

**PI ETA CONSULTING COMPANY**

# **Real Estate Financing**

**- Standard Terms and Conditions**

---

The Alpha, #03-16A, 10 Science Park Road, Singapore Science Park II  
Singapore 117684, Republic of Singapore  
Tel: +65 634 100 10 | Fax: +65 634 100 20 | Email: [marketing@pi-eta.com](mailto:marketing@pi-eta.com)

---

## **OUTLINE FOR REAL ESTATE FINANCING PROGRAM, A 2-DAY PROGRAM**

- **Key Features of the Housing Developers (Project Account) Rules**
  - Application of moneys in a Project Account
  - Release of moneys from the Project Account
  - Withdrawal of moneys in Project Account after grant of TOP and upon project completion.
  - Withdrawal of surplus moneys in Project Account when there is no subsisting mortgage
  - Other Conditions
  
- **Why are the Rules important?**
  
- **Types of Land in Singapore**
  - State Land
  - Freehold Land
  - Leasehold Land
    - URA Land
    - JTC Land
  
- **Financing Development of Residential Properties**
  
- **Key Stages of Development of Project**
  - Developer and Architect prepare preliminary/detailed development plan for submission to Building and Construction Authority (“BCA”)
  - Application for Developer’s License made to Controller of Housing (“CH”)
  - Sale of development can commence once CH’s approval obtained
  - Building contract signed
  - Contractor submits claims for work done to Architect for certification
  - Contractor completes building and Architect issues certificate of Practical Completion
  - BCA issues Temporary Occupation Permit
  - BCA issues Certificate of Statutory Completion
  
- **Typical Schedule of Progress Payments (Standard Payment Scheme)/Deferred Payment Scheme/Other Variations**
  
- **Project Risks**
  - Marketability/Market Conditions
  - Location
  - Completion
  - Cost Overrun
  - Interest Rate

- **Project Analysis**
  - Percentage advance on Land Loan and Construction Loan
  - Total Site Area, Plot Ratio, Gross Floor Area, Net Floor Area
  - Breakeven Analysis for Borrower and Bank versus market price
  - Security including mortgage on the property financed, legal assignment of sales proceeds and tenancy agreements, contractor's all risk policy, assignment of building contracts drawings etc and assignment of project account
  - Undertaking to launch project by "x" date, commence construction by "x" date and obtain TOP by "x" date
  - Undertaking not to sell below a certain price on a per square foot basis
- **Other Factors to consider in Analyzing the Credit**
- **Standard Terms and Conditions**
- **Typical Bank Facilities required by Developers**
  - Bridge Loan
  - Land Loan
  - Construction Loan
  - Conversion of a Construction Loan to an Investment Loan
- **Types of Mortgages Offered**
  - Legal Mortgage
  - Equitable Mortgage
  - Simple deposit of Title Deeds
- **Difference between Registered Land and Unregistered Land**
- **Financing Other Developments**
  - Commercial and Retail (Shop Units) Properties
  - Industrial (Factory/Warehouse) Properties
  - Hotels
- **Market Outlook**
  - Residential Property Market
  - Commercial Property Market
  - Retail (Shop Units) Property Market
  - Industrial (Factory/Warehouse) Property Market
  - Hotel Industry
- **Recent Government Measures to curb speculation**
- **Recent Transactions**
- **Reserve Price System**
- **Key Factors to consider in financing properties for investment purposes**
- **Key Risks to consider in financing properties for investment purposes**

For more information, please contact PI ETA Engagement Resource (PEER) Group at  
 Tel: +65 634 100 10 | Fax: +65 634 100 20 | Email: [marketing@pi-eta.com](mailto:marketing@pi-eta.com) | Website: [www.pi-eta.com](http://www.pi-eta.com)

## **PROGRAM FACILITATOR**

### **Mr. Andrew K. T. Goh** **B.Econ.**

Mr. Andrew K. T. Goh is a Business Domain Expert Facilitator with PI ETA Consulting Company. He has 32 years of banking experience having held senior banking positions in both international and local banks.

Andrew has a successful track record in Corporate Banking, Trade Finance, Specialized Lending, Lending to Small and Medium Enterprises and Credit Audit.

Prior to his current appointment, he was a Senior Audit Manager in Credit Risk Review with Overseas-Chinese Banking Corporation. He spent almost 5 years reviewing the corporate loans of the organization. Before this appointment, he was the Head of Corporate Banking with American Express Bank for 13 years. Andrew also spent 3 years with United Overseas Bank, first as Head of Consumer Banking and Credit Administration before assuming the position of Head of Corporate Banking. His first job was with Bank of America, having spent 11 years with this financial institution. He was appointed the first Chairman of the Bank's Marketing Committee and was also the Bank's Asia Specialist for Energy. Andrew spent 2 years in Houston Texas financing oil traders, major oil companies, oil field supply equipment manufacturers and other oil related industry players. He was also a Section Head of the Bank's Energy, Shipping, Chemical and Aerospace Department and made Senior Credit Officer of the Bank's Jurong Branch. Andrew also spent a year in the Bank's Specialised Lending Department handling the problematic accounts.

Andrew graduated with a Bachelor of Economics degree from the University of Adelaide, South Australia. He was also a part-time lecturer for 5 years in the 1990s lecturing on the subject of "Bank Lending" at the Nanyang Technological University of Singapore. This subject was offered to second year students of the School of Accountancy and Business.