, 4 per cent on the next S$500,000, 5 per cent on the next S$1,500,000 and 6 per cent on the remaining amount; top rate of 4 per cent from 20 February 2018 to 14 February 2023.
14. Budget 2022 increases in property tax rates for owner-occupied and non-owner-occupied residential property with high annual values, in two steps from 1 January 2023 and 1 January 2024.

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