INFORMATION NOTE

Subdivided flats in Hong Kong

1. Background

1.1 In recent years, rising flat rentals and long waiting list for public rental housing ("PRH") have contributed to increasing number of flat units divided into separate units (commonly known as "subdivided units") for rental purposes. Subdivided flats in Hong Kong pose serious health and fire hazards. In particular, subdividing may compromise the fire safety of residents as exit routes are left obstructed and fire resisting measures are removed in the alteration process. Indeed, there were several tragic cases in recent years involving subdivision of flats adversely affecting the means of escape.¹

1.2 In his 2010-2011 Policy Address, the Chief Executive announced to introduce legislation to tackle the problem of building dilapidation and unauthorized building works ("UBWs"), including subdivided flats, and step up enforcement action against UBWs. Yet the Government's policy is not to eradicate all subdivided flats but to ensure their safety. According to the Government, there are views in the community that such flats have an existence value as they could provide affordable accommodation to low-income groups who are not eligible or are waitlisted for PRH but wish to live in the urban area close to their place of work and/or to their children's place of study.

¹ For example, a Number 3 alarm fire broke out in a tenement building in June 2011 at Ma Tau Wai Road resulting in the death of four persons and an unborn child and 19 injured. Some tenants could not find a way out and survivors complained of locked emergency exits. Another accident is the Number 4 alarm fire in Fa Yuen Street in November 2011 that killed nine people and injured 34.
1.3 In his 2013 Policy Address, the Chief Executive acknowledged that the housing problem was the top priority for the current-term Government to tackle, with living conditions in cage homes, cubicle apartments and subdivided flats being an area of particular concern. As such, the Government has engaged an independent research organization to assess the situation of subdivided flats and estimate the number of subdivided flats and households living in these flats. The Government plans to release the findings in mid-2013.

1.4 At its meeting on 18 December 2012, the Subcommittee on the Long Term Housing Strategy requested the Research Office to conduct a study on subdivided flats in Hong Kong. As such, the purpose of this information note is to highlight the regulation of building works associated with subdivided flats, emergence of subdivided flats in industrial buildings, and the relevant studies conducted on the living conditions of poorly-housed households.

2. Regulation of building works associated with subdivided flats

2.1 While subdivided flats are not defined in the Buildings Ordinance (Cap. 123), this term is commonly used to describe units which are subdivided into two or more smaller individual units for sale or rental, and each of these smaller units is usually self-contained with a toilet or even its own cooking place.

2.2 The building works associated with subdivision of a flat commonly involve the removal of the original non-structural partition walls, erection of new non-structural partition walls, installation of new toilets and kitchens, alteration or addition of internal drains, thickening of floor screeding to accommodate the new/diverted drain pipes, addition of door openings or ventilation openings, etc. As such, the building safety and environmental hygiene may be adversely affected if these associated building works are not properly carried out, including addition of unauthorized door openings which contravene the regulations on means of escape, addition of openings for ventilation affecting the integrity of fire resisting construction, improper drainage works causing water seepage, and overloading of the building due to addition of non-structural partition walls and thickened floor screeding.
2.3 At present, all building works, including those associated with subdivision of a flat, are subject to control under the Building Ordinance. Building works carried out in contravention of the Building Ordinance will become UBWs and are subject to enforcement action. Since April 2011, the Buildings Department has launched a large scale operation aiming at rectifying irregularities of building works associated with subdivided flats. In addition, the Building (Minor Works) (Amendment) Regulation 2012, which came into effect on 3 October 2012, has included building works associated with subdivided flats under the Minor Works Control System, so that these works would be required to be carried out by qualified professionals and contractors. Legislation to provide for application to the Court for a warrant under the Building Ordinance for entry into premises to facilitate the Building Department's enforcement actions was also enacted in July 2012.

3. Subdivided flats in industrial buildings

3.1 In recent years, subdivided flats not only exist in domestic and composite buildings but are also found in industrial buildings. As industrial buildings are not designed for domestic use, they are subject to requirements different from those applicable to domestic and composite buildings on various aspects, such as the provision of natural lighting and ventilation, open space, means of escape and other fire safety measures. Inhabitants of dwelling units in an industrial building converted for domestic use could therefore be exposed to high fire risks posed by other units within the same industrial building which are used for industrial activities or storage of dangerous and inflammable goods.

Enforcement actions taken by the Buildings Department

3.2 Since 2012, the Building Department has stepped up enforcement action against subdivided domestic flats in industrial buildings by extending the scope of target buildings of the large scale operation against subdivided flats to cover industrial buildings.

---

2 Composite building means a building that is constructed, or intended to be used, partly for domestic purposes and partly for non-domestic purposes.
3.3 Depending on the nature of the irregularities, the Building Department will issue statutory orders under section 25(2)(b) and section 24(1) of the Building Ordinance respectively to require discontinuation of domestic use of the industrial building and the removal of the related UBWs. If the owner fails to comply with the order upon expiry thereof, the Building Department will consider instigating prosecution against the owner. In accordance with the Building Ordinance, the Building Department may also arrange the Government Contractor to carry out the required works and then recover the cost of works plus supervision charge and a surcharge from the owner.

3.4 For those who are living in subdivided flats in industrial buildings and have to move out as a result of the Building Department's enforcement action, the Government will provide financial assistance to them and help them seek proper accommodation. Since December 2011, a one-off relocation allowance funded by the Community Care Fund\(^3\) has been provided to eligible occupants who are required to move out of the subdivided units in industrial buildings, in order to assist them to pay for the necessary relocation expenses. The allowances for single-person households, two-and-three-person households, and households with four or more members are HK$2,100, HK$4,600 and HK$6,100 respectively.

\(^3\) The Chief Executive announced in his 2010-2011 Policy Address to establish the Community Care Fund to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the safety net but have special circumstances that are not covered. Since the establishment of the Community Care Fund, the Steering Committee of the Fund has launched various assistance programmes covering areas on education, home affairs, medical and welfare for target beneficiary groups including children, the elderly, the disabled, patients, new arrivals and ethnic minorities.
4. **Studies on poorly-housed households**

4.1 According to the Government, poorly-housed households refer to those living in private temporary huts, rooftop structures, unsheltered accommodation and rooms/cubicles, bedsplaces or cocklofts in private permanent housing. As mentioned earlier, the Government has engaged an independent research organization to conduct a survey on subdivided flats in Hong Kong. The survey took place from January 2013 to April 2013 and found that there were some 18,800 subdivided flats in the territory. It was estimated that on average each subdivided flat was subdivided into 3.6 units. Based on the assessment, there were 66,900 subdivided units in Hong Kong involving 171,300 residents. Among the 66,900 subdivided units estimated, it was observed that 30,600 such units did not have essential facilities such as kitchen facilities, independent toilet and water supply. With the increase in the number of subdivided flats in Hong Kong, poorly-housed households now should include those living in subdivided flats.

4.2 Apart from the study commissioned by the Government, other parties have conducted studies on the living conditions of the poor. These include the Business and Professionals Federation of Hong Kong ("BPF")\(^5\), the Society for Community Organization ("SoCO")\(^6\), the Platform of Concerning Subdivided Flats and Issue in Hong Kong\(^7\), Oxfam Hong Kong\(^8\) and the Hong Kong Association for Democracy and People's Livelihood.

---

\(^4\) The survey conducted did not include subdivided flats in industrial buildings.

\(^5\) BPF is a think-tank comprised of business and professional people to promote the interest of Hong Kong. It was founded in 1990 by members of the former Basic Law Consultative and Drafting Committee.

\(^6\) SoCO is a non-government community organization formed in 1972 to assist the underprivileged groups such as poorly-housed households and the unemployed.

\(^7\) The Platform of Concerning Subdivided Flats and Issue in Hong Kong is a concern group established in March 2012 to promote the welfare of the grassroots including dwellers of subdivided flats. Its members include academics, social workers, policy researchers, resident groups and non-government organizations.

\(^8\) Oxfam Hong Kong was established in 1976 as an independent international development and humanitarian organization working against poverty and related injustice.
Study by the Business and Professionals Federation of Hong Kong

4.3 BPF published a report entitled "Poor Housing Conditions in Hong Kong" in November 2012. The report showed that some 90,000 households, or 3.8% of the total number of households, were poorly-housed in 2011. They involved a total of 201,000 people or about 3.0% of the total population. BPF defined "poor housing" to include the following types of accommodation: (a) bedspaces/cocklofts, (b) rooms/cubicles with a requirement to pay monthly rent below HK$2,000, (c) whole quarters (excluding staff quarters) with a requirement to pay monthly rent below HK$4,000, (d) rooftop structures, and (e) temporary non-rooftop structures ("temporary housing").

Location of poorly-housed households

4.4 According to BPF, the urban areas (the Hong Kong Island and Kowloon) and the New Territories each account for roughly one half or 450,000 of the total number of poorly-housed households as at 2011. The breakdown of these households among the different areas and types of accommodation is set out in Table 1.

Table 1 – Number of poorly-housed households by type of accommodation, 2011

<table>
<thead>
<tr>
<th></th>
<th>Bedspaces/cocklofts</th>
<th>Rooftop structures</th>
<th>Rooms/cubicles with monthly rent less than HK$2,000</th>
<th>Whole quarters with monthly rent less than HK$4,000 (excluding staff quarters)</th>
<th>Temporary housing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>945</td>
<td>1,084</td>
<td>2,841</td>
<td>38,999</td>
<td>1,965</td>
<td>45,834</td>
</tr>
<tr>
<td></td>
<td>(2.1%)</td>
<td>(2.4%)</td>
<td>(6.2%)</td>
<td>(85.1%)</td>
<td>(4.3%)</td>
<td>(51.1%)</td>
</tr>
<tr>
<td>New Territories</td>
<td>42</td>
<td>123</td>
<td>714</td>
<td>27,702</td>
<td>15,305</td>
<td>43,886</td>
</tr>
<tr>
<td></td>
<td>(0.1%)</td>
<td>(0.3%)</td>
<td>(1.6%)</td>
<td>(63.1%)</td>
<td>(34.9%)</td>
<td>(48.9%)</td>
</tr>
<tr>
<td>Total</td>
<td>987</td>
<td>1,207</td>
<td>3,555</td>
<td>66,701</td>
<td>17,270</td>
<td>89,720</td>
</tr>
<tr>
<td></td>
<td>(1.1%)</td>
<td>(1.3%)</td>
<td>(4.0%)</td>
<td>(74.3%)</td>
<td>(19.2%)</td>
<td>(100.0%)</td>
</tr>
</tbody>
</table>

Note: Owing to rounding, the percentages may not add up to 100%.
Source: Business and Professionals Federation of Hong Kong (2012).
4.5 As shown in Table 1, the urban areas accounted for 51.1% of the total number of poorly-housed households in 2011, with whole quarters as the predominate type of poorly-housed accommodation (85.1% of the total), followed by rooms/cubicles (6.2%), temporary housing (4.3%), rooftop structures (2.4%), and bedspaces/cocklofts (2.1%). Over the same period, the New Territories accounted for 48.9% of the total number of poorly-housed households, which were mostly housed in whole quarters (63.1% of the total) and temporary housing (34.9%).

4.6 Yuen Long accommodated 15 022 poorly-housed households, the largest among all District Council districts. This was followed by Sham Shui Po (14 162), Yau Tsim Mong (11 058), North (9 952) and Kowloon City (7 600).

Educational attainment of poorly-housed households

4.7 Most of the poorly-housed households were families with low educational attainment: no schooling/kindergarten (6.4% of the total), primary/lower secondary (47.2%), and upper secondary/matriculation (33.6%). Only 12.8% of them had tertiary education.

Rent-to-income ratio

4.8 According to BPF, the rent-to-income ratio is a commonly accepted indicator of hardship for the low-income group, as spending a high proportion of income on rent will likely compromise their budget for other essential goods and services. In 2011, nearly 80% of the renters in PRH paid less than 20% of their income as rent. As discussed below, the average rent-to-income ratio of PRH renters was lower than those of most poorly-housed households in 2011.

(A) Bedspace/cockloft dwellers

4.9 The average per capita monthly income of households dwelling in bedspaces/cocklofts was around HK$4,650 and their median rent was HK$1,260, implying that on average their median rent-to-income ratio was 27% (see Tables 2 and 3).
Table 2 – Median per capita monthly domestic household income by type of accommodation and household size, 2011

<table>
<thead>
<tr>
<th>Household size</th>
<th>Bedspaces /cocklofts</th>
<th>Rooms/ cubicles</th>
<th>Whole quarters</th>
<th>Rooftop structures</th>
<th>Temporary housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>HK$4,850</td>
<td>HK$6,000</td>
<td>HK$9,000</td>
<td>HK$9,040</td>
<td>HK$4,000</td>
</tr>
<tr>
<td>2 persons</td>
<td>HK$3,750</td>
<td>HK$4,350</td>
<td>HK$5,700</td>
<td>HK$6,000</td>
<td>HK$4,250</td>
</tr>
<tr>
<td>3 persons</td>
<td>#</td>
<td>HK$3,170</td>
<td>HK$4,430</td>
<td>HK$3,180</td>
<td>HK$4,330</td>
</tr>
<tr>
<td>4 persons and above</td>
<td>#</td>
<td>HK$3,000</td>
<td>HK$3,880</td>
<td>HK$3,850</td>
<td>HK$4,560</td>
</tr>
<tr>
<td>Overall</td>
<td>HK$4,650</td>
<td>HK$4,670</td>
<td>HK$6,000</td>
<td>HK$5,500</td>
<td>HK$4,270</td>
</tr>
</tbody>
</table>

Note: # There are no such domestic households in this group for deriving the related statistics.
Source: Business and Professionals Federation of Hong Kong (2012).

Table 3 – Median household rent by type of accommodation, 2011

<table>
<thead>
<tr>
<th></th>
<th>Bedspaces /cocklofts</th>
<th>Rooms/ cubicles</th>
<th>Domestic whole quarters</th>
<th>Non-domestic whole quarters</th>
<th>Rooftop structures</th>
<th>Temporary housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly domestic household rent</td>
<td>HK$1,260</td>
<td>HK$1,400</td>
<td>HK$2,600</td>
<td>HK$1,260</td>
<td>HK$2,200</td>
<td>HK$1,500</td>
</tr>
</tbody>
</table>

Source: Business and Professionals Federation of Hong Kong (2012).

4.10 As shown in Table 4 below, 42% of the households living in bedspaces/cocklofts paid 30% or more of their income in rent in 2011. The figure was higher than the corresponding percentage shares of households living in other types of "poor housing".
Table 4 – Domestic household rent-to-income ratio by type of accommodation, 2011

<table>
<thead>
<tr>
<th>Rent-to-income ratio</th>
<th>Bedspaces/cocklofts</th>
<th>Rooms/cubicles</th>
<th>Whole quarters</th>
<th>Rooftop structures</th>
<th>Temporary housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10%</td>
<td>6.1%</td>
<td>15.4%</td>
<td>16.9%</td>
<td>8.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>10% to less than 20%</td>
<td>28.3%</td>
<td>36.3%</td>
<td>25.9%</td>
<td>30.2%</td>
<td>10.3%</td>
</tr>
<tr>
<td>20% to less than 30%</td>
<td>23.6%</td>
<td>18.5%</td>
<td>25.2%</td>
<td>26.7%</td>
<td>8.0%</td>
</tr>
<tr>
<td>30% to less than 50%</td>
<td>33.4%</td>
<td>23.1%</td>
<td>23.9%</td>
<td>25.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>50% and over</td>
<td>8.6%</td>
<td>6.8%</td>
<td>8.2%</td>
<td>6.8%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>30% and over</td>
<td>42.0%</td>
<td>29.8%</td>
<td>32.1%</td>
<td>32.2%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Source: Business and Professionals Federation of Hong Kong (2012).

(B) Room/cubicle renters

4.11 The median per capita monthly income of room/cubicle renters was HK$4,670 and their median rent was HK$1,400. As such, room/cubicle renters on average had a medium rent-to-income ratio of 30%. About 70% of these households were singletons with families making up the rest.

4.12 For room/cubicle renters, there was a wider dispersion of household income with single-person households enjoying higher income levels as compared with family households. BPF also reported that about 30% of room/cubicle renters were new immigrants. Rooms/cubicles were a popular choice of abode among South-east Asians.
(C) Rooftop dwellers

4.13 Rooftop dwellers had a wider dispersion of income with a monthly median per capita income of HK$5,500. They paid a monthly median rent of HK$2,200, implying that on average their medium rent-to-income ratio was 40%. Rooftop dwellers featured predominantly new immigrants, Indians and Pakistanis.

(D) Temporary housing dwellers

4.14 Temporary housing dwellers had the lowest median monthly per capita income of HK$4,270. With a median monthly rent at HK$1,500, this group on average had a median rent-to-income ratio of 35%. Most temporary housing was located in the New Territories. Occupiers in this group were less likely to be new immigrants or non-Chinese as compared with the other types of poor housing accommodation. In addition, they were found to be more homogeneous in their income distribution and had more of the older and adult-only households comprising retired or economically inactive persons.

(E) Whole quarter dwellers

4.15 About 74% of the poorly-housed households resided in whole quarters in 2011, the highest among all types of "poor housing". Whole quarters were often found in urban areas, subdivided in buildings over 40 years old. The median per capita monthly income of these households was HK$6,000 and their median monthly rent was around HK$2,600, resulting in an average median rent-to-income ratio of 43%. Among the poorly-housed households residing in whole quarters, 98.5% of them were living in domestic units and 1.5% in non-domestic units (i.e. subdivided flats in industrial buildings). Those living in non-domestic quarters generally earned slightly higher income but paid lesser monthly rent, with the median rent at about HK$1,260.

4.16 Whole-quarter dwellers were less likely to be new immigrants and, as a result of including more employed person, were slightly better off in terms of income. In addition, this type of abode was the choice for those with families as it offered more privacy.
Studies by the Society for Community Organization

4.17 To understand the living conditions of the poorly-housed households, SoCO conducts regular study on those living in bedspaces, subdivided flats and self-contained rooms. In 2009, SoCO conducted a survey to interview 174 poorly-housed households involving 267 residents. Of the 267 respondent residents, about 49% lived in cubicles, 35% in bedspaces and the remaining 16% in self-contained rooms. A large proportion of the respondents were single middle-aged men.

4.18 SoCO's 2009 survey also showed that the median living space per resident was 30 sq ft, which was far below the minimum allocation standard of 59 sq ft set by the Hong Kong Housing Authority for public housing tenants. Residents in self-contained rooms had the largest median living space (40 sq ft), followed by those in cubicles (30 sq ft). Bedspace tenants had the smallest median living space of 18 sq ft.

4.19 In October 2012, SoCO conducted another survey on people living in industrial buildings. Among the respondents, 75% of them resided in subdivided flats, 14% in self-contained rooms and 11% in rooftop huts. The median living space per person in industrial buildings was a mere 36 sq ft. In addition, a majority of the respondent occupants were male middle-aged singletons.

---

9 Society for Community Organization (2009).
10 Society for Community Organization (2012).
11 Recently, SoCO teamed up with an advertising agency to stage a visual presentation in December 2012 with photographers capturing the plight of people living in "poor housing". In particular, eight overhead photos were taken in subdivided flats of less than 50 sq ft in Sham Shui Po.
Study by the Platform of Concerning Subdivided Flats and Issue in Hong Kong

4.20 In October and November 2012, the Platform of Concerning Subdivided Flats and Issue in Hong Kong conducted a study on 4,045 flats in buildings older than 30 years in six districts, including Western, Kwun Tong, Sham Shui Po and Tai Kok Tsui.12 It found that 41% or 1,639 of the 4,045 flats were subdivided flats with some of them subdivided into as many as 10 units. The concern group deduced that there could be 67,000 subdivided flats accommodating 280,000 households in Hong Kong. In addition, the concern group also found that the monthly rent for some of these subdivided flats was HK$27 per sq ft in October 2012, higher than the average HK$22.2 for 85 private housing developments.

Study by Oxfam Hong Kong

4.21 Oxfam Hong Kong interviewed a total of 501 low-income families not receiving Comprehensive Social Security Assistance from August to October 2012. Most of the respondents were on the waiting list for PRH.13 The survey also found that the median rent-to-income ratio was 30.1% for the respondents, which was higher than that of overall private housing tenants at 24.3%. Despite paying high rent, private housing tenants' living density per person was inversely high. According to the survey, 68.3% of the respondents were now living in cubicles, bedspaces or subdivided flats. The median living space per person was about 45 sq ft, below the minimum living space standard of 59 sq ft per person according to the Hong Kong Housing Authority.

12 Platform of Concerning Subdivided Flats and Issue in Hong Kong (2012).
13 Oxfam Hong Kong (2013).
Survey by the Hong Kong Association for Democracy and People's Livelihood

4.22 The Hong Kong Association for Democracy and People's Livelihood conducted a questionnaire survey on the living conditions of subdivided flat households residing in West Kowloon during January-February 2013. The Association received a total of 120 replies and many respondents had expressed concerns over the fire safety of their subdivided flats. Half of the respondents stated that the clear width of the internal corridor serving the subdivided units was less than the required 0.75 metre. In addition, a majority of the respondents (83.8%) did not have separate electricity meter installed and paid the electricity bills directly to the flat owners. They were thus subject to higher fire risk. Apart from the fire safety issue, one-third of respondents also complained of no windows for ventilation in their subdivided units.
References


12. Platform of Concerning Subdivided Flats and Issue in Hong Kong. (2012) "全港劏房居民狀況調查 ".


