

Accommodation Guide

~ for Incoming Students ~



Office of International Relations
Singapore Management University

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ACCOMMODATION TIPS

CURRENT PROPERTY/RENTAL MARKET

Property prices in Singapore has escalated because of the good economic prospects, rising consumer confidence and increasing attractiveness of Singapore as a global city. Landlords tend to have higher expectations for short-term rent so many **will not** be willing to lower the rent. Students are advised to arrive early in Singapore and allow 1-2 weeks to source for accommodation.

IMPORTANT NOTES:

- No pro-rating of rent for short-term accommodation so you would have to pay for full month instead of pro-rating it by "week/days of stay".
- Housing agent commission is half month to full month (for an apartment). Different agents have different rate of commission. It is advisable to pay the agent's commission on the day you are moving into the apartment.

MANAGE YOUR EXPECTATIONS

- **Cheap & good accommodation in town/city area?**

If you have heard from past SMU exchange students that you can find an apartment in town/city at a very good/low price, such deals may not be as freely available in the market. You would have to manage your expectations.

For better/cheaper apartments, you will have to move further away from town/city. Singapore is small and has an efficient transportation system, so it is not difficult to get around. In fact, most Singaporeans stay in the "sub-urban/neighborhood" area, and they commute to work and leisure every day.



Apartments near the MRT (Mass Rapid Transit, also known as Metro/Subway) station tend to be more costly. You may consider staying further into the neighborhood. The neighborhood is often served by feeder buses that will bring you to the nearest MRT station. You can conveniently get to school by taking a feeder bus, then take a train down to SMU. There are a lot of buses which stop at SMU. The link for our campus map as follows; <http://www.smu.edu.sg/campus/map/>

- **The term “fully-furnished apartment” can be taken differently in different countries.**
 - Some students expect to have everything provided in a "fully-furnished" apartment. You can expect the basic furniture like sofa, table, bed, cupboards to be provided. But do not expect hair dryer, iron, ironing board, bed linen, pillow, towel, detergent and sometime, plates & cups. However, you may try requesting if the landlord can "throw in" a few more household items into the apartment.
 - Private apartment does not mean service apartment. So towels, toilet paper, detergent etc will not be provided.

DUE DILIGENCE

- **Do not be pressurized into signing** - If you do not really like an apartment, do not be pressurized into signing the letter of intent, or tenancy agreement. Some agents will tell you that many are waiting to rent the place and if you don't get it now, it will be rented out. Be prepared to give up the deal.
- **Read agreement carefully** – Take your time in reading all the terms and conditions in the agreement before signing. Make sure you understand all the details. Do not be afraid to ask questions if you have any doubts.



- **Making deposit – Do not place any deposit prior to signing of the Letter of Intent and/or the Tenancy Agreement!**
 - You would be asked to sign 2 documents when renting an apartment: The “Letter of Intent”, followed by the Tenancy Agreement.
 - You do not have to place the full deposit when signing the Letter of Intent. Partial deposit can be arranged. Generally 1 month deposit is required.
 - Full deposit is only required when signing the Tenancy Agreement.
 - Keep receipt or proof of documents for the deposit payment.
Note down the agent’s full name, National Registration Identity Card (pink or blue card) and the address stated on the National Registration Identity Card (NRIC).
- **Electricity** – Students must apply for electricity prior to moving into the apartment. The agent / landlord will advise you on this. A \$500.00 deposit is required when submitting the application. The deposit is refundable at the end of your stay. To activate the power supply, 1-2 working days is required.
- **Collection of housing deposit** – The deposit will be refunded within 7 days after handing over of keys or otherwise as stated in the contract. If you are planning to leave earlier than as stated in the tenancy agreement, do inform the agent / landlord. The full deposit will not be refunded if there’s any property damaged.
- **Housing agents** - Be very careful if you are looking to rent an apartment via the local newspaper. If so, try to look for **agents** who are in the industry for **more than 3 years**. There are many agents who have jumped into the market to make quick money off the robust market. You want to work with more stable and reliable housing agents. It is advisable to check the agent’s National Registration Identity Card (pink or blue card) and note down their personal particulars. Students are strongly advised to liaise with the list of property agents recommended by past exchange students. The list will be sent via email after students are accepted into the exchange programme.



BASIC CONSIDERATION

- **Seek agreement from other housemate if you've visitors staying over** - You can offer to pay a larger share of the bills, expenses, etc
- **Maintain a clean & pleasant living environment for everyone** - You can consider hiring cleaners and keep the living environment clean and pleasant for everyone. A list of house cleaning services can be found in the following link: <http://singapore.angloinfo.com/af/288/singapore-cleaners-and-cleaning-services.html>. We've not used their services before so check on their rates before using their services.
- **Returning the place in good condition** - Set a good impression for SMU international exchange students, and also for your home university.
- **Visitor Notification** – If an apartment has been leased to you, landlords do not have the right to enter the apartment freely. Your housing agent should receive prior notification of their visit.

GROUP ARRANGEMENTS

- **Be organized** – Group yourself before contacting a housing agent. Avoid forming big groups (6-8 students) as landlords prefer smaller groups. It is also more difficult to source for apartments. Decide who amongst the group should be the contact person for the housing agent. This will help avoid miscommunication and frustration. The appointed contact person will sign the tenancy agreement, assist to collect rent from fellow roommates, disseminate information from the agent / landlord, etc.
- **Agree on collection of the housing deposit** - If you and your house-mates are leaving Singapore at different time, the last person to vacate the apartment will receive the housing deposit from the housing agent. Make arrangement amongst yourselves how the payment should be returned to students who are leaving earlier.

- **Required documents** - The student pass is required when you're signing the tenancy agreement. The agent / landlord might also request for the SMU acceptance letter and your passport. Singapore is very strict on housing illegal immigrants so these documents are needed to verify your status as an exchange student of SMU.

RENTAL GUIDE

Step One: Preparation of your Requirements, engage an agent & look for house-mates

- i) Determine your budget for the rental expenses. Do take into account expenditures such as Public Utilities, telephone, cable TV, etc.
- ii) Decide on your search criterion. Do take into consideration the following factors when choosing the right location –
 - Public Transport
 - School location
 - Food and entertainment
- iii) Engage a local agent via email before arriving in Singapore or when you arrive in Singapore. Inform agent of your budget & requirement/preference.
- iv) For groups of 2-4 students, be committed to **ONE** agent, this makes it easier for the agent to source for an apartment.
- v) *For sharing of apartment, invite other international exchange students to be roommates. It is always good to meet the other party in person before making the invitation. Also, decide who in the group should be the agent's contact/liasing person.*

Step Two: Viewing and Selection of Properties

When you have finally decided on the property, the agent will then proceed to negotiate the rental terms and offers with the landlord or the owners' representatives. After the negotiation has been successfully carried out, you will need to prepare the following items to confirm the tenancy:

- A photocopy of the passport
- A photocopy of the student pass
- One month's rental for the good faith(booking) deposit (*Generally 1 month deposit payable upon signing Letter of Intent and 1 month deposit upon signing the Tenancy Agreement.*)

Your agent will then prepare the necessary tenancy documents such as the Letter of Intent and Tenancy Agreement.



- ✓ Do make sure that the agent provides proof that the Landlord is the rightful owner of the property.
- ✓ Do make sure that all verbal agreements with the house owner are confirmed in writing in a lease / tenancy agreement.
- ✓ Do make sure that the issue of commission should be sorted out before entering into a lease agreement.
- ✓ Do agree on the following issues prior to signing of agreement –
 - Telephone usage and charges – billed separately (not applicable for short-term rent).
 - Define acceptable noise levels and rights of privacy (Any visits from the landlord should be communicated by the housing agent to the tenants)
 - Water and electricity costs – billed separately
 - Discuss security issues (house keys etc.)
 - *Return of deposit (Should be on the day house keys are handed over to the landlord / agent)*

Step Three: Letter of Intent

This is a letter stating Tenant's intention to lease property from Landlord. It also includes Tenant's requirements for the property such as rent per month, furnishing, moving in date, etc as well as assisting Tenant and the Landlord for the initial negotiation.

The Letter of Intent includes the payment of the Good faith deposit (if applicable). This is the booking deposit, and the amount is usually equivalent to one month's rent. After the landlord signed the Letter of Intent and accept this deposit, the landlord cannot rent the said property to any other party. This deposit will become part of the security deposit or advance rental after the legal Tenancy Agreement is signed.

- ✗ **Do not** make any payments until you have **received** and **read** the **Letter of Intent**.
- ✓ Do request for a receipt upon payment of deposit. This is to leave an audit trail in the event of any disputes between both parties.

Step Four: Tenancy Agreement

After the Letter of intent is duly signed, the landlord or his agent will prepare the Tenancy Agreement.

The Tenancy Agreement is a legal contract that sets out the rules landlords and tenants agree to follow in their rental relationship. Be sure your agreement complies with all relevant policies and local laws including occupancy rules, immigration policy, Condominium management rules and regulations, security deposits, notice requirements for entering rental property or rules for changing or ending a tenancy and more.

Here are some of the most important items to cover;

1. Names and Particulars of Landlord and Tenant

- ❖ The names, passport or NRIC No and corresponding addresses of both Landlord and Tenant should be in your Tenancy agreement. This makes each party traceable or contactable at all times to comply with the terms of the tenancy.

2. Term of the Tenancy

- ❖ Ensure that the lease term is stated clearly and accurately in the agreement.

3. Rent

- ❖ Your rental agreement should specify the amount of rent, when it is due, and how it is to be paid.

4. Security Deposit

- ❖ The amount of the security deposit is usually stated in the Letter or Intent. It will only be payable upon signing of the Tenancy Agreement. When the lease term ends, the security deposit will then be refunded without interest. However, the landlord reserves the right to deduct from the deposit all costs, damages and expenses caused by the tenant for breaching any of the covenants stated in the Tenancy Agreement.

5. Public Utilities, Telephone and Cable Television

- ❖ The installation charges and the monthly bills for the following services are the tenant's responsibility.
 - SP Services - the water, electricity and city gas supply.
 - Singapore Telecom - residential telephone line (not applicable for short-term rent).
 - Cable TV (SCV) - cable television and broadband internet.



The tenant can request for some of the above bills to be included in the rental amount as a package.

6. Repairs and Maintenance

- ❖ As the tenant, you are responsible for maintaining the leased premise. You will also carry out minor repairs at your own costs. In a standard agreement, the tenant will only be responsible if the amount of the repair does not exceed S\$100 to S\$200 depending on the housing type.

Major repairs are under the landlord's responsibility provided that the damage or malfunction of appliances is not caused by the tenant's negligence.

✗ Do not sign the lease agreement until you have read and understood ALL the terms stated in the agreement.

Step Five: Tenant's Payments

- Security Deposit and Advanced Rental

You will need to prepare the rest of the security deposit (if any) and advance rental upon signing of the Tenancy Agreement.

- Stamp Duty

The Tenancy Agreement will have to be stamped by the Inland Revenue Authority of Singapore. Only after the Tenancy has been stamped then it can be submitted as a legal and valid evidence in court to resolve any disputes that may arise in the future with your landlord. This is to protect the interest of both contracting parties.

The stamp duty is usually borne by the tenant.

The stamp duty is approximately 10% of half month rental.

- ✓ **Do request for a receipt upon payment of deposit. This is to leave an audit trail in the event of any disputes between both parties.**



Step Six: Taking Over of Premises

The landlord or his agent will prepare an Inventory List on or before the day of handing over. The water and electricity should be activated by this day.

Check off the items listed in the inventory. Check all electrical appliances, air-con, lightings, water heater etc to ensure that they are in good working condition.

If there is anything not working or working unsatisfactory, note it down on the inventory list. Allow the landlord or his workmen to rectify the defects within a reasonable period. If there are scratches, cracked walls, drilled holes in the walls, etc, note it down in the inventory list and take pictures. In the event of dispute between you and the agent / landlord, the pictures can be shown as evidence.

Note:

- Agent fee will be incurred for service rendered when sourcing for accommodation.
- Contract/agreement will be solely between student and agent/owner.
- Please read the contract/agreement carefully as it is legally binding.
- Contact the agents directly for further information on private apartments, agent fee, security deposit, rental practice, payment etc.
- Ensure that you have clearly communicated your requirements (budget, location, period of stay, type of housing, furnishing and facilities in the unit etc.) to your agent.

COMMISSION GUIDE

The Institute of Estate Agents (IEA) has a set of recommended guidelines with regards to the commission fee for real estate transaction. It is hoped that the consistent application of the Recommended Commission/ Fee will help to avoid misunderstandings between agents and the public.

However, do note that this is only the **recommended** guidelines, and it is possible for the issue of commission to be left to the parties involved for further negotiation.

Rental of HDB Flats and Rooms

Party	Commission Payable to Agency
Landlord	<ul style="list-style-type: none"> • One half (1/2) of a month's gross rental for less than 12 month's lease. • One(1) month's gross rental for lease between 12 months to 24 months, and an additional one half (1/2) a month's gross rental for every subsequent 12 month's lease or less.
Tenant	<ul style="list-style-type: none"> • One half (1/2) of a month's gross rental for less than 12 month's lease. • One (1) month's gross rental for a lease between 12 months to 24 months.

Rental (All types of properties except HDB Flats and Rooms)

Party	Commission Payable to Agency
Landlord	<ul style="list-style-type: none"> • One half (1/2) of a month's gross rental for less than 12 month's lease. • One(1) month's gross rental for lease between 12 months to 24 months, and an additional one half (1/2) a month's gross rental for every subsequent 12 month's lease or less.
Tenant	<ul style="list-style-type: none"> • One half (1/2) of a month's gross rental

Also note that the commission/ fee shall become due immediately upon execution of the tenancy agreement by Landlord and Tenant.

FEEDBACK OR COMPLAINTS

- **Institute of Estate Agents (IEA)**

IEA is single body to represent all estate agents and agencies. Enquiry will be free of charge but if you are getting legal advice then you will need to bear the charges. Enquiry must be officially written in through email.

480 Lorong 6, Toa Payoh HDB Hub East Wing
#08-02, Singapore 310480
Tel : 63231770
Fax : 63231779
Email : secretariat@iea.org.sg
Website: <http://www.iea.org.sg>

- **The Multi-Door Courthouse (MDC)**

MDC is established to meet the increasing demand from community organizations and members of the public for an informed choice about dispute-prevention measures and dispute-resolution avenues. The mission of the MDC is to create greater accessibility to, and transparency of, ways to resolve disputes within and outside the Subordinate Courts. Thus, MDC seeks to increase public awareness of dispute-prevention measures and inform you of the available dispute-resolution avenues

MDC Subordinate Courts 1
Havelock Square Singapore 059724
Tel : 6435 5056 / 435 5573
Fax : 6438 0774
Email: eadr_admin@subct.gov.sg
Website: <http://app.subcourts.gov.sg/mdc-cic/index.aspx>

- **Small Claims Tribunals of Singapore**

The Small Claims Tribunals are part of the Subordinate Courts of Singapore. The Tribunals were established on the 1st of February 1985, to provide a quick and inexpensive forum for the resolution of small claims between consumers and suppliers.

1st Level, Subordinate Courts
1 Havelock Square, Singapore 059724
Tel No. 6435-5937
Fax No. 6435-5994
Website: <http://app.subcourts.gov.sg/sct/index.aspx>



- **Consumers Association of Singapore (CASE)**

The Consumers Association of Singapore (CASE) is a non-profit, non-governmental organization that is committed towards protecting consumers' interest through information and education, and promoting an environment of fair and ethical trade practices. Disputes can be referred for mediation at the CASE Mediation Centre.

170 Ghim Moh Road
#05-01 Ulu Pandan Community Building
Singapore 279621
CASE Consumer Helpline: 6463 1811
(Mon - Fri: 9am to 5pm, Sat: 9am to 12pm)
Fax: 6467 9055
Website: www.case.org.sg

- **Singapore Accredited Estate Agencies (SAEA)**

Singapore Accredited Estate Agencies (SAEA) Scheme, jointly administered by the Singapore Institute of Surveyors and Valuers (SISV) and the Institute of Estate Agents (IEA), provide mediation and adjudication if the real estate company in question is a member of the scheme.

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Keypoint Singapore 199597
Tel: +65-6293 6616
Fax: +65-6293 9919
Email: info@saea.org.sg for general enquiries
Email: feedback@saea.org.sg for complaints/enquiries/feedback on estate agency practice
Website: www.saea.org.sg

* Information subject to change without prior notice



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