



# Singapore's Innovations in Urban and Affordable Housing Finance

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Parallel Technical Session 5:

Enabling Public Policies for Enhancing Private Sector and Public-Private Partnership (PPP) Investment  
in the Housing Sector Including for Lower Income Housing and Rental Housing



Singapore 1960s and 1970s



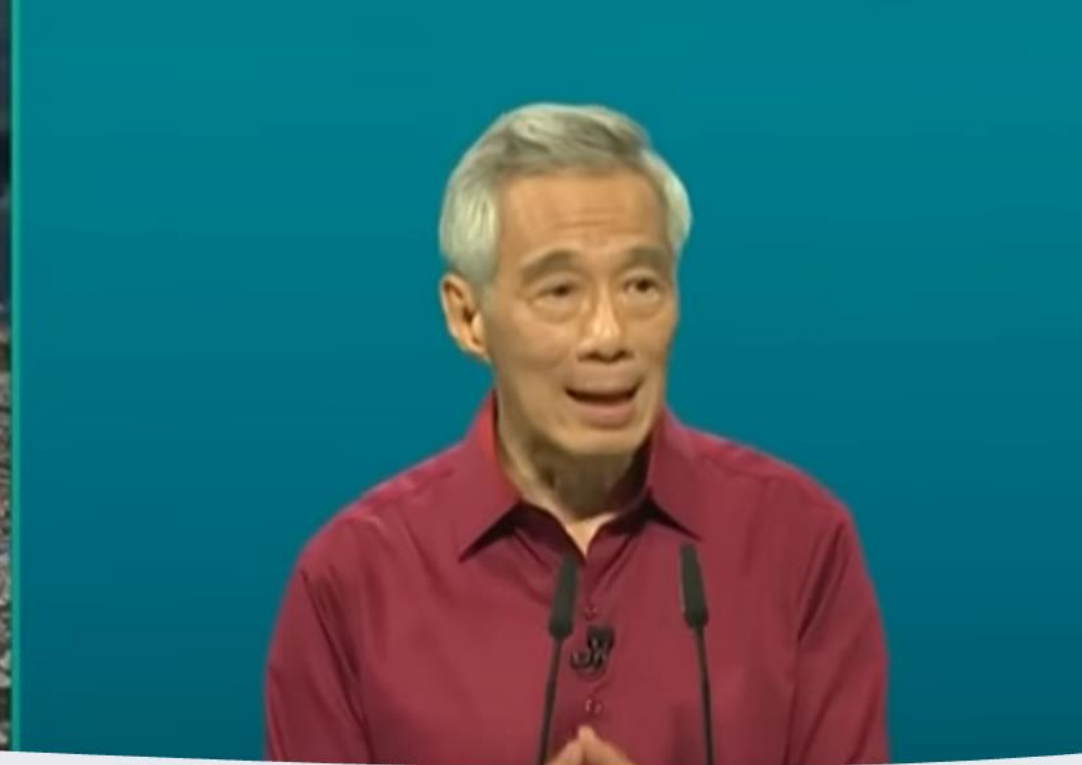
Rental public housing 1963



Picture from <http://picas.nhb.gov.sg/>

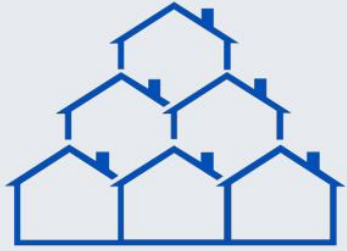
# High-density public housing, homeownership model





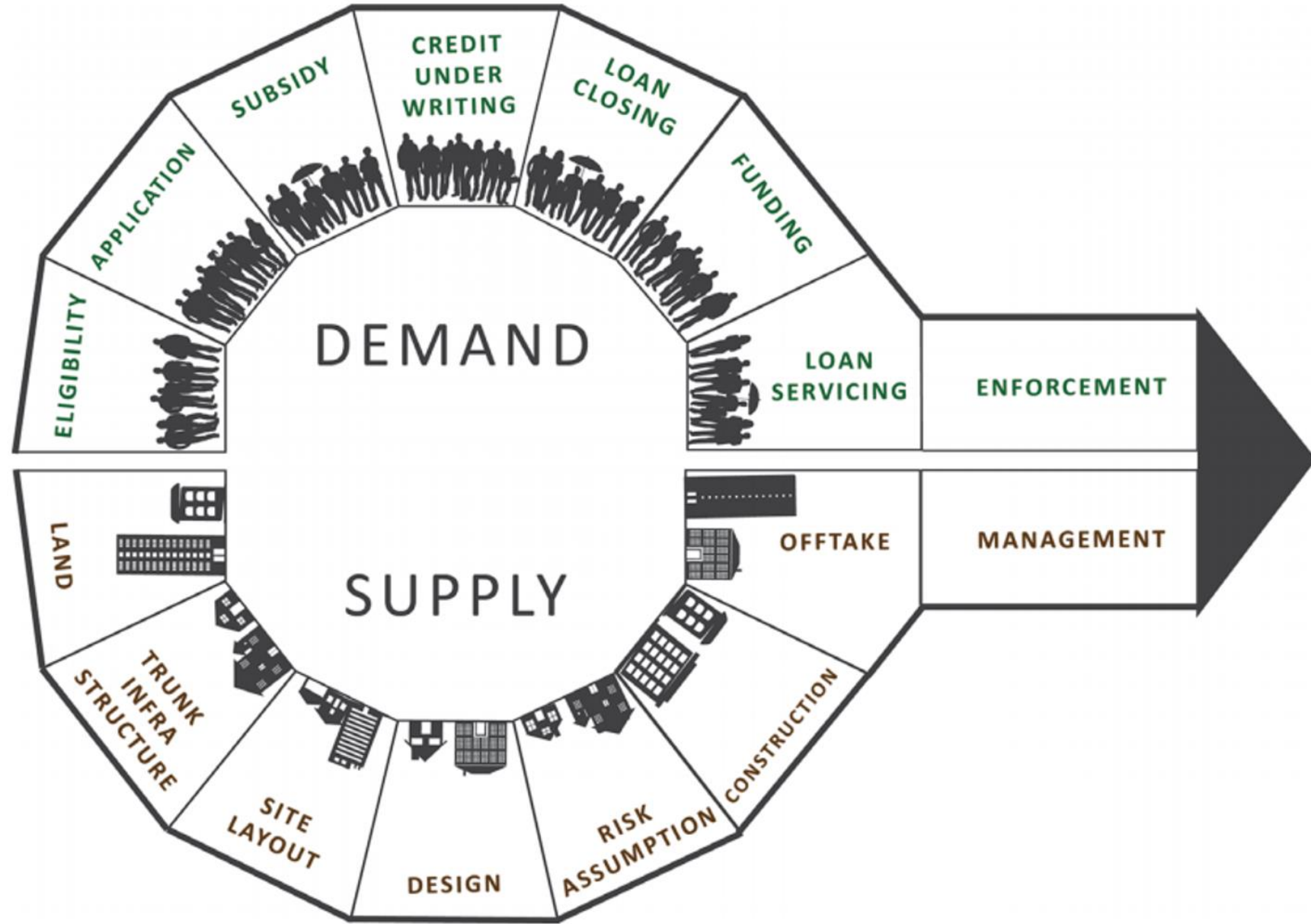
“Singaporeans sometimes worry that we will run out of space in future. That housing will not be available or affordable. I say: No need to worry. We have done our studies and planning. We will have enough space for future generations. **Our problem is not finding the space to build enough flats, nor keeping homes affordable for Singaporeans. We know how to do that.**”

PM Lee Hsien Loong  
National Day Rally speech, 21 August 2022

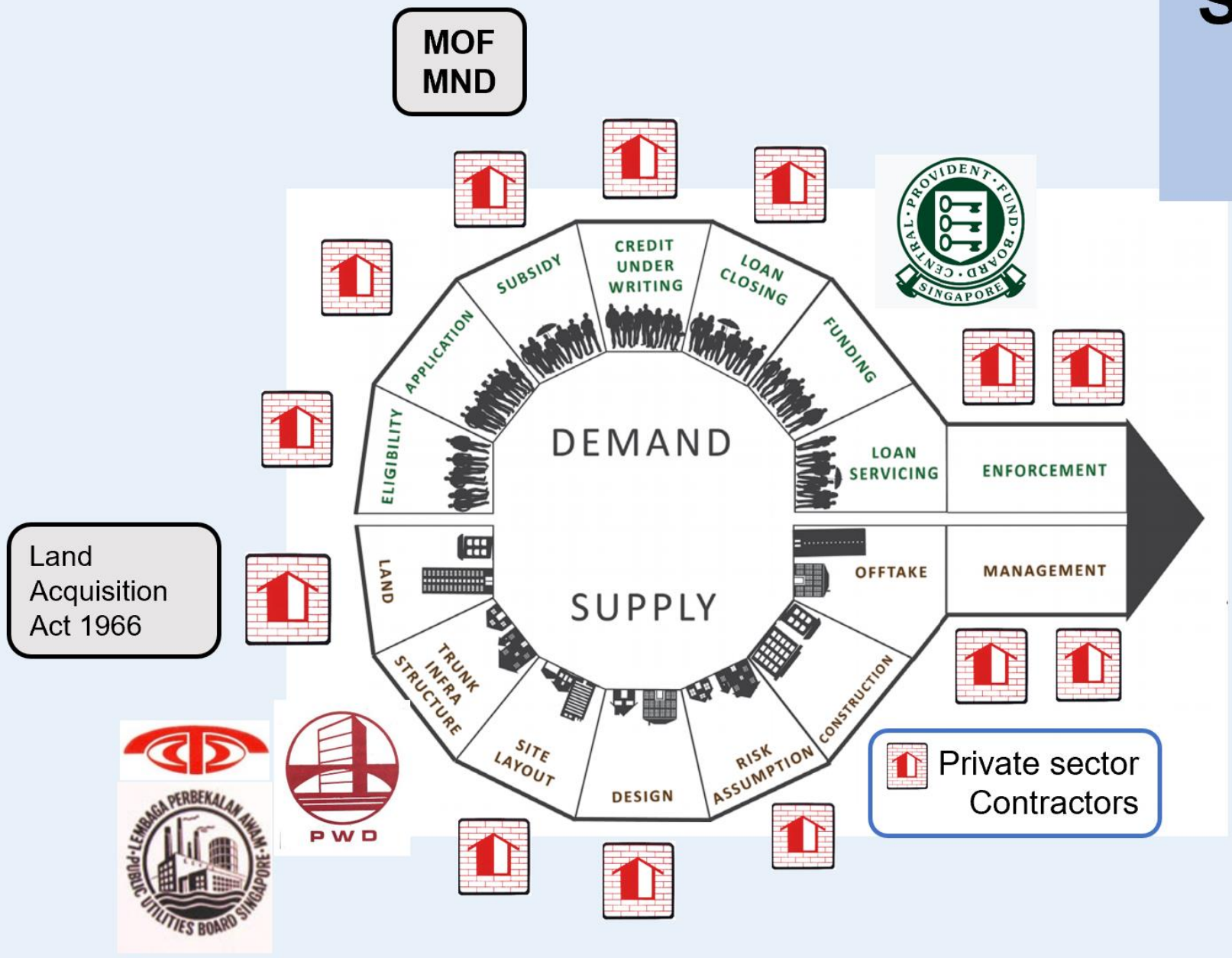


Affordable Housing Institute

## 2-value chains, 16-links model

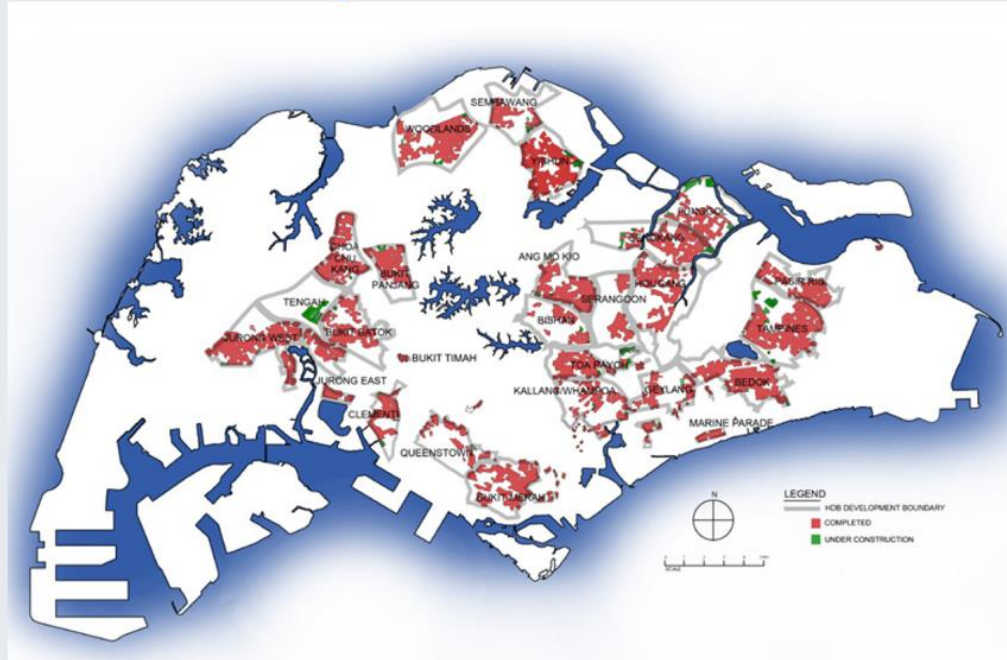


# Singapore's Housing Ecosystem 1960s-1980s



-  MND Ministry of National Development
-  HDB
-  PWD Public Works Dept
-  PUB Public Utilities Board
-  Singapore Telecoms
-  Central Provident Fund

# 1960 - Housing and Development Board



Selecting a home at

**Singapore: 730 sq km, 5.6m population**

73% HDB housing, 95% high-rise

Median house type:

- HDB 4-room flat, 970 sq ft apt
- Median resale price: S\$485,000 (~US\$345,000)
- New flat price: S\$347,000 (~US\$246,000)

HDB  
Headquarters



# HDB as Ecosystem Leader



## “One-stop shop”

- acquired land, resettled household & businesses
- in-house architects, planners, construction engineering & designers
- coordinates with other government agencies
- administers housing rental schemes and provides mortgage loans
- estate maintenance
- undertakes R&D and innovation in design, procurement, materials, new technology
- Private sector building contractors
- HDB assisted private contractors:
  - produced and maintained stockpiles of steel rods, tiles, bricks, sand, granite, concrete
  - provided heavy duty construction equipment for lease
  - invested in modular metal forms and rented them to contractors for pre-casting
  - enhance expertise and professionalism of the construction sector
- Government established state-owned companies e.g. RDC (1976-1997)
  - carry out commercial roles that the private sector could not perform at required scale
  - ensure adequate supply of construction materials
  - develop prefab technologies and build infrastructure
  - work with subcontractors

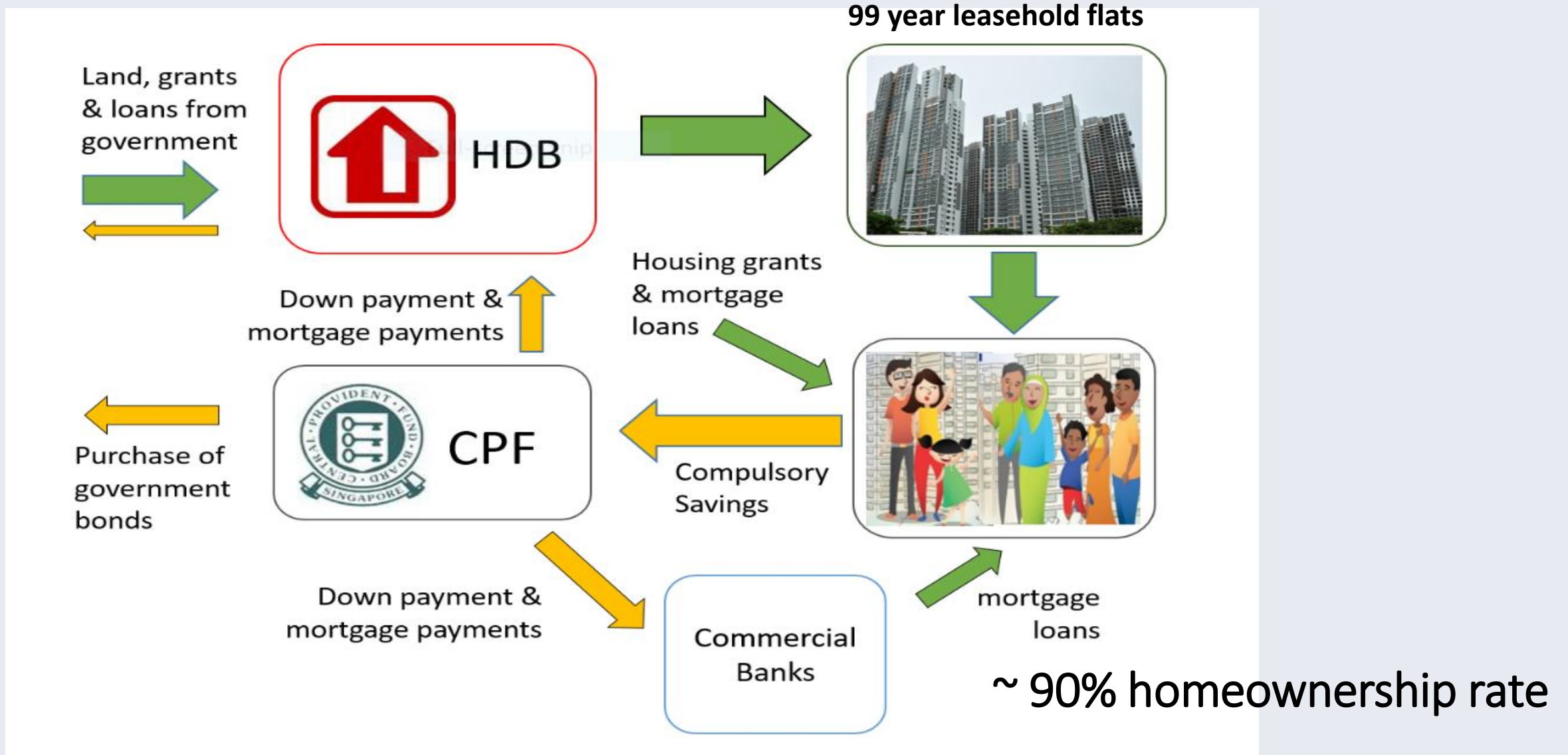


# 1966 Land Acquisition Act

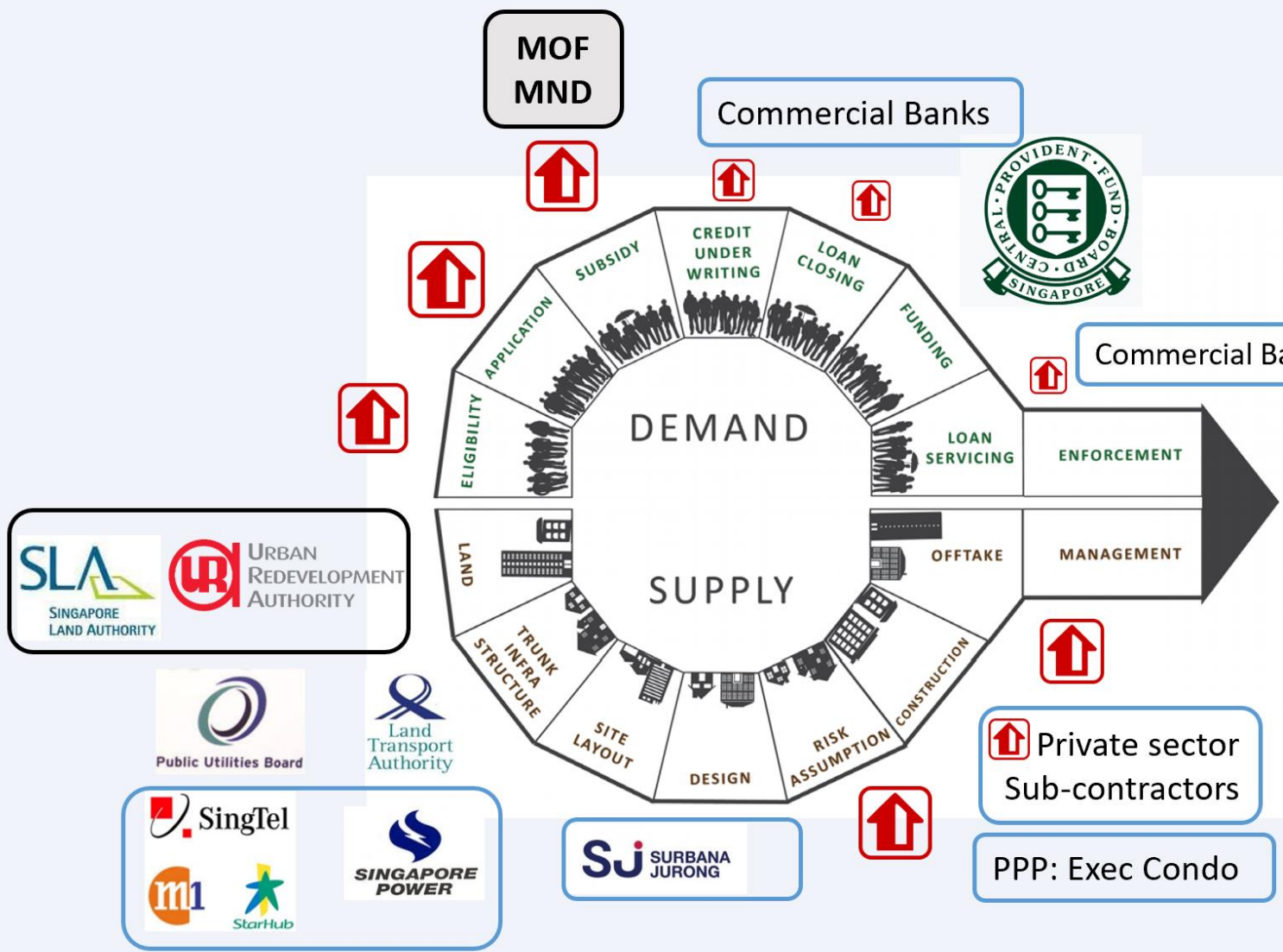


- 1965 Singapore Constitution **omitted right to property**
- 1966 Land Acquisition Act gives the state **broad powers to acquire land** for
  - (a) for any public purpose;
  - (b) by any person, corporation or statutory board, for any work or an undertaking which, in the opinion of the Minister, is of public benefit or of public utility or in the public interest; or
  - (c) for any residential, commercial or industrial purposes.
- 1973 amendment gave the government the power to acquire land for public purposes at its **value on a date fixed at 30 November 1973 ...** (at market rates since 2007)

# 1968 Central Provident Fund Public Housing Scheme



# From 1990s: Privatization & Decentralization



↑ National Environment Agency  
Town Councils



Source for 16-links value chain diagram: Affordable Housing Institute

# 1990 Future Land Use Plans

- 1958 Master Plan modelled after Greater London Plan of 1944
- 1959 Planning Act provided for Master Plan revision every 5 years,  
& exemption of public sector projects
- 1964 Amendment to introduce **Development Charge**
- 1971 **Concept Plan** to guide long term land use
- 1990 Radical change in Master Plan from passive updating to planners'  
**proposals** for comprehensive development guide plans
- Concept Plan revised every 10 years
- Master Plan reviewed every 5 years

# Government Land Sales (~ PPP)



Single use: Housing



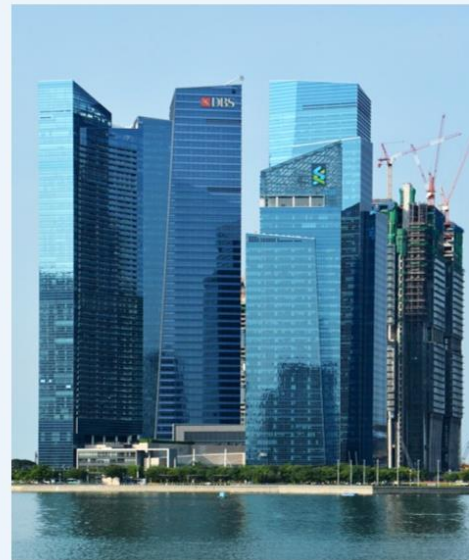
White site – Mixed Use



Fixed price S\$1.2 billion – Best proposal



Two Envelope Tender System (concept and price)



MBFC Master Developer – Large Scale Dev

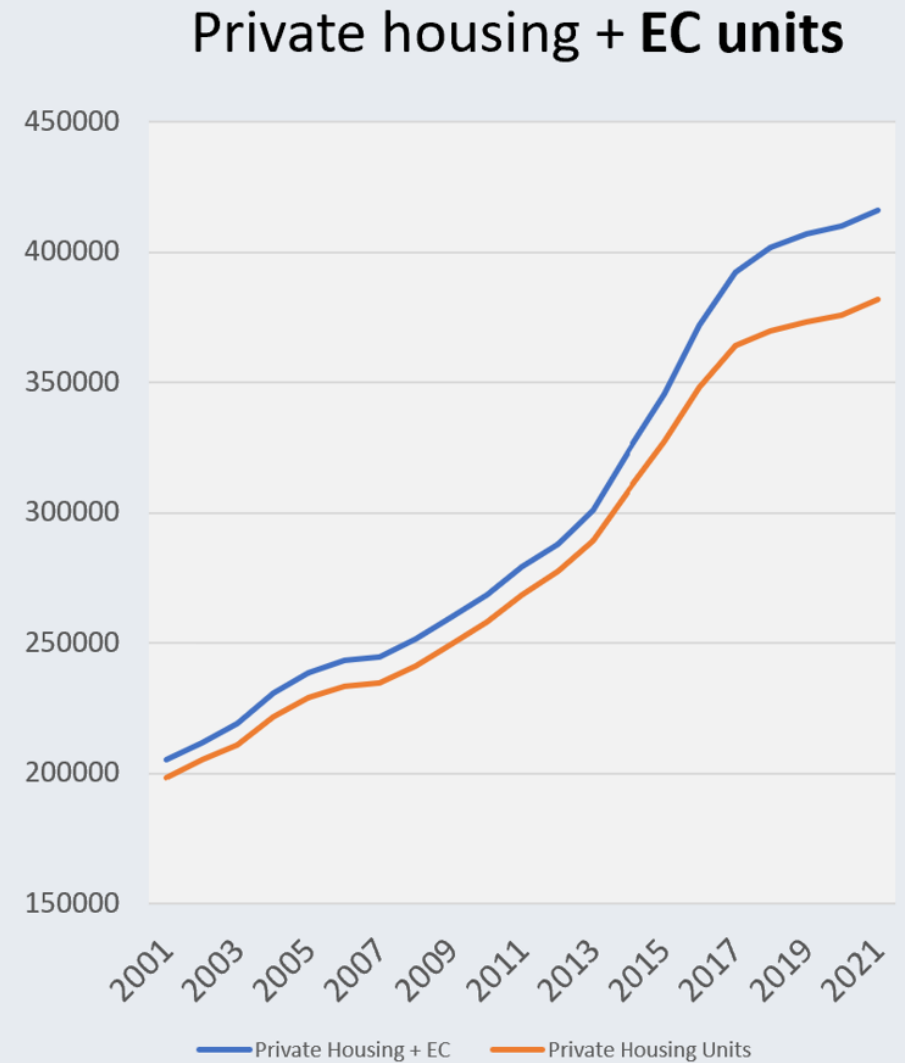


Master Plan Proposals

# 1996 Executive Condominium Scheme (~ PPP)



- Government land sales to private developer
- Household monthly income ceiling US\$11,500
- Minimum Occupation Period – 5 years
- 5<sup>th</sup> – 10<sup>th</sup> year: Buyer must be Singaporean or PR
- After 10th year, **considered private properties**

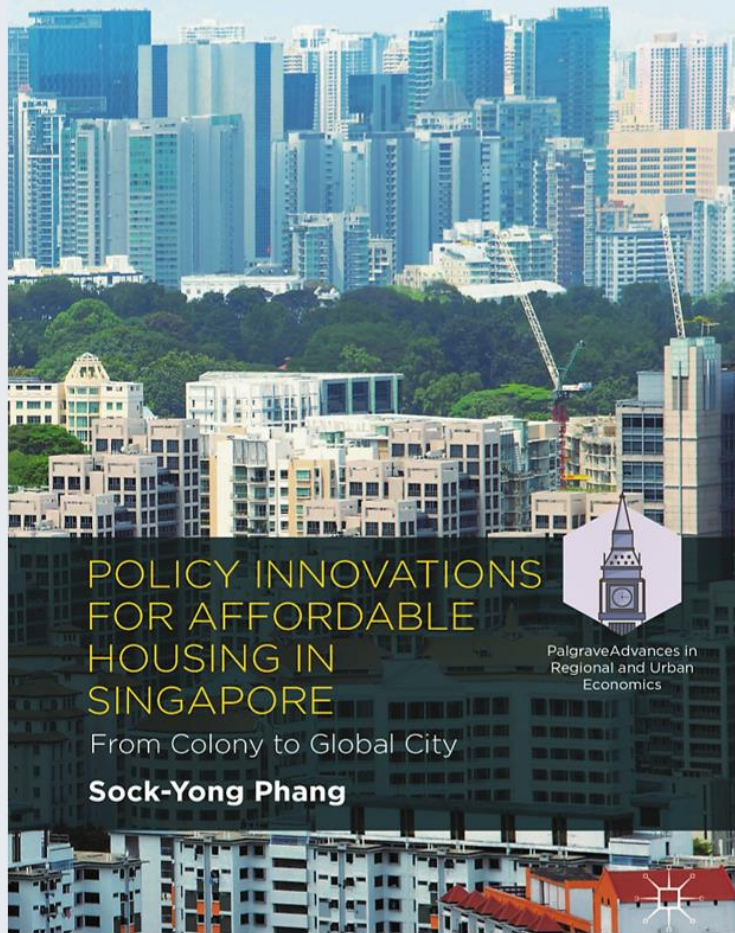


## A. Housing Supply Interventions

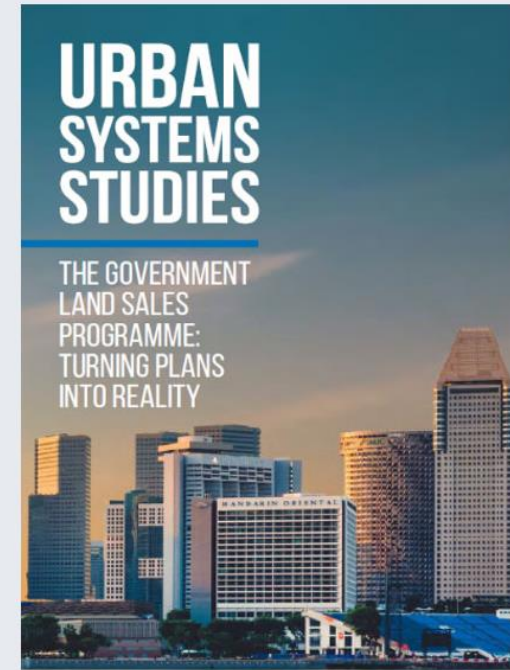
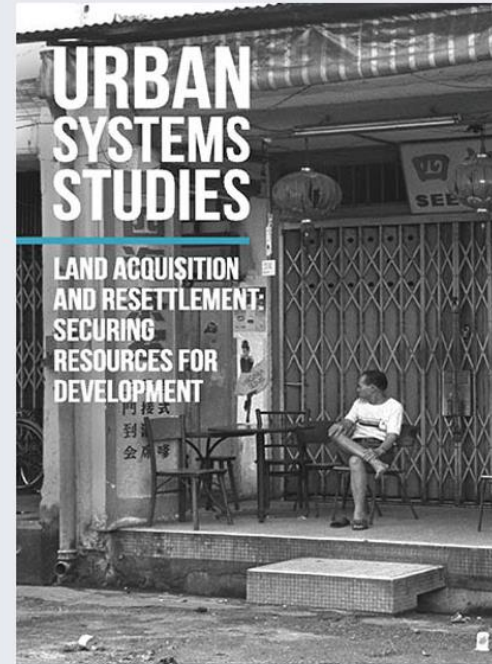
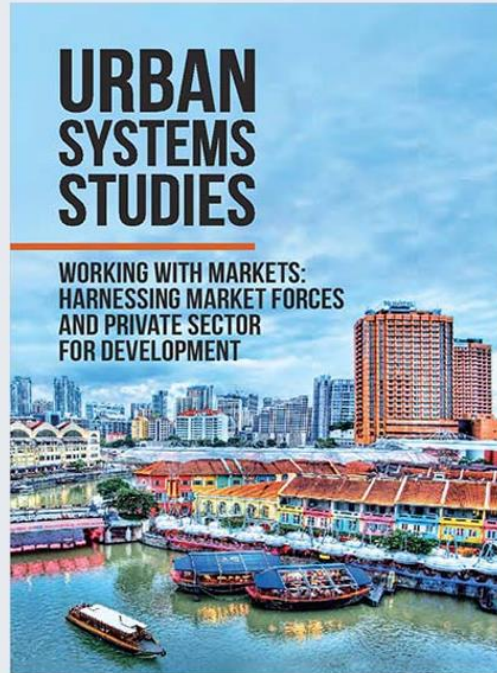
- 1. Government land acquisition/reclamation**
- 2. Land use planning**
- 3. HDB (73%)**
  - provides rental housing (4%)
  - develops units for sale (68%)
  - regulates secondary market (resale HDB flats)
- 4. Executive Condominium PPP Scheme (2%)**
- 5. Private housing (25%)**
  - rent decontrol
  - land use Master Plan: up-zoning guidance
  - legislation to remove gridlock and incentivise redevelopment at higher density
  - transparent land betterment charge framework
  - government land sales for private housing

## B. Housing Demand Interventions

- 1. CPF savings for housing purchase**
- 2. Market segmentation & regulation**
  - residency status (citizen, PR, foreigner)
  - household income
  - household profile (ethnicity, age, marital status)
  - location (prime, mature, non-mature estates)
- 3. Macroprudential (anti-speculation) policies**
  - additional buyer stamp duties (0% - 25%)
    - individual or entity
    - residency status
    - count of housing owned by buyer
  - seller stamp duties (0% - 16%)
  - caps on LTV and DS ratios
- 4. Progressive property taxes (0% -36%)**



CENTRE for  
**LiveableCities**  
SINGAPORE



<https://www.clc.gov.sg/research-publications/publications/urban-systems-studies>

Phang, S.Y. (2018) *Policy Innovations for Affordable Housing in Singapore*, Palgrave Macmillan