Measures to Cool the HDB Resale Market and Greater Support for First-Time Home Buyers



This new set of measures will:

- Section Encourage prudent borrowing for HDB flat purchases
- **V** Further stabilise the resale market
- Improve affordability for lower-to-middle income first-time home buyers



NEW Lower Loan-to-Value (LTV) limit for HDB housing loans

- Tightened from 80% to 75% with effect from 20 Aug 2024.
- ✓ Vast majority of buyers who take up an HDB loan will not be affected.
- Buyers who take loans at higher LTV ratios tend to buy larger flats at higher prices. A lower LTV limit will encourage greater financial prudence and reduce demand for highly-priced resale flats.



NEW Increase in Enhanced CPF Housing Grant (EHG)

- Improves affordability for lower-to-middle income first-time home buyers.
- Higher increases for lower-income households who require more support, without driving up resale prices.



Housing Grants for First-timer Families

| Grant | Previous | Revised |
|---|--------------------|-------------------|
| (A) EHG | Up to \$80,000 | Up to \$120,000 ▲ |
| (B) CPF Housing Grant | Up to \$80,000 | No change |
| (C) Proximity Housing Grant | Up to \$30,000 | No change |
| Total grants for new flats (A) | Up to \$80,000 | Up to \$120,000 🛦 |
| Total grants for resale flats (A + B + C) | Up to \$190,000 | Up to \$230,000▲ |

Housing Grants for First-timer Singles

| Grant | Previous | Revised |
|---|-------------------|-------------------|
| (D) EHG | Up to \$40,000 | Up to \$60,000 🛦 |
| (E) CPF Housing Grant | Up to \$40,000 | No change |
| (F) Proximity Housing Grant | Up to \$15,000 | No change |
| Total grants for new flats (D) | Up to \$40,000 | Up to \$60,000 🛦 |
| Total grants for resale flats (D + E + F) | Up to \$95,000 | Up to \$115,000 🛦 |

These measures will apply to:

Applications for new flats from Oct 2024 sales exercise onwards.

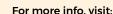
Revised EHG will <u>not</u> apply retrospectively to past sales exercises (including those who have received a queue number but yet to book their flat).

Complete resale applications received on or after 20 Aug 2024.

- \mathfrak{G} i.e. both buyer and seller portions of application have been submitted to HDB.
- Revised EHG will be automatically extended to transactions pending completion.

Buyers who already have a HFE letter, <u>no need to re-apply.</u> Buyers eligible for higher EHG will receive an updated HFE letter via email.











The property market moves in cycles. Buyers should exercise caution, as those who buy at higher prices with larger loans are hardest hit when the market cools.