

14-1/82/06/27

SPEECH BY MR TEH CHEANG WAN, MINISTER FOR NATIONAL DEVELOPMENT, AT THE CONSTITUENCY TOUR OF SIMS DRIVE MARKET AND PRIZE PRESENTATION FOR ACTIVITIES IN CONJUNCTION WITH THE SECOND NATIONAL ENERGY CONSERVATION CAMPAIGN ON SUNDAY, 27 JUNE 1982 AT 9 AM

It is my pleasure to officiate in this morning's presentation of prizes to winners of the activities organised by Geylang West constituency community groups in conjunction with the Second National Energy Conservation Campaign.

Singapore as we all know, is a very small country. We have a high population density but no natural resources. Almost all the materials and products needed to support our economy have to be imported. Among the biggest expense items on our import bill is energy fuel. The government has proclaimed energy conservation as a national objective. However, energy conservation can be effectively carried out only if every person in Singapore consciously makes an effort to economise on the use of energy. The responsibility for energy conservation cannot be the government's alone.

The same may be said for many activities and programmes: be they energy conservation, moral education, housing, etc. The government sets the policy, draws up plans and provides the leadership. Successful implementation of these plans, however, depends on the support and participation of the people. Singapore has been widely acclaimed to have a successful public housing programme. The corner stone of the government's housing policy is home ownership for the people. We have been quite successful in promoting home ownership that I hope by the end of the century more than 90 per cent of our citizens will own the homes they live in.

During the last decade, the incomes of Singaporeans have increased steadily. Many tenants in one, two and three-room rental flats have moved into flats bought under the Home Ownership Scheme. Each year, the number of rental flats so vacated has been sufficient to satisfy new applications for rental, with the result that the

waiting period ....2/-

waiting period for rental flats has not been longer than that for purchase flats. In the last three years, however, there has been a substantial and disturbing increase in the number of smaller families (with an average household size of 3.3 persons) applying to rent three-room flats.

As at 31 Dec 81, HDB manages 21,442 units of three-room rental flats. A large number of these flats is expected to be sold to sitting tenants under the Sitting Tenants Scheme. At present, the waiting period for a three-room rental flat is five to six years. This can be expected to lengthen to eight to 10 years in future as more sitting tenants buy over their flats. The HDB records show that the average income of applicants waiting to rent three-room flats is \$606 per month while that of applicants waiting to purchase three-room flats is \$655 per month. The difference in average income between the two groups is only \$59. As at Dec 81, there are 5,603 public applicants waiting to rent three-room flats and 5,558 tenants of one and two-room HDB units waiting to transfer to three-room rental units. Their incomes are all below \$800 per month which is the eligibility ceiling for rental flats. Yet, on HDB's waiting list to purchase three-room flats, there are 31,045 applicants with incomes below \$800 per month. In my view, this last group of applicants have made the wiser decision to buy their own flats.

Inflation has come to stay with us permanently and buying a flat is not only a good way to save but is also a wise investment in the long run. It is not unusual for families in many countries including Japan and Hongkong to work and save for 20 years in order to own their homes. In Singapore, the government actively promotes home-ownership by offering public housing to eligible citizens at heavily subsidise prices. Our citizens should seize the opportunities provided without hesitation. Since 1964, 230,000 families have, in fact, taken advantage of the Home Ownership Scheme and benefited from their wise decision to buy flats rather than rent them.

I wish, .....3/-

I wish, therefore, to strongly urge applicants for three-room rental flats and tenants of one and two-room flats who have applied to transfer to three-room rental units to reconsider their decisions and to make an effort to buy flats. I am often told, both by my constituents as well as my fellow MPs, that rental flats are mainly let to the self-employed as they do not have CPF savings to help them pay for home-ownership flats. This handicap, in my view, could be overcome by most self-employed people if they are willing to make an extra effort, perhaps, by working harder, by giving up little luxuries like liquor, or better still, by abstaining from wasteful habits like smoking and gambling. A little hard work and some sacrifice not only could spare them the agony of having to wait a longer time for a rental flat, but could well put them on the way to becoming flat owners.

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TOTAL NUMBER OF RENTAL FLATS UNDER MANAGEMENT BUILT BY HDB AS AT 31 DEC 81

1-ROOM	2-ROOM	3-ROOM	4-ROOM	5-ROOM	TOTAL
63,816	43,710	21,442	1,799	212	130,479

ANNUAL DEMAND FOR RENTAL FLATS FROM PUBLIC APPLICANTS

1977			1978			1979			1980			1981		
1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm
2942	5856	1003	3235	3617	1972	3389	3298	2113	3490	3322	3223	3821	3505	4311
9,803			8,824			8,800			10,027			11,717		

ANNUAL SUPPLY OF RENTAL FLATS FROM TERMINATIONS OF EXISTING TENANCIES

1977			1978			1979			1980			1981		
1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm	1-Rm	2-Rm	3-Rm
6010	2678	1198	8112	4230	1691	5241	3352	993	6408	3797	931	3762	1959	618
9,806			14,033			9,586			11,136			6,339		

As at 31 Dec 81, there was a total of 5,603 public applicants on the waiting list for 3-room rental flats. In addition, there was a total of 5,558 HDB tenants living in 1- and 2-room flats waiting to transfer to 3-room rental flats. Therefore the total number of applicants on the HDB's waiting list for 3-room rental flats was 11,161.