

Resale Levy

Those who have previously bought a flat from the HDB or taken a CPF Housing Grant will have to pay a resale levy when they next buy a flat from the HDB. The resale levy is meant to reduce the subsidy on the second subsidised flat so as to maintain a fair allocation of public housing subsidies between first- and second-timer citizen families.

These are the scenarios whereby a resale levy is payable/not payable:

Payable	Not Payable
<p>You are buying:</p> <ul style="list-style-type: none"> ▪ a <u>flat from the HDB</u> ▪ an <u>Executive Condominium (EC) from a developer</u> where the land sale is launched on or after 9 Dec 2013, including those where tenders have not closed, i.e. <u>Westwood Avenue, Canberra Drive and Anchorvale Crescent</u> 	<p>You are buying:</p> <ul style="list-style-type: none"> ▪ a <u>Studio Apartment from the HDB</u>; or ▪ a <u>Design, Build and Sell Scheme (DBSS) flat from a developer</u>; or ▪ an <u>Executive Condominium (EC) from a developer</u> EC projects which are launched from the Prive to <u>Punggol Central /Edgedale Plains, Punggol Drive /Edgedale Plains and Yuan Ching Road / Tao Ching Road</u>; or ▪ a resale flat from the open market; or ▪ a private property

Revised Resale Levy

As announced on 3 March 2006, the resale levy is now set at a fixed amount of between \$15,000 and \$50,000, based on the flat type of the 1st subsidised flat. With a fixed amount, it will give greater certainty to existing flat owners who are deciding whether or not to buy a 2nd subsidised flat from HDB.

The revised resale levy policy will apply to second-timer applicants who:

- Book their second subsidised flat from HDB **on or after 03 Mar 2006**, and
- Submit their resale application to sell their first subsidised flat **on or after 03 Mar 2006**

The cut-off date to apply the revised resale levy policy for the various methods of submitting resale applications to HDB is as follows:

Method of Submitting Application	Cut-Off Date Based On
HDB-ResaleNet System	Date of receipt of application via ResaleNet
e-Resale	Date of receipt of application via e-Resale
Drop Box at Toa Payoh HDB Hub	Date of receipt of application in the Drop Box
By Post to HDB	Date of Postmark by Singapore Post

Amount Payable under the Revised Resale Levy Policy

The amount of resale levy is graded according to the flat type of the flat owners' first subsidised flat. Under the revised policy, flat owners whose first subsidised flat is a 2-room flat will pay a resale levy of \$15,000. Those whose first subsidised flat is a 3-room, 4-room, 5-room and Executive flat will pay a resale levy of \$30,000, \$40,000, \$45,000 and

\$50,000 respectively when they purchase a second subsidised flat.

First Subsidised Flat Type	Amount of Resale Levy Payable under the Revised Policy (From 3 Mar 2006*)
2-room	\$15,000
3-room	\$30,000
4-room	\$40,000
5-room	\$45,000
Executive Flat	\$50,000

* only applicable for those who submit their resale application and book a 2nd subsidised flat on/after 3 March 2006.

Which Resale Levy Policy applies to you

The revised resale levy has been implemented from 03 Mar 2006. The revised resale levy policy will apply to 2nd-timer applicants who **book their 2nd subsidised flat from HDB and submit their resale application to sell their first subsidised flat, both of which must be on or after 3 March 2006.**

The following flat owners will come under the Previous Resale Levy Policy:

Booked a second subsidised flat or an Executive Condominium unit from the developer before 3 Mar 2006.

- This is regardless of whether they have sold or submitted a resale application to sell the first subsidised flat, or
- Sold the first subsidised flat and opted for deferred resale levy, or
- Submitted a resale application to HDB before 3 March 2006 for the sale of their first subsidised flat

Amount Payable under the Previous Resale Levy Policy

Below are the charges under the Previous Resale Levy Policy, i.e. based on resale price or 90% of market valuation, whichever is higher:

Flat Type	Resale Levy payable by family grant recipient	+Resale Levy payable by singles/half grant recipient
2-room	*10% / 15%	*5% / 7.5%
3-room	20%	10%
4-room	22.5%	11.25%
5-room & Executive	25%	12.5%

* 2-room flat sellers pay a lower rate, i.e. 10% or 5%, **only** if they buy a bigger flat direct from HDB.

+ These resale levy rates apply only to sellers of flats previously bought with singles grant and who submit their resale applications on or after 15 Sep 2004

Resale Levy Payable by Single Grant recipients

Regardless of the applicability of Revised or Previous Resale Levy Policy, single citizens, who have purchased resale flats with the lower CPF Housing Grant for Singles, need to pay only half the levy amount when they subsequently form a family and buy or take over the ownership of a second subsidised flat.

Making Payment for the Resale Levy

The resale levy payable is determined at the point of booking of the second subsidised flat. The payment of resale levy is regardless of the type of ownership (i.e. joint-tenancy or tenancy-in-common) and the share of interest in the flat.

If you are buying your second subsidised flat, you can:

- Pay the resale levy immediately at the point of resale, i.e. when selling your subsidised flat or
- Defer the payment until you buy another flat from HDB. If you come under the previous resale levy policy and opt for this, an interest at the prevailing rate of 5% per annum will be charged.

You can pay the Resale Levy with either/combination of the following:

- with your sale proceeds or
- cash

HDB's mortgage financing is not extended for the payment of the resale levy

Situation	Procedure
<ul style="list-style-type: none"> ▪ If you ▪ Book a second subsidised flat on or after 3 Mar 2006, and ▪ Sell your first subsidised flat after taking possession of the second subsidised flat 	<ul style="list-style-type: none"> ▪ The resale levy will be deducted from the sale proceeds when you sell your first subsidised flat in the open market ▪ Any shortfall will have to be topped-up in cash
<ul style="list-style-type: none"> ▪ If you ▪ Book a second subsidised flat on or after 3 Mar 2006, and ▪ Sell your first subsidised flat before taking possession of the second subsidised flat 	<p>You can choose to pay resale levy at the point of:</p> <ul style="list-style-type: none"> ▪ Selling your existing flat in the open market, or ▪ Taking possession of the second subsidised flat
<p>If you pay at point of your resale transaction, i.e. when selling your subsidised flat</p>	<ul style="list-style-type: none"> ▪ The resale levy will be deducted from the sale proceeds ▪ Any shortfall will have to be topped-up in cash ▪ Otherwise, the resale levy must be paid in cash before you can take possession of your second subsidised flat
<ul style="list-style-type: none"> ▪ If you ▪ Submit an application to sell your first subsidised flat on or after 3 Mar 2006, and ▪ Subsequently book a second subsidised flat on or after 3 Mar 2006 	<ul style="list-style-type: none"> ▪ The resale levy has to be paid in cash before you can take possession of your second subsidised flat

Last Updated on 10 Dec 2013