

HDBâ??s deficit narrows to S$4.71 billion as fewer new flats start development

Description

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HDB ran a net deficit of S$4.71 billion in the financial year to 31 March 2026, down from S$6.34 billion the year before, and the Government covered it with a S$4.73 billion grant. The figures are in HDBâ??s Annual Report 2025/2026 and its audited financial statements for the same year, which HDB calls FY2025.

Most of the improvement came from one line. HDB sets aside a provision for the expected loss on new housing projects when development begins, and that provision fell because fewer units started development during the year.

Where the S$4.71 billion came from

HDB splits its accounts into housing and everything else. Housing lost S$5.13 billion in FY2025. Its other activities, mainly renting out and managing commercial properties and land, made a surplus of S$419 million and pulled the net figure down to S$4.71 billion.

Inside housing, the segments for the year were:

- Home ownership, which covers building and selling flats and paying housing grants: a S$4.00 billion deficit, against S$5.51 billion in FY2024
- Residential ancillary functions, such as lease administration and carparks: S$673 million, up from S$570 million
- Upgrading, including the Home Improvement Programme: S$279 million, down from S$532 million
- Rental flats: S$171 million, up from S$159 million
- Mortgage financing: S$10 million, up from S$6 million


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The squirrel playground at ParkEdge @ Bidadari, one of the final four BTO projects completed in the estate. Photo: HDB

Why the home ownership loss fell

HDB sells flats at subsidised prices, so it makes a provision for the estimated loss on a housing project when development begins. That provision was S$3.21 billion in FY2025, against S$4.48 billion in FY2024. HDB puts the drop largely down to fewer units starting development during the year.

On flats actually handed over, the loss barely moved. Keys went out on 16,321 units counted as completed sales, with a gross loss of S$1.75 billion, close to the S$1.77 billion of the year before. Once those sales closed, HDB released S$1.90 billion of provisions it had booked in earlier years, which left a net increase in the provision of S$1.31 billion for the year.

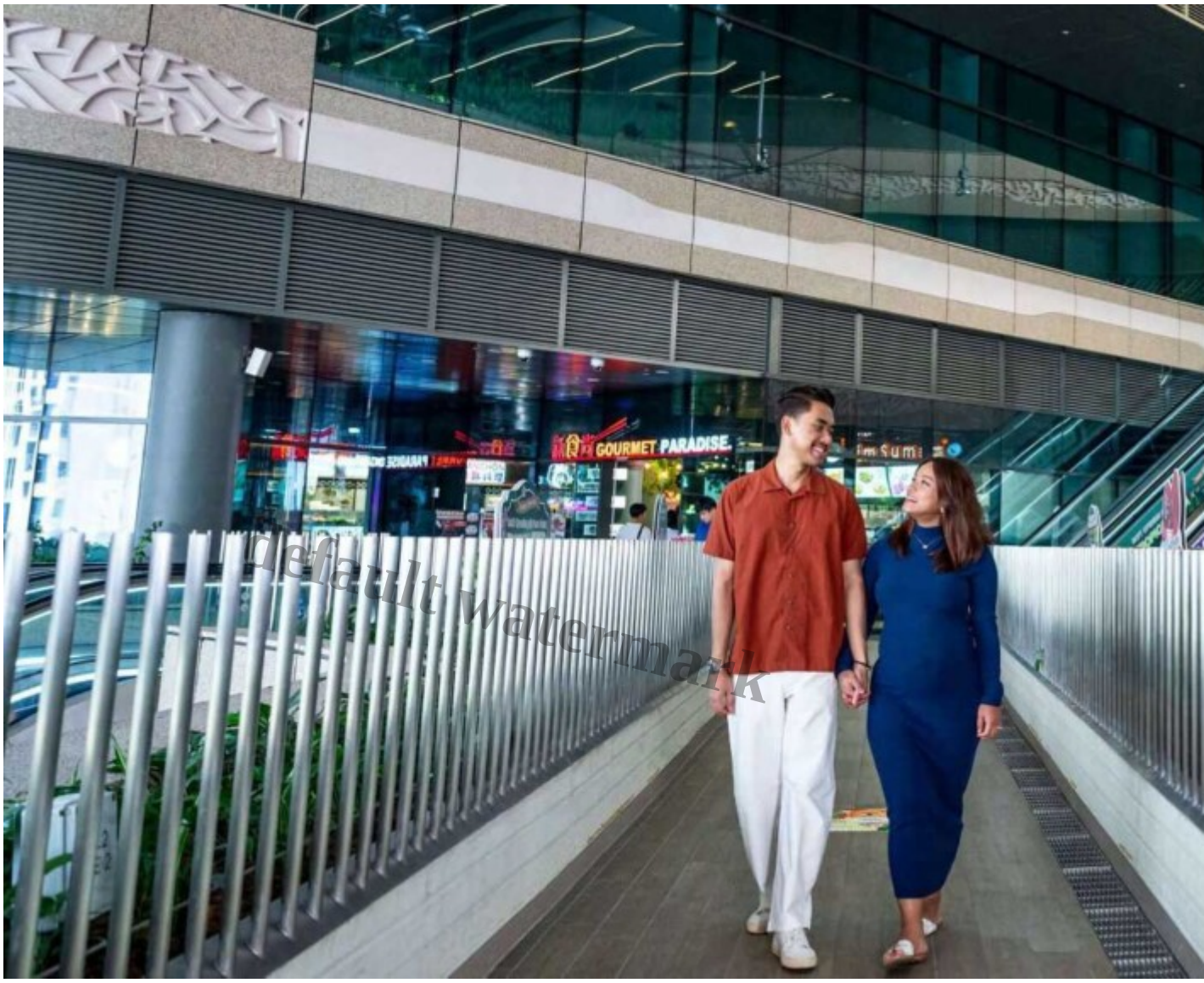
CPF housing grants paid to buyers of resale flats and executive condominiums came to S$711 million, down from S$881 million in FY2024. That money sits inside the home ownership deficit too.

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The costs that went up

Three segments lost more than a year earlier. The residential ancillary deficit grew partly because of electrical supply upgrading for older blocks, to cope with residentsâ?? rising electricity demand. The rental flat deficit edged up by S$12 million, and mortgage financing by S$4 million.

The upgrading deficit fell because some Home Improvement Programme projects were close to completion, with most of the spending already done in earlier years, while others were still at an early stage and had yet to ramp up.



Parc Point, Tengahâ??s second neighbourhood centre, opened its first shops in February 2026. Photo: HDB

The grant, the reserves and the borrowing

The S$4.73 billion grant compares with S$6.35 billion in FY2024. Grants to HDB since it was set up in 1960 reached S$66.23 billion as at 31 March 2026. The grant finances the deficit and protects the reserves of past governments, as the Constitution requires, and HDBâ??s retained earnings stayed at zero after transfers to its capital gains reserve.

Capital expenditure was S$17.06 billion, mostly on new public housing, against S$17.97 billion a year earlier. HDB also drew S$3 billion in Government loans for housing development in FY2025, a line that was empty the year before, and its bonds outstanding rose to S$34.75 billion.

What this means for your flat

None of these numbers sets the price of a particular BTO flat. The provision is booked when projects start development, so it moves largely with how many units start development in a given year. For buyers, the more useful figures sit on the delivery side: HDB completed 15,417 flats in FY2025 and issued keys to 19,254 households, 9 per cent more than the previous year.

Date Created
15/11/2026
Author
rachelng

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