

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

## This new set of measures will:

- ✓ Encourage prudent borrowing for HDB flat purchases
- ✓ 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 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
<b>Total grants for new flats (A)</b>	Up to \$80,000	Up to \$120,000 ▲
<b>Total grants for resale flats (A + B + C)</b>	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
<b>Total grants for new flats (D)</b>	Up to \$40,000	Up to \$60,000 ▲
<b>Total grants for resale flats (D + E + F)</b>	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 not 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.
    - ✓ 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, no need to re-apply.  
Buyers eligible for higher EHG will receive an updated HFE letter via email.

