POLICY ANALYSIS OF SINGAPORE'S HOUSING AND DEVELOPMENT BOARD (HDB)

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ABSTRACT

Singapore has a unique housing system, with the Housing & Development Board (HDB) building over 75% of the country's housing stock and Central Provident Fund (CPF) funds being the main source of funding for homeownership.[1] This has resulted in a remarkable 90% homeownership rate, which is among the highest in market economies worldwide. Singapore's government has dealt with a number of housing issues during its economic development. A framework was implemented to manage a severe housing shortage. By the 1990s, the emphasis had switched to revitalizing older estates and creating a market for HDB property transactions, which included the introduction of subsidies in the form of housing grants. Managing demand for speculative investments, addressing growing wealth disparities, and adjusting to an aging population are just a few of the new issues the government has had to deal with in recent years. This research paper gives an analysis of important pillars of the housing policy, especially the land acquisition system, the HDB-CPF system, the role of markets, housing market interventions, the ethnic integration policy. It gives recommendations for improvement and concludes with lessons to be learned.

[1] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).

Introduction

Importance of Affordable Housing

The idea of affordable housing is to meet the requirements of households whose earnings are too low for them to find acceptable homes on the market on their own[2]. Housing that allows lower-income people to purchase and finance acceptable living spaces without experiencing undue financial hardship is referred to as affordable housing. The concept of housing affordability draws attention to the connection between family welfare and the mechanics of housing supply in relation to income. This approach is now widely used to summarize housing issues in many different nations. When a household needs to spend a disproportionate amount of their income to find suitable housing, it is usually seen to have affordability concerns.

Affordable Housing in Singapore

Before 1960, the Singapore Improvement Trust constructed a total of 20,907 public housing units between 1947 and 1959.[3] Despite this effort, the number of units fell short of the needs of a population of approximately 1.6 million, resulting in many individuals residing in crowded slums and squatter settlements.[4] In 1960, the responsibility for affordable housing shifted to the Housing and Development Board (HDB), which introduced public housing under temporary leaseholds. This initiative was largely embraced by Singaporeans, demonstrating its relevance to the population's housing needs. Adjustments to housing stipends were later implemented to align with rising wage levels, further enhancing the accessibility of public housing for Singaporeans. More than 80% of Singapore's population resides in Housing and Development Board (HDB) flats. Among these residents, an impressive 93% are homeowners of their respective flats, highlighting the significant role of HDB housing in promoting home ownership within the country.[5]

In Singapore, the HDB-CPF system is essential for guaranteeing high rates of savings and

[2] Raslim, F.M., Ibrahim, B.B., Ariffin, H.L.T. and Yong, F.Y.Y. (2020) *Affordable housing: Singapore housing policies analysis and its implementation in Malaysia*. *International Journal of Management*, 11(7), pp. 1028–1034. Available at: http://iaeme.com/Home/issue/IJM?Volume=11&Issue=7 (Accessed: 19 July 2026).
[3] Raslim, F.M., Ibrahim, B.B., Ariffin, H.L.T. and Yong, F.Y.Y. (2020) *Affordable housing: Singapore housing policies analysis and its implementation in Malaysia*. *International Journal of Management*, 11(7), pp. 1028–1034. Available at: http://iaeme.com/Home/issue/IJM?Volume=11&Issue=7 (Accessed: 19 July 2026).
[4] Annual Report 2017, Housing & Development Board, Singapore.
[5] Raslim, F.M., Ibrahim, B.B., Ariffin, H.L.T. and Yong, F.Y.Y. (2020) *Affordable housing: Singapore housing policies analysis and its implementation in Malaysia*. *International Journal of Management*, 11(7), pp. 1028–1034. Available at: http://iaeme.com/Home/issue/IJM?Volume=11&Issue=7 (Accessed: 19 July 2026).

homeownership while efficiently directing resources toward housing and encouraging the expansion of housing loans.[6] The availability of reasonably priced housing has played a significant role in promoting community development, economic expansion, and social stability. The HDB sector contributes to reducing speculative demand for housing through its comprehensive ownership and resale requirements.

Background of Housing Policy

In examining Singapore's unique historical conditions, it is evident that the city-state faced significant challenges at its inception.[7] Unlike many post-colonial nations that actively sought independence, Singapore was expelled from the Malaysian Federation in 1965 following racial riots that resulted in extensive casualties and injuries. This tumultuous backdrop revealed a society fragmented along ethnic lines, a situation exacerbated by British colonial policies that led to segregated living quarters. The urban core of Singapore was dominated by overcrowded slums and squatter settlements, notorious for their lack of basic amenities such as sanitation, lighting, and ventilation. These conditions not only posed severe fire hazards but also became breeding grounds for disease, crime, and drug abuse. The British colonial government's attempts at addressing housing issues through a housing improvement trust established in 1927 proved inadequate; by the late 1940s, authorities deemed Singapore one of the worst slums globally, reflecting poorly on the civilization standards of the time. The legacy of these conditions set the stage for Singapore's subsequent urban development and social policies.

Singapore's first prime minister, Lee Kuan Yew, said that every person must have a place to live in order to promote resilience and a feeling of belonging, especially in times of turmoil.[8] As a result of this vision, the Housing and Development Board (HDB) was established on February 1, 1960, with the goal of resolving the housing issue, supporting the economy, and fostering a strong sense of national identity in Singapore's heterogeneous environment. The

[6] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).

[7] Weder di Mauro, B. (2018) *Building a cohesive society: The case of Singapore's housing policies*. CIGI Policy Brief No. 128. Waterloo, ON: Centre for International Governance Innovation. Available at: https://www.cigionline.org/publications/building-cohesive-society-case-singapores-housing-policies/ (Accessed: 19 July 2026)

[8] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*. Atlantis Press, pp. 111–118. Available at: https://doi.org/10.2991/978-2-38476-585-0_14 (Accessed: 19 July 2026).

Singapore Improvement Trust (SIT), a colonial public housing organization, was replaced by the HDB. Its mandate was to build a large number of reasonably priced homes with contemporary conveniences and sanitary features.

Specifically, the HDB was tasked with the ambitious goal of delivering 15,000 new homes annually, ensuring the efficient use of land resources while maintaining low costs for residents.[9]

HDB (Housing & Development Board) has successfully constructed 1.25 million flats since 1960, with over 80% of Singaporeans residing in these homes, according to their Annual Report 2023/2024.[10] In response to the increasing demand for improved housing quality and environmental sustainability, HDB has initiated several programs. These include renovation initiatives under the Remarking Our Heartland scheme, as well as targeted programs for seniors. Additionally, HDB has introduced a solar leasing tender and conducted the Sample Household Survey (SHS) to promote a more sustainable and modern living environment. These efforts collectively aim to enhance the quality of life while addressing the environmental concerns.[11]

Policy Objectives of the Housing Policy

The building and administration of public housing in Singapore has been a top priority for the Housing and Development Board (HDB) since its founding.[12] HDB has created vital community amenities inside housing estates, including as kindergartens, community halls, homes for the elderly, and recreational areas.[13] Its reach goes beyond only residential units. The function of HDB has changed over time to meet the many and shifting demands of Singapore's populace. In order to promote diversity in housing alternatives, HDB has

[9] Lin-Heng, L.: Public housing in Singapore: a success story in sustainable development. In: The Impact of Environmental Law, pp. 128-153. Edward Elgar, (2020)
[10] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*. Atlantis Press, pp. 111–118. Available at: https://doi.org/10.2991/978-2-38476-585-0_14 (Accessed: 19 July 2026).
[11] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*. Atlantis Press, pp. 111–118. Available at: https://doi.org/10.2991/978-2-38476-585-0_14 (Accessed: 19 July 2026).
[12] National Library Board Singapore (n.d.) *Housing and Development Board*. Available at: https://www.nlb.gov.sg/main/article-detail?cmsuuid=3abd40aa-0d91-4352-b9fe-0de1d68e3d85 (Accessed: 19 July 2026)
[13] Housing and Development Board, *Annual Report of the Housing and Development Board* (Singapore: Housing and Development Board, 1978–79), 7. (Call no. RSING 711.4095957 SIN-[AR])

implemented a number of housing projects that are intended to accommodate not only nuclear families but also singles, senior individuals, and multigenerational homes.[14]

Sale of Flats increased

The apartments were mostly built for rental use in the early years of the Housing and Development Board (HDB).[15] This was altered in 1964 when the HDB started a homeownership program that made it possible for people to buy apartments. When the Government implemented a program in 1968 that allowed purchasers to use their Central Provident Fund (CPF) accounts to fund the purchase of HDB apartments, it significantly improved this endeavour. Prospective homeowners were able to avoid depending entirely on their monthly income because to this additional financial flexibility. In 1997, studio units were established as public housing choices for senior citizens. [16]These partially furnished residences, which are smaller than three-room apartments, are equipped with senior-friendly amenities including emergency pull cords connected to an alarm system.

In the early years, residential flats were primarily rented to families at affordable prices.[17] This practice underwent a significant transformation in 1964 with the implementation of the Home Ownership Scheme, which aimed to promote nation building and community development within a multi-racial society. The underlying belief was that homeownership would instil a sense of responsibility among citizens to defend their nation. A further policy shift occurred in 1968, permitting flat buyers to utilize their savings from the Central Provident Fund (CPF) for purchasing their residences. The CPF is a mandatory savings scheme for working Singaporeans and permanent residents, established to support various needs such as retirement, healthcare, and housing. It is funded through contributions from both employers and employees, with the contribution rate depending on the age of the employee.[18]

[14] "Public Housing – A Singapore Icon," Housing and Development Board, updated 24 July 2020. (From NLB's Web Archive Singapore)
[15] National Library Board Singapore (n.d.) *Housing and Development Board*. Available at: https://www.nlb.gov.sg/main/article-detail?cmsuuid=3abd40aa-0d91-4352-b9fe-0de1d68e3d85 (Accessed: 19 July 2026)
[16] National Library Board Singapore (n.d.) *Housing and Development Board*. Available at: https://www.nlb.gov.sg/main/article-detail?cmsuuid=3abd40aa-0d91-4352-b9fe-0de1d68e3d85 (Accessed: 19 July 2026)
[17] Lye, L.-H. (2020) *Public Housing in Singapore: A Success Story in Sustainable Development*. NUS Law Working Paper No. 2020/014; NUS Asia-Pacific Centre for Environmental Law Working Paper No. 20/02. National University of Singapore. Available at: https://law.nus.edu.sg/apcel/publications/public-housing-in-singapore-a-success-story-in-sustainable-development/ (Accessed: 19 July 2026).
[18] Lye, L.-H. (2020) *Public Housing in Singapore: A Success Story in Sustainable Development*. NUS Law

Household Financial Situation

The Government housing policy in Singapore has significantly diminished poverty and income inequality by implementing measures aimed at income redistribution.[19] Specifically, the Government offers public housing to individuals earning under S$800 per month, coupled with reduced utility bills and taxes for low-income residents.[20] These initiatives are designed to ease the financial burden on those living in public housing. Importantly, the housing policies do not detract from incentives to work and save, as evidenced by the absence of unemployment benefits and the limited public support available only for individuals experiencing social distress. Additionally, the government has ramped up education spending,

Racial integration

The large Housing and Development Board (HDB) housing sector has been pivotal in shaping Singapore's society, which is characterized by its multi-racial and multi-religious composition.[21] As of 2013, the resident population included a Chinese majority at 74.2%, followed by Malays at 13.3%, Indians at 9.1%, and other races at 3.3%. The planning and development of new HDB towns have been strategically designed to promote integration across various income and racial groups. This thoughtful approach has successfully averted the emergence of low-income or ethnic ghettos, fostering a harmonious social environment.

Policy Instruments

Land Acquisition Policy by the Government in 1966

There is over 90% of Singapore's land that is owned by the government, mostly through leasehold agreements, making the country's land system notable.[22] Due to the paucity of land,

Working Paper No. 2020/014; NUS Asia-Pacific Centre for Environmental Law Working Paper No. 20/02. National University of Singapore. Available at: https://law.nus.edu.sg/apcel/publications/public-housing-in-singapore-a-success-story-in-sustainable-development/ (Accessed: 19 July 2026).

[19] Liu, Y., Tan, J., Shen, J. and Zhang, L. (2021) 'Assessing the influence of public housing in Singapore', in *Proceedings of the 2021 International Conference on Economic Management and Corporate Governance (EMCG 2021)*. Paris: Atlantis Press. Available at: https://www.clausiuspress.com/conference/article/artId/7136.html (Accessed: 19 July 2026).

[20] Phang, S. (2001) Housing Policy, Wealth Formation and the Singapore Economy, Housing Studies, 16:4, 443-459, DOI: 10.1080/02673030120066545

[21] Phang, S.Y. (2015) 'Singapore's housing policies: Responding to the challenges of economic transitions', *The Singapore Economic Review*, 60(3), pp. 1–25. Available at: https://doi.org/10.1142/S0217590815500368 (Accessed: 19 July 2026).

[22] Phang, S.Y. (2015) 'Singapore's housing policies: Responding to the challenges of economic transitions', *The Singapore Economic Review*, 60(3), pp. 1–25. Available at: https://doi.org/10.1142/S0217590815500368

planners must carefully distribute this large amount of state landholding among conflicting purposes. The state was able to secure private property to build public housing thanks to the Land Acquisition Act (LAA) of 1966, which gave the government the authority to purchase land for a variety of public uses, such as residential, commercial, and industrial development. In a city-state with a high population density, this framework represents a strategic approach to land use and management.

The Land Acquisition Act significantly expedited land possession processes by the Singapore government for public purposes, leading to extensive territorial acquisitions.[23] From 1959 to 1984, the government acquired 43,713 acres (equivalent to approximately 17,690 hectares or 177 square kilometres), which accounted for about one-third of Singapore's total land area at the time. Notably, the majority of land acquisitions occurred after 1967. By 1985, the government emerged as the largest landowner in Singapore, controlling 76.2% of the land compared to 31% in 1949. This compulsory acquisition strategy was designed to keep the costs of housing and industrial property affordable. In a pivotal move in 1968, the Singapore government permitted citizens to use part of their Central Provident Fund (CPF) savings for home purchases, in addition to HDB Housing Loans and CPF Housing Grants. As a result, home ownership became attainable for a majority of Singaporeans, with over 70% of HDB flat owners now able to pay their monthly mortgage payments primarily from their CPF accounts, thereby minimizing the necessity for cash payments.[24]

The Central Provident Fund of Singapore

The Central Provident Fund (CPF) in Singapore is a mandatory savings scheme aimed at providing financial security for its citizens.[25] The CPF system comprises four distinct accounts: the Ordinary Account (OA), Medisave Account (MA), Special Account (SA), and Retirement Account (RA). The Ordinary Account plays a pivotal role in facilitating home ownership, as it

(Accessed: 19 July 2026).

[23] Raslim, F.M., Ibrahim, B.B., Ariffin, H.L.T. and Yong, F.Y.Y. (2020) *Affordable housing: Singapore housing policies analysis and its implementation in Malaysia*. *International Journal of Management*, 11(7), pp. 1028–1034. Available at: http://iaeme.com/Home/issue/IJM?Volume=11&Issue=7 (Accessed: 19 July 2026).

[24] Raslim, F.M., Ibrahim, B.B., Ariffin, H.L.T. and Yong, F.Y.Y. (2020) *Affordable housing: Singapore housing policies analysis and its implementation in Malaysia*. *International Journal of Management*, 11(7), pp. 1028–1034. Available at: http://iaeme.com/Home/issue/IJM?Volume=11&Issue=7 (Accessed: 19 July 2026).

[25] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*. Paris: Atlantis Press, pp. 111–118. Available at: https://doi.org/10.2991/978-2-38476-585-0_14 (Accessed: 19 July 2026).

allows individuals to use the funds for purchasing residential properties. Additionally, the OA accrues interest that is comparable to home loan interest rates, primarily generated from government bonds. This structure supports a lower cost for housing purchases, aligning with the overarching objective of enhancing home ownership among Singaporeans.

Ethnic Integration Policy

In 1964, incidents of ethnic violence between Malays and Chinese occurred, resulting in numerous fatalities and injuries.[26] In response, one objective of the Housing and Development Board (HDB) is to foster the integration of diverse income groups and ethnicities to prevent the reformation of ethnic enclaves. The Ethnic Integration Policy (EIP) has been implemented as an effective measure to encourage racial integration by limiting the proportion of Chinese, Malays, and Indians in HDB blocks and neighbourhoods. This ratio reflects the racial composition of Singapore as a whole. The policy is relatively simple to enforce for Build-To-Order (BTO) flats, as certain racial groups may be unable to purchase homes if quotas are met. For resale flats, both the buyer and seller are required to be of the same race if the quota for that race has been filled.[27] This policy facilitates interactions among different ethnic communities.

Policy Outcomes

Singapore's public housing policy has a big impact on the country's political and economic environment. [28] Due to the partnership between the Central Provident Fund (CPF) and the Housing and Development Board (HDB), the country has one of the highest rates of house ownership in the world. The lack of a minimum salary in Singapore highlights the requirement that borrowers have steady jobs and income. The provision of stable housing fosters a committed workforce, enabling companies to retain talent, which subsequently drives development in key sectors such as manufacturing and services. This stability directly correlates to improved employment rates and economic growth. Furthermore, the CPF housing

[26] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce, Human Capital, and Economic Dynamics (ICHCH 2025)*. Paris: Atlantis Press, pp. 111–118. Available at: https://doi.org/10.2991/978-2-38476-585-0_14 (Accessed: 19 July 2026).

[27] di，Mauro.，B，W.: Building a Cohesive Society: The Case of Singapore's Housing Policies. Centre for International Governance Innovation, (2018)

[28] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce,*

subsidy effectively lowers wages, making production costs more competitive. This, in turn, enhances Singapore's attractiveness to foreign direct investment (FDI). Moreover, the CPF serves as a crucial macro-adjustment tool, demonstrating its capacity to adjust for inflation.[29] From a political standpoint, homeowners in HDB flats typically exhibit stability and a vested interest in the continued maintenance and refurbishment of their properties. Consequently, there is a concern among these owners that a shift in political leadership could jeopardize ongoing housing improvements. This creates a politically-engaged demographic that is more likely to support parties committed to preserving and enhancing the public housing framework.[30]

Singapore's housing system has undergone significant evolution, closely intertwining with the Housing Development Board (HDB) and the Central Provident Fund (CPF), underpinned by substantial backing from the Ministry of Finance.[31] This HDB-CPF structure has played a crucial role in achieving high savings rates and homeownership levels, efficiently channeling savings into housing and facilitating the expansion of housing loans. The availability of affordable housing has markedly contributed to social stability, economic growth, and community development. Moreover, the extensive HDB sector, alongside its ownership and resale regulations, effectively curtails speculative demand for housing. Adjustments to CPF rates, influencing inflation and wage costs, serve as a vital macroeconomic tool in Singapore's open economy. Consequently, the HDB's successful model attracts many foreign delegations annually, eager to glean insights from Singapore's housing accomplishments.[32]

Critical Analysis of the Policy

Public housing policy, particularly the construction and maintenance of Housing and Development Board (HDB) housing in Singapore, presents several challenges despite its objectives.[33] Notably, the financial aspect poses a concern; HDB recorded a significant deficit

[29] SY, Pang., M, Helble.: Housing Policies in Singapore. ADBI Working Study, 559 (2016)
[30] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce*
[31] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).
[32] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).
[33] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce,*

of S$4.68 billion for the fiscal year 2021-2022, representing 0.7% of the nation's GDP for that period.[34] This shortfall primarily arises from the selling prices of houses being lower than the construction costs, leading to increased government subsidies for HDB housing. While government support helps mitigate immediate issues, the long-term implications of a sustained deficit could strain the fiscal budget. Furthermore, the enforced storage of funds in the Central Provident Fund (CPF) compels individuals to allocate their income towards housing, regardless of their actual housing needs. This situation contributes to a crowding out effect, where individuals face difficulties maintaining sufficient liquid cash. As a result, this financial constraint adversely affects the local entrepreneurial landscape, making it challenging for many aspiring entrepreneurs to secure funding for starting businesses.[35]

The mandatory nature of the Central Provident Fund (CPF) and the strong influence of the Housing and Development Board (HDB) are suggested to have led to an overallocation of resources specifically to housing.[36] The CPF collects contributions from its members that exceed the amount necessary for housing, potentially resulting in a reduction of available funds for other forms of consumption, as noted by Phang (2004). Additionally, the illiquid nature of CPF savings has been identified as a contributing factor to the underdevelopment of the domestic start-up sector.[37] The affordable rental segment in Singapore's housing market has faced marginalization due to a long-standing policy preference for homeownership. The limited availability of HDB social rental housing consists mainly of one- and two-room flats intended for low-income families. This situation has resulted in a notable shortage of affordable market rental units within the HDB sector, highlighted by the higher rental yields of HDB flats compared to those in the private housing market. Additionally, the increasing foreign population in Singapore underscores the urgent need to expand the affordable rental sector to meet demand.[38]

[34] Liu, Xuyang.: The Housing Estate System in Singapore: Experience and Insights. Engineering Economics 34 (07), 59-65 (2024)
[35] Zhang, X. (2026) 'Analysis and implications of the successful application of government public housing: A case study based on Singapore', in *Proceedings of the 2025 International Conference on Hybrid Commerce,*
[36] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).
[37] Bhaskaran, M. 2003. Re-inventing the Asian Model: The Case of Singapore. Singapore: Eastern Universities Press for the Institute of Policy Studies
[38] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).

The public housing sector, which serves a vast majority of the population, faces significant challenges in accommodating diversity.[39] With four-fifths of individuals living in public housing, it is imperative that the housing system caters to various household sizes, financial capacities, social needs, and housing expectations. The system has notably advanced in design and provision, successfully blurring the lines between high-end public housing and private options. However, addressing the needs of lower-income households has proven more difficult. Throughout the 2000s, as the availability of smaller flats diminished and housing prices escalated, public rental flats became the primary housing solution for these economically disadvantaged families. Housing rules are facing challenges in continuing to treat certain groups as exceptions. While there has been some progress, such as the relaxation of eligibility rules for single individuals to purchase flats, reform in other areas has been less rapid.[40]

Lessons learned for other countries

Lessons learned from the Singapore housing model highlight several key aspects essential for economic and social development.[41] Firstly, housing significantly contributes to economic progress; the sectors of housing and housing finance in Singapore are closely linked to the country's macroeconomic health, characterized by high savings rates, income growth, low unemployment, stable inflation, and budget surpluses. These policies have also actively promoted racial integration, fostering social stability and driving economic growth.

Secondly, the framework for homeownership affordability in Singapore demonstrates the impact of an integrated approach to land supply, housing delivery, and mortgage financing, which collectively enhance both housing supply and affordability.[42] Urban governance plays a critical role, as effective policies, legislation, and regulatory frameworks enable rapid urban development and accommodate increasing population demands for housing. This necessitates a proactive governmental stance to ensure that urban growth is

[39] Ng, K.H. (2017) *Public housing policy in Singapore*. Lee Kuan Yew School of Public Policy, National University of Singapore. 16 May. Available at: https://lkyspp.nus.edu.sg/gia/article/public-housing-policy-in-singapore (Accessed: 19 July 2026).
[40] Ng, K.H. (2017) *Public housing policy in Singapore*. Lee Kuan Yew School of Public Policy, National University of Singapore. 16 May. Available at: https://lkyspp.nus.edu.sg/gia/article/public-housing-policy-in-singapore (Accessed: 19 July 2026).
[41] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).
[42] Phang, S.-Y. and Helble, M. (2016) *Housing Policies in Singapore*. ADBI Working Paper No. 559. Tokyo: Asian Development Bank Institute. Available at: https://www.adb.org/publications/housing-policies-singapore (Accessed: 19 July 2026).

adequately supported. Additionally, the involvement of the private sector is pivotal, with financial institutions and developers being crucial to the real estate landscape.

Finally, the establishment of efficient market mechanisms and the promotion of private initiatives are vital elements of housing policy. Singapore's experience reflects a successful partnership between government and private sectors, effectively balancing the challenges of central planning with the need for flexible, responsive urban development.

Recommendations

Policy Objectives

The housing market in Singapore is significantly shaped by government policies affecting both supply and demand.[43] There is a pressing need for the government to enhance data availability related to the foreign population in Singapore, as their proportion has grown to over one-third of the total population in the past decade. While annual statistics on the total number of Permanent Residents (PRs) and foreigners are reported, detailed insights into their characteristics such as housing tenure, choice, occupations, household sizes, age demographics, and income levels remain inaccessible to the public. Additionally, Singapore's aging population has led to an increase in Central Provident Fund (CPF) withdrawals for retirement. A critical issue is how much of these funds are reinvested in the property market. Though recent regulations by the Monetary Authority of Singapore targeting residential mortgage loan tenures, loan-to-value ratios, and total debt-service ratios may mitigate excessive property purchases, ongoing public education regarding investment risk profiling, retirement cash flow planning, and liquidity risks associated with real estate investments is also deemed essential for informed decision-making in the housing sector.[44]

The aging population in Singapore has led to a rise in the proportion of Central Provident Fund (CPF) withdrawals specifically for retirement.[45] This trend raises concerns about the

[43] Phang, S.Y., Lee, D.K.C., Cheong, A., Phoon, K.F. and Wee, K. (2014) 'Housing policies in Singapore: Evaluation of recent proposals and recommendations for reform', *The Singapore Economic Review*, 59(3), pp. 1–14. Available at: https://doi.org/10.1142/S0217590814500258 (Accessed: 19 July 2026).
[44] Phang, S.Y., Lee, D.K.C., Cheong, A., Phoon, K.F. and Wee, K. (2014) 'Housing policies in Singapore: Evaluation of recent proposals and recommendations for reform', *The Singapore Economic Review*, 59(3), pp. 1–14. Available at: https://doi.org/10.1142/S0217590814500258 (Accessed: 19 July 2026).
[45] Phang, S.Y., Lee, D.K.C., Cheong, A., Phoon, K.F. and Wee, K. (2014) 'Housing policies in Singapore: Evaluation of recent proposals and recommendations for reform', *The Singapore Economic Review*, 59(3), pp. 1–14. Available at: https://doi.org/10.1142/S0217590814500258 (Accessed: 19 July 2026).

reinvestment of CPF funds into the property market. Recent measures implemented by the Monetary Authority of Singapore aim to limit residential mortgage loan tenure, loan-to-value ratios, and total debt-service ratios to mitigate excessive property purchases. However, in addition to these regulatory steps, there is a pressing need for ongoing public education focused on key areas such as investment risk profiling and retirement cash flow planning.

Housing Affordability

The affordability of different housing types for the whole population, taking into account different income levels, household sizes, and family patterns, must be given top priority under Singapore's housing supply policy.[46] In addition to affordability metrics that especially target first-time homeowners and varied rental groups, policymakers are recommended to keep a careful eye on signs of surplus demand across various housing sectors. The recent policy shift to unlink Built-To-Order (BTO) prices from Housing and Development Board (HDB) resale prices, alongside the introduction of more nuanced housing grants, enhances the precision in allocating housing subsidies. New housing formats, such as HDB studios with 30-year leases and the Lease Buyback scheme, have been recently introduced to diversify options. Additionally, the potential implementation of a shared equity ownership scheme is proposed, which would facilitate shared appreciation of assets, further enriching the housing landscape.[47]

Conclusion

Singapore Housing and Development Board is one of the most successful examples of public housing policy. The HDB has transformed Singapore from a nation facing housing shortages in to one of the highest homeownership rates globally. The land acquisition and the Central Provident Fund with comprehensive town planning has enabled the Government to give affordable housing at good rates promoting economic growth. There are a lot of challenges related to this. The increasing housing prices, demographic changes and ageing housing estates show that some good housing system require reforms.

In conclusion , the Singapore Housing Policy shows that how good public policy can improve

[46] Phang, S.Y., Lee, D.K.C., Cheong, A., Phoon, K.F. and Wee, K. (2014) 'Housing policies in Singapore: Evaluation of recent proposals and recommendations for reform', *The Singapore Economic Review*, 59(3), pp. 1–14. Available at: https://doi.org/10.1142/S0217590814500258 (Accessed: 19 July 2026).

[47] Phang, S.Y., Lee, D.K.C., Cheong, A., Phoon, K.F. and Wee, K. (2014) 'Housing policies in Singapore: Evaluation of recent proposals and recommendations for reform', *The Singapore Economic Review*, 59(3), pp. 1–14. Available at: https://doi.org/10.1142/S0217590814500258 (Accessed: 19 July 2026).

quality of life of the citizens. The Housing Policy objectives such as effective governance and long- term planning provide good guidance for policymakers.