



What is stamp duty on commercial property in Singapore?

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WHAT IS STAMP DUTY ON COMMERCIAL PROPERTY IN SINGAPORE?

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The advertisement features a circular image of a small red house with a yellow roof sitting on a stack of gold coins. To the left of the image is the Singapore Office Solutions logo and the text 'Find Office Space For U, With U'. Below the image is a search bar containing the website URL 'www.officesolutions.com.sg'.

Stamp duty is a tax that applies to various types of transactions in Singapore, including the purchase of commercial properties. If you are considering investing in a [commercial property](#), it's important to understand what stamp duty is, how it is calculated, and what implications it may have on your investment.

What is Stamp Duty?

Stamp duty is a tax paid to the government for various types of transactions, such as buying or transferring ownership of property, shares, and other assets. In the context of commercial properties, stamp duty is payable when a property is purchased, leased, or transferred.

How is Stamp Duty Calculated?

The amount of stamp duty payable on commercial properties depends on several factors, including the property's purchase price, the type of property, and the nationality of the buyer. For example, the stamp duty rates for a commercial property purchase in Singapore are as follows:

- 1% for the first S\$180,000
- 2% for the next S\$180,000
- 3% for the next S\$640,000
- 4% for the remaining amount

Additionally, buyers who are foreign individuals or entities may be subject to an additional Buyer's Stamp Duty (ABSD), which is currently set at 15% of the purchase price.

Implications of Stamp Duty on Commercial Property Investment

Stamp duty can significantly impact the total cost of a commercial property investment, so it's important to factor it into your budget when considering a purchase. Buyers should also be aware of the potential ABSD costs for foreign investors, which can add a significant amount to the total purchase price.

However, it's worth noting that stamp duty is a one-time payment and does not have ongoing implications on the property's value or rental income. In some cases, the cost of stamp duty may be offset by capital appreciation or rental income over time.

Conclusion

Stamp duty is an important consideration for anyone looking to purchase a commercial property in Singapore. By understanding how it is calculated and factoring it into your budget, you can make an informed decision on your investment. Remember to seek professional advice from [a reputable real estate agent](#) or lawyer to ensure a smooth and successful transaction.