

PRs may be subjected to ethnic integration policy in buying flats

Imelda Saad

Channel NewsAsia, 29 January 2010

SINGAPORE: Singapore's housing authority said Permanent Residents may soon be subjected to a similar ethnic integration policy already imposed on citizens who buy public flats.

Observers say the move is reflective of Singapore's changing demographics, where about a third of the population are foreigners.

But there's already a racial quota for PRs in the purchase of public housing.

A shopping centre in Boon Lay in western Singapore gives an idea of the community it serves. It is filled with facilities for its foreign clientele including remittance units, money changers and provision shops catering to Thai and Myanmar nationals.

Tending one of the shops is a 52-year-old from Myanmar who has been living in Singapore for 15 years.

Like many PRs, Madam Yin Yin Winn, who peppers her sentences with the colloquial term "la" considers Singapore home.

In fact, she made several Singaporean friends while volunteering at her daughters' school.

Madam Winn says her daughters, aged 19 and 16, go to neighbourhood schools.

"When I go to my daughter's school, I talk with them, sometimes I bring our traditional food, they enjoy my food," she said.

Like most Singaporeans, Madam Winn lives in a subsidised public flat, which is also subjected to an Ethnic Integration Policy (EIP).

Prior to the 1960s, various immigrant ethnic groups were concentrated in different parts of Singapore creating enclaves. So the Government introduced the Ethnic Integration Policy. This is where public housing is used as a tool to integrate Singapore's multi-ethnic population.

The EIP is applicable to the purchase of new flats, resale flats, SERS (Selective En-bloc Redevelopment Scheme) replacement flats and DBSS (Design, Build & Sell Scheme) flats, as well as the allocation of rental flats in all HDB estates.

Under the policy, maximum proportions are set for all ethnic groups - Chinese, Malays, Indians and others, in each HDB block and neighbourhood

There is no restriction on the sale and purchase of an HDB flat if the proportion of the buyer's ethnic group is within the prescribed block and neighbourhood limits.

Once the block/neighbourhood limit for a particular ethnic group has been reached, no further sale of HDB flats to that ethnic group will be allowed, if it will lead to an increase of the proportion beyond the limit.

There is no restriction if the buyer and seller are of the same ethnic group.

Currently, PRs are already subjected to the policy according to their race.

For example a China national may fall under the 'Chinese' category and an Indian national under 'Indian'.

What could change is expanding it to account for the immigrant's nationality.

Mr Eugene Tan, Assistant Professor at the School of Law at the Singapore Management University, said: "The fear is that Permanent Residents are forming enclaves of Permanent Residents. What it would mean is that Permanent Residents could be subjected to two types of quotas. One is the original ethnic integration quota, and the other one could be a citizen/Permanent Resident quota."

Mr Azhar Ghani, a Research Fellow at the Institute of Policy Studies, questions how an ethnic integration policy will affect Malaysian PRs.

"Malaysian PRs, whom I would say are quite acculturated to our ways, who will face a new restriction to where they can buy HDB flats. This proposed change will just add another additional layer to the EIP categorisation, and current technology would mean that it would not be too big a challenge administratively to ensure adherence," he said.

"So will PRs who have been here for many years but have not taken up citizenship for whatever reasons, be subjected to the new PR-related rule, in addition to the race quota, when they buy a HDB flat? Should there be a time-bar? For example, will the rule apply only to PRs who have been here for less than, say, five years?," he asked.

The first indication that the Government is looking into the integration of foreigners within Singapore's housing estates was revealed by National Development Minister Mah Bow Tan in Parliament in November 2009.

He said the Government "will keep a close watch on the distribution of PRs living in HDB estates and where necessary, consider measures to prevent the congregation of PRs and foreigner."

Currently, PRs form only 5 percent of HDB households.

And housing analysts say that's unlikely to create any surge in home prices.

Mr Eugene Lim, Associate Director of ERA Asia Pacific, said: "No issue, it's just like the current ethnic integration policy, doesn't affect re-sale prices because the number of PRs who would be buying flats are still there. It's just "Oh, if I cannot buy this block, I buy another block.""

"I think some people are under the impression that PRs are driving up the prices. It is not, it's the whole market, that there's a lot of people buying flats that's together driving up the price." Mr Lim said.

"Actually if you look by and large, the PRs, if they do congregate - actually they are all over the place - they are very practical group of people. They buy where they can afford. They buy where they need to stay near to, for example, a place of work or school.

"But because to them, if they feel a fellow countryman is staying nearby, they do build a community. So there's this issue of - what if there are too many of them staying at a certain place? So it's really looking forward, if we have more and more PRs coming, how do we then have a ratio to ensure they are spread out in Singapore?" Mr Lim asked.

Still, observers say even with an ethnic integration policy in place, the true test is in the community bonds forged between citizens and immigrants. - CNA/de