

# Comparison and Experience of Housing Policies between China and Singapore

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**Abstract:** *The housing issue is a problem facing many countries and is very critical to the people. The Habitat Agenda adopted by the Second Conference on Human Settlements of the United Nations Human Settlements Programme in 1996 puts forward efforts to achieve the goal of "adequate housing for all", which shows the importance of the housing issue for the people. The two nature of housing policy, market and people's livelihood, is an important support to promote the urbanization process and the healthy development of the housing market, and is also an important method for governments to deal with the housing problem, promote people's well-being and maintain social stability. The issue of housing security in China has always been a hot topic of public concern, and is also one of the important people's livelihood issues that the government strives to solve. China's housing prices have always been very high, and the middle and low income groups are facing great pressure to buy homes. In contrast, Singapore has successfully solved the problem of housing supply for different income groups in the society. Studying the successful experience of Singapore's housing security system has important reference significance for improving China's housing security system. The dual nature of housing policy leads to the complexity of government intervention in housing market. On the one hand, the real estate industry is an important pillar to promote economic growth; On the other hand, housing insurance must meet the basic housing and survival needs of the public. This paper makes a comparative study of China and Singapore to solve the housing problem, and explores how China can learn from Singapore's experience to better solve the problem.*

**Keywords:** Housing policy; Public housing; East Asian studies.

## 1. LITERATURE REVIEW

There are also some researches on Singapore's housing policy at home and abroad:

### 1.1 Research on the Characteristics of Singapore's Housing System

Lee Kuan Yew believes that the rental housing system and the provident fund system are key factors to ensure the stability of the country, and believes that the fate of the Singaporean people and the fate of the country are closely linked. In order to maintain racial harmony, unity and fraternity must coordinate the construction of housing, urban construction, legal construction, religious harmony, ethnic harmony, and social consciousness implementation. "Home ownership" is the most critical step.

In her book "Building Prosperity: Housing and Economic Development", Anna believes that "Singapore's housing system has three characteristics: strict entry and exit mechanism, fair distribution system, and strong Financial security."

Liu Ting, Architectural Design and Research Institute of South China University of Technology, pointed out in the "Overview of the Implementation and Development of the HDB System in Singapore" that the main reasons for the success of Singapore's housing system are: the tough land expropriation system; Effective financial means; Strong political support; A sound central provident fund system

### 1.2 Reference Research on Singapore's Housing System

Guo Weiwei, Institute of World Studies, Central Compilation and Translation Bureau, pointed out in "Home Ownership" - The Unique Housing Security System of Singapore and its Enlightenment that Singapore's housing system has successfully solved the housing problems of ordinary people in just a few decades. This paper analyzes the reasons for its success, and summarizes the experience of reference for our country, including three points: strengthening the government's macro-control function; Improve the housing security system; Improve the housing provident fund system. In general, according to China's national conditions to build China's housing security system.

Cui Jing of the National University of Singapore pointed out in Singapore's Public Housing and Population Control System that the main reasons for the successful implementation of Singapore's public housing system are as follows: First, the government has a clear goal, that is, to achieve "home ownership"; The second is the efficient execution of government agencies. The HDB, as the specific executive agency of the public housing system, can implement it cleanly and efficiently. Third, adequate financial support; Fourth, strict evaluation mechanism; Fifth, sound laws and regulations guarantee.

In "The View of China's housing security Problem from Singapore's" Home ownership "system", Lee pointed out that the study of Singapore's successful experience in housing security system has important reference significance for improving China's housing security system.

## **2. COMPARATIVE STUDY**

China has the following characteristics and categories in exploring the housing security system.

**Housing provident fund system:** The housing provident fund is a policy-based housing finance, which is an important part of China's housing security system, and is characterized by direct financial means to support the majority of urban workers to solve housing problems in the market. Practice shows that this system is beneficial to solve the housing problem of low-income families.

However, the management of the housing provident fund also exposes the general problems such as the deficiency of the management system itself, the lack of unity of the management system, or the existence of multiple supervisory systems, which to a large extent hinder the good and rapid development of the housing provident fund system.

**Affordable housing system:** The introduction of affordable housing policies and preferential policies and measures in various aspects is the embodiment of the government's policy to protect the right of residence of low - and middle-income families. The state has exempted land transfer fees and reduced a number of taxes and fees for economic housing projects, and local governments have also supported the formulation of policies and measures. Affordable housing has effectively solved the housing problem of the middle and low income class to a large extent.

At present, the housing size is too large and increasingly gentrification is the main problem of affordable housing, which invisibly leads to the total price of housing is high, and the consumption of the middle and low income class is restricted. Loopholes in lax sales process management.

**Low-rent housing system:** Low-rent housing means that the government provides social security housing to families who enjoy subsistence allowances for urban residents and have housing difficulties by means of rent subsidies or in-kind rent allocation. Nowadays, the source of funds for the construction of low-rent housing is unstable, and the funds are very short. Some cities do not pay enough attention to this kind of housing, and the coverage of the system is small and imperfect. There are also loopholes in the regulatory and approval processes.

**Double-limit commercial housing:** refers to the commercial housing that is limited by the government in the time of land transfer and the sale price. Set land prices by controlling developers' profits within a reasonable range. This controls housing prices from the source of land, breaks the monopoly of the real estate market, and protects the housing interests of middle and low income people. At the same time, a certain amount of land transfer fees are also owned by local governments [5].

**Second-hand housing transactions:** guide and strengthen the concept of reasonable consumption, advocate the construction of small housing, purchase of second-hand housing and rental housing, etc., so that the real estate market can return to a normal rational supply and demand state. The formation of the gradient consumption model of the housing consumption market will effectively reduce the housing price and promote the stable development of the market.

However, under the development of China's housing policy, there are also many problems, such as the lack of macro design and overall grasp of housing, land and housing systems. At present, China's market information is not open and transparent, and it is difficult for the people to obtain the housing information they want through proper channels. Then there is the inequality of the relevant subject status in the housing and land markets. China's

unclear rules on government functions and accountability in housing security make it unclear to whom to turn when responsibility needs to be traced. Second, there is no institutionalized and standardized budget and system to ensure that the government can achieve the effect of responsibility.

In Singapore, with its special geographical location, small land area, large population density, diverse ethnic groups and diverse religious beliefs, the plan has been started since the early days of the founding of Singapore. Since 1960, the policy of Singapore has been implemented in all parts of the country, and the living conditions of the people have been continuously improved. With a 7% tax on a monthly income of \$3,000, you can generally buy a house of your own on mortgage in about three years. In Singapore, more than 85% of the country's citizens live in HDB houses. Among them, 93% of residents own property rights in their homes. The application criteria for HDB flats are established under the basic framework of the Scheme, and five key factors determine eligibility, including citizenship, age, private property, income level and family composition.

The rental housing system in Singapore has the following characteristics: First, the government plays a dominant role, which is implemented by the Housing Development Board; second, the government provides the land resources needed for housing and introduces relevant land acquisition policies. As a typical capitalist country, Singapore strictly controls the national land resources, providing a strong land and financial guarantee for the construction of HDB flats. Third, Singapore established a mandatory Central Provident Fund system in 1955, Singapore established the Central Provident Fund system, the Central Provident Fund Board is responsible for the management of the provident fund. Fourth, in order to ensure the fair and orderly distribution and protect the legitimate rights and interests of low - and middle-income groups, Singapore formulated and implemented the Singapore Housing and Development Act, the Housing Authority Act and the Special Property Act in the 1960s, which improved and clarified the government's policies and objectives for the development of public housing and formed a complete housing legal system in Singapore. The middle and low income groups are encouraged to start buying government-provided rental houses, either by paying them off in one lump sum or by adopting instalments to promote the degree of home ownership. Fifth: Scientific and reasonable planning.

### 3. CONCLUSION

The level of national housing prices is related to whether ordinary people can live and work in peace and contentment, determines whether the national economy can develop healthily and well, and affects the harmony and stability of society. However, China's housing system, from the initial goal of wide coverage and low level, to the implementation of market-oriented housing, has greatly improved the housing and living conditions of most people in a short period of time, but there are also problems such as the widening of the housing gap and the contraction of the government's security function. China can improve the housing provident fund system and focus on solving the housing problem of low - and middle-income people. We will improve the housing finance system and provide multiple sources of housing funds. In Singapore, the Housing Development Bank is responsible for the management of the housing finance system. Therefore, China should also establish corresponding financial institutions and establish an effective housing credit mechanism to provide housing mortgage loans or low-interest loans for low - and middle-income people through various means such as loans, so as to improve their ability to buy houses and improve residents' housing conditions. China's housing security management institutions are not sound, and the construction of the legal system lags behind. China's affordable housing construction has been promoted rapidly in recent years, but many cities and counties have not set up special housing security management agencies and specific implementation agencies, so it is necessary to improve the relevant protection and laws.

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