



A Brief Introduction to Singapore's Public Rental Flats

By **PEARL LIM**

During Parliament last month, National Development Minister Khaw Boon Wan addressed several issues related to HDB's (Housing Development Board) Public Rental Scheme, or PRS. This includes the ethnic quotas and waiting time for public rental flats. Mr Khaw reveals that HDB is reviewing its ethnic quotas for these flats as

“Currently, 60 per cent of its rental blocks have reached the limit allowed for Malay residents, which is 25 per cent per block,” said Mr Khaw.

For public housing in Singapore, an Ethnic Integration Policy (EIP) was introduced to ensure a balanced racial composition in each block and estate. This move was done to preserve racial harmony and social cohesion in multiracial Singapore, which has some 80% of the population residing in HDB flats.

In addition, Mr Khaw discloses that the average waiting time for rental flats has decreased to six months now. This is a marked improvement from the long waiting time of 21 months in 2008 when demand was at its height. Nevertheless, Mr Khaw hopes to see further reductions. To this end, HDB is churning out 57,000 units by 2015. The number of one-and two-room public rental flats stands at 49,300 units currently, an increase from the 45,500 two years ago.

But the supply of these flats is set to increase by year end when two blocks of flats close to the now-defunct Tanjong Pagar rail station are released. Located at Spooner Road, these flats formerly

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housed the staff of the rail station. 318 units will be spruced up and offered to low-income Singaporeans under the PRS and Interim Rental Housing (IRH) scheme, of which 208 are one-and two-room units which will be leased out under PRS. The remaining three-room units will come under the IRH scheme.



Rentals are heavily subsidized under PRS and IRH schemes. Both these schemes are for low-income Singaporeans. The number of households under the IRH scheme stands at 1,500 in December 2011.

Under the PRS scheme, only one-and two-room units are available. Applicants must have a gross household income not exceeding S\$1,500, subject to fulfillment of other requirements, before being eligible to apply for the flats under the Family Scheme or Joint Singles Scheme. This scheme is administrated by HDB with rentals varying between S\$26 and S\$275.

On the other hand, IRH, is a temporary option for Singaporeans in urgent need of housing. They maybe waiting to buy a HDB flat, queuing for a rental unit or waiting out a 30-month debarment period before applying for a rental unit. Under current regulation, after selling a HDB flat, former owners are not allowed to apply for a rental unit until 30 months have lapsed.



Under the IRH project, which started in 2009, a three-room flat is co-shared by two households.

The scheme worked as a cross-model that is managed by private operators like EM Services, LHN Group and the Katong Hostel. The operators will lease the flats from HDB and release a proportion of them at subsidised rates to IRH tenants, with the rest being rented out at open market rates.

However after a review in 2011, HDB refined the scheme by 1) limiting the role of operators to the management of the flats, 2) stretching the tenancy period from six months to twelve, renewable for up to two years, and 3) drawing up guidelines for better matching of co-tenants.

Disputes between co-tenants in IRH flats are common. MPs often see IRH residents requesting for a change of co-tenant during their Meet-the-People sessions. Under this scheme, a tiny three-room unit is shared by two families, sometimes large ones, couple that with the different living habits of the two households and strained relationships result. Other concerns include safety issues related to living with complete strangers. The cramped living space also causes some voices to grouse about the lack of a conducive study environment for children living in IRH flats.

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