

NATIONAL YOUTH DIALOGUE 3: HOUSING FOR EVERY STAGE OF LIFE

8 October 2022 | NTUC Centre

On 8 October 2022, 144 youths from diverse backgrounds gathered to discuss issues including affordability, accessibility and youth aspirations of home ownership in Singapore, and examine the values required to guide Singapore's renewed social compact on public housing as part of the third National Youth Dialogue session on "Housing for Every Stage of Life". This session was co-organized by the National Youth Council (NYC) and the Global Shapers Community (Singapore Hub) and involved the following panelists:

- Mr Desmond Lee, Minister for National Development and Minister-in-charge of Social Services Integration;
- Dr Gillian Koh, Deputy Director (Research) and Senior Research Fellow, Governance and Economy Department, Institute of Policy Studies (IPS)
- Mr He Ruiming, co-founder of The Woke Salaryman and NYC Council Member
- [Moderator] Mr I Naishad Kai-ren, Global Shaper, Global Shapers Community (Singapore Hub).
- [Host] Mr Tan Kuan Hian, Vice Curator of Global Shapers (Singapore Hub)

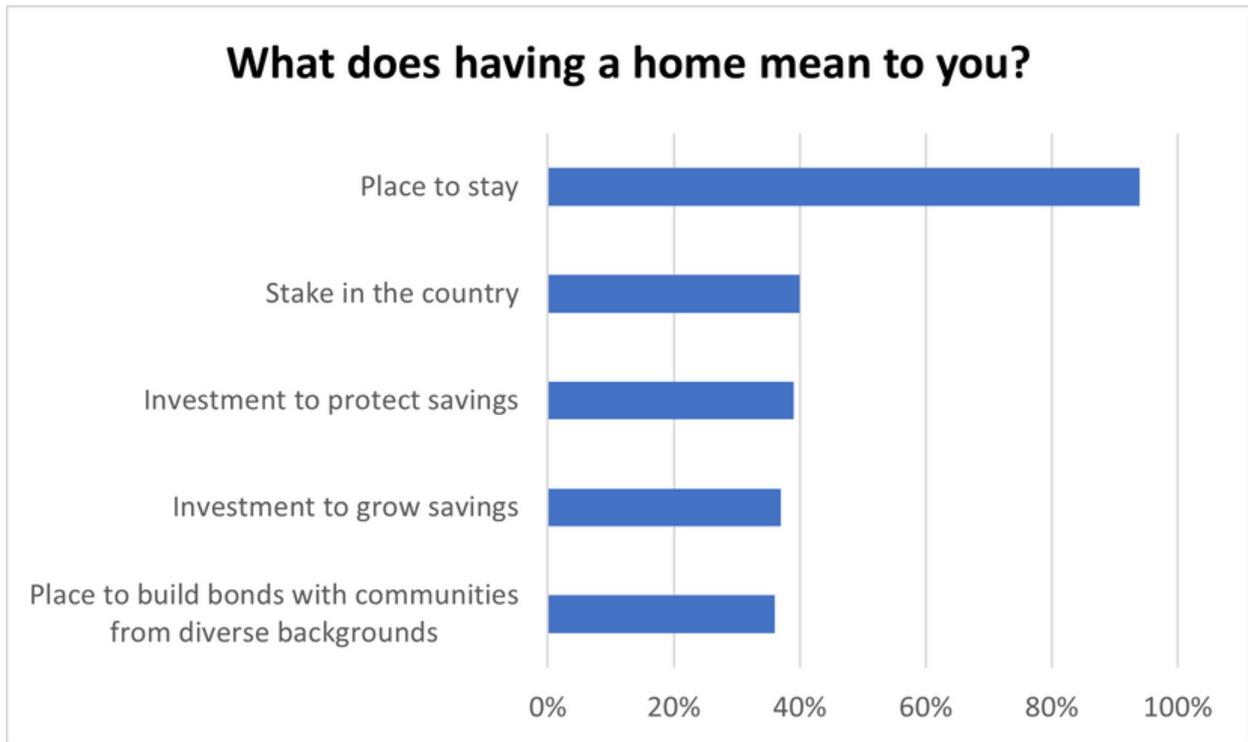


Opening remarks by Minister Desmond Lee

- Minister Lee said that the Ministry of National Development (MND) kickstarted housing conversations on how Singapore's social compact on public housing should evolve. These discussions would guide MND in adapting and adjusting housing policies in the years ahead. He said that public housing in Singapore also served as social policy and aimed to achieve the following objectives:
 - Social Cohesion: Helping families live together or near one another, keeping neighbourhoods ethnically diverse, and building public housing and rental flats in prime areas that might otherwise be too costly for most ordinary people.
 - Ageing Population: Enabling seniors to spend their golden years in familiar surroundings (inside and outside homes) by making them senior-friendly and providing financing options to allow seniors to unlock the value of their flats for retirement.
 - Preventive Health: Designing homes and estates to provide active community programmes to achieve preventive health outcomes in support of the Healthier SG movement.
 - Social Mobility for Lower-income Households: Providing coordinated social support to lower-income families via highly-subsidised public rental housing and programmes, including ComLink and Fresh Start Housing Scheme to achieve social mobility.
 - Independent Living: Developing new community living models to enable persons with disabilities to live independently and actively participate in community life as part of the Enabling Masterplan 2030.
 - Sustainability: Leveraging the Green Towns Programme to create sustainable estates by reducing energy consumption.
- Minister Lee acknowledged that rising resale prices over the last two years had caused anxiety about housing affordability. He said that the Government had recently intervened to moderate demand and ensure a stable property market and affordable public housing for Singaporeans.

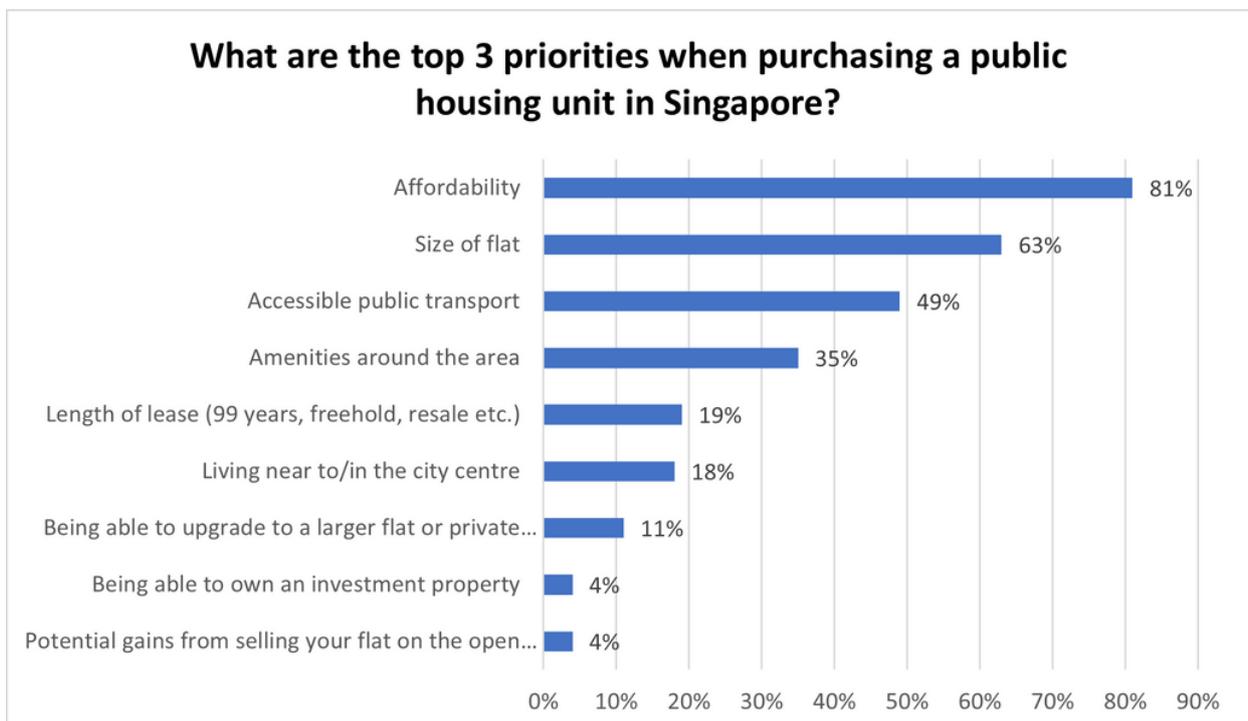
Here are the key insights from panel dialogue:

Poll #1 - What does having a home mean to you? (Answers are non-exclusive)



- Dr Koh said that having a home was also a means to build bonds with communities from diverse backgrounds. She said that the Institute of Policy Studies (IPS) conducted surveys to understand how young adults transition from school to work. She observed that the life stages youths were at would shape their sentiments (e.g. fresh graduates felt more anxious than those who had utilised subsidies to purchase a house).

Poll #2 - What are the top 3 priorities when purchasing a public housing unit in Singapore? (Participants to choose three options)



1) A participant asked how Singapore could decentralize business areas and make everywhere a preferred place to stay.

- Mr He said efforts like the International Business Park in Jurong were ongoing to disperse commercial activities. He said decentralisation would take time and involve trade-offs such as removing natural environments and historical buildings. He suggested incorporating more running and cycling infrastructure to connect mature and non-mature estates and foster more inclusivity.
- Dr Koh said it was important to incentivise businesses to locate outside the current commercial hubs to allow people to live, work and play in the same place. She suggested that the Government could incorporate facilities and infrastructure such as schools and transport systems in decentralised areas, as these were crucial factors for families deciding where to move.

2) A participant asked about how Singapore's social compact could be built upon through public housing planning by including diverse groups of individuals (such as seniors and individuals with special needs).

- Minister Lee said that task forces, comprising caregivers and people with disabilities, had been convened to provide recommendations to improve housing policies and independent living.
- Minister Lee said that housing, besides serving an infrastructural need, also aimed to support and enable vulnerable groups through coordinated social support, such as community care designed to provide active programming and social aspects for seniors and low-income households and people with disabilities.

3) A participant asked about plans for more dynamic living and housing options for younger Singaporeans (such as modular living or cohabitation) given that HDB and BTO had been designed more for heteronormative nuclear families.

- Minister Lee said that the private sector had developed new co-living solutions. At the same time, the Government was carefully monitoring Singaporeans' changing aspirations towards marriage, parenthood, singlehood and work-travel patterns and would adjust white sites, planning parameters and housing policies accordingly.

4) A participant asked about how the “middle-class squeeze” can be alleviated, and if there were plans to change Singapore's fiscal policies to better address this issue.

- Dr Koh said there were different political economy models globally, such as in Scandinavian countries that provided free education and healthcare but had high tax rates. She said that in expecting more generous means-testing for the state to subsidise everyone equally, individuals would also have to agree for taxes to increase.
- Minister Lee said all classes across society felt the squeeze. He said the squeeze was not merely financial, and would include "emotional costs", such as those of child or parent care. He said that the Government was looking beyond housing options and subsidies to provide comprehensive support, including caregiver respite and home care in the immediate and long term.

5) A participant asked if there were ways for single first-timers to be eligible for housing grants given the rise in the population of singles. The participant also asked about eligibility of housing grants for singles staying with aging parents who had previously taken HDB loans.

- Minister Lee said that grants were available for singles, including those living with their elderly parents. He said that the Government would continue to study and support housing arrangements for families to provide mutual care and support.

6) A participant asked about MND's plans to balance housing and recreational needs, and if specific lands would be protected for recreational activities.

- Minister Lee said that with Singapore being a city-state, there was a need to balance green spaces alongside other demands for land. He said green spaces needed to be provided for as they were "essential to the soul of the nation" to ensure that dense housing was more liveable and less stressful.
- Minister Lee said that the Government remained committed to protecting green spaces, and had carried out ecological profiling to guide its plans. He said that some spaces that had initially been zoned for industry and security, such as sites near nature reserves, had been retained as nature buffers.
- Mr He said that green spaces ensured that Singapore remained a competitive and attractive city as recreational spaces to unwind were essential to make Singapore a viable city for people to live in.

7) A participant asked about the considerations in allocating more flats to singles or allowing singles to buy larger flats against families given that people are staying single for longer.

- Mr He said that in increasing the accessibility of flats to singles, participants also needed to understand that the demand pool would increase and result in higher prices for HDB buyers.
- Dr Koh said that accessibility for singles had improved over time compared to when the Government had previously circumscribed HDBs as homes for families.
- Minister Lee said that Singapore would continue to evolve, and the Government was monitoring demographic trends and people's aspirations. He said that participants' inputs were important for the Government to get a pulse of the younger generation's needs and aspirations.

8) A participant asked what could be done to prevent public housing from being used as a way for individuals to make money given its place as a social instrument.

- Dr Koh said Singaporeans had called for more restrictions to address the "lottery effect" of flats being seen as an investment piece instead of a home.
- Minister Lee said that public housing was subsidised to ensure affordability and Singaporeans were allowed to sell their flats on the resale market to share in the country's economic growth. Nonetheless, most Singaporeans were upset at the behaviour of individuals who tried to "game the system". He said that the Prime Location Housing (PLH) was one effort to address the issue.

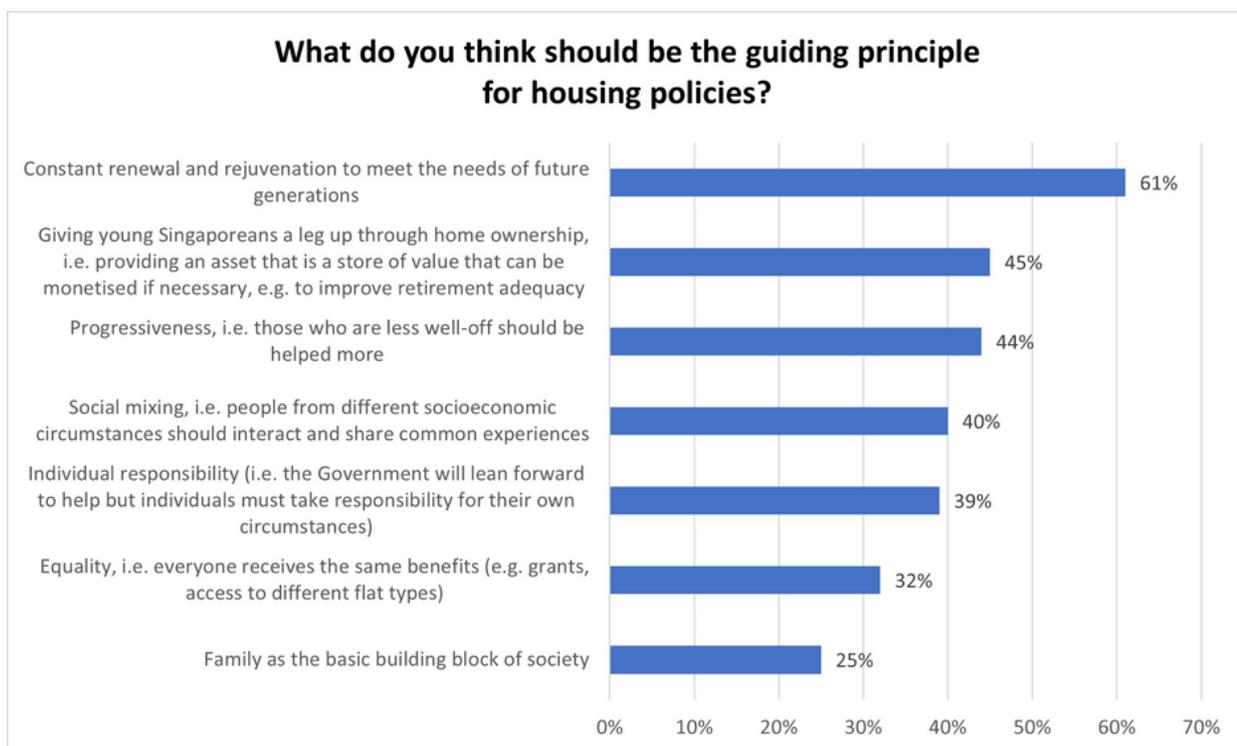
9) A participant asked about the decrease in average flat sizes over the years - the average flat size was 120 - 130 square meters in the 1990s and 90 square meters in the 2010s.

- Minister Lee said that flat sizes were last reduced in 1997 and had stayed in the same range since then. He said that Singaporeans' aspirations and expectations had risen, and family sizes had decreased, with flats now housing smaller families with two-generation instead of three-generation households. He acknowledged that people required space but said that the Government had to balance aspirations against maximising land to create as many homes for as many people as possible.

10) A participant asked about the options for a young couple with an estate less than 50 years' lease remaining and if the government would recommend purchasing a resale flat in a mature estate with a lease below 50 years.

- Mr He said that trade-offs had to be made between location, lease length, and budget. He said that the prices of HDB resale flats ranged from \$300,000 to \$1.4 million, but less attention had been given to more affordable housing.
- Minister Lee said that HDB's policies allowed Singaporeans to buy properties with a shorter lease, but with safeguards to ensure that they can buy a subsequent property to meet their lifetime housing needs

Poll #3 - What do you think should be the guiding principle for housing policies?



11) A participant asked about policies in place to continue the prevention of racial discrimination when renting an apartment, especially from private rental agencies.

- Dr Koh said that rental discrimination was regrettable and suggested that landlords could call out unacceptable behaviours rather than disparaging groups by racial and religious categories.
- Minister Lee said that rental discrimination had to do with societal attitudes and eliminating it was a constant work in progress. He said that where real estate agents were concerned, there were regulatory levers to prevent them from perpetuating ethnic discrimination.

12) A participant asked if there were policies in place to provide affordable housing for young couples given the mismatch in the available funds from one's CPF and the increase of down payment requirements.

- Minister Lee said that macroprudential policies such as housing loan interest rate floor were implemented to protect Singaporeans against rapidly rising interest rates. He said that the Government also stipulated a wait-out period for private residential property owners (PPO) to moderate demand in the resale HDB market to cool prices and ensure that the resale prices remained affordable.
- Minister Lee advised participants to purchase within their housing budgets and keep in mind the rising interest rate trend, so as not to overstretch themselves.

13) A participant asked why homeownership remains a key plank of housing policies, and if there were reasons behind less attention for renting. The participant also asked if Singapore's housing policies were such that Singaporeans build their lives around their homes instead of the other way around.

- Mr He said that home ownership might be less tied to having a stake in the country in the present context. He said Singapore was regarded as an untested city-state in the 1960s, and home ownership policies may have been more relevant then.
- Minister Lee said that it was not incompatible for Singaporeans to have a stable home in Singapore and branch overseas. Conversely, he said that having housing instability (e.g. uncertainty in tenancy extension, mortgage concerns etc.) might hinder Singaporeans from working in companies overseas. He said that, ultimately, it depended on whether there were opportunities for Singaporeans to catch a second wind and each individual's desire for different experiences.

14) A participant asked about the possibility of increasing the length of the leases given the rise in life expectancy, change in retirement age and how aspiring parents might want to pass their wealth to their children.

- Mr He said that the 99-year lease aimed to deter individuals from buying land and staying there for generations, which would counter social mobility. He said that Singapore was a country with limited resources and space, and having a 99-year lease might be what it takes to build within the country.
- Minister Lee said that leasehold ownership was common in land-tight cities. He said that for Singapore to continue to be a vibrant place, land rejuvenation had to occur to prevent landowners from being entrenched in society. He said that the Government had announced the Voluntary Early Redevelopment Scheme (VERS) as a strategy to rejuvenate our public housing estates and would continue to engage Singaporeans on this.

15) A participant asked if there would still be enough land for more flats to be built for future generations and other solutions surrounding housing given the high application rates for HDBs.

- Minister Lee said that the Government had plans to develop housing in new areas such as the site of the current Paya Lebar Airbase and the Greater Southern Waterfront. The Government would also intensify land use where possible.