

# Managing the Flat Purchase

You can either manage the flat purchase on your own or engage the services of a salesperson for a fee.

## Manage the purchase on your own

The following guide will prepare you for the flat purchase.

### Check your eligibility to buy a resale flat

You must have a valid HDB Flat Eligibility (HFE) letter before you can obtain an Option to Purchase (OTP) from a flat seller.



Start your journey by applying for an [HDB Flat Eligibility \(HFE\) letter](#) via [My Flat Dashboard](#) for a holistic understanding of your housing and financing options before you embark on your home buying journey. The HFE letter will inform you upfront of your eligibility to purchase a new or resale flat, as well as the amounts of CPF housing grants and HDB housing loan you are eligible for. Read our [frequently asked questions](#) on the HFE letter.

If you intend to get a [housing loan from a financial institution](#), you must have a valid Letter of Offer (LO) before you exercise the OTP. You may request for an In-Principle Approval (IPA) from the participating financial institutions when you apply for an HFE letter and request to convert the IPA to LO via [My Flat Dashboard](#).

### Consider your budget

Plan your finances and work out your budget before you search for a suitable flat.



You may use a combination of cash, savings in your CPF Ordinary Account, and a [housing loan from HDB](#) or a [financial institution \(FI\)](#), regulated by the Monetary Authority of Singapore to buy a flat.

To plan for your flat purchase, [calculate your housing budget](#) and compare the information on housing loans offered by HDB and our participating FIs.

Learn more about the [mode of financing](#) for your flat, where we provide a breakdown of the payments required, and the types of housing loans available and financial tools you can use.

Make sure you set aside some cash savings for renovation and other necessary expenses to settle into your new home.

## **Search for a flat**

Search for a resale flat using HDB's Resale Flat Listing (RFL) service or through other reputable platforms.



After you have obtained an HFE letter (as well as an In-principle Approval letter for a housing loan from the financial institutions, if applicable) and worked out your budget, you may browse resale flat listings on the HDB Flat Portal for a suitable flat that meets your budget and needs. Read our guide on finding a flat for more information on the Resale Flat Listing (RFL) service and other resources you can use to help you plan and prepare for your flat purchase.

You may also refer to property portals, newspaper advertisements or social media section in your search for a flat. In shortlisting flats for viewing, please consider:

- Your budget
- Your housing needs, e.g. to live near parents' or child's home, place of work, schools, etc.
- Your ethnic group to buy a flat in the block, or your nationality if you are a Singapore Permanent Resident (SPR) household. Learn more about the Ethnic Integration Policy (EIP) and SPR quota
- Remaining lease of the flat\*

You may be approached by salespersons offering to act for you. If you are handling the purchase on your own, please tell them so.

\* CPF usage and HDB housing loan limits will depend on the extent the remaining lease can cover the youngest buyer to the age of 95. Use CPF Board's housing usage calculator to compute the amount of CPF Ordinary Account savings you can use for your flat purchase and create a payment plan to obtain housing loan estimates from HDB and our participating FIs.

## **Attend flat viewings**

When you attend a flat viewing appointment, these are some considerations to keep in mind.



If you have a valid HFE letter, you may arrange flat viewing appointments with flat sellers or their appointed salesperson(s) in the resale flat listings on the HDB Flat Portal. Refer to our user guide and instructional video for more details on how to do so.

You may arrange for viewings at different times of the day and week to better gauge if a flat is suitable for you. During a viewing, do consider the following:

- Condition of the flat, e.g. renovation and upkeep
- Spalling concrete, cracks, or leakages on ceiling or wall
- Flat orientation, e.g. north, south, east, or west
- Any tenants in the flat and whether they can move out by the resale completion date

- Signs of moneylending activities from, e.g. loan-sharks
- If the flat is on a lift-landing floor
- Any upgrading programmes announced for the flat, and if the upgrading cost has been paid
- Issues which you may be concerned with, e.g. past incidents which may have happened in the flat, neighbours, environment, etc.

If you have any doubts, clarify with the flat sellers or their salesperson. Take note of the answers and observe their reactions.

## Proof of flat ownership

Request the flat sellers to show proof that they own the flat and are eligible to sell it.

Documents such as a printout from the flat sellers' My HDBPage at HDB InfoWEB, property tax statement, town council statement, or title deed are examples of documents that can confirm the owners of a flat.

## Negotiate the price

Price negotiation is not simply about offering the lowest price and haggling with flat sellers. Here are some useful tips.



## Prepare yourself

Be mindful of your budget, which you must consider before starting your search for a flat. Make a reasonable offer, based on your budget and your perceived value of the flat.

## Arm yourself with information and alternatives

You are in a better position to negotiate when you have:

- More information about the flat, such as the flat type, remaining lease, and recent transacted prices of similar flats nearby
- Found other flats which you are open to consider buying

## Time and timing

Do not rush into your flat purchase. Give yourself time to look around and assess your choices.

When you see a flat that suits your budget and needs, take your time to inspect the flat and its condition before deciding on the purchase.

## Other matters

Other than the flat price, there are other matters you must consider when you negotiate with the flat sellers:

**Deposit comprising Option Fee and Option Exercise Fee** You must pay flat sellers an Option Fee when they grant you an Option to Purchase (OTP), and an Option Exercise Fee when you exercise the OTP.

You may negotiate the amounts of Option Fee and Option Exercise Fee with the flat sellers, which will form part of the resale price.

| Payment by flat buyers to sellers | Stage of OTP      | Amount to pay   |
|-----------------------------------|-------------------|---|
| Option Fee                        | Granting of OTP   | Between \$1 and \$1,000   |
| Option Exercise Fee               | Exercising of OTP | An amount, which when including the Option Fee, will not exceed \$5,000 |

You are encouraged to make payment using digital payment modes to secure independent proof of payment.

**Submission of resale application** Under Clause 12 of the OTP, you and the sellers must agree on the timeframe to submit the resale application to HDB.

This is a contractual term between you and the sellers. Once it is agreed upon, it may be varied only with mutual consent.

Please submit the resale application as soon as possible to minimise unforeseeable changes, e.g. EIP and SPR quotas, untoward events, etc.

**Extension of stay** To ease sellers' transition to their next home, sellers may arrange with you to extend their stay temporarily in the flat, for up to 3 months after the resale completion.

The temporary extension of stay is subject to your agreement. If you agree, the minimum occupation period that you have to fulfil after the flat purchase will start only when the sellers have moved out of your flat.

**Enhanced Contra Facility** If you are planning to sell your existing HDB flat and buy another resale HDB flat, you may consider applying for the Enhanced Contra Facility (ECF). This facility allows you to use the cash proceeds and refunded CPF savings from the flat sale and complete the purchase of your next flat at the same time.

Take note that if you are applying for the ECF when buying your next flat, the buyers of your existing flat and the flat sellers of your intended resale flat purchase will not be able to apply for ECF for their respective flat purchases.

**Any other matters** For example, will the sellers leave behind any furniture or appliances? They may offer these items to you and include the items in the inventory list of the OTP.

## Understand the HDB resale procedures



My Flat Dashboard provides a step-by-step guide on your buying journey. You may also read the following for more details of the resale procedures:

- Plan, Source and Contract
- Resale Application
- Resale Completion

To better understand the resale process, you may sign up for a resale seminar conducted by HDB.

## Engage a salesperson

You may engage a salesperson for a fee to help you manage the flat purchase. Nevertheless, you still need to know your eligibility to buy a resale flat and the financing of the flat purchase. You may read the information in 'Manage the purchase on your own', and also:

- Read the Council for Estate Agents (CEA)'s Consumer Guide and educational materials for practical tips when engaging the services of a salesperson
- Check the salesperson's phone number with CEA's Public Register to verify his/her identity and ensure he/she is a registered salesperson, and safeguard yourself against scammers.
- Consider using the CEA's Prescribed Estate Agency Agreement when engaging the salesperson's services
- Ensure that you discuss with the salesperson and mutually agree on:
  - The terms of service
  - The commission payable
  - The period of representation
  - Any exclusivity (if agreed upon)
  - Any other terms, such as payment for advertising

Engaging a salesperson is a private matter between you and the salesperson. If you have any issues relating to estate agents or their salespersons, please seek clarification from CEA.

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## NEXT STEPS

### Plan, Source and Contract

Find out about the mode of financing, registering an Intent to Buy and

### Resale Application

Learn about submitting a resale application and what to expect after you have submitted one.

### Resale Completion

Obtain details on the resale completion appointment and the actions to take before and during the appointment.

### Conditions After Buying

Learn about the conditions that flat buyers have to follow after

[entering into an Option  
To Purchase.](#)

[moving into their flat.](#)

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