

## Netizens criticise “out of touch” HDB chief after she indicates that aging HDB flats’ value will decline over time

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Housing Development Board (HDB) chief executive Dr Cheong Koon Hean earned the ire of netizens after she indicated that the value of aging HDB flats will decline over time, as she spoke at a forum organised by the Institute of Policy Studies this past Tuesday.

The planner’s comments are contrary to the government’s past promises that HDB flats grow in value over time. Just before the General Election in 2011, then-National Development Minister Mah Bow Tan told Singaporeans: ***“We’re proud of the asset enhancement policy. (It) has given almost all Singaporeans a home of their own...that grows in value over time.”***

Dr Cheong’s remarks on Tuesday mirror the views of current National Development Minister Lawrence Wong who confirmed last year that the vast majority of flats will be returned to HDB, without any compensation for homeowners, when the 99-year-lease runs out.

The Minister had advised home buyers: ***“As the leases run down, especially towards the tail-end, the flat prices will come down correspondingly. So buyers need to do their due diligence and be realistic when buying flats with short leases.”***

Dr Cheong parroted this when she advised the audience at the forum two days ago to pay a price for resale flats that is commensurate with the balance lease: ***“You should buy a flat, as you say it commensurate with the lease. The price you pay should commensurate with the lease. As you should buy a flat that would last you a lifetime.”***

The planner made the remark as she corrected the forum moderator’s misconception that the “person who buys a shorter lease will pay much less money” – a view that drew a swift response from the crowd at the forum who began to murmur loudly when the moderator suggested this.

Netizens criticised Dr Cheong for her “out of touch” views on how Singaporeans can monetise their flat. Not realising that the options she offered aren’t ideal goals for ordinary Singaporeans who likely hope to enjoy the fruits of their labour in their senior years, Dr Cheong suggested:

***“You can sell the larger flat and buy a smaller flat. I build a lot of smaller flats, which a lot of my elderly love. Because now they don’t have to maintain such a big home. And with the money, it goes back to CPF...and you buy CPF life. So there are many ways to monetise.***

***“So, if they want to stay in their own home, they can do a lease buy back. I buy back some of the leases. And then they make sure you keep the leases that will last you the lifetime. The length of your life.***

***“Another way of monetisation is people rent out rooms in their homes. And there are people who actually sell off and go and live with their children. Ok some of you may not want to live with your children, you can buy another smaller flat. So there are any ways of monetising within the period of the 99 years.***

***“And you must remember that actually their children will go on to buy an affordable flat from me. Correct? Now how do you make sure they can buy back an affordable flat from me? Eventually you have to recycle the land. You understand? So, I am trying to paint that broader picture. And there are actually quite a lot of ways to monetise. 99 years is a long time.”***

Read the transcript of the question and answer on the “HDB leasehold” section in the lecture series [here](#).

Calling Dr Cheong “out of touch”, netizens lamenting the fact that many Singaporeans were taken in by past assurances that the value of their flats would appreciate over time, only to find out that that will not be the case for many of them:



**Terence Charles Darby** The "asset enhancement" concept was vigorously promoted to a nation by lee kuan yew. It was used as a political tool to persuade HDB dwellers to vote for the pap and in return receive prioritised upgrading schemes. Unfortunately, until the plainly truth that the HDB flat is no more than a 99 lease rather than any real ownership sets in that some people began realizing the folly of this twisted promise.

But such is life. One needs to pay for being foolishly gullible.

Like · Reply · 1d



**Selva Kumar** Wat they want is money

Like · Reply · 1h



**Joe Koshi San** Sometimes I wonder. If the country do not belong to us then should we risk our lives and career to protect it? Even the flats we buy they are on lease only. So why pay so much to lease. Might as well rent a house or buy a house in JB. Never mind travel up & down everyday for work. When you reach 55 give up your citizenship and you can really retire and live a carefree life. Not reach 65 and like beggars waiting for hand out from your own cpf account.

Like · Reply · 22h





**Thusa Baku** Use land acquisition act n buy cheap, sell at a premium, then depreciate the value n buy back cheap and sell again at a premium

Like · Reply · 4h



**Daniel Lim** Many older citizens now realised they got conned by PAP leaders about appreciating values of their HDB flats. Now their children and their families will have to sleep by the roadside when the lease expires.

Like · Reply · 4h



**Shahid Hj Yusoff** These people at the Top are out of Touch when they make Policies. They never bring themselves to the People on the Ground.

Most of these Top People dont even stay in Public Housing.... so THEY DONT GIVE A HOOT!!!

Public Servants my FOOT!!!

Like · Reply · 22h



**Seth Solomon** So basically, so call buying hdb is actually renting hdb and paying 99 years of rental at a go. And if one does not have this lump sum, one has to further incur borrowing interest. And on top of that, pay monthly maintenance fee and incidental repair cost throughout the rental period of 99 year.

What a great deal!!!! ??

Like · Reply · 5h



**Victor Lau** Even if the flats devalued in cost due to lease & depreciation (unless enhanced), the cost of the land they factored at market price then when one paid for the price of the flat is still valued.

Here's where the "short change" lies. It's zero value to the owners at 99 years, but has a market value by that time it is returned.

So, new money can be made when the land is resold again in whatever form.

Like · Reply · 5h



**Mick Js** Stupid Singaporeans still unsure abt the plot here. They are screwing us n we are debating if is this asset enhancement or prudent buying. They cannot make money from anywhere so they hv resorted to robbing the public. Their pigeon hole homes are not selling so they are clamping down the sale of resale flats. They want to make more out of new flats instead of 20% frm resale units

Like · Reply · 5h



**Ember Willow Violet Woods** Pay arm and leg for housing that will be returned eventually when the lease is over? Now that explains the "vertical prison" description of HDB by Raymond Flower....

Like · Reply · 7h



**Mohamad Zulkifli Hanafi** nothing last forever..not your house..not the money you "buy" your house with..

Like · Reply · 7h



**Jason Yip** If that is the case, then why are we paying property tax??? Since it is a lease and not own condition??? Crazy!!!!

Like · Reply · 8h



**何偉** This policy is like communism, peasants rent from govt identical flats. Elites and party members can own the land. In the end value confiscated, they expect next gen to BTO again. No point having children this way. The 99-year rule is to give them time to change the policy or confiscate. Its either one of the decisions, the leader next time have to be benevolent. If system elect a corrupt PM, value will be gone.

Like · Reply · 14h · Edited



**Low SiewFai** THEY do not want peasants to accumulate wealth through inheritance of freehold properties. Peasants must slave through every generation not able to own any property. This is how THEY maintain status quo of MASTER AND SERVANT.

Like · Reply · 23h





**Mahfuz Wan Abdullah** Why do we need to pay for so many upgradings? HDB should be paying since the home owner is not going to benefit through the upgrading once it reaches zero value. What assets enhancement are they preaching? Why should the people be made to pay for the upgrading. It's not as though after the enhancements, the owners are going to get the ninety nine years lease extended.

Like · Reply · 22h



↪ 7 Replies · 16 hrs



**Keef Keef** So it's not an asset basically. So HDB why make the price so high even for new flats? Why not just rent out all the flats to all instead of giving this illusion that this is an asset enhancing tools?

Like · Reply · 23h



**Yue Kah Wah** Dr Cheong & Professor Chan don't lives in a HDB flat, that... I can bet on it!

Like · Reply · 21h



**Chia Gunawan James** Hahaha, they had conned us for the past decades, they want to conn you again. Blessed

Like · Reply · 19h



**Stephen Koh** She's just repeating what her master says!!!

Like · Reply · 18h