

Taking Stock of Singapore's Public Housing Renewal

On 24 March 2017, a blogpost by Singapore's National Development Minister, Lawrence Wong set off a maelstrom in Singapore:

While resale flats are transacted on a willing buyer-willing seller basis, I was concerned by the suggestion that some buyers are forking out high prices for older flats, in anticipation of the benefits of the Selective En bloc Redevelopment Scheme, or SERS. But SERS, as the name implies, is on a selective basis.... This is why only 4% of HDB flats have been identified for SERS since it was launched in 1995. We will continue to maintain this strict selection criteria. So please do not assume that all old HDB flats will be automatically eligible for SERS. In fact for the vast majority of HDB flats, the leases will eventually run out, and the flats will be returned to HDB, who will in turn have to surrender the land to the State.¹

Wong's blog post was ostensibly in response to media reports about homebuyers who had forked out higher than average sums for Housing & Development Board (HDB) flats—synonymous with public housing in Singapore—that were more than 30 years old, despite the fact that such flats were on 99-year leases. In the first quarter of 2017, two 33-year old flats in Potong Pasir each sold for over \$900,000, while a 30-year old flat in Bishan fetched \$1.09 million.² The minister hoped to correct the perception among some homebuyers that it was worth overpaying for older flats on the assumption that they would automatically come under the HDB's Selective En bloc Redevelopment Scheme (SERS), a renewal programme for older flats.

The blog post also thrust the simmering issue of decaying HDB flat leases into the limelight. The hectic speed of public housing development in the 1970s and 1980s meant that there was a large cohort of ageing flats (*Annex 1*). Some flat owners feared a sharp depreciation in the value of their flats once they were past a certain age, while others were worried that they could outlive their lease. The issue was especially worrisome for owners of some 70,000 HDB flats that were over 40 years old.³ At the time, some estates that had not undergone major upgrading works by the HDB were showing their age. The episode dampened the HDB resale market for older flats.

A year later, Prime Minister Lee Hsien Loong announced a new housing policy on 19 August 2018 during his National Day Rally speech.⁴ Under the Voluntary Early Redevelopment Scheme (VERS), owners of HDB flats that were 70 years or older could vote to sell their remaining leases back to the government, rather than wait for their 99-year leases to run out. They could then use the proceeds to buy a new flat while the site of their old flats would be redeveloped. In addition, the government also promised to upgrade every HDB flat twice in its lifetime—the first at about 30 years, and again at about 60 years—to ensure that it remained in good condition. With the new policy, the government could spread out the financial and implementation

¹ "Choosing a Home for Life", Housing Matters, March 24, 2017, <https://mndsingapore.wordpress.com/category/uncategorized/>

² Ng Jun Sen, "Don't assume flat will be picked for Sers, buyers told", *The Straits Times*, March 25, 2017.

³ "Buying an old HDB flat? Here are some things to consider", *The Straits Times*, April 12, 2018.

⁴ Rachel Au-Yong, "National Day Rally 2018: Owners of old HDB flats can vote to let Govt buy back", *The Straits Times*, August 19, 2018.

This case study was written by Jean Chia under the guidance of Dr Adrian Kuah, Lee Kuan Yew School of Public Policy (LKY School), National University of Singapore. The case does not reflect the views of the sponsoring organization nor is it intended to suggest correct or incorrect handling of the situation depicted. The case is not intended to serve as a primary source of data and is meant solely for class discussion.

strains of redevelopment over time and geography. At the same time, Lee cautioned that the government's compensation under VERS would "less generous" than SERS as the potential redevelopment value would typically be lower than in SERS projects.⁵

Given that housing constituted a basic need, what was the role of SERS within Singapore's public housing sector? Who should have a say in the redevelopment of public housing? What were the issues and challenges with SERS, and how might these inform the policy design and implementation of a new VERS?

Upgrading public housing estates

Unlike most other cities, public housing was a unique and ubiquitous aspect of the housing landscape in Singapore (*Annex 2*). With over 1 million HDB flats, public housing developed by the HDB, a statutory board, accounted for 73% of the country's housing stock and housed about 80% of the citizen population, 90% of whom owned their flats.⁶ Public housing estates in Singapore generally did not suffer from the stigmas commonly associated with public or social housing projects elsewhere, such as crime, and social and economic marginalisation. The public housing sector was heavily subsidised by the government and tightly regulated by the HDB to ensure that subsidies were not abused and its public housing policies were aligned with the government's social policies. The purchase of 99-year leasehold flats from the HDB was restricted to Singapore citizens and permanent residents based on household income ceilings, which were broad enough to encompass the majority. Priority in allocation was given to those in family units, rather than singles. There was also an active resale market for HDB flats, coupled with various housing grants.

Then-Prime Minister Goh Chok Tong launched SERS in August 1995. The scheme was touted as a renewal programme for pockets of flats that were deemed unsuitable for other HDB upgrading programmes, or where redevelopment was considered a more attractive option, especially for underutilised sites. Under SERS, the HDB would acquire the flats and provide monetary compensation to affected flat owners. The affected flat owners could purchase new HDB flats nearby as replacement accommodation. The cleared sites could then be redeveloped to higher intensity. In this way, the scheme would share the benefits of en bloc redevelopment between the government and flat owners who would typically gain more than if they had sold their flats individually or stayed put.⁷ Goh also emphasized that such en bloc redevelopment would be the "exception rather than the rule", as the majority of older flats would be put through upgrading rather than SERS.⁸ Over a period of ten years from 2003 to 2013, about 18,000 flats were put through the scheme.⁹ By July 2018, the HDB had completed 76 SERS projects while another five projects were underway.¹⁰

SERS involved land acquisition and resettlement by the HDB. These two aspects were not new to Singapore—they were in fact the lynchpin in the resolving the acute housing shortage between the 1960s

⁵ Au-Yong, "National Day Rally 2018".

⁶ Ng Jun Sen, "Parliament: HDB flats made up 73% of Singapore's total housing stock in 2016", *The Straits Times*, April 15, 2018.

⁷ Ministry of Information and The Arts (MITA), "National Day Rally Address by Prime Minister Goh Chok Tong, Speech in English, August 1995", accessed July 20, 2018, <http://www.nas.gov.sg/archivesonline/speeches/record-details/73ef48e7-115d-11e3-83d5-0050568939ad>

⁸ MITA, "National Day Rally Address".

⁹ Singapore Parliamentary Reports, "Value of HDB Flats on 99-Year Leases and Flats Undergoing Redevelopment under the SERS Programme", Vol. 91, January 20, 2014.

¹⁰ Housing and Development Board, "Completed SERS Projects", last modified August 29, 2017, <https://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/sers-and-upgrading-programmes/completed-sers-projects>; "In-Progress SERS Projects", last modified August 29, 2017, <https://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/sers-and-upgrading-programmes/in-progress-sers-projects>; "Latest SERS Project", last modified May 31, 2018, <https://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/sers-and-upgrading-programmes/latest-sers-projects>

and 1980s. Large swathes of the population were moved from crumbling overcrowded urban slums and unsewered kampongs (villages) into high-rise public housing flats in satellite towns. Between 1980 and 2000, the share of resident households living in public housing rose from 67% to 88%, while the home ownership rate for HDB flats jumped from 58% to 92%.¹¹ By the late 1980s, the pace of resettlement slowed as many squatter areas had been cleared. Singapore had turned into a nation of homeowners, and HDB estates had transformed the physical landscape.

Having tackled the initial problems of housing shortages, the government shifted its focus towards “quality housing” in the 1990s. By then, over 350,000 flats¹²—about a third of the public housing stock—were approaching the 30-year mark of their 99-year lease. Besides SERS, the HDB introduced a slew of upgrading programmes for public housing. These included the Main Upgrading Programme (MUP) launched in 1989, which aimed to renovate pre-1980 flats, apartment blocks and communal facilities. In 1993, the HDB also launched an Interim Upgrading Programme (IUP) for slightly newer apartment blocks and precinct facilities built between 1981 and 1986.

In 2000s, the upgrading programmes included the Lift Upgrading Programme (LUP) and the IUP Plus, which combined the earlier IUP and LUP. In 2007, the MUP was replaced by the Home Improvement Programme (HIP), which mandated essential improvements for public health and safety and other optional improvements within flats. As cost of upgrading was shared between the government and flat owners, most upgrading programmes required the agreement of at least 75% of the residents. Some block and precinct improvements, such as those under the Neighbourhood Renewal Programme (NRP) which replaced the IUP Plus in 2007, were fully funded by the government. Another comprehensive upgrading initiative was the Remaking Our Heartlands (ROH) to rejuvenate the community facilities in selected middle-aged HDB towns with feedback from the residents.

First SERS project in Tiong Bahru

Shortly after SERS was launched, a five-hectare site around Boon Tiong road in the Tiong Bahru area was designated as the first SERS project in August 1995. The selection of Tiong Bahru was apt—the low-rise housing blocks built in the 1940s and 1950s by the Singapore Improvement Trust (SIT), the colonial predecessor of the HDB, were among the oldest in Singapore. The site consisted of 16 low-rise blocks housing 384 units of three-room and four-room flats as well as pockets of state land. The site was to be redeveloped into 706 four-room and 696 five-room units, more than triple the original number of housing units. While there were other SIT flats of similar vintage nearby, the Boon Tiong site was chosen because there was vacant state land on which the HDB could build new flats to rehouse the affected residents en masse. The redevelopment of the site, which was close to the Tiong Bahru MRT station and an existing commercial development, was also in line with the government’s policy of intensifying land use around transport nodes.

The flats were compulsorily acquired by the government under Land Acquisition Act, and the affected flat owners were given a land acquisition award plus ex-gratia payment. This worked out to be between

¹¹ Singapore Department of Statistics Singapore, “Resident Households By Tenancy, Annual”, accessed July 26, 2018, <http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=12309>; “Resident Households By Type Of Dwelling, Annual”, accessed July 26, 2018, <http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=12308>

¹² Including early flat types that had been demolished. Housing and Development Board, *Annual Report 2016/2017 – Key Statistics* (Singapore: Housing and Development Board, 2017), 5.

\$140,000 and \$175,000 for the owners of three-room flats, while four-room flat owners received between \$200,000 and \$255,000.¹³ They were also assured allocation of a new flat with a fresh lease in the replacement site, coupled with a 20% discount (capped at \$30,000) on the price of a new flat, and exemption from a resale levy usually imposed on those buying their second subsidized HDB flat. Prices of the new replacement flats ranged from \$190,000 to \$260,000 for a four-room unit and \$310,000 to \$380,000 for a five-room unit. In some cases, homeowners buying the same type of units could even end up with a financial surplus.

Rehousing benefits were transferable, and those affected had the option of selling their units instead ahead of acquisition. The new flat owners would enjoy the same entitlements in the compensation package, provided they met the criteria for buying new flats directly from HDB. To curb speculation, HDB imposed a one-month suspension on applications to buy the affected flats to ensure that all affected flat owners were informed of the SERS project. While many supported the SERS project in Boon Tiong, there were some reservations. Some residents, especially retirees were concerned about financing costs if they wanted to upgrade to a larger unit; others had recently renovated their unit, or preferred to live in low-rise blocks.¹⁴

The redevelopment took place in two phases with the SERS project divided into four sites. New flats were first built on adjacent vacant state land and the residents of seven SIT blocks moved there. The seven blocks were then demolished to make space for new high-rise blocks to rehouse the affected residents of the remaining nine SIT blocks. The first blocks of new flats were ready by 2001 and the entire SERS project was completed in 2005. However five of the 16 SIT blocks that were originally slated for road widening reserve were not torn down and were put to alternative uses instead.

Exhibit 1: Original SIT blocks (foreground) and new HDB blocks (background) at Boon Tiong Road.



Image source: author's own

Framing the issue of public housing redevelopment

One of the ways in which the literature on public housing redevelopment had framed the issue was improving social justice—fairness in the distribution of resources and services, equal rights for all, and the

¹³ Ann Williams, "Tiong Bahru Flats First in Redevelopment Scheme," *The Straits Times*, August 23, 1995.

¹⁴ "42 of 70 Residents Say They Welcome Project", *The Straits Times*, August 24, 1995.

opportunity to participate in community life—through the redistribution of economic benefits and housing options provided by redevelopment.¹⁵ The social objectives of public housing redevelopment could be articulated as a desire for a “more diverse social mix”, often in terms of age, ethnicity, socio-economic status etc.¹⁶ As it often takes the form of higher-density development, public housing redevelopment had also been viewed as a counter to urban sprawl and a more economical way of providing public infrastructure and services.¹⁷ Public housing redevelopment could also be seen from the perspective of the existing community, and the benefits or disadvantages accruing to them. Such perspectives were salient to Singapore's situation, especially as the provision of affordable public housing was often been cited as a key social lever for the country.¹⁸

Selection for SERS – question of fairness

While initial SERS projects were concentrated in mature public housing estates close to the city centre, such as Tiong Bahru, Toa Payoh, Telok Blangah, Redhill and Queenstown, SERS sites were also found in older estates farther away such as Chai Chee, Ang Mo Kio, Taman Jurong, Teban Gardens and Dover (*Annex 3*). The detailed selection criteria and process for SERS sites were not publicly revealed by the HDB on the grounds that these were market-sensitive information,¹⁹ but three broad parameters were highlighted when the scheme was launched in 1995.

Then Minister for National Development, Lim Hng Kiang explained that SERS would be “implemented in sites where the current land use is sub-optimal, and the potential for redevelopment is high”.²⁰ First, a SERS site had to demonstrate economic and financial viability by being able to yield at least twice the number of units to offset for the loss of the buildings.²¹ Another consideration was the government's budgetary resources as land at new sites had to be purchased and replacement flats built. Over the previous decade, projected development expenditures for SERS, excluding land acquisition costs, ranged from \$76 million in FY2014 to \$311 million in FY2010 (*Annex 4*).²² Lastly, there had to be suitable sites available for rehousing the affected residents together to preserve community ties. While most SERS projects involved a few hundred units, the single largest SERS project in 2014 involved 31 blocks and almost 3,500 units in Tanglin Halt and Commonwealth precincts in Queenstown.

Unlike en bloc redevelopment proposals in the private housing sector where the agreement of a certain threshold of property owners was required, the decision to proceed with SERS rested solely with the government. Despite the fact that most of those affected by SERS owned their flats, the HDB did not have

¹⁵ Christine A. Stevens, “Public Housing Redevelopment As Social Policy”, *Urban Policy and Research*, 13:2 (1995), 81-88, DOI: 10.1080/08111149508551659; Lynne C. Manzo, “On uncertain ground: being at home in the context of public housing redevelopment”, *International Journal of Housing Policy*, 14:4 (2014), 389-410, DOI: 10.1080/14616718.2014.947125; Michelle Norris and Rory Hearne, “Privatizing public housing redevelopment: Grassroots resistance, co-operation and devastation in three Dublin neighbourhoods”, *Cities* 57 (2016): 40-46.

¹⁶ Christine A. Stevens, “Public Housing Redevelopment As Social Policy”, *Urban Policy and Research*, 13:2 (1995), 81-88, DOI: 10.1080/08111149508551659

¹⁷ Christine A. Stevens, “Public Housing Redevelopment As Social Policy”, *Urban Policy and Research*, 13:2 (1995), 81-88, DOI: 10.1080/08111149508551659

¹⁸ Cheong Koon Huan, “Promoting Social Equity through Public Housing”, *Urban Solutions*, February 2014, 66-70, <https://www.clc.gov.sg/docs/default-source/urban-solutions/urb-sol-iss-4-pdfs/case-study-promoting-social-equity.pdf>

¹⁹ Singapore Parliamentary Reports, “Number of HDB Blocks Projected to be Redeveloped under the Selective En-Bloc Redevelopment Scheme over Next 10-20 Years”, Vol. 94, Col. 29, February 5, 2018.

²⁰ Singapore Parliamentary Report, “Housing and Development Board Estates (Selective En-bloc Redevelopment Scheme)”, Vol. 64, Cols. 1510-1516, September 27, 1995.

²¹ Singapore Parliamentary Reports, “Budget, Ministry of National Development”, Vol. 70, Cols. 486, March 11, 1999.

²² Ministry of National Development, Expenditure Estimates, various years.

the practice of consulting affected residents before it announced a SERS site. According to the HDB, information on properties identified for SERS was market sensitive and the Board could not afford to privilege any one group over others.²³ However the HDB surveyed affected residents to find out their preferred replacement flats and community facilities in the proposed new site. The HDB, and the constituency's members of parliament (MP) and grassroots leaders, also held dialogue sessions with the residents to educate them on the benefits of SERS. This was in contrast to the approach in some cities where public housing residents could advocate for their preferences through organized lobbying of the authorities to redevelop or refurbish their estates, or simply maintain them. Nevertheless, signs of unhappiness about SERS among some residents surfaced through channels such as anonymous letters and petitions to MPs.

Nevertheless SERS was often viewed favourably by residents. An editorial in *The Straits Times* likened it to "striking the lottery or Singapore Sweep".²⁴ Besides the financial compensation pegged to the prevailing market value at the time of the SERS announcement and reasonable expenses for relocation, the package included assured allocation of a replacement HDB flat and a discount of up to \$30,000 on the price of the new flat. As the rehousing benefits under SERS were transferrable to eligible buyers of the flat before acquisition by the government, the value of SERS was reflected in market premiums attached to SERS flats put up for sale. For example, three-room flats in Toa Payoh enjoyed a substantial premium of \$100,000 after the SERS announcement in 1995.²⁵ The premium shrank however when the property market cooled.

MPs periodically questioned the selection criteria for SERS projects, and more precisely, if or when HDB flats in their constituencies would be selected for redevelopment.²⁶ Occasionally, lobbying at the grassroots level could have an impact. Despite already being relatively built-up, four blocks at Toa Payoh Lorong 2 were included in the SERS project at the request of the grassroots organisations.²⁷ It was also helped by the fact that the HDB was already building new blocks on an adjacent plot. SERS could also be dangled as a political carrot, as in the case of Toa Payoh Lorong 8 which was under the opposition-held ward of Potong Pasir. Built in the 1970s, the flats were beginning to show their age, but had not been slated for any major upgrading programme.²⁸ In the 2006 general election, the People's Action Party (PAP) candidate promised to push for SERS for the residents there if he won.²⁹

In some cases, disappointed residents who were left out of a nearby SERS project could be offered a "consolation prize" of upgrading. This happened for two blocks at Holland Drive within a cluster of some 800 households that was selected for SERS in 2005. Despite being right next door to SERS site, the HDB deemed the two blocks to be not economically viable for SERS.³⁰ Instead, the two blocks were lined up for a lift upgrading programme in 2006. Nevertheless, many residents in the two blocks were worried that the value of their older flats would fall in tandem with the redevelopment next door.³¹

²³ Leong Pik Yin, "Havelock shopowners fuming over shorter leases", *The Straits Times*, February 26, 2003.

²⁴ Warren Fernandez, "Are residents seeking Santa in Jalan Bukit Merah?" *The Straits Times*, December 6, 1997.

²⁵ Michelle Low, "\$100,000 Premium on HDB Flats in Enbloc Redevelopment", *The Business Times*, February 9, 1996.

²⁶ "MPs, Grassroots Leaders Asking for En-Bloc Scheme", *The Straits Times*, December 19, 1995.

²⁷ Chua Mui Hoong, "Redevelopment a Must for Nation's Progress", *The Straits Times*, September 4, 1995.

²⁸ Judith Tan, "After 28 years, upgrading comes to Potong Pasir", *The New Paper*, July 8, 2012.

²⁹ "PAP candidate pushing for SERS for Toa Payoh Lorong 8 residents", *Channel NewsAsia*, April 26, 2006. The PAP candidate did not prevail in the 2006 general election, although the PAP won Potong Pasir in the next general election in 2011.

³⁰ "Why Some Left Out of SERS Plan", *The Straits Times*, May 21, 2005.

³¹ "HDB Rejects SERS Appeal by 2 Blocks", *The Straits Times*, May 20, 2005.

Renewing the private housing stock

In Singapore, private housing accounts for about a third of the total housing stock. The owners of strata titled properties could initiate en bloc redevelopment by collectively putting their properties up for sale to private developers. For individual property owners, the en bloc route typically allowed them to fetch a substantial premium compared to individual sales. Under the Land Titles (Strata) Act, the collective sales of strata-titled land required majority consent of the units' owners set at 80% and 90% respectively for properties more than and less than ten years old. Prior to 1999, unanimous agreement from all unit owners was required.

The developer would have to apply to the government to renew or "top up" the lease to 99-years and if successful, pay a lease extension premium to the Singapore Land Authority (SLA). Applications for lease extension were subjected to various considerations, including the government's long-term planning intentions for the site and surrounding areas, and whether the land use would be intensified.³² Depending on factors such as the age of the existing lease and location of the development, lease extension premiums could run into hundreds of millions of dollars.

Singapore had been swept by en bloc fevers especially when property prices headed north. En bloc deals reached new highs totaling \$8.2 billion in 2006 and \$12.2 billion in 2007, before being dampened by the government's property market cooling measures and the global financial crisis. More recently, collective sales exceeded \$8 billion in 2017.³³ However, en bloc deals could get acrimonious when a minority of the property owners oppose the sale. In what was probably the first such incident for leasehold private housing, 191 private terraced houses sold in 1960 on 60-year leases at Geylang Lorong 3 would see their lease expire by 2020.³⁴ Only 33 units remained owner-occupied, while the rest were used as temples or rented out. The SLA made it clear that the lease would not be extended, and that the residents would have to vacate the premises and hand back the land to the government without compensation.

Dollars and flats – compensation disputes

Unhappiness from affected residents surfaced from time to time, and were often centered on the location and price of the replacement flats in which they had little say. In 1996, two blocks at Holland Drive with a total of 179 units were proposed for SERS, but some long-time residents preferred not to be rehoused as they were used to the neighbourhood and had other family members living nearby. It did not help that the replacement site in this case—Strathmore Avenue in Queenstown district—was two MRT stations away and was perceived by the residents as having fewer amenities. The unhappiness culminated in a petition bearing 101 signatures from residents who preferred to stay put.³⁵ At the time, the Buona Vista grassroots adviser said that he would ask the Ministry of National Development to consider withdrawing the site from SERS if the residents indeed opposed it.³⁶ A survey subsequently conducted by the HDB that covered 161 of the flat owners showed that 143 supported SERS.³⁷ The SERS project proceeded and residents were relocated to two new blocks at Strathmore Avenue.

³² "Supplementary questions on Announcement of Waiver of Building Premium", Singapore Land Authority, accessed January 27, 2019, <https://www.sla.gov.sg/News/articleId/170/parentId/97/year/2008?category=Press%20Releases>

³³ Janice Lim, "The Big Read: Property Cooling Measures—Examining the Case for a 'Sledgehammer'", *Channel NewsAsia*, July 17, 2018, <https://www.channelnewsasia.com/news/business/property-cooling-measures-en-bloc-collective-sale-uncertainty-10533966>

³⁴ Ng Jun Sen, "Geylang private homes to be returned to the State when leases expire in 2020, no extensions allowed", *The Straits Times*, June 20, 2017.

³⁵ "Holland Drive Residents Send Petition to MP on SERS Plan", *The Straits Times*, December 22, 1996.

³⁶ Raoul le Blond, "Swee Say—consider benefits of SERS", *The Straits Times*, December 13, 1996.

³⁷ Tan Hsueh Yun, "Most Buona Vista residents want Selective En-Bloc Scheme", *The Straits Times*, January 7, 1997.

This was not the only episode where residents expressed their disgruntlement with SERS. Some residents in a 1997 SERS project in Ang Mo Kio were upset with what they perceived to be high prices of their replacement flats.³⁸ In another SERS project that same year at Alexandra Road involving 922 units, residents were offered new flats at Kim Tian Road. Some however found the replacement flats too small and expensive, especially in comparison with similar flats built a few years earlier near the replacement site.³⁹ Unhappiness also erupted over the compensation quantum and prices of replacement flats in a 2011 SERS project in Clementi.⁴⁰

In some cases, flat owners who had bought their flats at market prices in the resale market, found themselves caught in a financial bind when their flats were acquired under SERS. One such example was Hillview Avenue SERS project in 1999, which involved 12 blocks and 1,589 households.⁴¹ The flats had been constructed in the late 1970s and some residents who bought resale flats there in the mid-1990s had reportedly paid between \$360,000 and \$400,000.⁴² Further sums had been spent on renovating their units. However, the compensation offered under SERS ranged from \$100,000 to \$140,000 for three-room units, and \$265,000 to \$300,000 for five-room units. This created unhappiness even though the prices of the replacement flats at Bukit Batok West Avenue 5—ranging from \$125,000 to \$159,000 and \$215,000 to \$261,000 respectively for four-room and the five-room flats—were comparable to the compensation amounts.

Changes in the HDB regulations at the time also stipulated that the residents would be subjected to a resale levy of 20% to 25% amounting to between \$20,000 and \$100,000 when they purchased a second subsidised flat from the HDB. The resale levy was intended to maintain a fair allocation of public housing subsidies between those buying HDB flats for the first and second time. Previously, an individual buying a second subsidised flat could choose between paying a resale levy ranging from 5% to 25% of the selling price of the first flat, or a resale premium of 20% of the purchase price of the second flat. Flat owners whose first flats were bigger generally opted to pay the resale premium, which was often lower than the levy, and vice versa. However the resale levy rates were raised and the resale premium option was scrapped in May 1997 (*Annex 5*).⁴³

Some residents pointed out that the PAP candidate for their constituency in the 1997 general election had campaigned on the promise of MUP for the estate.⁴⁴ Yet, they were now forced to relocate under SERS. Moreover, some residents had chosen to live in the Hillview Avenue estate for its quiet location surrounded by lush greenery, attributes that would be difficult to find elsewhere. One resident said, "Most of us have chosen to make Hillview our home, and some of us have put in a lot of our savings to make sure it is in good condition."⁴⁵ The sentiment was especially strong among the 288 five-room flat owners who had less to gain

³⁸ Chua Mui Hoong and Walter Fernandez, "Some residents angry over prices of new AMK flats", *The Straits Times*, May 22, 1997.

³⁹ Tan Hsueh Yun, "Some residents trying to petition against scheme", *The Straits Times*, December 6, 1997. In the news report, the HDB said that while its flat prices had been adjusted over time to reflect the increase in development costs, the resale prices of HDB flats had risen even more since 1991. This meant that residents affected by Sers would benefit from the higher compensation, which was based on the market prices when the precinct came under SERS. On the size of the new flats, the HDB said they were similar in size to new HDB flats being built in non-mature estates.

⁴⁰ Neo Chai Chin, "Exploiting unhappy residents or listening to their complaints?" *TODAY*, April 25, 2011.

⁴¹ "Most residents in Hillview support SERS", *The Straits Times*, April 16, 1999.

⁴² "Think of long-term benefits, says MP", *The Straits Times*, March 28, 1999.

⁴³ The resale levy was adjusted over the years and is currently a fixed amount ranging from \$15,000 to \$55,000, depending on the flat type.

⁴⁴ Leong Weng Kam, "Does Hillview want redevelopment? - No, we want to stay put", *The Straits Times*, April 28, 1999.

⁴⁵ Leong, "Does Hillview want redevelopment".

from SERS, compared to those in three- and four-room units who had the chance to upgrade.⁴⁶ Following this episode, the MND and the HDB reinstated the option for SERS flat owners to pay the 20% resale premium instead of the higher resale levy.⁴⁷ This move reduced the financial outlay for affected flat owners as the new replacement flats were generally cheaper. The difference could be substantial—in one case, a resident who would have had to cough up \$120,000 under the existing regime, paid just over \$40,000 instead based on the price of the replacement flat.⁴⁸

HDB shop owners were also affected by SERS, but faced stricter relocation conditions. Unlike affected residents, shop owners in a 1996 SERS project in Redhill were initially not allowed to offset the six-figure down payments for their replacement HDB shop units using their compensation from the government. This put a strain on their cash flows as the down payments could cost between \$132,000 and \$154,000 for a new shop, or between \$600,000 and S\$700,000 for a larger eating house.⁴⁹ The HDB later announced that the shop owners would receive part of their compensation in advance while the down payments were halved to 10%.⁵⁰

State-led gentrification – impact on community and heritage

Residents affected by SERS often had mixed emotions about having to relocate. Among the long-staying residents, preserving community ties was often a priority. In the 1996 SERS project at Holland Drive, some residents were “devastated” when the HDB announced their blocks would be acquired under SERS, as they feared losing the close bonds they had formed with their neighbours over the years.⁵¹ Similarly, the elderly residents of a small cluster of five-storey HDB blocks in Siglap built in 1963 which came under SERS, were leaving their homes of almost 50 years with “heavy hearts”.⁵² Policymakers tried to address this by offering replacement units in the same location en masse to affected residents. The HDB also introduced a joint selection scheme to allow neighbours or extended families to select replacement flats on the same floor. The scheme was enhanced in 2008 to accommodate up to six households instead of the previous four.⁵³

Given that SERS projects were focused in older housing estates that tended to have a larger proportion of smaller flats, there was a potential mismatch between the preferred replacement units for those affected and what was actually available in the replacement site. With rising affluence in the 1980s and the popularity of upgrading to larger flats, the HDB had stopped building three-room and smaller flats, and concentrated on constructing four-room or larger units.⁵⁴ For example, the new flats that came up in the Boon Tiong SERS project did not include three-room units. This meant that affected three-room flat owners who wanted to live in the same area had to upgrade to larger units, or opt to buy a three-room resale unit elsewhere. It was only in 2004 and 2006 that the HDB resumed building three-room and two-room units respectively.

SERS could also exacerbate the loss of Singapore's built heritage, much of which had already been lost to the urgency of redevelopment in earlier decades. In particular, SERS was targeted at early generations of public housing precincts including those built during the colonial-era. Many early housing estates featured

⁴⁶ Leong, “Does Hillview want redevelopment”.

⁴⁷ “MP seeks more help for Hillview residents”, *The Straits Times*, July 4, 1999.

⁴⁸ “MP seeks more help”.

⁴⁹ Dawn Tan, “Shopowners welcome govt's advance compensation plan”, *The Straits Times*, May 22, 1996.

⁵⁰ Tan, “Shopowners welcome”.

⁵¹ “Re-establishing neighbourhood ties”, *The Straits Times*, August 3, 2000.

⁵² Charissa Yong, “Hard for old-timers to say goodbye”, *The Straits Times*, May 17, 2013.

⁵³ “SERS residents approve consultancy exercises”, *Business Times*, January 8, 2008.

⁵⁴ Chua Beng Huat, *Political Legitimacy and Housing: Stakeholding in Singapore* (London: Routledge, 1997).

distinctive architectural styles that had all but disappeared in post-independence public housing development. At the same time, there was growing awareness recognition and support among the public for conserving Singapore's built heritage. For example, the impending comprehensive redevelopment of Queenstown galvanized a civic group to garner public support and lobby the government to conserve more buildings there. Eventually three buildings—the Queenstown Library, former Commonwealth Avenue Wet Market and Alexandra Hospital—were included for conservation in 2014.⁵⁵ Similarly, the HDB moved to partially conserve another colonial-era estate, Dakota Crescent which was slated for SERS, after advocacy efforts by heritage groups.⁵⁶

On the other hand, the HDB's biennial surveys of residents resettled under SERS showed consistently high satisfaction and support—ranging from 85% to 90%—for the scheme since its first survey in 2001.⁵⁷ Most residents agreed that they enjoyed a better living environment in the replacement site. Many households had also taken the opportunity to upgrade to larger flats. For example, the 2004 survey, which covered more than 3,000 households in 10 completed SERS projects, found that more than 80% had upgraded to bigger flat types.⁵⁸ Based on the most recent survey in 2013 involving 628 households in five SERS projects, 50% and 47% of the households residing in three-room and four-room flats respectively before SERS upgraded to bigger replacement flats.⁵⁹

Pockets within older public housing estates were given a new lease of life under SERS as new, and often larger, HDB flats could be built on the same plot. The units remaining after rehousing SERS flat owners were offered for sale via a Sale of Balance Flats exercise at prices that were generally lower than that of resale flats in the vicinity. As mature estates tended to be closer to the city centre and had access to well-developed amenities, they were viewed as desirable residential locations and resale flat prices could be relatively high. Mature estates like Queenstown, Kallang, Toa Payoh and Clementi tended to have a larger proportion—close to 20%—of elderly residents aged 65 and above. For example, Kallang/Whampoa had the highest proportion of elderly at 23.5% of the HDB population.⁶⁰ The Sale of Balance Flats exercise for SERS sites in such estates gave households from other areas and younger families a more affordable opportunity to live in high-demand neighbourhoods, enriching and rejuvenating the social fabric there.

Private sector participation – limited role

Given that the bulk of land freed up under SERS was reserved for the development of public housing, the private sector had little role in redeveloping the land, even though the possibility of private sector participation was broached when the scheme was first launched.⁶¹ Hence unlike in some countries, suspicions of land grabs cloaked as housing renewal programmes did not arise.⁶² Instead, the private sector

⁵⁵ Melody Zaccheus, "Bid to save 2 historical areas in Queenstown", *The Straits Times*, November 11, 2014.

⁵⁶ Alfred Chua, "Partial conservation of Dakota Crescent gives heritage enthusiasts hope", *TODAY*, December 12, 2017.

⁵⁷ "SERS Survey", Housing and Development Board, last modified September 11, 2017,

<https://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/sers-and-upgrading-programmes/sers-survey>

⁵⁸ Vince Chong, "Sers draws huge support from HDB residents", *The Business Times*, July 15, 2004.

⁵⁹ "Strong Support for the Selective En Bloc Redevelopment Scheme", Housing and Development Board, last modified December 19, 2013, <http://www20.hdb.gov.sg/fi10/fi10296p.nsf/PressReleases/EE7F73A6804DA3D148257C450027BC68?OpenDocument>

⁶⁰ Housing & Development Board, *Public Housing in Singapore: Residents' Profile, Housing Satisfaction and Preferences—HDB Sample Household Survey 2013* (Singapore: Housing & Development Board, 2014), 20.

⁶¹ Singapore Parliamentary Report, "Budget, Ministry of National Development", Vol. 65, Col. 1463, March 18, 1996.

⁶² See for example, Michelle Norris and Rory Hearne, "Privatizing public housing redevelopment: Grassroots resistance, co-operation and devastation in three Dublin neighbourhoods", *Cities* 57 (2016): 45.

was roped in to manage the short-term rental of units in SERS blocks that were not torn down after they were vacated. Private operators were selected via a competitive tender and rents were set at market rates.

Citing figures provided by the HDB, a March 2011 news report revealed that up until that point, about 2,200 units or 6% of the 35,000 flats under SERS had not been demolished.⁶³ While two-thirds of the units were put up for rent commercially, the remainder were set aside for HDB's interim rental housing scheme. For example, five SIT blocks at Boon Tiong were not torn down when redevelopment plans changed and were instead leased out for some years to private operators to be run as serviced apartments. Almost 20 years after they were first identified for SERS, the 120 flats were converted in 2014 into rental units for the HDB's Parenthood Provision Housing Scheme (PPHS) to provide affordable temporarily housing for families.⁶⁴ Other SERS blocks that were still standing in estates like Queenstown, Bukit Merah, Toa Payoh and Ang Mo Kio were similarly leased to private operators, repurposed for the PPHS, or used for the HDB's Interim Rental Housing for low-income families requiring urgent temporary accommodation.

Decaying leases – a looming issue

The issue of decaying leases for 99-year leasehold HDB flats had loomed large in recent years. On the one hand, the government's policy had been consistent and clear—state land would generally be returned to the state without compensation when its lease expired.⁶⁵ Barring any interventions, the value of leasehold property would eventually run down to zero. This approach allowed the government to retain flexibility in land use planning and be fair to future generations by recycling the land for new flats.⁶⁶ Another more practical reason was the high costs of maintaining older flats saddled with increasingly obsolete structures and systems. Nor was the issue exclusive to public housing; some private housing including landed properties were similarly on leasehold tenures of 99 years or less. In fact, a row of private houses in Geylang was one well-publicised case of private houses facing the expiry of their 60-year lease in 2020.

Another concern for existing flat owners was the possibility of outliving their lease, especially for those who had bought older resale flats. Although the HDB stated that fewer than 2% of households including those who had bought resale flats were expected to outlive their leases,⁶⁷ the scale of the issue would only grow over time. Of the total stock of about one million HDB flats, 31,000 flats were estimated to be over 40 years old in 2013.⁶⁸ By 2017, the number had jumped to 70,000 units or about 7 per cent, while another 280,000 units were between 30 and 40 years old.⁶⁹ In short, about one in three HDB flats were 30 years or older.

The issue was also linked to the idea of asset accumulation in the form of housing touted by the government in the 1990s. With the high levels of home ownership in Singapore, a significant chunk of people's savings and investments was locked away in public housing. Many HDB homeowners tapped on funds from their Central Provident Fund (CPF) accounts, Singapore's defined contribution social security system, to pay for

⁶³ Jessica Cheam, "To be demolished soon... for rent in the meantime", *The Straits Times*, March 2, 2011.

⁶⁴ Yeo Sam Jo, "Old flats in Tiong Bahru get new lease of life", *The Straits Times*, December 24, 2014.

⁶⁵ Rachel Au-Yong, "Understanding what happens at the end of a 99-year lease", *The Straits Times*, 28 December 2017.

⁶⁶ Justin Ong, "NDR 2018: Why are HDB leases 99 years long? PM Lee explains", *Channel NewsAsia*, August 19, 2018, <https://www.channelnewsasia.com/news/singapore/ndr-2018-hdb-lease-99-years-flat-national-day-rally-10631442>

⁶⁷ Yasmine Yahya, "National Day Rally 2018: 99-year leases for HDB flats most practical, fair for future generations, says PM Lee", *The Straits Times*, August 20, 2018.

⁶⁸ Singapore Parliamentary Reports, "Value of HDB Flats on 99-Year Leases and Flats Undergoing Redevelopment under the SERS Programme", Vol. 91, January 20, 2014.

⁶⁹ "Buying an old HDB flat? Here are some things to consider", *The Straits Times*, April 12, 2017.

housing (*Annex 6*).⁷⁰ Buoyed by economic and population growth since independence, the property market had largely been on an upward trajectory and the message of asset enhancement translated into unsustainable expectations of ever-increasing property values. The various upgrading programmes launched by the HDB in the 1990s were a means of maintaining the value of the flats. In the late 1990s however, housing prices crashed along with the Asian financial crisis (*Annex 7*). A 2013 report by Standard Chartered, a bank, pointed out that Singapore's household debt (151% of household income) was the second highest in Asia after Malaysia, and mortgages stood at 111% of household income, the highest in the region.⁷¹ With a large proportion of CPF funds invested into housing, retirement adequacy became a concern.

Another trend that worried the government was that of some flat buyers' willingness to overpay for older flats, often in anticipation of SERS coming to their neighbourhood. This speculation over SERS seemed to persist despite the government's emphasis on the very selective nature of the scheme. Some existing flat owners had also come to expect SERS as a solution to their flats' decaying lease. The remarks in 2017 by the National Development Minister triggered a rethink about the worth of older flats. Property agents were reporting dwindling interest in flats older than 40 years. In three mature estates, Queenstown, Toa Payoh and Ang Mo Kio, there was a widening gap between average resale prices of older flats and units under 40 years old (*Annex 8*).⁷² Moreover, older properties faced tougher financing conditions in terms of housing loans and restrictions on the use of CPF funds. For example, the use of CPF monies to purchase properties with leases of less than 60 years was allowed only if the remaining lease would last up until the property owner turned 80 years old; the use of CPF monies to purchase properties with less than 30 years left on their lease was prohibited.⁷³ Banks were also hesitant to finance properties with less than 30 years lease, or would only offer loans on much shorter tenures. The experience of a three-room Bukit Merah HDB flat with less than 60 years left on its lease was illustrative:

*Madam Chai received several offers when she listed her three-room Bukit Merah Housing Board flat for sale in January last year, after her mother died. The flat had 54 years left on its 99-year lease and the administrative clerk was asking for \$340,000 – about what three-room flats in the area were commanding then. But two months later, the offers started drying up. Madam Chai, 52, said buyers told her they were having second thoughts about buying her 45-year-old flat.*⁷⁴

In fact, by May 2018, the minister noted that owners of older HDB flats had become "overly anxious" about the value of their flats in the resale market and reassured the public that older flats still had value that could be unlocked for retirement.⁷⁵

Residential leasehold properties in China and Hong Kong

In China where homeownership rates were high, the issue of property rights was highly contentious. When the Communist Party took power in 1949, private ownership of urban land was for all intents and purposes, abolished. In the late 1970s however, land use rights reforms were implemented as part of the market

⁷⁰ Under the CPF system, expenses for housing and education may be drawn from the Ordinary Account, while a separate account known as Medisave is set aside for healthcare expenses.

⁷¹ Fiona Chan, "Singapore debt levels 'among highest in Asia'", *The Straits Times*, July 3, 2013.

⁷² Grace Leong, "Owners worry older HDB flats a depreciating asset", *The Straits Times*, April 15, 2018.

⁷³ "Can I use my CPF for properties with less than 60 years lease left?" Central Provident Fund Board, <https://www.READY.sg/YourInfoHub/Pages/News-Can-I-use-my-CPF-for-properties-with-less-than-60-years-lease-left.aspx>

⁷⁴ Grace Leong, "Owners worry".

⁷⁵ Singapore Parliamentary Reports, "President's Speech – Address of Thanks", Vol. 94, May 17, 2018.

reforms initiated by Chinese leader Deng Xiaoping.⁷⁶ Since then, China urbanized rapidly, but unlike Singapore, public housing accounted for only about 10% of homes in larger Chinese cities.⁷⁷ Residential land was parceled out on leases of 70 years and even, 20 years. Although China's Property Law of 2007 stated that land use rights could be renewed at expiry, it stopped short of specifying how it was to be done. The issue was also complicated by the fact that local governments often relied on land sales to help bolster their fiscal revenues. Renewing leases without any additional charge meant that local governments would forfeit revenues.

With 20-year residential leases issued in the 1990s expiring in cities such as Wenzhou and Shenzhen, the local governments adopted different approaches. The Wenzhou government initially considered charging homeowners a third of their properties' current value to renew their rights, but when this sparked a public outcry, the city backtracked and assured homeowners that the status quo would continue without any charge.⁷⁸ In Shenzhen, which experienced a housing boom in recent years, the local government charged a lower quantum based on the historical land value to renew the lease, whereas in Qingdao, the local government simply procrastinated on the issue.⁷⁹ For 70-year leases, some clarity came in March 2017 when Premier Li Keqiang announced that a provision was being drafted to provide a legal guarantee for land use rights under a 70-year lease to be renewed unconditionally.⁸⁰

Prior to 1997, land leases in Hong Kong were generally set at 75 years, but this was shortened to 50 years after the July 1997 handover to China. Properties built before 1984 generally had a renewable clause that guaranteed lease extension, but this also changed after 1997. Instead, an announcement by the government stated that non-renewable leases could be extended at the government's discretion for 50 years without paying an additional premium, subjected to an annual rent from the date of extension at 3% of the building's value.⁸¹ The status of existing land leases after the year 2047 by which the "One Country, Two Systems" principle expired was also uncertain.⁸²

Whither VERS?

With the announcement of VERS was made years ahead of its expected implementation, many details were still being worked out. Nonetheless, VERS was expected to bring about a sea change to public housing in Singapore, particularly in the issue of decaying leases. By offering the option of en bloc redevelopment to all flat owners at the 70-year mark of their leases, owners of older flats would have the opportunity to monetise their remaining leases. The government would step in as the buyer of last resort for all public

⁷⁶ "Winners and losers in China's urban transformation: Land use reforms and their implications for other developing countries", Global-is-Asian, September 6, 2018, <https://lkyspp.nus.edu.sg/gia/article/winners-and-losers-in-china-s-urban-transformation-land-use-reforms-and-their-implications-for-other-developing-countries>

⁷⁷ Ko Tin-yau, "Shenzhen unveils drastic housing reform", *Hong Kong Economic Journal*, trans. Julie Zhu, June 14, 2018.

⁷⁸ Donald Clarke, "The Paradox at the Heart of China's Property Regime", *Foreign Policy*, January 19, 2017,

<https://foreignpolicy.com/2017/01/19/the-paradox-at-the-heart-of-chinas-property-regime-wenzhou-lease-renewal-problems/>

⁷⁹ "A nation of homeowners?" *Week in China*, April 29, 2016, <https://www.weekinchina.com/2016/04/a-nation-of-homeowners/>

⁸⁰ "China mulls law revision on 70-year land use right of properties: Premier", *Xinhua*, March 15, 2017,

http://www.chinadaily.com.cn/business/2017-03/15/content_28567633.htm; Sara Hsu, "Good News For Chinese Homeowners: Premier Li Offers Some Clarity On Land Leases", *Forbes*, March 21, 2017, <https://www.forbes.com/sites/sarahsu/2017/03/21/good-news-for-chinese-homeowners-premier-li-offers-some-clarity-on-land-leases/#3636a8b47b4a>

⁸¹ Lands Department, The Government of Hong Kong Special Administrative Region,

<https://www.landsd.gov.hk/en/service/landpolicy.htm>

⁸² Catherine Lai, "No need to worry about land lease expiry after 2047, says Development Sec", *Hong Kong Free Press*, September 19, 2016, <https://www.hongkongfp.com/2016/09/19/no-need-to-worry-about-land-lease-expiry-after-2047-says-development-sec/>; "Home ownership after 2047? It's risky", *South China Morning Post*, January 7, 2012, <https://www.scmp.com/article/989427/home-ownership-after-2047-its-risky>

housing flats, effectively putting a backstop on property values. Some of the issues experienced with SERS could play out in the implementation of VERS in the years to come.

Discussion Questions

1. How did redevelopment in Singapore's public housing sector differ from that in other cities? What was the political and social context underpinning the housing sector in Singapore?
2. What were some considerations in developing the policy framework for evaluating the renewal of public housing infrastructure? What were the trade-offs and unintended consequences?
3. How should the government manage the issue of decaying leases in the public housing sector?
4. If you were in charge of housing policy, what changes, if any, would you make to SERS? What about VERS?

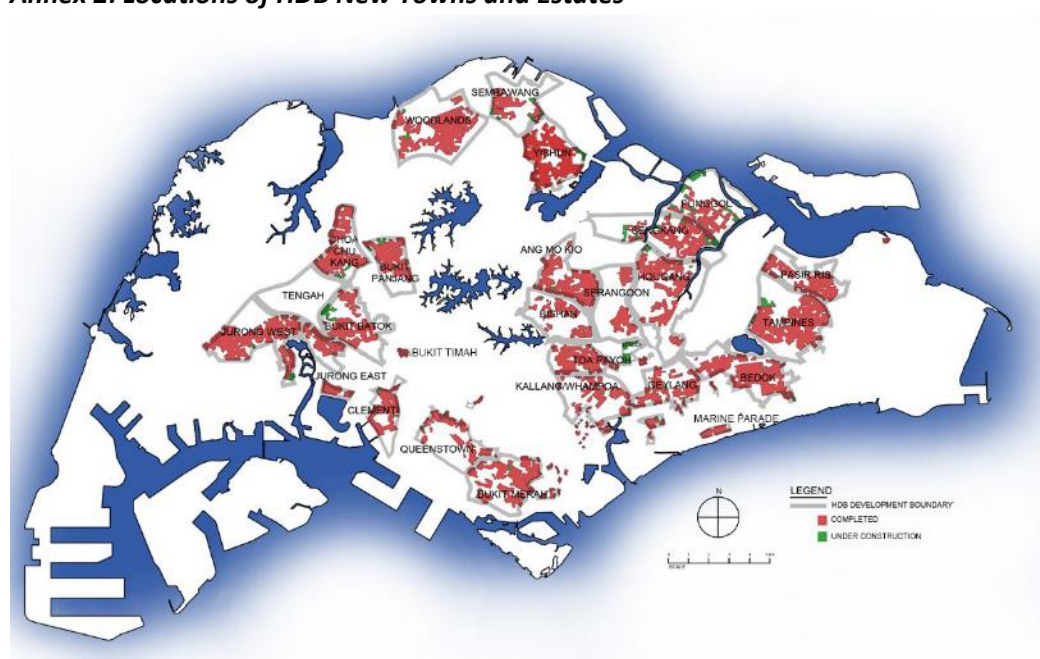
Annexes

Annex 1: HDB's Building Statistics

Period	Dwelling units built
1960 – 1965	53,777
1966 – 1970	63,448
1971 – 1975	110,362
1976 – 1980	130,981
1981 – 1985	189,299
1986 – 1990	119,708
1991 – 1995	98,994
1996 – 2000	157,919
2001 – 2005	55,135
2006 – 2010	23,519*
2011 – 2015	96,991*
2016	26,025

Source: Housing & Development Board, *Key Statistics—Annual Report 2016/2017*.

Note: * Includes Design and Build Scheme (DBSS) flats.

Annex 2: Locations of HDB New Towns and Estates

Source: Housing & Development Board, *Key Statistics – Annual Report 2017/2018*.

Annex 3: SERS projects in HDB New Towns

New Town	Total land area (ha)	Residential land area (ha)	Overall current no. of flats	Overall projected ultimate no. of flats	Original no. of flats on SERS site*
Mature Towns (developed before 1980s)					
Ang Mo Kio	638	283	50,025	58,000	2,661
Bedok	937	418	61,100	79,000	968
Bukit Merah	858	312	52,401	68,000	7,830
Clementi	412	203	26,226	39,000	2,884
Geylang	678	214	30,704	49,000	2,403

New Town	Total land area (ha)	Residential land area (ha)	Overall current no. of flats	Overall projected ultimate no. of flats	Original no. of flats on SERS site*
Kallang/Whampoa	799	210	39,194	57,000	1,445
Queenstown	694	210	31,504	60,000	9,349
Toa Payoh	556	248	37,358	61,000	2,703
Middle-aged Towns (developed in 1980s and early 1990s)					
Bishan	690	172	20,072	34,000	-
Bukit Batok	785	291	33,728	53,000	1,581
Bukit Panjang	489	219	35,325	44,000	-
Choa Chu Kang	583	307	48,900	62,000	-
Hougang	1,309	367	53,862	72,000	-
Jurong East	384	165	23,897	30,000	1,536
Jurong West [^]	987	480	73,510	94,000	3,761
Pasir Ris	601	318	29,654	44,000	-
Serangoon	737	163	21,487	30,000	-
Tampines	1,200	549	67,911	110,000	-
Woodlands	1,260	486	64,602	102,000	147
Yishun	778	398	60,904	84,000	-
Young Towns (developed in 1990s onwards)					
Punggol	957	374	43,385	96,000	-
Sembawang	708	331	22,872	65,000	300
Sengkang [^]	1,055	397	65,981	92,000	580
Other estates, including Central					
	-	126	22,733	25,000	1,391

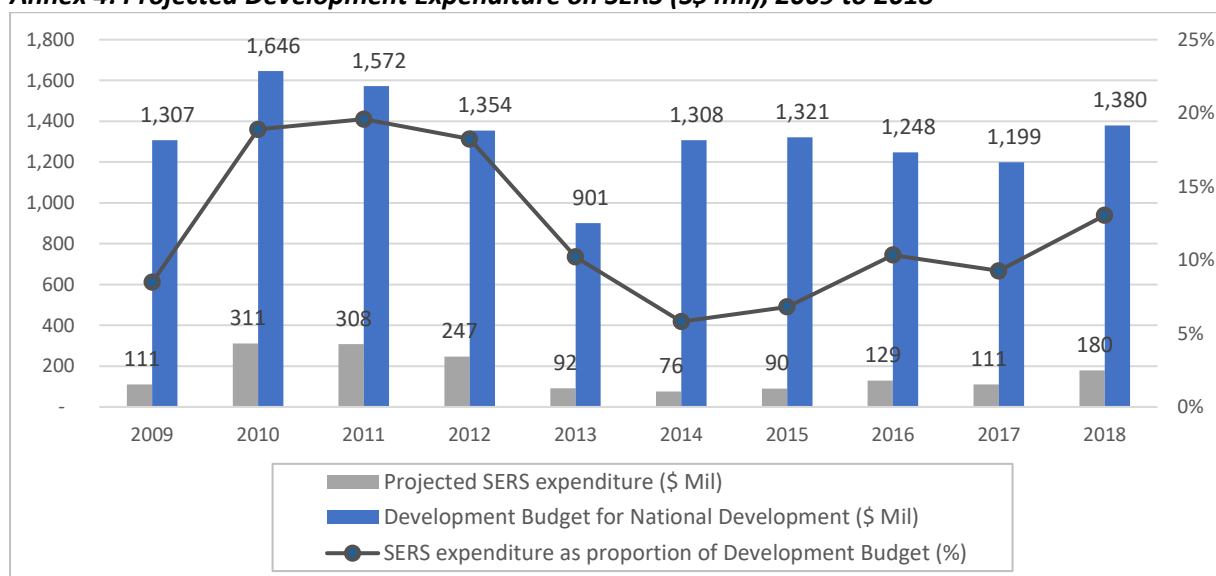
Source: Housing & Development Board, Key Statistics, Annual Report 2016/2017; various sources.

Notes:

* Information on the original number of flats on SERS sites was not available for all SERS projects.

[^] Jurong West and Sengkang include SERS projects in Lim Chu Kang and Seletar respectively.

Annex 4: Projected Development Expenditure on SERS (\$ mil), 2009 to 2018



Source: Ministry of National Development, "Expenditure Estimates", various years; "Government Budget and Fiscal Position, Annual", Data.gov.sg

Annex 5: Changes in HDB resale levy and resale premium in 1997

	Resale levy					Resale premium	SERS flat
	Two-room	Three-room	Four-room	Five-room	Executive		
Before 19 May 1997	5%	10%	15%	20%	25%	20% resale premium on purchase price of second subsidised HDB flat.	As above.
After 19 May 1997	15%	20%	22.5%	25%	25%	No more resale premium option.	As above, but with additional option to pay 20% resale premium on purchase price of second subsidised HDB flat, instead of resale levy.

Annex 6: Statistics on CPF Public Housing Scheme, 2006-2018

Year	Number of Active CPF Members (mil), as at end of period	Ordinary Account (OA) (S\$m), as at end of period	Public Housing Scheme (PHS) – No. of Members ('000), within period	PHS – Amount Withdrawn (S\$m), within period
2006	1.46	57,742.70	730	4,957.60
2007	1.54	60,838.60	729	4,679.00
2008	1.61	65,341.10	719	4,500.00
2009	1.64	70,593.80	728	4,067.90
2010	1.70	77,939.50	740	4,006.90
2011	1.74	85,084.80	750	5,464.30
2012	1.79	91,862.00	753	5,703.10
2013	1.85	98,336.20	743	5,841.30
2014	1.95	104,411.30	734	6,892.30
2015	1.96	110,966.50	731	7,069.90
2016	1.97	118,106.30	740	6,971.90
2017	1.99	125,824.30	769	7,375.20
2018 Q1	1.99	128,582.40	-	1,828.50
2018 Q2	2.00	130,870.90	-	1,199.80

Source: Central Provident Fund Board, https://www.cpf.gov.sg/Assets/common/PublishingImages/CPFStatistics/Sub_Housing.jpg

Notes:

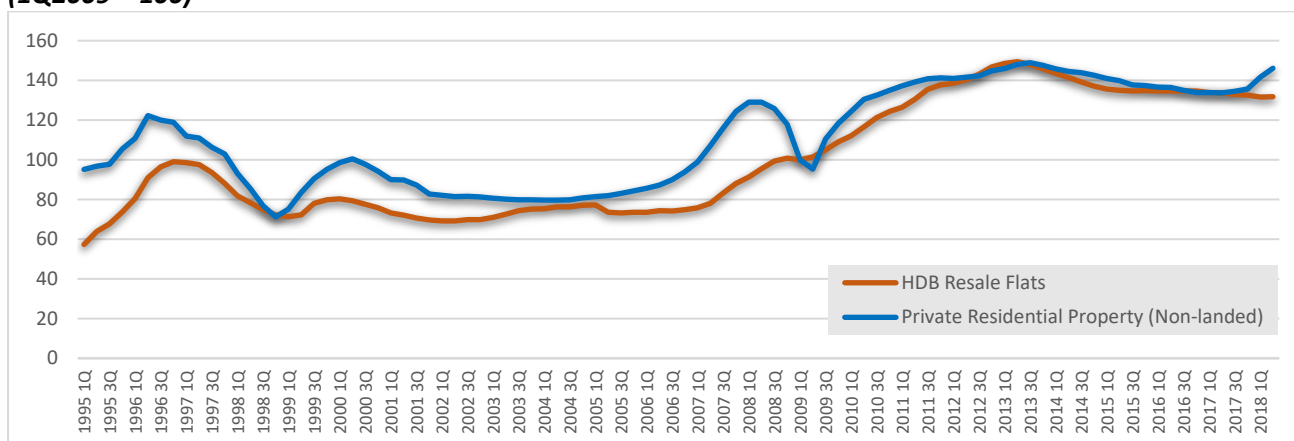
As at end of period refers to cumulative figures since inception.

CPF Member refers to a person (including self-employed) who has a positive balance in any of his CPF accounts.

Active CPF Member refers to a person who has at least one contribution paid for him for the current or any of the preceding three months. The figure excludes self-employed who are not employees concurrently.

For PHS, figures within period include all withdrawals within period while figures as at end of period refer to members who withdrew and still own property. May not tally due to difference in definition.

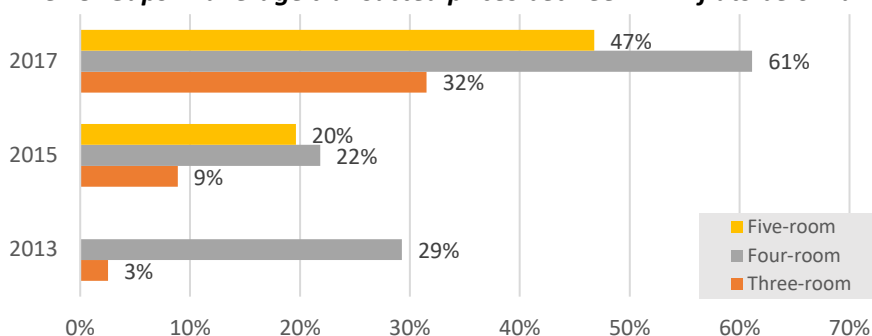
Annex 7: Price indices for HDB resale flats and non-landed private residential properties, quarterly (1Q2009 = 100)



Source: Singapore Department of Statistics.

Note: The base period is the 1st quarter of 2009.

Annex 8: Gaps in average transacted prices between HDB flats below and above 40 years in Toa Payoh



	Three-room flat			Four-room flat			Five-room flat		
	More than 40 years	Less than 40 years	Price gap	More than 40 years	Less than 40 years	Price gap	More than 40 years	Less than 40 years	Price gap
2013	\$356,005	\$365,027	3%	\$462,853	\$598,371	29%	-	\$735,039	-
2015	\$312,570	\$340,374	9%	\$440,773	\$536,987	22%	\$573,000	\$685,496	20%
2017	\$294,995	\$387,986	32%	\$386,088	\$622,163	61%	\$554,099	\$813,301	47%

Source: OrangeTee Research & Consultancy; Grace Leong, "Owners worry older HDB flats a depreciating asset", *The Straits Times*, April 15, 2018.