



## **PRESS RELEASE**

### **CORRECTIONS AND CLARIFICATIONS REGARDING A FALSEHOOD ON THE ALTERNATIVE VIEW'S FACEBOOK POST**

The Facebook post published by The Alternative View on 1 September 2022 contains a false and misleading statement.

2 The Minister for National Development has instructed the POFMA Office to issue a Correction Direction<sup>1</sup> to The Alternative View as its Facebook post communicates the falsehood that HDB profits from the sale of the Central Weave @ AMK BTO flats. The platform will be required to insert a notice against the original post, with a link to the Government's clarification.

#### **Clarifications regarding falsehoods**

3 On 1 September 2022, The Alternative View published a Facebook post, which reproduces the headline of an article from AsiaOne (dated 31 August 2022) stating "Ang Mo Kio BTO flats: Strong demand for 5-room units despite prices of up to \$877k", contains an image of the Minister for National Development holding a bag of money, and ends with the caption asking "How much profit is HDB reaping from this?". Implicitly this post is stating that HDB is making profit from the sale of the Central Weave @ AMK Build-to-Order (BTO) flats, which are part of the August 2022 BTO sales exercise. This statement is false.

4 HDB will not profit from the sale of the Central Weave @ AMK BTO flats. In fact, it will incur a loss from this project, as the estimated amount to be collected from the sale is lower than the estimated total development cost of the project. If we take into account the CPF housing grants that HDB will extend to eligible buyers, the deficit is higher still.

5 The amount HDB collects from the sale of flats in every financial year is less than the costs it incurs, including the total development cost (comprising land cost and construction cost) and CPF housing grants. HDB incurs a deficit every year.

6 For the Financial Year (FY) 2021/2022, HDB incurred a deficit of \$3.85 billion in its Homeownership Programme. The average deficit incurred by HDB in the last three years (FY2019/20 – FY2021/22) was about \$2.68 billion per year. The annual

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<sup>1</sup> 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.

deficit, funded by Government grants, is reflected in HDB's audited financial statements published annually.

7 HDB's deficit is largely due to the significant subsidies extended for new flats and the disbursement of CPF housing grants for eligible buyers. Because of this, most first-timer buyers use less than a quarter of their monthly income to service their housing loans. Close to 90% of first-timer families service their HDB loans using CPF with little or no cash payments.

8 HDB will continue to use the allocated resources judiciously to provide affordable and quality homes for Singaporeans.

9 For the facts of the case, please refer to the Factually article "Corrections regarding HDB's BTO programme" (<https://www.gov.sg/article/factually040922>).

**Issued by: Ministry of National Development**

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