

Singapore Government

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Singapore

10 MAY 1983

14-1/83/04/30

**SPEECH BY MR TEH CHEANG WAN, MINISTER FOR NATIONAL
DEVELOPMENT AT THE ANNUAL DINNER OF THE REAL ESTATE
DEVELOPERS' ASSOCIATION OF SINGAPORE (REDAS)
AT THE ISLAND BALLROOM, SHANGRI-LA HOTEL
ON SATURDAY, 30 APRIL 1983 AT 7.30 PM**

I would like firstly to thank your Association for your kind invitation to my wife and I to attend your Annual Dinner tonight. Unfortunately owing to last minute unforeseen circumstances, I am unable to be present this evening and have asked that my speech be read to you by my Permanent Secretary.

As Real Estate developers, members of your Association have been in the forefront in redeveloping Singapore and providing housing, commercial and other facilities to meet the needs of the private sector. You have also, I am sure, been constantly faced with calculating the viability of your projects. An important component of developer's cost is land cost. Some of you may have been perplexed at one time or another by some of these questions. Why is land cost so high in Singapore compared to other countries? Why should the Government acquire parts of my land for public purposes at less than current market price? This evening, I would like to share with you my perception of the answers to these questions.

The main reason for buoyant land prices is in large part due to the efforts of the Government. This is reflected in the ability of the Government to ensure security, good infrastructure, good economic growth and political stability. Without these prerequisites you would see a very different pattern of land values in Singapore.

Without security, no one would want to buy land in Singapore. This is perhaps why you would agree with me that nobody wants to buy land in Uganda even at give away prices. To ensure security, the Government has to allocate enormous sums annually in its budget for defence and internal security. Without good infrastructure, land is also practically valueless. You can buy vast stretches of land in Australia far from any basic facilities like roads, sewerage, public utilities for probably the same price as you would pay for a small bungalow plot of land in Singapore. The Government has to spend large sums in providing expressways, sewerage, public utilities, etc to every piece of land in Singapore before such a piece of land can be considered valuable. Without good economic growth and political stability, there is again no question of high or rising land prices. Where there is no demand for land for development to meet economic needs, there would be no upward pressure on land prices. The Government's efforts which has enabled land values to be high is therefore evident.

On the other hand, what has each landowner done to ensure that his land appreciates in value? Invariably he has done nothing, purely sitting on his land and watching it appreciate day by day through the efforts of Government. In other words, the Government does all the work and the landowner reaps all the benefits. Perhaps the only contribution he made was to elect the right Government. It is therefore not unfair and indeed is essential that Government must be able to acquire land for public purposes such as roads, schools, military camps, airports, housing, etc, before any private landowner can see his land appreciating in value. And acquisition has to be at the compensation spelt out under the Land Acquisition Act. The Government would not have been able to build the many public projects you see around you if it has to buy land at current prices.

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landowners to the bulk of the population through the ownership of housing. That the Government has been able to acquire land for public purposes has enabled the HDB to build flats and sell them at prices within the means of the population.

I hope that what I have enumerated will give food for thought for some of the few misguided landowners and others who think otherwise.

On this note, I would like to wish your Association every success. I look forward to your continuing partnership with the Government in the redevelopment of Singapore.

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