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Real estate players split on whether seller's stamp duty hikes will curb speculation: NUS poll

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PROPERTY players questioned whether the recent seller's stamp duty (SSD) hike will curb speculation, with a National University of Singapore (NUS) survey finding that its impact may be limited as sub-sales make up a small share of the market.

A poll conducted in August showed that 54 per cent of respondents believe the duties – revised in July – will curb speculation, while 46 per cent said they are likely to have only a limited effect, NUS said on Wednesday (Sep 3).

Under the revised rules, the holding period for private residential properties was extended from three to four years. SSD rates now range from 16 per cent for properties sold within one year of purchase to 4 per cent in the fourth year, with no SSD payable thereafter.

Professor Qian Wenlan, director of the NUS Institute of Real Estate and Urban Studies, said: "The more onerous stamp duties and holding period could dampen short-term speculation, but their effects on the wider market might be limited, as the majority of private property buyers are owners-occupiers or long-term investors."

She pointed out that sub-sales have remained a relatively small part of the market, accounting for less than 10 per cent of total transactions between 2023 and 2024.

Yearly volumes are a "far cry" from the roughly 5,000 sub-sale deals recorded in 2007, before cooling measures such as the additional buyer's stamp duty, SSD and loan limits were introduced.

Some 58 per cent of respondents believe the objective of the SSD hike could be undermined, as property remains a preferred investment or safe-haven asset – especially in times of economic uncertainty.

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Moreover, the effects of property curbs will eventually be overcome by market demand fuelled by economic fundamentals, such as population and economic growth, the survey found.

Half of the respondents also said excessive government intervention could distort natural market mechanisms, potentially leading to malinvestment and other externalities, such as spillover effects in other market segments or future periods.

One survey respondent said that the market is fuelled by Housing and Development Board upgraders who hold both public housing flats and private homes, and would in turn crimp the supply of resale units.

A majority (62 per cent) felt that existing cooling measures were sufficient, and that the recent spike in speculative activity was "only a temporary fluctuation".

Prof Qian said: "Sub-sale transactions had in fact started on a downtrend following a localised high of 411 sub-sales recorded for Q4 2023."

Although sub-sales rose 10.4 per cent year on year in 2024 to 1,428 transactions, the growth was modest compared with the 69.2 per cent surge in 2023.

Activity has tapered in recent quarters, with 269 sub-sale deals recorded in the second quarter of 2025, down 35 per cent from the Q4 2023 peak and 31 per cent lower than the same period last year. The latest figure was also 16 per cent lower than in Q1, when 321 sub-sale transactions were recorded.

"The Covid-19 pandemic lasting over 2021 through 2022 and into early 2023... escalated pent-up demand," said Prof Qian. "In tandem with construction delays caused by supply chain disruptions, many homebuyers were therefore decanted into the sub-sale market."