



PRESS RELEASE

CORRECTIONS AND CLARIFICATIONS REGARDING FALSEHOODS IN FACEBOOK POSTS AND ARTICLES PUBLISHED ON 4 AND 5 OCT

The Facebook posts published by Mr Yeoh Lam Keong (“Yeoh”) on 4 Oct 2022, as well as the social media posts and articles published by The Online Citizen (TOC) on 4 and 5 Oct 2022, contain false and misleading statements regarding HDB’s deficits and Singapore’s Past Reserves.

2 The Minister for National Development has instructed the POFMA Office to issue Correction Directions¹ to Yeoh and TOC. Both parties will be required to insert a notice against their original posts or articles, with a link to the Government’s clarification.

Clarifications regarding falsehoods

3 On 4 Oct 2022, Yeoh published two Facebook posts referring to the reply made by the Minister for National Development to Mr Leong Mun Wai’s Parliamentary Question. The Online Citizen (TOC) subsequently carried an article on the same day echoing the points raised in Yeoh’s Facebook posts.

4 Yeoh’s Facebook posts falsely convey the following:

- a. HDB will not incur a loss of about \$270 million from the Central Weave @ AMK Build-To-Order (BTO) Project; and
- b. The Government is free to sell State land at nominal or much lower cost than its fair market value.

5 On 5 Oct 2022, TOC published a second article headlined “Singapore’s reserves substantially profits from \$500m land sales in AMK BTO”. The article claimed that Minister (ND)’s reply alluded to “profits being made from the land sale by the government” and that “such profits would go to the reserves”. The headline falsely conveys that the Government’s sale of land to HDB for the AMK BTO project will lead to an increase in Singapore’s reserves.

¹ A Correction Direction is a Direction issued to a person who has communicated a falsehood (i.e. the recipient) that affects the public interest. It requires the recipient to publish a correction notice, providing access to the correct facts. The Direction does not require the recipient to take down their post or make edits to their content and does not impose criminal sanctions.

6 The losses incurred by HDB, as stated by Minister (ND) in Parliament, are accurate and real.

- a. For the Central Weave @ AMK project, HDB will incur an estimated development loss of about \$250 million, or about \$270 million after taking into account housing grants.
- b. HDB's deficits are covered using funding from the annual Budget, which is raised from taxes and other revenue streams.
- c. Real money is involved, and this is certainly not an "accounting sleight of hand".

7 State Land is part of the Past Reserves. It is not part of the assets that the Government can use as it wishes. When HDB requires land to develop flats, the land has to be taken out of the Past Reserves. HDB has to purchase the land by paying fair market value for the land, and the money goes into the Past Reserves. The estimated land cost for Central Weave @ AMK is about \$500 million.

8 The Government cannot sell State land at nominal or much lower cost than its fair market value without the President's approval, as doing so would constitute a draw on Past Reserves.

- a. Past Reserves are protected by the Constitution for the benefit of current and future generations. The President's concurrence is needed before the Government can draw on Past Reserves.
- b. Past Reserves are invested, and the Government can use part of the investment income to meet Singapore's needs. This income is currently our biggest single source of revenue, exceeding the revenue from personal income taxes, corporate income taxes, or GST. Past Reserves are also an emergency fund for use during crises, for example in managing the impact of the COVID-19 pandemic.
- c. If the Government arbitrarily prices the land below its fair market value, such as at the historical price that past Governments had paid to acquire the land, or at just a nominal \$1, then it is not putting back fully what it has taken out from Past Reserves. This is equivalent to drawing down the Reserves and short-changing future generations, depriving them of their nest-egg.
- d. To consume Past Reserves at the expense of Singapore's future generations and security is populist and irresponsible. Our Constitution is designed to try to stop any Government from this kind of behaviour.

9 There is an established process to determine the fair market value of land.

- a. The Chief Valuer, a public officer whose appointment requires the President's concurrence, determines independently the fair market value using well-accepted and established valuation principles.
- b. These are the same valuation principles adopted by professional valuers in the private sector.
- c. The current fair market value of land is not the same as the historical cost incurred to acquire the land, as the market value of land is influenced by factors such as the current planned land use.

10 Neither the Government nor the Past Reserves profit from land sales. When State land is disposed of at fair market value, there is no addition to the Past Reserves but a conversion of one type of asset (land) to another (cash). For the Central Weave @ AMK BTO project, HDB will pay the Government fair market value for the land, estimated to be about \$500 million. This money will be paid into the Past Reserves, but does not result in a net increase in the Past Reserves.

Delivering good, affordable homes for Singaporeans

11 HDB does not price new flats to recover the cost of land and construction. Instead, it prices flats significantly below market value using generous subsidies to ensure that they are affordable to Singaporeans.

- a. We can see this from resale transactions, where many flat-owners sell their flats on the open market at prices higher than those of comparable BTO flats.
- b. HDB also provides housing grants to help specific groups of buyers with their first flat purchase.
- c. With generous subsidies and housing grants, most first-timer households use less than a quarter of their monthly income to service their HDB loans.

12 HDB will continue to use its allocated resources judiciously to provide good, affordable homes for Singaporeans.

13 For the facts of the case, please refer to the Factually article “Corrections regarding HDB’s deficits and Singapore’s Past Reserves” (<https://www.gov.sg/article/141022-b>).

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