## **Example 2: CASE STUDY OF AV DETERMINATION FOR RESIDENTIAL PROPERTIES**

Mr Tan owns a 2-bedroom apartment (2BR) at 1 ABC Road with a size of 65sqm. His property is currently let at a gross rent of \$2,800 per month.

To determine the Annual Value (AV) for his property, IRAS relied on the market rentals of similar or comparable units within his development, which ranged from \$2,700 to \$3,400:

Table 1: Market Rentals in 1 ABC Road

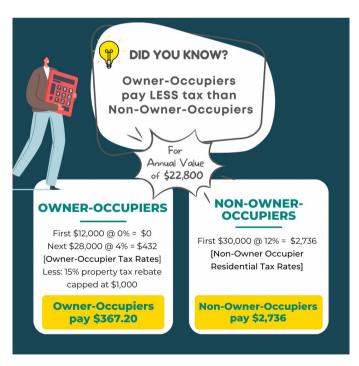
Street Name	Storey	Unit No.	Bedroom Type	Floor Area	Gross Rent
1 ABC Road	09	06	2BR	64	\$2,700
1 ABC Road	11	14	2BR	66	\$2,900
1 ABC Road	09	16	2BR	66	\$3,200
1 ABC Road	12	03	2BR	65	\$3,400

The datapoints above are hypothetical and do not represent actual cases.

We assessed the AV of his property at \$22,800 (\$1,900 per month), after according a reasonable allowance for furniture, furnishings and maintenance fees, as per previous years.

His neighbour, Mr Chan owns and stays in a 2-bedroom apartment.

As both Mr Tan's and Mr Chan's properties are 2-bedroom units of the same size, in the same development, they will be assessed at the same AV of \$22,800. As Mr Chan is owner-occupying his unit, his property tax is at \$367.20 because he is taxed at the lower owner-occupier tax rates and enjoys the property tax rebate for owner-occupied residential properties. Meanwhile Mr Tan's property tax is higher at \$2,736 as he is renting out his unit and is taxed at non-owner-occupier tax rates.



Note: The example provided above illustrates the property tax rates that take effect from 1 Jan 2025.