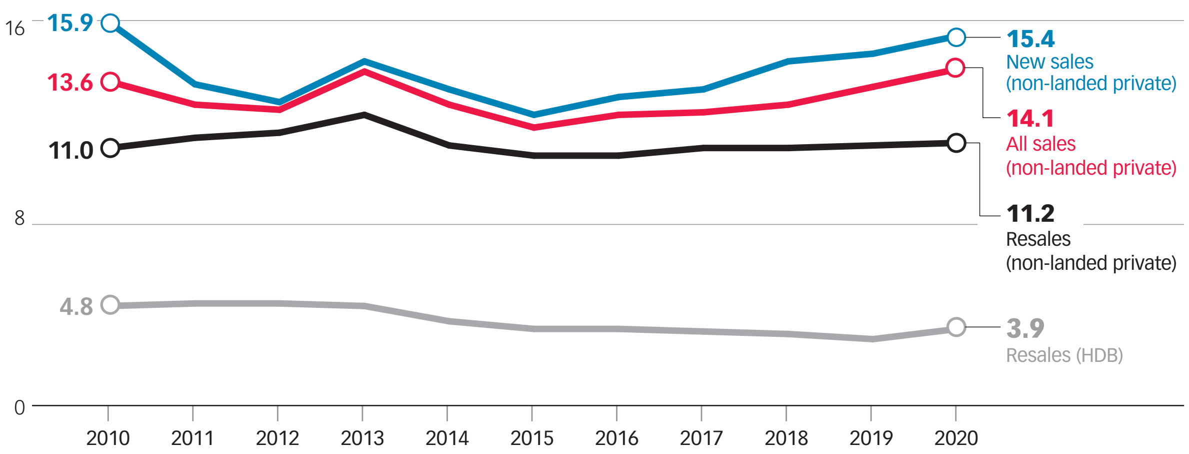
Are new measures necessary?

Affordability over the years

Based on median household incomes, the affordability of Singapore homes has varied in the past decade



How were the numbers derived?

■ Price-to-household-income ratio: Divide full-year median prices for each property segment by the median annual household income. It implies the number of years a household has to save to buy a 1,000 sq ft private home or a HDB resale flat without any other consumption.

■ Median annual household income: Multiply by 12 the median monthly household income from work including employer CPF contributions, in nominal terms (before accounting for inflation).

■ Median prices for non-landed private properties: Assuming a 1,000 sq ft standardised condo unit, multiply the median S$ psf prices by 1,000 sq ft to get the median full purchase quantums. Includes all tenures and all locations in Singapore, and excludes executive condominiums.

■ Median prices for HDB resale flats: Covers all flat sizes, locations and remaining leases.

Housing affordability ratios based on full-year median prices may not show a clear correlation with every round of policy changes, partly because any cooling effect would be seen only in subsequent quarters and might only slightly depress overall prices for the whole year. Market activity also typically takes a pause right after new measures are announced, as buyers and sellers adapt to the new parameters, said Knight Frank Singapore's head of research Leonard Tay.

Existing rules

GUIDELINE	DETAILS	WHEN DID THE LATEST CHANGES TAKE EFFECT?
Total debt servicing ratio (TDSR)	TDSR caps the amount that an individual can borrow for a property loan, taking into account their monthly debt obligations.	June 2013
Loan tenure	The maximum loan tenure for housing loans from banks is capped at 30 years for HDB flats and 35 years for non-HDB properties. For loans from HDB, the tenure is capped at 25 years.	Aug 2013
Mortgage servicing ratio (MSR)	MSR caps the portion of a borrower's gross monthly income that can be used to repay all property loans.	Aug 2013
Seller's stamp duty (SSD)	SSD is payable on all residential properties bought on or after Feb 20, 2010 and sold within a certain holding period.	March 2017
Buyer's stamp duty (BSD)	BSD is levied on all purchases of property in Singapore. The BSD rate for residential properties is up to 4%.	Feb 2018
Additional buyer's stamp duty (ABSD)	Liable buyers, including Singapore citizens, PRs, foreigners and developers, are required to pay ABSD on top of BSD.	July 2018
Loan-to-value (LTV) ratio	The LTV limit determines the maximum amount a buyer may borrow, as a percentage of the purchase price or assessed market value.	July 2018
Maximum allowable number of dwelling units	The maximum number of dwelling units in a new non-landed private residential development outside the Central Area is calculated by dividing the allowable gross floor area by 85 sq m, in most locations.	Jan 2019
Option to purchase (OTP)	Developers are restricted from reissuing OTPs to the same buyers for the same unit within 12 months of expiry, and from providing upfront agreements to reissue OTPs.	Sept 2020

Sources: Knight Frank, Colliers International, OrangeTee & Tie, SRX, URA Realis, Department of Statistics, IRAS