

An aerial photograph of a modern residential development. The image shows several multi-story buildings with white facades and balconies. In the center, there are green-roofed courtyards with various plants, trees, and colorful circular patterns. The surrounding area includes roads, parking lots, and other buildings. The overall scene is a mix of urban architecture and greenery.

SHAPING HOMES OF THE FUTURE

ANNUAL
REPORT
2016 / 2017



HOUSING &
DEVELOPMENT
BOARD

SHAPING HOMES OF THE FUTURE

Smart technologies are helping to shape the HDB experience in ways once undreamt of — by enabling us to create more efficient and sustainable environments for residents, and driving innovative approaches for better customer service. In time to come, their deployment will be more extensive and diverse in shaping the HDB home of the future. But the well-being of our residents will always be at the heart of any promised benefits and potential smart technologies have to offer.



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CHAIRMAN'S STATEMENT



Creating a quality housing environment is an ongoing, evolving mission for HDB. Moving into the future, this mission will take on added urgency, given the rapidity of change around us, especially the impact of technology on almost every aspect of life.

Smart and Sustainable Living

HDB has leveraged digital technology in many of our plans and processes to achieve a more liveable and quality living environment for residents.

Under our 'Smart HDB Town Framework', we launched our first Smart-enabled homes at Punggol Northshore in

2015, followed up by more. New housing districts to be developed, including Punggol Point District, would tap on smart technologies, such as Smart Lighting and the Smart Pneumatic Waste Conveyance System to improve estate services.

Smart living is also being extended to our older estates, first implemented in Yuhua and next, Teck Ghee. At Yuhua, we have enhanced the HDB Greenprint, adding features such as sensor technology to monitor electrical and water consumption, as well as waste management. In the pipeline is the development of a Smart Hub for Yuhua. It will analyse the performance of various services across the neighbourhood, from solar panels

to water and electrical sub-meters, to pinpoint potential maintenance issues for a comfortable living environment for our residents.

This Financial Year (FY), in the master planning of Tengah Town, innovative approaches in harnessing digital intelligence to facilitate more innovative planning, design, and decision-making have shaped outcomes at various levels. From complex modelling tools to computer simulations, digital visualisations have helped determine the best placement and orientation of blocks and flats relative to their ambient surroundings. Our 'Forest Town' will also benefit from a new Smart Urban Habitat Master Plan (SUHMP), first deployed in Punggol, which identifies where technology can be leveraged for better estate maintenance.

Shaping Homes of the Future

Even as we invest towards a smart and digitally-savvy future, our goal will always be to serve the better interests of our residents and heartland community.

While work processes are being streamlined, simplified and digitalised, HDB is mindful of how technological changes can be disruptive. At our customer touch points, we continue to strive for a more relational customer experience, with the introduction of the HDB Experience programme to align all staff with the right service ethos.

And in our plans for Smart Communities, through data analytics and digital technologies, we hope to better understand and aid community bonding, and empower residents in owning and co-creating their shared environments.

Continuing Excellence

In our housing journey, behind every significant transformation has been its people. I would like to

thank the HDB Board members for their continuous support and counsel. Many of our achievements would also not have been possible without the dedication of the Management and Staff.

I would like to mention in particular Mr James Koh Cher Siang who retired as Chairman of HDB on 30 September 2016. Under his watch, HDB lent stability to the housing market through various policies, and implemented one of its largest building programmes to meet the demand for quality and affordable flats. I would like to express my heartfelt appreciation to Mr Koh for his invaluable contributions, and I wish him a well-deserved retirement.

I would also like to commend HDB Chief Executive Officer, Dr Cheong Koon Hean, whose excellent work has earned international recognition for Singapore, and public housing. Dr Cheong was conferred twin honours in the FY: the 2016 Urban Land Institute (ULI) J.C. Nichols Prize for Visionaries in Urban Development, and the 2016 Lynn S. Beedle Lifetime Achievement Award by the Council on Tall Buildings and Urban Habitat (CTBUH).

In fulfilling our mission to build endearing homes, towns, and communities, at the heart is our desire to serve all Singaporeans. In this collective endeavour, I am grateful that I can always count on everyone in HDB.

Mr Bobby Chin Yoke Choong
Chairman

CEO'S WORD

Dr Cheong Koon Hean
Chief Executive Officer



The master plan for our newest town, Tengah, envisioned residents living in a 'Forest Town' like no other. With novel features such as a forest corridor and a car-free town centre and planned with smart technologies, it will be our largest smart and sustainable town. The buzz at the unveiling of this master plan mirrored our excitement in raising the innovative bar for public housing. We will launch the first batch of HDB flats in Tengah from 2018.

Raising the Quality of Living

Even as plans for new developments get progressively realised, our older estates are being revitalised. This Financial Year (FY), 21 projects under the Home Improvement Programme and 8 projects under the Neighbourhood Renewal Programme were announced, while preparations were underway for 3 more towns to be refreshed under HDB's Remaking Our Heartland programme.

Pioneering Technologies

In delivering a better living environment for our residents, we have also embraced opportunities that revolutionary technologies offer. We have pioneered changes in partnership with others and also forged our own marks. Our Smart Urban Habitat Masterplan guiding the comprehensive implementation of smart solutions will see the creation of a Smart Hub to improve estate services and related deliveries.

Leveraging our experience as a leader in precast technology, we have developed our own Prefabricated Bathroom Units and embarked on Prefabricated Prefinished Volumetric Construction as we advance towards volumetric precast technology. Through the use of innovative methods and materials, we increased our overall productivity level to 12.3% in the FY.

Putting the 'Heart' in Hardware

In our public housing journey, our residents' needs remain at the core of all that we strive to do. Building towns where communities can flourish where they live, play and congregate, therefore continues to be a key focus for HDB. We are building town plazas to provide vibrant and vital community spaces in the heartlands. The first of such town plazas launched in Punggol and Bedok saw some 35,200 residents coming together as a community to join in the fun.

In line with our engagement approach of emphasising strong community involvement and ownership, we introduced a \$500,000 'HDB Friendly Faces, Lively Places Fund' that residents can tap on for their ground up community building projects.

Meeting Housing Aspirations

To keep pace with the evolving housing needs and aspirations, HDB offers a comprehensive range of

grants and options, ensuring that there is a home for every stage of life.

This FY, home buyers could choose from the 17,777 Build-To-Order (BTO) flats or 10,178 Sale of Balance (SBF) flats that were launched. First-timer families can also now enjoy up to \$110,000 in housing grants for resale flat purchases, following the enhancement of the CPF Housing Grant. This amount comprises the CPF Housing Grant of up to \$50,000, the Additional CPF Housing Grant of \$40,000, and the \$20,000 Proximity Housing Grant.

For elderly flat owners, they can tap on new measures like the Temporary Loan Scheme and Deferred Downpayment Scheme in their housing considerations. Second-timer rental families with young children can also look forward to another chance to own a home under the Fresh Start Housing Scheme, which opened for applications in December 2016.

Envisioning a Better Future

The digital age is squarely upon us, and as the public housing authority and Singapore's largest developer, how we harness its benefits will impact on the future housing landscape. We are seeing it in the vision and master plans for Punggol, Bidadari, Tampines North and Tengah. As these come to fruition, Singaporeans can look forward to more exciting things to come in their towns and estates.

In forging the way ahead, we will remain mindful of balancing the transformative powers of technology with personalised services – striving to shape a caring, endearing heartland together with the HDB community of residents, even as we remain steadfast in our goal of offering quality, affordable, and sustainable public housing.

YEAR IN REVIEW DELIVERING HOMES

To make owning a home easier, HDB introduced a range of housing options and measures to meet different buyer needs and budgets.



Wide Range of Housing Options

In Financial Year (FY) 2016/ 2017, the housing needs of younger families were met through 4 Build-To-Order (BTO) Sales Exercises, comprising 26 projects with a total of 17,777 flats across towns like Bedok, Clementi, Tampines, Bidadari (Toa Payoh), Bukit Panjang, Punggol and Sembawang. Adding on, 10,178 flats located across 25 towns were offered for sale in the May and November 2016 Sale of Balance Flats (SBF) exercises.

HDB resale flats, in turn, saw an increase of 6% in resale volume, from 19,620 registered applications in FY 2015/ 2016 to 20,894 in the FY, reflective of the market situation.

HDB completed a total of 25,530 new flats, consisting of 21,889 BTO units, 1,106 units under the Selective En bloc Redevelopment Scheme (SERS) and 2,535 rental units. Under construction as of 31 March 2017, were 68,820 BTO and SERS flats, and 6,471 rental flats which would increase the total rental housing stock to around 60,000 units by 2017.

Support for Different Segments of Home Buyers

Enabling more Singaporeans to own a home, new and enhanced measures implemented in the FY benefited different segments of home buyers, from first-timer young couples and second-timer families, to the elderly and singles.



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- 01 Jurong West Blossom, an affordable and well-designed public housing development
- 02 HDB provides various grants and schemes to help Singaporeans buy their first home

- Enhancements to the CPF Housing Grant were implemented with effect from 20 February 2017 for young couples buying a resale flat from the open market.
- The CPF Housing Grant was raised from \$30,000 to \$50,000 for families buying a 4-room or smaller resale flat and from \$15,000 to \$25,000 for singles buying a 4-room or smaller resale flat. Families buying a 5-room or larger resale flat benefited from the increase of the CPF Housing Grant from \$30,000 to \$40,000. The CPF Housing Grant for singles buying a 5-room resale flat was also raised from \$15,000 to \$20,000.
- Combined with the Additional CPF Housing Grant (up to \$40,000) and Proximity Housing Grant (\$20,000), eligible first-timer families buying resale flats could enjoy up to \$110,000 in housing grants. Likewise, eligible first-timer singles buying resale flats would receive up to \$55,000 in housing grants, including the Additional CPF Housing Grant (up to \$20,000) and Proximity Housing Grant (\$10,000).
- Application for HDB Loan Eligibility (HLE) was implemented to encourage financial prudence and help home owners plan for their flat purchases. HDB received a total of 77,929 HLE applications in FY 2016/ 2017. 73% of the applications were for direct purchase flats, 24% were for resale flats and 3% were for transfer cases. HLE letters were successfully issued for 72% of the HLE applications.



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01, 02 HDB flats are homes for all ages
03 Waterway Sundew sits along the banks of Punggol's famed waterway

Assistance for the Lower-Income

- To help young couples get their homes earlier, HDB announced the launch of BTO flats in some projects with shorter waiting time. The first batch of 1,000 units in non-mature estates to be offered in 2018, would see first-time home buyers enjoying greater priority during application. By constructing these BTO projects ahead of their launches, waiting time would shorten by about 1 year.
- The Fresh Start Housing Scheme (Fresh Start) was announced in FY 2015/ 2016 and launched on 1 December 2016. Second-timer public rental households with young children may receive Fresh Start grants of up to \$35,000 to help purchase

- 2-room Flexi flats with shorter leases. 18 families had been placed on the scheme as of 31 March 2017.
- The Tenants' Priority Scheme (TPS) was extended to second-timer families to facilitate their move toward home ownership. With effect from the May 2016 Sales Exercise, these families would receive greater priority when they apply for a flat from HDB.
- As of 31 March 2017, 2,047 households had taken up the Lease Buyback Scheme (LBS), a monetisation option for elderly owners to unlock part of their housing equity while they continue living in their homes.

HDB continued to work with other government agencies to assist rental flat tenants who were in financial hardship. In FY 2016/ 2017, a total of 11,116 rental flat tenants were assisted under the ComCare Scheme (Short and Medium Term Assistance). HDB has also assisted 57 tenants who faced difficulties in paying rent to transfer to smaller rental flats in FY 2016/ 2017.

To facilitate social integration, HDB reviewed its rental housing options and typology, and piloted 2 integrated blocks of sold and rental flats at Marsiling Greenview and West Plains @ Bukit Batok. The integrated blocks consist of rental flats, and 2-room and 3-room sold flats. Launched in May 2014 and February 2016, the BTO sites have an estimated completion date of 3rd Quarter 2018 and 2nd Quarter 2020 respectively.

SUSTAINABLE TOWNS

In creating vibrant and highly liveable environments, HDB exploited technology to expand smart and sustainable initiatives across new and existing towns, and harness its potential in pioneering projects and programmes.



New Smart Towns

New HDB towns would embrace smart and sustainable technologies. Punggol Northshore is the latest district to be developed in Punggol. Shaped by HDB's Sustainable Development Framework, Punggol Northshore would be Singapore's first district of smart and sustainable public housing, and would include smart-enabled homes. 7 BTO projects have been launched in Punggol Northshore since 2015, and are scheduled for completion from 2020 onwards. In future, newer districts such as Punggol Point District, would also tap on smart technologies to monitor and

improve the performance of estate services such as Smart Lighting and the Smart Pneumatic Waste Conveyance System.

HDB unveiled the Master Plan for Tengah in September 2016, and held a public exhibition on the key planning concepts. Envisioned to be a 'Forest Town', Tengah's estimated 42,000 new smart homes would nestle amidst greenery and nature. Of these, 30,000 units will be for public housing, with the first batch of flats to be launched in 2018.

In Bidadari, the vision of a tranquil urban oasis for the estate would see detailed designs for Bidadari Greenway and Bidadari Park and other sustainable features developed under the Green & Blue Master Plan. 5,063 dwelling units had been launched as of this FY, with a targeted 2021 completion date.

Tampines North, as an extension of Tampines Town, would yield a total of about 17,000 dwelling units (including approximately 3,000 private housing units). The new BTO flats are equipped with smart

features. The area would have a new landmark mixed development and bus interchange, 2 major parks, and comprehensive pedestrian and cycling networks adding to its sustainable appeal. In August 2016, HDB launched the third and fourth public housing projects, Tampines GreenVerge and Tampines GreenView, with a total of 2,736 flats.

- 01 Innovative plans for Smart Tengah include a car-free town centre
- 02 Tengah raises the benchmark for public housing with fresh concepts like a Forest Corridor
- 03 The Verandah @ Matilda in Punggol. Punggol was the first town to have a Smart Urban Habitat Master Plan



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Upgrading and Rejuvenating Existing Towns

HDB adopted a ground-up approach to gather public feedback for the rejuvenation plans for the 3 HDB towns identified under its Remaking Our Heartland (ROH) 3 programme. Public exhibitions on the ROH 3 plans for Pasir Ris, Toa Payoh and Woodlands were held in April and May 2017, showcasing proposals such as a town plaza in Woodlands, an integrated mixed-use development in Pasir Ris and a network of cycling paths in Toa Payoh.

Other upgrading programmes saw 13 projects upgraded under the Neighbourhood Renewal Programme (NRP),

at precinct and block-levels in the FY. This brought the total NRP projects completed since the programme was introduced in 2007, to 47 projects.

In the FY, 34 projects addressing common maintenance issues in ageing flats under the Home Improvement Programme (HIP) were carried out, bringing the total number of completed projects to 100 thus far.

The EASE programme to improve the safety and comfort of seniors living in HDB flats, by retrofitting the homes with elderly-friendly features, saw increased take-up.



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01 EASE makes homes safer for elderly residents

02 ROH exhibition at Woodlands

The referral arrangement between HDB and hospitals and voluntary welfare organisations yielded more than 6,400 direct applications for EASE. As of 31 March 2017, more than 46,000 households had applied for EASE directly, while another 74,100 households had opted for EASE together with HIP.

In the FY, HDB announced one project at West Coast Road under the Selective En bloc Redevelopment Scheme (SERS) as part of the government's Estate Renewal Strategy to enhance the living environment of older HDB estates. In the same FY, 1,363 SERS flat owners collected keys to their replacement flats.

The Lift Enhancement Programme was announced in September 2016 to help Town Councils co-fund the modernisation of their lifts with safety features recommended by BCA. Around 20,000 eligible lifts would be upgraded under this programme. In the FY, 295 lifts were also awarded under the Selective Lift Replacement Programme, which was announced in September 2014 to replace old lifts with modern lifts that come with more energy-efficient, safety and security measures.



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01 Children playing in Punggol eco-town

02 Using prefabrication technology to build homes enhances construction productivity

Powering Sustainability with Smart Technologies

Environmental sustainability, a key focus area for HDB, realised several initiatives utilising technology to drive sustainability and ensure quality of living for residents, in the FY.

Under the Smart Urban Habitat domain to drive the implementation of smart solutions in HDB towns, a Smart Hub would be created to integrate, manage and analyse data from estate services across HDB estates. Insights from the data derived would help advance the building of liveable and sustainable towns for all residents.

HDB had also built up its Urban Environment Modelling capabilities, through the development of the Integrated Environmental Modeller (IEM), a modelling platform

that integrates the urban planning and design process with environmental simulation. The newly developed 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.

To boost adoption of renewable sources of energy, HDB launched and awarded its second SolarNova aggregated solar Photovoltaics (PV) tender this FY. Another 25 MWp of solar PV panels will be installed across around 600 HDB blocks and will contribute towards HDB's target of 220 MWp under the SolarNova programme.

Enhancing Construction Productivity

In the FY, HDB's construction productivity yielded an overall productivity level of 12.3% across all its building projects, propelled by initiatives under 3 key strategies: prefabrication, new methods and materials, and new technologies.

Moving towards advanced volumetric precast technology, HDB successfully implemented its own concrete Prefabricated Bathroom Units (PBU) to 26% of dwelling units launched in 2016. HDB plans to implement PBU fully across its housing projects by 2019.

HDB worked with consultants and contractors to implement the use of larger precast components such

as the Prefinished Prefabricated Volumetric Construction (PPVC), in Design and Build projects at Bukit Batok, Yishun, and Sengkang. HDB had also developed its own PPVC system and implemented it in a block in Bidadari.

To increase productivity and enhance construction quality of its projects, HDB adopted new materials that are less labour-intensive and faster to install, such as Lightweight Precast Concrete Panels to replace brick or block walls. HDB also used Building Information Modelling (BIM) during the design stage to minimise abortive works downstream.



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Revitalising Commercial
and Industrial Properties

As of end March 2017, HDB was managing 17,494 commercial properties. HDB's commercial properties recorded a high average occupancy rate at 98%. In the FY, a total of 370 commercial units were allocated and 136 shops/ eating houses were completed.

With the Revitalisation of Shops (ROS) scheme, HDB's assistance to retailers encompassed upgrading of the business and shopping environments. ROS had

benefited about 4,800 shops from 57 HDB town centres and neighbourhood centres since its launch in November 2007. New offers under the enhanced ROS scheme, announced in May 2016 after consultation with retailers, grassroots and Merchants' Associations (MAs), would see greater co-funding assistance for upgrading, and a new Start-Up Fund of \$10,000 to encourage HDB shops without MAs to form one. 27 sites would benefit from the enhanced ROS scheme, as announced in August 2016.

Under the HDB Industrial Redevelopment Programme (IRP) launched in February 1997 to optimise land use through new high-rise industrial complexes, the redevelopment of Defu Industrial Estate would be carried out across 3 phases over 15 to 20 years as guided by the Defu Master Plan. Phase 1 included the construction of Defu Industrial City, new high-rise stack-up industrial complex in Defu South, and Bedok Food City, a new

high-rise food complex in Bedok, to relocate 219 affected tenants and lessees under Batch 13 of the IRP. The completion for these would be in the 1st Quarter of 2021 and 3rd Quarter of 2020 respectively. A high-rise Industrial Complex in Ang Mo Kio Industrial Park 3 will also be constructed to relocate tenants affected under Batch 14 of the IRP. The expected completion would be in the 3rd Quarter of 2021.



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- 01 VendCafé in Sengkang, a first-of-its-kind dining format that offers round-the-clock food options
- 02, 03 Upgraded heartland malls offer residents more retail and dining options and boost business vibrancy for shopkeepers

CONNECTED COMMUNITY

HDB continued to spearhead engagement efforts across the heartland, bringing people together and building active, thriving communities.





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Vibrant Community Spaces

New-generation town plazas in Bedok and Punggol were opened in the FY, serving as social spaces for the community to mingle and interact. To keep the plazas vibrant, HDB set up Activation Teams with community partners to develop placemaking programmes.

Giving the jumpstart, Bedok Town Square, the first of HDB's new generation town plazas to be completed,

played host to the 5th HDB Community Week which unfolded over 10 days in May 2016; the first time the event roved out of Toa Payoh. From 20 to 29 May 2016, about 63,360 visitors participated in various fun-filled activities which encouraged greater community involvement and neighbourliness. Punggol Town Square followed up with ideas and programmes by community and stakeholder groups to liven up the space.



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- 01 Bedok Town Plaza was abuzz during Community Week 2016
- 02 Vibrant recreational spaces complement well-designed homes
- 03 The playground at Waterway Cascadia is popular with the precinct's young residents
- 04 Many residents participated in fun activities at the opening of Punggol Town Plaza

In April 2016, HDB and the National University of Singapore concluded a joint pilot in Tampines to test out community-friendly design typologies and strategies that influence neighbourly interaction. Video analytics from the Hello Neighbour! Project at Tampines showed that residents interacted longer and more frequently with one another in the purpose-designed community spaces.

Encouraging Community Ownership

The \$500,000 HDB Friendly Faces, Lively Places Fund was introduced in May 2016 to help ignite ground-up community activities. HDB disbursed close to \$52,000 for completed projects in the FY, while the applicants of these projects contributed more than \$80,000 worth of volunteering hours and other community resources. Another fund, the HDB Greenprint Fund, to support the development and trial implementation of smart and sustainable solutions, disbursed over \$323,000

to support 5 proposals for Yuhua. HDB also received 33 proposals submitted for test-bedding at Teck Ghee.

Through the ongoing Cool Ideas for Better HDB Living initiative, HDB harvested 167 ideas aimed at improving the living environment in the estates. These include ideas from an inaugural hackathon, which attracted more than 200 participants. HDB had brought on board 8 industry partners to mentor aspiring inventors and guide them in refining their ideas further.

01, 02 Shared facilities and areas are ideal places to meet and make friends



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Strengthening Bonds

HDB continued to grow the Heartland Ambassador Programme, where young ambassadors spread messages on gracious heartland living to residents through 16 HDB-led visits, and 9 other self-initiated outreach activities. Under the Heartland Ambassador Programme for Seniors, HDB's 14 seniors led 7 Punggol Town Tours that reached out to more than 400 students, teachers and elderly from Senior Activity Centres.

HDB created numerous opportunities for neighbourly bonding and interaction. In the FY, HDB organised 37 Welcome Parties and 2 Completion Ceremonies, which saw a healthy turnout. HDB also introduced a new outreach platform, the MyNiceHome roadshow, following 2 successful pilot runs. This roadshow, held prior to project completion, is aimed at opening up opportunities for new neighbours to forge ties early on and learn more about their living environment.

SERVICE EXCELLENCE

Technology as HDB's process and productivity enablers helped create positive experiences at every touch point, delivering high quality customer engagement and service.





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Transforming Customer Experience

The transformation of the Sales Atrium at the HDB Hub last FY, was extended to Level 2 Resale/ SERS counters. In line with HDB's Service Masterplan, it adopted Design Thinking methodology and behavioural insights to improve both physical and change processes.

With the help of technology, customer experience at the frontline service counters was elevated. Personalised queue tickets and the integration of the electronic queue system with Mobile@HDB enabled customers to request virtual queue numbers via their smartphones, thus improving information on waiting time.

Online touch points serving the larger customer base were also enriched. The new HDB InfoWEB site that was launched in 2015 was well-received by its visitors for its enhanced content and service provisions. In the FY,

over 20 new e-Services were added, bringing the total number of e-Services to 224, augmenting the overall service experience. On its key social media platforms which formed an important customer engagement interface, HDB continued to see significant growth in the number of followers.

These customer service transformation efforts were driven by insights gleaned from regular research, surveys and data analytics, conducted in a bid to understand and anticipate the needs of HDB's customers. Lending the human touch, frontline officers were trained to engage different segments of customers more effectively, and HDB's introduction of the HDB Experience programme helped align all staff with the organisation's service ethos.

Building a Future-Ready and Innovative Workforce

HDB's staff strength increased slightly from 5,744 in March 2016 to 5,758 in March 2017, with 293 staff joining in the FY as part of its regular recruitment to support the organisation's manpower needs and capabilities.

HDB's talent development was strengthened via its Undergraduate/ Specialist and Mid-Term Scholarships, and strategic workforce plans and competency frameworks for Building/ ICT professionals. Some 536 mature employees were also re-employed as of 31 March 2017.

To enable HDB's smooth migration into the digital age, a Digital Master Plan that charted the transformation of its work and processes through technology was formulated. Key to the transformation was the building of staff's capabilities for the future, and to this end, seminars and new training frameworks in Business Analytics and Service Delivery continued to be realised in this FY.

- 01 Self-help services at the Sales Atrium bring convenience to customers
- 02 Novel technologies such as the Mobile Concierge offer an enhanced service experience



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Awards

HDB received several international and local awards in the FY, a continued reflection of its commitment to excellence. Some notable ones included Special Recognition at the International Highrise Award 2016 conferred by the Deutsches Architekturmuseum, the DekaBank and the City of Frankfurt – the first time an organisation was acknowledged for its contribution in building highly liveable and well-designed homes in high-rise environments.

HDB's housing project, SkyVille @ Dawson, garnered multiple awards this FY including the President's Design Award and the Building and Construction Authority's Universal Design Mark Award (Platinum) for its abundant user-friendly features such as wheelchair ramps and large light switches within the flats.

Another housing project, SkyTerrace @ Dawson, was presented with the Royal Institute of British Architects (RIBA) Award for International Excellence, for being

the most transformative building displaying visionary thinking and excellence of execution.

The development of a floating wetlands system and cultivation of freshwater-tolerant mangroves at Punggol Waterway to enhance water quality and biodiversity, clinched HDB multiple awards, including the ASEAN Outstanding Engineering Achievements Award, Institute of Engineers Singapore Prestigious Engineering Achievement Award, and Singapore Concrete Institute (SCI) Excellence Award. HDB's large-scale solar

implementation of photovoltaic systems to promote renewable sources of energy, in turn, won the Energy Globe Award under the National Category.

At the ministry level, HDB received the Minister Award (Team) for its innovative programmes, such as the HDB Greenprint, and for the project 'Affordable Homes, Closer Families, Stronger Ties'. Recognition also came with the Excellence in Public Service Awards for outstanding service delivery across multiple projects and the PS21 Star Service Team Award.



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- 01 SkyVille @ Dawson is part of HDB's new-generation public housing
- 02 Award-winning floating wetlands system at My Waterway @ Punggol was developed by HDB

OUR CORPORATE STORY

Vision

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

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.

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 [1 October 2015 – 30 September 2016] Mr James Koh Cher Siang	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	BG Kelvin Khong Boon Leong Professor Lily Kong Professor Heng Chye Kiang Dr Sudha Nair Ms Teoh Zsin Woon
Chairman [from 1 October 2016] Mr Bobby Chin Yoke Choong		



* Group Director (Internal Audit) reports directly to the Audit Committee and administratively to Deputy Chief Executive Officer (Estate & Corporate)

Staff Strength

CATEGORIES OF STAFF	BUILDING	ESTATE	CORPORATE	TOTAL
Management/ Professional	609	1,328.5	390.5	2,328
Management Support	101.5	1,598.5	300.5	2,000.5
IT Support	7	22	50.5	79.5
Technical Support	444.5	854.5	9	1,308
Office Administration Support	2	26	14	42
Total	1,164	3,829.5	764.5	5,758

Awards

- International**
- APEX Awards (2016) for Excellence (Custom Published Newsletter)**
- Life Storeys Issue 10
- ASEAN Outstanding Engineering Achievement Awards 2016**
- A Biophillic Waterway@Punggol - Innovative Floating Wetlands and Freshwater - Tolerant Mangroves
- CCAS Contact Centre Awards 2016 (Best In-House Contact Centre Category) (Bronze)**
- HDB's Call Centre
- Energy Globe Award 2016**
- Deployment of Solar Photovoltaics (PV)
- Geospatial Information Systems (GIS) Awards (Special Achievement)**
- Integrated Planning & Analysis (iPLAN)
- Good Design Award 2016**
- SkyVille @ Dawson
- Green Good Design Award 2017**
- SkyVille @ Dawson
- Royal Institute of British Architects (RIBA) Award for International Excellence 2016**
- SkyTerrace @ Dawson
- The International Highrise Award 2016 (Special Recognition)**
- SkyVille @ Dawson
- World Architecture Festival Awards 2016 (Commercial Mixed-Use Future Projects Category)**
- Kampung Admiralty Integrated Development
- National**
- 16th SIA Architectural Design Awards 2016 (Residential Project Category)**
- SkyVille @ Dawson
- Active, Beautiful, Clean Waters (ABC Waters) Certification**
- Dawson C5
 - Dawson C6
 - Dawson C7
 - Kampung Admiralty
 - Oasis Terraces
 - Waterway Cascadia
- BCA Construction Excellence Award 2016 (Residential Non-Landed Buildings [for projects with GFA<18,000 m²] Category)**
- Woodlands Dew and Woodlands Meadow
 - Yishun Riverwalk
- BCA Construction Excellence Certificate of Merit Award 2016 (Residential Non-Landed Buildings [for projects with GFA<18,000 m²] Category)**
- Floral Spring @ Yishun
 - Orchid Spring @ Yishun
- BCA Construction Productivity Awards 2016 (Gold under Residential Non-Landed Buildings [for projects with GFA ≥25,000 m²] Category)**
- Acacia Breeze @ Yishun
 - Waterway Woodcress
 - Yishun Riverwalk
- BCA Design and Engineering Safety Excellence Award 2016**
- SkyTerrace @ Dawson
- BCA Green Mark for Existing Non-Residential Buildings**
- AMK AutoPoint (Certified)
 - AMK TechLink (Certified)
 - Depot Heights Shopping Centre (Gold)
 - Sunshine Place (Gold)
 - Woodlands North Plaza (Gold)
 - Greenridge Shopping Centre (Gold)
- BCA Green Mark for Existing Residential Buildings**
- HDB Greenprint Pilot Neighbourhood at Yuhua (Blocks 209 - 240 Jurong East Street 21) (Platinum)
 - Blocks 161A - B, 162A - B, 163A - B, 162 (MSCP), 160A - B, 165A - B, 166A - B, 166 (MSCP) Punggol Central (Gold Plus)
 - Blocks 171A - C, 171 (MSCP), 172A - C, 172 (MSCP) Edgedale Plains (Gold Plus)
 - Blocks 167A - D, 168A - B, 170D (BCP), 168C - D, 169A - C, 170A - C, 169 (MSCP) Punggol East/ Punggol Field (Gold)
 - Blocks 201A - D, 201 (MSCP), 202A - B, 203A - B, 204A - D, 204 (MSCP), 205A Punggol Field (Gold)
 - Blocks 293 - 299, 292 (MSCP) Punggol Central (Gold)
 - Blocks 301A - C, 303A - C, 301 (MSCP) Punggol Central (Gold)
 - Blocks 301D, 302A - D, 303D, 302 (MSCP) Punggol Place (Gold)
- BCA Green Mark for New Non-Residential Buildings**
- Sin Ming AutoCity (Gold)
- BCA Green Mark for New Residential Buildings**
- Kampung Admiralty (Residential) (Gold Plus)
 - Punggol Opal (Gold Plus)
 - St George's Towers (Gold Plus)
 - The Verandah @ Matilda (Gold Plus)

Awards (continued)

- National**
- BCA Green Mark for New Parks**
- Senja Parc View and N6 Neighbourhood Park (GoldPlus)
 - Yishun Nature Park (Gold)
- BCA Universal Design Award for the Built Environment 2016 (Residential (New) Category)**
- Acacia Breeze @ Yishun (Gold Plus)
 - Punggol Topaz (Gold Plus)
 - Senja Parc View (Gold Plus)
 - SkyVille @ Dawson (Platinum)
- Community Chest Awards 2016 - SHARE Platinum Award**
- Community Chest Awards 2016 - Special Events (Bronze) Award**
- Excellent Service Awards 2016, 6 Star, 111 Gold, 85 Silver**
- IES Prestigious Engineering Achievement Awards 2016**
- A Biophillic Waterway@Punggol - Innovative Floating Wetlands and Freshwater - Tolerant Mangroves
- Institution of Structural Engineers (IStructE) Awards 2016**
- A Biophillic Waterway@Punggol - Innovative Floating Wetlands and Freshwater - Tolerant Mangroves
- Landscape Excellence Assessment Framework (L.E.A.F.) Certification 2016 (New Development Category)**
- SkyOasis @ Dawson
- Landscape Excellence Assessment Framework (L.E.A.F.) Certification 2016 (Outstanding Award under New Development Category)**
- Oasis Terraces
 - SkyResidence @ Dawson
- Minister’s Award (Team) 2016**
- Affordable Homes, Closer Families, Stronger Ties
 - HDB Greenprint - A Greener and More Connected Neighbourhood at Yuhua

- Municipal Services Awards (MSA) 2016**
- First Responder Protocol - Connectivity-Related Infrastructure (FRP/ GRI)
 - Management of Hoarding at Chua Chu Kang
 - Management of Hoarding at Jurong West
 - Management of Poor Living/ Hygiene Conditions at Henderson

- Production of Municipal Reference Guide
- Protocol for Safety in Usage of Gas Cylinders at HDB Car Parks
- Repair of Damaged Footbridge at Aljunied

- Ong Teng Cheong (OTC) Institute Workplace Partnership Award (Platinum)**
- President Design Awards 2016**
- SkyTerrace @ Dawson
 - SkyVille @ Dawson

- PS21 Star Service Team Award 2016**
- EASE Application for Senior Citizens
- Public Sector Pro-Enterprise Initiative Gold Award for the period March 2016 - August 2016**
- VendCafé

- Public Service Awards (ExPSA) 2016 Best Practice Award (Resource Management)**
- Aviation Park SMART Staging Ground
- Public Service Awards (ExPSA) 2016 Best Practice Award (Service Delivery)**
- Customer-Centric HDB Loan Eligibility Application

- Public Service Premier Award 2016**
- Singapore Concrete Institute (SCI) Excellence Awards 2016 (Innovators Category)**
- A Biophillic Waterway@Punggol - Innovative Floating Wetlands and Freshwater - Tolerant Mangroves
 - Ezi-form: An Innovative Solution for Precast Production

- Singapore Environment Council (SEC) - Senoko Energy Green Innovation Award**
- Towards Better Living and Greater Sustainability through Smart Planning - Urban Environmental Modelling (UEM)

- Singapore Good Design Mark Awards 2017 (Special Mention)**
- Waterway Terraces I & II

- Top 50 Engineering Feats @ IES-SG50 Award**
- Lift Upgrading Programme (LUP)
 - My Waterway @ Punggol
 - The Pinnacle @ Duxton

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.

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 market practice, HDB staff who undertake job functions that are prone to fraud are subject to Mandatory Block Leave (MBL) policy 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:

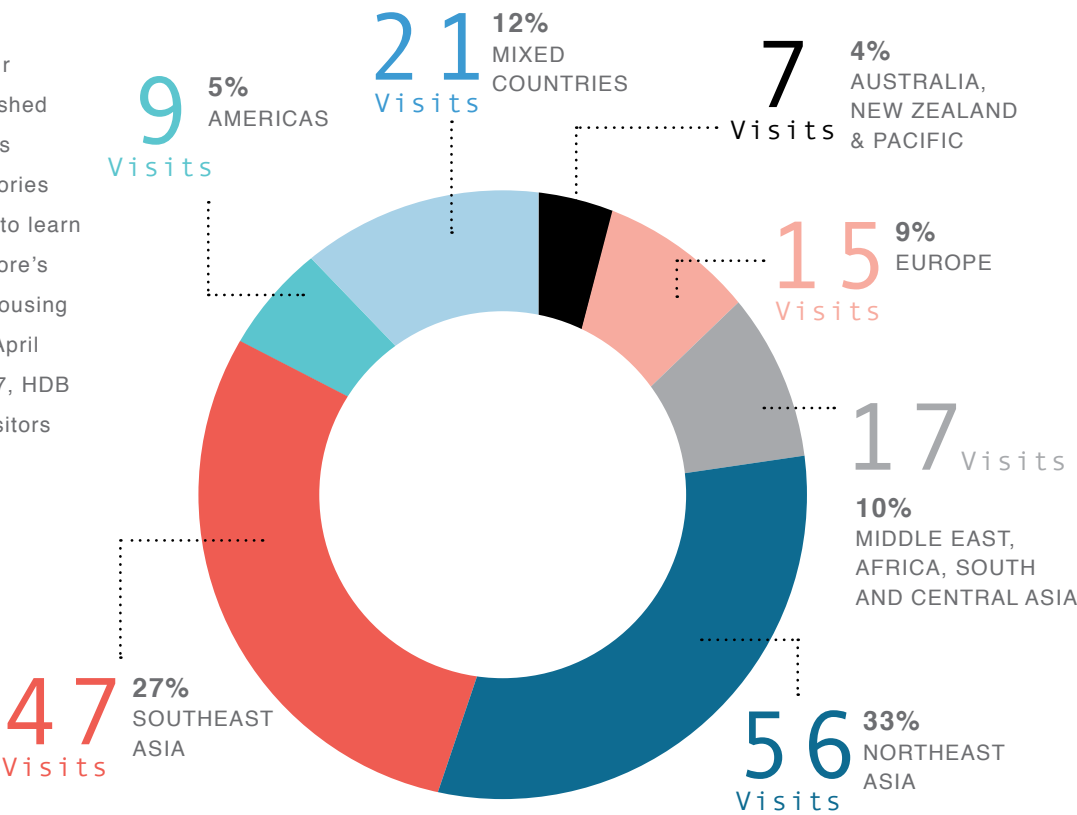
- COMPLY** with all applicable environmental laws, regulations and other relevant requirements
- COMMIT** to prevent pollution by
- Promoting conservation of energy and efficient use of resources in policy formulation, planning, development, management and maintenance of public housing, commercial and industrial 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 2016 to March 2017, HDB welcomed 4,452 visitors over 172 visits.



Agency Projects

Major Infrastructure Works
A total of \$166 million was spent in FY 2016 on major infrastructure works for public housing development programme. 63 Infrastructure and road-related facilities projects in 17 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 included the \$1.03 billion contract for the Construction & Management of Staging Grounds & Infilling Works (Phase 1), which commenced on 29 January 2015 and is scheduled to be completed by 4th Quarter 2020. HDB also awarded the \$602 million contract for the Construction & Management of Staging Grounds & Infilling Works (Phase 2), which commenced on 25 August 2015 and is expected to be completed by 1st Quarter 2023. 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 commenced on 9 October 2014 (for Phase 1) and on 17 April 2015 (for Phase 2) are also ongoing. The polder development project at Pulau Tekong was announced on 16 November 2016 and HDB called the tender for Stage 1 of the construction tender (pre-qualification of contractors) on 5 December 2016.

National Stockpile Release Agent
Ministry of National Development (MND) appointed HDB as the agent for the release of the national stockpiles in 2016. Since then, HDB had worked with MND and the Building & Construction Authority (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.

To improve control of truck movements and enable seamless exchange of information between Gates, HDB has also installed an optic fiber network at the Pulau Punggol Timor stockpile site, which has been completed in April 2017.

Solar Capacity
The solar capability building programme for public housing involved a wide-scale solar photovoltaic (PV) test-bedding in new and existing precincts. The test-bed will enable HDB to achieve various developmental objectives such as, conduct study on the performance of solar PV system based on different block configurations, geographical settings and technologies in a tropical setting, gather and learn from its design and development, help the industry build technical expertise and capability and develop more cost-effective solar PV systems.

HDB is currently the largest stakeholder in the installation of the solar PV system in Singapore, and has progressively rolled out the test-bedding in both new and existing HDB precincts. To date, HDB has committed to the installation of 148 MWp of Solar PV systems for about 2,500 public housing blocks across Singapore. Of these, near 1,000 HDB blocks have been installed with solar PV systems so far.

Agency Projects (continued)

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 retail electricity tariff rate. The solar leasing model has also been expanded to include implementation in projects such as HDB Greenprint @ Yuhua and 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 Whole-of-Government (WOG) and allows government agencies with solar PV demand to ride on its solar leasing tenders, achieving

greater economies of scale and better discount rates of the prevailing tariff for solar energy purchased. In 2016, HDB launched the second SolarNova tender, which will see an estimated 600 HDB blocks and 30 government agency sites installed with solar PV panels.

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 more than 500,000 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 2016/ 2017 was \$151 million.

Financial Highlights

FINANCIAL HIGHLIGHTS OF HDB				\$ million	
	2016/ 2017	2015/ 2016	Increase/ (Decrease)	2014/ 2015	2013/ 2014
OVERALL INCOME AND EXPENDITURE					
Total income	2,852	2,250	602	1,570	1,280
Less : Net operating expenditure	(4,041)	(3,889)	(152)	(3,588)	(3,253)
Deficit	(1,189)	(1,639)	450	(2,018)	(1,973)
Capital expenditure	8,890	10,479	(1,589)	10,420	11,459
RESULTS BY SEGMENT					
Deficit from :					
Home ownership	(861)	(1,179)	318	(1,753)	(1,927)
Upgrading	(482)	(575)	93	(574)	(568)
Residential ancillary functions	(428)	(404)	(24)	(281)	(157)
Rental flats	(79)	(70)	(9)	(67)	(50)
Mortgage financing	(26)	(33)	7	(31)	(30)
Elimination of inter-segment transactions	9	9	-	9	9
Housing total deficit	(1,867)	(2,252)	385	(2,697)	(2,723)
Surplus from :					
Other rental and related businesses	641	597	44	679	745
Agency and others	46	25	21	9	14
Elimination of inter-segment transactions	(9)	(9)	-	(9)	(9)
Other Activities total surplus	678	613	65	679	750
Overall Deficit	(1,189)	(1,639)	450	(2,018)	(1,973)

Financial Highlights (continued)

				\$ million	
	2016/ 2017	2015/ 2016	Increase/ (Decrease)	2014/ 2015	2013/ 2014
FINANCIAL POSITION					
Property, plant and equipment, and investment properties	23,744	26,370	(2,626)	24,583	22,928
Loans receivable	39,617	38,266	1,351	37,425	36,665
Properties under development and for sale	18,023	19,070	(1,047)	18,279	18,032
Other assets	9,137	5,916	3,221	5,369	3,738
Total assets	90,521	89,622	899	85,656	81,363
Less:					
Loans payable	70,502	69,530	972	65,989	62,358
Other liabilities	4,964	5,011	(47)	4,566	4,030
Total net assets	15,055	15,081	(26)	15,101	14,975
Capital and reserves	15,055	15,081	(26)	15,101	14,975
FINANCING OF PUBLIC HOUSING					
Government grant to HDB	1,194	1,636	(442)	2,171	2,119
Government loans drawn during the year					
- mortgage financing	5,826	5,498	328	4,931	1,807
- upgrading financing	9	1	8	4	13
- housing development	-	2,500	(2,500)	-	2,992
Outstanding loans payable					
Government loans					
- mortgage financing	39,532	38,213	1,319	37,366	36,607
- upgrading financing	47	45	2	56	66
- housing development	4,557	5,424	(867)	3,481	3,885
Bonds	22,776	20,077	2,699	20,486	18,604
Bank loans	3,337	5,480	(2,143)	4,384	3,055
Mortgage loans granted to flat buyers	5,974	5,334	640	5,318	3,333

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, Rental housing, Residential ancillary functions, and Mortgage financing segments. 'Other Activities' comprise Other Rental and Related Business, Agency and Others segments which are commercial in nature.

In Financial Year (FY) 2016/ 2017, HDB incurred a net deficit of \$1,189 million, before the government grant, as compared with \$1,639 million in FY 2015/ 2016. The net deficit comprised the deficit from the 'Housing' activities of \$1,867 million, offset by the surplus from the 'Other Activities' of \$678 million in FY 2016/ 2017.

HDB received a grant of \$1,194 million in FY 2016/ 2017 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 2017 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 \$861 million in FY 2016/ 2017 as compared with \$1,179 million in FY 2015/ 2016.

The number of sales completed (i.e. keys issued to buyers) this year was 21,450 units, which was 1,928 units more than last year. HDB recorded a gross loss of \$1,196 million for the sales completed in FY 2016/ 2017.

The provision for foreseeable loss of \$1,280 million that was made in the previous years was released on completion of the sale of flats in FY 2016/ 2017. On the other hand, \$625 million of foreseeable loss for properties under development was provided. As a result, there was a net decrease of \$655 million in the provision for foreseeable loss.

HDB also disbursed \$300 million in CPF housing grants to eligible buyers of resale flats and Executive Condominiums (ECs) in FY 2016/ 2017.

The Upgrading segment reported a deficit of \$482 million this year. The programmes are the Home Improvement Programme, Neighbourhood Renewal Programme, and Lift Upgrading Programme for housing estates.

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 \$428 million in FY 2016/ 2017.

The Rental flats segment recorded a deficit of \$79 million this year.

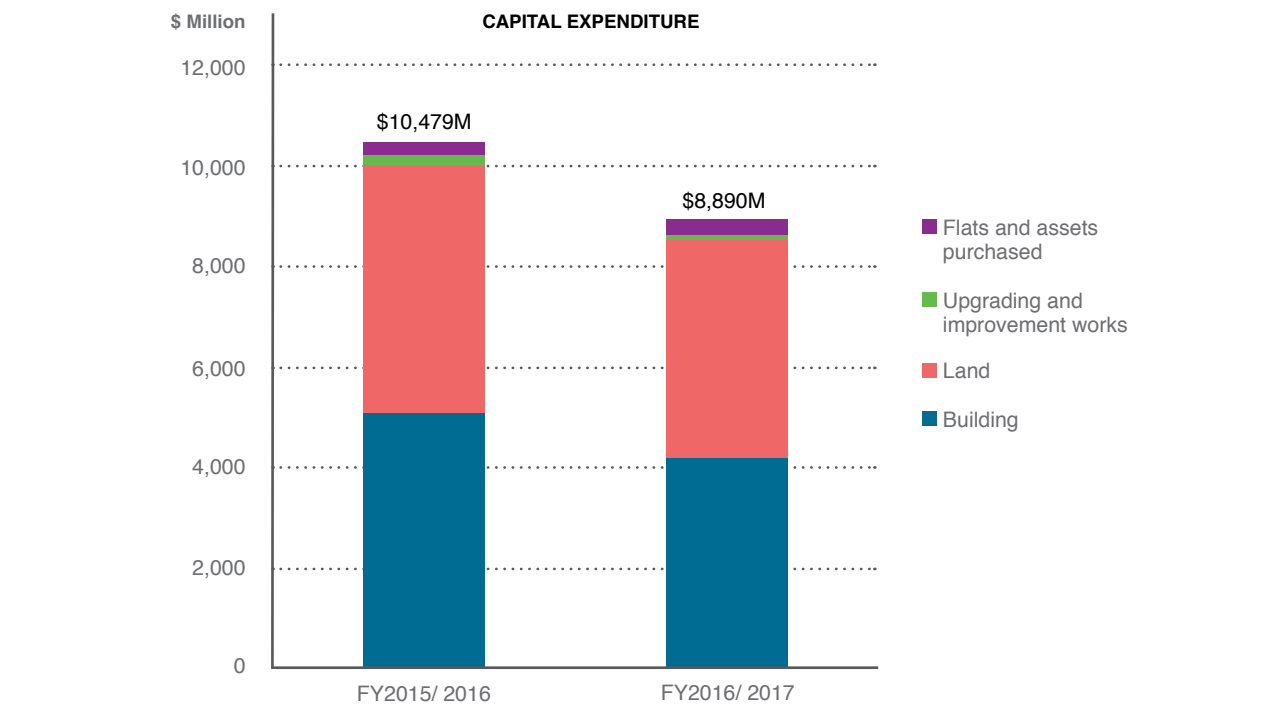
The Mortgage financing segment reported a deficit of \$26 million in FY 2016/ 2017.

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 surplus of \$641 million in FY 2016/ 2017.

Capital Expenditure

Capital expenditure for the year was \$8,890 million. A large proportion of the year’s capital expenditure was incurred for purchases of land and construction of public housing.



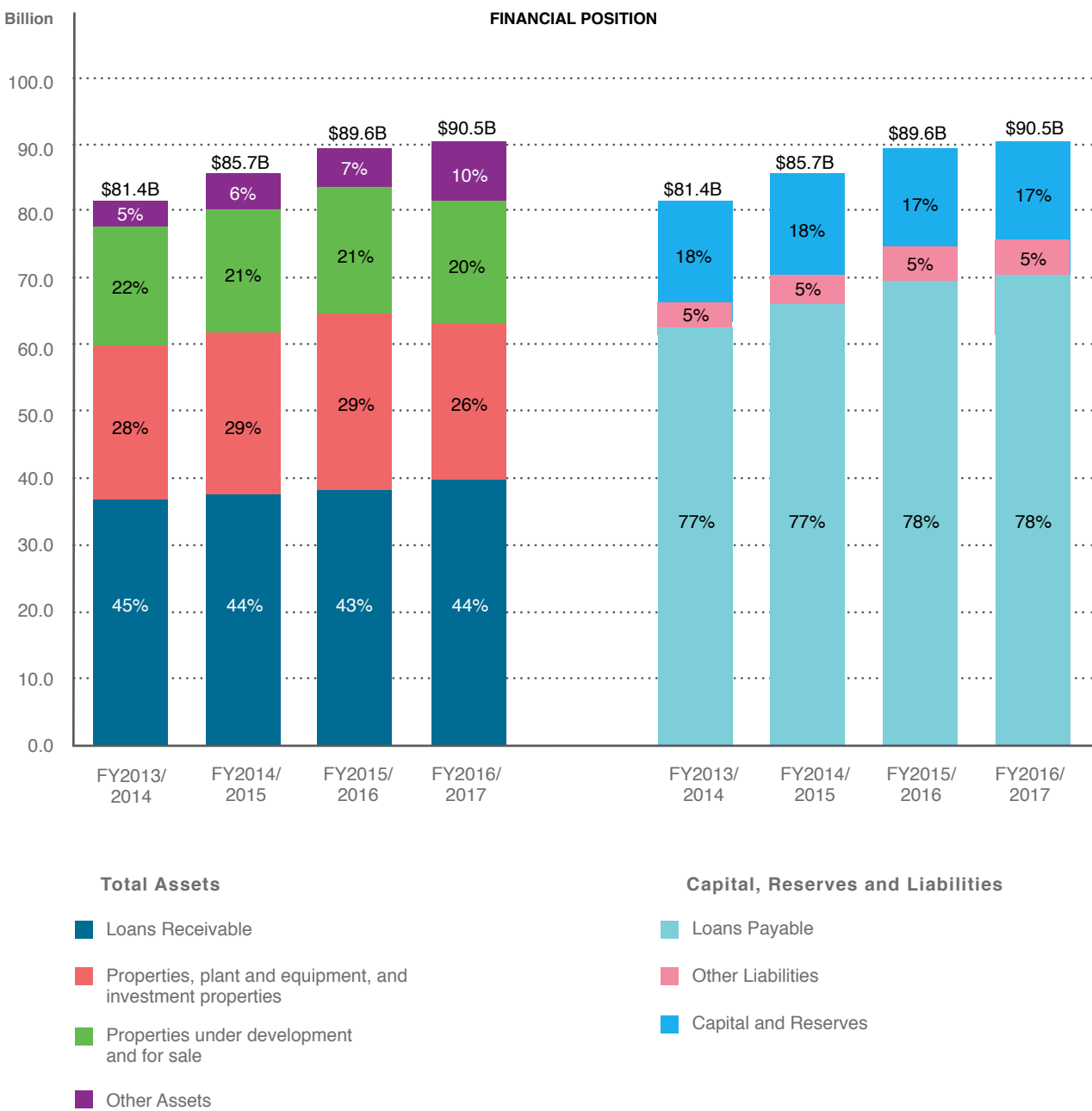
Breakdown	FY 2016/ 2017		FY 2015/ 2016		Changes over FY 2015/ 2016	
	\$M	%	\$M	%	\$M	%
Buildings	4,149	47	5,095	49	(946)	(19)
Land	4,369	49	4,926	47	(557)	(11)
Upgrading and improvement works	92	1	168	1	(76)	(45)
Flats and assets purchased	280	3	290	3	(10)	(3)
Capital Expenditure	8,890	100	10,479	100	(1,589)	(15)

Financial Position

As at 31 March 2017, HDB’s total assets amounted to \$90,521 million. Loans receivable were \$39,617 million. Property, plant and equipment, investment properties, and properties under development and for sale were \$41,767 million. These assets accounted for 90% of the total assets.

Capital and reserves stood at \$15,055 million as at 31 March 2017. Reserves comprised capital gains reserve of \$7,116 million and asset revaluation reserve of \$5,475 million.

The loans payable of \$70,502 million comprised mainly loans from the Government and bonds.

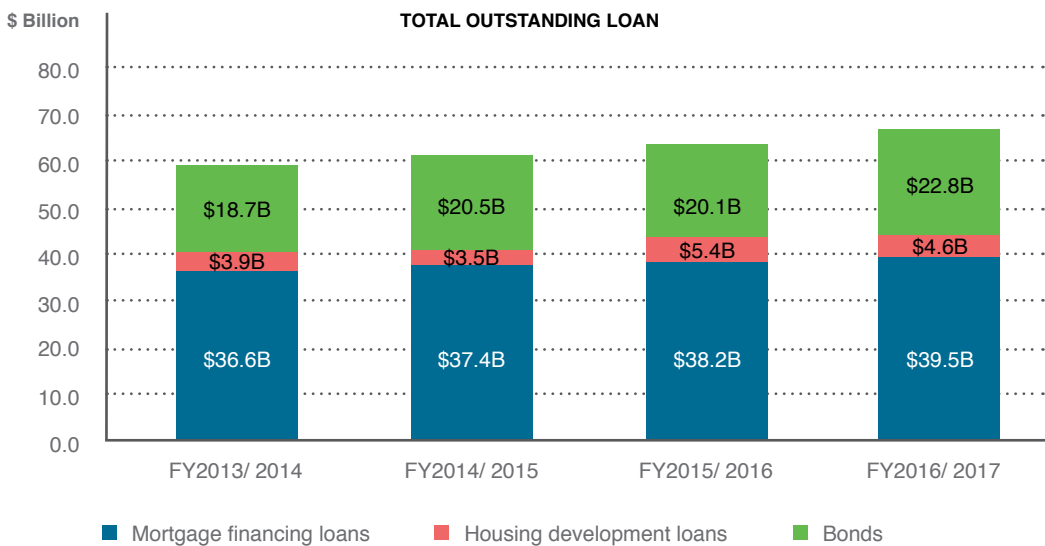


Financing Of Public Housing

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 \$29,496 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 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 ¹ | Up to 30 years |
- ¹ 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 \$5.18 billion and redeemed \$2.48 billion of unsecured Fixed Rate Notes. Total outstanding Notes under the Medium Term Note Programme were \$22.81 billion as at 31 March 2017.



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

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