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ST Explains

What it means if 15-month wait-out period for private home owners is lifted

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Private home owners looking to buy a non-subsidised resale HDB flat must wait 15 months after selling their property. Introduced in 2022, the 15-month wait-out period was aimed at curbing demand from cash-rich downgraders.

National Development Minister Chee Hong Tat said recently that private property owners may not need to wait till 2027 or 2028 for a review of the wait-out requirement.

Here is what you need to know about the policy, its implications and why a change may be coming sooner than expected.

WHAT IS THE 15-MONTH WAIT-OUT PERIOD?

Introduced in September 2022, the 15-month wait-out period requires former and current owners of private homes to wait 15 months after selling their private property before they can buy a non-subsidised HDB resale flat.

This rule does not apply to those 55 and over who are buying a four-room or smaller resale flat.

WHY WAS THE RULE IMPLEMENTED?

The wait-out period was introduced to help cool down the HDB

resale market, which was heating up partly due to demand from private property downgraders flush with capital.

These buyers were seen as contributing to price surges, outbidding first-time home buyers in the resale market as they generally have more means to buy resale flats.

WHAT WAS THE IMPACT OF THE RULE?

Prices of resale HDB flats grew at a slower pace, suggesting that the temporary removal of private downgraders helped ease upward pressure on resale flat prices.

However, once the first batch of affected private home owners completed their wait-out period, the market saw a resurgence in activity, said real estate agency ERA Singapore's key executive officer Eugene Lim.

In the first three months of 2024, 7,068 resale HDB flats changed

hands, accompanied by a 1.8 per cent quarter-on-quarter increase in the HDB resale price index – the steepest since the rule took effect, Mr Lim pointed out.

The momentum continued into the second quarter of 2024 with a 2.3 per cent price increase, signalling that returning private buyers were a key force driving renewed demand and price growth.

However, this rebound tapered slightly in the first three months of 2025, when the resale price index quarterly growth slowed to 1.6 per cent.

A likely factor was the large Sale of Balance Flats exercise in February 2025, which increased flat availability and absorbed some of the demand that would have otherwise gone to the resale market, explained Mr Lim.

The 15-month wait-out period also pushed many private home owners, particularly those needing immediate housing after selling their properties, into the rental market.

This has contributed to stronger rental demand and upward pressure on rents for bigger HDB flats and also mass-market condos.

WHAT MIGHT CHANGE, AND WHY NOW?

The Housing Board will be launching more than 50,000 units from 2025 to 2027, said Mr Chee on June 21.

Mr Chee said he expected the effect of a strong continued supply of new Build-To-Order flats and re-

sale units would moderate resale prices, making it timely for the authorities to consider if the 15-month cooling measure should be partially or entirely removed.

More flats will also hit the market as they complete their minimum occupation period (MOP) – a mandatory stay period (typically five years) before owners are allowed to sell them on the resale market.

About 13,500 flats will reach their MOP in 2026, up from 8,000 in 2025. In 2028, this will rise to 19,500 flats.

WHAT IS THE EXPECTED IMPACT OF THIS ON THE RESIDENTIAL PROPERTY MARKET?

Mr Lim of ERA expects a rise in demand and prices of resale HDB flats in mature estates if the 15-month rule is relaxed or lifted.

"This is due to their well-established amenities as well as transport connectivity, which are strong draws for right-sizers and family buyers alike," he said.

Ms Christine Sun, chief researcher and strategist of property agency OrangeTee Group, said prices of five-room and bigger flats may continue to experience a gradual price increase.

However, the increased supply in the pipeline could help to mitigate the risk of soaring prices after the relaxation of rules, she added.

WHO WILL STAND TO BENEFIT?

Private home owners under 55 are likely to benefit the most if the rule is lifted earlier than expected.

This is especially true for those who are cash-tight, as it would allow them to sell their condominium or landed property, and secure a replacement HDB home within a shorter timeframe, said Mr Lim.

Seniors who want bigger flats would also have more options.

Home owners of bigger flats who are looking to sell would also benefit from higher demand.

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The Housing Board will be launching more than 50,000 units from 2025 to 2027. National Development Minister Chee Hong Tat said he expected the effect of a strong continued supply of new Build-To-Order flats and resale units would moderate resale prices. ST PHOTO: LIM YAOHUI