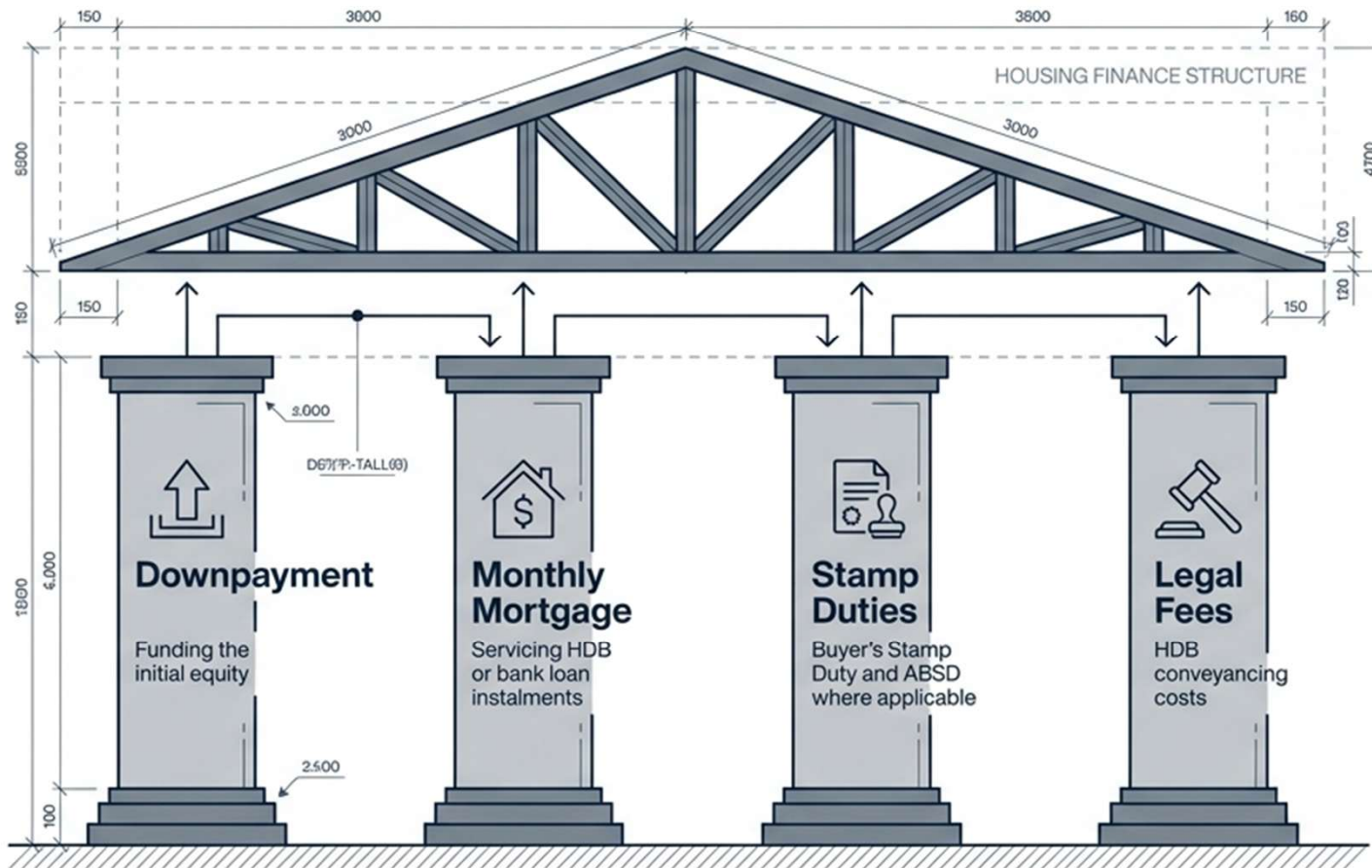


Navigating CPF & Property Rules in 2026

A definitive guide to maximizing your Ordinary Account and avoiding the hidden costs that destroy sale proceeds.

Last reviewed: May 2026 | Reading time: 10 min

Building Your Foundation with the Ordinary Account



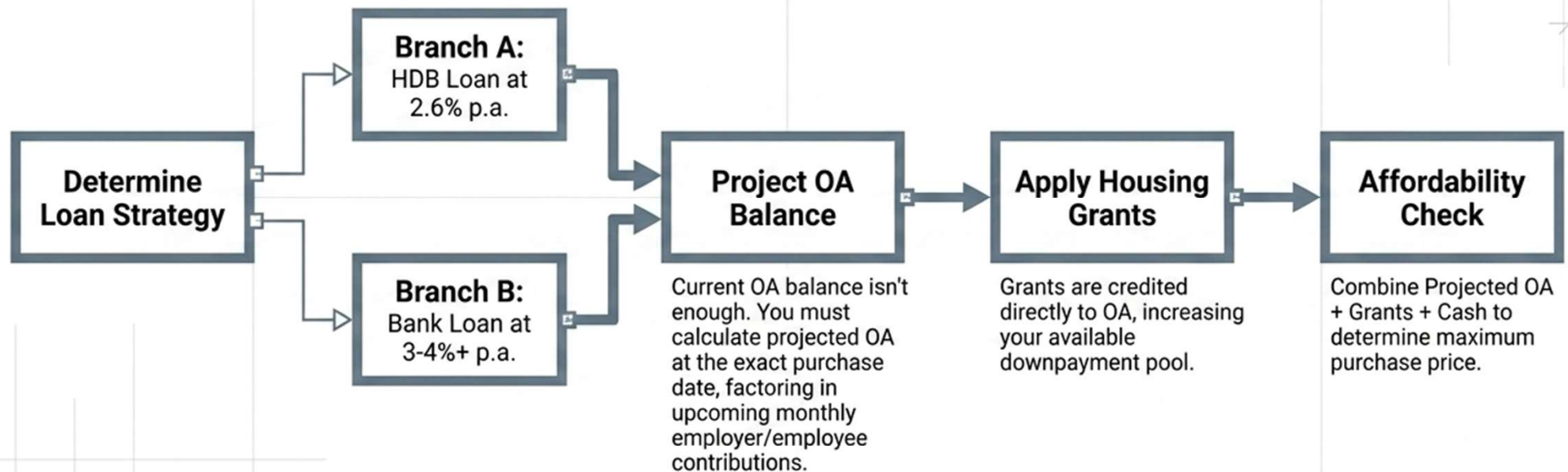
 **RESTRICTED ZONE:** Special (SA), MediSave (MA), and Retirement (RA) accounts are strictly locked. They cannot be used for housing purchases under any circumstances.

The Minimum Cash Downpayment Math

Based on a \$500,000 HDB flat purchase. Your minimum cash requirement changes drastically based on your lender.

HDB Concessionary Loan	Bank Loan
LTV Limit: 80%	LTV Limit: 75%
Total Downpayment Needed: 20% (\$100,000)	Total Downpayment Needed: 25% (\$125,000)
Minimum Cash Required: \$0 The entire 20% can be funded fully via CPF OA.	Minimum Cash Required: <u>\$25,000</u> ← A strict 5% cash floor applies. Only the remaining 20% can come from CPF OA.

Mapping Your HDB Purchase Path



The Accrued Interest Trap

CPF IS NOT FREE MONEY.

When you sell your property, you do not just return the principal amount borrowed from your CPF. You must refund the principal PLUS the 2.5% interest it would have earned sitting in your account.

Sellers frequently calculate cash proceeds based on 'Sale Price minus Mortgage'—forgetting the CPF refund entirely. This phantom interest quietly accumulates, wiping out expected cash profits at the lawyer's office.

Visualizing the 10-Year Accrued Interest Snowball

You used \$120,000 from CPF OA to buy a flat. You hold it for 10 years.



Key Takeaway: The \$33,600 difference comes directly out of your net cash proceeds before you see a single cent. The larger your CPF drawdown and the longer you hold, the bigger this red zone becomes.

The 2026 Housing Grants Lookup Dashboard

Enhanced Housing Grant (EHG)

For BTO & Resale (First-timers)

Means-tested: Up to **\$80,000** for household incomes up to \$1,500/month.

Scales down incrementally: **\$45,000** for \$5k income.

Scales down incrementally: **\$5,000** for \$9k income.

Proximity Housing Grant (PHG)

For Resale only.

Living with parents/children: **\$30,000** (\$15k for singles)

Living within 4km: **\$20,000** (\$10k for singles)

Family Grant

For Resale only (First-timers)

4-room & below: **\$50,000** (\$25k for singles)

5-room & above: **\$40,000** (\$20k for singles)

Hitting the Private Property Ceiling



Valuation Limit (VL):

You can use CPF up to the purchase price or market valuation (whichever is lower). Once hit, CPF usage stops.

Withdrawal Limit (WL):

You can only push past the VL up to 120% IF you meet the Basic Retirement Sum.

The Over-55 Trap:

If you buy private property in your late 50s, you cannot use OA funds beyond the VL unless your Retirement Account meets the 2026 Basic Retirement Sum of \$110,200.

CPF Board prioritizes retirement over your real estate.

Five Costly Mistakes That Decimate Cash Proceeds



Mistake 1: Calculating profit as 'Sale Price minus Mortgage'.

Always **subtract** the CPF refund + accrued interest first



Mistake 2: Draining OA for an HDB loan.

HDB loans are 2.6% vs OA's 2.5%—the 0.1% spread means preserving OA cash is often smarter than paying down the loan



Mistake 3: Assuming private property has unlimited CPF access.

Valuation and Withdrawal limits will eventually force you to pay cash



Mistake 4: Ignoring the Age 55 Basic Retirement Sum restriction.

Failing to have **\$110,200** in your RA instantly paralyzes your housing funds



Mistake 5: Misjudging OA liquidity for your next home.

Refunded CPF goes back to OA, but resale levies or changed grant eligibility can leave you short

Calculate Your Actual Financial Position

Don't guess your cash proceeds or your affordability.

Model your **projected OA balance** and your **exact accrued interest refund obligation** before making your next property move.



SCAN Scan to launch the CPF Calculator & Projector.

Built for 2026 policies. For the authoritative source, visit cpf.gov.sg.

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