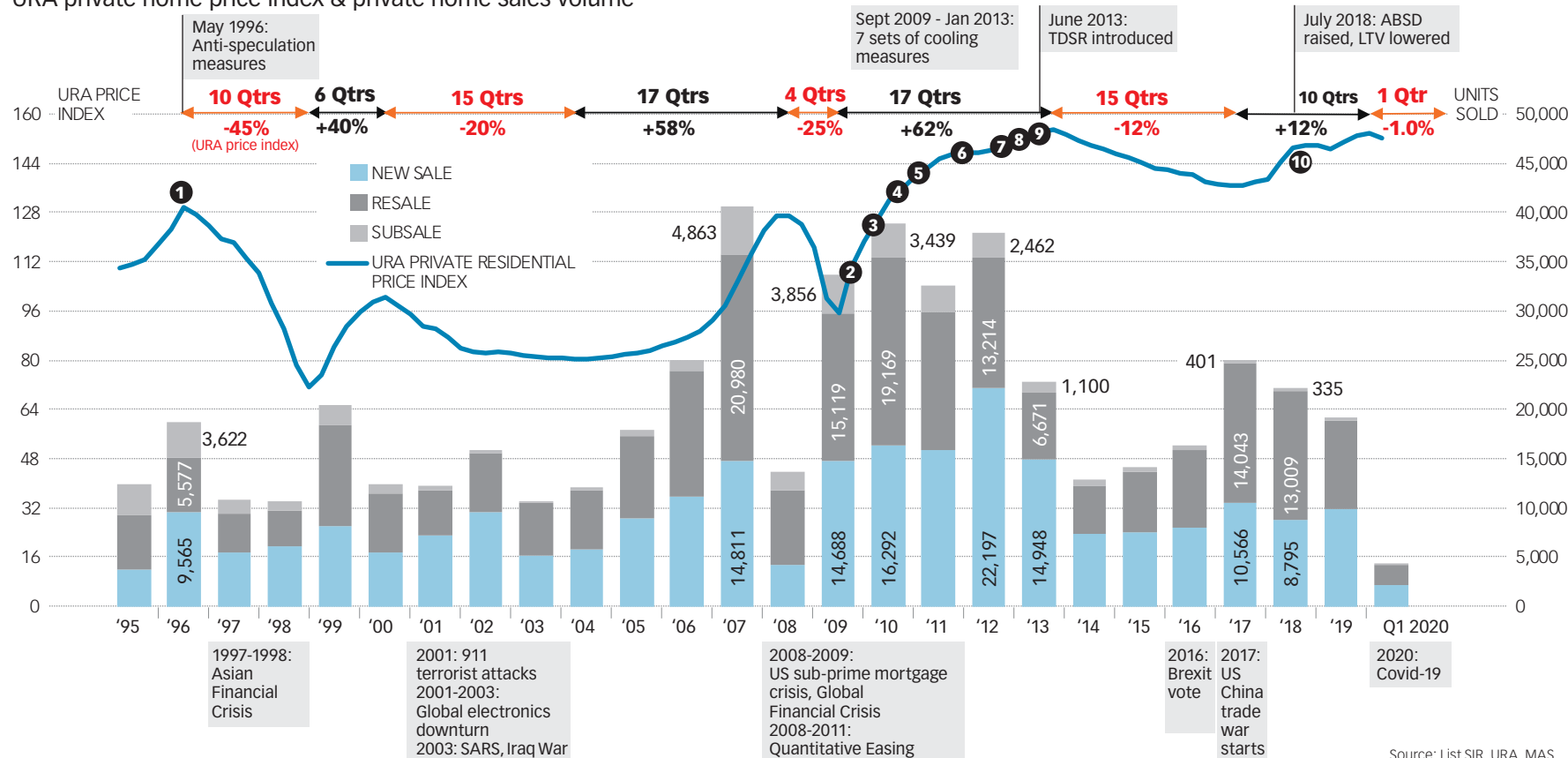


# Impact of major property cooling measures

URA private home price index & private home sales volume



## 1. May 1996

■ Gains from selling properties within three years of their purchase taxed as income. The tax was on 100 per cent of gains if the property was disposed of within one year of its purchase, two-thirds of the gain if property disposal was in the second year, and one-third if in the third year.

■ Payment of stamp duty by buyer brought forward to the time of signing the sale and purchase agreement. Previously, a buyer who bought an uncompleted property need not pay stamp duty until the title was transferred to him. This allowed property speculators to buy and sell properties quickly without paying stamp duty, fuelling subsales.

■ Seller's stamp duty (SSD) introduced on residential properties sold within three years of purchase.

■ Loan-to-value (LTV) limit, set at 80%, introduced for housing loans granted by financial institutions.

■ Foreigners who are not Singapore permanent residents (PRs), and non-Singapore companies no longer allowed to be granted Singapore-dollar housing loans.

(The above measures were rolled back between Nov 1997 and July 2005)

## 2. September 2009

■ Removal of interest absorption scheme (IAS) and interest-only housing loans (IOL) wef Sept 14, 2019

■ Property-related Budget 2009 Assistance Measures to developers to expire when due.

## 3. February 2010

■ Re-introduction of SSD. Rate set at up to 3% on all residential properties and residential lands bought on or after Feb 20, 2010, and sold within one year from the date of purchase.

■ LTV limit lowered from 90% to 80% for all housing loans provided by financial institutions.

## 4. August 2010

■ Holding period for imposition of SSD increased from one year to three years for residential properties bought on or after Aug 30, 2010.

■ For property buyers with already one or more outstanding housing loans at the time of the new housing purchase, the minimum cash down payment raised from 5% to 10% and LTV limit lowered from 80% to 70%.

## 5. January 2011

■ Holding period for imposition of SSD increased from three years to four years and SSD rates raised to 16%, 12%, 8% and 4% for residential properties bought on or after Jan 14, 2011, and sold in the first, second, third and fourth year of purchase respectively.

■ LTV limit lowered from 70% to 60% for home buyers who are individuals with one or more outstanding housing loans, and to 50% on housing loans for all residential property buyers who are not individuals.

## 6. December 2011

■ Additional Buyer's Stamp Duty (ABSD) introduced, over and above the buyer's stamp duty, on certain categories of residential property purchases.

■ Highest ABSD rate of 10% imposed on foreigners and corporate entities buying any residential property in Singapore.\*

■ Singapore citizens owning two and buying the third and subsequent residential property to pay ABSD of 3%. PRs owning one and buying the second and subsequent residential property pay ABSD of 3%.

\*Reliefs provided, including for qualifying developers and for purchases falling within the scope of Singapore's free trade agreements.

## 7. October 2012

■ Maximum tenure introduced for all new residential property loans, at 35 years.

■ For loan tenure exceeding 30 years or loan period extending beyond the borrower's retirement age of 65 years, LTV limit lowered to 40% for a borrower with one or more outstanding residential property loans and 60% for a borrower with no outstanding housing loan. This applies to borrowers who are individuals.

■ For residential property loans to non-individual borrowers, LTV limit cut from 50% to 40%.

## 8. January 2013

■ ABSD raised by 5 to 7 percentage points across the board.

■ ABSD imposed on PRs buying their first residential property and on Singapore citizens buying their second residential property.

■ Foreigners and corporate entities pay 15% ABSD for all purchases of residential properties.

■ Tighter LTV limits on housing loans to individuals

who already have at least one outstanding housing loan, as well as to non-individual borrowers such as companies.

■ For individuals obtaining a second housing loan, LTV limit lowered by 10 percentage points to 50%, (or to 30% if loan tenure exceeds 30 years or loan period extends beyond the borrower's retirement age of 65 years).

■ For third or subsequent housing loans, LTV limit lowered by 20 percentage points to 40% (or to 20% if loan tenure exceeds 30 years or loan period extends beyond the borrower's retirement age of 65 years).

■ For non-individual (corporate) borrowers, LTV limit halved to 20%.

■ Minimum cash downpayment for individuals applying for a second or subsequent housing loan raised from 10% to 25%.

## 9. June 2013

■ MAS introduced Total Debt Servicing Ratio (TDSR) framework, under which financial institutions granting property loans to individuals have to ensure a borrower's total monthly debt obligations (including car loan and credit card repayments) do not exceed 60 per cent of gross monthly income.

■ At the same time, MAS refined rules relating to the application of the existing LTV limits on housing loans, to prevent circumvention of tighter LTV limits on second and subsequent housing loans.

## 10. July 2018

■ ABSD rates for Singaporeans and PRs buying their second or subsequent residential property increased by 5 percentage points.

■ ABSD for foreigners buying any residential property raised to 20%, from 15% previously.

■ ABSD for corporate entities buying any residential property raised to 25% from 15%. Developers buying residential properties for housing development to pay an additional, non-remittable ABSD of 5% upfront upon purchase.

■ LTV limits tightened by 5 percentage points for all housing loans granted by financial institutions.