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**SPEECH BY THE PRIME MINISTER AND MP FOR MARINE  
PARADE GRC AT THE MARINE PARADE COMMUNITY CLUB  
MANAGEMENT COMMITTEE APPOINTMENT CEREMONY AND  
THE LAUCHING OF THE CC 10<sup>TH</sup> ANNIVERSARY SOUVENIR  
MAGAZINE AT THE MARINE PARADE COMMUNITY CLUB ON  
FRIDAY, 10 APRIL 1992, AT 8.00 PM**

Let me, first of all, thank Goh Thiam Lock and all CMC members for your contribution to the Marine Parade Community Club. It is not possible to measure precisely the value of your contribution, but we know that you help Marine

Parade a pleasant place to live in. I would even say that the easy access of residents to the Community Club and the numerous activities organized by you has a bearing on the value of the flats. It is like a private condominium. Take away the recreational facilities, the value of the apartments will be reduced.

Have a bad management committee for the condominium, and the value will fall even further.

Nine out of ten Singaporeans own the HDB flats they live in. For most of you, your flat is your most valuable asset. A large chunk of your life time savings is invested in your HDB flat.

It is your interest to ensure that the value of your flat continues to rise. Every 10 per cent increase in the value of your HDB flat means a huge increase of several hundred thousand dollars in your wealth. Conversely, any 10 per cent drop in its value means a loss of several thousands of dollars to you and your family.

How can we ensure that the value of your HDB flat does not fall, but rise instead?

What affects the value of your flat?

## National Archives of Singapore

Firstly, the single most important factor is the overall political and economic health of Singapore. If there is uncertainty, property values will drop. If there is stability and our economy continues to expand, they will rise. The best example is Hong Kong. When there was uncertainty in 1982/83 over its political future after 1997, property values fell by as much as 30 per cent.

Secondly, the attributes of the estate: where it is, how old it is, what is the condition of the estate, is it clean, is it safe, how near are the shops and markets, bus stops, schools and libraries, is the environment pleasant and beautiful. There are really two elements here - the physical aspect and the management aspect. These attributes combine to explain the differences in resale value of a similar HDB flat in different estates. That is why some estates are more popular than the others.

Finally, the flat itself - how big it is, is it facing south or west, what floor is it on, and what condition the flat is in.

If we want our HDB flats, our greatest asset, to appreciate in value steadily, we must work together to enhance these three factors.

The political and economic health of Singapore depends very much on the quality of its political leadership, and your insistence on having, honest men and women to lead Singapore. If you drop your standard, the standard of government must also drop because lesser people will be in positions of power.

With town councils, the impact of your elected MPs on the value of your HDB flats is directly felt. If he is a good and capable MP, he will gather a group

of able and dedicated grassroots leaders in the CCCs, CCMCs, RCs and town councils, to help him. Over time, the quality of the town councils will be reflected in the value of your flats.

Recently, the Straits Times (30 March 92) reported Mr Chiam See Tong as saying that a three room HDB flat in his ward, Potong Pasir, which cost \$78,000 when it was first built has “sky rocketed” to \$115,000. I think he got his numbers wrong. Our data on resale flats suggest that he must have meant the four room flat, not three room flat.

Potong Pasir is a relatively new estate. The flats were first sold in 1983, only nine years ago. They were heavily subsidized. It should not surprise anyone that resale price of a four room flat in Potong Pasir should be way above the price charged by HDB. If anything, the “sky rocketing” of HDB flat values in Potong Pasir shows the extent of market subsidy by the Government, as well as the political stability and economic growth of the country.

In Marine Parade, prices of HDB flats have really sky rocketed. The four room flats were first sold by HDB at \$20,500 in 1974. The median price of flats sold last year was \$93,500, or nearly five times the original price. I have no doubt that they will be worth more after they have been upgraded.

The HDB Upgrading Program will increase the wealth of Singaporeans. The voting in Marine Parade, Kim Keat, Ang Mo Kio and Telok Blangah, shows that Singaporeans fully support and welcome the Upgrading Program. In all the four precincts, more than nine out of ten residents voted for upgrading. The Upgrading Program is part of our Next Lap. We will press on with upgrading in those constituencies which voted clearly for the Next Lap in the last General Elections.

Tonight, I am pleased to award the Appointment Certificates to the new CCMC members. These are able and dedicated men and women, committed to helping their fellow citizens in enhancing their quality of life. They deserve our respect and gratitude.

Thank you.