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Accommodation Frequently Asked Questions (FAQs)

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1. What is a Letter of Intent?

A Letter of Intent (LOI) is a document that outlines a preliminary agreement between two parties before a deal is finalised. In Singapore, a prospective tenant would give an LOI to a landlord to express his intention of renting a particular property from the latter.

As a prospective tenant, giving the LOI to the landlord serves to demonstrate that you're serious about renting the property, and are no longer looking at other properties.

Do take note that when you submit the LOI to the landlord, you will also need to give him or her the good faith deposit to secure the deal. Submitting an LOI without the good faith deposit does not guarantee you the unit.

2. What is a Good Faith Deposit?

Good faith deposit is a down payment to show that you are serious about renting the property. It is also known as the booking deposit and is usually equivalent to a month's rent.

After you sign the Tenancy Agreement (TA), the good faith deposit will typically be used as payment for the first month's rent payment.

However, even after you have given the LOI and the good faith deposit to the landlord, there may still be a slim chance that the rental transaction falls through. Although this is rare, it can happen if you and the landlord cannot agree on the terms of the TA. If you find yourself in such a situation, the good faith deposit should be refunded back to you.

Below is a table summarizing what happens to the good faith deposit in various scenarios where the rental transaction falls through:

Scenario	Good faith deposit
Tenant and landlord don't agree to the terms of the Tenancy Agreement	To be returned to tenant
Landlord doesn't rent the property to tenant	To be returned to tenant
Tenant decides not to rent the property	To be kept by landlord

3. What is the difference between Letter of Intent and Tenancy Agreement?

While both Tenancy Agreements and Letters of Intent are fundamental to the rental process, they serve distinct roles and hold different legal implications.

A tenancy agreement is a legally binding contract that holds both parties accountable to the terms outlined in the document, while a letter of intent is not legally enforceable. Another key difference is the level of detail each document contains.

A tenancy agreement is a comprehensive contract that includes all the terms and conditions of the lease. In contrast, an LOI serves as a preliminary document that outlines the initial negotiations and intentions of the tenant and landlord.

4. What is an Option to Renew clause?

Option to renew clause does not guarantee renewal. However, it allows the tenant to have the priority to renew the lease before the landlord proceeds to look for a new tenant.

Do note that landlord reserves the right not to continue renting the unit too and tenant would have to vacate the premises upon the end of the lease.

5. What should I look out for before signing the Letter of Intent/Tenancy Agreement?

1. Proof of Ownership

Before signing a letter of intent or tenancy agreement, it is of utmost importance to verify the identity of the landlord. This is a crucial step in preventing potential fraud and ensuring that the person you are dealing with is the rightful owner of the property. You can request for the landlord to provide you with documents such as property tax letter or legal letter to confirm the ownership of the unit.

2. Verification of bank account details

It is recommended that any payments involved are to be made to the landlord's bank account only. This information will be indicated in the Tenancy Agreement as well. You may request the landlord to provide a copy of his/her bank statement to verify against the bank account information reflected in the Tenancy Agreement.

6. Should I use a housing agent to represent me in my home search?

Currently there are no strict guidelines from The Council for Estate Agencies (CEA) on agent's commission. Tenants are expected to pay commission to their representing agent in the home search.

The market commission fee for a 2-year tenancy is one month of rent; half month rent for 1 year tenancy.

7. What if I do not use a housing agent to represent me in the home search?

It is possible for you not to engage an agent in your search. However, you would need to negotiate the terms of your tenancy with the landlord's agent, commonly known as listing agent.

8. Will I be at a disadvantage without a representing agent?

If you are unsure of the terms in your tenancy, you may approach HR for advice. Tenancy agreement normally contains standard clauses except for the following clauses that may be negotiated:

Letter of Intent

- Works that are required to be done to the apartment should be negotiated and included in the Letter of Intent.
- Apartment to be professionally cleaned before hand over of apartment.
- To request copies of receipts on items that have been cleaned and serviced – air conditioning, curtains, settee, mattress, and entire unit cleaned.

Tenancy Agreement

- If you are signing a two-year lease, please ensure that a Diplomatic clause is inserted in your tenancy, preferably to negotiate for diplomatic clause to be exercisable after 10 months stay with 2 months' notice to terminate the lease. Otherwise, the usual practice is a 12-month stay with 2 months' notice.
- Diplomatic clause can only be exercised if the tenant ceases employment in Singapore and/or leaving the country.
- Diplomatic clause is normally not allowed for a one-year lease unless otherwise negotiated.
- Minor Repair clause generally ranges from \$150 to \$250 depending on size of apartment.
- Air-conditioning servicing clause – landlord would expect tenant to take up a contract for air-con servicing and maintenance during the lease period. Chemical cleaning is usually carried out by landlord; gas top by tenant.
- Ensure a 30-day defect free period is included in the Tenancy Agreement. Tenant will have 30 days to check and report any defects to the landlord.

9. How can I take up a housing loan from the School to pay for the deposit?

Once you are in Singapore and collected your work pass, you can apply for an interest-free loan from School up to three months of your monthly housing entitlement. The School is unable to provide a loan while you are still overseas. The loan will cover:

- 1-month good faith deposit (upon signing of the Letter of Intent); and
- up to 2 months of security deposit (depending on the duration of your lease)

The one-month good faith deposit will be taken as advance rent for the first month.

You will need to complete the housing loan form and provide us with a copy of the signed LOI before the School can process the loan request. Please approach HR for the loan form.

10. What happens if my rent is higher than my housing entitlement?

If your rent is higher than your eligible entitlement, you will need to top-up the difference at your own cost. The same applies for loan application from School.

11. Who can help me with e-stamping the Tenancy Agreement (Stamp Duty) if I do not have a representing agent?

Stamp duty submission and payment can be done directly by tenants like yourself if you do not have a representing agent.

You can e-stamp your lease document via the Inland Revenue Authority of Singapore (IRAS) website. For individual users, you will need to login via Singpass and no e-Stamping account is required. You can click [here](#) to view the guide on how to e-stamp your document and make payment for the stamp duty fees.

12. How do I open a utilities account?

You will need to open an account with SP Group before activating the electrical, water and gas supplies.

It is recommended that you request for utilities account to be transferred from the landlord if it has not been terminated to avoid any disruption in the power supply prior to moving into the apartment.

You may refer to the following links to find out more.

- [Resources \(spgroup.com.sg\)](https://www.spgroup.com.sg/resources)
- [Change of Ownership Tenancy Form.pdf \(spgroup.com.sg\)](https://www.spgroup.com.sg/change-of-ownership-tenancy-form)

13. What are the things that I should look out for when I first move in?

On the day of takeover, the landlord/landlord's agent will go through the inventory list with you. The same inventory list will be used at the handover when the lease ends.

Please ensure that a 30-day defect free period clause is included in the tenancy agreement. Any defects identified and reported during 30 days from the start of your tenancy date (not move-in date) will be the landlord's responsibility to rectify it. Hence, please take pictures of any defects found during the takeover, to be reported to the landlord.

Any defects identified and reported after the 30 days defect free period will be at the tenant's expense and the minor repair clause in the tenancy agreement will apply.

14. How often should I have to service the air-conditioning units in the apartment?

Landlord would expect tenant to take up an annual servicing contract (not ad-hoc servicing) to service the air-conditioning units once every quarter (4 times a year). All service chits must be kept as evidence of servicing when the apartment is handed over to the landlord when the lease ends.

15. What happens when the current tenancy expires?

You can exercise your option to renew the lease two months before the current tenancy expires, subject to the prevailing rental rate. If you do not exercise the renewal option clause, the landlord has the right to re-market the property for rental. You are obliged under the terms of the tenancy to allow prospective tenants to view the apartment.

If you decide to continue staying in your existing apartment, please ensure that you inform the landlord's agent at least two months before the expiry of the tenancy of your intent and negotiate for further terms.

If you have no intention to renew the tenancy, you may proceed to search for new accommodation from the market.

16. What should I do when I am moving out of the apartment at the end of the tenancy?

If you are moving out, please ensure that the apartment is handed over in the condition you received with the following carried out:

- Professional cleaning of the entire apartment
- Curtains to be dry-cleaned.
- Settee and mattress to be steam cleaned (if applicable) if you have received the same at the start of tenancy.
- All inventory items are to be cleaned (including refrigerator, oven, microwave, stove, hood and filter, washer/dryer etc.)
- Air-con to be serviced. Landlord would expect to see copies of contract and servicing chits.
- Where pictures are hung, please putty all nail holes and paint over if necessary.
- All blown bulbs are to be replaced.