

Professor Cheong Koon Hean (far right), chair of the Singapore University of Technology and Design, Lee Kuan Yew Centre for Innovative Cities, said zoning rules and appropriation policies are forms of wealth redistribution.  
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## Leasehold land allows for recycling for future generations: Panellists

Selling land on limited leases is necessary for a small country like Singapore as it allows for the land to be recycled for future generations, said panellists at the Institute of Policy Studies' Singapore Perspectives conference.

Discussing the question of who owns a city yesterday, they noted how government policies on land help to achieve redistribution of not just the land, but wealth as well.

If "everything is owned by a few people" instead, it would be more difficult for the Government to find land to build affordable housing and provide essential infrastructure, said Professor Cheong Koon Hean, chair of the Singapore University of Technology and Design, Lee Kuan Yew Centre for Innovative Cities.

Prof Cheong, who is also chairman of the Ministry of National Development's (MND) Centre for Liveable Cities, added: "In the case of Singapore, we cannot compare to other countries which have lots of land."

The professor, who was deputy secretary at MND from 2001 to

2016, and chief executive of the Housing and Development Board from 2010 to 2020, said rejuvenation is necessary after a period of time, with certain areas needing to be redeveloped in tandem with economic changes.

Leasehold land allows for this virtuous recycling of land for future generations, as well as economic dynamism, she added.

She noted that besides the 99-year lease on HDB flats, land and property for commercial and industrial uses is typically sold on a 30-year lease. "The leasehold concept is actually a very important concept, particularly in the case of Singapore," she said.

Mr Manohar Khiatani, senior executive director of CapitaLand Investment, said policymakers typically have to make difficult trade-offs in land-scarce Singapore.

In the early days of industrialisation, when Singapore was trying to attract multinational companies, they were allowed to buy land on 60-year leases to give them more predictability.

But as the economy matured, some of the land occupied by

such companies were "no longer being put to good use", and such leases were reduced to 30 years.

A fine balance needs to be struck to ensure scarce land is used well even as Singapore seeks to attract foreign businesses, Mr Manohar cautioned.

Both panellists noted that the Government plays the dual role of facilitating economic growth and redistribution.

Prof Cheong said zoning rules and the appropriation policies, such as land acquisition, are forms of redistribution of wealth.

Besides its regulatory function, zoning also ensures that land is set aside to achieve both economic and social goals, ensuring that the price of land needed for parks, hospitals and schools is not pushed up by market forces.

The Land Acquisition Act in Singapore has also allowed the Government to procure land, mostly in the 1960s and 1970s, to build social facilities and infrastructure, such as public housing.

Noting that this is also done in other countries, Prof Cheong said: "In a way, acquisition of land is a form of redistribution of wealth."

Mr Manohar said the Government's role also ensures that the price of land is not left fully to market forces, which may cause distortions. "Ultimately, it is not about maximising land price. It is about maximising the economic returns that that land can give us," he added.

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