

LIVING SPACES

HDB ANNUAL REPORT 2018/ 2019



LIVING SPACES

HDB started with a humble mission to provide a roof over the heads of Singaporeans, amidst the acute housing shortage confronting the nation. Today, our HDB flats are much more than physical spaces. Through continuous innovation and upgrading, we have created a thriving and quality environment where Singaporeans can live, work and play.



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CHAIRMAN'S STATEMENT

Home extends beyond the four walls of our HDB flat. It is the living, breathing spaces where families and communities flourish, and experiences and memories are shared. In meeting the housing needs of the nation, HDB has set itself a mission to create a high quality living environment, where Singaporeans can live, work and play.

Affordable and Quality Homes for All

This Financial Year (FY), HDB continued to keep public housing affordable and accessible to a diverse group of home buyers through various measures and policies. In addition to delivering on our building programme, we enhanced our housing policies to help more Singaporeans own a home that best suits their needs. In particular, young couples received added support to get their first homes sooner. Lower-income families can also look forward to more targeted assistance to realise their home ownership aspirations.

As of 31 March 2019, 81% of Singapore's population live in our flats, with about 9 in 10 owning their flats. The public residential market remained stable, with a moderate increase in resale volume and a healthy take-up rate for our new flats.

HDB continued to push boundaries as it strived to build homes that excel in design and quality. The CONQUAS score is the national yardstick to assess a building's workmanship. In FY 2018, HDB achieved an average score of 92.0, exceeding our target of 88.0 and surpassing even private housing developments.

Smart and Sustainable Living

Beyond the home, HDB has taken bold steps towards creating vibrant and highly liveable environments in new and existing towns.

Plans for new housing areas in Bidadari, Tengah, and Punggol are progressively being realised. Fresh design ideas, new precast methods, and cutting-edge smart technologies will make public housing not only well-designed, but future-ready. In our quest towards greater sustainability, liveability and resilience, we are also creating more nature-centric neighbourhoods. This enhances the urban environment so that residents can enjoy the numerous benefits that nature has to offer.

HDB towns must remain cherished homes for Singaporeans. We are systematically upgrading older flats and renewing ageing towns. Beyond extending the Home Improvement Programme (HIP) to younger flats built between 1987 and 1997, HDB is also putting in place long-term plans for the next phase of our public housing programme. This includes introducing a second round of upgrading under HIP II in about 10 years' time when flats are 60 years of age. HDB will progressively redevelop selected precincts under the new Voluntary Early Redevelopment Scheme in about 20 years' time, when flats are around 70 years of age.

Endearing Towns, Vibrant Communities

Community spaces are the lifeblood of our towns. These spaces are where residents come together, build relationships and forge connections. We will continue to encourage social interaction and bonding among the community. HDB has invested much effort to provide a wide range of community spaces, such as the Town and Community Plazas at Bedok, Punggol, Kampung Admiralty, and Yishun. This FY alone, 493 events were organised at these plazas, bringing together over 227,000 residents.

To spur more ground-up involvement amongst residents in enlivening their community spaces, HDB doubled the funding cap for building projects under the HDB Friendly Faces, Lively Places Fund from \$10,000 to \$20,000. The fund was also made available to shopkeepers to carry out community bonding activities in their neighbourhoods. Since the launch of the \$500,000 fund in May 2016, some \$360,000 have been disbursed or committed.

Play spaces matter too. We will build on the resounding success of the Build-A-Playground (BAP) pilot in Canberra estate, where residents were actively involved in the end-to-end process of designing and building the playground. HDB will be extending the initiative to 5 existing playgrounds in 4 other towns.

Quality Strides

It has been a fulfilling year. I am pleased that our bold strides in transforming the public housing landscape have borne fruit. For the second time in a row, HDB was awarded the Singapore Quality Award (SQA) 2018 with Special Commendation. This affirmed that we are on the right track in providing quality homes for Singaporeans, and putting their needs at the heart of our policies and programmes. This pinnacle award for business excellence is presented to organisations that have continued to demonstrate outstanding performance and global leadership in key business areas.

HDB's achievements would not have been possible without the support of its people. I would like to thank the HDB Board members and the Management for their strong sense of purpose and conviction. I also extend my heartfelt appreciation to the staff for their commitment and hard work in making HDB an excellent organisation and trusted provider of homes for all.

The Next Chapter

Come 2020 next year, HDB will reach yet another milestone – its 60th anniversary. As we prepare to commemorate this significant occasion, we are mindful that the road ahead will be challenging. An ageing population, and rapidly changing urban and social landscapes mean that we cannot afford to rest on our laurels. I am confident that HDB will continue to innovate and harness technology to deliver well-designed and quality homes for Singaporeans. We will always keep faith with our mission and keep pace with changing aspirations.



Mr Bobby Chin Yoke Choong

Chairman



CEO'S WORD

Dr. Cheong Koon Hean

Chief Executive Officer

In our quest to provide the best home for Singaporeans, HDB continued to seek out new ideas to make our towns a better place to live in, and to bring home ownership within reach of more Singaporeans.

Shaping the Best Living Environment

Guided by our Roadmap to Better Living, we continued to reimagine our towns and embrace game-changing innovations and urban solutions that redefine the way we plan, design and build our towns so that they remain highly liveable, sustainable and resilient.

The launch of the first housing parcel in Tengah's Plantation District marked a new milestone in our plans to bring green and smart living to Singaporeans. The first of 5 housing districts in our youngest town, the district is envisioned as the home of community farming and planned with smart technologies from the outset. When fully completed, it will be home to some 10,000 families.

In Punggol, we broke new ground with the opening of Oasis Terraces – the first of 6 new-generation neighbourhood centres that brings together a host of facilities and communal spaces tailored to the needs of residents in the area. A pioneer in more ways than one, the centre is also the first to be built with smart and sustainable features throughout, including motion-sensor lighting and sensor-activated fans, rooftop solar panels, a rainwater harvesting system that treats surface water runoff, and a sensor-triggered irrigation system to manage the distribution of water to designated planting zones.

Every one of our HDB towns is designed to be unique, with its own distinct character and features that reflect its history and vision. To unify future developments as the towns evolve, we will be introducing dedicated Town Design Guides for each of our 24 towns. Chronicling the towns' history, vision and distinct character, these guides will help preserve their identity and ensure residents can continue to live in a town they cherish. The first of such guides was launched for Woodlands during the Financial Year (FY).

Leveraging our experience as a leader in precast technology, HDB continued to make strides in construction technology. Our wider deployment of innovative construction materials and methods, such as the Prefabricated Bathroom Unit (PBU) and Prefabricated Prefinished Volumetric Construction (PPVC), saw HDB attaining an overall construction productivity level of 17.8%, up from 14.8% in the previous FY. Together with ongoing initiatives such as the use of laminated uPVC doors and vinyl strip flooring, these have enabled us to build better homes faster, and achieve higher levels of productivity. We will continue to invest in technology to push the boundaries further.

Fulfilling Home Ownership Aspirations

This FY, we launched about 15,300 Build-To-Order (BTO) flats across mature and non-mature towns, providing an affordable and comprehensive range of housing options to meet the diverse needs and aspirations of Singaporeans.

A suite of measures was also implemented to help young couples plan ahead and buy their first home earlier. These include announcing upcoming BTO projects 6 months ahead of their launch, instead of 3 months previously, and shortening the balloting time for BTO flats from 6 to 3 weeks. For young couples ready to settle down but have yet to meet the necessary period of employment to qualify for housing grants and loans, we have since May 2018, allowed them to apply for a flat first and defer the income assessment till just before key collection. Construction also commenced ahead of the sales launch for selected BTO projects so that waiting time would be shortened to about 2 to 3 years, down from 3 to 4 years. During the FY, some 1,100 flats with shorter waiting time were launched for sale, enabling young couples to own their dream homes sooner.

We also lent more support to lower-income families as well as those navigating life changes. To give lower-income Singaporeans a leg up in their home ownership journey, we will set up a Home ownership Support Team (HST) to provide added support to rental tenants, especially families with children, who are ready to buy a flat. The team will guide and advise them on the flat-buying process, their financing options, and the available schemes and grants.

Divorcing couples also received more help with their housing transition; they can now apply for a new flat once they have obtained an Interim Judgement of divorce. The Final Judgement of divorce should be obtained before they collect the keys to their new flat. In addition, seniors looking to monetise their flats for their retirement

needs now have more options, with the extension of the Lease Buyback Scheme (LBS) to all flat types, beyond just 4-room and smaller flats.

Engaging Communities

Even as we bring exciting and innovative living concepts to Singaporeans, it is our residents who hold the key to town vibrancy and their active participation is sought in many ways.

Our Friends of Our Heartlands network continued to grow from strength to strength as we opened up more volunteering opportunities for residents to deepen their involvement and capabilities. To date, the network has amassed an active volunteer base of more than 3,300 residents, each contributing in their own special way towards improving their living environment and creating friendly and lively neighbourhoods.

Building Homes of Tomorrow

From planning and design of towns to community engagement and service delivery, HDB has focused on bringing the highest possible standards to all that we do. Winning the prestigious Singapore Quality Award (SQA) with Special Commendation this year is wonderful affirmation of the path we have chosen to take towards being a nimble and agile organisation that is responsive to change.

The years ahead will be exciting and challenging as HDB approaches new frontiers in designing and building homes for future generations. There is more to be done to make our towns even more liveable and sustainable, and we will continue to push ourselves to go beyond the status quo as we strive to make every town and precinct better than the one before.

New home buyers can look forward to refreshing housing concepts, while residents in existing estates can expect rejuvenation and renewal of their homes. Together with our partners and the community, we will shape the best living environment so generations of Singaporeans to come can find an HDB home that is just right for them.





| BUILDING HOMES

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

Building Affordable and Quality Homes

In Financial Year (FY) 2018/ 2019, HDB launched 4 Build-To-Order (BTO) exercises, comprising 18 projects with about 15,300 flats across mature and non-mature towns. These included 1,096 flats with shorter wait times of 2 to 3 years instead of the typical 3 to 4 years, to help families get their homes earlier.

1,620 flats were launched in smart and sustainable Tengah, the first batch of flats in HDB's newest town. Flat buyers have the option of subscribing to an energy-efficient cooling solution for their homes – a first for an HDB estate.

HDB also offered a total of 6,434 flats for sale in 2 Sale of Balance Flats (SBF) exercises, as well as 1,303 flats under 2 Re-Offer of Balance Flats (ROF) exercises.

A total of 15,748 flats were completed in this FY. These comprised 12,937 BTO units, 2,122 rental units, and 689 units under the Selective En bloc Redevelopment Scheme (SERS). As of 31 March 2019, 67,722 BTO and SERS flats, and 1,735 rental flats were under construction.

There was also a 7% increase in resale volume. Resale applications registered in FY 2018/ 2019 was 23,476, up from 22,005 applications in FY 2017/ 2018, indicating that resale flats continue to be in demand.

Stronger Housing Support

HDB implemented several new measures to help different segments of flat owners fulfil their housing needs and aspirations.

- To help flat buyers plan ahead and get their homes sooner, upcoming BTO projects will be announced 6 months in advance, while the balloting process will be shortened from 6 weeks to 3 weeks. These measures take effect from May 2019.
- From May 2018, young couples who are full-time students or National Servicemen (NS), or have recently completed their studies or NS, may defer the assessment of their income for housing grants and loans until just before key collection. This enables them to own a home earlier.
- The proximity conditions under the Married Child Priority Scheme (MCPS) and Senior Priority Scheme (SPS) were revised to enable more families to live closer to each other for strong mutual support. Families seeking to live near their parents or children can now buy a new HDB flat within 4km of each other. Previously, the proximity condition was defined as living in the same town, or within 2km.
- From August 2018, buyers who take HDB loans can choose to keep up to \$20,000 each in their Central Provident Fund (CPF) Ordinary Account. The funds can be used for mortgage instalments in times of need and for retirement purposes.



There are flats in Tampines GreenRidges that cater to elderly flat buyers



HDB provides various grants and schemes to meet Singaporeans' housing needs and aspirations

- To smoothen their housing transition, divorcing parties can now apply for a new flat once they have obtained an Interim Judgement of divorce and settled matters pertaining to the matrimonial property and their children. The Final Judgement of divorce should be obtained before they collect the keys to their new flat.

Beyond helping flat buyers, HDB also enhanced policies to make it easier for home owners to unlock the value of their homes. The Lease Buyback Scheme (LBS)

offers elderly residents the option to sell part of their flat lease back to HDB. In January 2019, LBS was extended to all flat types, including 5-room and larger flats, so that more residents can benefit from it.

Also from January 2019, home owners can rent out their flat or bedroom(s) to non-Malaysian, non-citizen tenants for up to 2 years instead of 1.5 years. This gives flat owners the flexibility to secure a longer tenancy period with tenants who have work/ immigration passes with a longer validity period.

Assistance for the Lower-income

HDB continued to care for the needs of lower-income families, working in close collaboration with other government agencies to provide them with holistic support.

- The Fresh Start Housing Scheme (FSH) was introduced to help second-timer public rental households with young children to buy 2-room Flexi flats with shorter leases so they can get back on their home ownership journey. The eligibility criteria for the scheme was relaxed to include families who have lived in a public rental flat for at least 1 year, down from the previous 2-year requirement. The age limit for the youngest Singaporean child was also raised from 16 years to 18 years to benefit more families. The new age limit will similarly be applied to the Parenthood Priority Scheme (PPS) and the Assistance Scheme for Second-Timers (Divorced/Widowed Parents).
- HDB will set up a Home ownership Support Team (HST) to provide added support to rental tenants, especially families with children, who are ready to buy a flat. The team will guide and advise them on the flat-buying process, their financing options, and the available schemes and grants.
- To encourage rental tenants to work towards increasing their household income and save up towards home ownership, HDB will not raise the rents for those who have made the downpayment for a new flat, even if their income subsequently increases.





SHAPING TOWNS

In planning and designing our towns, HDB constantly seeks out innovative solutions that will raise the bar for public housing.



Tengah will be a Forest Town that is green, sustainable and smart



HDB introduced Town Design Guides to strengthen the distinctive identities of HDB towns

Planning for New Housing Areas

With the launch of the first 2 housing parcels in smart and green Punggol Point District in August 2018, our plans to develop Punggol into an eco-town are well on their way to being realised.

Bidadari, envisioned to be a tranquil urban oasis, is also progressively taking shape with 7 BTO projects launched as of this FY, each designed with a garden-like setting.

In Tengah, our 24th and youngest town, we marked a new milestone with the launch of the first housing parcel in Plantation District in November 2018. With an area of about 90 hectares, the first of 5 housing districts in Tengah is envisioned to be the home of community farming, with abundant spaces for community gardening and farming, and homes set amidst nature and greenery.

To strengthen the connection between our built environment and nature, we are progressively applying the Biophilic Town Framework for new housing projects launched from July 2018. Under this framework, we will infuse nature more purposefully and holistically into the urban landscape, so that residents can enjoy the numerous benefits that nature has to offer.

Town Design Guides were also introduced in the FY to unify future developments in our towns and preserve their distinctive identity. Unique to each town, the guides offer strategies and ideas that reference the town's history, vision, and distinct character. The first of such design guides was launched in September 2018 for Woodlands, and all HDB towns will have their own Town Design Guides over the next 5 years.

Rejuvenating Our Towns

Upgrading programmes to rejuvenate the towns and maintain the value of flats remained a priority for HDB this FY.

We completed the Home Improvement Programme (HIP) for 27 projects during the year, helping some 29,700 households to address common maintenance problems in their ageing flats. Another 74 projects comprising about 68,000 dwelling units were also announced. Going forward, the HIP will be extended to flats built between 1987 and 1997, benefitting 230,000 more HDB households.

In conjunction with HIP, about 111,000 households opted for the Enhancement for Active Seniors (EASE) programme to equip their flat with elder-friendly fittings at highly subsidised rates. Another 67,800 households applied for EASE directly.

Since December 2018, residents also have the option to install ramps at the flat's main entrance or within the home as part of EASE, to help them navigate level differences.

At the precinct and block level, 6 Neighbourhood Renewal Programme (NRP) projects were completed during the FY, bringing the total number of completed projects to 73 since the programme was implemented in 2007.

The Lift Upgrading Programme (LUP) has also been implemented for all feasible blocks, benefitting more than 500,000 families across 5,000 blocks to date. Another 38 blocks are currently undergoing LUP construction works as at 31 March 2019.

As part of the strategy to renew older estates, HDB announced a Selective En bloc Redevelopment Scheme (SERS) site at MacPherson Lane in May 2018, involving 313 households. SERS renews older HDB estates and gives residents the opportunity to move into new homes with a better living environment and modern facilities. Separately, 675 SERS flat owners from other previously announced SERS sites collected the keys to their new flats.

In August 2018, the Government announced long-term plans to progressively renew and rebuild older HDB towns. A second round of upgrading, HIP II, will be offered for HDB flats when they reach about 60 to 70 years old, while selected precincts will be offered redevelopment under a new Voluntary Early Redevelopment Scheme (VERS) where home owners can collectively vote to sell their flats back to the Government. Details on the schemes are being worked out.

Driving Sustainability through Smart Technology

HDB is committed to creating towns that are smart, sustainable and highly liveable, by leveraging game-changing innovations and urban solutions.

In July 2018, we inked 3 research agreements with industry partners to advance smart and sustainable homes for Singaporeans. The collaborations include studying the potential of developing Tengah into a first-of-its-kind Smart Energy Town, developing a floating

system in the open sea to harvest solar energy, and researching the use of 3D concrete printing for the production of unique architectural forms to expand our design and construction capabilities.

To boost adoption of renewable sources of energy, HDB expanded its solar programme this FY, introducing solar panels at another 1,218 HDB blocks and 49 government sites. Beyond rooftops, HDB is also studying the feasibility of installing solar panels on the vertical spaces of HDB blocks.



HDB expanded use of its floating system for solar panels in open sea

Powering Construction Productivity

HDB achieved an overall productivity level of 17.8% during the year, up from 14.8% in the previous year. This is due in large part to the wider adoption of innovative construction technology, standardisation of design and detailing, and new materials over the years. Prefabricated Bathroom Units (PBU) were installed in 85% of the dwelling units launched in 2018, up from 60% in the previous year, while adoption of Prefabricated Prefinished Volumetric Construction (PPVC) was implemented in 23% of building projects.

The adoption of the Automated Precast Production System (APPS), which integrates upstream design information into the downstream precast production work process through Computer Aided Drafting/ Computer Aided Manufacturing (CADD/ CAM) technology, also contributed to raising productivity and reducing the dependence on labour.

Using this system, we completed the production of 49,100 m² (equivalent to 650 4-room flats) of Large Panel Slab (LPS) for in-house design projects at Punggol North and Bidadari during the year. 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.

Tapping on new technologies, HDB, in partnership with the Building & Construction Authority and Enterprise Singapore, launched an innovation call under the Government-Partnership Capability Transformation (Gov-PACT) initiative for the Development of a Drone Inspection System for Building Façades, to better prepare the drone and building inspection industry and develop local capabilities for façade inspection. 5 proposals have been selected for development trials which are expected to take place in 2019.

Rethinking Our Commercial Properties

Oasis Terraces, the first of 6 new-generation Neighbourhood Centres, officially opened its doors in February 2019, marking several firsts. Beyond bringing together a polyclinic and a host of retail, dining, and community facilities in a lushly-landscaped development that overlooks the Punggol Waterway, the centre is also the first to be built with smart and sustainable features throughout.

These features include motion-sensor lighting and sensor-activated fans, rooftop solar panels, a rainwater harvesting system that treats surface water runoff, and a sensor-triggered irrigation system to manage the distribution of water to designated planting zones. In keeping with new retail trends, the centre has also pioneered an Entrepreneur Cluster, where budding business owners can try their hand at running their own stores at lower rents.



Residents enjoy more convenience with integrated facilities at Oasis Terraces



Kampung Admiralty is a one-stop hub with housing for the elderly and co-located facilities for residents of all ages



Construction of the other 5 new-generation neighbourhood centres in Punggol, Canberra, Hougang and Sengkang are in various stages of construction, and are expected to be completed by 2022.

The year also saw the official opening of Kampung Admiralty, the first-of-its-kind development in Singapore to integrate housing for the elderly with social, healthcare, communal, commercial and retail facilities. Entirely designed to facilitate interaction between residents among different age groups, this modern “kampung” has set a new benchmark for future public housing.





FORGING STRONG COMMUNITIES

Beyond building homes, HDB also focused on strengthening community bonds and igniting the spirit of community involvement and ownership, all with the aim of building active, thriving communities in our towns.



Heartlanders gather at Kampung Admiralty to celebrate National Day together



HDB towns are designed with common social spaces for residents to interact and bond

Encouraging Community Participation and Ownership

HDB towns are planned and designed with a wide variety of community spaces for social interaction and bonding among the community, such as the Town and Community Plazas at Bedok, Punggol, Kampung Admiralty, and Yishun. This FY alone, 493 events were organised at these plazas, bringing together over 227,000 residents.

As part of efforts to spur ground-up participation amongst residents in enlivening their community spaces, HDB doubled the funding cap for building projects under the HDB Friendly Faces, Lively Places (FFLP) Fund from \$10,000 to \$20,000. The fund was also made available to shopkeepers, so that they too can carry out community bonding activities in their neighbourhoods and help shape the towns' character and vibrancy.

Since the launch of the \$500,000 fund in May 2016, about \$360,000 has been disbursed or committed.

Our Friends of Our Heartlands (FOH) network, launched in May 2017, continued to grow as we opened up more volunteering opportunities for residents to deepen their involvement and capabilities. To date, the network has an active volunteer base of more than 3,300 residents who contribute in various ways to improving their living environment and creating friendly and lively neighbourhoods. In recognition of their contributions, we held the inaugural FOH Learning Exchange and Appreciation Ceremony in tandem with Community Week this year, providing a platform for professionals and volunteers to inspire others through sharing about their volunteering journey and experiences.





| EXCELLING IN SERVICE

From planning and design of towns to community engagement and service delivery, HDB strives to bring the highest possible standards to all that we do and create positive experiences at every touch point.

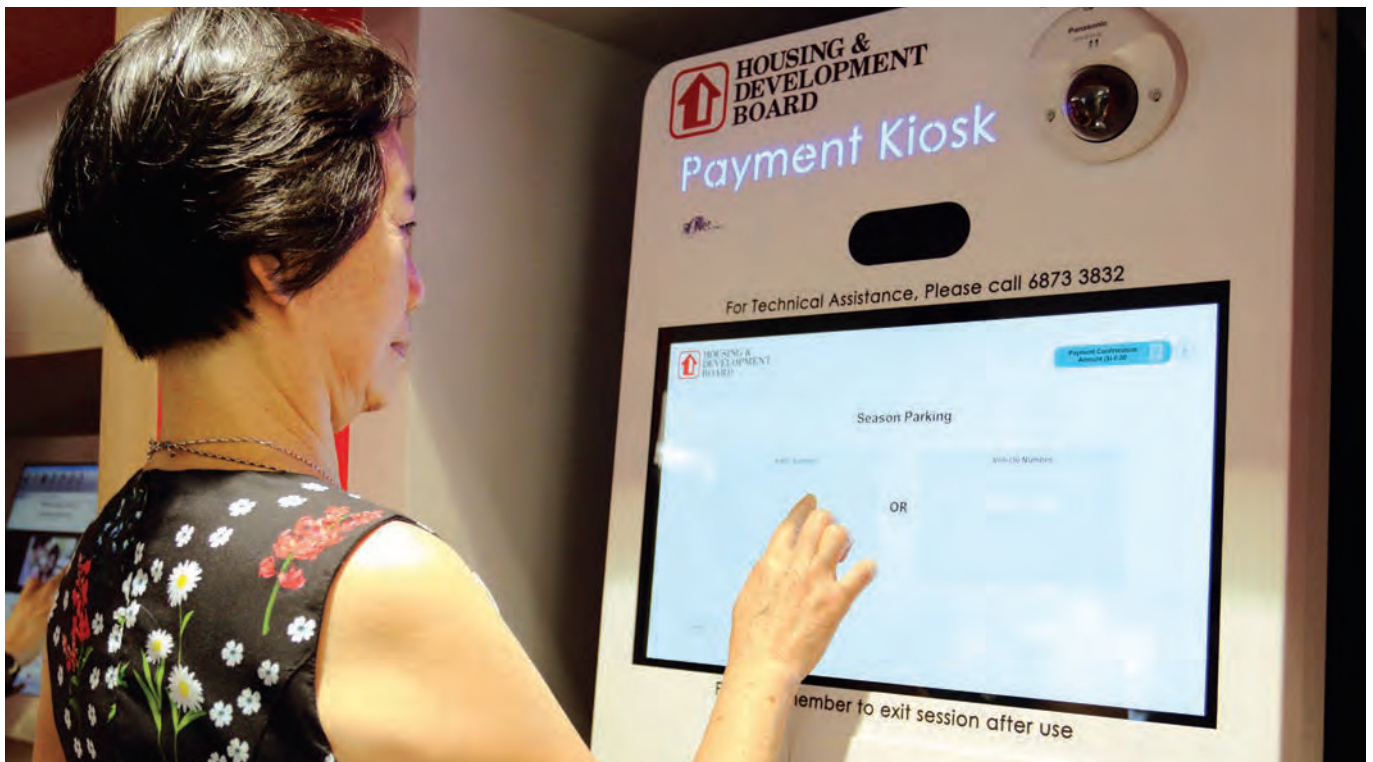
Customers First

Putting our customers and residents first remained our focus during the FY. To serve the growing number of flats in Bukit Panjang and Choa Chu Kang, a new Bukit Panjang Branch was set up. The first to be built without physical counters, the new Branch features an e-lobby that is open round the clock, providing residents with convenient access to HDB's services via self-help machines. Customer service officers are on hand to guide residents on the use of these e-services during the Branch's operation hours. Bukit Panjang Branch represents the beginning of a new way of operation for HDB Branches, as we continue to explore new ways to improve our service delivery with the use of technology, to bring about greater convenience for residents.

Leveraging technology, we have also introduced the use of mobile CCTV to enhance the effectiveness of our parking enforcement.

Using video analytics, the system helps to deter illegal parking at hotspots. As at 31 March 2019, a total of 387 mobile CCTVs have been deployed island-wide.

Our 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. Results of key surveys such as the Customer Experience Survey and the Customer Satisfaction Index showed that satisfaction and trust in HDB's services have improved over the last few years, with frontline counter services recording a higher level of satisfaction. Notwithstanding the encouraging results, we continued to train our officers to engage different segments of customers more effectively, including through the HDB Experience programme so that all staff are aligned with the organisation's service ethos.



Bukit Panjang Branch features an e-lobby with self-help kiosks, providing residents with greater convenience

Building a Future-Ready and Innovative Workforce

Staff training remained a key focus in developing and strengthening HDB's capabilities to meet current and future needs. The training programmes were aimed at building horizontal capabilities such as leadership, innovation, and data analytics, as well as technical capabilities such as planning, engineering research, and information technology, aligning with HDB's digital transformation journey to build a bold and innovative HDB.

HDB continued to attract new talents through its scholarship programmes. A total of 555 applications were received in the 2018 Scholarship exercise, with 17 scholarships awarded for a wide range of disciplines, including Architecture, Engineering, Urban Planning, Sociology, and Computer Science.

To promote healthy lifestyles and enhance staff well-being in the workplace, various work health programmes were organised. The HDB Health mobile app, introduced in 2017, enabled staff to track their individual health statistics and access health initiatives and other wellness information. To encourage staff to be more active and take at least 10,000 steps daily, HDB also organised 2 seasons of the HDB Steps Challenge in 2018. In the last season, 1,786 staff took part in the Challenge.

Promoting the HDB Brand to an International Audience

Singapore's public housing journey is rich with stories. It has spanned almost 6 decades of meticulous planning, innovation and creativity in building communities and homes that have housed a nation. This FY, HDB hosted over 160 delegations from various countries, sharing HDB's public housing story with over 3,400 international and local visitors. Visitors included distinguished foreign dignitaries such as the CEO of World Bank, the Prime Minister of Kazakhstan and mayors from major cities around the world.

To better tell our story, we revamped our visitors' gallery located at HDB Hub. Complete with multimedia and interactive exhibits, the LIVINGSPACE gallery showcases HDB's efforts in providing well-designed, sustainable and community-centric homes. Since its opening in September 2018, the gallery has received 140,000 visitors, and regularly attracts some 20,000 visitors a month.



The refreshed HDB gallery, LIVINGSPACE, offers visitors an engaging and interactive experience to learn about HDB's efforts in housing a nation



Senja Parc View's landscaping design received an Honourable Mention in Social & Community Health from the International Federation of Landscape Architects

Accolades

HDB received several international and local awards in the FY, a continued reflection of its commitment to excellence. Among them was the prestigious Singapore Quality Award 2018 with Special Commendation, awarded to HDB in recognition of the high standards we have achieved in delivering our products and services. HDB is one of only 2 organisations that has successfully achieved re-certification at this Special Commendation level.

Kampung Admiralty was conferred the World Building of the Year at the World Architecture Festival (WAF) 2018. The project was lauded by the WAF judges for the development's mixed-purpose design, combining a variety of commercial, residential and health spaces topped by lush green terraces and supported by a sustainable built-in water ecosystem.

Adventure Playground @ Canberra, Kampung Admiralty and Waterway Ridges at Punggol received the International Federation of Landscape Architects Africa, Asia Pacific, Middle East (IFLA AAPME) Resilience by Design Outstanding Awards. Another 2 projects, Yishun Nature Park and Senja Parc View, were also conferred the Excellence and Honourable Awards, respectively. These awards recognise excellent landscape strategies that have achieved positive outcomes like good water management and the promotion of social and community health.

HDB clinched the International Green Apple Award 2018 for Environmental Best Practice Asia (Silver), which recognises companies that promote environmental best practices in the world. For achieving excellent safety performance at our worksites, HDB was conferred the Royal Society for Prevention of Accidents (RoSPA) Gold Award in 2018.



Waterway Ridges received awards for its distinctive design



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.

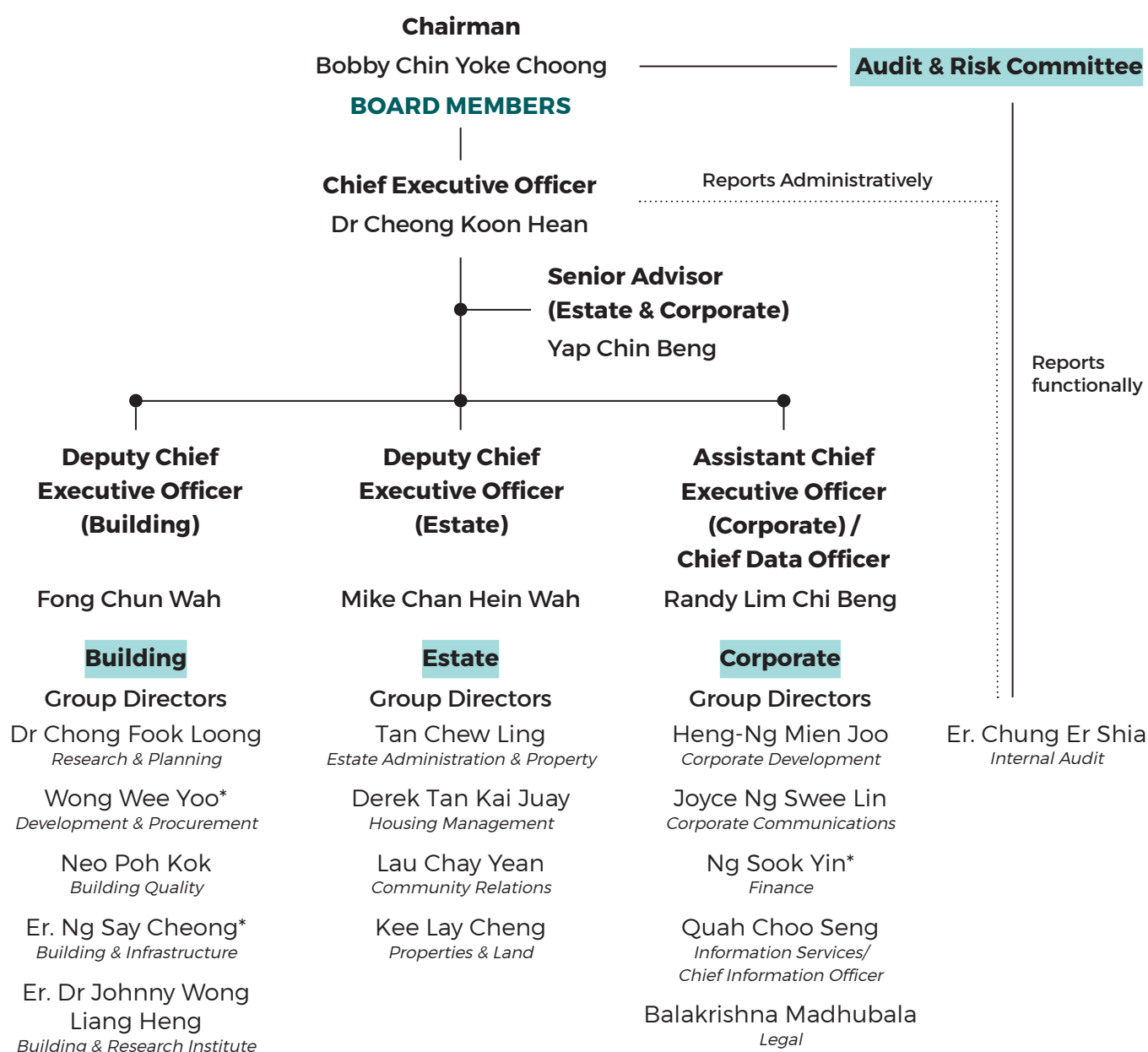
Care

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

MEMBERS OF THE BOARD

CHAIRMAN	
Mr Bobby Chin Yoke Choong	
BOARD MEMBERS	
Dr Cheong Koon Hean	Dr Sudha Nair
Mr Tham Sai Choy	MG Goh Si Hou
Professor Lily Kong	Mr Stephen Lim
Mr Mohd Sa'at bin Abdul Rahman	Ms Jacqueline Loh
Professor Heng Chye Kiang	Mr Patrick Tay

ORGANISATION CHART



* Mr Wong Wee Yoo took over the position of Group Director (Development & Procurement) from Mr Thomas Seow on 1 December 2018. Er. Ng Say Cheong took over the position of Group Director (Building & Infrastructure) from Er. Yap Tiem Yew on 29 May 2018. Ms Ng Sook Yin took over the position of Group Director (Finance) from Ms Audrey Leong Yue Yoke on 25 November 2018.

AWARDS

Landscape Architecture and Environmental Sustainability

International

AIA International Region Design Awards 2018 – Merit Award for Open International Architecture

- » SkyTerrace @ Dawson

CAPAM International Innovations Awards 2018 (2nd for the Innovation DNA Category, and the Certificate of Distinction/ Finalist Award)

- » Innovative Floating Wetlands and Freshwater-Tolerant Mangroves

IFLA Africa-Asia Pacific-Middle East Outstanding Award for Flood & Water Management

- » Waterway Ridges @ Punggol

IFLA Africa-Asia Pacific-Middle East Outstanding Award for Social & Community Health

- » Kampung Admiralty

IFLA Africa-Asia Pacific-Middle East Outstanding Award for Culture & Traditions

- » Adventure Playground @ Canberra

IFLA Africa-Asia Pacific-Middle East Excellence Award for Social & Community Health

- » Adventure Playground @ Canberra

IFLA Africa-Asia Pacific-Middle East Excellence Award for Wildlife, Biodiversity, Habitat Enhancement

- » Yishun Nature Park

IFLA Africa-Asia Pacific-Middle East Honourable Mention for Social & Community Health

- » Senja Parc View

International Green Apple Award 2018 for Environment Best Practice Asia (Silver)

- » Green Commuting in Punggol

World Architecture Festival Award 2018 – World Building of the Year

- » Kampung Admiralty

AWARDS

Local

Active, Beautiful, Clean Waters (ABC Waters) Certification – Gold

- » Rivervale Shores

Active, Beautiful, Clean Waters (ABC Waters) Certification

- » Whampoa Dew
- » Keat Hong Crest
- » Hougang ParkEdge
- » Waterway Sundew
- » Waterway Sunray
- » SkyResidence @ Dawson
- » Northshore Residence I & II

SG:Digital Techblazer Award

- » HDB Smart Hub

Institution of Engineers Prestigious Engineering Achievement Awards 2018

- » Internet of Things (IoT)-enabled On-demand Lighting for the Smart Nation

IStructE Singapore Structural Awards 2018 (Construction Innovation Category)

- » Floating Solar Technology for use in Freshwater and Coastal Marine Conditions

Minister's Award (Team) 2018

- » Creating Smart Urban Habitats for Greater Sustainability and Resilience
- » Planning, Development & Maintenance of Connectivity-Related Infrastructure Team

Public Sector Transformation Awards 2018 – ExCEL Innovation Project Award

- » Floating Wetlands and Freshwater-Tolerant Mangroves

PUB Water Efficient (Basic) Building

- » Bras Basah Complex

Singapore Good Design Mark Award 2018 (Special Mention)

- » Floating Wetlands and Freshwater-Tolerant Mangroves

Construction Excellence and Productivity

International

Energy Globe National Award 2018

- » Reuse of Excavated Earth for Infilling Works through Smart Staging Grounds

Royal Society for the Prevention of Accidents (RoSPA) Gold Award

Local

BCA Built Environment Leadership Award – Platinum Star Award

BCA Construction Productivity Award 2018

- » Clementi Ridges (Clementi N3 C18B) – GOLD

BCA Construction Excellence Award 2018

- » Keat Hong Crest (Choa Chu Kang N8 C1)
- » Keat Hong Axis (Choa Chu Kang N8 C4)
- » Clementi Ridges
- » Hougang ParkEdge (Hougang N4 C20)
- » Hougang Crimson (Hougang N9 C23)
- » Compassvale Cape (Sengkang N2 C43A)

BCA Green Mark Platinum Champion Award

BCA Green Mark (Platinum) Award for New Residential Buildings

- » SkyResidence @ Dawson

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

- » West Terra @ Bukit Batok
- » SkyParc @ Dawson
- » Golden Ginger
- » Buangkok Edgeview
- » West Rock @ Bukit Batok
- » Alkaff Courtview and Alkaff LakeView
- » Alkaff Vista

**BCA Green Mark (Gold) Award for
New Residential Buildings**

- » Senja Heights
- » Yung Ho Spring I & II
- » Teck Whye Vista
- » Yung Kuang Court
- » Macpherson Spring
- » West Crest @ Bukit Batok
- » Dawson Vista
- » Buangkok Tropica
- » Anchorvale Fields
- » Whampoa Dew
- » Anchorvale Parkview
- » Blossom Spring @ Yishun
- » Bukit Gombak Vista
- » Dawson C7
- » Marsiling Greenview

**BCA Green Mark (Platinum) Award for
Non-Residential Buildings**

- » Buangkok Square Neighbourhood Centre
- » Hougang Rivercourt Neighbourhood Centre

**BCA Green Mark (Gold) Award for
New Parks**

- » Keat Hong Garden

**BCA Universal Design Mark Award
[Platinum under Mixed Residential (New)
and Non-Residential (New) Category]**

- » Kampung Admiralty

**BCA Universal Design Mark Award [Gold
Plus under Residential (New) Category]**

- » The Verandah @ Matilda

**BCA Universal Design Mark Award [Gold
under Residential (New) (UD Mark V2.0)
Category]**

- » Golden Ginger (Gold)

Minister's Award (Team) 2018

- » Design of Polder Development at Pulau Tekong

**Singapore Concrete Institute Award 2018
(Excellence Award)**

- » GeoBarrier System – An Innovative Green Solution for Urban Slope

**Singapore Concrete Institute Award 2018
(Gold Award)**

- » Development of Grade 40 MPa Self-levelling structural lightweight concrete for Prefabricated Prefinished Volumetric Construction (PPVC)

**Service Delivery, Stakeholder Partnerships,
Organisational Development**

Local

Community Chest Charity Platinum Award

**Family Violence Dialogue Group
Appreciation Award**

- » Rental Housing Department

**Health Promoting Mall by Health
Promotion Board**

- » Rivervale Plaza

Minister's Award (Team) 2018

- » HDB Resale Portal
- » Introduction of the Fresh Start Housing Scheme

Municipal Services Awards (MSA) 2018

- » Covered Linkway at Bukit Batok East Avenue to Keming Primary School

**National Fire and Civic Emergency
Preparedness Council Fire Safety
Excellence Award 2018**

- » HDB Hub
- » Woodlands Civic Centre

AWARDS

National Fire and Civic Emergency Preparedness Council Fire Safety Award 2018

- » Connection One
- » Choa Chu Kang Centre

NTUC May Day Innovation Breakthrough Award

- » Kampung Admiralty

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

OpenGov Recognition of Excellence (RoE) Award 2018

- » HDB Resale Portal

Public Sector Transformation Awards 2018 – Best Practice Award (Productivity and Resource Management)

- » Parking.sg

Public Sector Transformation Awards 2018 – ExCEL Innovation Project Award

- » Parking.sg

Public Sector Transformation Awards 2018 – Star Service Team Award

- » Service and Conservancy Charges
Rebate Notification Letters

Singapore Kindness Movement Appreciation Award

Singapore Quality Award with Special Commendation

Total Defence Awards 2018 – NS Advocate Award (Organisations)

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 industry practice, HDB staff who perform job functions that are prone to fraud are subject to Mandatory Block Leave (MBL) of five 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

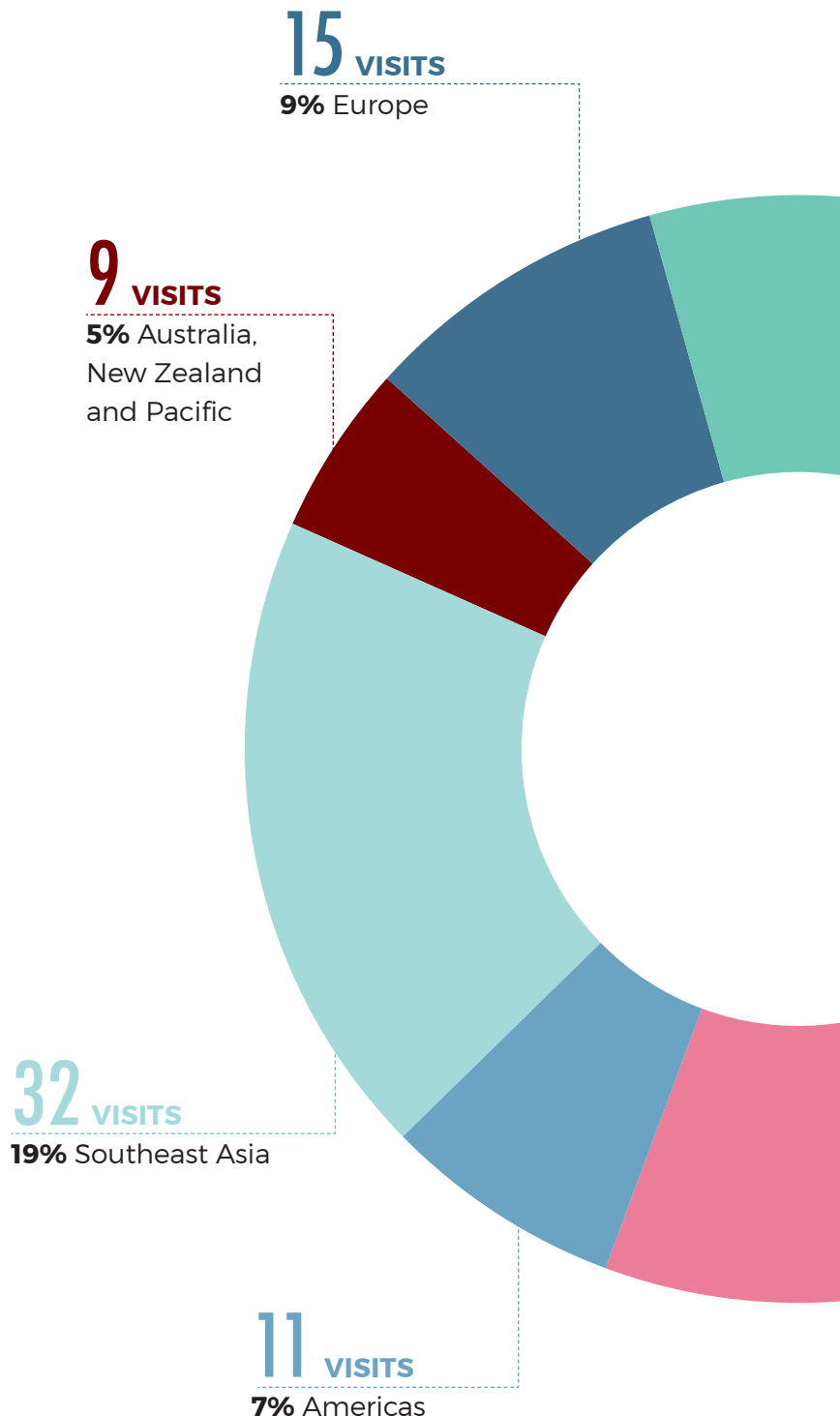
- Promoting conservation of energy and efficient use of resources in policy formulation, planning, development, management and maintenance of public housing and commercial buildings
- Considering environmental requirements in land use and procurement of goods and services and
- Reducing, re-using and 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 2018 to March 2019, HDB welcomed 3,406 visitors over 168 visits.



AGENCY PROJECTS

Major Infrastructure Works

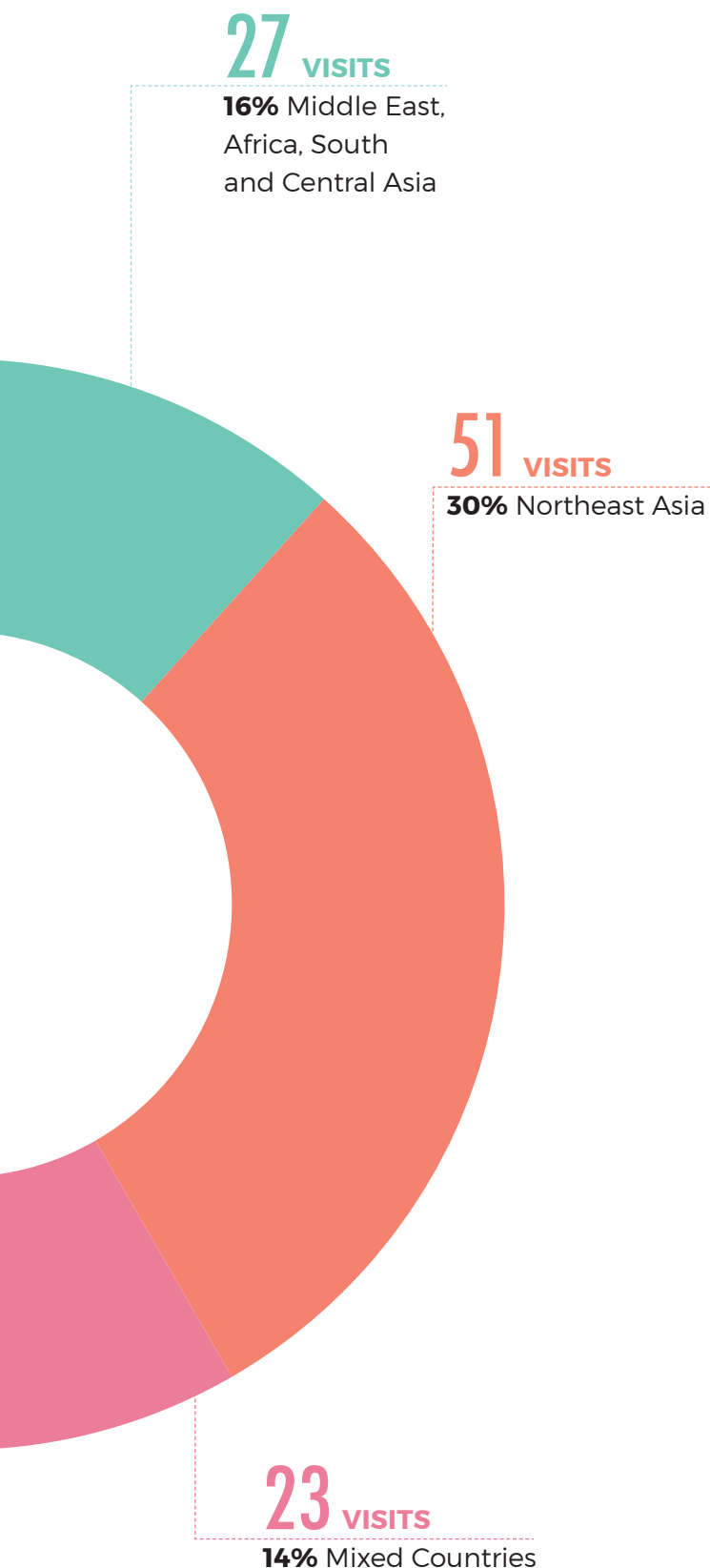
A total of \$157 million was spent in FY 2018/ 2019 on major infrastructure works for public housing development programme. 64 infrastructure and road-related facilities projects in 20 towns were implemented on time to serve the BTO developments. The major areas of works are in the towns of Tampines North, Punggol North and Bidadari.

Land Reclamation Projects

HDB is the agent to Ministry of National Development (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 the \$602 million contract for the Construction & Management of Staging Grounds & Infilling Works (Phase 2), which are scheduled to be completed by May 2020 and July 2023 respectively. On 24 August 2018, HDB called the tender for the Management of Staging Grounds & Infilling Works (Phase 3). The tender closed on 12 April 2019.

Other ongoing land reclamation projects include the \$101 million contract for the Construction for Land Reclamation at Changi East, and the \$1.23 billion contract for the Construction of Polder at Areas A & C of Pulau Tekong, which are scheduled to be completed in July 2019 and April 2022 respectively.

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 ongoing.



AGENCY PROJECTS

National Strategic Stockpiles

Since 2016, MND has appointed HDB as the agent to carry out the infrastructure and development works related to the national strategic stockpiles.

HDB had completed the Aggregate Stockpile Release Application system which will strengthen our operational readiness by streamlining and automating the work processes. The national stockpile release exercise was successfully conducted in 1H 2018.

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 about 230 MWp of Solar PV systems for some 4,500 public housing blocks across Singapore. Of these, more than 1,300 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 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 350MWp 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.

SUBSIDIARY AND ASSOCIATED COMPANIES

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.

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. SolarNova Phase 3 was awarded in June 2018 and has a tender capacity of 39MWp from HDB across an estimated 848 HDB blocks and 11 MWp from 29 government agencies sites.

SolarNova Phase 4 tender was launched in December 2018 and has a capacity of 70MWp across more than 1,200 HDB blocks and 49 government agencies sites, making it the largest solar PV tender called by HDB thus far.

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 2018/ 2019 was \$162 million.

FINANCIAL HIGHLIGHTS

Financial Highlights of HDB

\$ million

	2018/ 2019	2017/ 2018	INCREASE/ (DECREASE)	2016/ 2017	2015/ 2016
OVERALL INCOME AND EXPENDITURE					
Total income	2,125	2,625	(500)	2,852	2,250
Less: Net operating expenditure	(4,111)	(4,342)	231	(4,041)	(3,889)
Deficit	(1,986)	(1,717)	(269)	(1,189)	(1,639)
Capital expenditure	6,552	7,978	(1,426)	8,890	10,479
RESULTS BY SEGMENT					
Deficit from:					
Home ownership	(1,421)	(1,383)	(38)	(861)	(1,179)
Upgrading	(557)	(639)	82	(482)	(575)
Residential ancillary functions	(342)	(338)	(4)	(428)	(404)
Rental flats	(116)	(92)	(24)	(79)	(70)
Mortgage financing	(23)	(23)	-	(26)	(33)
<i>Elimination of inter-segment transactions</i>	11	9	2	9	9
Housing total deficit	(2,448)	(2,466)	18	(1,867)	(2,252)
Surplus from:					
Other rental and related businesses	472	753	(281)	641	597
Agency and others	1	5	(4)	46	25
<i>Elimination of inter-segment transactions</i>	(11)	(9)	(2)	(9)	(9)
Other Activities total surplus	462	749	(287)	678	613
Overall Deficit	(1,986)	(1,717)	(269)	(1,189)	(1,639)

Financial Highlights of HDB

\$ million

	2018/ 2019	2017/ 2018	INCREASE/ (DECREASE)	2016/ 2017	2015/ 2016
FINANCIAL POSITION					
Property, plant and equipment, and investment properties	25,477	24,517	960	23,744	26,370
Loans receivable	40,392	40,727	(335)	39,617	38,266
Properties under development and for sale	15,175	15,587	(412)	18,023	19,070
Other assets	3,622	4,085	(463)	9,137	5,916
Total assets	84,666	84,916	(250)	90,521	89,622
Less:					
Loans payable	64,040	64,761	(721)	70,502	69,530
Other liabilities	5,395	4,961	434	4,964	5,011
Total net assets	15,231	15,194	37	15,055	15,081
Capital and reserves	15,231	15,194	37	15,055	15,081
FINANCING OF PUBLIC HOUSING					
Government grant to HDB	2,032	2,006	26	1,194	1,636
Government loans drawn during the year					
- mortgage financing	4,089	5,353	(1,264)	5,826	5,498
- upgrading financing	-	4	(4)	9	1
- housing development	-	-	-	-	2,500
Outstanding loans payable					
Government loans					
- mortgage financing	40,414	40,583	(169)	39,532	38,213
- upgrading financing	32	39	(7)	47	45
- housing development	-	182	(182)	4,557	5,424
Bonds	22,983	22,343	640	22,776	20,077
Bank loans	355	1,353	(998)	3,337	5,480
Mortgage loans granted to flat buyers	4,800	6,234	(1,434)	5,974	5,334

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 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. It comprises the Home Ownership, Upgrading, Residential

Ancillary Functions, Rental Flats, and Mortgage Financing segments. 'Other Activities' comprises the Other Rental and Related Businesses segment, and Agency and Others segment which are commercial in nature.

In Financial Year (FY) 2018/ 2019, HDB incurred a net deficit of \$1,986 million, before the government grant, as compared with \$1,717 million in FY 2017/ 2018. The net deficit comprised the deficit from the 'Housing' activities of \$2,448 million, offset by the surplus from the 'Other Activities' of \$462 million in FY 2018/ 2019.

HDB received a grant of \$2,032 million in FY 2018/ 2019 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 2019 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 \$1,421 million in FY 2018/ 2019 as compared with \$1,383 million in FY 2017/ 2018.

HDB recorded a lower gross loss of \$1,316 million for the sales completed (i.e. keys issued to buyers) in FY 2018/ 2019. The number of sales completed in FY 2018/ 2019 was 16,608 units as compared with 26,857 units in FY 2017/ 2018.

The provision for foreseeable loss of \$1,234 million that was made in the previous years was released on completion of the sale of flats in FY 2018/ 2019. On the other hand, \$812 million of additional foreseeable loss was provided mainly for new building contracts awarded. As a result, there was a net decrease of \$422 million in the provision for foreseeable loss.

HDB also disbursed \$532 million of CPF housing grants to eligible buyers of resale flats and Executive Condominiums (ECs) in FY 2018/ 2019 as compared with \$466 million in FY 2017/ 2018.

The Upgrading segment reported a deficit of \$557 million in FY 2018/ 2019. The programmes are the Home Improvement Programme, Neighbourhood Renewal Programme, and Lift Upgrading

Programme for housing estates. The decrease in deficit was due to lower expenditure for the Home Improvement Programme, as compared to last year.

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 \$342 million in FY 2018/ 2019.

The Rental Flats segment recorded a higher deficit of \$116 million in FY 2018/ 2019.

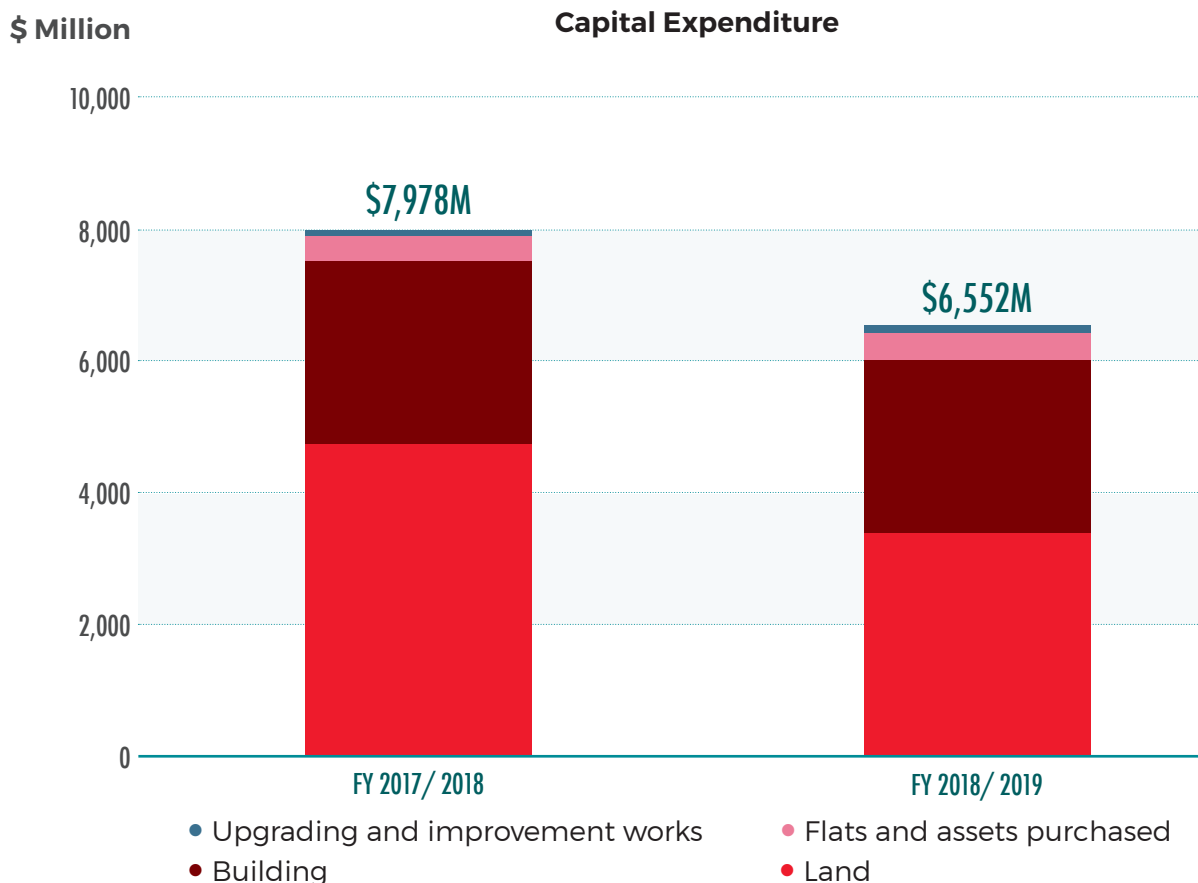
The Mortgage Financing segment maintained a deficit of \$23 million in FY 2018/ 2019.

RESULTS OF OTHER ACTIVITIES

The segment on Other Rental and Related Businesses focuses on the provision, tenancy, and management of commercial properties and land. It reported a lower surplus of \$472 million in FY 2018/ 2019, due mainly to the drop in rental income after the transfer of HDB's industrial properties and land to JTC Corporation on 1 January 2018.

CAPITAL EXPENDITURE

Capital expenditure for the year was \$6,552 million. A large proportion of the year's capital expenditure was incurred for purchases of land and construction of public housing.



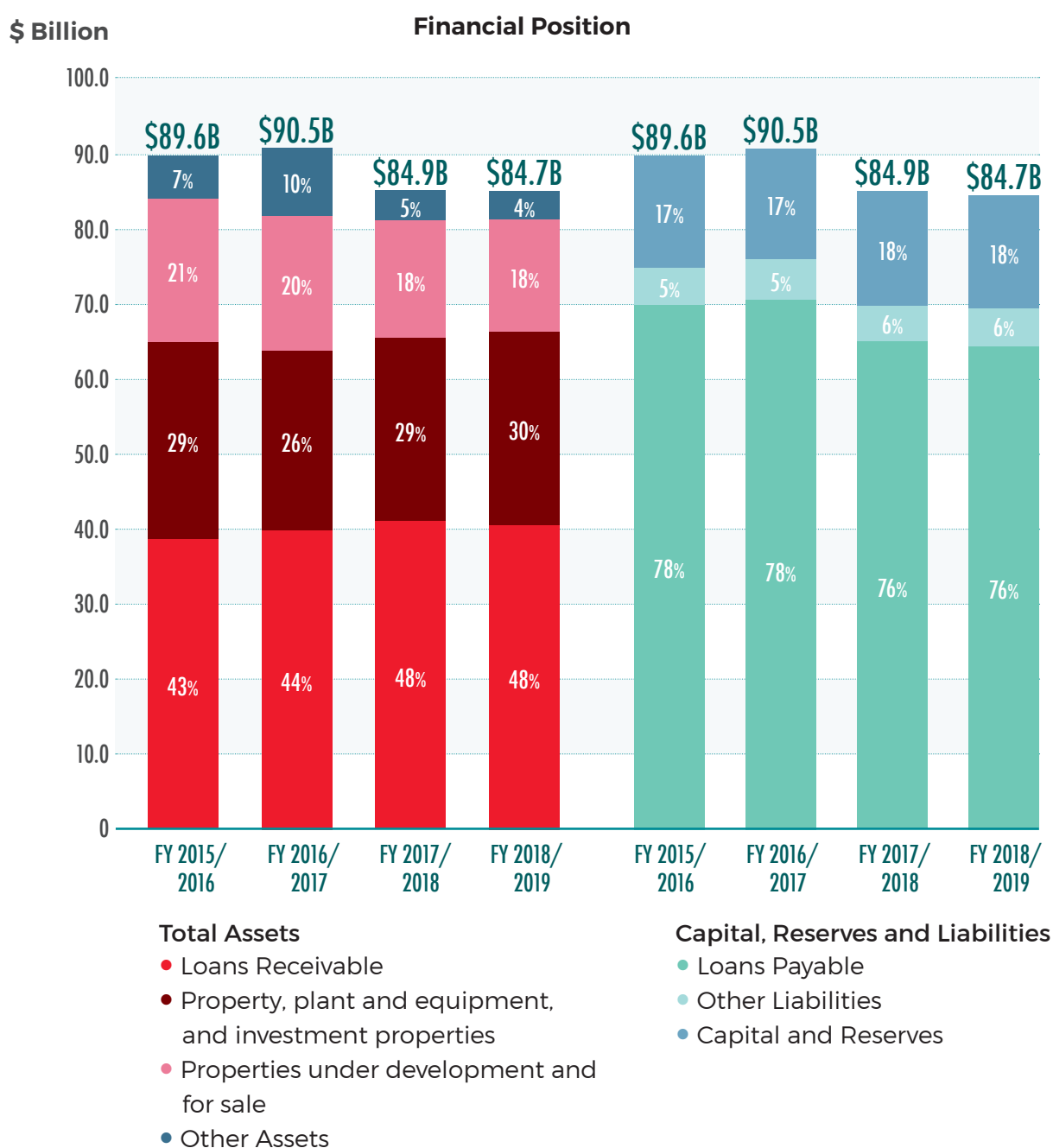
BREAKDOWN	FY 2018/2019		FY 2017/2018		CHANGE OVER FY 2017/2018	
	\$M	%	\$M	%	\$M	%
Land	3,383	52	4,743	59	(1,360)	(29)
Buildings	2,659	41	2,834	36	(175)	(6)
Flats and assets purchased	421	6	329	4	92	28
Upgrading and improvement works	89	1	72	1	17	24
Capital Expenditure	6,552	100	7,978	100	(1,426)	(18)

FINANCIAL POSITION

As at 31 March 2019, HDB's total assets amounted to \$84,666 million. Loans receivable were \$40,392 million. Property, plant and equipment, investment properties, and properties under development and for sale were \$40,652 million. These assets accounted for 96% of the total assets.

Capital and reserves stood at \$15,231 million as at 31 March 2019. Reserves comprised capital gains reserve of \$7,417 million and asset revaluation reserve of \$5,350 million.

The loans payable of \$64,040 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 \$33,534 million.

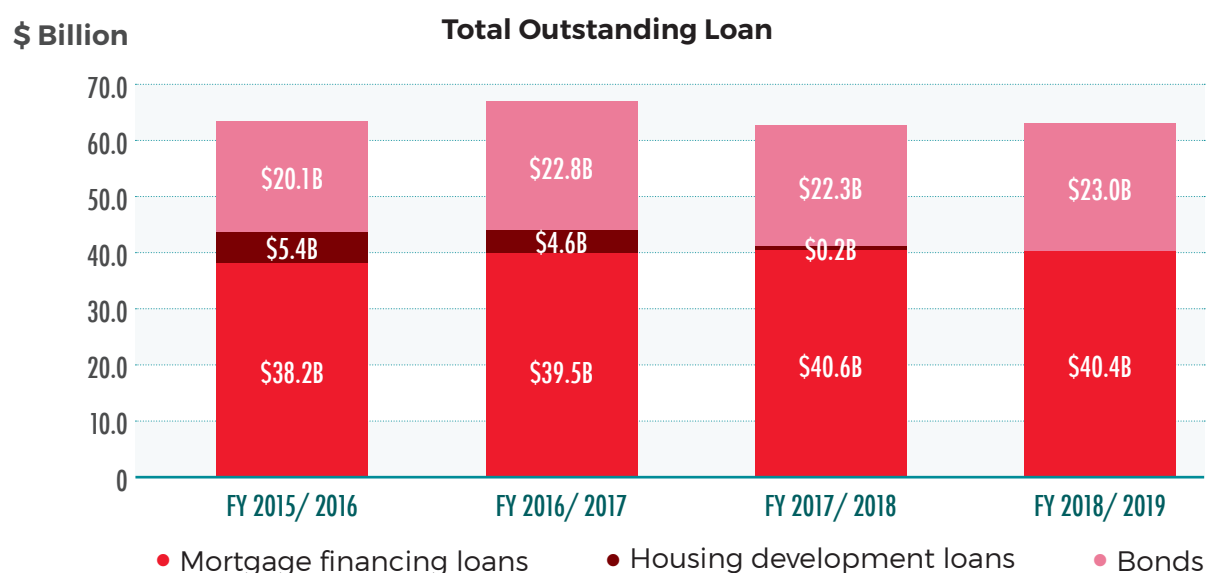
The main loans which finance HDB's operations comprise:

- 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 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 three local banks (i.e. DBS(POSB), OCBC and UOB). The monthly interest rate is subject to the floor rate of the HDB concessionary interest rate.

- 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 \$3.50 billion and redeemed \$2.85 billion of unsecured Fixed Rate Notes. Total outstanding Notes under the Medium Term Note Programme was \$23.02 billion as at 31 March 2019.



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

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