



**HOUSING &  
DEVELOPMENT  
BOARD**

# HOME IS WHERE THE HEART IS

ANNUAL REPORT 2017/ 2018



# HOME IS WHERE THE HEART IS

*Over the decades – from basic housing, to well-designed flats and smart homes of the future – HDB's mission has always been to create a quality living environment for Singaporeans. Our housing policies have made HDB flats accessible to all segments of the population, regardless of budget and need. Today, the soaring HDB blocks that define the Singapore skyline have become endearing homes for Singaporeans of all ages.*

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A painting of a man in a dark suit and glasses, smiling, standing in front of a modern apartment building with lush greenery. The background is a soft, painterly style with a blue sky and green foliage.

# CHAIRMAN'S STATEMENT

Home ownership is a hallmark of the Singapore story. Home to over 80% of the population, HDB flats occupy a special place in the hearts of Singaporeans. It is in these homes that childhood memories are formed, families are built, and silver years meaningfully spent.

## **Quality Homes for All**

With HDB living being such an integral part of the Singapore story, providing affordable, quality homes for Singaporeans is an ongoing, ever-evolving mission for HDB.

This Financial Year (FY), HDB continued to put in place policies and measures to ensure that public housing remained within reach of Singaporeans. With an eye on the longer-term demographic and population trends, HDB carefully calibrated its building programme to provide a stable supply of new flats to meet new needs. We introduced a new sales mode - the Re-Offer of Balance Flats, and will be offering the first batch of Build-To-Order (BTO) with shorter

waiting time in the second half of 2018. With the wider range of options, and more regular offer of flats, home buyers will be able to find a home that best suits their needs.

The Proximity Housing Grant was enhanced to benefit more extended Singaporean families who wish to live with or near their parents or children for mutual care and support. Families navigating changing life circumstances also benefited from the review of policies. Divorced couples and second-timer rental families with young children can now buy a new flat earlier.

Plans are afoot to create vibrant and highly liveable environments in new and existing towns that leverage smart and sustainable technologies. To guide the comprehensive implementation of smart solutions in Punggol and Tengah, a Smart Urban Habitat (SUH) Masterplan has been drawn up. A Smart Hub has been developed to enable real-time monitoring and analysis of an estate's services, from solar panels to Pneumatic Waste Conveyance Systems (PWCS),

to identify potential maintenance issues so we can work towards addressing them early for a comfortable living environment for residents. We are piloting the use of this platform starting with Yuhua.

Leveraging big data and advanced modelling tools, HDB has also embarked on a New Urban Kampung research programme to gain better insights into our residents' changing needs and living habits. This will help us improve the design of our estates so that they continue to serve the interests of our residents and heartland community.

Under the Remaking Our Heartland (ROH) programme, the renewal plans for Pasir Ris, Toa Payoh and Woodlands continued to take shape. In our drive to empower residents in owning and co-creating their shared environments, we took a ground-up approach, with residents from the 3 towns invited to share their views and suggestions from the early stages of planning. With the views gathered, HDB proceeded to finalise the proposals for each town and exhibited them during the FY.

The year also saw the completion of Kampung Admiralty, the first-of-its-kind development that integrates public housing with social, healthcare,

medical and lifestyle amenities to meet the needs of our senior residents. This project is the result of a Whole-Of-Government approach, led by HDB, towards helping seniors age-in-place, and live active and healthy lives.

Beyond being just a provider of homes, HDB's mission is also to build active and cohesive communities. Various outreach and engagement programmes were organised to strengthen community ties and encourage gracious heartland living. Among the initiatives launched during the FY is the Friends of Our Heartlands (FOH) programme – a model developed by HDB to collaborate with community partners in activating community spaces such as town and community plazas. Engagement of residents in shaping and activating the social places has enhanced their sense of belonging, neighbourly ties as in the case of Build-A-Playground pilot initiative at the Canberra Division.

### Customers at the Heart

In all that we do, HDB is always mindful of the need to be true to our mission of serving all Singaporeans. This is in line with the vision to deliver a seamless customer experience and become a trusted public service with citizens at the centre. Along with enhancements

to our policies, our processes have also been streamlined to provide a seamless customer experience for our residents.

With an increasingly well-connected and mobile population, customers are expecting to transact at their convenience. Responding to this trend, HDB introduced the HDB Resale Portal, an online portal which has effectively halved the resale transaction time to 8 weeks, making buying and selling a flat easier and faster than ever before.

Complementing the ongoing roll-out of the Electronic Parking System (EPS), HDB has also introduced the Parking.sg app, a collaboration with the Urban Redevelopment Authority and Government Technology Agency in areas where EPS is not available due to site constraints. Payment can now be done remotely using mobile phones, doing away with the need to tear paper coupons.

### The Road Ahead

HDB has come a long way in our public housing journey, winning numerous international and local awards and accolades along the way. The future holds many challenges, with the rapidly changing urban and social landscapes, a fast ageing population,

and game-changing technology revolutionising the way we work, live and play. To navigate these challenges, building a responsive, resilient and future-ready workforce is key.

In this regard, as part of HDB's continued digitalisation journey, we have made our digitalisation roadmap even clearer with the formulation of a Digital Master Plan in 2016. Work groups were formed to drive the digital transformation in all aspects of HDB's work, from town planning to the delivery of customer service and maintenance of estates.

Going forward, I am confident that these efforts, along with the organisational capabilities we have built over the years, will spur us to reimagine and reinvent public housing in our mission to build endearing homes, towns and communities.

On this note, I would like to thank the HDB Board members, Management and staff for their dedication and support. Because they have set high standards, HDB is able to deliver homes that Singaporeans are proud to call their own.



**Mr Bobby Chin Yoke Choong**  
Chairman



# CEO'S WORD

**Dr Cheong Koon Hean**  
Chief Executive Officer

Home is where the heart is. For many Singaporeans, home invariably brings to mind memories of life in the HDB heartland. In our quest to build the best possible home for Singaporeans, we continued to push new frontiers in design, construction, and technology, and refine our policies, programmes, and services – always with people at the centre. Guided by our Roadmap to Better HDB Living, we are committed to creating well-designed, sustainable, smart and community-centric towns that all Singaporeans can call home.

## **Pioneering Innovative Technologies**

Riding on technological and digital advancements, we pioneered new and innovative solutions to better plan and design our towns and flats, as well as rejuvenate and redevelop older ones to keep pace with evolving standards.

This Financial Year (FY), we embarked on several key research and development initiatives. The New Urban Kampung research programme will help us advance the 'science' behind how we plan, design and build

our HDB towns through behavioural science studies and advanced modelling tools. Another initiative involves the development of a Smart Integrated Construction System (SICS) that leverages smart sensors and automation to transform traditional construction work processes and boost productivity. A third initiative studies how smart sensing and analytics can enhance services within housing estates.

On the construction front, HDB continued to make strides in construction productivity, attaining an overall construction productivity improvement of 14.8%, up from 12.3% in the previous calendar year. This is a result of the wider deployment of innovative construction materials and methods such as the Prefabricated Bathroom Unit (PBU), Building Information Modelling (BIM) and uPVC skirting.

Even as we build new HDB towns, we also continued to improve on our existing towns. Following the successful transformation of earlier batches of

towns identified for the Remaking Our Heartland (ROH) programme, Woodlands, Toa Payoh and Pasir Ris are the next 3 towns to undergo the makeovers. In the renewal of our towns, we engaged residents extensively to understand their needs and hear their views. The plans for these 3 towns, incorporating ideas and feedback from residents who participated in hands-on design workshops, will focus on strengthening the towns' existing character, community and connectivity.

### Meeting Housing Aspirations

In meeting housing aspirations, we offered about 17,200 flats under the Build-To-Order (BTO) exercises and another 7,300 flats under the Sale of Balance Flats (SBF) exercises across mature and non-mature estates this FY. To help young couples buy their first homes earlier, we have commenced the construction of 1,100 BTO flats in Sembawang, Sengkang and Yishun, ahead of their sales launch in the second half of 2018. The first batch of BTO flats with a shorter waiting time of about 2.5 years from time of application will come with an open kitchen concept, where feasible, which is popular among young families.

Another 2,100 flats were offered under the new Re-Offer of Balance Flats (ROF)

sales mode, which comprised unsold units from previous SBF exercises. This new sales mode for unsold balance flats enabled those with more urgent housing needs and are less particular about location to have quicker access to a flat.

To meet the diverse needs of Singaporeans, existing policies and schemes were enhanced. Under the enhanced Proximity Housing Grant (PHG), families who buy a resale flat to live with their parents or children will enjoy a higher-tier PHG of \$30,000 while those living near will continue to receive a PHG of \$20,000. Singles aged 35 years and above who buy a resale flat to live with or near their parents will receive half the amount that families receive. The proximity condition was also simplified and extended to 'within 4 km' instead of 'within 2 km or the same town' previously, offering families a wider choice of flats.

The 3-year time bar was lifted for divorced couples to make it easier for both parties to transit to their next housing arrangement. Second-timer rental families with young children who are ready to be placed under the Fresh Start Housing Scheme will benefit from a shorter minimum stay requirement of 1 year.

### Enabling Engaged Communities

Communities hold the key to town vibrancy and their active participation is sought in many ways. Ground-up community projects are supported through the HDB Friendly Faces, Lively Places Fund, and heartland volunteerism facilitated under the new 'Friends of Our Heartlands' network.

In fostering greater community ownership and pride of their town, we broke new ground with the Build-A-Playground (BAP) initiative at Canberra Division. Some 2,000 residents were actively involved in the end-to-end process of building a playground. The BAP initiative will be rolled out to 5 playgrounds, in towns undergoing the ROH programme and the Town Councils' Neighbourhood Renewal Programme (NRP).

### Ready for the Future

In this digitalised era, mobile and e-Services are fast becoming a way of life. As part of the Real Estate Industry Transformation Map and Singapore's Smart Nation drive, we launched the new HDB Resale Portal, which enabled the integration of all eligibility checks and reduced the resale transaction time from 16 to 8 weeks. The Parking.sg app was a hit with

motorists, with 4.1 million parking sessions recorded within the first 6 months. Our new branch at Bukit Panjang, which opened this FY, also features an e-lobby that is open around the clock, enabling our customers to transact any day, any time.

As we enter into 2018, HDB's functions were streamlined with the transfer of the management of 12,536 industrial properties and 156 staff to JTC Corporation. The move enables businesses to enjoy one-stop support for all their land and space needs. HDB living is Singaporeans' way of life, a shared experience that binds the hearts of generations of Singaporeans. Throughout their life stages, Singaporeans can look forward to endearing homes and raising their next generation in sustainable, smart and community-centric towns.

# FULFILLING HOUSING ASPIRATIONS

## Wide Range of Housing Options

In Financial Year (FY) 2017/ 2018, HDB launched 4 Build-To-Order (BTO) exercises, comprising 19 projects and 17,192 flats across mature and non-mature towns such as Geylang, Sengkang, Tampines and Woodlands. Another 7,347 flats located across various towns were offered in 2 Sale of Balance Flats (SBF) exercises.

A new sales mode, Re-Offer of Balance Flats (ROF), that pools together flats not selected in previous SBF exercises, was launched. A total of 2,100 flats was offered under 2 ROF sales exercises where 95% of the flats were set aside for first-timer families.

HDB completed a total of 31,325 new flats in the FY. These comprised 26,771 BTO units, 1,045 units under the Selective En bloc Redevelopment Scheme (SERS), and 3,509 rental units. As of 31 March 2018, 65,957 flats, comprising 62,100 BTO and SERS flats and 3,857 rental flats were under construction.

The volume of HDB resale flats increased by 5%, from 20,894 registered applications in FY 2016/ 2017 to 22,005 in the FY, an indication that demand for resale flats remained healthy.





HDB introduced BTO flats with shorter waiting time to help young couples get their homes earlier

## Support for Home Buyers

There was good news all round as policies and schemes were enhanced to ensure there is a home for every budget and need.

- To help young couples get their flats earlier, HDB commenced the construction of 1,100 flats in Sembawang, Sengkang and Yishun, ahead of their sales launches scheduled for the second half of 2018. By constructing these BTO projects ahead of their launches, first-time home buyers can look forward to a shorter waiting time of about 2.5 years from the time of application. They will also enjoy greater priority during application.
- From 19 February 2018, families buying a resale flat to live with their parents or children will benefit from a higher-tier Proximity Housing Grant (PHG) of \$30,000. The PHG remains at \$20,000 for those preferring to live within the revised proximity condition of 4 km, of each other. Eligible singles will enjoy half the grant amount for families.
- To better support divorced parents and their children in the transition to their next housing arrangement, the 3-year time bar was lifted with effect from 6 March 2018. Both parties can now each buy or own a subsidised flat upon their divorce, as long as they meet the eligibility conditions.
- As of 31 March 2018, 2,730 households had taken up the Lease Buyback Scheme (LBS), which applies to 4-room or smaller flats. The LBS enables elderly owners to supplement their monthly income by selling part of their flat lease to HDB, while they continue to live in their homes.
- To maintain a conducive living environment in our public housing estates, the occupancy cap for HDB flats being rented out was revised from 1 May 2018. The occupancy cap for 4-room and larger HDB flats was reduced to 6 persons, while the cap for 3-room and smaller flats remains at 6 persons and 4 persons respectively.

## Help for Vulnerable Families

HDB works in close partnership with other government agencies to provide holistic support for rental flat tenants in financial hardship. This FY, 12,102 rental flat tenants were assisted under the ComCare Scheme (Short and Medium Term Assistance). HDB also helped 57 tenants who faced difficulties in paying rent to transfer to smaller rental flats.

The Fresh Start Housing Scheme was launched in 2016 to help second-timer public rental households with young

children buy the more affordable 2-room Flexi flats with shorter leases. From 6 March 2018, the minimum stay requirement was reduced from the previous 2 years to 1 year, so that second-timer families who are ready can fulfil their home ownership dream earlier. As of 31 March 2018, 62 families have been placed on the Fresh Start Housing Scheme, and HDB is working with social counsellors to provide support to help these families on their journey towards home ownership.



Various housing grants and schemes are in place to help Singaporeans fulfill their home ownership dreams



The Lease Buyback Scheme enables seniors to supplement their monthly income



The Proximity Housing Grant was enhanced to benefit more extended families

## Designing to Meet Evolving Needs

Meeting the needs of home buyers is the first and foremost consideration in the planning and designing of flats, precincts and facilities. Feedback is continually sourced to better understand residents' preferences and usage patterns in relation to the external living environment, as well as the living environment within the flat and block. To this end, we have also embarked on the New Urban Kampung research programme. Leveraging big data and advanced modelling tools, we hope to gain insights into our residents' changing needs and living habits, and their likely responses to our plans and initiatives. This will help us advance the

'science' behind how we plan, design and build our HDB towns.

Enabling our seniors to age-in-place calls for a holistic approach. HDB is working jointly with the Ministry of National Development (MND) and Ministry of Health (MOH) to pilot new forms of housing developments that are twinned with care services within our housing estates. We are studying potential sites for such 'assisted living' developments, which will also feature communal spaces and shared facilities to facilitate social interaction and mutual support.



HDB provides a wide range of housing options to meet the various budgets and needs of home buyers

# BUILDING VIBRANT TOWNS

## Planning and Developing New Towns

The vision of a tranquil urban oasis for Bidadari resonates well with aspiring home buyers as evident from the overall 3.2 times application rate for BTO projects launched in 2017. As at 31 March 2018, 7 BTO projects yielding 6,106 dwelling units have been launched. The consultancy to develop detailed designs of Bidadari Greenway, Bidadari Park and other sustainable features under the Green & Blue Master Plan has been awarded.

The key planning concept behind Tengah town is the creation of a 'Forest Town', with homes surrounded by lush greenery and nature, where residents can enjoy quality living and connect with the community in a myriad of amenities and green spaces. When completed, Tengah is estimated to provide about 42,000 new homes. Beyond green living, HDB will also leverage Information and Communication Technology to make Tengah a smart and sustainable town. Earthworks commenced in 2017 to facilitate the first BTO launch in November 2018.

Tampines North is a new area that is being developed as an extension of Tampines Town. Capitalising on its existing greenery and proximity to Tampines Regional Centre, Tampines North will have a new landmark mixed development, 2 major parks, and extensive pedestrian and cycling networks. In the FY, 3,460 flats were offered in 3 BTO projects, namely Tampines GreenCourt, Tampines Green Dew and Tampines Green Foliage.



Existing towns are rejuvenated under programmes such as Remaking Our Heartland and Neighbourhood Renewal Programme



HDB towns are planned with heartland shops to meet the needs of residents

## Upgrading and Rejuvenating Existing Towns

Under the ROH programme, the renewal plans for Pasir Ris, Toa Payoh and Woodlands, will focus on strengthening the character, community, and connectivity of each town. Residents from the 3 towns were invited in the early stages of planning, to participate in Focus Group Discussions to give their views and suggestions. With the views gathered from the residents, HDB formulated the proposals for each town and exhibited the ROH plans for residents' feedback in the FY.

The Neighbourhood Renewal Programme focuses on precinct and block-level improvements. In the FY,

18 projects were completed and another 3 announced. As at 31 March 2018, 65 of the 131 projects announced have been completed.

Common maintenance problems in ageing flats are addressed with the Home Improvement Programme (HIP). In the FY, 8 projects were announced and 30 projects completed. Since its inception, HIP has received strong support from residents, with support levels averaging about 90%.

Households with elderly family members continued to tap on the Enhancement for Active Seniors (EASE) programme to retrofit selected

elderly-friendly features in their homes at highly subsidised rates. As of 31 March 2018, close to 56,000 households had applied for EASE directly, and 107,100 households had opted for EASE under HIP.

The Selective En bloc Redevelopment Scheme (SERS) renews older HDB estates and gives residents the opportunity to move into new homes and a better living environment served by modern facilities. During the FY, 926 households from the announced SERS site at West Coast Road completed their registration of replacement flats. Separately, 682 households from other previously

announced SERS sites collected the keys to their replacement flats.

To date, all feasible HDB blocks – more than 5,000 blocks with over 500,000 flats – have been selected for the Lift Upgrading Programme (LUP) introduced in 2001 to offer direct lift services to flats. As at 31 March 2018, 131 blocks were undergoing LUP construction works. In the FY, 28 lifts were completed and 147 lifts were awarded contracts under the Selective Lift Replacement Programme (SLRP), which replaced old lifts with modern lift features.

## Powering Construction Productivity

HDB achieved an overall construction productivity level of 14.8% in 2017, exceeding our target of 14.5%. This is attributed to the initiatives that we have implemented over the past years, such as prefabrication technology, standardisation of design and detailing, and new materials and construction technology.

In line with the national push to increase the adoption of the Design for Manufacturing & Assembly (DfMA) concept, HDB has scaled up the implementation of volumetric precast

technology in 2017. Prefabricated Prefinished Volumetric Construction (PPVC) was implemented in 26% of the dwellings units, up from 6% in the previous year. Similarly, Prefabricated Bathroom Units (PBU) were installed in 60% of the dwellings units launched, up from 26% in 2016. Where feasible, all newly launched HDB flats in 2019 will be fitted with PBUs, while 33% of the flats will be constructed using PPVC.

The Automated Precast Production System (APPS) has raised productivity and reduced the dependence on labour.

HDB completed the production of 67,800m<sup>2</sup> (equivalent to 760 4-room flats) of Large Panel Slab (LPS) for in-house design projects at Punggol North. The Precast Sandwich Wall system and Precast Flat Slab system were also successfully piloted in Punggol Northshore, Singapore's first smart and sustainable public housing district.

Virtual Design and Construction (VDC) with Building Information Modelling (BIM) increased construction productivity by allowing greater coordination between building design,

construction and operation. VDC with BIM was implemented for 22% of the dwellings units launched in 2017, and is estimated to constitute 50% of the dwelling units to be launched in 2019.

With the adoption of the key DfMA initiatives in more building projects, we are on track to achieving our target of 25% productivity improvement by 2020.



Tampines GreenCourt will be constructed using the PPVC method

## Driving Sustainability Through Smart Technology

This FY, HDB realised several initiatives utilising technology to drive sustainability and ensure quality living for residents.

The Smart Urban Habitat (SUH) Masterplan, completed during the year, will guide the implementation of smart solutions in a comprehensive manner in Punggol and Tengah towns. The first phase of the Smart Hub, which will integrate, manage, and analyse data from estate services in HDB estates, has also been completed and is progressively being connected to Yuhua Estate. The Smart Hub will be scaled up to include other HDB towns.

HDB has also built up its Urban Environment Modelling capabilities, through the development of the Integrated Environmental Modeller (IEM), a platform that integrates the urban planning and design process with environmental simulation.

The IEM allows planners and architects to visualise the interrelations between various environment factors such as wind flow, temperature fluctuations and solar radiation, and their combined effects on the surroundings. Environmental sensors deployed in half of Singapore have successfully validated the simulation results from the IEM tool, and established the real thermal comfort level in towns such as Punggol.

To boost adoption of renewable sources of energy, HDB launched the largest solar leasing tender to date, with an aggregated multi-agency demand for the installation of solar panels across 848 HDB blocks and 27 government sites. This third SolarNova tender is in line with our goal to roll out 220 MWp of solar panels across 5,500 HDB blocks by 2020. Since May 2017, all public housing blocks have been designed with solar-ready roofs for more productive and efficient installation of solar panels on HDB rooftops.



By 2020, more than 5,500 HDB blocks would be installed with solar photovoltaic panels



Kampung Admiralty, Singapore's first public integrated development, enables seniors to age-in-place, and live active and healthy lives

## Revitalising Commercial and Industrial Properties

As of end March 2018, HDB was managing 17,650 commercial properties, with a high average occupancy rate of 97%. In the FY, a total of 364 commercial units were allocated, and 379 new shops and eating houses completed.

At Kampung Admiralty, a wide range of social, healthcare, communal and commercial facilities have been integrated with housing for the elderly. Completed in May 2017, the facilities and amenities in this 11-storey first-of-its-kind 'modern kampung' includes a 2-storey medical centre,

an Active Ageing Hub, a childcare centre, and a 900-seat hawker centre.

As part of the government's efforts to align public agencies' functions, the transfer of HDB's 12,536 industrial properties to Jurong Town Corporation was completed on 1 January 2018. With this move, all public sector industrial land and properties will be consolidated under one agency to better support businesses.

HDB also transferred the Pasir Panjang Wholesale Centre to the Agri-Food & Veterinary Authority on 1 January 2018.

# FORGING STRONG COMMUNITIES

## Encouraging Community Ownership

The Build-A-Playground @ Canberra was completed in January 2018. This first community-built playground in Singapore saw some 2,000 residents involved in conceptualising, planning, designing and installing a *kelong-treehouse* themed playground. In a survey, 98% of the participants said that they felt a stronger sense of ownership and are inspired to be more involved in their community in the future.

The Friends of Our Heartlands (FOH) network was launched in May 2017, bringing together all HDB community volunteering programmes under one network. More than 2,700 people have signed up to be part of the network, tapping on the continuum of volunteering opportunities across different tracks. A new volunteer community facilitator programme was also offered under the 'Facilitate' track of the FOH network. This network of volunteer facilitators will help activate resident engagement for HDB's rejuvenation and development projects.

To deepen and enhance the engagement experience for community participatory projects, a virtual reality tool was developed to enable residents to better visualise and discuss their ideas for social spaces. The tool was piloted at the ROH design workshops in Woodlands and Toa Payoh.

In the FY, the public contributed a total of 97 ideas that address daily problems faced by HDB residents via the Cool Ideas for Better HDB Living platform.





The Adventure Playground @ Canberra is Singapore's first playground designed and built by the community



Community spaces, such as community plazas, enable large scale community activities and social bonding

## Vibrant Community Spaces

Community spaces such as the new-generation town/ community plazas serve as important social spaces for community activities and bonding. To activate these social spaces, HDB collaborated with community partners to organise 208 events in the town/ community plazas at Bedok, Punggol and Kampung Admiralty.

This year, the newly completed Punggol Town Square played host to the HDB Community Week 2017, an annual celebration of the community spirit in our heartlands. More than 5,700 visitors attended the week-long event, which showcased ground-up projects initiated under the HDB Friendly Faces, Lively Places (FFLP) Fund, and paid tribute to recipients of the Good Neighbour Award (GNA) 2017.

## Building Bonds

To help residents get to know their new neighbours and living environment better, HDB organised 26 Welcome Parties and 33 MyNiceHome Roadshows that saw a healthy turnout.

From August 2017, Heartland Familiarisation Tours were also conducted for residents at MyNiceHome Roadshows. Aimed at helping residents foster a sense of belonging to their new neighbourhood, the tours brought residents around their new town, and familiarised them with the amenities in the vicinity of their new homes.



MyNiceHome roadshows are held to help residents foster a sense of belonging to their new neighbourhood



Town and community plazas provide opportunities for residents to bond over community activities

# SERVING OUR CUSTOMERS

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## Customers First

HDB's focus on delivering better and more convenient customer service was evident in the numerous new initiatives that we rolled out during the FY. The new HDB Resale Portal enabled the integration of all eligibility checks and reduced the resale transaction time from 16 to 8 weeks. Leveraging technology and transaction data to review transacted prices, where reasonable, buyers who are using CPF or housing loans to finance their flat purchase can now do away with a valuation on their flat. As of 31 March 2018, 3,843 resale applications have been submitted through the Resale Portal.

Parking.sg, the new mobile parking app, provided motorists with an alternative to paper coupons for payment of short-term parking charges at coupon-based public car parks. In a clear sign that it met the needs of motorists, the app was downloaded 480,000 times, with 4.1 million parking sessions recorded within the first 6 months of its launch.

For every newly completed precinct, HDB provides a Building Service Centre within the precinct to help residents with improvements required in their flats or at the common areas. Starting from July 2017, HDB has implemented a Virtual Building Service Centre, to provide an online alternative where residents can submit their feedback online and book joint inspections.

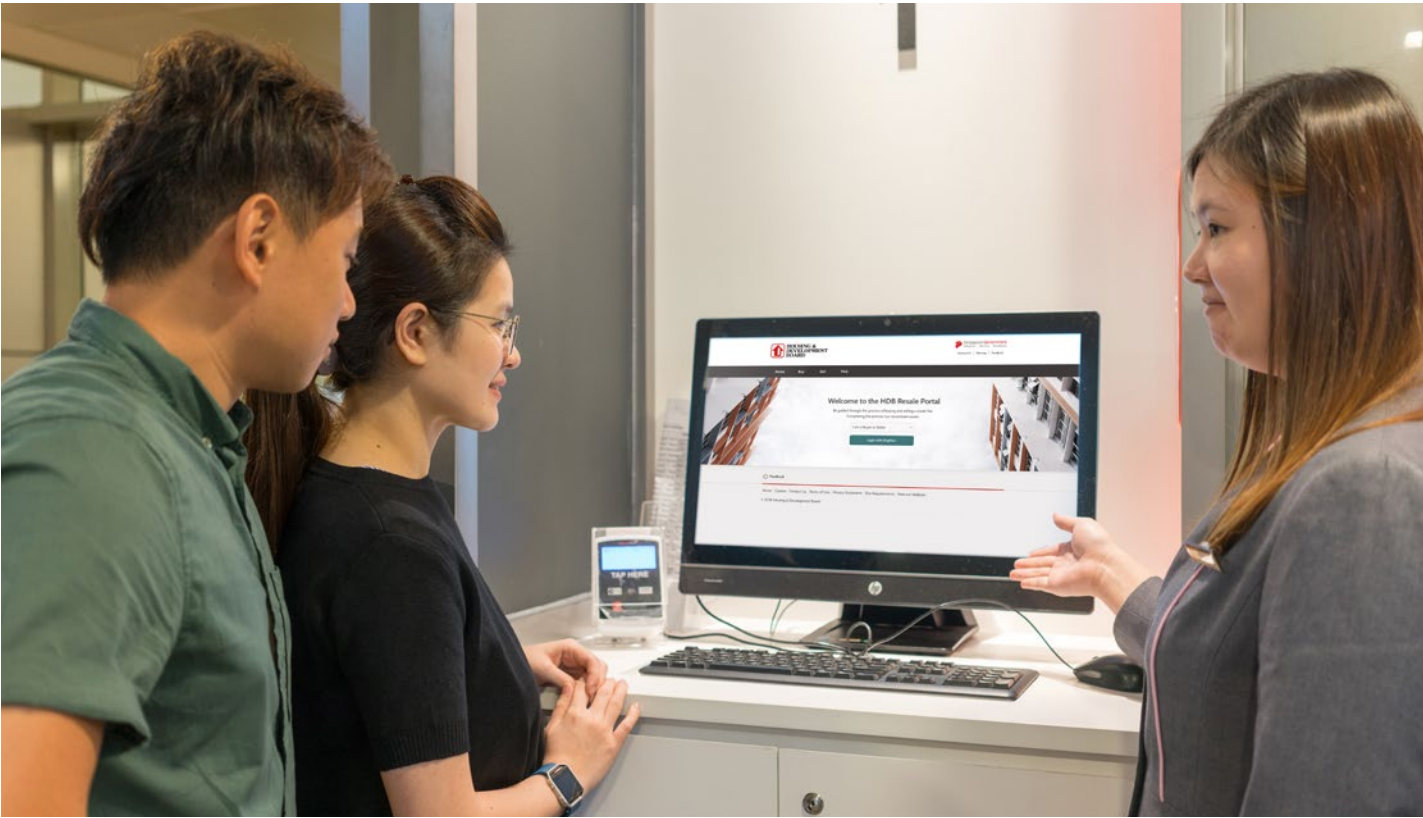
## Customers First

To serve the growing number of flats in Bukit Panjang and Choa Chu Kang, a new Bukit Panjang branch was set up. Featuring an e-lobby that is open around the clock, it enables our customers to transact with HDB any day, any time.

Across all HDB branches, the implementation of Cash Payment Kiosks in the previous FY led to a reduction of counter cash collection volume by 59.3% this FY. This exceeded our target of 50%.



The new Parking.sg mobile application was very well-received by motorists



Resale transactions are now faster and easier with the HDB Resale Portal

## Future-ready Workforce

HDB continued to invest in building the capabilities of our staff, to enable them to meet current and future needs. Staff training and development covered a wide range of skills and expertise, including leadership, service delivery, business analytics and technical capabilities. One of the new initiatives is the development of a competency-based learning roadmap, with a suite of training programmes customised for each building professional to grow their technical capabilities in areas such as engineering, architecture/ landscape architecture, project/ construction management, planning and engineering research.

The HDB Experience Programme was launched to align all staff with HDB's service ethos and equip them with

behavioural competencies to deliver a consistent HDB customer experience, both internally and externally.

To encourage our staff to lead a healthy and active lifestyle, various work health programmes were organised. Our efforts extended into the digital front with the launch of the HDB Health mobile application to help staff track their individual health statistics such as steps taken and calories burnt.

HDB's staff strength decreased slightly from 5,758 in March 2017 to 5,583 in March 2018. The drop is mainly due to the transfer of 156 staff from HDB's Industrial Properties Group to JTC Corporation, following the transfer of the management of industrial properties and land to JTC Corporation.



Punggol Waterway Ridges bagged the International Federation of Landscape Architecture Award for outstanding landscape design

## Accolades

HDB gained local and international recognition for its firm commitment to excellence. Some notable ones included the American Environmental Sustainability Honour Award for HDB's development of a floating wetlands system at MyWaterway @ Punggol, and the prestigious International Federation of Landscape Architecture Awards for Punggol Waterway Ridges and SkyVille @ Dawson.

HDB's Prefabricated Prefinished Volumetric Construction (PPVC) system won the Singapore Concrete Institute (SCI) Excellence Award (Innovators Category) for its game-changing technology that improves construction productivity.

Recognised for its well-executed innovative master plan in developing liveable communities, the Bidadari

Master Planning & Urban Design received the Best Planning Project (Silver Award) given out by the Singapore Institute of Planners.

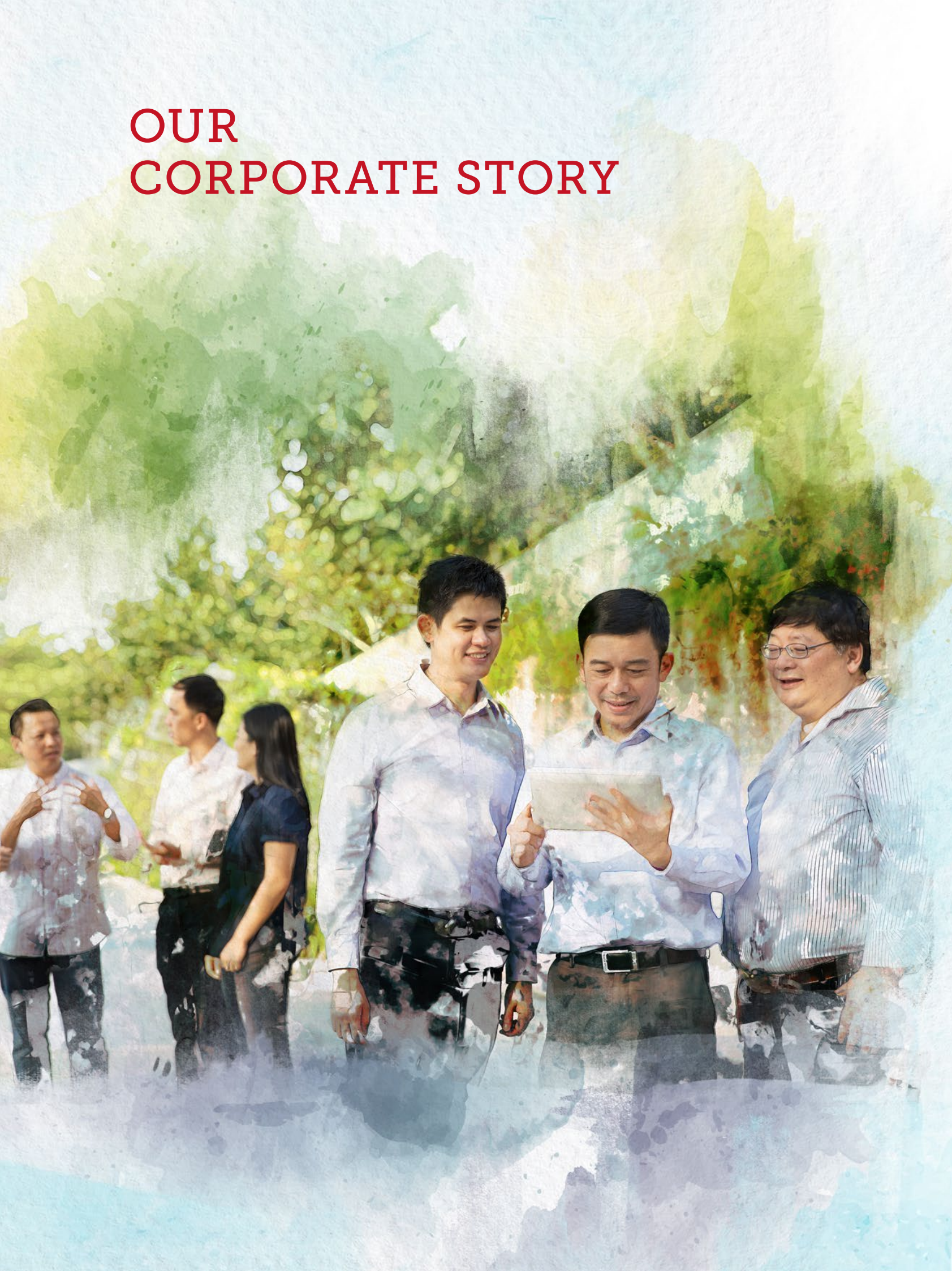
For realising the 'Automated Convenience Store' concept at various void decks, HDB was conferred the Public Sector Pro-Enterprise Initiative Silver Award at the Pro-Enterprise Panel-Singapore Business Federation Awards 2017.

At the ministry level, HDB received the MND Minister's Award (Team) for Kampung Admiralty, SolarNova Programme, the privatisation of HUDC estates, and the introduction of the 2-room Flexi Scheme, programmes which contributed to the transforming Singapore into 'An Endearing Home, A Distinctive Global City'.



The floating wetlands system at MyWaterway @ Punggol won the American Environmental Sustainability Honour Award for creating quality living environments with innovative engineering solutions

# OUR CORPORATE STORY



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## Vision

An outstanding organisation with people committed to fulfilling aspirations for homes and communities all are proud of.

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## Mission

We provide affordable homes of quality and value.  
We create vibrant and sustainable towns.  
We promote the building of active and cohesive communities.  
We inspire and enable each other to give of our best.

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## Shared Values

### **Integrity**

We perform our duties with honesty, fairness and courage, so as to uphold the public's trust in us.

### **Learning**

We practise life-long learning, share our knowledge, and constantly seek ways to do our work better.

### **Teamwork**

We share and respect different views, and build on each other's strengths to achieve our vision and goals.

### **Excellence**

We take pride in what we do, and deliver quality work for our organisation and customers.

### **Care**

We care for our colleagues, the community and the environment.

## Members of the Board

### Chairman

Mr Bobby Chin Yoke Choong

### Board Members

Mr Matthias Yao Chih

Dr Cheong Koon Hean

Mr Ong Chong Tee

Mr Tham Sai Choy

Mr Mohd Sa'at bin Abdul Rahman

Professor Heng Chye Kiang

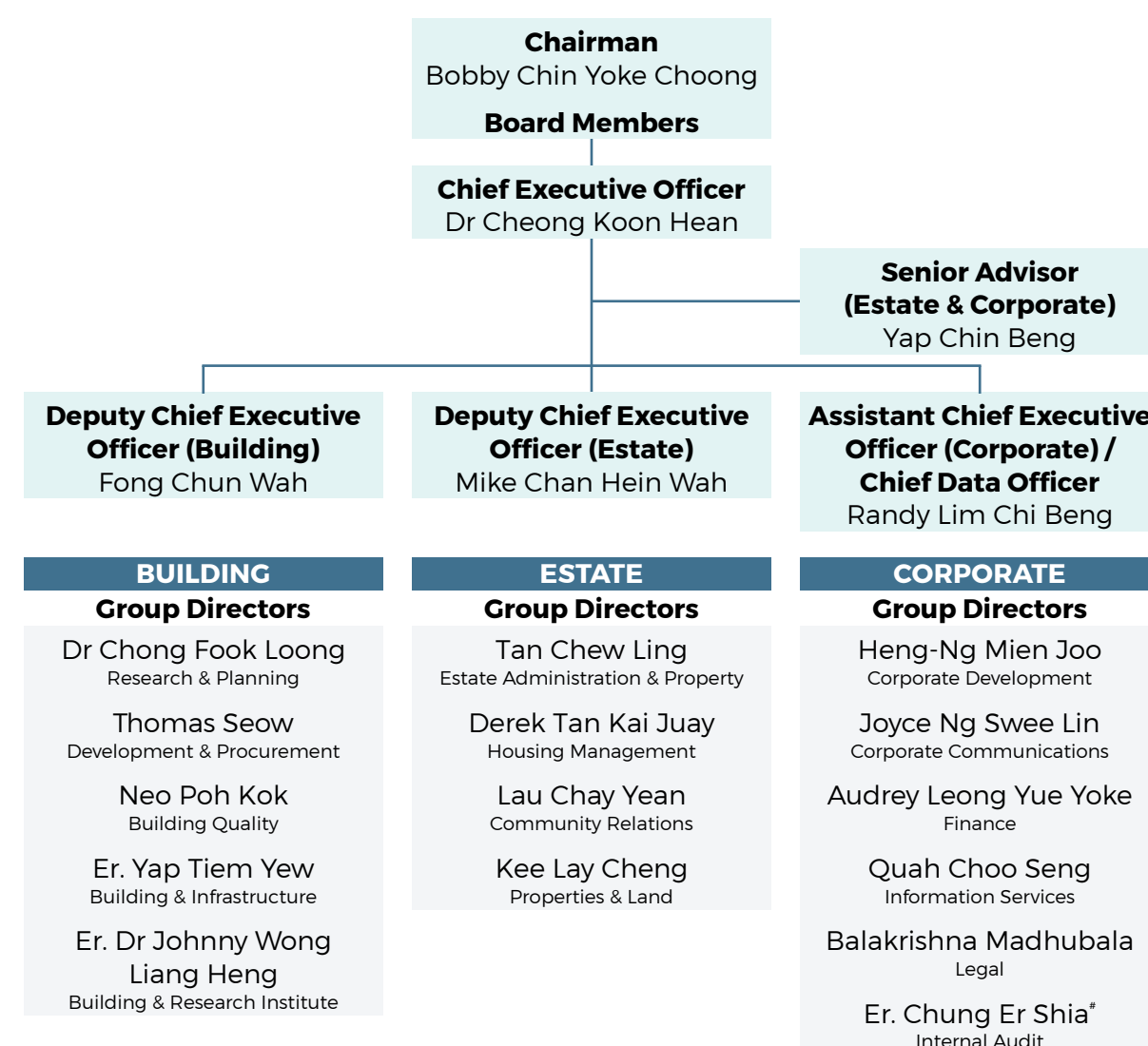
Professor Lily Kong

Dr Sudha Nair

Ms Teoh Zsin Woon

BG Kelvin Khong Boon Leong

## Organisation Chart



\* Group Director (Internal Audit) reports directly to the Audit & Risk Committee and administratively to Assistant Chief Executive Officer (Corporate).

## Staff Strength

| CATEGORIES OF STAFF           | BUILDING       | ESTATE       | CORPORATE    | TOTAL        |
|-------------------------------|----------------|--------------|--------------|--------------|
| Manager                       | 636.5          | 1,276.5      | 408          | 2,321        |
| Management Support            | 101            | 1,490        | 296          | 1,887        |
| IT Support                    | 7              | 17           | 49           | 73           |
| Technical Support             | 438            | 817.5        | 9.5          | 1,265        |
| Office Administration Support | 1              | 23           | 13           | 37           |
| <b>Total</b>                  | <b>1,183.5</b> | <b>3,624</b> | <b>775.5</b> | <b>5,583</b> |

## Awards

### Landscape Architecture and Environmental Sustainability

#### International

2017 Australian Institute of Architects International Chapter Award for Residential Architecture - Multiple Housing

→ SkyVille @ Dawson

American Environmental Sustainability Honour Award 2017

→ A Biophilic MyWaterway @ Punggol  
- Innovative Floating Wetlands and Freshwater-Tolerant Mangroves

Energy Globe Award 2017

→ Floating Wetlands and Freshwater-Tolerant Mangroves

Green Good Design Award 2017

→ SkyVille @ Dawson

IFLA Asia-Pac Landscape Architecture Awards 2017 (Excellence under Residential Category)

→ Punggol Waterway Ridges

IFLA Asia-Pac Landscape Architecture Awards 2017 (Honourable Mention under Residential Category)

→ SkyVille @ Dawson

#### Local

Energy Efficiency National Partnership (EENP) Awards 2017 - Best Efficiency Practices for Public Sector Agencies (Large Building Category)

→ Joo Chiat Complex

Landscape Excellence Assessment Framework (L.E.A.F.) Certification 2017 (Outstanding Award under New Development Category)

→ SkyParc @ Dawson

Minister's Award (Team) 2017

→ Kampung Admiralty  
→ Privatisation of HUDC Estates  
→ SolarNova Programme  
→ 2-Room Flexi Scheme (nominated by MND)

Minister's R&D Award 2017 (Merit)

→ Complex System Modelling Tool for HDB Towns

## Awards

### Minister for National Development's R&D Award 2017

#### (Special Mention)

- A Biophilic MyWaterway @ Punggol
  - Innovative Floating Wetlands and Freshwater-Tolerant Mangroves

### OpenGov Recognition of Excellence (RoE) Award 2017 - Smart Home Solutions at Yuhua Estate

### Outstanding Fire Safety Design Excellence Award 2017

- Kampung Admiralty

### Singapore Environment Council (SEC) - Senoko Energy Green Innovation Award

- Floating Wetlands System

### Singapore Good Design Mark Awards 2017 (Special Mention)

- Waterway Terraces I & II

### Singapore Institute of Planners (SIP) Silver Award 2017 under Best Planning Project Category

- Bidadari Master Planning & Urban Design

### Singapore Landscape Architecture (SLAA) Outstanding Award of Excellence under Public Housing Category

- Punggol Waterway Ridges

### Singapore Landscape Architecture (SLAA) Gold Award under Public Housing Category

- Waterway Terraces I & II

### Singapore Landscape Architecture (SLAA) Silver Award under Parks & Public Spaces Category

- Yishun Nature Park

### Skyrise Greenery Awards 2017 (Outstanding Award)

- Kampung Admiralty

### Skyrise Greenery Awards 2017 (Excellence Award under Community Facility Category)

- Kampung Admiralty

### Skyrise Greenery Awards 2017 (Special Award under Public Infrastructure Category)

- Bukit Batok West Shopping Centre

### Tan Kah Kee Young Inventors Merit Award 2017 (Open Category)

- A Biophilic MyWaterway @ Punggol
  - Innovative Floating Wetlands and Freshwater-Tolerant Mangroves

## Construction Excellence and Productivity

### Local

### BCA Construction Excellence Award 2017 (Residential Buildings - Below \$1,800/ m<sup>2</sup> Category)

- Hougang Capeview (Hougang N4 C18)
- Waterway Woodcress (Punggol East C38)
- Yishun Greenwalk (Yishun N3 C23)

### BCA Construction Excellence Certificate of Merit Award 2017 (Residential Buildings - Below \$1,800/m<sup>2</sup> Category)

- Rivervale Delta (Sengkang N1 C29)
- TreeTrail @ Woodlands (Woodlands N8 C21)

### BCA Construction Productivity Awards 2017 (Platinum under Residential Non-Landed Buildings [for projects with GFA ≥25,000 m<sup>2</sup>] Category)

- Rivervale Delta (Sengkang N1 C29)

### BCA Construction Productivity Awards 2017 (Gold under Residential Non-Landed Buildings [for projects with GFA ≥25,000 m<sup>2</sup>] Category)

- Fernvale Lea (Sengkang N4 C24 & C25)

### BCA Green Mark (Gold Plus) for New Residential Buildings

- Choa Chu Kang N8 C2
- Matilda Court
- Matilda Edge
- Matilda Portico
- Punggol Bayview
- Punggol Vue
- Tampines GreenRidges
- Toa Payoh Apex
- Waterway Sunray
- Waterway View

### BCA Green Mark (Gold) for New Residential Buildings

- Buangkok ParcVista
- EastLink I @ Canberra
- EastLink II @ Canberra
- HDB Jurong West N9 C18
- Park Grove @ Yishun
- West Valley @ Bukit Batok
- Woodlands Glen

### BCA Green Mark (Platinum) for New Non-Residential Buildings

- Canberra Plaza
- Oasis Terraces

### BCA Green Mark (Gold) for Existing Residential Buildings

- Blocks 195A-E, 194(MSCP) Punggol Road
- Blocks 601A-D, 602(MSCP), 602A-C, 603(MSCP), 603A-C, 604A-C Punggol Central/ Punggol Road
- Blocks 612A-D, 612(MSCP), 613A-D Punggol Drive
- Blocks 614A-B, 614(MSCP), 615A-C Edgefield Plains
- Blocks 632A-C, 633(MSCP), 633A-B, 635A-C, 636A-B Punggol Drive

### BCA Green Mark (Platinum) for Existing Non-Residential Buildings

- Joo Chiat Complex

### BCA Green Mark (GoldPlus) for Existing Non-Residential Buildings

- Choa Chu Kang Centre

### BCA Green Mark (Certified) for Existing Non-Residential Buildings

- EASTLink
- EASTech

### BCA Universal Design Award for the Built Environment 2017 (Gold Plus under Residential (New) Category)

- Golden Mint
- Hougang Parkedge
- Kallang Trivista
- Keat Hong Crest

### Singapore Concrete Institute (SCI) Excellence Awards 2017 (Innovators Category)

- Prefabricated Prefinished Volumetric Construction (PPVC) System

## Awards

### Service Delivery, Stakeholder Partnerships, Organisational Development

#### International

#### CCAS Contact Centre Awards 2017 (Best In-House Contact Centre [between 20-100 seats] Category) (Silver)

- EAPG's Call Centre (Customer Services Centre)

#### Local

#### 13<sup>th</sup> Public Health Awards – 'Clean, Dry & Sparkling Public Toilets' Award (Shopping Malls Division)

- Sunshine Place

#### Municipal Services Awards (MSA) 2017

- Common Frontline Pilot
- Construction of staircase at Ulu Pandan Park Connector
- Development of Kembangan Chai Chee social team to provide social assistance

#### Municipal Services Awards (MSA) 2017 (Certificates of Commendation)

- Assistance to socially isolated elderly woman
- Collaboration on R&R works at Geylang Serai Market to reduce municipal issues
- Management of hoarding case at Bedok South
- Management of hoarding case at Woodgrove

#### Municipal Services Awards (MSA) 2017 (Tier 1 Appreciation)

- Conversion of existing staircase at Margaret Drive to barrier free access (BFA) ramp
- Efforts to resolve fire incident at Jurong West
- Management of flooding at Ghim Moh Carpark
- Management of gap in drop inlet chamber (DIC)
- Repair of damaged sewage pipe and ponding at HDB flat at West Coast
- Resolution of bird feeding issue through inter-agency collaboration

#### Ong Teng Cheong Labour Leadership Institute Workplace Partnership Award (Platinum)

#### Public Sector Pro-Enterprise Initiatives Silver Award for the period March 2017 – August 2017

- Automated Convenience Store

#### Public Service Awards (ExPSA) 2017 Best Practice Award (Inter-Agency Collaboration)

- Kampung Admiralty

#### SCDF's Strategic Partner Award 2017

#### Singapore HEALTH (Helping Employees Achieve Life-time Health) (Achievement) Award 2017

#### Singapore Infocomm Technology Federation (SiTF) (Bronze) Award under Best Innovative Use of Incocomm Technology - Public Sector category)

- Transformation of the Resale Journey

## Corporate Governance

### Board Members

The HDB Board derives its strength from its depth and diversity of expertise, providing the necessary guidance to HDB to navigate towards its mission. The Board Members are respected individuals in their fields with extensive public and corporate sector experience. All Board Members are non-executive members, except for the Chief Executive Officer.

### Internal Control Framework

HDB's internal control system ensures that assets are safeguarded, proper accounting records are maintained, and financial information is reliable. The overall control framework includes clearly defined authority, delegation limits, reporting mechanisms, appropriate terms of reference for management of core policy areas, comprehensive policies/ procedures relating to operations and financial controls, and an annual budgeting and monthly financial reporting system for all operating units.

### Audit & Risk Committee

The Audit & Risk Committee assists the Board in maintaining a high standard of corporate governance, particularly in the areas of financial reporting, risk governance and the internal control systems of HDB. Consisting of members from the HDB Board, the Audit & Risk Committee considers any matter which, in its opinion, should be brought to the Board's attention and has explicit authority to independently investigate any matter within its terms of reference.

### Fraud and Wrongful Practices Reporting Channel

HDB has a Fraud and Wrongful Practices Reporting Channel to reinforce HDB's commitment to a culture of integrity and transparency within the organisation. The channel is a confidential avenue for HDB staff to report suspected fraudulent incidents and wrongful practices directly to the Chairman of the Audit & Risk Committee of the Board, who would oversee incidents reported and investigated.

### Internal Audit Function

HDB's Internal Audit Group advises all levels of management on the quality of HDB and its Subsidiary's operations with particular emphasis on systems of internal control. Reporting directly to the Audit & Risk Committee, it conducts risk-based audits and addresses its findings and recommendations to the appropriate level of management who are able to take the necessary action. It adheres to the Standards and Guidance of The Institute of Internal Auditors.

### Annual Audit

The audit findings by the External Auditor in the course of the annual financial audit are reported to the Audit & Risk Committee, the Board, and the Ministry of National Development (MND). The annual financial statements are endorsed by the Audit & Risk Committee for the Board's approval.

## Corporate Governance

### Business and Ethical Conduct

HDB staff are obliged to comply with practices that reflect the highest standards of behaviour and professionalism. These include safeguarding official information under the Official Secrets Act (Cap 213), and abiding by the HDB Code of Conduct, and Conduct and Discipline Rules.

### Block Leave Policy

To complement HDB's existing risk management practices and align our internal control measures with industry practice, HDB staff who perform job functions that are prone to fraud are subject to Mandatory Block Leave (MBL) of 5 consecutive working days per calendar year.

### Dissemination of Public Information

HDB's audited annual financial statements are available at the HDB InfoWEB and the Singapore Exchange (SGX) website. The HDB InfoWEB also contains corporate information such as Annual Reports, latest developments, and press releases.

## Environmental Policy

HDB, the leading property developer and owner in Singapore, is committed to be the leader in environmental management. In line with our shared value to care for the environment, we shall

**COMPLY** with all applicable environmental laws, regulations and other relevant requirements

**COMMIT** to prevent pollution by

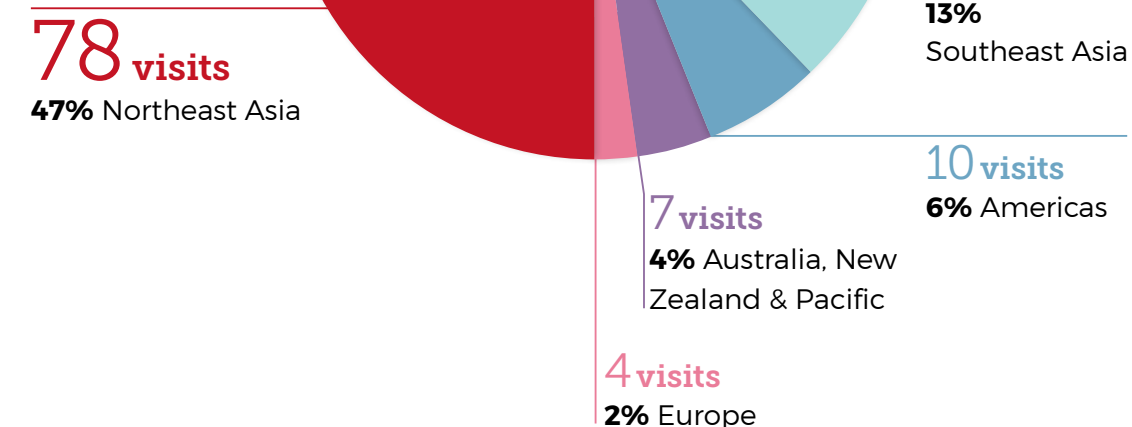
- Promoting conservation of energy and efficient use of resources in policy formulation, planning, development, management and maintenance of public housing and commercial buildings
- Considering environmental requirements in land use and procurement of goods and services and
- Reducing, re-using and recycling materials and wastes

**CONTINUALLY** improve our environmental performance by setting and reviewing environmental objectives and targets

**COMMUNICATE** with and educate all persons working for or on behalf of HDB, business partners, customers and the public to achieve our environmental goals.

## Visitors

HDB has the honour of hosting distinguished visitors from various countries and territories who are interested to learn more about Singapore's successful public housing programme. From April 2017 to March 2018, HDB welcomed 3,218 visitors over 167 visits.



## Agency Projects

### Major Infrastructure Works

A total of \$170 million was spent in FY 2017/ 2018 on major infrastructure works for public housing development programme. 79 Infrastructure and road-related facilities projects in 18 towns were implemented on time to serve the BTO developments. The major areas of works are in the towns of Tampines North, Punggol North and Bidadari.

### Land Reclamation Projects

HDB is the agent to MND to carry out land reclamation works. Ongoing land reclamation projects include the \$1.03 billion contract for the Construction & Management of Staging Grounds & Infilling Works (Phase 1) and \$602 million contract for the Construction & Management of Staging Grounds & Infilling Works (Phase 2), which are scheduled to be completed by April 2019 and July 2023 respectively.

## Agency Projects

In FY 2017/ 2018, HDB awarded the \$101 million contract for the Construction for Land Reclamation at Changi East, which commenced on 6 July 2017 and is expected to be completed in July 2019. HDB also awarded the contract for the Construction of Polder at Areas A & C of Pulau Tekong on 29 March 2018 at a tender sum of \$1.23 billion.

The Environmental Monitoring & Management Plan (EMMP) contracts supporting these land reclamation projects to monitor and ensure that the construction works will not cause any adverse impacts to the environment are also ongoing.

### National Stockpile Release Agent

The Ministry of National Development (MND) appointed HDB as the agent for the release of the national stockpiles in 2016.

Since then, HDB has worked with MND and BCA to design the Aggregate Stockpile Release Application (ASRA) which was implemented in January 2017. This inter-agency project will strengthen our national resilience against future supply disruption, improve productivity by automating some work processes, and improve overall experience through a consistent service delivery framework.

### Solar Capacity

The solar capability building programme for public housing involves a wide-scale solar photovoltaic (PV) test-bedding in new and existing

precincts. The test-bed will enable HDB to achieve various developmental objectives. These include conducting study on the performance of solar PV system based on different block configurations, geographical settings and technologies in a tropical setting; gathering and learning from its design and development; helping the industry build technical expertise and capability; and developing more cost-effective solar PV systems.

As the largest stakeholder in the installation of the solar PV system in Singapore, HDB has progressively rolled out the test-bedding in both new and existing HDB precincts. To date, HDB has committed a total of \$21 million on about 190 MWp of Solar PV systems for some 3,300 public housing blocks across Singapore. Of these, more than 1,000 HDB blocks have been installed with solar PV systems so far.

### Solar Leasing Model and the SolarNova programme

The solar leasing model is an enhancement of HDB's solar capability building programme, and a continuation of HDB's ongoing efforts to test-bed solar energy to promote sustainable development.

The solar leasing model involves leasing solar PV systems from private solar system developers who will design, finance, install, operate and maintain the solar PV systems. The solar PV developers will recover their cost from the solar energy sold and consumed by the Town Councils, at a preferential rate that is not higher than the retail

electricity tariff rate. The solar leasing model has also been expanded to include implementation in projects such as HDB Greenprint @ Yuhua and HDB Greenprint @ Teck Ghee.

The SolarNova programme was launched in 2014 to encourage government agencies to come together to harness solar energy to power their activities and to spur the growth of the solar industry in Singapore. The SolarNova programme aims to implement 350 MWp of solar PV capacity across Singapore by 2020.

Taking the lead in the SolarNova programme, HDB aggregates solar PV demand from across the Whole-Of-Government, and allows government agencies with solar PV demand to ride on its solar leasing tenders, thus achieving greater economies of scale and better discount rates of the prevailing tariff for solar energy purchased.

In 2015, HDB awarded the first SolarNova tender, which saw a solar PV capacity of 76 MWp spanning across 831 HDB blocks and 8 government agency sites. The SolarNova Phase 2 was awarded in June 2017 and has a tender capacity of 40 MWp across 636 HDB blocks and 31 government agency sites.

The SolarNova Phase 3 tender, comprising 848 HDB blocks and 27 government agency sites, was awarded in June 2018 for a solar capacity of 50 MWp. A key distinction in this latest tender is the greater

emphasis placed on Quality over Price, to encourage tenderers to deliver high-quality solar PV installations.

### Subsidiary and Associated Companies

EM Services was formed in 1988 to offer estate management, engineering, contracts administration and project management services to Town Councils. HDB holds a 75% stake in the subsidiary, while Keppel Land Ltd holds the remaining 25% stake.

During the year, EM Services maintained its position as the largest managing agent for public housing in Singapore. It managed about 600,000 units of residential and commercial properties on behalf of Town Councils. The company provided essential maintenance and lift maintenance services to Town Councils, property management services to both private and Government agencies, and also housing agency services. In addition, it installed and upgraded lifts in various HDB housing estates under the Lift Upgrading Programme.

The total revenue and management fees of the company for FY 2017/ 2018 was \$156 million.

# FINANCIAL HIGHLIGHTS

## Financial Highlights of HDB

\$ million

|                                           | 2017/<br>2018  | 2016/<br>2017  | INCREASE/<br>(DECREASE) | 2015/<br>2016  | 2014/<br>2015  |
|-------------------------------------------|----------------|----------------|-------------------------|----------------|----------------|
| <b>OVERALL INCOME AND EXPENDITURE</b>     |                |                |                         |                |                |
| Total income                              | 2,625          | 2,852          | (227)                   | 2,250          | 1,570          |
| Less: Net operating expenditure           | (4,342)        | (4,041)        | (301)                   | (3,889)        | (3,588)        |
| Deficit                                   | (1,717)        | (1,189)        | (528)                   | (1,639)        | (2,018)        |
| Capital expenditure                       | 7,978          | 8,890          | (912)                   | 10,479         | 10,420         |
| <b>RESULTS BY SEGMENT</b>                 |                |                |                         |                |                |
| Deficit from:                             |                |                |                         |                |                |
| Home ownership                            | (1,383)        | (861)          | (522)                   | (1,179)        | (1,753)        |
| Upgrading                                 | (639)          | (482)          | (157)                   | (575)          | (574)          |
| Residential ancillary functions           | (338)          | (428)          | 90                      | (404)          | (281)          |
| Rental flats                              | (92)           | (79)           | (13)                    | (70)           | (67)           |
| Mortgage financing                        | (23)           | (26)           | 3                       | (33)           | (31)           |
| Elimination of inter-segment transactions | 9              | 9              | -                       | 9              | 9              |
| <b>Housing total deficit</b>              | <b>(2,466)</b> | <b>(1,867)</b> | <b>(599)</b>            | <b>(2,252)</b> | <b>(2,697)</b> |
| Surplus from:                             |                |                |                         |                |                |
| Other rental and related businesses       | 753            | 641            | 112                     | 597            | 679            |
| Agency and others                         | 5              | 46             | (41)                    | 25             | 9              |
| Elimination of inter-segment transactions | (9)            | (9)            | -                       | (9)            | (9)            |
| <b>Other Activities total surplus</b>     | <b>749</b>     | <b>678</b>     | <b>71</b>               | <b>613</b>     | <b>679</b>     |
| <b>Overall Deficit</b>                    | <b>(1,717)</b> | <b>(1,189)</b> | <b>(528)</b>            | <b>(1,639)</b> | <b>(2,018)</b> |

## Financial Highlights of HDB

\$ million

|                                                          | 2017/<br>2018 | 2016/<br>2017 | INCREASE/<br>(DECREASE) | 2015/<br>2016 | 2014/<br>2015 |
|----------------------------------------------------------|---------------|---------------|-------------------------|---------------|---------------|
| <b>FINANCIAL POSITION</b>                                |               |               |                         |               |               |
| Property, plant and equipment, and investment properties | 24,517        | 23,744        | 773                     | 26,370        | 24,583        |
| Loans receivable                                         | 40,727        | 39,617        | 1,110                   | 38,266        | 37,425        |
| Properties under development and for sale                | 15,587        | 18,023        | (2,436)                 | 19,070        | 18,279        |
| Other assets                                             | 4,085         | 9,137         | (5,052)                 | 5,916         | 5,369         |
| Total assets                                             | 84,916        | 90,521        | (5,605)                 | 89,622        | 85,656        |
| Less:                                                    |               |               |                         |               |               |
| Loans payable                                            | 64,761        | 70,502        | (5,741)                 | 69,530        | 65,989        |
| Other liabilities                                        | 4,961         | 4,964         | (3)                     | 5,011         | 4,566         |
| Total net assets                                         | 15,194        | 15,055        | 139                     | 15,081        | 15,101        |
| Capital and reserves                                     | 15,194        | 15,055        | 139                     | 15,081        | 15,101        |
| <b>FINANCING OF PUBLIC HOUSING</b>                       |               |               |                         |               |               |
| Government grant to HDB                                  | 2,006         | 1,194         | 812                     | 1,636         | 2,171         |
| Government loans drawn during the year                   |               |               |                         |               |               |
| - mortgage financing                                     | 5,353         | 5,826         | (473)                   | 5,498         | 4,931         |
| - upgrading financing                                    | 4             | 9             | (5)                     | 1             | 4             |
| - housing development                                    | -             | -             | -                       | 2,500         | -             |
| Outstanding loans payable                                |               |               |                         |               |               |
| Government loans                                         |               |               |                         |               |               |
| - mortgage financing                                     | 40,583        | 39,532        | 1,051                   | 38,213        | 37,366        |
| - upgrading financing                                    | 39            | 47            | (8)                     | 45            | 56            |
| - housing development                                    | 182           | 4,557         | (4,375)                 | 5,424         | 3,481         |
| Bonds                                                    | 22,343        | 22,776        | (433)                   | 20,077        | 20,486        |
| Bank loans                                               | 1,353         | 3,337         | (1,984)                 | 5,480         | 4,384         |
| Mortgage loans granted to flat buyers                    | 6,234         | 5,974         | 260                     | 5,334         | 5,318         |

# FINANCIAL REVIEW

## Financial Results

HDB provides Singaporeans with affordable homes and a quality living environment, through its role as the master planner and developer of Singapore's public housing towns.

To help Singaporeans become home owners, the Government subsidises HDB flats with price discounts for new flats and by offering a variety of housing grants. HDB also offers housing loans at concessionary interest rates to help eligible Singaporeans own homes. For needy Singaporeans, HDB provides heavily subsidised rental flats.

To ensure that HDB towns continue to be renewed and cater to the changing needs of residents, HDB rejuvenates its towns and flats through programmes such as the Remaking Our Heartland (ROH) Programme, Home Improvement Programme (HIP), Neighbourhood Renewal Programme (NRP), and Lift Upgrading Programme (LUP). In addition, HDB is involved in relevant commercial and industrial property development and management to provide a range of amenities and employment opportunities in HDB towns.

To reflect the full spectrum of HDB's operations, the financial results are presented under 'Housing' and 'Other Activities' in the audited financial statements. 'Housing' consolidates the results of housing programmes

implemented. These comprise the Home ownership, Upgrading, Residential ancillary functions, Rental flats, and Mortgage financing segments. 'Other Activities' comprise the Other Rental and Related Businesses segment, and Agency and Others segments which are commercial in nature.

In Financial Year (FY) 2017/ 2018, HDB incurred a net deficit of \$1,717 million, before the government grant, as compared with \$1,189 million in FY 2016/ 2017. The net deficit comprised the deficit from the 'Housing' activities of \$2,466 million, offset by the surplus from the 'Other Activities' of \$749 million in FY 2017/ 2018.

HDB received a grant of \$2,006 million in FY 2017/ 2018 from the Government to finance its deficit, and to protect the reserves of the past governments in accordance with the Constitution of the Republic of Singapore. The retained earnings of HDB as at 31 March 2018 remained at zero after the transfers to the capital gains reserve to protect past reserves.

## Housing Results

The Home ownership segment covers the development and sale of flats to eligible buyers under the various home ownership schemes for public housing. The Home ownership segment reported a deficit of \$1,383 million in FY 2017/ 2018 as compared with \$861 million in FY 2016/ 2017.

HDB recorded a gross loss of \$1,968 million for the sales completed (i.e. keys issued to buyers) in FY 2017/ 2018. The number of sales completed in FY 2017/ 2018 was 26,857 units, which was 5,407 units more than FY 2016/ 2017.

The provision for foreseeable loss of \$1,932 million that was made in the previous years was released on completion of the sale of flats in FY 2017/ 2018. On the other hand, \$892 million of additional foreseeable loss mainly for new building contracts awarded was provided. As a result, there was a net decrease of \$1,040 million in the provision for foreseeable loss.

HDB also disbursed \$466 million of CPF housing grants to eligible buyers of resale flats and Executive Condominiums (ECs) in FY 2017/ 2018.

The Upgrading segment reported a deficit of \$639 million in FY 2017/ 2018. The programmes are the Home Improvement Programme, Neighbourhood Renewal Programme,

and Lift Upgrading Programme for housing estates. The increase in deficit was due to more flats undergoing upgrading in FY 2017/ 2018.

The Residential ancillary functions segment includes lease administration, provision and management of ancillary facilities such as car parks in housing estates, and planning and building administration. It reported a deficit of \$338 million in FY 2017/ 2018.

The Rental flats segment recorded a higher deficit of \$92 million in FY 2017/ 2018.

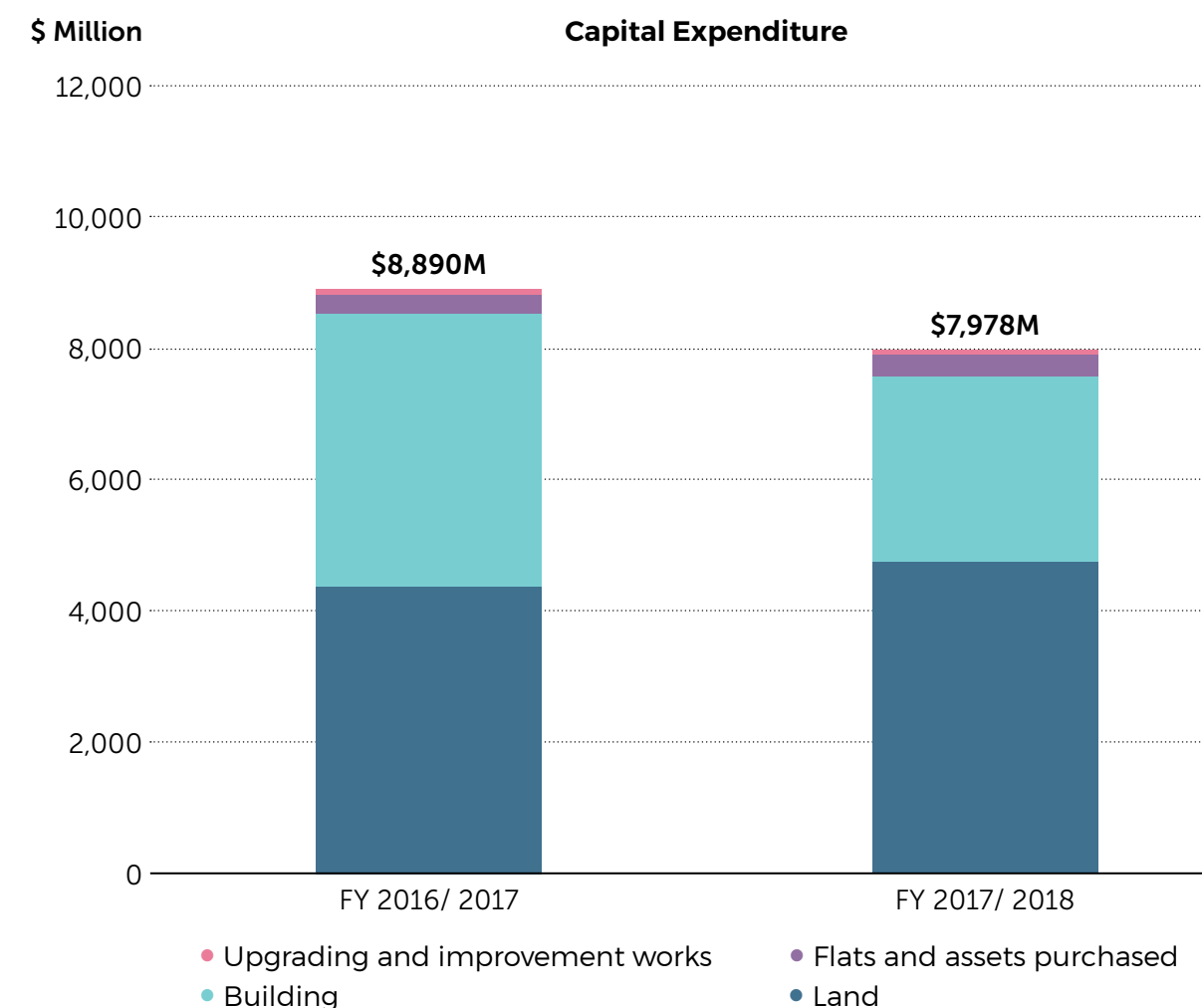
The Mortgage financing segment reported a deficit of \$23 million in FY 2017/ 2018.

## Results of Other Activities

The segment on other rental and related businesses focuses on the provision, tenancy, and management of commercial and industrial properties and land. It reported a higher surplus of \$753 million in FY 2017/ 2018. The industrial properties and land were transferred to JTC Corporation on 1 January 2018.

## Capital Expenditure

Capital expenditure for the year was \$7,978 million. A large proportion of the year's capital expenditure was incurred for purchases of land and construction of public housing.



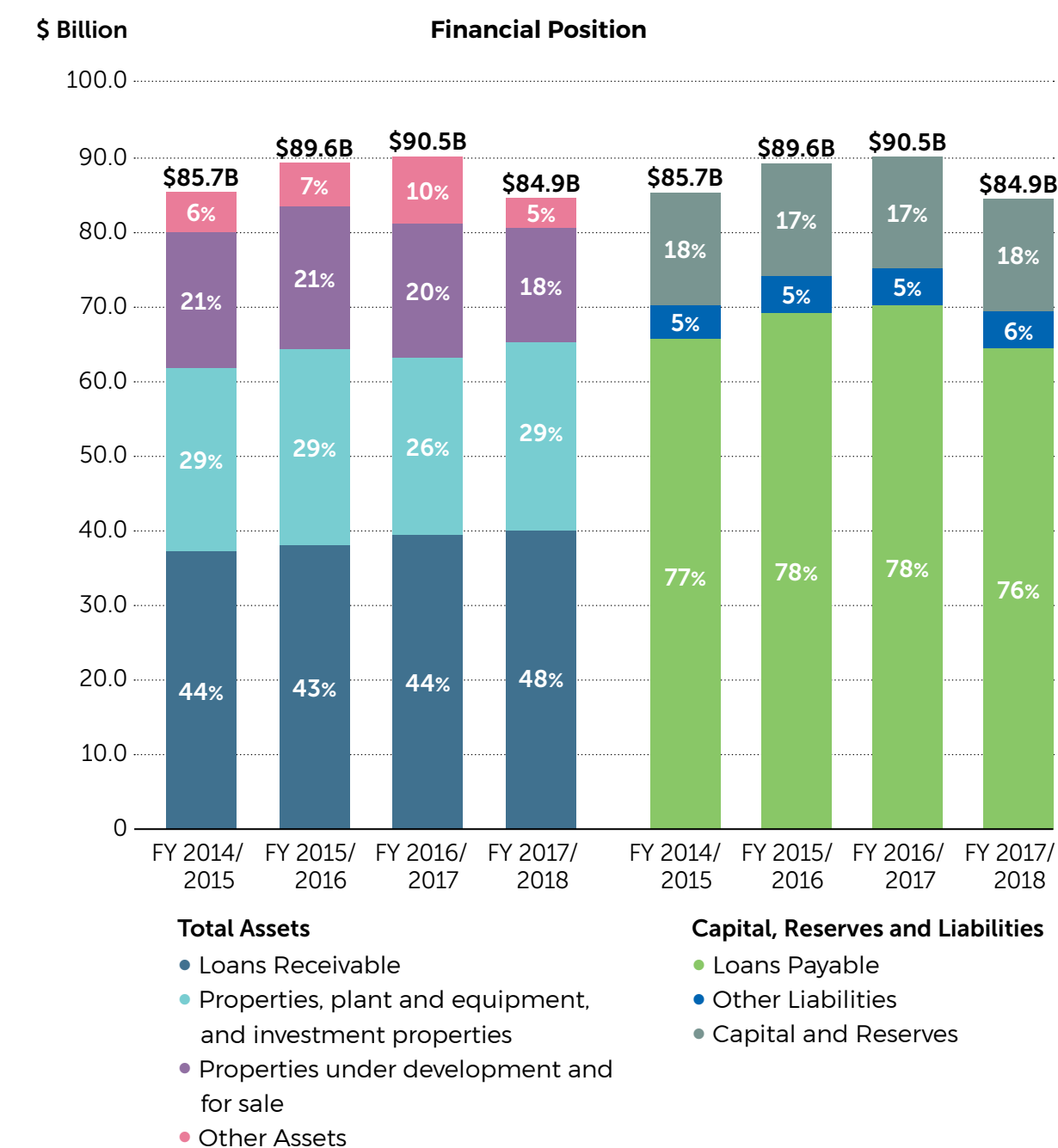
| Breakdown                       | FY 2017/ 2018 |            | FY 2016/ 2017 |            | Change over FY 2016/ 2017 |             |
|---------------------------------|---------------|------------|---------------|------------|---------------------------|-------------|
|                                 | \$M           | %          | \$M           | %          | \$M                       | %           |
| Land                            | 4,743         | 59         | 4,369         | 49         | 374                       | 9           |
| Buildings                       | 2,834         | 36         | 4,149         | 47         | (1,315)                   | (32)        |
| Flats and assets purchased      | 329           | 4          | 280           | 3          | 49                        | 18          |
| Upgrading and improvement works | 72            | 1          | 92            | 1          | (20)                      | (22)        |
| <b>Capital Expenditure</b>      | <b>7,978</b>  | <b>100</b> | <b>8,890</b>  | <b>100</b> | <b>(912)</b>              | <b>(10)</b> |

## Financial Position

As at 31 March 2018, HDB's total assets amounted to \$84,916 million. Loans receivable were \$40,727 million. Property, plant and equipment, investment properties, and properties under development and for sale were \$40,104 million. These assets accounted for 95% of the total assets.

Capital and reserves stood at \$15,194 million as at 31 March 2018. Reserves comprised capital gains reserve of \$7,361 million and asset revaluation reserve of \$5,369 million.

The loans payable of \$64,761 million comprised mainly loans from the Government and bonds.



## Financing of Public Housing

HDB's annual deficit is fully covered by government grant. In addition, HDB receives a government grant to preserve the capital gains attributable to past governments on disposal of the protected assets, in accordance with the Constitution of the Republic of Singapore. The cumulative government grant to HDB since its establishment in 1960 amounted to \$31,501 million.

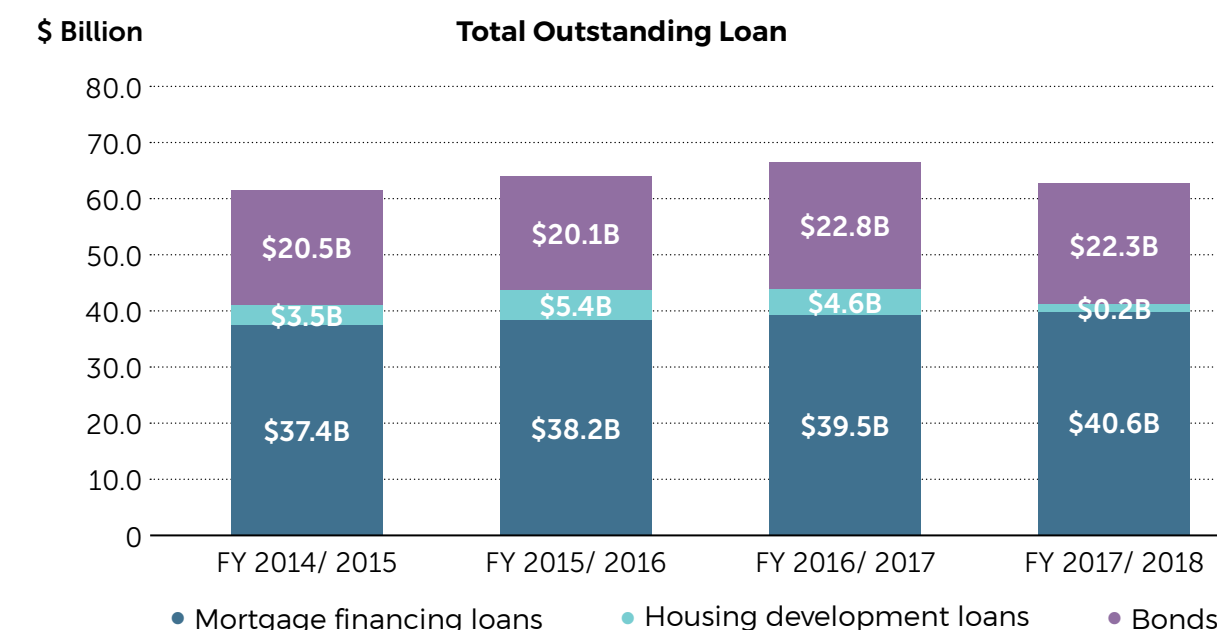
The main loans which finance HDB's operations comprise:

- i) Mortgage financing loans that finance the mortgage loans granted by HDB to purchasers of flats under the public housing schemes. Interest rate and repayment term on loans obtained by HDB from the Government are:

| Financing of mortgage loans granted to purchasers of flats at | Interest rate on loans obtained from the Government          | Repayment term |
|---------------------------------------------------------------|--------------------------------------------------------------|----------------|
| Concessionary interest rate                                   | CPF interest rate                                            | 20 years       |
| Market interest rate                                          | 0.1% point below Adjustable Rate Mortgage Index <sup>1</sup> | Up to 30 years |

<sup>1</sup> The Adjustable Rate Mortgage Index is computed based on the average of the non-promotional HDB housing loan rates of the 3 local banks (i.e. DBS(POSB), OCBC and UOB).

- ii) Housing development loans that finance the development programmes and operations.
- iii) Bonds that finance HDB's development programmes, working capital requirements, and refinancing of existing borrowings. During the year, HDB raised \$3.54 billion and redeemed \$3.98 billion of unsecured Fixed Rate Notes. Total outstanding Notes under the Medium Term Note Programme were \$22.37 billion as at 31 March 2018.



*Fulfilling **Dreams**, Building **Homes**, Creating **Communities***

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