



Public Housing in Hong Kong Past, Present and Future

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Introduction

- Hong Kong is situated at the southern gateway of China
- Size around 1,104 sq. Km
- Population around 7M
- Around 2M (1/3 of the population) residing in Public Housing
- 650,000 public rental flats under Hong Kong Housing Authority

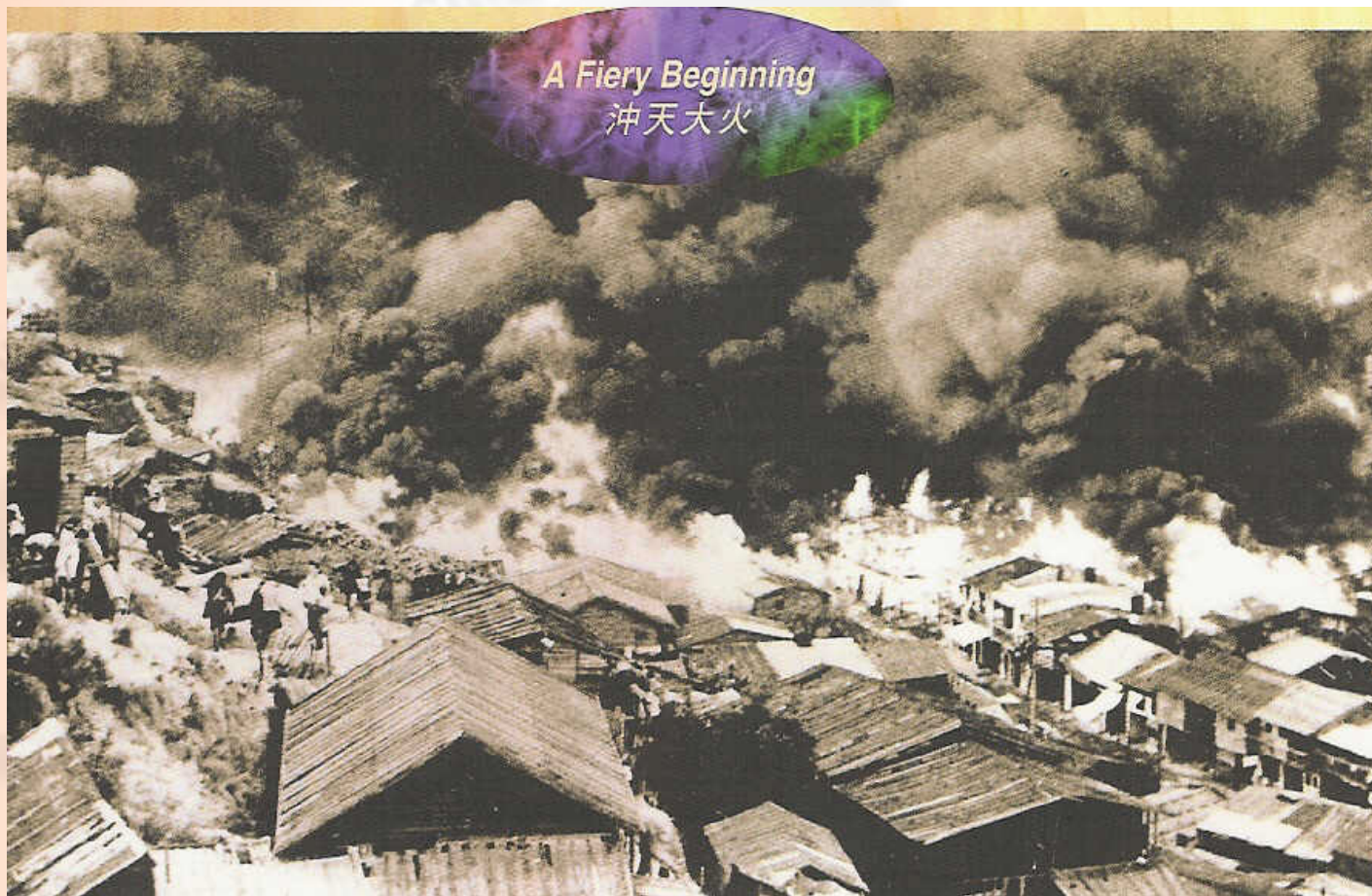


1950 to 1970

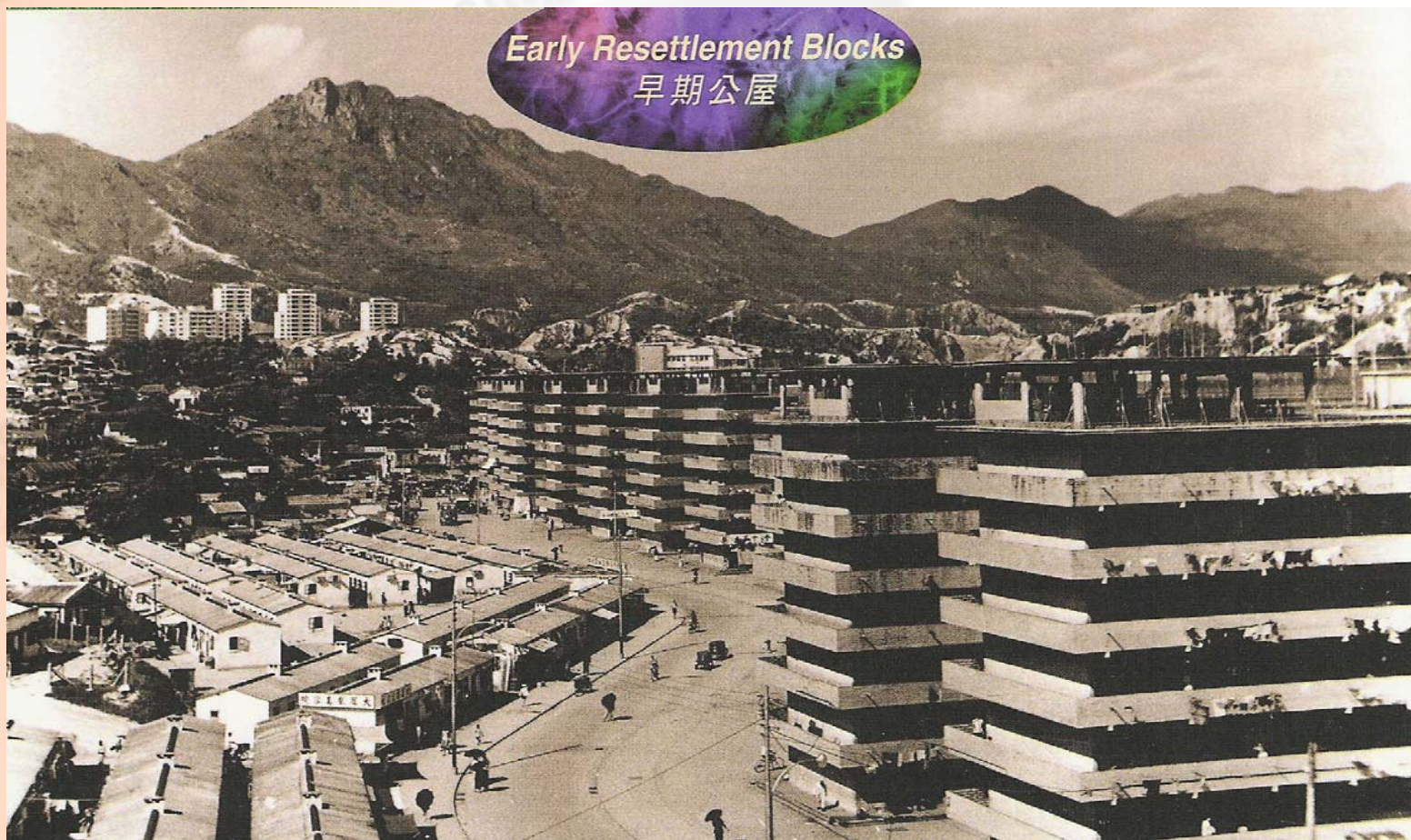
- In 1900, Hong Kong's population is 300,000
- Influx of the refugees from Mainland China started in the 1930's
- At the outbreak of World War II, Hong Kong's population is estimated to be 1.6 Million
- Due to lack of housing for the refugees, people had to pay a high price for a bed space in the urban area or to take shelter in their own huts



- A number of fires occurred in the squatter areas and the fire occurred on 25 Dec 1953 in Shek Kip Mei had led to 50,000 people homeless
- In 1954, Provisional Resettlement Department was established
- Government built temporary emergency housing next to the fire scene to house the fire victims
- Buildings were 8 storeys height with communal facilities, size of each room 120 sq.ft.
- This is the earliest form of Resettlement Building



Early Resettlement Blocks
早期公屋



- Starting from 1965, the height of the resettlement building was raised to 16 storeys high with private lavatory built in the balcony
- In April 1954, Government established a semi-independent Hong Kong Housing Authority to make long-term improvements in the living environment for the low income families
- It operated on commercial basis and was responsible for its own finance
- It built of low cost housing for the middle and low income households



- The first low cost housing was built in 1958 in North Point with independent facilities
- Hong Kong Housing Society established in 1948 and incorporated by Ordinance in 1951
- It is an independent and not-for-profit housing organization which provides complementary housing services
- A total of 11,000 units of public rental housing had been built from 1958-1968 by the Society



Chen Sin Mei Chuen



"developing sustainable communities"



Lai Tak Chuen



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1970 to 1985

Ten-year Housing Program

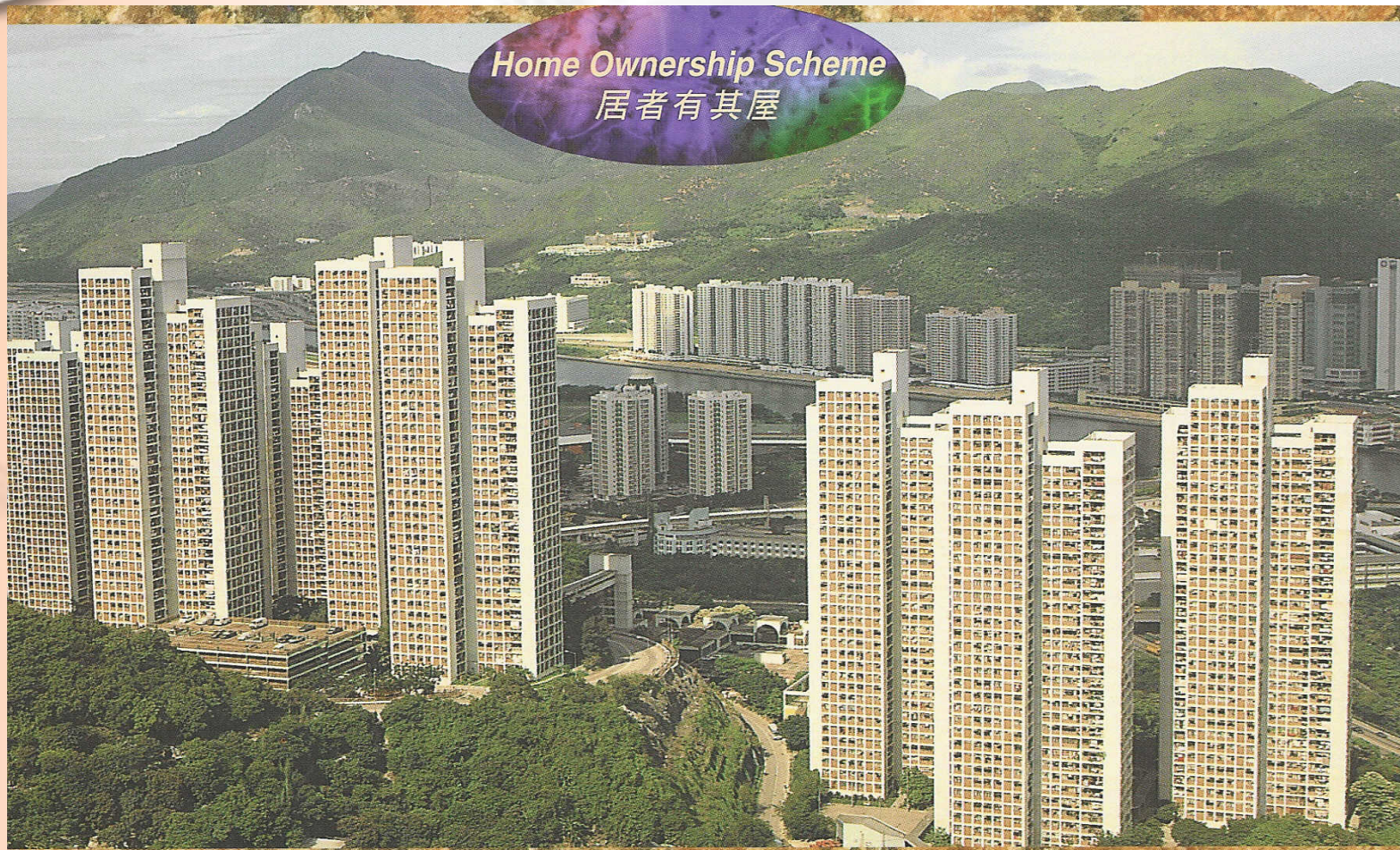
- In Oct 1972, the Government announced the ever biggest housing program to provide decent living accommodation 1.8 M citizens in ten years
- Building 53 new public housing estates and conversion of 19 old housing and village estates
- A new Housing Authority (HA) was established
- Housing Department was form to act as the executive arm of the Housing Authority
- Develop new towns for additional land supply



- Starting from 1978, Housing Authority introduced a number of schemes including Home Ownership Scheme (HOS), Private Sector Participation Scheme (PSPS) and other loan schemes
- High quality flats were built and sold at a discount to selected eligible citizens and sitting tenants of public housing
- From 1973 to 1982, a total of 220,000 flats had been built (include HOS & PSPS) housing over 1M people



Home Ownership Scheme
居者有其屋



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1985 to 2000

Long Term Housing Strategy (April 1987)

- Main objective was still to help all the families to acquire suitable and affordable housing,
- Emphasis shifted from construction of public rental flats to promotion of home purchase among citizens as a long-term solutions of housing problem
- Speed-up the development of HOS and PSPS
- Promotion of greater use of private developer's resources
- Introduction of Home Purchase Loan Scheme



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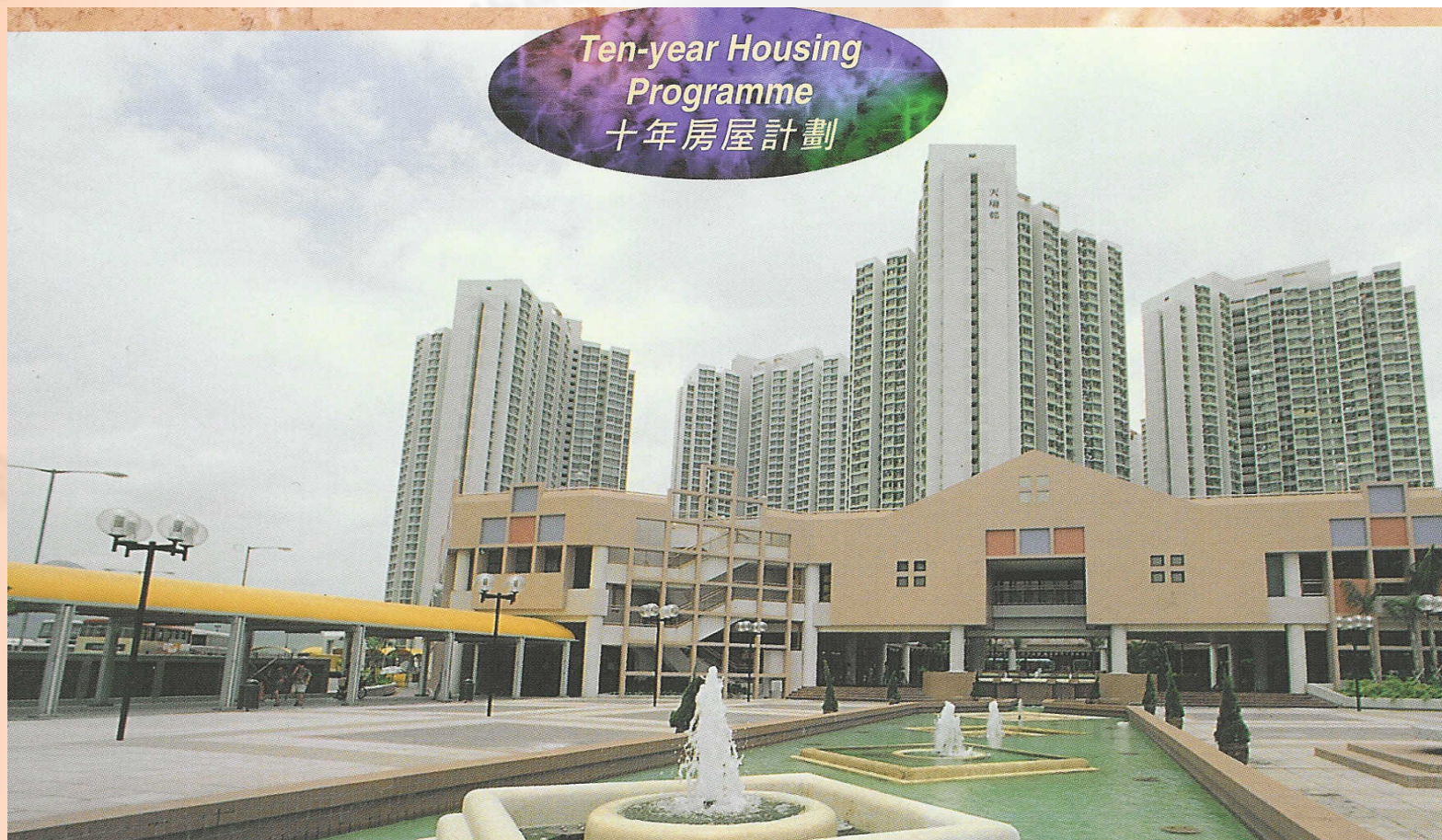
Ten-year Housing Plan (from 1997-2006)

- Built on average not less than 85,000 flats per year, of which 50,000 were public housing flats
- Targeted by 2006, over 70% of people had their own flats
- Waiting time for public rental housing shorten to 3 years

Tenants Purchase Scheme – starting from 1997, families living in public rental housing to buy back their flats at affordable price



Ten-year Housing
Programme
十年房屋計劃



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The 21st Century

- In 1999, the broad direction of transferring estate management and maintenance services to the private sector was endorsed
- Starting from 2001, property management functions were gradually outsourced in phases to property services companies
- Core activities including most of the tenancy management functions remained in HA
- Up to present, 109 public housing estates were managed by property services companies



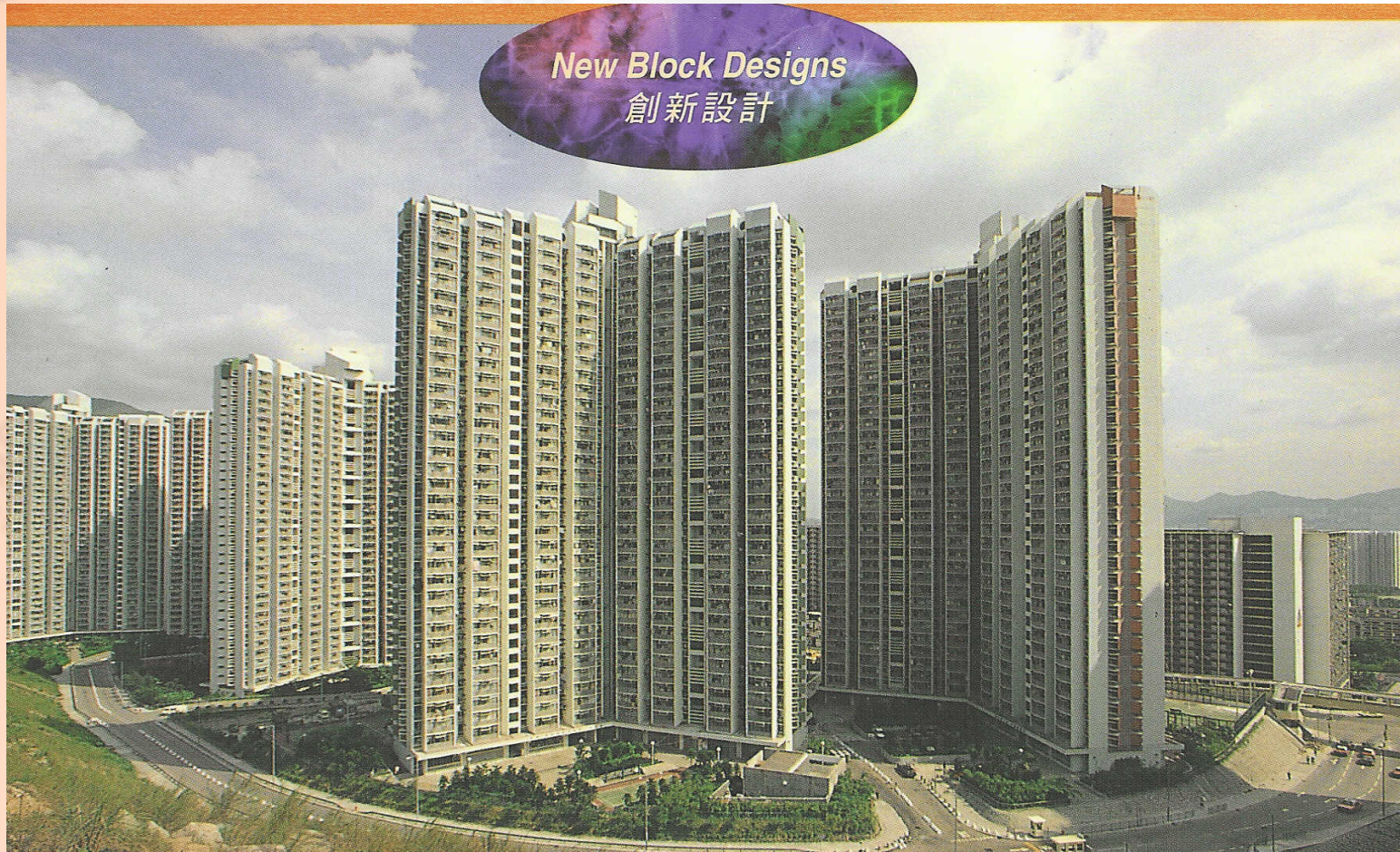
Institutional Framework for Public Housing Review

- Commissioned by Chief Executive in 2000 in the wake of public concern over a number of serious incidents affecting the quality of public housing
- Review announced in June 2002
- The housing strategy remained to provide “Better Housing for All” to the Hong Kong Housing community
- Public resources would be focused on families in genuine need



Sustainable Housing Foundation

New Block Designs
創新設計



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Living in Harmony
和諧樂安居



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On Target for Success
目標在望



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- In meeting the demand of the families in low income group, the Government would increasingly rely on direct fiscal subsidy
- Traditional construction of public housing by Government agencies would become secondary
- Government would ensure the stability of the private sector market by avoiding any overlap with the subsidized home ownership market, by clear and transparent system of land sale and allocation



Recommendations of the review

1. Formation of a new housing organization
 - merging of the Housing Bureau and Housing Department
 - provide a unified chain of command
 - work focus on the core activities of the present Housing Department
2. Establish a new Principle Official with responsibility for housing



3. Evolution of the role of the Housing Authority
 - providing advice to the Government on private sector property market as well as housing strategy
 - progressive replace the traditional “brick and mortar” provision of public housing by use of direct fiscal subsidies
4. Future role of Housing Society - play a new role in partnership with Urban Renewal Authority



Real Estate Investment Trust (REIT)

- In July 2003, Housing Authority agreed to divest the facilities in the form of REIT
- Retail and car-parking facilities were transferred to REIT
- The Link Management Ltd, was later established to manage the portfolio
- Manifestation of Government's board principle in withdrawing from the market and to generate additional funding for HA



Lok Wah Estate Shopping Centre and Carpark



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The Way Ahead

- In 1981, the population residing in Public Housing was around 2M
- Up to the present, the number of tenants residing in public housing is still around 2M
- No reduction in the number of tenants residing in Public Housing during the past twenty five years

Board principle - reduction of Government's commitment and responsibility in the provision of Public Housing and to make use of the private property market



Future directions of the development of the public housing in Hong Kong

1. Government's subsidized housing policy will only assist those low-income families who cannot afford private rental housing
2. Future role of Government will focus primarily on land supply and public rental assistance
3. Maintain a fair and stable operating environment to enable a sustained and healthy development of private property market



Anticipation

- Continue to streamline and down sizing the Housing Department's structure
- Continue carrying out other divestment projects to withdraw from the market
- Adopted measures to cut the operating cost
- Exercise a greater force to push those affordable households to acquire their own flats



Conclusion

- In the 1950 to 1960, public housing was only provided as Emergency Housing/shelter
- In 1970's, the housing policy was changed to provide Permanent Housing to the citizens
- In 1985's, the Government policy in public housing changed to provide Quality Housing.
- From 2000, Government gradually pulled out from directly providing public housing and increasing the use the private property market

Facts and Figures

| No. | Item | Figure |
|-----|---|-----------|
| 1. | Total no. of Public Housing Estate under HA | 171 |
| 2. | Total no. of public housing flats | 650,000 |
| 3. | Total no. of residents | 2 Million |
| 4. | No. of applicants in waiting list | 90,000 |
| 5. | Average waiting time | 3 years |
| 6. | Minimum allocation standard | 5.5 sq.m |

Q & A

