



PRESS RELEASE

POLICY CHANGES TO SUPPORT AN INCLUSIVE AND COHESIVE HOME

The Minister for National Development, Mr Mah Bow Tan, announced in Parliament today housing policy changes to encourage Singapore Permanent Residents (SPRs) to take up citizenship, a new quota to promote social integration of SPR households in public housing estates, and a revision to the Ethnic Integration Policy to accommodate Singapore's changing demographics.

PART A: PROMOTING CITIZENSHIP IN HDB HOUSEHOLDS

2 With globalisation, an increasing number of SPRs are joining our community as long-term residents. SPRs contribute economically and socially to building our society, and it is in our country's interests for them to sink their roots here permanently. Hence we would like to encourage SPRs to take up Singapore citizenship.

Reinforcing the Privileges of Citizenship

3 HDB facilitates home ownership by providing generous subsidies. Today, SPRs married to Singapore Citizens (SCs) enjoy the same subsidies as Singaporean couples. We would like to encourage the SPR family members in such SC/SPR households to take up citizenship.

4 To do this and to reinforce the privilege of citizenship, HDB will withhold \$10,000 of the housing subsidies enjoyed by SC/SPR households when they buy a flat. If they buy a resale flat, a Design, Build and Sell Scheme (DBSS) flat, or an Executive Condominium (EC), their Housing Grant will be reduced by \$10,000. If they buy a new flat, they will have to pay a \$10,000 premium on top of HDB's selling price. The changes are summarised in Table 1.

Table 1: Housing Subsidies for SC/SPR Households

Household Type	Buying New Flat from HDB	CPF Housing Grant for Resale/DBSS flats or EC unit		Citizen Top-Up
		Basic Grant	Higher-Tier* Grant	
SC / SC	No change	Receive \$30,000	Receive \$40,000	N.A
SC / SPR	Pay \$10,000 Premium	Receive \$20,000	Receive \$30,000	Receive \$10,000

* Not applicable to EC

5 The withheld subsidy of \$10,000 will be restored when an SPR family member in the SC/SPR household takes up citizenship or if the couple has an SC child while still in ownership of that flat. Eligible households can apply to HDB within 6 months of the change in household citizenship status to claim the \$10,000 Citizen Top-Up via CPF.

PART B: ENCOURAGING SOCIAL INTEGRATION - QUOTA FOR SPR HOUSEHOLDS

6 SPRs are long-term residents in Singapore. It is important that they integrate well in our local communities. Social integration is a key policy objective in our public housing system. In line with this, HDB will introduce **a new SPR quota** for non-Malaysian SPR families buying flats, to facilitate better integration and to prevent enclaves from forming in public housing estates.

How does the SPR quota work?

7 The SPR quota will be set at 5% and 8% at the neighbourhood and block levels respectively. It will apply in addition to the existing Ethnic Integration Policy (EIP) limits. The SPR quota takes into account the composition of SCs and SPRs in Singapore, and their respective demand for public housing. Malaysian SPRs will not be subject to the SPR quota, in view of their close cultural and historical similarities with Singaporeans.

8 The SPR Quota caps the proportion of non-Malaysian SPR households in HDB neighbourhoods and blocks. Similar to EIP, any resale resulting in an increase in SPR proportion will not be allowed, if the neighbourhood/block limit is already reached. Under such circumstances, an SC seller or a Malaysian SPR seller would not be able to sell his flat to a non-Malaysian SPR household. However, a non-Malaysian SPR seller would still be able to sell to another non-Malaysian SPR as this would not increase the number of non-Malaysian SPR households.

PART C: REVISION TO THE ETHNIC INTEGRATION POLICY (EIP)

9 The EIP was implemented in 1989 to ensure a balanced ethnic mix across HDB estates and to prevent the formation of racial enclaves.

10 In response to Singapore's changing demographics, HDB will increase the limits for the Indian/Others ethnic group by two percentage points to 12% at the neighbourhood level and 15% at the block level. The current Indian/Others limits are 10% and 13% for neighbourhood and block respectively. There is no change to the

limits for the Chinese and Malay ethnic groups as the current limits are sufficient. The revised ethnic limits are given in Table 2 below:

Table 2: Ethnic Limits for HDB Flats

Ethnic Group	Maximum Ethnic Limits	
	Neighbourhood	Block
Malays (no change)	22%	25%
Chinese (no change)	84%	87%
Indians & Others	12%	15%

Implementation Date and Enquiries

11 The above housing policy changes will be implemented with immediate effect. More details can be found in Annexes A-C.

12 For enquiries, public can contact HDB through the following channels:

- (a) Sales/Resale Customer Service Line : 1800 8663 066
- (b) Branch Office Service Line : 1800 2255 432
- (c) SERS Enquiry Line : 1800 8663 070

Issued by : Housing and Development Board

Date : 05 March 2010

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ANNEX A: PROMOTING CITIZENSHIP IN HDB HOUSEHOLDS

HDB will withhold \$10,000 of the housing subsidies enjoyed by SC/SPR households when they buy a flat. The withheld subsidy will be restored when the SC/SPR household converts to an SC/SC household by (i) the SPR family member taking up citizenship or (ii) having an SC child

(I) Definition of Household Types

- i) An SC/SC household is defined as one where the flat buyer/lessee is an SC and the other family member, whether spouse, child or parent, is also an SC.
- ii) An SC/SPR household is one where the flat buyer/lessee is SC, while the other family member(s) is/are SPR.

(II) Cut-Off Dates for Implementation

Transaction Type	Cut-off Date
Purchase of New Flat from HDB	Sales launch of new flats on or after announcement date
SERS Replacement Flat	Any new SERS sites announced on or after announcement date
Purchase of Resale Flat	Resale application received by HDB on or after announcement date
Purchase of DBSS Flat /EC	<u>Walk-in Selection Mode</u> Date of booking on or after announcement date <u>Balloting Mode</u> Sales launch on or after announcement date

(III) No Impact on Additional CPF Housing Grant

There will be no changes to the eligibility conditions for the Additional CPF Housing Grant (AHG). Both SC/SC and SC/SPR households with monthly income of less than \$5,000 will continue to be eligible for the AHG, if they are first-timers and have been working continuously for at least 1 year before applying.

ANNEX B: ENCOURAGING SOCIAL INTEGRATION - QUOTA FOR SPR HOUSEHOLDS

HDB will be implementing a new SPR quota on non-Malaysian SPR households buying HDB resale flats. The quota is 5% at neighbourhood level and 8% at block level. Non-Malaysian SPR households must satisfy both the Ethnic Integration Policy (EIP) and the SPR quota to buy a resale flat.

(I) Definition of Household Types

- i) An SPR Household is one where the SPR buyer/lessee and other family member(s) is/are SPR.
- ii) A non-Malaysian SPR Household is one with no SC or Malaysian-SPR buyer/lessee (i.e. where all SPR buyers/lessees are non-Malaysians).

(II) Cut-Off Dates for Implementation of SPR Quota

Transaction Type	Cut-Off Date
Purchase of Resale Flat	Resale application received by HDB on or after announcement date
Purchase of SERS Replacement Flat ¹	Any new sites announced for SERS on or after announcement date

(III) Information on Affected Blocks

The public can check the HDB InfoWEB at www.hdb.gov.sg to find out the blocks where the EIP limits and/or the SPR Quota have reached or exceeded the allowable limits. The information is updated monthly on the first day of each month and is valid for the rest of that month.

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¹ SERS flat lessees from SERS sites announced on or after the day of announcement will be subject to the SPR Quota regardless if they choose the flats in SERS replacement sites or other areas.

ANNEX C: REVISION TO THE ETHNIC INTEGRATION POLICY (EIP)

HDB will increase the EIP limits for the Indian/Others ethnic group from 10% and 13% at the neighbourhood and block level to 12% and 15% respectively.

(I) How the EIP is administered

The EIP was implemented in 1989 to ensure a balanced ethnic mix across HDB estates and to prevent the formation of racial enclaves. Under the EIP, a limit is set for Malay, Chinese and Indian/Others ethnic groups respectively. This limit is applied to the allocation of new flats and rental flats by HDB, as well as resale flat transactions in the open market. Maximum limits are set for all groups in each HDB block and neighbourhood. When these limits are reached, no further allocation of flats to the affected group will be allowed. However, a resale transaction is still allowed if the seller and the buyer belong to the same group. This is because the resale transaction will not further increase the proportion of the affected group in the neighbourhood/block.

(II) Cut-Off Dates for Implementation of Revised EIP Limits

Transaction Type	Cut-Off Date
Purchase of New Flat from HDB	Booking of flat on or after announcement date
Purchase of Design, Build and Sell Scheme (DBSS) Flat	Booking of DBSS flat on or after announcement date
Purchase of Resale Flat	Resale application received by HDB on or after announcement date
Purchase of Replacement Flat under Selective En-bloc Redevelopment (SERS) Scheme	Booking of replacement flat by SERS flat owners at the main selection or periodic re-selection exercises on or after announcement date
Allocation of Rental Flat	Selection exercises where applicants were shortlisted on or after announcement date