

## **TERMS AND CONDITIONS OF SALE/PURCHASE OF AN HDB RESALE FLAT**

### ***APPLICABLE TO BOTH SELLER AND BUYER***

#### **1 OPTION TO PURCHASE**

- 1.1 All buyers and sellers of HDB resale flats must use HDB's standard Option to Purchase as the form of contract for the buying and selling of HDB flats in the resale market. The buyers and sellers are not allowed to enter into any other agreement with each other pertaining to the sale of the flat, as it is null and void pursuant to the Housing and Development Act.
- 1.2 The prescribed Option Fee, Deposit and Option Period are as follows:

Option Fee	-	An amount not exceeding \$1,000
Deposit	-	An amount not exceeding \$5,000 (Option Fee + Option Exercise Fee = Deposit)
Option Period	-	14 calendar days (including Sat/Sun & public holidays) after the date of granting the Option. The Option expiry time is standardised at 4pm.
- 1.3 The Option Fee and Option Exercise Fee will form the "Deposit" (an agreed amount of up to \$5,000) for the purchase. Neither the Option Fee nor the Option Exercise Fee can be \$0. This is to ensure that there is a valid Option or contract.
- 1.4 After the seller grants an Option to Purchase to a buyer, he cannot sell his flat or make an offer to other buyers during the Option Period.
- 1.5 From 1 Jan 2007, buyers who are eligible for and intending to obtain an HDB loan must have a valid HDB Loan Eligibility Letter before they exercise the Option to Purchase. The HDB Loan Eligibility Letter is valid for 3 months from the date of issue.
- 1.6 Buyers who are taking a bank loan must have a valid Letter of Offer from a bank/financial institution before they exercise the Option.
- 1.7 Buyers who are not taking any loans are not required to obtain the HDB Loan Eligibility Letter or Letter of Offer but will have to indicate that they are financing the flat purchase fully with their CPF savings and/or cash when they submit their resale application to HDB and produce documentary proof showing that they have the financial means to purchase the flat.

#### **2 DECLARED RESALE PRICE**

- 2.1 The seller and buyer must declare to HDB the true resale price of the flat. The seller and buyer shall not enter into any supplementary or other agreements or arrangements that may cause the resale price as declared to be inflated or understated.
- 2.2 Where applicable, the declared resale price may be referred to as the resale price or the purchase price or the selling price.
- 2.3 HDB may require the seller and/or the buyer to furnish a written explanation on the difference between the declared resale price and the prevailing market valuation of the flat if the declared price is below the prevailing market valuation.
- 2.4 If the reason(s) given for the difference between the declared resale price and the prevailing market valuation of the flat is/are deemed not acceptable by HDB, HDB may withhold approval or cancel the resale application.

### **3 APPROVAL FOR RESALE**

- 3.1 The seller and the buyer must satisfy the approved ethnic ratios set for the Neighbourhood and Apartment Block under the Ethnic Integration Policy as at the date of submission of resale application. The seller must satisfy all the conditions to sell and the buyer must satisfy an eligibility scheme to buy the flat.
- 3.2 Acceptance of the Application Form and the allocation of a First Appointment date for the buyer and seller do not constitute an approval of the resale. HDB's written approval must still be sought and will only be granted (if at all) after the First Appointment.
- 3.3 HDB's approval for resale is granted subject to:-
- (a) the seller rectifying all unauthorised alterations/additions in the resale flat;
  - (b) the seller paying all outstanding taxes/charges, e.g. Property Tax, Service/Conservancy charges up to the effective date of resale; and
  - (c) the seller paying any ex-tenancy, arrears/debts and administrative charges owing by him to HDB with respect to the resale flat or any of HDB's properties.

### **4 FIRST APPOINTMENT**

- 4.1 If any party does not turn up for the appointment, HDB reserves the right to reject or cancel the application.
- 4.2 The receipt by HDB of any money towards payment of the declared resale price shall not constitute an approval of the resale/purchase.
- 4.3 For housing loans obtained from HDB and in cases where the buyer needs to pay part of the purchase price in cash, the buyer shall pay at least 10% cash payment of the declared resale price (less any direct payment already made to the seller) to HDB within 10 days from the First Appointment date, failing which HDB reserves the right to cancel the application for the resale/purchase. The balance of the cash payment (if any) shall be paid on the completion of the resale transaction.
- 4.4 For housing loans obtained from banks/financial institutions, the buyer has to furnish a duly accepted Letter of Offer from the bank/financial institution.
- 4.5 A valid valuation report done by an HDB-assigned valuer must be produced latest at the First Appointment if the buyer is taking a loan and using CPF money to pay for the flat. A valuation report is valid for 3 months from the date of report.

### **5 APPOINTING HDB AS A SOLICITOR**

Where HDB is appointed by the seller and/or buyer to act in the resale, HDB's conveyancing fees shall be calculated in accordance with the Housing and Development (Conveyancing Fees) Rules. In the event the resale is aborted or where HDB is discharged from further acting in the resale, the seller and buyer shall each be liable to pay half the conveyancing fees.

### **6 BANKRUPTCY**

- 6.1 Where a seller is an undischarged bankrupt of a Singapore Permanent Resident Household, the seller shall obtain the consent of the Official Assignee to the resale before he submits his application to HDB.
- 6.2 If the seller of a Singapore Permanent Resident Household becomes an undischarged bankrupt before completion of the resale, he must inform HDB and obtain consent from the Official Assignee to the resale before completion of the resale.

- 6.3 Where a buyer is an undischarged bankrupt and he is buying an Executive flat-type or a larger resale flat, the buyer shall obtain the consent of the Official Assignee to the purchase before he submits his application to HDB.
- 6.4 If a buyer who buys an Executive flat-type or a larger resale flat becomes an undischarged bankrupt before completion of the purchase, he must inform HDB and obtain consent from the Official Assignee to the purchase before the completion of the purchase.

## **7 PAYMENT**

- 7.1 The seller and buyer shall each bear their own legal costs and other costs and expenses. In addition, the buyer shall pay the Government Survey Fee (subject to GST) if any.
- 7.2 In a purchase where the buyer is obtaining a loan from HDB and a deposit (which shall not exceed \$5,000) has been paid by the buyer directly to the seller, the balance sale proceeds shall be paid by the buyer to HDB. HDB shall hold the sale proceeds as stakeholders pending completion of the resale.

## **8 RENOVATION**

- 8.1 The purpose of the inspection by the Branch Office is to check for unauthorised renovation works in the resale flat which may damage HDB property and affect the structural stability of the flats/building. The inspection is not to ascertain the value of the resale flat, the condition and safety of the renovation works or compliance with any legislation in respect of any installation of fittings/fixtures in the flat e.g. window legislation.
- 8.2 The seller must regularize/remove any unauthorised renovation works found in the resale flat before completion of the resale transaction.
- 8.3 Notwithstanding clauses 8.1 and 8.2, the buyer is purchasing the flat on a caveat emptor basis. This means that it is buyer's responsibility to check the condition of the resale flat and satisfy himself that all renovation works carried out by the seller are authorised and comply with the requirements imposed by HDB or other competent authorities. The buyer will also be responsible for any irregularity, including any unauthorised renovation works carried out by the seller in the resale flat, which may subsequently be discovered. The buyer is advised to engage a Qualified Person (eg. Building Surveyor) at his own expense to help him in the checking.
- 8.4 No renovation works shall be carried out to the resale flat pending completion of the resale.
- 8.5 If any renovation works are carried out prior to completion, the seller and buyer shall be jointly and severally liable for any damage to the resale flat or the building where the resale flat is located. Both the seller and buyer shall rectify the damage to HDB's satisfaction.
- 8.6 The seller and buyer shall jointly and severally keep HDB fully indemnified against all losses, costs, charges, expenses or damages which may become payable by HDB and any action, proceedings liability or claims which may be made against HDB due to the damage caused to the resale flat or building.

## **9. RECESS AREA/COMMON CORRIDOR SPACE**

- 9.1 If there is a recess area/common corridor space available for sale, the buyer may request HDB to process the application for the purchase of the recess area/common corridor space together with the resale application.
- 9.2 As the resale completion date may be affected/delayed, the seller's consent will need to be obtained before HDB can process the 2 applications concurrently. The buyer may wish to contact the Branch Office Service Line at 1800-2255432, at least 2 weeks before the First Appointment date for information on the availability of the recess area/common corridor space for purchase.

- 9.3 Notwithstanding the completion of purchase of the recess area/common corridor space concurrently with the resale application or purchase of an HDB resale flat with sold recess area/common corridor space, the buyer shall sell back the whole or part of the recess area/common corridor space at the original price or at any other price to be fixed by HDB in its absolute discretion if it is required for any upgrading works including any Lift Upgrading Programme or any other purpose as determined by HDB in its absolute discretion and also agree to HDB's contractors entering into the resale flat whenever needed to execute all the necessary works including constructing lift shafts and building construction buffers around the lift shafts which HDB would only dismantle when HDB deems they are no longer necessary.
- 9.4 The buyer/seller will be required to sign all the required Letters of Undertakings/Indemnity during the First Appointment if the buyer decides, with the seller's consent, to proceed with the purchase of the recess area/common corridor space concurrently with the purchase of the resale flat or buys a resale flat with sold recess area/common corridor space.

## **10 MAINTENANCE**

- 10.1 The buyer is deemed to purchase the resale flat with full notice and knowledge of the state and condition of the flat (including maintenance faults such as ceiling leak, cracks, etc.) on a caveat emptor basis. The buyer will not make any requisition or objection relating to the state and condition of the flat. In the case where Seller had previously requested HDB to install roller rain screen at the common corridor fronting the flat, the Seller must inform Buyer about the installation and that Buyer is required to sign a letter of undertaking/letter of non-acceptance during the First Appointment to confirm if Buyer would like to retain the installation and maintain it.
- 10.2 In the event of any dispute between the seller and buyer relating to any defects or maintenance faults in the resale flat, such a dispute has to be settled between the parties themselves and HDB will not mediate in the dispute.

## **11 OUTSTANDING DEBTS DUE TO HDB**

- 11.1 If any person listed in the Application Form has any outstanding debts due and owing to HDB, such person shall be required to settle such debts and pay an administrative charge to be determined at HDB's discretion before the application can be considered.
- 11.2 HDB has the right to deduct from the sale proceeds all ex-tenancy and other arrears/debts and taxes (including income or property taxes) and administrative charges owing to HDB or other government authorities by the seller in respect of any of HDB's properties even if such arrears/debts/charges do not relate to the resale flat.

## **12 CANCELLATION OF RESALE BY SELLER/BUYER**

### Before First Appointment

- 12.1 A resale application may be withdrawn by the seller or buyer at any time before the First Appointment upon notice in writing by either party to HDB.
- 12.2 Upon such withdrawal, the administrative and valuation fees paid will not be refunded.

### After First Appointment

- 12.3 HDB will only cancel the resale application upon receiving written confirmation from both the seller and buyer to that effect.
- 12.4 Upon such cancellation, both the seller and buyer will be liable to pay the stamp, conveyancing and any other fees.

### **13 COMPLETION OF RESALE**

- 13.1 On the completion date, the seller must produce evidence that the Service/Conservancy Charges have been paid up to the effective date of resale.
- 13.2 The seller shall give vacant possession of the resale flat to the buyer on completion of the resale and cannot reside in the flat once the keys are handed over to the buyer. The buyer shall not obtain possession of the resale flat prior to the completion.

### **14 FALSE DECLARATION**

- 14.1 In the event that HDB discovers that the seller or buyer has made any false declaration relating to the application, HDB may take the necessary legal action against the seller and buyer.
- 14.2 In addition to other remedies, the Housing and Development Act (Chapter 129) provides that any person who makes a false statement is liable to a fine not exceeding \$5,000/- or to imprisonment for a term not exceeding 6 months, or to both.

### **15 BREACH OF CONDITIONS**

HDB has the right to withhold and/or revoke its approval of the resale/purchase if the seller or buyer infringes these terms and conditions, HDB's prevailing policies, the Option to Purchase, Agreement for Lease, Lease and/or Mortgage or any provisions under the Housing & Development Act and rules and regulations made thereunder.

### **16 CORRESPONDENCE ADDRESS / OTHER INFORMATION**

- 16.1 The buyer and seller must indicate their correspondence addresses in the Application Form and also inform the HDB Resale Office if there are any subsequent changes.
- 16.2 In processing this application, HDB is entitled to rely on its own records or the records of any other relevant authority to obtain particulars such as, NRIC No, nationality, race, sex, date of birth, marital status, names of parents for the child, address of the buyers and other persons and any relevant particulars of all parties listed in the Application Form.

## ***APPLICABLE TO THE BUYER***

### **17 ELIGIBILITY TO PURCHASE**

- 17.1 A buyer is eligible to purchase only one flat which has to be owner-occupied by the buyer and his immediate family who are authorised by HDB to stay in the resale flat.
- 17.2 The buyer must be a Singapore Citizen or Singapore Permanent Resident (SPR) who is at least 21 years old at the time of submitting the application. The application must include at least one listed occupier who is a Singapore Citizen/Singapore Permanent Resident. The buyer and the proposed occupiers must form a proper family nucleus comprising:
- (a) Buyer, spouse and children (if any);
  - (b) Buyer (single), parents and siblings; or
  - (c) Buyer (widowed or divorced) and children under his custody, care and control.
- 17.3 The buyer of the flat must be eligible to purchase an HDB flat under HDB's prevailing policies, eligibility schemes and terms and conditions for the purchase of an HDB resale flat.

- 17.4 The buyer must comply with all the terms and conditions of the eligibility scheme under which he is buying and sign all documents required under the scheme.
- 17.5 Where the buyer is applying with his fiancée to form a family nucleus, they must register their marriage with the Registry of Civil or Muslim Marriages within 3 months from the date of taking possession of the resale flat. However, if the buyer is applying for the CPF Housing Grant, the marriage certificate must be produced on or before the date of completion.

## **18 DEBARMENT**

A person whose name is in a debarment list for infringement of any HDB/Government rules, regulations or policies will not be eligible to apply for an HDB flat or be included as a permitted occupier in an application for a flat.

## **19 MANNER OF HOLDING**

Where there are two or more buyers, the buyers must indicate in the application form whether they wish to hold the resale flat as Joint-Tenants or Tenants-in-Common.

## **20 HOUSING LOAN FROM HDB**

- 20.1 HDB will only grant a housing loan to buyers who can meet the eligibility criteria. Buyers who are eligible for and are intending to obtain a housing loan from HDB must have a valid HDB Loan Eligibility Letter before they exercise the Option to Purchase. The HDB Loan Eligibility Letter is valid for 3 months from the date of issue.
- 20.2 The buyer must comply with HDB's prevailing policies, rules, regulations, terms and conditions relating to the application and approval of the HDB housing loan.
- 20.3 The buyer who takes a housing loan from HDB and/or uses his CPF savings to finance the purchase must have a valid Valuation Report on the resale flat, which is done by an HDB-assigned valuer. A valuation report is valid only for 3 months from date of report.
- 20.4 The buyer who takes a loan from HDB has to use all his CPF savings in his Ordinary Account for the purchase of an HDB flat. Once the financial plan is finalised, no change of the plan will be allowed.
- 20.5 Where the buyer obtains a housing loan from HDB, he must insure the resale flat against the risk of fire with HDB's appointed insurer for a sum not less than the amount determined by HDB. HDB has the right to recall the housing loan if the buyer does not have a valid fire insurance on the resale flat for the duration of the housing loan.

## **21 USE OF CPF SAVINGS**

The occupiers listed in the resale application are not allowed to use their CPF savings for the purchase of the HDB flat. The use of CPF savings for the purchase of an HDB flat is subject to the CPF Board's prevailing policies, rules, regulations, terms and conditions.

## **22 HOUSING LOAN FROM BANKS/FINANCIAL INSTITUTIONS**

- 22.1 The buyer may obtain a loan from any bank or financial institution duly licensed by the Monetary Authority of Singapore (MAS) to provide housing loans. The mortgage financing guidelines for housing loans obtained from banks/financial institutions are subject to the MAS Housing Loans Directive.

- 22.2 The buyer who takes a bank loan and uses CPF savings for the purchase of the flat and servicing of the loan must have a valid valuation report from a private valuer assigned by HDB.
- 22.3 The buyer must have a valid Letter of Offer from a bank/financial institution before he exercises the Option to Purchase.
- 22.4 The buyer has to submit an accepted Letter of Offer from the bank or financial institution on the approved housing loan and a valid valuation report done by an HDB-assigned valuer together with his resale application.
- 22.5 If the buyer is engaging a private solicitor to act for him in the resale transaction, the buyer has to inform HDB of the name/address of his solicitor.
- 22.6 The buyer who takes a loan from a bank or financial institution may obtain a mortgage loan of up to 90% of the purchase price, or 90% of the market valuation of the flat, whichever is lower. He is required to pay a 10% cash/CPF payment in the following proportions:

<b>Minimum 10% Cash/CPF Payment</b>		<b>Total</b>
<b>Cash</b>	<b>CPF (including CPF housing grant if applicable)</b>	
5%	5%	10%

Note:

- (i) The minimum 10% cash/CPF payment is computed based on the purchase price or the current market valuation of the flat; whichever is lower.
- (ii) For purchase of resale flats, the cash payment is in addition to the cash-over-valuation (COV) for cases where the transacted resale price is above market valuation. The COV must be paid in cash.

- 22.7 The buyer who obtains a housing loan from a bank or financial institution is not allowed to convert it back to an HDB housing loan even though he is still eligible for an HDB housing loan.

**23 PURCHASE OF FLAT WITHOUT HOUSING LOAN**

Buyers who are not taking any loans are not required to obtain an HDB Loan Eligibility Letter from HDB or a Letter of Offer from a bank/financial institution but will have to indicate that they are financing the flat purchase fully with their CPF savings and/or cash when they submit their resale application to HDB and produce documentary proof showing that they have the financial means to purchase the flat.

**24 AFTER COMPLETION**

- 24.1 The buyer shall pay all rates, taxes and charges imposed on the resale flat after completion of the resale.
- 24.2 The buyer shall not transfer, assign, mortgage, charge, sublet or part with the possession of the resale flat or any part of the resale flat without the prior written consent of HDB.
- 24.3 The buyer shall keep in good and tenantable repair and condition the interior of the resale flat including all fixtures and fittings.
- 24.4 The buyer shall notify HDB and obtain its prior written consent from the respective HDB Branch Office before making any alterations or additions to the resale flat.

## APPLICABLE TO THE SELLER

### 25 ELIGIBILITY TO SELL

25.1 A seller can only grant an Option to Purchase after he has satisfied the Minimum Occupation Period. An Option to Purchase granted before the seller has met the Minimum Occupation Period is null and void.

25.2 The Minimum Occupation Period for a flat owner, depending on the flat type, mode of purchase or mode of financing, is as follows:

- 1-Room Flat  
No occupation period for owners of 1-room flat.
- Subsidised Flat and Flat bought under CPF Housing Grant Scheme.  
5 years from effective date of purchase of the flat.
- Flat bought under Selective En-bloc Redevelopment Scheme (SERS)
  - (a) For SERS replacement flat purchased with portable SERS rehousing benefits:
    - 5 years from the effective date of purchase of the replacement flat.
  - (b) For SERS replacement flat not purchased with portable SERS rehousing benefits:
    - 7 years from the date of selection of the replacement flat, provided they had taken possession of the replacement flat; or
    - 5 years from the effective date of purchase of the replacement flat.

The computation of the Minimum Occupation Period excludes the period (if any) of non-occupation of the replacement flat, such as subletting of whole flat or any infringement of the flat lease.

- Resale Flat bought in the open market (without CPF Housing Grant)

If the owner takes a loan from HDB:

- 2½ years from the effective date of resale.

If the owner has not taken a loan from HDB

**or** he has refinanced HDB market interest rate loan with a bank/financial institution

**or** he has taken a loan from a bank/financial institution to finance the purchase

**or** has fully redeemed the market interest rate loan obtained from HDB:

- 1 year from the effective date of resale.

25.3 If the seller has sublet his whole flat, the period of subletting of the flat will **NOT** be included in computing the Minimum Occupation Period of the flat.

25.4 If the flat is the seller's second subsidised flat, he may sell the flat to a buyer of his choice upon satisfying the Minimum Occupation Period of his flat. However, he shall be debarred permanently from purchasing any subsidised HDB flat.

### 26 RESALE LEVY

If the flat is the seller's first subsidised flat or a flat bought under the CPF Housing Grant Scheme, he is eligible to sell his flat to a buyer of his choice subject to HDB's approval. He will have to pay a resale levy if he buys or takes over the ownership of another subsidised flat or an Executive Condominium sold by a Developer, or an Executive Condominium with outstanding 5-year minimum occupation period. He need not pay the resale levy if the Executive Condominium project is launched after 20 Nov 2007. The payment of the resale levy is based on the prevailing rules, policies and procedures as determined by HDB from time to time.

## 27 REFUND OF CPF SAVINGS

Where the seller has used his CPF savings to purchase his flat, such CPF savings together with interest calculated to the effective date of resale or the net proceeds of sale, whichever is lower, will be refunded to his CPF account.

### **NOTE:**

- 1 **The Terms and Conditions of Sale/Purchase of an HDB Resale Flat contained in this form are valid at the time of printing and are subject to HDB's prevailing policies, rules and regulations. HDB has the right to vary the terms and conditions of resale/purchase at any time.**
- 2 **HDB has the right to withhold, revoke, reject/cancel any applications and/or HDB's approval, or delete any person's name from the application without assigning any reason whatsoever. If HDB deems that the applicant is not eligible to apply or becomes ineligible to retain his application under HDB's prevailing policies, the application shall be rejected/cancelled.**
3. **All decisions by HDB shall be final and conclusive.**

**CAUTION: IN ADDITION TO OTHER REMEDIES, THE HOUSING & DEVELOPMENT ACT (CHAPTER 129) PROVIDES THAT ANY PERSON WHO MAKES A FALSE STATEMENT IS LIABLE TO A FINE NOT EXCEEDING \$5,000/- OR TO IMPRISONMENT FOR A TERM NOT EXCEEDING 6 MONTHS. OR BOTH.**

### **HDB'S PRIVACY POLICY**

HDB collects personal data from you to administer HDB's public housing programmes and services. We may share necessary data with other Government agencies, unless such sharing is prohibited by legislation. This is to enable us to serve you in the most convenient, efficient and effective way. We will NOT share your personal data with non-Government entities, except where such entities have been authorised to carry out specific Government services.

If you would like to find out more about HDB's Data Protection and Privacy Policy, you can visit our website [www.hdb.gov.sg](http://www.hdb.gov.sg) for more details.