

WHAT DOES IT TAKE TO MAKE HOUSING AFFORDABLE?



Professor Phang Sock Yong's body of work has shaped conversations around housing affordability both in Singapore and abroad—helping policymakers manage land, supply, finance and market rules as one integrated system.

Housing looks, on paper, like another line in a household budget. But in reality, it serves more like a door to opportunity. It influences whether workers can move up the career ladder, whether children can attend better schools, whether families can get easier access to healthcare and community support and whether older adults can age with stability and dignity. When housing becomes unaffordable, downstream consequences, such as the loss of mobility, confidence and some measure of social cohesion, begin to rear their ugly heads.

The scale of the gap between aspiration and reality is not in dispute. A staggering 80% of cities worldwide do not offer affordable housing options for the majority of their populations.¹ Across Asia, affordability pressures crop up in different guises: land constraints in dense metropolises such as Hong Kong and Shenzhen; rapid urbanisation and informal settlements in cities such as Jakarta and Delhi; and limited public-sector supply in markets where private development tends to follow profit rather than need. The United Nations estimates that by 2030 around three billion people—about 40% of the world's population—will need access to adequate housing, translating into the demand for roughly 96,000 new affordable and accessible units every day.²

Housing is often framed as a moral imperative. Indeed, a roof over one's head is a basic, human need. But morality alone does not resolve the practical question of how to govern housing without letting it become a permanent source of instability. Housing sits where land scarcity meets finance; where household wealth meets political legitimacy; where infrastructure planning meets everyday life. It is shelter, it is also an asset. It is private, yet its effects spill over into the public domain. When policy design is weak, housing markets tend to reverberate with shocks rather than cushion them.

Singapore is, by almost any measure, an improbable counterexample. Six million people occupy about 735.7 km². Land is not just scarce—it is, in any conventional sense, exhausted. And yet the Urban Land Institute, a global non-profit research and educational organisation, has identified

Singapore as one of the few major Asia-Pacific cities where homes remain broadly attainable, with a median price-to-income ratio below five.

However, that does not mean that Singapore is free from housing anxiety. Public debate over waiting times, resale prices and high-profile “million-dollar flats” has snatched headlines in recent years. But the debate itself is revealing. Affordability is not a problem solved once and for all, but a situation that requires constant monitoring as well as management.

Over several decades, Professor Phang Sock Yong's research at Singapore Management University (SMU) in housing affordability has helped make that task of maintenance clearer in its difficulties as well as practical in the possible solutions available. In particular, it answers the question of how housing affordability relies on the coordination of land, supply, finance and infrastructure; how rules matter as much as subsidies; how the political economy of housing wealth complicates every reform; and how cities can fund affordability without leaning only on taxes on labour and capital. It is important to note that, as with many other policies, housing policy does not usually move through one clean causal chain. Influence is most visible where ideas actually travel—government knowledge products, advisory channels, multilateral policy forums and overseas reform debates—shaping how policymakers define the problem, what tools they treat as legitimate and how they test what might translate to their own context.

WHEN HOUSING BECOMES A BARRIER, CITIES INHERIT THE COSTS

Most housing debates start with prices. They should, instead, begin with constraints. In many cities, demand can surge. Population growth, rising incomes, easier credit and global capital flows can lift purchasing power quickly. However, supply responds slowly, land assembly takes time and planning approvals can move at a glacial pace. What's more, construction capacity is finite and infrastructure has to be sequenced. These snags create the trap whereby purchasing power rises faster than homes can be made, and price becomes the balancing mechanism.

That is why demand-side assistance, while often necessary, is also risky when deployed in isolation. It is politically attractive because it is immediate and visible—it puts money in households' hands. Yet in constrained markets, subsidies and grants can be capitalised into higher prices. When extra purchasing power arrives faster than homes can be built, part of the benefit is shared with incumbent owners and developers through price increases. Some households still gain, but the market can reset upwards for everyone else.

The problem intensifies once homeownership becomes widespread. Housing then doubles up as wealth: as a retirement asset, a buffer against shocks and an asset in the context of intergenerational transfer. Here lies the central tension of modern affordability politics. Measures that improve entry for first-time buyers may be read by existing owners as threats to their respective balance sheets. A city can promise cheaper entry, but it cannot easily do so while also preserving the wealth expectations that have built up around housing over several decades.

Globalisation deepens the dilemma. Housing markets become layered, as a regulated segment meant to preserve affordability sits alongside a more open segment exposed to global capital. Residential property becomes a preferred store of value in a world of mobile money. In such contexts, “let the market decide” is not a neutral stance. It tends to privilege housing's wealth function over its (more fundamental) social function.

In response, households move to areas that are more affordable, in turn creating longer commutes and weaker access to various services. Similarly, employers feel the pinch of labour mismatches—especially in central and specialised districts—and this trickles down, resulting in an erosion in productivity and liveability.

SINGAPORE: A CASE IN POINT

In the early 1960s, as Singapore moved toward self-governance and then independence, one urgent challenge was a severe shortage of decent housing. Large parts of the island's housing stock were dominated by *kampongs* (traditional Malay villages), squatter settlements and overcrowded shophouses. Structures were often unsafe and sanitation was poor. Barely one in 10 of residents lived in government flats.

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The state responded with a speed that is difficult to reproduce in most democracies today. On 1 February 1960, the Housing and Development Board (HDB) was formed with the mandate to build at scale. Within a decade, the percentage of residents living in HDB flats rose from 9% to 35%. By 1980, it reached 67%. Today, close to 80% of Singapore's resident population live in HDB estates, and around 90% of resident households own their homes.

The expansion reflected a deliberate architecture that linked land, supply and finance. In particular, land and planning were treated as affordability tools. Land acquisition powers, state land ownership and the ability to plan and release land for high-density housing allowed supply to be delivered at scale.

Supply delivery was anchored in an institution designed to build across cycles. HDB built most of the city's housing stock over decades—seven out of 10 dwellings over the past half century.

Finance was also built into the system. The ability to use Central Provident Fund (CPF) savings, Singapore's social security savings system, for downpayments and mortgage servicing widened access to ownership and reduced reliance on external capital markets, particularly during the early decades. Importantly, housing finance was designed as part of the affordability architecture instead of being regarded as a separate market problem.

By the late 1960s, key elements of that architecture were already in place. The Development Charge was introduced in 1964, the Land Acquisition Act followed in 1966 and

CPF housing use began in 1968. Together, these moves built the scaffolding for the long run: supply delivered on state and reclaimed land, financed through a domestic savings mechanism, supported by instruments that allowed the state to capture some portion of planning- and infrastructure-induced land value uplift.

That arc also explains why affordability becomes harder as cities mature. Once a city globalises, capital becomes more mobile, household aspirations rise and housing's wealth function expands. The system must then do more than house people. It must manage expectations, preserve legitimacy while remaining fiscally sustainable.

MAKING THE SYSTEM LEGIBLE: HOW SINGAPORE'S HOUSING MODEL IMPACTS POLICY PRACTICE ELSEWHERE

Indeed, cities cannot simply transplant what works elsewhere. Yet they still need ways to learn. They need frameworks that separate symptomatic relief from structural change, and that anticipate spillovers: how a fix in one part of the system shifts pressure to another.

Over several decades, Phang's research has found that Singapore's housing model has tended to contribute in three ways.

1. A usable map of the moving parts

A recurring contribution has been to frame affordability as integrated system design—land mobilisation, supply delivery, housing finance and market rules. The practical value of Singapore's housing model is in how it helps policymakers locate bottlenecks. It clarifies why subsidies inflate prices when supply is constrained, why supply targets fail when land release and infrastructure are out of sync and why “build more” can remain an empty slogan when institutions cannot build across cycles.

Several of Phang's publications were structured for cross-country learning, setting out Singapore's institutional pillars in portable form: land acquisition and land release; the HDB-CPF linkage; market interventions such as resale rules; and retirement equity tools.^{3,4}

2. A disciplined view of finance: good intentions, bad dynamics

Housing finance is where good intentions often misfire. A financing innovation that widens access can inflate prices

when supply is slow. A credit expansion can increase homeownership and simultaneously build fragility into household balance sheets. Meanwhile, a subsidy can relieve hardship and still push the market up.

Phang's research also evaluates both market failures and government failures in housing finance, and it has been useful precisely because it treats intervention as a design problem rather than a virtue.⁵ It directs attention to second-order effects: credit dynamics, wealth distribution and the politics of asset-based welfare. That discipline becomes more valuable in late-stage global cities, where housing is both an economic good and a political symbol.

3. Fiscal realism: value capture as a foundation

In high-demand cities, the affordability question eventually becomes a fiscal one. How does a city pay for the infrastructure and subsidies needed to keep housing within reach?

This is where value capture becomes central. Land values rise due to collective growth and public investment. A portion of that uplift can be recycled into housing and infrastructure rather than accruing entirely as private windfalls. Singapore's case is notable for the long-run implementation of a value capture ecosystem—through land acquisition, development charges, land sales and related instruments.

One empirical insight that sharpened policy discussion is the idea of “budgetary recycling” within the housing system: the state sells land to housing agencies at market-reflective values, then returns subsidies to keep housing affordable.⁶ In other words, land value is treated as a resource that can be converted into affordability.

FROM SCHOLARSHIP TO UPTAKE

Phang has seen her research travel internationally through housing finance discussions. In May 2010, the World Bank's global conference on housing finance in emerging markets included a session on lessons from Singapore's CPF scheme.⁷ That setting was concerned with implementation: what a savings-linked housing finance model enables, what institutional conditions it depends on and what risks arise when those conditions are absent. It also reinforced a broader point that recurs throughout her work: housing finance only works when land release, supply delivery and market rules move in step with each other.

That same year, she also served on the Economic Strategies Committee subcommittee on Maximising Value from Land as a Scarce Resource.⁹ It put land scarcity at the centre of Singapore's growth strategy—calling for integrated, long-term land and infrastructure planning, a calibrated balance between planning and market allocation, as well as a sharper focus on land productivity.

In Singapore, engagement with policy tends to be reflected through institutions. Between 2009 and 2014, Phang served as a member of the Advisory Board for the Centre for Liveable Cities (CLC). In 2014, Phang was awarded the Medallion for Distinguished Service by the Ministry of National Development for her contributions as board member to the Urban Redevelopment Board and the CLC. She also served as a research advisor to CLC's Urban Systems Study publications. CLC publications are government knowledge products intended to consolidate lessons, document governance choices and communicate policy logic to both domestic and international audiences.^{9,10} Participation in that process is one route by which her scholarship enters official framing—often shaping how policy tools are understood. Phang's engagement with CLC has continued since, including fellowship roles recorded on the CLC fellows listing as recently as early 2026.

As Singapore's housing experience drew attention abroad, uptake increasingly took the form of comparative policy dialogue. In 2019, Phang was invited to speak at a conference convened by Boston University's Initiative on Cities for housing commissioners from nine of the most expensive cities in the United States, focused on America's affordable housing crisis.¹¹ The interest was in what Singapore makes easier to see in any high-cost city: how quickly demand-side relief can be priced away when supply is constrained; how land and infrastructure choices shape affordability outcomes; and how rules determine whether housing behaves primarily as shelter or as wealth.

Over the next few years, that comparative interest showed up both in feasibility testing and in commissioned advisory work. From July 2020 to May 2021, Phang served as a consultant to the World Bank on Indonesia's National Affordable Housing Program. The context differs sharply from Singapore, but the core design questions were familiar: how to scale supply credibly, how to structure subsidies without inflating prices and how to align housing provision with infrastructure and labour-market realities.

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In 2019, Hawaii's affordability pressures had led policymakers to examine whether elements of Singapore's approach could be adapted. Public discussion that year explored Singapore's housing system in Hawaii's context, and Phang was invited to give the keynote speech at the 'Kick the Tires' Housing Conference organised by the Hawaii State Senate Housing Committee.¹² An implementation study in 2021 associated with the ALOHA Homes initiative cited Phang's policy working paper on Singapore's housing policies.¹³ The value of this use case lay in feasibility testing: leasehold structures, the role of state land, affordability financing mechanisms and the institutional constraints that determine what can be transferred in practice.

Hawaii's engagement continued beyond that initial feasibility exercise. By 2024, the discussion had also entered transit-oriented development (TOD) and land value capture conversations, including through Hawaii's TOD Council reporting and related briefings.¹⁴ This exemplifies how policy learning typically unfolds: jurisdictions rarely move straight from learning about a model to wholesale adoption. They test components—land, infrastructure and financing—before deciding what can be designed into their own systems. Put simply, context is vital.

In more recent years, Phang's work has continued to circulate through policy debate settings in cities facing acute pressures. In 2024, besides delivering a public lecture in Honolulu¹⁵, she also delivered lectures in Melbourne, Sydney and Brisbane that contributed to Australia's ongoing debate on affordability and tax reform.^{16,17} In 2025, she participated as a speaker and panellist at Seoul's Housing Forum, a platform designed to compare governance approaches and refine local policy options.

The applied advisory channel continued as well. From 2022 to 2023, Phang served as a consultant appointed by the Asian Development Bank to work with Vietnam's Ministry of Planning and Investment. That work again brought the focus back to system design—how institutions fund and deliver infrastructure in ways that remain politically and fiscally workable over time.

WHAT CHANGED—AND WHAT CITIES NOW FACE

The most consequential effects of housing research tend to show up first in how governments think and decide, because that is where policy mistakes are often baked into the process. Over time, Phang's research has helped move affordability debates away from price headlines and toward system management: land release and planning responsiveness, delivery capacity across cycles, financing design and the market rules that shape behaviour. Once those pieces are discussed as well as applied together, it becomes harder to rely on single-lever fixes that perform well politically but leak pressure elsewhere.

It has also nudged policy learning in a more disciplined direction. Too much cross-city borrowing fails through mere surface imitation. The more useful question is feasibility: what institutional conditions must exist for a tool to work as intended, and what trade-offs follow from adopting it. That is why the most visible overseas engagements have not centred on copying Singapore's model wholesale, but on testing components—leasehold structures, the role of state land, value capture instruments and delivery institutions—against local legal, fiscal and labour constraints. In housing, sharper feasibility testing is a meaningful outcome. It reduces the risk of spending political capital on reforms that would go on to disappoint.

Another shift concerns fiscal realism. Sustained affordability requires funding housing provision and the infrastructure that supports it. In land-scarce, high-demand contexts, value capture offers a coherent logic and solution: planning decisions and public investment create land value uplift, and some portion can be recycled into public goods. Framing the issue this way does not remove contestation, but changes the conversation. Debate moves from whether value capture is acceptable in principle to how it can be designed credibly—whether through instrument choice, rate setting, safeguards or distributional consequences.

These shifts matter because the next set of affordability pressures will be harder to govern with yesterday's toolkit. Take infrastructure, for instance. When housing near jobs and services becomes expensive, households trade price for distance, and the cost returns as longer commutes, congestion and weaker access to services. Decarbonisation is another pressure. "Affordable" increasingly includes operating costs and climate resilience. Retrofitting older housing stock is expensive, but delay is costly too, through higher energy bills, heat stress and adaptation expenses that tend to fall hardest on those with the least room to absorb them. These issues, too, need to be managed.

City leaders would be wise to treat affordability as a condition to be maintained rather than a crisis awaiting a decisive fix. That maintenance depends on institutional capability: coordinating land, supply, finance and

infrastructure; funding public goods at scale; and setting rules that can manage housing's dual role as shelter and wealth without pretending that the tension can be removed. The most consequential choices are often questions of sequencing—what is stabilised first, what is allowed to adjust and which trade-offs are confronted early rather than be left to markets to impose later.¹⁸



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For a list of endnotes to this article, please visit <https://smu.sg/SMUAMIMar2026> or scan the QR code below.

