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PRESS RELEASE

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GOVERNMENT ANNOUNCES MEASURES TO PHASE OUT RENT CONTROL

The government will introduce the following measures affecting rent-controlled properties:-

- (i)(a) With effect from 7 Oct 88, owner-occupied premises and vacant non-domestic premises will be exempted from the provisions of the Control of Rent Act.
- (b) Consequently, property tax on such properties will be gradually increased and brought in line with other non rent-controlled properties. This will be done in stages over a three-year period.
- (ii) Rent control on other properties will be lifted in phases under the Controlled Premises (Special Provisions) Act. Areas for decontrol will be designated through Gazette Notifications. Landlords of rent-controlled premises will be able to recover possession of their properties under the provisions of the Act. The first phase will cover the conservation areas in which there are an estimated 1,800 tenanted rent-controlled properties.

The Control of Rent Act applies to buildings completed on or before 7 Sep 1947. The Act was designed to protect tenants from unscrupulous landlords during the housing shortage in the post-war years.

Conditions today are different. With our successful public housing programme, there is no justification for this Act. The Act has kept rents at nominal levels relative to market rates. Landlords have therefore allowed their buildings to deteriorate into unsightly structures. The structures are a blight on our environment and hamper the efforts of our planners to develop a more gracious city. Our conservation programme, for example, cannot move as quickly as we would like it to because of rent control problems.

The government has decided to use the Controlled Premises (Special Provisions) Act to lift rent control. Since rent control has been in existence for about 35 years, the use of the Controlled Premises (Special Provisions) Act will enable the change to take place in phases and give tenants and owners time to adjust to a decontrolled situation. It will help avoid massive dislocation and disruption.

The Controlled Premises (Special Provisions) Act was enacted in 1970 to enable owners to recover possession of rent-controlled properties for development purposes in designated areas. The area in the Collyer Quay/Shenton Way central business district, also known as the Golden Shoe Area, was declared a designated area on 27 Feb 1970 and is an example of the successful redevelopment of our city through the Act.

The Controlled Premises (Special Provisions) Act takes into account the interests of both tenants and landlords. The question of compensation would be left to

owners and tenants to settle between themselves. They may, however, appeal to the Tenants' Compensation Board, an avenue provided by the Act to hear applications by landlords who wish to recover the possession of their properties. The Board is also empowered to assess the amount of compensation tenants, sub-tenants and occupiers are entitled to.

With the implementation of these measures, the old shophouses in our city can now be rehabilitated, making it possible for conservation in general, to proceed at a faster pace.

MINISTRY OF NATIONAL DEVELOPMENT

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