

## Frequently Asked Questions (FAQs)

### 1. How does the Government support hawkers with their manpower constraints?

- a. The Government recognises the manpower challenges our hawkers face. We recently adjusted our policies to allow more LTVP/LTVP+ holders, who have nexus and ties to Singaporean families, to be stall assistants. This helps to ease some of the manpower constraints that hawkers face in hiring non-locals, while preserving the local identity of our hawker centres.
- b. NEA also provides subsidies and grants to support hawkers in areas such as purchasing kitchen automation equipment, and adopting digital solutions, such as for queue management, which can help to lighten the pressures of manpower constraints.

### 2. Currently, non-subsidised stalls in NEA-managed hawker centres are allocated via a tender system, in which stalls are tendered to the highest bidder. Wouldn't this approach drive up rent at hawker centres? Why not consider a balloting or a fixed-rent system?

- a. The tender process allows us to allocate hawker stalls in an open, transparent and straightforward manner, while keeping hawker stall rent affordable.
  - i. The rents are determined by what the tenderer bids, and there is no minimum rent.
    - Across all centres, over 300 stalls in the last 3 years were obtained at bids below \$100, including some that were only \$1.
    - The tender process also encourages committed and serious prospective hawkers to come forward and submit a bid. It discourages frivolous bids, as they know what they bid will be what they must pay.
  - ii. After the first three years of tenancy, rents are adjusted downwards towards the assessed market rent.
    - For majority of cooked food stallholders in our hawker centres, median rent is around \$1,250 per month and has remained relatively stable for the past 10 years.
    - This policy was recently updated to stagger the downward adjustment of rents over a longer period, to discourage prospective hawkers from putting in excessively high tender bids.
  - iii. We also disallowed subletting of stalls since 2012, which had led to higher rents in the past.
- b. Some have suggested alternative models, such as a fixed rent or a balloting model. We remain open to consider different models, but we must make sure that the solution does not worsen the issue we are trying to solve.
  - i. A balloting system could encourage frivolous applications and excess demand for stalls, especially at popular centres. This may not be fair to genuine tenderers, neither will it benefit patrons.
  - ii. It will also be challenging to pre-determine the rent under a fixed rent model.
    - For example, if we were to use Assessed Market Rent (AMR), all prospective hawkers will end up paying this price.
    - But under today's system, close to half (about 44%) of successful bids for cooked food stalls are below assessed market rent. This helps with their business costs.

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- c. Nevertheless, we remain open to consider different models.
  - i. In fact, we have tried out price-quality models at Socially-conscious Enterprise Hawker Centre (SEHC) where the rent is pre-determined and stalls are curated by the operators.

### **3. Do HDB coffeeshops have to offer Budget Meals at below market prices?**

- a. Budget meals are priced affordably as compared to the average price of meals sold at nearby eating places. Typically, they are priced at \$3.50 and below.
- b. HDB does not require coffee shops to offer budget meal options below market prices. The prices should be affordable compared to surrounding options.

### **4. How does the Government support hawkers onboard the Budget Meal initiative at coffee shops?**

- a. We need to strike a balance between providing affordable food options for residents and supporting operators' and stallholders' business sustainability and livelihoods.
  - i. We do not require every stall in a coffee shop to offer budget meals.
  - ii. Generally, an operator of an HDB rental coffee shop is required to provide four to six budget meals across the different stalls in the coffee shop.
  - iii. Operators and stallholders have the flexibility to propose the budget meals that they wish to offer during the tender or tenancy renewal process and are free to determine the prices of all other meals that they offer.
- b. For existing HDB rental coffee shop operators, we provide a 5% rent rebate for the first year of tenancy renewal, to help them adjust to the new requirements of providing budget meals.
  - i. Operators are required to pass on the rental discount to participating stall operators.
- c. We have also stepped-up efforts to raise awareness on Budget Meals, such as through the BudgetMealGoWhere website and the "Great Budget Meal Hunt" initiative.
  - i. These initiatives help bring business to stallholders by generating interest and footfall.