National University of Singapore

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10-year MOP for executive condos; more units to be set aside for first-timers

Measures come on the back of review of the EC scheme after concerns over affordability

Isabelle Liew

Buyers of new executive condominiums (ECs) will soon have to live in their homes for 10 years before they can sell them – double the current minimum occupation period (MOP) of five years.

More units will also be set aside for first-time home buyers to give them a better chance of securing a unit and to encourage developers to keep prices down, National Development Minister Chee Hong Tat said on May 8.

A deferred payment scheme, which allows buyers to pay a 20 per cent down payment and defer the remainder until the project obtains its temporary occupation permit, will be scrapped to encourage financial prudence, he said.

These measures, which come on the back of a review of the EC scheme after concerns over affordability, will apply to all government land sale sites for ECs with tenders closing from May 8.

They will not apply to EC projects that have already been launched for sale, or sites for which tenders have closed.

The first two sites to be affected by the new measures are located in Canberra Drive and Sembawang Drive.

The Canberra site will be launched for sale to developers in May and the Sembawang site in June.

ECs were introduced in 1995 to bridge the gap between public and private housing. They are priced about 20 per cent to 30 per cent lower than comparable private condominiums, Mr Chee said in a speech at a symposium on urban housing organised by NUS and held at Conrad Singapore Orchard.

But he noted that the proportion of first-time EC buyers has decreased over the past few years relative to second-time buyers, who typically have larger budgets as they can tap the proceeds of their first homes.

In 2020, about half of EC buyers were first-timers. This proportion dropped to between 30 per cent and 40 per cent in 2024 and 2025, he said.

The median price of new EC units has risen by 120 per cent over the past decade, to $1,754 per sq ft (psf) in 2025 from $797 psf in 2015.

In comparison, median overall HDB resale flat prices grew 51 per cent to $604 psf in 2025, from $400 psf in 2015.

New EC units have been snapped up by home buyers in recent years. The latest such project – Rivelle Tampines, a 572-unit development in Tampines Street 95 – sold 92.5 per cent of its units over its launch weekend in March.

Mr Chee said the EC scheme should focus on "meeting home occupation needs".

In 2021 to 2025, about 75 per cent of ECs were sold by owners between their fifth and 10th year of owning the unit – that is, within five years of it hitting its MOP.

This was up from 45 per cent in the preceding five-year period.

At present, EC owners have to meet a five-year MOP before they can sell their properties to Singaporeans and permanent residents. They cannot rent out their whole unit or buy another residential property during this period.

After 10 years, when the EC is fully privatised, they can sell or rent their units to foreigners.

The policy change means buyers of new ECs will need to fulfil a 10-year MOP before reaching the first milestone. They can sell their units to any buyer after the 15th year.

Resale buyers of these ECs will not be subject to an MOP.

The scrapping of the deferred payment scheme will encourage buyers to be financially prudent, said Mr Chee.

Buyers who opt for this scheme generally pay about 2 per cent to 3 per cent more than the unit's purchase price, he added. However, they will not have to make payments until much later – when the project obtains its temporary occupation permit.

With the removal of this scheme, all buyers will have to use the normal payment scheme – after the initial down payment, they make progressive payments as construction milestones for the project are met.

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EC changes

Some HDB upgraders say they may be edged out as first-timers gain priority

New measures causing some people eyeing ECs to rethink their housing plans

Grace Leong
Senior Correspondent

Some Housing Board upgraders say the new measures aimed at prioritising first-time home buyers applying for executive condominiums (ECs) may put such homes out of their reach, while first-time buyers are weighing their newfound options.

The affordability of new ECs has come under the spotlight because robust demand from second-time buyers, who can tap capital gains from their HDB sale, and higher land and development costs have fuelled a sharp run-up in the prices of new ECs in recent years. This, in turn, has deterred first-time home buyers.

To address affordability concerns, National Development Minister Chee Hong Tat on May 8 announced three measures that will apply to all EC government land sales (GLS) sites with tender closing dates on or after May 8.

These include a longer minimum occupation period (MOP) of 10 years, and a larger pool of EC units set aside for first-timers at launch to ease competition from second-timers who typically have more financial firepower.

It is the third measure, the scrapping of the deferred payment scheme (DPS), that will put an EC out of reach for Mr Andy Lu, 49, who lives in a four-room HDB flat in the city fringe.

The DPS would have allowed Mr Lu, who works in the food and beverage industry, to pay a 20 per cent down payment and defer the remainder for several years until the project obtains its temporary occupation permit.

But under the normal payment scheme, in which buyers make progressive payments as construction milestones for the project are met, he would have to make payments for the EC while still servicing the mortgage for his HDB flat. This, he said, is "only possible for those who are cash-rich".

Software engineer Brandon Koh, who has been looking to upgrade from his four-room flat in Tampines to an EC in the area, said he will have to rethink his upgrading plans.

Without the deferred payment scheme, the 38-year-old second-timer said he may need to save for at least a few more years to buy an EC.

"Even if I am in a good financial position to upgrade, it would be even more difficult to get a ballot number as a second-timer," he pointed out.

The proportion of EC units set aside for first-time buyers at launch will be raised to 90 per cent from the current 70 per cent, and the priority period for such buyers extended from one month to two years.

Housing research analyst Ethan Hariyono has been eyeing ECs in the eastern part of Singapore, and said the changes will give him more time to accumulate enough cash.

But the 27-year-old first-timer said he would have preferred to use the DPS, as that would have bought him time for interest on his CPF funds and investments to grow, and allowed him to build his reserves for the 80 per cent deferred payment.

Still, the current higher EC launch prices are a deterrent, he added. "That means I would have to fork out a big down payment, and I don't want a situation where my parents have to reverse mortgage their condo to help pay for my EC."

He is now considering getting a more centrally located resale flat, a suburban resale condo or resale EC, as he is planning to get married by 2028 and hopes to find a home by then.

PropNex agent Jeremy Tan said he notified up to 100 clients of the changes on May 8, but so far has not seen buyers rushing to snap up over 140 remaining units at Coastal Cabana, one of the last few EC projects exempt from the new measures.

"It usually takes some time for buyers to realise, 'Oh shoot, this is my last chance to buy,'" he said.

But second-timers, almost all of whom are HDB upgraders, will probably give up, he said.

He pointed to one client, a second-timer who had hoped to buy an EC once his Build-To-Order (BTO) flat reached MOP, but is now setting his sights on resale condos.

First-time buyer John Lim said he would prefer to buy an EC from a project that is exempt from the new measures, because the five-year MOP will provide more flexibility should he need a bigger space for his family.

"It's a good move that the Government is prioritising first-timers, but I'm hoping to move into my first home in about three years' time, so now is a good time to buy," the 29-year-old commodities analyst said.

If he cannot secure an EC unit, he plans to apply for a BTO flat in a central area or near an MRT station.

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Rivelle Tampines executive condominium's public preview in March. National Development Minister Chee Hong Tat on May 8 announced three measures that will apply to all future EC government land sales sites to address affordability concerns. PHOTO: SIM LIAN GROUP

Changes to executive condominium scheme*

	Current	New
Minimum occupation period	5 years	10 years
Fully privatised (able to sell to any buyer, including foreigners)	10 years	15 years
Units set aside for first-timers	70%	90%
Priority period for first-timers	1 month	2 years
Deferred payments	Yes	No

NOTE: *These new measures will apply to all EC government land sale sites with tender closing dates on or after May 8, 2026.

Source: MINISTRY OF NATIONAL DEVELOPMENT
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