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**Position Paper of the Public Affairs Committee  
of the Hong Kong Institute of Planners**

**Long Term Housing Strategy Consultation Document, Sept 2013**

**General Remarks**

1. HKIP welcomes the promulgation of the LTHS Consultation Document. It helps arouse public awareness of the housing issues facing Hong Kong and promote an informed discussion on the possible strategies to tackle the issues.
2. The current housing issues facing Hong Kong are a matter of 'mismatch'. A quantity mismatch in demand and supply; a quality mismatch in meeting societal needs and affordability; and a spatial mismatch between homes and workplaces. To redress the mismatch, some form of steering strategy is required to adjust the housing pool to the right direction.
3. The steering strategy must clearly set out the following:
  - (a) a holistic vision;
  - (b) clear policy objectives and priorities;
  - (c) a concerted approach for implementing key actions; and
  - (d) a robust monitoring mechanism.
4. HKIP considers that the LTHS Consultation Document would need to adequately deliberate on the above four elements. Our major comments and suggestions are provided below.

## **Vision**

5. The vision laid down in the LTHS Consultation Document is to provide ‘adequate and affordable housing to the people of Hong Kong through re-establishing an appropriate housing ladder that facilitates upward mobility ... In gist, the new LTHS should be a supply-led strategy, with public housing accounting for a higher proportion of the new housing production’ (p.xiv, para. 3). This vision is rather narrow as it only focuses on the quantitative aspect of housing. We also need to consider the intertwining relationship between housing and city betterment and sustainability. A more holistic vision encompassing the qualitative and sustainability aspects of housing is needed for Hong Kong.
6. Hong Kong is an endearing home for its residents as well as a global city which attracts talents. Housing is more than bricks and mortar. They are homes and communities which are fundamental to societal well-being and quality of life. A rational spatial distribution of housing is also essential to ensuring sustainable development of our valuable land resources.
7. HKIP therefore suggests reframing the vision of the LTHS to holistically embrace quality of life and sustainability as part of our aspiration.

## **Policy Objectives and Priorities**

8. The Government’s housing policy objectives, as spelt out in the 2013 Policy Address, are to :
  - (a) assist grassroots families to secure public housing to meet their basic housing needs;
  - (b) assist the public to choose accommodation according to their affordability and personal circumstances, and encourage those who can afford to do so to buy their own homes;
  - (c) provide subsidized home ownership flats on top of public rental housing so as to build a progressive housing ladder; and

- (d) maintain the healthy and steady development of the private property market, with priority to be given to meet Hong Kong permanent residents' needs.
9. In proposing a supply-led strategy spearheaded by public housing production, the policy objectives have drawn a dichotomy between public housing and private property market. Idealistically, a 'housing ladder' with public rental housing (PRH) at the bottom, HOS/PSPS in the middle and private housing at the top could be formed under the prevailing housing policies and system. This ladder could provide the public with an opportunity to improve their living quality and increase their assets by moving up the ladder. However, with persistently high property prices, there is a big gap between affordability and housing price. This will greatly constrain people's ability to move up the housing ladder.
10. The housing scenario is made simple, perhaps for pragmatic reasons, as the Government has greater manoeuvring capacity on public housing. In reality, for various reasons such as structural barriers or market imperfections, allocative efficiency is often hard to achieve. The housing market in Hong Kong, as in many other global cities, is dynamic. Hence, instead of relying on a supply-led strategy, our housing strategy should stress upon maintaining resilience in response to changes, not only in terms of the demand and supply situations but also community needs and aspiration. We need to look closely at where our city is heading for, rather than pushing a quantity-oriented bandwagon. The housing policy objectives are not simply a matter of ensuring that our city provides a sufficient number of dwellings to meet the growing population. They should also concern about providing quality homes and neighbourhoods for our diverse communities, in particular those living in unacceptable conditions. In addition, land and housing resources must be utilized in a sustainable manner.

11. Given the limited land and housing resources, the LTHS Consultation Document has set priorities to meeting the genuine and most pressing housing needs (p.xv, para. 9). This is appreciable but whether the needy ones are to be broadly categorized as the elderly, non-elderly singletons over the age of 35, inadequately housed households, youngsters and first-time home buyers is a moot point. For example, it is debatable as to whether public housing resources should be used for assisting singletons and youngsters, vis-à-vis low-income families or the other vulnerable groups.
12. As an alternative, the Government could consider recasting the priorities to reflect the basic housing needs of our city, viz. improving housing supply, improving housing quality, and improving housing support. Apart from the housing supply issue, substandard housing and lack of housing support for allowing choice and mobility are also critical. Appropriate sub-strategies or actions should be identified to address these priorities.

#### **Concerted Approach for Implementation**

13. HKIP considers that a concerted approach involving various actors, mechanisms and measures is fundamental to resolving the current housing challenges.
14. To improve housing supply, for example, multi-pronged measures could be sought to help pooling the housing resources. For example, in addition to providing new flats on new land such as the long term measures of reclamation outside Victoria Harbour, rock cavern developments and new development areas, strenuous efforts should also be made to optimizing and adapting the existing housing stock and urban sites to cater for the housing needs. In this regard, the LTHS Consultation Document has set out proposals such as maximizing the rational use of public rental housing resources, stronger measures against abuse of public housing resources, leveraging the private sector's capacity to provide housing, reviewing the development intensity of housing sites, rezoning suitable urban sites for housing uses, redeveloping aged public rental housing estates, etc. The matrix of measures are supported but their cumulative effects must be assessed with due regard to the overarching planning principle of sustainability. The housing supply measures must be supported by the existing or planned

infrastructure, and any adverse impacts on the environment must be duly mitigated.

15. In terms of housing quality, aspects such as, inter alia, healthy and green living environment, improving energy efficiency, promoting renewable energy use, housing renovation and maintenance, neighbourhood improvement should also form an integrated part of the housing strategy. Global cities around the world are striving to build liveable and quality homes, Hong Kong must also explicitly state our will to pursue these objectives through the collaborative efforts of the Government, regulatory bodies, housing delivery agents, private developers, home owners, community leaders, NGOs, etc.
16. As regards housing support, which is meant to offer assistance to vulnerable people to meet their housing needs, appropriate measures and packages could be tailored. These could be in the form of providing transitional housing, retirement housing, sheltered housing, subsidies, supporting advice and services, etc. In addition to the Government, greater contribution from other parties such as voluntary organisations, home improvement agencies, not-for-profit landlords and charities, social enterprises could also be fostered.

#### **Robust Monitoring Mechanism**

17. HKIP welcomes the suggestion in the LTHS Consultation Document to review housing projection on an annual basis. However, this alone does not suffice.
18. To effectively monitor and evaluate the performance of the various strategies, sub-strategies or key actions in meeting the policy objectives, a set of clear indicators is required. The Government should consider setting up a centralized body to gather, collate, analyze and interpret the relevant statistics and data from various sources and release such indicators for public information. By making the relevant information more transparent, both Government and the public would be in a better position to adjust the housing strategy to a better path.

19. For example, an official indicator on living space per person, which is a yardstick of housing quality, is still missing in Hong Kong notwithstanding that such figures are available for public rental housing tenants. HKIP urges the Government to provide such indicators for public reference.

### **Other Comments**

20. In the LTHS Consultation Document, the public is asked to make choices. In fact, most of the choices are hard choices which might make it difficult in soliciting consensus on or public support for the concerned policy.
21. There should be a clear distinction between housing need and housing demand which includes investment and speculation. The objective of LTHS should be made clear as to whether the supply is primarily to cater for housing need or housing demand.
22. The LTHS Steering Committee sets out to build up to 500,000 new units, predominantly PRH, in the next decade. This needs to be closely evaluated from a number of perspectives. For example, the number of housing units in Hong Kong are far exceeding the number of households. To some extent, this can be explained by the fact that some households own second properties that are left empty, but it is also clear to many that abuse of the public rental market in terms of income limitations is not monitored closely and a significant but largely unknown percentage probably own a private sector flat. This needs closer investigation, particularly as the proposed LTHS calls for many more PRH.
23. Identifying adequate amount of land to meet the housing demand is not at all easy, largely due to the lack of consensus within society and among various stakeholders. The Government should think of some effective out-of-the-box approaches to resolve this problem.
24. The housing issues are inextricably related to other policies such as population policy, social welfare policy, etc. The Government should adopt a wider instead of a sectoral approach in tackling the housing issues.

### **Concluding Remarks**

25. The LTHS Consultation Document has raised many good points but there is much scope for improvement. It should reframe its vision to embrace more holistically the quality of life and sustainability aspirations. Instead of relying on a supply-led strategy, the policy objectives should stress upon a resilient housing strategy in response to changes. The priorities should be recast to reflect the basic housing needs of our city, viz. improving housing supply, improving housing quality, and improving housing support. The implementation approach should be a concerted one involving various actors, mechanisms and measures. Last but not least, a robust monitoring mechanism must be derived to measure performance and to help shaping a resilient long term housing strategy for Hong Kong.



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