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亞洲新興經濟體的房屋發展 Housing in Asia's Emerging Economies



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Vietnam – Housing in An Emerging Tiger Economy

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General social and economic profile

Vietnam's recent development is spectacular. Vietnam was one of the poorest five countries in the world in 1985 with GDP per capita at US\$130 (which was only 61% of that of China) - a long decline since 1950 when her GDP per capita was then at 1.5 times that of China. Yet, it has been catching up fast - average GDP growth from 1995-2005 was 6.9% (5.6% for GDP per capita) and in 2005, it was even 8.4% (7.4% per capita growth). Vietnam has been transforming from a war-torn, centrally planned and relatively closed country to a dynamic nation with globalizing outlook.

Vietnam is the third largest 'transitional' (from socialism to capitalism) economy after China and Russia having 85 million population in 2007. Despite its rich natural resources of minerals, timber, petroleum, oil and marine products, Vietnam remains a poor country with per capita GDP at 375 USD in 2000. Recent history of Vietnam was turbulent - the war for independence against the French stretched from the late 1890s to early 1950s, which lead to the division of the country into North and South. It was soon followed by the war against the American started in early 1960s, until the country was reunited in 1975. Under the rule of the Vietnamese Communist Party, Vietnam's economy has been built on a Soviet style central planning model. The state controls the means of productions by nationalizing nearly everything - from private industrial and commercial enterprises to collectivizing agriculture production, though an informal economy has always existed along the state sector. The centrally planned system proved to be disastrous for the economy, resulted in long periods of high inflation, chronic food shortages and widespread poverty. By mid 1980s, Vietnam was literally on the verge of bankruptcy, after the withdrawal of Soviet assistance, and several years of border conflicts with China. Yet despite its difficult economy in the war years, Vietnam was able to

maintain high social indicators with life expectancy at 66 years for men and 71 years for women, near-universal literacy (over 90%) and an egalitarian distribution of land assets.

Economic reform (Doi Moi) was introduced in 1986, allegedly aimed to end economic stagnation, improve productivity, and to raise living standards. Under the general direction of moving towards a market economy, a multi-sector economy was established with the implementation of a series of economic, social and legal reforms. Under state supervision, private enterprises were encouraged. Prices were allowed to float, farmlands decollectivised, and foreign trade and investment liberalised. As a result, rapid economic growth was witnessed in the last two decades with remarkable rise in per capita incomes and an average GDP growth of between 6 and 7 per cents for most part of the 1990s and the 2000s. Per capita GDP has almost quadrupled in the same period and economic growth was not seriously affected by the Asian crisis. Absolute poverty has also been reduced rapidly, from 58% of the population in 1993 to 23% in 2004.

Parallel to the transition from central planning to market oriented economy, Vietnam is also undergoing a transition from a rural to an urban economy. By Asian standards, Vietnam is still relatively un-urbanised - only 25% urban population in 2001 (around 23 millions people), including unregistered migrants who were not included in official census data. The percentage of people in poverty is lower in urban areas than in rural areas, despite that the poverty density is greater in urban areas i.e. there are more poor people per square kilometer. Vietnam's cities are under high pressures. Demand for land and housing is outpacing supply in most areas. The average floor area of urban housing has increased significantly in the last 10 years, from 8.2 to 10.4 square meters per person. Meanwhile, there is a serious housing shortage.



30% of the population still has less than 3 square meter per capita. Around 25% of housing is classified by the Government as substandard or temporary. Ostensibly, urban infrastructure in Vietnam still suffers from many years of neglect. According to a survey carried out in 2002, only 50% of urban residents had access to piped water according to national standards. Piped water coverage rates vary from an average 67% in the larger cities to only 11% in small towns. In the under development of public transport, Vietnam has the highest per capita motorbike ownership in the world. This leads to serious problems with congestion and air pollution. With 503 traffic fatality per year, Vietnam has the highest traffic accident rate in the world.

Urban and Housing Policy in Vietnam

Before the economic reform, Doi Moi, was introduced in 1986, housing and urban planning system were largely under a Soviet style central planning regime in which housing production was monopolized by the state and private households and enterprises were prohibited from being involved. Soviet influence is apparent in the construction of multi-storey apartment buildings in large scale self contained neighbourhoods (collective living quarters). State produced housing was distribution almost exclusively to state employees, via the work units, as a supplement to the low level of wages (together with food and clothing rations) at a very low rent level which was even not enough to cover the cost of maintenance. Yet, people outside the state sector were excluded. Owing to the lack of funding, state housing production could not catch up with demand. In late 1980s and early 1990s, it is estimated that only 30% of government employees stayed in state provided housing whilst the rest had to resort to their own means to solve the accommodation need.

Housing reform began in 1986 under the general premises of Doi Moi which began with a gradual withdrawal of state housing provision and subsidies to state employees. Physical provision of housing to state employees was terminated in 1992 and from 1993 onwards, rents of state owned housing were

also raised which was partly offset by an adjustment of the salaries of state employees. Yet rent subsidies were then no longer a component of the wages. Production of housing by the private sector was facilitated by the introduction of a market for housing. Important moves to the creation of housing market include the establishment of the legal basis for land and housing ownership and transaction as well as the marketisation of the building materials industry.

Another significant move in the housing reform was the privatisation of state owned housing in 1994 to encourage sitting tenants to buy their dwellings from the local authorities. Officially described as the “socialisation of state housing” in Vietnamese, the scheme was well-received. For instance, the city of Hanoi sold about half of the state housing stock (159,000 units) in 10 years from the introduction of the scheme. Yet, interestingly, a revival of state involvement in the production of housing slips back into the policy agenda after twenty years of housing reform. This largely indicates the inadequacy of the market in meeting housing demand as speculation in the housing market has driven up house price in big cities to a level which is unaffordable by most common wage earners. The new Housing Law, which came into effect in 2006, clearly marks a renewed intention of the state to keep a significant amount of public housing for public servants. Two categories of public housing are specified: “social housing” and “service housing” in which the former, which can be rental or owner-occupied, is targeted at low-income state employees who do not have adequate housing (Article 53) whereas the latter are staff quarters for state/municipal employees.

From late 1990s to 2005 the housing ownership structure in the urban areas has clearly been shifted from predominant state sector to private ownership. Since the late 1980s, the share of private housing had increased from 47.3% in 1989 to an overwhelming proportion of 91.5% in 2005. (Table 1)

Table 1: Housing Ownership in Hanoi

		Share by Ownership Types(%)				
		Privately owned	Rented from Government	Rented from others	Collectives or religious organisations	Other
1989	Urban district	47.3	48.1	0.0	2.2	2.4
1999	Hanoi total	76.3	18.3	3.8	1.1	0.5
	Urban districts	63.1	29.7	5.0	1.6	0.6
	Rural districts	92.0	4.8	2.4	0.6	0.2
2005	Hanoi total	91.5	3.8	0.4	2.8	1.5
	Urban districts	91.3	4.4	0.3	3.2	0.8
	Rural districts	95.5	1.7	0.4	2.1	0.4

Source:
1) Figures for 1989 - Vietnam Census and Sample Results of Housing Survey, 1990.
2) Figures for 1999 -Population and Housing Census Vietnam 1999.
3) Figures for 2005 - HAIDEP HIS, 2005.
Note: percentages sum to 100% across the row.

Housing market

The creation of the housing market began in the end of the 1980s when the ban on self-help building activity was lifted. Local governments began to allocate land to state employees for self-built activities via various state institutions. Yet households with land may not have the necessary capital for construction and many of them “sold” (which was illegal at that time) part of the land in exchange for the capital of construction. However, such houses need access to the street and this create the long strip houses (some of four to five storeys high) one may see in big cities of Vietnam. Hence, when the plot of land is further subdivided, it results in houses built on that plot of land getting narrower and narrower.

Housing production was further boosted in the late 1990s by a series of directives in encouraging investment by large developers, such as exemption of land premium and tax breaks. Investments of foreign developers were also encouraged. They were granted favourable land lease schemes, tax breaks, and an increased level of autonomy in running their projects.

On the legal foundation for housing market, a new Land Law came into effect in 1993 which consolidates the land use right of individuals as well as the right

to sell and exchange. The housing reform triggered a housing boom in many cities of Vietnam. In Hanoi, for instance, an annual increase of floor areas from 300 000 to 400 000 square meters was witnessed in early 2000s and it jumps to an addition of more than one million square meters of floor area each year in 2003. The Real Estate Law, enacted in 2006, further boosted the housing market with the introduction of a comprehensive legal framework for land and housing transaction, leasing of land and property, real estate services and pricing of real estates.

Vietnam also welcome real estate investors from overseas and the law on land ownership for



foreigners has gradually been released, from 50 years lease of land to start with to a new decree in May 2008 allowing foreign property developers to lease lands in Vietnam for 70 years and no additional charge for the further extension. Economic boom, inflow of hot money as well as the high expectation for an accelerated growth has also fueled speculation in the real estate market. House price in big cities like Ho Chi Minh City and Hanoi has rocketed in the past few years, some even doubled in price in last

year alone. A good quality apartment unit in Ho Chi Minh City can be sold at 1500 – 2000 USD per square meter which is well above the affordability of ordinary households.

Table 2: New Housing Floor Areas by Capital Source in Hanoi, 1999 – 2004

M ²	1999	2000	2001	2002	2003
Planned Area	400	450	620	720	900
Completed Area	416	597	843	1036	1,284
Breakdown of completed area					
Central construction 1	36	82	155	335	541
Local construction 2	380	515	688	701	743
Breakdown of local construction					
Local budget	3	-	85	111	162
Other capital	15	-	-	-	-
Joint venture capital	76	105	178	175	221
Self building by people	286	410	426	415	360
Achievement Ratio 3	104%	133%	136%	144%	143%

Source: Hanoi Statistical Yearbook (2004, 2003, 2002).

- 1) Housing construction by companies or institutions related to the central agencies.
- 2) Housing construction not related to central agencies
- 3) Achievement rate – completed area as a proportion of planned area

Problem of affordability and inequality

The quest for high profit has driven developers, private and public alike, to squeeze into the higher end market. For instance, in Hanoi, price of new apartments can reach US\$100,000 to 200,000 per flat which is 10 to 20 times the annual income of an average worker. Hence, class are able to afford such apartments. At the same time, housing inequality has also worsened. Households can live in congested homes as low as 2 square meters per person and in sharp contrast, wealthier households can enjoy living space as big as 10 square meters per person and this gap is increasing. This has made low income workers out of reach for new flats.

To ease the problem of affordability, local authority required housing developer to surrender a proportion of their newly produced housing units to be sold at “priority price for state employees”. However, price for such houses (at 50,000 USD per unit) was still too high for most state employees. This was further exacerbated by the requirement of a down payment of 70 %. Hence, more than one third of those who were offered to buy eventually did not take it.

Privatisation also fuels the problem of housing



New construction of high rise buildings

inequality further. Privatisation policy, particularly the sale of public housing to sitting tenants at deep discount, benefited high ranking governmental officials and war veterans many of whom are well situated both economically and politically. With their social and political connection, they were often able to acquire better housing in the newly created housing market at a favourable price whilst at the same time earned windfall profit by reselling their old public housing. It was the younger households and low income workers, either not eligible for the home ownership incentives or unable to afford home ownership, who are left behind in the old housing as tenants.

Housing Management

Housing management is nearly unheard of in Vietnam even a few years ago. When housing was provided for by the state, there was no housing service at all and buildings were left to deteriorate. Housing privatisation represents a bold move of the state to shift the responsibility of repair and maintenance as well as management of the privately owned properties to their owners. The state also hoped that the new owners would invest in maintaining or even upgrading their properties and further stimulate private investment in housing. However, this expected outcome was only partially materialised. The new owners did invest to their new housing but such investment was only spent in improving the interior of their own flat but the common parts of the buildings were largely left to decay. This is due partly to incomplete privatisation of state housing in which the unsold units are still owned by the state and also partly owing to problems of shared ownership in which duties and rights of owners, tenants and landlords of the unsold flats (the local authorities) are inadequately specified.

After the housing reform, there was still no introduction of a condominium legislation nor the introduction of home owner organisations. Hence, there are no rules against which joint ownership of common areas can be realised. Nor is there any covenants and owner organisation with which organised management can be pursued. The installation of proper housing management service is also rare. Even for those who do, it often only involves sharing of responsibility of cleaning the public areas among residents, or to hire a person

to take care of the common parking area (usually for motorbikes). More comprehensive housing management service is only available in office buildings or large scale gated communities for expatriate workers.

Yet, problem of housing management is very serious in the neighbourhood, particularly in old quarters in inner city areas where illegal construction or unauthorised extension from buildings are very common. Many of such structures are sophisticated and may impose immediate danger to the occupants. The control of illegal building structure, and in fact, the implementation of most housing related policies at the ward (neighbourhood) level, are being carried out by both the local office of the Department of Land and Housing Administration as well as the Ward People's Committees (the lowest tier of public administration at the neighbourhood level). The latter is an establishment very similar to the resident committees in China, which is set up to oversee household registration, neighbourhood control as well as a range of other state functions. The ward branch of the Department of Land and Housing Administration is also subject to a dual command structure – vertically to the Municipal Land and Housing Administration Department whilst at the same time, horizontally to the Ward People's Committee.

The reasons for the inability in discharging the control function for illegal construction and structure is complex. In fact, rules for construction and renovation as well as application procedures and penalty for non-compliance exist even in the pre-Doi Moi regime. Yet illegal constructions have always been a serious problem in Vietnam (particularly in a big city like Hanoi) and it has spouted in the post-reform era in some areas in Hanoi to a degree that can be described as out of control. For instance in 1988, the four inner city areas in Hanoi reported 1768 offences of illegal construction, which is twice the number of licensed construction.

Facing such appalling degree of defiance of construction regulations and largely unsuccessful measures to curb the growth (not to mention to rectify the problem), the city administration of Hanoi attempted to introduce more radical policies to curb illegal urban construction. It involves, firstly, by reducing the burden of enforcement by



Illegal Extensions

reducing the number of illegal structure. This was achieved not by demolition but by legalizing those illegal structure on public lands that impose no immediate safety threat. The wards were then given more power to deal with illegal constructions and to strengthen the rule implementation capacity on the remaining unsafe building extension. Yet despite such bold moves and concessions, there is little evidence the problem is under control in the early 1990s. Strong push factor for illegal construction fuelled by rapid market liberation at that time has pushed many households to defy the rules to grab more space. Arbitrary intervention from authorities higher on the hierarchy also created uncertainty for ward officials to enforce the rules strictly. The rules also did not enhance administrative capacity as it did not reduce the possibility of manipulation of legal licence applications nor introduced any new measures to curb corruption.

Urban Redevelopment

An apparent contradiction in urban development is the conflict between social and economic needs. For instance the plan directive in Hanoi intends to control building height in the inner city in order to contain the growth of population density. However, this is obviously at odd with the financial viability of redevelopment in which developers need to build more units in high rises in order to offset the high cost of relocation and compensation. Constraints imposed by the plan directive thus held up many

redevelopment projects on the drawing board. Pressing demand for an acceleration of urban development has pushed the central government to loosen the control by allowing local government the flexibility to adjust their planning directive for cases where there is burning need for redevelopment.

Yet by far the most controversial and baffled issue in urban redevelopment centred on the requests from ground floor occupants who often utilize their ground floor units for commercial activities. Under the redevelopment directive of Hanoi municipality, they will only be offered upper floor units as compensation, partly owing to the plan in reassigning the ground floor for open and communal space and partly because ground floor units are important income sources for the municipality. This triggers intense resistance from ground floor business operators who regard themselves losing out both in their investment of properties (big value difference between upper and ground floor units) as well as future income from their business. Complicating the issue further is whether public space they illegally enclosed previously for their business should be counted towards the assessment of compensation. Incidents of intensive protests did occur in some areas which held up the process of redevelopment. Yet unlike some cities in China in which resistance against redevelopment was brutally suppressed by the state, the Vietnamese state is more tolerant and the use of force for evacuation is nearly unheard of.

Recent Development

Benefiting from the high level of education and cheap labour cost, many international companies are moving or setting up new production base in Vietnam. This includes big names like Microsoft, Intel, Samsung and Hon Hai etc. Economic growth in recent years has also speeded up, at 7.9% in 2007 (compared with the average of 6.9% in the last decade). Vietnam's entry into the WTO in 2007 boosts her international trade. At the same time, increased production cost in China also has driven some industrial production to shift to Vietnam. This further fuels economic growth and it is unsurprising that Vietnam is tipped to be the emerging Asian Tiger after China.

However, economic environment has rapidly deteriorated in early 2008, partly echoing the



worsening global financial crisis and partly reflecting Vietnam's incapacity in macro-economic management. Inflation seems to be out of control, at 25% in mid 2008. Although such a level is still moderate compared with her worse years in the 1980s, it is still an alarming level since Vietnamese economy began to take off. Economic growth has slowed down to 6.5% in mid 2008 and the stock market has tumbled by over half since the beginning of the year.

Construction is the hardest-hit sector. New construction has practically come to a halt compared with its spectacular growth of 9.6% in 2007. Yet, this may not be bad for a healthy economy as it lets Vietnam's overheated property and stock bubble to cool down. Slower economic growth may also curb inflation. Inflation is regarded by most commentators as the biggest threat to the economy, apparently with Vietnam's notorious history of hyper inflation in the 1980s. Unless the global economy collapses in the near future, most forecasting of the Vietnamese economy is still optimistic. Though growth will inevitably slow down in 2008, but given the economic structure is in good shape and continual inflow of foreign investment (for instance,

a few big Taiwanese manufacturing companies have announced their investment will be stepped up), economic growth will pick up again in 2009.

In fact, in terms of housing and property development, Vietnam bears a close resemblance with China. If China was able to engage in soft-landing in her economic turmoil in early 1990s, Vietnam's prospect may not be that depressing if the lessons from China can be learnt.

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Bangkok's Housing Market and Its Trend: A Slowdown from Recovery since 1997 Economic Crisis



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Thailand: An Overview

Located in Southeast Asia, Thailand has adopted a democratic regime under the constitutional monarchy since 1932. Head of the state is King Bhumibhol Adulyadej and current head of the government is Prime Minister Samak Sundaravej. Classified as a medium-sized country with the area of about 514,000 square kilometers - similar size with France, approximately 64 million of population resides in the kingdom. Thailand had enjoyed a high growth rate from the 1980s until the middle of 1990s. In 1997, the country faced a massive economic downturn, triggering the Asian Economic Crisis. Currently, GDP growth rate is at around 5 per cent. With nominal GDP per capita of around 4,000 USD and around 10,000 USD at purchasing power parity (PPP), Thailand is classified as an upper-middle income country. As the capital and the centre of political and economic activities, Bangkok is the largest part of the country in terms of population. Around 6.5 million people are living in Bangkok itself. If including its surroundings, the area will account for the fifteenth largest urban area of the world, called Bangkok Metropolitan Region (BMR) with approximately 10 million of population.

Bangkok's housing sector has encountered challenging situations – from boom to bust and recovery during the past period. Bangkok – the capital of Thailand as the primate city where national economic activities are intensified has attracted people from all over the country to immigrate and settle down. Therefore it is the country's core area that housing dynamism and activities have been occurring.

Before the Asian Financial Crisis in 1997,

Bangkok had been enjoying the booming era in housing sector. When economy collapsed after the crisis, housing market in Bangkok had plunged its head down to a bust for a couple of years. However, light of recovery had shone thereafter thanks to the period of stabilisation. A new round of boom in Bangkok's housing sector was followed from 2003 to 2005. During the last few years, sluggishness in housing sector has continuously been observed due to political and economic turmoil.

Before predicting the future trend of Bangkok's housing sector, it is intended to present firstly in this article the past situations of housing phenomena in Bangkok in order to express the significant characteristics of each period for the sake of comparison with the current and future situations. Current conditions of Bangkok's housing market according to phenomena having happened in 2007 will be investigated before moving towards the illustration of its future trend predicted based on related conditions.

Bangkok's Housing Market: Boom, Bust and Recovery Cycles

According to the data collected by the Agency for Real Estate Affairs (AREA) from private housing market in the Bangkok Metropolitan Region (BMR) comprising Bangkok and the five suburban provinces, namely Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, and Samut Sakhon since 1994, boom, bust and recovery cycles of Bangkok's housing market are classified into six main periods: the boom period from 1994 to 1995, the year of plunging down in 1996, the bust period from 1997 to 1999, the stabilisation period from 2000 to 2002, the new boom period in 2003 to 2005, and the slowdown

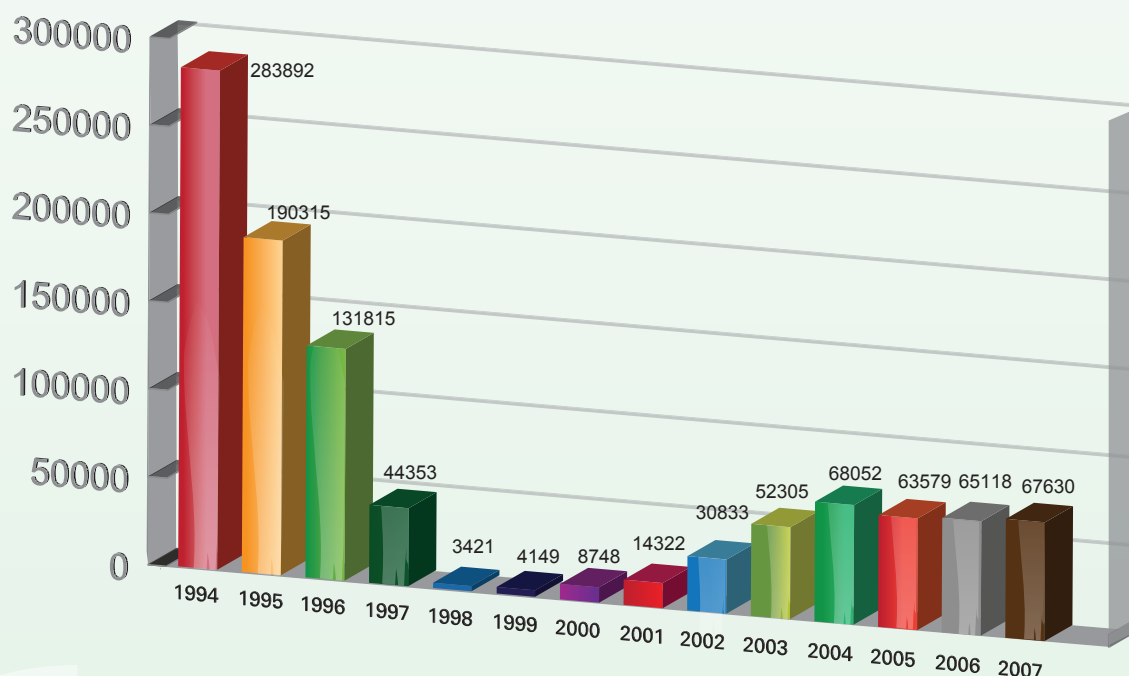
period since 2006 until the present.

1994 – 1995: Boom Period

The boom period of Bangkok's housing market lasted from 1994 to 1996 before the Asian Financial Crisis in 1997. During this period, the housing sector was extremely booming due to annual sales of over 300,000 units counting as 66 per cent to 70 per cent of total housing stocks¹. A large amount of new housing units of over 470,000 units had also been launched (picture 1). Their total value had been recorded the highest of around 664,000 billion baht (picture 2). However, it had been found that 50 per cent of

housing sales was for the purpose of speculation. Accumulated housing stocks from the previous years for speculation purpose were counted as high as 400,000 units, and when including unsold housing supply of 100,000 units in 1996, housing stocks in risk could be counted as high as 500,000 units². A factor causing these phenomena was because of relatively affordable housing price of 1.410 million and 1.384 million baht per unit in 1994 and 1995 (picture 3). Meanwhile, land cost in the BMR had continuously been surging affecting the increase in house price in the next periods (picture 4).

Picture1 : New Housing Units in the BMR, 1994 - 2007



Source: Agency for Real Estate Affairs (AREA), 2007

1996: Year of Plunging Down

In 1996, there were signs of collapse in Bangkok's housing market. Annual sales in 1996 decreased to only 32 per cent of total housing stocks, and existing unsold housing supply had been surging to almost 150,000 units³. Even worse, there were more new housing stocks launched in the market of 131,815 units (picture 1) accounting for 205,611 billion baht (picture 2). During the time, house price was pushed up to 1.560 million baht per unit due to jump of the land price index to 30.1 points (picture 3 and picture 4).

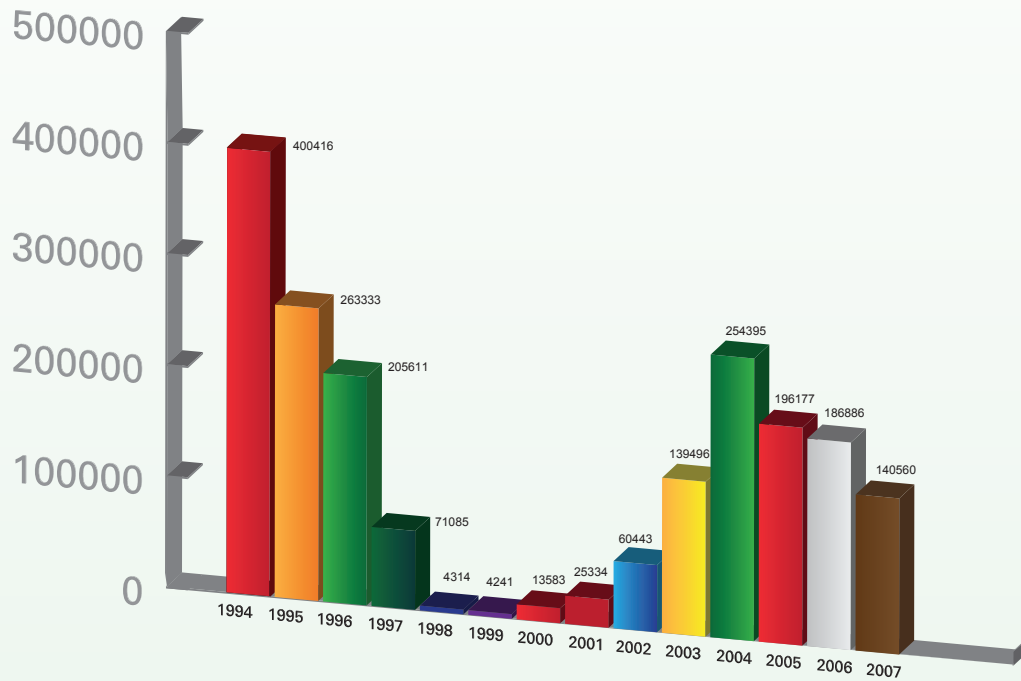
1997 – 1999: Bust Period

Thailand's real estate sector faced the greatest

collapse in its history when the government under Major General Chavalit Yongchaiyut announced the depreciation of the baht currency under the managed float system, plunging the economic growth down to the negative side of minus 1.4 per cent in 1997⁴ and triggering the Asian Financial Crisis. This massively affected real estate speculators as property value faced negative equity. There was a large amount of housing supply left unsold in the market. Real estate sector has also caused tons of non-performing loans in the economy.

During the bust period, the annual sales of housing stocks decreased to only 14 – 19 per cent, and the house price decreased to 19 – 21⁵ per cent. Launch of new housing loans for purchasers has been in

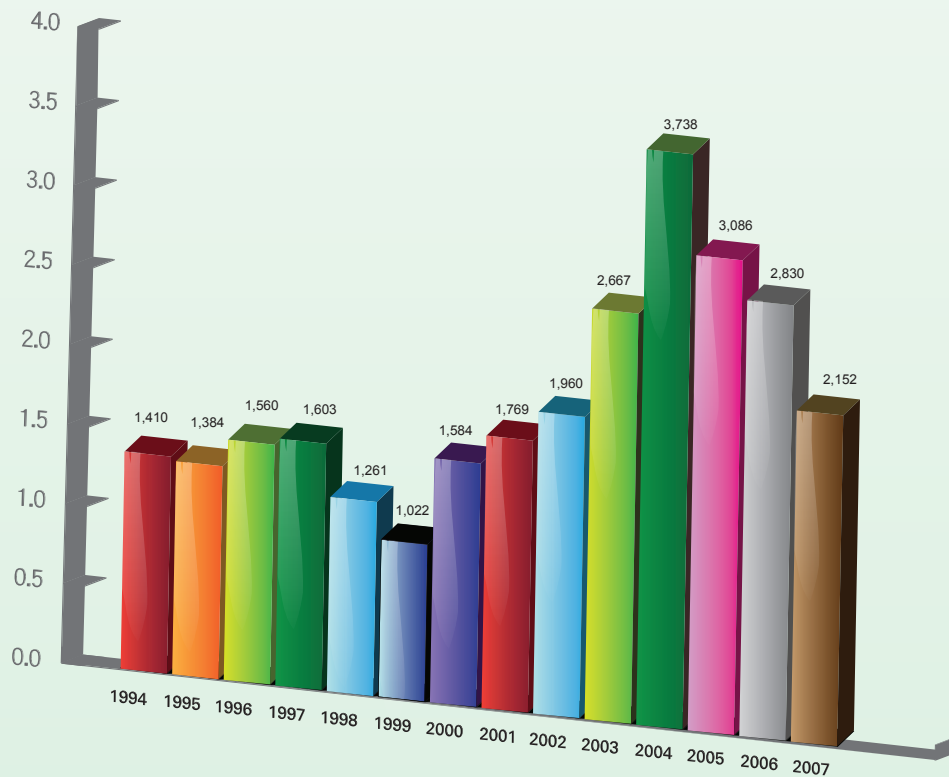
Picture2 : Value of New Housing Units in the BMR, 1994-2007



Unit: billion baht

Source: Agency for Real Estate Affairs (AREA), 2007

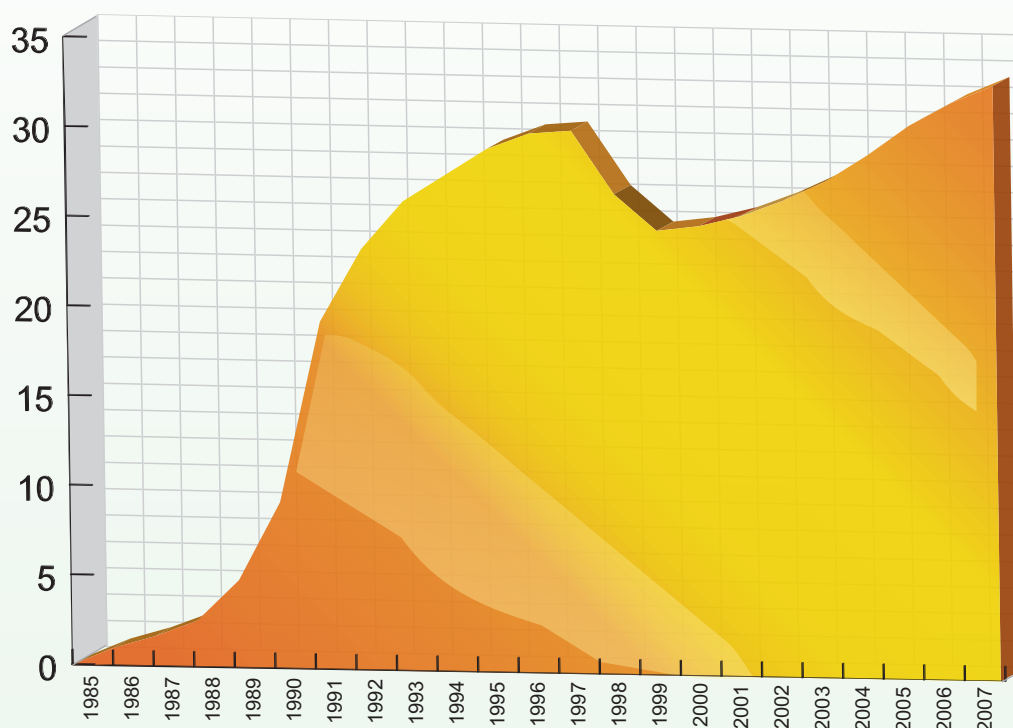
Picture3 : Average Price of BMR Housing Units, 1994-2007



Unit: million baht

Source: Agency for Real Estate Affairs (AREA), 2007

Picture4 : Land Price Index Change in the BMR, 1985-2007



Note: 1985 = 0.0

Source: Agency for Real Estate Affairs (AREA), 2007

the negative side of average minus 34.3 per cent per year (table 1). House price per unit decreased from 1.603 million baht in 1997 to 1.022 million baht in 1999 (picture 3). At the same time, the land price index decreased to 24.8 points in 1999, plunging from the highest point of 30.3 in 1997 (picture 4). New housing stocks and their value also decreased to only 4,000 units per year (picture 1) valued only 4,241 billion baht in 1999 (picture 2). According to a survey conducted by AREA, 350,000 housing units have already been vacant during the bust period.

2000 – 2002: Stabilisation Period

Total new housing stocks of around 54,000 units had been introduced to the market during the stabilisation period (picture 1). Meanwhile, the annual sales had adjusted to an increase of 20 to 32 per cent, accounting for 20,000 to 38,000 units per year thanks to the rebound of economic growth rate of an average of 4.1 per cent. House price has also significantly increased from 1.584 million baht to 2.667 million baht per unit (picture 3). Part of this effect was due to a steady increase in the land price index from 25.1 points in 2000 to 25.7 points in 2002 (picture 4). Average of new loans for house buyers also increased around 40.3 per cent in this period (table 1).

2003 – 2005: New Boom Period

The new boom period of Bangkok's housing market started in 2003. In this period, the annual sales had increased to 46 – 57 per cent, accounting for 50,000 – 75,000 units per year.

Table 1: New Housing Loan for Purchaser

Year	Value(million baht)	Change(%)
1994	209,811	-
1995	223,408	6%
1996	241,172	8%
1997	202,720	-16%
1998	103,733	-49%
1999	64,301	-38%
2000	108,886	69%
2001	115,352	6%
2002	168,314	46%
2003	296,661	76%
2004	294,403	-1%
2005	279,392	-5%
2006	262,993	-6%
2007(P)	270,466	3%

P = projected

Source: Real Estate Information Center (REIC), 2008

As a consequence, unsold housing supply had decreased to only 56,000 – 77,000 units¹⁰ with an increase in the annual sales of 2 times when comparing with the stabilisation period. Also, measures initiated by the government such as the establishment of asset management companies to manage foreclosure sale of unsold and vacant housing stocks have been effective. There was an increase in new housing stocks of almost 184,000 units (picture 1) valued over 590,000 billion baht (picture 2). House price per unit also climbed to its peak at 3.738 million baht in 2004 (picture 3) partly caused by progressive rise of land price.

In this period, purchasing more expensive detached house was very popular. This was affected by a higher economic growth rate of average 6 per cent¹¹ and low interest rate for house purchase at only 2 – 4 per cent. During this period, people could fulfill their housing dream of buying detached house albeit higher price due to these factors. Even a detached house or mansion valued almost 100 million baht could even be sold¹². People also were more aware of housing market situation than ever by means of studying market conditions and making use of information before any decision-making unlike the boom period in 1994 and 1995.



2006 – Present: Slowdown Period

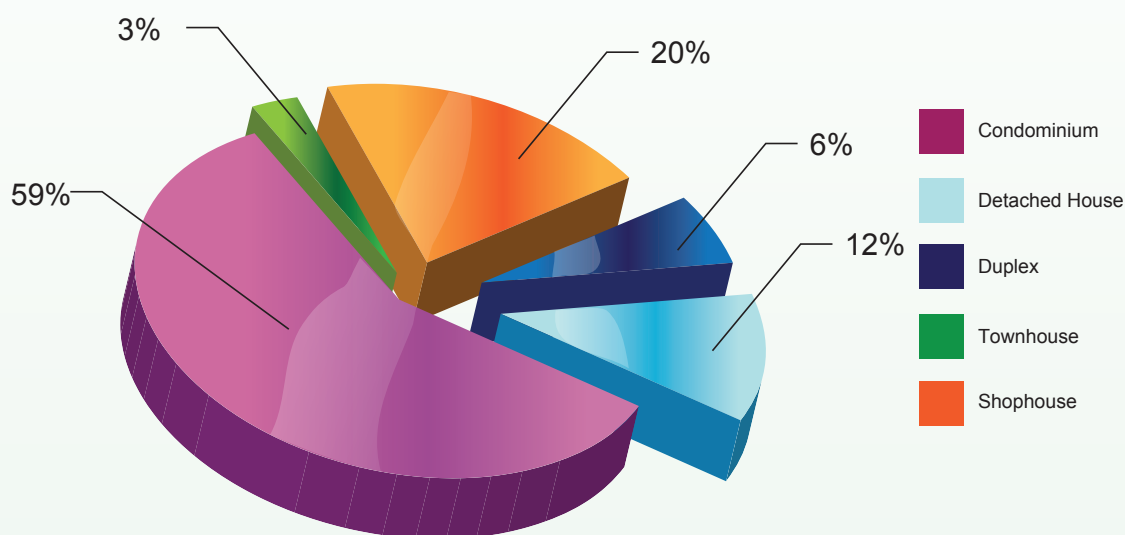
Political militancy occurred for the first time since the recovery from 1997 crisis. Coup d'état in September 2006, including political and economic turmoil, have reduced people's confidence in the economic conditions and have discouraged investment. In this period, the interest rate has increased from 2 – 4 per cent to 6 – 7 per cent. The economic growth of this period has decreased to around 4 – 5 per cent per year¹³. Consequently, it is projected that these factors have affected housing activities and people's purchasing power.

Total new housing stocks of 132,748 units have been launched in 2006 and 2007 (picture 1), and their value has decreased to 327,446 billion baht (picture 2). However, the point to concern is a continuous increase in accumulated unsold and vacant housing stocks from 50,000 – 60,000 units during the new boom period to 108,674 units in 2007¹⁴. House price per unit has also decreased for 3 consecutive years from 3.086 million baht in 2005 to 2.152 million baht in 2007 (picture 3). In the meantime, the land price index has surged to higher than ever at 33.2 points. Thus the land price factor is one of the factors that have shifted the popularity from detached houses

or townhouses to multi-storey condominiums for both buyers and developers.

Factors causing the shift of popularity from detached houses to condominiums are higher land price, rising inflation, increase of fuel price, traffic problems and improvement in mass transit network. People who need more convenience tend to purchase condominiums located along the mass transit routes – the BTS skytrain and the MRT underground system. Otherwise, they have to bear higher cost of living and inconvenience if they opt for buying detached houses or townhouses located in the suburb. This means that if people still want to live in more spacious dwellings such as detached houses or townhouses located in the suburb having similar price with condominiums, they have to bear transportation cost and inconvenience in turn. Therefore there has been a progressive increase in condominium projects in the market share from 22 per cent in 2004 to 59 per cent in 2007 (picture 5). Launch of new loans for condominium construction projects in 2007 increased to the value of 10,399 million baht, accounting for 56 per cent (table 2). These figures contradict to decreasing value of loans for construction of both detached house and townhouse projects in the same year.

Picture 5: BMA Residential Projects Launched, Jan - Sep 2007



Source: Kasikorn Research Center, 2007

Table 2: New Housing Loan for Developer

Year	Detached House Project		Townhouse and Shophouse Project		Condominium Project		Total	
	Value (million baht)	Change (%)	Value (million baht)	Change (%)	Value (million baht)	Change (%)	Value (million baht)	Change (%)
2004	31,642	-	4,009	-	10,495	-	46,146	-
2005	18,426	-42%	2,884	-28%	7,277	-31%	28,587	-38%
2006	20,762	13%	1,995	-31%	6,647	-9%	29,404	3%
2007	19,251	-7%	1,798	-10%	10,399	56%	31,448	7%

Source : Real Estate Information Center, 2008

Current Bangkok's Housing Market Situation as of 2007

Accumulated unsold housing supply in 2007 increased to 108,674 units¹⁵. Based on the annual housing sales of 51,564 unit¹⁵ in 2006 and 65,039 units in 2007¹⁶, it is expected that it would take more than 2 years to sell out of these housing units. However, in reality, there must be more new housing units introduced to the market. In this year, there were 67,630 units registered (picture 1). Therefore it would take longer time than expected to sell out of this unsold supply. When considering accumulated

unsold stocks of 108,674 units, the situation looked better than the pre-bust period where there were 150,000 of unsold housing units. However, the figure was worse than the new boom period from 2003 to 2005 where there were only 56,000 – 77,000 units of unsold housing supply. A major point to be taken into account is that how many of housing units are for the purpose of speculation.

Regarding housing loans and mortgage, notwithstanding a slowdown in housing sector, the situation has turned to be slightly better than that of

the last few years. Launch of new housing mortgage for house purchasers in 2007 was projected to increase to 3 per cent with the total value of 270,446 million baht, comparing with negative percentage in the period between 2004 and 2006 (table 1). Similarly, new loans for housing construction for developers increased to 7 per cent with a value of 31,448 million baht, higher than that of 2005 and 2006 with 28,587 million baht and 29,404 million baht consecutively (table 2). In 2007, a large portion of new loans for developers are for condominium projects that significantly increased to 56 per cent while loans for construction projects of both detached houses and townhouses decreased to minus 7 per cent and minus 10 per cent. The situation of Bangkok's housing market segregated by type of dwellings – condominiums, and detached houses and townhouses will be investigated as followed.

Condominiums

Mid-priced condominiums costing 65,000-80,000 baht¹⁷ per square metre located along the mass transit routes still attract especially the young generation. The 'Skytrain Generation' who prefers living in the condominiums located away from the city centre along the mass transit routes has emerged recently. Meanwhile, luxury condominiums attracting both Thais and foreign expatriates located in the city centre also yielded good opportunity. Annual sales of condominiums had steadily been increased since 2003. In 2003, only 12,148 units



Private condominiums are booming along the mass transit routes.

could be sold. They increased to 15,291 units in 2004, and skyrocketed to 28,903 units in 2005 and 30,995 units in 2006 consecutively. In 2007, annual sales climbed up to 39,580 units. At the end of 2007, unsold condominium units were accounted for only 25,662 units¹⁸. If comparing with annual sale volume of the last few years, it is anticipated that these unsold stocks could be sold out within a half year excluding new condominium stocks to be launched. Rising fuel price is the major factor that is likely to contribute to continuous good sales of condominiums.

When pondering the speculation, the situation was not likely to be as severe as that of the per-boom period between 1994 and 1996. In 2004, the real demand of condominium was around 15,000 units per year¹⁹. The speculation phenomenon was likely to happen since 2005. The explanation of the speculation will be as the following.

Total sales of condominiums between 2005 and 2007 were 99,478 units²⁰. If we take the real demand of 15,000 units per year as baseline, accumulated real demand from 2005 to 2007 should be 45,000 units. Thus maximum condominium units for speculation purpose should have been of 55,000 units as of 2007. However, the real demand of condominium, in reality, should be increasing due to popularity. Therefore condominium units for speculation purpose should have been lower than 55,000 units. To conclude, it can be anticipated that the speculation phenomenon of the condominium sector should not be harming the whole housing market very soon.

Detached Houses and Townhouses

While the condominium market is booming, the detached house and townhouse market had been deteriorated in 2007. Launch of new detached house decreased to 22.7 per cent accounting for 7,054 units in the first six months of 2007²¹ and the accumulated unsold supply of 37,531 units had been left. The annual sales of detached houses were only 7,000 – 11,000 units per year²². Therefore it is expected that it would take almost 4 years to sell out of this unsold detached house supply. In the same way, there was an accumulated unsold supply of 22,775 townhouses²³. Annual sales of townhouses during the last two years were 10,000 – 13,000 units²⁴. Thus the situation of townhouses does not look as severe as that of detached houses since the unsold townhouse supply is expected to be sold out within 2 years. Up to 2007, due to a decrease in new detached

house and townhouse stocks, including deteriorated situation, it is not likely that a significant speculation in the detached house and townhouse sector have been found at the present time.

Future Trend of Bangkok's Housing Market

In general, two major factors that are likely to spill effect to the housing market in Bangkok in the future is the persistence of political situation, and the escalation in the economic turmoil. Consequently, Bangkok's housing phenomena is projected to be pushed into limbo for some time. A continuous slowdown is expected to be seen in Bangkok's housing market at least for another short to medium run.

Political Turmoil

After the general election in December 2007 as Thailand was liberated from the military rule, it was expected that there would be a smooth path paved for the newly-elected government. However, since the formation of the new government, the political situation has turned into the contrary. After the government has worked for only four months, political confrontations have been emerged between the pros and the cons. Political militancy has been escalated and tended to be intensified until the time of writing.

Economic Turmoil

Apart from the persistence of political turmoil, the principal condition that will cause a continuous slowdown in Bangkok's housing market is from the economic issues. Main factors from the economic turmoil are high inflation, increase in construction materials price, rising fuel price, fluctuation in interest rate and decrease in new housing mortgage launch.

Therefore we can conclude the trends of Bangkok's housing market in the future into several points as the following.

- 1) Stability of the present government under Mr.Samak Sundaravej has been questioned. This has affected the continuity of government policies relating to housing issues. One looming policy is the extension of mass transit systems that could spawn the development in detached house and townhouse in the lower-land-cost suburbs.
- 2) Uncertainty in mass transit development
- 3) Political and economic turmoil would continuously affect the confidence of both purchasers and developers. In this situation, the purchasers are reluctant to buy property while the developers are uncertain about introducing more housing stocks into the market. The evidence is reflected from the consumer confidence index that has continuously decreased from 80.7 points in March 2007 to 78 points in June 2008²⁵.
- 4) Inflation is rising and has reached the highest level for the first time for the decade at 7.8 per cent²⁶ in May 2008. Consequently, it has affected the increase in the construction materials price index from 130.9 points in January 2007 to 136.9 points in October 2007²⁷. This has caused the construction materials price rising. It is anticipated that the house price per unit would be more expensive in the future. In the same time, rising construction cost could deter the developers from housing construction and decrease the overall housing stocks in the years to come.
- 5) Launch of new housing mortgage tends to be decreased due to volatility in financial sector. In the first three months of 2008, the value of new launch in housing mortgage was about 50,000 million baht, decreasing from the same period of 2006 and 2007 at around 59,000 – 60,000 million baht²⁸.
- 6) Fluctuation in interest rate would affect the housing sector. In the first ten months of 2007, the Bank of Thailand had decreased the interest rate for 5 times. However, in order to mitigate the inflation, the interest rate is projected to be increased for the first time since last year at 0.25 per cent in July 2008²⁹. Therefore this would affect people's capacity in housing mortgage payback, especially for the low-income group. Non-performing loans from real estate sector is expected to be observed in the future.
- 7) Due to increase in accumulated unsold housing stocks since 2005, a point to be aware of in the future is the speculation phenomenon. However, it is expected that the speculation is not likely to be as severe as the period before 1997 economic crisis.



Conclusion

Bangkok's housing market has been experiencing all sorts of phenomena- the boom, the bust, and the recovery in its history. Even if housing situation had faced its toughest period in 1997 due to the Asian Financial Crisis, it could still be recovered to attain the era of the new boom again in 2003. However, a slowdown period has been observed since 2006. It is expected that a slowdown phenomenon has even been prolonged in the years to come due to political and economic factors. This has consequently affected the confidence of housing purchasers and developers in investment in housing sector. Main political factor that could affect Bangkok's housing market is the instability of the current government. Regarding looming economic condition, many factors – rising inflation, increase in construction materials price, rising oil price, interest rate fluctuation and decrease

in value of new housing mortgage, all would unleash a continuous slowdown in the housing market in Bangkok. Therefore it is projected that, in the present time, a slowdown would still continue to be noticed unless the political and economic conditions have been improved in the near future.

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² Ibid

³ Ibid

⁴ Thailand GDP –real growth rate. Retrieved July 16, 2008, from Index Mundi. Web site: http://indexmundi.com/thailand/gdp_real_growth_rate.html

⁵ Op. cit., Khongchan 2008.

⁶ Ibid

⁷ Ibid

⁸ Op. cit., Index Mundi.

⁹ Op. cit., Khongchan 2008.

¹⁰ Ibid

¹¹ Op. cit., Index Mundi.

¹² Op. cit., Khongchan 2008.

¹³ Op. cit., Index Mundi.

¹⁴ Op. cit., Khongchan 2008.

¹⁵ Ibid

¹⁶ Ibid

¹⁷ Summary of Bangkok's real estate market in 2007 and the trend in 2008. sarup phawa talad asangharimmasap krungthep mahanakhon pee 2550 lae naewnorn pee 2551. Retrieved July 7, 2008, from ryt9.com. Web site: <http://www.ryt9.com/news/2007-12-12/2854844>

¹⁸ Op. cit., Khongchan 2008.

¹⁹ Ibid

²⁰ Ibid

²¹ Op. cit., www.ryt9.com.

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²³ Ibid

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²⁷ Ministry of Commerce, 2007

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²⁹ Krungthep Thurakij (2008, July 14), p. 1

Development of Housing Policy in Indonesia

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1. Introduction

In 1997 Indonesia experienced radical changes in politic, economic and social aspects, and was hit by severe economic and financial crisis followed by political crisis. This occurred just after the Istanbul Declaration on habitat in 1996. Beside tsunami and earthquakes at the same time, urbanisation in Indonesia has a number of impasses influenced by the economic, social, and political condition of the country. A move towards a more democratic country began with fundamental political change in 1998 (Reform Era) followed by two elections. The Reform Era in 1998 marked the progress of democracy and Government has to build more participatory and new system of urban and housing development. Department of Human Settlements and Regional Infrastructure (DHSRI) from 2000 to 2004 initiated such coordination through involving not only the international agencies but also local institutions involve in urban management training such as research institutes and universities.

As member of the United Nations, Indonesia was an active participant of both the United Nations Conferences on Human Environment (1972 and 1992) and the United Nations Conference on Human Settlements (1976 and 1996). In those Conferences Indonesia committed to both Agenda 21 and the Habitat Agenda. A moment ago Indonesia participated in Second Asia-Pacific Ministerial Conference on Housing and Urban Development (APMCHUD) which endorsed The Tehran Declaration on May 2008. Indonesia remains active in mobilizing international support for housing and urban development primarily from the World Bank and Asian Development Bank.

The political and economic changes do not automatically constrain housing and settlement condition. The latest social-economic survey of 1999 indicated that housing and settlement both in urban and rural keeps running. It is also important to note that in the last ten years after the crisis, public housing program was not able to provide more houses due to the shortage of fund. In practice, around 85 % of housing stock is still mainly delivered by the people sector. This mode of delivery system is so far only indirectly supported by public programs through the provision or improvement of its basic infrastructure and services.

2. Housing Problems and Characteristics in Indonesia

In general, housing and housing finance are relatively under performing in Indonesia compared to its neighbors such as Malaysia and Thailand. Housing investment in Indonesia is approximately 1.5 percent of GDP compared with a range of 2 to 8 percent in other comparable countries, whereas mortgage financing in Indonesia equaled only 3.1 percent of GDP, compared to 25 and 13 percent in Malaysia and Thailand. In the essence, housing is basically an important instrument in the development of social welfare and equity and in stimulating economic growth as well. Unfortunately, all these qualities have not been sufficiently recognized and institutionally developed in implementation.

Indonesia has a high rate of population growth and become the fourth populated country in the world with a total population of 225 million in 2006 45% of them resided in the urban areas. One unavoidable consequence of the rapid urbanization is the serious shortage of housing and infrastructure, especially for the predominant section of low-income households. Among the 1.2 million housing demand every year, 850,000 are from population growth and the other 350,000 from housing backlog. Yet, despite an intensive effort in offering 200,000 housing unit per year from 1994-2001, only around 17 % of the total housing demand can be met by the formal sector. The remaining 83 % are provided for by self-built activities. This results in around 47,000 hectares of slum areas. Hence, the most well-known characteristic of Indonesian housing is its informal supply mechanism (83%). Although Indonesia has a high rate of homeownership, only a small proportion of them have proper land tile and house building permits.

In general, the housing market can be characterized by: 1. Acute housing shortage in urban areas (750,000 new housing units are needed in urban areas per year); 2. A divert of housing requirements in regions and local governments; 3. Poor income affordability; 4. Low level of housing finance provision; 5. Insufficient serviced land for moderate and low-income housing; and 6. Uneven enforcement of land and housing regulations.

Households by land title and Tenure (1998)

	Property right	Right to build	Right to use	Other and unknown	Total
Urban	83.4	7.0	3.9	5.8	100
Rural	88.1	1.2	4.7	6.0	100
Total	86.6	3.1	4.4	5.9	100
	Own	Rent/lease	Official	Other	Total
Urban	71.0	22.9	3.5	2.7	100
Rural	91.2	5.2	1.6	2.0	100
Total	93.7	11.8	2.3	2.3	100

5. The Development of Housing Programs

There are around 1.2 million new houses needs every year and around 10,000 hectares of slums and squatters distributed in all metropolitan and large cities to be cleared. From 1974 to 1998 there were several housing schemes developed.

KPR (Kredit Perumahan Rakyat) Housing Loan

KPR started in 1976, is a form of subsidized housing loan for low income groups. Financed by the state and managed by BTN Bank, the KPR program aims to increase the supply of housing finance to low income households. A total of 1.7 housing units have been completed with subsidies from KPP.

Kasiba-Lisiba (Ready to Build Area) scheme

It is basically a specific housing scheme for large-scale housing and urban development the public sectors to promote proper, healthy, harmonious and orderly development of housing and settlements which is regulated by Law. Two pilot projects have been set up, one in Driyorejo in Surabaya and the other one in Martubung in Medan. In order to implement Kasiba-Lisiba, Local Government designates one or more certain areas as a Kasiba area with regard to regional spatial plan on that area. It is expected that BAPPEDA or Local Authority Planning Agency would take initiative to lead a Kasiba preparation team. Management of Kasiba should be conducted by the Government in the form of Management Board that assigned by Central Government. Kasiba Management Board should be a State or Local Government Enterprise as non-profit organizations in order to prevent conflict of interests. Kasiba Management Board has responsibilities to plan and manage the development of Kasiba. They also have the

task of obtaining the land within designated Kasiba area mainly through land consolidation by cooperation with the land owners. In its implementation, by subdividing a Kasiba into several Lisibas, a Kasiba Management Board will involve other parties whether from public or private organisations. A Kasiba is divided into a number of Lisibas. In each Lisiba a number of houses are built within a private-public partnership scheme between Kasiba Management Board and other organisations which could be a developer, cooperative, CBO, NPO, NGO or other organisations. In addition, there is Lisiba BS (Lisiba Berdiri Sendiri) which means Individual Lisiba. Lisiba BS is a smaller area (up to 50 ha) and could only be developed within a developed or urbanized area that already equipped with infrastructure. A private developer can manage a Lisiba BS alone under an assignment or approval from Local Government. A private developer can only develop any large scale housing development in a Lisiba within Kasiba or within a Lisiba BS and will not be allowed to sell undeveloped lots without houses on it. A Kasiba might contain 3,000 to 10,000 housing units while Lisiba BS might contain 1,000 to 3,000 housing units.

1-3-6 Rule

The rule is legally based on Mutual Decree between Minister of Internal Affairs, Minister of Public Works and State Minister of Social Housing which was enacted in 1992. The purpose of this rule is to guide housing development by private developers to develop harmonized mix settlements for various social and economic classes. According to the World Bank Report on Indonesian Cities (2003), the 1-3-6 Rule in housing is a regulation that requires private sector

developers to build low and middle standard housing in the ratio of 6 units of “simple” housing and 3 units of “mid-standard” housing for every unit of “luxury” housing. The 1-3-6 rule has been a failure for various reasons. With many loopholes and scant enforcement, developers have bypassed or ignored the rule. REI members develop low-cost housing in approximately the same ratio responding to market opportunities.

Kampong Improvement Program (KIP)

The programme enables Indonesia as a pioneer in addressing urban slums areas upgrading for its positive impact on informal areas. There has been strong external support for the Government’s programs in urban housing which in line with its decentralization process. The program addresses issues of urban poverty including supporting city economic development and more participatory city planning processes. There were city-wide approach needs to be complimented with community-level support to urban poverty alleviation. In particular it is recognized that community-level support is needed which focuses on improvements to the neighborhood and the household assets of the poor including housing through housing sector institutions.

CoBILD (Community Based Initiatives for Housing and Local Development)

The project is the successor of KIP funded by Netherlands providing both finance for improved housing and a model of a neighborhood-based finance mechanism. This scheme was a local based finance delivery system that supports a decentralization process. However, those mechanisms had not addressed the structural problems of the sector and can not be sustainable after the economic and monetary crisis after 1997. In addition, international loan to Indonesia on such program has been evaluated since the sustainability were being questioned.

Rural Growth Center (DPP, Desa Pusat Pertumbuhan)

It is a project to improve shelter for the poor in rural area and is identified as the problem beginning not only from the city with its high urbanization rate, but in rural that also brings their own housing problems caused by its under developed economic opportunity. A distorted pattern of income distribution is a growing problem in Indonesia, with many Indonesians living in poverty, especially in rural areas where many young villagers continue to leave rural areas for the cities. A major rural problem is lack of employment opportunity that deliver poverty and low infrastructures service. The most

noticeable differences between rural and urban housing and settlement characteristic are land, basic infrastructure and housing standard. So, it needs serious efforts to take intervention both for rural and urban comprehensively. In carrying out this program, the Government differentiates 3 categories of villages: fast growing villages, potentially grown villages, and under developed villages with remote location and limited resources.

As the summary of the program above the following table describes the aims, funding agencies and major actors involved in each housing programs.

6. Key Housing Actors

There have been five primary actors in public housing arena in Indonesia. The three earlier actors were State Ministry of Housing or MENPERA, National Housing and Urban Development Corporation or PERUMNAS and BTN Bank as housing bank. The two latter actors were coming from non-public sector, they are private developers gathered in their associations named REI, and Housing Associations or ASPEK.

State Ministry of Housing

Political change in Indonesia in late 1960s influenced the development of housing program nation-wide. In the beginning, public sector’s housing activity was the housing provision for civil servant and military under the jurisdiction of the Departments of Public Works. Housing management was then seen merely as a task of administrative allocation of public housing. As a result of the National Workshop on Housing Policy in 1972, National Housing Policy Agency or BKPN was established to undertake the responsibility of housing development coordination in a higher level in addition to the huge organization of DPUTL. In 1978 the Junior Ministry of Housing was established with responsibility to formulate housing policy in national level. Subsequently, the role of Ministry of Housing was scaled up to be the State Ministry of Housing in 1983. The Department of Public Works and the State Ministry of Housing were then merged to form the Department of Human Settlements and Regional Infrastructure (DHSRI).

National Housing Corporation or PERUMNAS

Established in 1974, the Corporation’s main role and responsibility are to serve the public need in housing sector and at the same time to build up the capital to support its development. It has to be a commercial business whilst at the time to serve public interests. Difficult in striking a balance between cost recovery and offering affordable housing at low cost, the performance of

Table 9. Housing Programs and Schemes in Indonesia

Name of scheme	Aims	Funding agency	Major actors of development
KPR Housing Loan	Subsidized housing loan and is addressed particularly for moderate and low income groups.	Central Gov., Central Bank, BTN	PERUMNAS REI members (Developer Association)
Rumah Inti (core house) with sites and services schemes	Provision of developed sites rather than completed Housing. The aim was to provide plots with the necessary infra structure. They were to construct the building depending on their affordability. Incremental housing schemes	Central government, World Bank, Perumnas, the people	Central Government, Provincial Government, Local communities
Kasiba and Lisiba Scheme	Specific housing scheme for large-scale housing and urban dev. to facilitate the mass housing provision which is implemented whether by public or private sectors, and to promote proper, healthy, harmonious and orderly development of housing and settlements	Central Government,	State Enterprise, Local Government Enterprise, PERUMNAS, Private Developers.
1-3-6 Rule	Harmonized Mix Settlements 1:3:6. Cross-subsidized Social housing schemes. Housing the weaker sections, Cross-subsidization from MIG and HIG to LIG Composite housing schemes for the poor	Central Government	Central Government, Provincial Government.
Kampung Improvement Program (KIP)	Slum improvement responding to the diversity of needs of the urban poor which has adopted more comprehensive approaches to housing and neighborhood development.	Central Gov., Provincial/Local Government (Jakarta and Surabaya)	Central Government, Provincial Government.
CoBILD (Community Based Initiatives for Housing and Local Development)	Successor of KIP project. Designed to determine the most effective methods of comprehensive upgrading program for the urban poor. Local based finance delivery system that supports a decentralization process.	SGHI (Stichting Garantiefonds Habitat Internationaal) from Netherland and channeled through UNDP	Central Government, Provincial Government, Local communities
Provision of infrastructure	Streamlining housing legislation, institutional finance, low-cost building materials Enabling environment by governments, self-help	Central government, Provincial governments, private sector	Central government, Prov governments, private sector, voluntary associations, NGOs
Rural Growth Center (RGC)	Concentrate in rural areas. To implement other significant issues come out from the other side of its current urban settlement problem.	Central Government	Central Government, Provincial Government.
Enabling Housing Market to Work	Government would adopt the role of enabler rather than direct provider, and encourage the private and the cooperative sector to play a major role in the housing sector. Enabling environment by governments, self-help.	Central government, Provincial governments, private sector and others	Central government, Prov governments, private sector, voluntary associations, NGOs

Notes: LIG: Low Income Group, MIG: Middle Income Group, HIG: High Income Group

PERUMNAS has been unstable. PERUMNAS, like BTN, was established at a time when developers were not interested to develop lower end of the housing market. Yet when private developers began to grow, the role of PERUMNAS to engage in direct competition with the private sector is beginning to be challenged.

BTN Bank

BTN is a housing bank since Indonesia's independency in 1945. Started as a Postal Saving Office, it was changed into a Postal Saving Bank and then in 1953 stipulated as the State Saving Bank or BTN. It is discharged with the role of channeling private funds for national economic development. In 1974, the Indonesian Government put up a new role for BTN as a housing bank to finance the development of housing for low income people, via the KPR Housing Ownership Loan scheme. There are two formal roles of BTN, as a saving bank and housing bank. In 1992, BTN was privatized to become a foreign exchange bank and refocuses on its core business – offers KPR loans, both subsidized and non-subsidized, to moderate income households. .

Cooperative Housing Association (ASPEK)

Emerging in Bandung city in late 1980s, ASPEK is a voluntary housing movement in the form of housing association which employs the cooperative strategy in providing housing at affordable price for the low income groups. In 1990s ASPEK was involved in the new model of housing development which used P2BPK or Community Based Housing Development approach. ASPEK was initially established by scholars and NGO activists whose networks have played a significant part in the promotion of ASPEK. For example, in P2BPK there was close cooperation between ASPEK and State Ministry of Housing and BTN Bank. The role of housing associations represented by ASPEK has been expanded in 1992 by a Decree of State Minister of Social Housing.

REI or Real Estate Indonesia

The scheme entails only 33 housing developers as members but number is expected to grow as in the near future as economic growth speeds up. The real estate industry is characterized by two kinds of developers – big developers and the small developer firms. Big developers would likely have professional staffs and have a range of property portfolio and be associated with big business group which has established big business before they enter the real estate industry. Smaller developers came into the housing development business because of their special linkage with the industry, for instance, being land owners, or having forefront information on

public infrastructure development. Yet, business of such smaller developer firms is unstable and take-over is not uncommon.

7. Conclusions

The evolution of Indonesian housing policy has not been smooth as it has to deal with a complicated array of government bureaucracy which involve land, housing development, housing finance, and residential infrastructure development etc, whose policies and programmes are not well coordinated. In addition, there are a large number of housing projects with fundamentally different or overlapping types of subsidies. Hence the inconsistency of housing policy orientation makes housing policy in Indonesia fragmented as well as loose. In a comprehensive perspective, those programs have been developed without appropriate policy framework. Furthermore, the programs were carried out without efficient resources management. As a result, there is a lack of sustained institutional commitment to support sustainable housing policies and programmes. The absence of consistent housing policies combined with unclear regulatory environment remains to be a constraint to an efficient housing markets in Indonesia.

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業主索取文件、法團是否有求必應

鍾沛林律師、太平紳士
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1. 最近上訴庭有一個案例（CACV279/2007）於6月份頒佈判令，主要涉及的爭論是一位筲箕灣太安樓的業主要求該大廈的業主立案法團（“法團”），給予一些文件。判案的結果可給予法團及管業經理極具參考價值以應付業主要求索閱或要求由法團或管業經理保存的法團文件之副本。

2. 該位業主向土地審裁處申請頒令法團按香港法例第344章《建築物管理條例》附表6第3段，附表7第1(7)段及第2(5)(b)段，在他交付合理影印費後，向他提供文件，包括:-

- (一) 2004年度和2005年度兩年的核數報告的副本。
- (二) 2002年為做大廈公眾固定電力裝置（WR2）維修工程之中標承辦商的投標價書及完成工程後法團的明細工程開支表。
- (三) 2003年為更換電梯工程之中標承辦商的投標報價書及完成工程後法團的明細工程開支表。
- (四) 2003年為改善消防工程之中標承辦商的投標報價書及完成工程後法團的明細工程開支表。
- (五) 2004年為完成屋宇署的外牆修葺令的中標承辦商的投標報價書。
- (六) 根據香港法例第344章《建築物管理條例》的附表7第2(5)(a)條，要求法團在合理的時間內提供給陳先生查閱承辦商給法團每一項工程的明細工程發票及法團的每一項工程開支的支票存根及以上各項工程招標前的建議書。

3. 在土地審裁處，法官裁定該業主敗訴，不但撤銷其申請，更令他支付訟費。該業主不服，向上訴庭提出上訴。

4. 上訴庭判辭考慮《建築物管理條例》第27條的條款及該條例附表6有相關的條文及規定並指出該條例附表7

亦就建築物的管理開支總額的釐定作出規範。附表7亦要求經理人備存恰當的帳簿或帳項紀錄及財務紀錄，及在每個財務年度結束後的兩個月內，擬備該年度的收支表及資產負債表，而每一收支及資產負債表須包括“特別基金”的細項，以及有需要從基金提款的時間及屆時所需的金額的估計。條例附表7第2段，就帳目的保存有以下規定:-

“(1) 經理人須備存恰當的帳簿或帳項紀錄及財務紀錄，並須保存該等帳簿或紀錄所提述的一切單據、發票、憑單、收據及其他文件最少6年。”...

(5) 經理人須—

(a) 准許業主在任何合理時間查閱帳簿或帳項紀錄及任何收支表或資產負債表；及

(b) 在收取合理的副本費後，向任何業主提供該名業主所要求的紀錄或文件的副本。”

判辭指示：法團及經理人有管理建築物的責任，亦有責任就該事宜向業主及其他有關人等作出適當交待。為了有效監察法團及經理人，確保他們能大公無私及適當地履行其職責，法例賦予業主及其他有關人等查閱及有需要時要求法團提供和管理有關的單據。

5. 上訴庭法官更認為法例絕非鼓勵或容許別有用心個別人士以監督法團或經理人為名，故意無理製造事端，干擾或妨礙法團及經理人的正常運作。法例亦不賦予業主或其他有關人士隨便查閱和管理建築物有關的全部單據或取得該些單據的副本。

6. 根據附表6第一段及附表7第2(1)段，法團須保存的文件包括“一切單據、發票、憑單、收據及其他文件”，但不表示業主有權隨便查閱該些文件或取得其副本。

7. 附表6第3段只賦予業主權力取得下列文件的副本：

- “(a) 根據第27(1)條擬備的收支表及資產負債表；或
- (b) 根據第2段擬備的法團的收支概算表。”

附表7第1(7)段容許業主索取預算草案，預算或修訂預算的副本而第2(5)段只賦予業主權力查閱帳簿或帳項紀錄及任何收支表或資產負債表。第2(5)(b)段所指業主有權要求副本的文件只而限在第2(5)(a)所指的文件，即帳簿或帳項紀錄或收支表或資產負債表。業主沒有權力查閱“一切單據、發票、憑單、收據及其他文件”或取得該些文件的副本，雖然法團有責任保存該些文件，不少於6年。管理物業所涉文件，單據成千上萬，容許個別業主隨便查閱及最後副本對法團做成很大壓力，並是無需要的。

8. 有多宗案例顯示附表7第2(5)(b)段所指的“紀錄或文件”是指2(5)(a)段所述的“帳簿或帳項紀錄及任何收支表或資產負債表”並不包括一些和“紀錄文件”的明細工程發票或每一項開支的支票存根，或工程招標前的建議書。

9. 上訴庭法官不同意該位業主的立場：有關供應物料及服務的採購及選用事宜守則給予業主有權查閱帳目及發票等文件及要求法團提供文件的副本，並指出該守則只是就44條有關供應，物料及服務的採購及選用事宜而發出的。該守則涵蓋的範圍不應超越法例本身的規定。該守則第9段下半部列出管理委員會亦需要讓業主或其授權代表在合理時間內查閱“有關文件”，法官指出該業主不應假設該守則第9段下半部所指的“有關文件”就是同段上半部所指的投標文件、合約副本、帳目及發票等。

10. 故此，上訴庭認為該業主只有權以書面要求法團向他提供：

- (a) 根據第27(1)條擬備的收支表及資產負債表；或
- (b) 根據第2段擬備的法團的收支概算表。

而根據附表7第2(5)段，法團只須 —

- (a) 准許業主在任何合理時間查閱賬簿或賬項記錄及任何收支表或資產負債表；及
- (b) 在收取合理的副本費後，向任何業主提供該業主所要求的記錄或文件的副本。”

而該業主無權要求查閱工程的明細工程發票及法團每項工程開支的支票存根及各項招標書建議書。

19. 該案亦涉及處理業主要求的程序。上訴庭認為法團在該業主提出要求時，應適當地回應業主的的要求，讓他查閱或有權得到的文件或向他解釋為何他無權查閱某些文件或得到某些文件。故此在此案中，上訴庭認為就此該案件的背境，較公平的做法是下令從原審至上訴的整宗訴訟，各自付訟費。因此在處理業主的的要求時，雖然明知可能是無理要求，法團或管業經理都必須作出及時及適當解釋而不是等到對方法庭提出申請才回應，否則就算最後贏了官司，但得不到堂費、訴訟費，就等同輸了「牙骹」及金錢。

20. 各位必須留意，此案件是於2006年入稟提起訴訟，而2007年8月1日生效的《建築物管理條例》對附表6已作出如下的修訂：

1A. 管理委員會須—

- (a) 在不少於5%的業主要求下，准許該等業主或該等業主委任的任何人在任何合理時間查閱第1段提述的任何單據、發票、憑單、收據或其他文件；及
- (b) 准許獲法庭授權的任何人在任何合理時間查閱第1段提述的任何單據、發票、憑單、收據或其他文件。

1B. 為施行第1A(b)段，業主可向法庭申請命令，授權該業主或申請書上指名的任何其他人士查閱第1段提述的任何單據、發票、憑單、收據或其他文件。

故此，此案件是受修訂條款所影響。



限價房的價格思考

莊振錫

編者按：過去幾年內地很多大城市的樓價都大幅度的上漲，為了解決居民的住房問題，各地政府開始為低收入家庭興建廉租房及發展經濟適用房賣給中等收入家庭，但越來越高的樓價連收入較高的夾心階層也感到壓力。[限價房]就是為滿足夾心階層置業需求的政策。廣州是內地最早試行限價房的城市之一。我們很高興得到[南方房地產]總編輯黃毅文先生應允，讓本刊轉載[南方房地產]2008年第三期兩篇有關[限價房]的精彩文章，特此向[南方房地產]及黃毅文先生致謝。

就在廣州推出全國首個限價房面市之際，廣州的房地產市場價格出現了回調，這或許是巧合，但本人認為，在偶然的背後隱藏着必然。因為這兩者之間有密切的聯繫，限價房作為政府解決“夾心階層”的居住問題，作為調控房價的一項重要措施，已經在發揮着積極而有效的作用。限價房是政府與開發商合作，由政府主導並參與普通商品住房市場競爭的一種嘗試。由於出台倉猝，難免存在這樣那樣的問題。我認為在價格政策方面，存在三大問題：

1. 否定質量差價

現行廣州限價房的價格政策，就是不分房子的內外地段、樓層和朝向，一律統一價格，這就否定了商品的質量差價。早在去年有關部門公佈限價房的銷售價格之時，我就說過，這樣的定價肯定會出問題。為什麼？因為它連基本的價格常識都拋掉了。商品的質量差價，是由於同一商品的質量差異而形成的差別價格，其實質是同一商品客觀存在着不同的使用價值。質量差價是價格體系中的重要組成部分。住房是質量差價表現最為明顯的商品之一。在同樣的建築面積、使用同樣的建築材料和同樣的施工條件下，即使同樣的房子，由於其所處的樓層、朝向和地點的不同，它的光線、通風、噪音以及便利等也不盡相同，使用價值的區別也就十分

明顯。正因為如此，否定住房質量差價而實行統一價格的後果，就是那此由於朝向、樓層或地點等因素而造成的質量較差的房子没人要。道理很簡單，花同樣的銀子得不到同樣的居住享受，這人不是傻子才怪！

2. 缺乏靈活的價格調整機制

現行廣州限價房價格的指令性特徵十分明顯，甚至比以前的計劃價格還“計劃”。以前計劃價格一般都是根據當時的實際情況而制定，從沒有提前這麼長時間就定好到時才實施。提前較長時間制定的價格，盡管符合當時市場的實際情況，就是說當時具有一定的合理性，由於不馬上付諸市場，充其量也只能算是一個目標價格或理論價格而已。在定出價格到正式銷售的這段時間內，假如市場價格大致不變，或是繼續向上，這種做法有可行的一面，即可以把目標價格或理論價格作為實際銷售價格；但假如市場價格往下走，而你還繼續把原來的目標價格或理論價格當作實際價格，問題就來了，這時的實際銷售價格就脫離了市場，限價房價格就可能沒有了優勢，甚至高於市場價格，就會造成資源大量積壓和浪費。限價房從其名稱上看，由於冠之以“限價”兩字，似乎屬於政府指導價或政府干預價，但從它的指令性特徵看，我認為應該屬於政府定價。事實上，政府定價由於其價格形成方面的缺陷，很難保證百分之百的合理性，而要盡可能做到合理，就必須盡可能與市場的要求一致，這是一個起碼的要求，而限價房是早在一年前就制定好價格，一般情況下很難符合現在的市場狀況。這是當今限價房價格政策中最大的問題。

3. 過分強調自住性，在限制投機的同時，也打擊了部分人的購買慾望

限價房是政府犧牲了部分地價收益而為中等偏低收入人群提供居住的房子。為此，政府採取了很多

措施來限制買家的投機行為，除了規定嚴格的購買條件以外，還規定了二手轉讓的限制，如五年內不得出租、轉讓，五年後出租、轉讓的，要補繳30%的土地出讓金。毫無疑問，這些措施對於限制投機炒作發揮了很大作用。但由於條件過分苛刻，也在一定程度上削弱了部分買者的購買慾望。因為，隨着社會的發展，今後這部分人換房的可能性較大，而目前的政策讓他們看到的是買了限價房很難保值。

住房與其他商品不一樣的地方，就是具有消費和投資的兩重性。花那麼大的一筆錢甚至可能是畢生的收入，除了考慮居住消費以外，能否保值增值，也是人家決定購買與否的另一重要因素。那麼，買了限價房能否保值增值呢？不妨算一下賬：在目前房貸利率較高的情況下，再考慮至少須補繳當時公開出讓樓面地價30%的土地出讓金，五年後該房子的市場價格水平，理論上大概須比現在限價房銷售價格高出40%左右，方能不賠不賺。五年後的房地產市場將是怎樣的？當然誰也無法準確地預料。不過，從價格變動規律來看，則無非三種可能性：與現有市場價格水平相比，要麼持平，要麼上漲，要麼下跌。而五年後房地產市場價格一旦不能上漲這麼多，甚至出現持平或下降，則意味着房子將要大幅度的貶值。就目前情況看，房地產市場價格已經掉頭往下走，這些限價房是否具有一定的比價優勢，就是擺在買家面前的客觀問題。這些“夾心階層”的買家，畢竟有一定的購買能力，可以選擇購買不受諸多限制而目前認為又不至於大幅度貶值的房子，更可以選擇租房。當買方的預期發生變化，購買信心就會受到影響，而一旦出現眾多的棄購，也同樣會帶來賣不出去的困境。以上列舉了現行限價房價格的三大主要問題。之所以存在這些問題，歸根到底，與決策者錯誤地估計房地產市場及其價格變化趨勢有很大的關係。不難看出，一切的基點都是建立在房地產市場價格繼續向上漲之上。在如此的分析判斷下面，否定了客觀存在的質量差價當然不成問題，因為即使差一點的房子，仍然有一定的價格空間，所謂“皇帝女不愁嫁”，“籬底橙總比水好”，沒有價格調整機制也無所謂，至於購買心理就更不用考慮了。話說回來，任何創新一開始總不是十全十美，任何對市場及價格的分析判斷都有可能失誤，過分的指責於

事無補。關鍵是如何修正和完善：

修正限價房政策三點建議

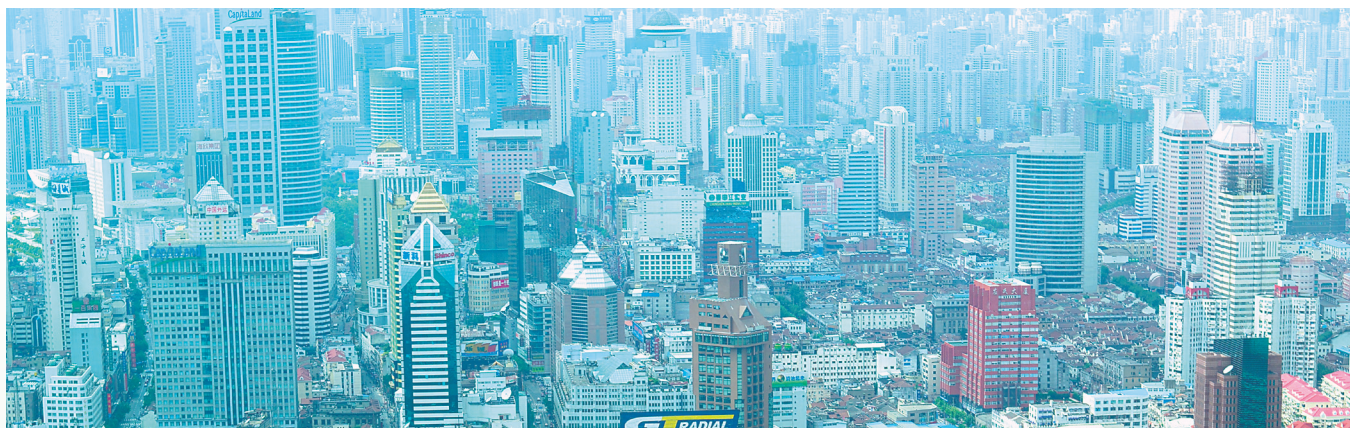
一是把限具體價格改為限平均水平，按某個限價房項目可銷售總面積統算平均價格，在此基礎上再核定具體房子的具體銷售價格。

二是建立必要的價格修正機制。首先，為初次制定並公布的價格正名，就是將根據競地價和參考當時市場狀況制定的價格，恢復其本來面目，稱之為目標價格，公布時可稱為“擬定價格”，告訴社會這個價格將有可能適當調整；其次，根據面市時的房地產市場狀況，對目標價格作出維持不變或適當調整的最終確定。如果市場價格發展趨勢繼續向上，則適當提高，反之則適當降低，可以“銷售價格水平大致低於當時實際市場價格水平30%”為定價基本原則。這樣，就可保證限價房價格能夠比較靈活地適應瞬息萬變的市場需要。考慮到限價房是政府與開發商合作，其價格具有事先契約性，因此，還必須在與開發商的合約中，對相關事項予以明確。

三是適當修改二手交易規定。對五年後轉讓的須補繳地價30%土地出讓金，改為“若轉讓價格高於限價房購買價格的，按其差價的一定幅度征收土地收益金”，征收幅度以30%左右為宜。

價格政策對於正確發揮限價房的調控功能，有着巨大的作用。實際上，早在若干年前，廣州就出現過大量經濟適用住房滯銷的尷尬局面，並因此導致了此後幾年基本不建經濟適用住房。出現問題並不可怕，可怕的是不敢正視問題，以及正確地解決問題。對此，及時調整完善相應的價格政策，是迫在眉睫的事情。

（作者單位：廣東省物價局市場監管處處長）



限價房發展需三思

趙卓文

2008年，限價房的推出，改變了廣州、北京房地產市場的發展趨勢。廣州市年初連續發售保利·西子灣、萬科·新里程等項目，給市場帶來了顯著的影響：

其一，給市場帶來了降價的預期。北京2008年的限價房，比普通商品房價格低35%，廣州限價房比商品房價格低20%-30%。在廣州的金沙洲，剛有限價房推出，另外的發展商馬上推出更廉價的商品房。2008年廣州樓價的回調，很大程度上是限價房作出的貢獻。

其二，給普通缺房戶減少了購房的緊迫感和壓力。2008年1月廣州商品房銷售僅35萬平方米（為正常時候的1/3），本來已滯銷的房地產市場，在限價房的沖擊下，銷售量進一步萎縮。

其三，招來了“不公平”的爭議聲。限價房的本質，在於政府少收了地價，讓最終的購買者享受到“低於正常成本”的房子。廣州限定家庭年收入20萬元以下者可購買，門檻不高，似失公平。另外，限價房的推出，讓廣大購買了商品房的人利益受損（價格回落）。限價房已經不僅是政府的事情，也不僅是那部分有購房資格人士的事情，是全廣州人的事情。限價房從推出的那一天開始，業內業外的爭議聲就沒有停止過。筆者認為，限價房的發展應慎重，三思而行，而且十分需要加強計劃管理，任何草率的計劃都會給住宅業的發展帶來巨大的負面影響。建議如下：

1. 目的需要明確

發展限價房，政府需要付出高昂的代價（至少減少了很多土地出讓收入，以廣州金沙洲項目為例，每平方米建築面積少收地價2000-2500元）。發展限價房，目的是為了抑制房價過快上漲，還是為了解決夾心層的居住問題？需要進一步明確。廣州的住

房困難戶已通過廉租房和新社區的建設，在2007年基本解決居住問題。家庭年收入20萬的無房戶，是通過商品房解決合理，還是限價房這種“複合物”來調節？業內存在極大爭議。

2. 需要明確策略

“限價房”是短期、臨時性的措施，還是長期要堅持的計劃？政府需要有周詳的準備。如果是策略性、短期的，政府大可探索着幹，如果是長效性的，則必須有嚴謹的計劃。

3. 要定量研究和論証

2008年，廣州房地產價跌量縮。主要原因在於限價房推出的數量過大。按政府部門公布的計劃，2008年計劃推的限價房達1.5萬套（佔商品房銷售量的20%），未來5年推出的土地超過40%為“限價房”。2006-2007年廣州樓價急升，但限價房大量推出，樓價又可能急跌。急升急跌，大起大落是政府部門和金融機構都不願意看到的。

4. 遊戲規則需進一步細化

限銷售對象、限房型、限銷售價格的“三限房”在2008年發售後，並未出現“搶購潮”，說明市場絕不會像大家想的那樣去發展。市場在變化，遊戲規則也應該有所調整，盡快成熟。否則，如果出現了大量“限價房”空置，會讓政府部門倍感尷尬，浪費社會資源。

“限價房”在中國房地產業，屬於新鮮事物，作為政府調控市場的手段，在一定的階段，是雙刃劍。

2008年，價格急速上揚，房地產市場已經冷靜下來了。“限價房”的發展也該冷靜冷靜了。

（作者單位：廣州市同創卓越房地產投資顧問有限公司總經理）

The Latest Housing Management Policies in Korea

Dr. Jung-in Kim

Housing Research Institute of Woori, Korea



Extension of Properties subjected to Professional Management

Korean Housing act prescribing the management of apartment housing specifies 'Properties subjected to Mandatory Management'¹ to have a management office and a specialist for professional management (section 5 of Housing Act). In the past, the legislation affected only apartment housing with project approval based on Housing Act and was not applicable to residential-commercial complexes based on Building Act. That is to say, not every housing building was a target of mandatory management. Mandatory management was determined by the legal ground of project procedure even if it was for residential purposes only. This has always been a controversial issue.

Yet, the new 'Housing Act', amended at the end of 2007, enacted that residential-commercial complexes should be operated with a management specialist under the management provisions of the Housing Act, which prescribes organizing owners committee, making public the operation status, planning long-term repair schedule and reserving long-term repair appropriation fund, if they come under the criteria for 'Properties subjected to Mandatory Management'. The regulation has been enforced since April 2008.

The management authority is responsible for planning a long-term repair schedule within a period of 6 months if the schedule had not been established at the time when this Act entered into force. Besides,

from 21st April 2009, long-term repair appropriation fund should be collected from the actual owners and kept as a reserved fund in accordance with the long-term repair schedule.

Earlier, new rental apartments supplied since February 2006 were required to be operated by a management specialist. This requirement will be extended, from 2010, to all rental apartments with the amendment made in March 2008.

Changes in Qualification Test for (Assistant) Housing Management Specialist

The agency responsible for the (Assistant) Housing Management Specialist qualification test was changed from Korea National Housing Corporation to Human Resources Development Service of Korea on 1st January 2008. The test was initiated with the amendment to the legislation in 1989. It was conducted every 2 years until 2007 when it was scheduled for every year. A new subject, Management Theory of Apartment Housing, will be added to the 11th test (scheduled on 7th September 2008). This indicates that the managerial knowledge (software aspect) has become essential for a management specialist as well as physical understanding of the building (hardware aspect).

A person, who is qualified as an assistant, can be a proper housing management specialist after being engaged in housing management related business for 3~5 years.

Extended Duties and Responsibilities of Residents

The pre-existing housing management policy stipulated penalties for financial damage to residents caused by management companies or management specialists (Article 54 of Housing Act) in order to protect the interests of the residents. However, starting from January 2008, this criteria was extended to residents. With an amendment to the Housing Act in January 2007 (Article 43, clause 9 of Housing Act), this criteria was extended to residents, preventing them from acquiring undue benefits relevant to housing management. The

amendment reflected increasing wrongful acts of not only management companies but also owners committees, where acts of embezzlement of management expenses are detected and awards of jobs to engineering enterprises or service providers operated by persons who have close relationships with members of the owners committee are common. Violating the regulation could lead to fines totaling 10 million won or a jail term of up to a year.

The Housing Act amended in March 2008 has prescribed that basic local government may provide operational training for owners committees. Details of the training are as follows:

- Every statute for management including apartment housing management agreement
- Estimation method for management expenses and long-term repair appropriation fund
- Computerized operation
- Disclosure method of management status
- Other articles required for operating an owners committee.

The regulation has been enacted to improve professional knowledge of owners committee members in case work disruptions are caused by insufficient management knowledge, lack of work understanding and other reasons. It is expected that adequate human resources in housing-related department of local government will be the key for the success of these legal changes,

Tightened Public Facilities Management

Children Playing Facilities Safety Control Act was enacted in January 2008. It was as a result

of frequent safety accidents in existing playing spaces and accidents caused by decay in aged-apartments. Therefore, it is essential to inspect newly-built children playing space in housing complexes to ensure safety. Existing playing spaces are given a 4-year grace period. This means that there should be installation inspection within 4 years with mandatory regular inspection, safety inspection and diagnosis and safety training. Moreover, once the facility was handed over, the management authority is given 30 days to take out liability and compensation insurance for accidents with compensation up to 80 million won, if the installation inspection was done.

Others

A basic provision authorizing Ministry of Land, Transport and Maritime Affairs² to establish a committee for defect examination and conciliation of dispute has been made through the amendment in March 2008 to rapidly settle a dispute of warranty liability to repair defects. The committee has 15 members, including a senior official, a researcher, judicial officers or an attorney and a certified public appraiser or a professional engineer. The provision is to be in force from March 2009 (Article 46, clause 3 of Housing Act).

Another provision enforced this year, as intelligent housing is on the increase, is that housing with home network system should consider such devices when the long-term repair schedule is planned and have period of warranty against defects for 2~3 years. Management authorities are allowed to include the maintenance cost in management expenses.

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¹ Apartment housing subjected to mandatory management is either a complex of not less than 300 household units or one of not less than 150 with lifts or centralized heating system including local heating. A Housing Management Specialist should be assigned to a complex with more than 500 household units and an Assistant Housing Management Specialist for a complex with not more than 500. (Article 48 and 72 of Enforcement Decree of the Housing Act)

² Ministry of Construction and Transportation has been enlarged and restructured to Ministry of Land, Transport and Maritime Affairs in February 2008

H O U S I N G E X P R E S S

Visit by Chongqing City Property Management Association Delegates 重慶市物業管理協會代表到港交流 13/04/2008



Harrogate International Housing Conference 2008 2008 英國特許房屋經理學會週年會議及展覽 16-19/06/2008



Seminar on Occupational Health & Safety (OH&S) Updates in Property Management - 18001:2007

Speaker: Mr Mok Siu Man, Benny

職業安全研討會 18001:2007

講者:莫紹文先生

28/06/2008



Visit by Mr Karl Tupling & Mr Andy Topley, Council Members from Sheffield 英國總會成員到港交流

28/06/2008



Seminar - The Challenge of Legco Election to Estate Management

Speaker: Dr Sung L K, James

立法會選舉與屋苑管理的挑戰專題講座

講者: 宋立功博士

07/07/2008



Member from Taiwan attending the EC meeting on 8 July 2008
台灣會員參與執委會月會
08/07/2008



Vanke - Training Programme for Housing Professionals in China
萬科-中國高級物業管理研修課程
25-28/07/2008



Wuhan Student Placement
武漢大學學生到港實習
04/08/2008

Coming Events 活動預告

A Talk on Asset Management September 2008 For CIH Members Only	資產管理專題講座 9/2008 本會會員
BD Carnival 5 October 2008 Victoria Park	樓宇安全嘉年華 5/10/2008 維多利亞公園
Annual Dinner 9 October 2008 Co-organise With HKIH	週年晚宴 9/10/2008 與香港房屋經理學會合辦
Study Tour to Malaysia November 2008 (tentative) For CIH Members Only	馬來西亞考察團 11/2008(暫定) 本會會員
2008 International Conference on Property Management From 26 th November 2008 to 28 th November 2008 Organised by Wuhan University Co-organisers "Chartered Institute of Housing Asian Pacific Branch" "Funing Property Management (China) Limited."	2008物業管理國際學術會議 2008年11月26日－28日 武漢大學主辦 英國特許房屋經理學會亞太分會 富寧物業管理有限公司協辦
Study Tour to Vietnam December 2008 (tentative) For CIH Members Only	越南考察團 12/2008(暫定) 本會會員
Science Park Visit December 2008 For CIH Members Only	參觀科學園 12/2008 本會會員

Devolution of Chartered Institute of Housing, Asian Pacific Branch, to a NATIONAL BUSINESS UNIT of the Region?

Sanford Poon
Vice Chairman
Chartered Institute of Housing, Asian
Pacific Branch
August 2008

Reference
CIH official website
CIH Paper on "The Process of
Devolution – National Business Units"

The Chartered Institute of Housing (CIH) is the professional organization for people who work in housing. Its purpose is to maximize the contribution that housing professionals make to the well being of communities as her mission statement. Members will recall that CIH is represented in this part of the world since 1966. Hong Kong has experienced tremendous changes in her politics, social and economics in past decades, and we had our name changed for a few times so as to represent our missions, objectives and roles in Hong Kong and the Region during the period. Now, you know that you are members of CIH, Asian Pacific Branch (CIHAPB).

As we did in the past, we are reviewing our structure and governance from time to time with a view to better serving our members and the community. That is why we are now exploring the possibility of the transformation of CIHAPB to a National Business Unit (NBU) of the CIH of the Asian Pacific Region in this article.

Governing Structure of the CIH

To help your understanding of the governing structure of the CIH, I wish to share with you relevant information here. The CIH's work is directed by its members and a formal Council is in place to ensure that elected officers steer the work of the CIH. Members are organized into Branches across the United Kingdom and Asian Pacific. Each Branch then elects a person to sit on the Council. Other Council members are nationally elected by members. Council members serve for a period of three years, after which they can put themselves forward for re-election. Council Meetings are held four times a year in February, April/ May, September and November every year. In addition to the main Council Meetings, there are three Council Boards, namely Policy Board,

Professional Development Board and Management Board.

Each year the CIH elects a President to head and attend official functions on behalf of the CIH. Duties of the President involve attending and speaking at Branch Conferences, liaison with other professional bodies, lobbying of Parliament, and so on. The President changes every June in the Annual General Meeting in Harrogate, and the Vice President takes over the role. Our current President is Steve Benson with his term of office runs until June 2009. The granting of the Royal Charter means that the CIH is governed by "The Charter and Byelaws of the Chartered Institute of Housing". It lays down rules for the running of the CIH, including sections on the election of members, the disqualification of members, entrance fees, AGMs and the composition of Council, as well as containing full definitions of each membership grade. If the CIH wishes to change any item that is contained within the Charter and Byelaws, they must present this before the Privy Council.

NBUs for Wales, Scotland and Northern Ireland

The CIH Council has established Boards for Wales and Scotland, and an Advisory Panel for Northern Ireland since 1 January 2006, with their respective terms of reference. Before that date, each of these countries was represented by a national branch, like us in Asian Pacific. Let's take a look to what Paul Roberts, the Wales Branch elected representative on National Council, outlines the CIH's plans to respond to the evolving agenda through the creation of NBUs in the three devolved countries of the UK.

The Story behind

The Branches in the devolved countries have long had a unique identity even before devolution was a reality. Clearly all regions of the UK can lay claim to some unique features but Wales, Scotland and Northern Ireland have had to respond to different vehicles for housing regulations and government for many years. The CIH was quick to respond and established Boards in each of these countries. They have responsibility for the Institute's response to policy issues in these countries. A key role is to ensure that developing housing policy is influenced by the Institute and that the Institute's work in supporting members and lobbying Government takes account of the position accordingly. In Wales, devolution brought new and very welcome demands for the Institute and its members. Policy development became more inclusive and demanded that professionals engage with the Assembly.

Why a NBU?

The plan was that in Wales, Scotland and Northern Ireland the roles of the Branch, Boards and offices will be combined into NBUs. Activities and budgets will be merged into one cost activity plan that would support and complement the Institute's National Business Plan. The NBUs will become sub-committees of National Council who will ensure that activities are compatible with the Institute's values and objectives.

NBUs will be more efficient, they will remove the duplication and overlap that were existed between the Branches, Boards and offices. Activities will be better co-ordinated e.g. a Branch event may provide a "taster" which could lead on to a more substantial training event or conference.

Members in these countries will continue to elect the members of the NBUs, as they do now for the Branches, and will retain their right to elect their representative to sit on the National Council. In addition, the Chair of the NBU will also sit on National Council for the term of their office. The Institute staff will still report to the Chief Executive but the NBU will help to determine their priorities as set out in the activity plans. By establishing the Boards with the "Guidance for Boards of National Business Units – The Role, Constitution and Responsibilities of National Business Unit Boards",

members of Wales, Scotland and Northern Ireland are hoping that the wider membership will support these changes as they will enable the Institute to build on its reputation and remain fit for purpose across the United Kingdom.

Way Ahead for CIHAPB

Learning from the experience of the newly established NBUs in the United Kingdom since January 2006, the Executive Committee (EC) of CIHAPB resolved in March this year to set up a Work Group under the EC to explore the devolution process for our Branch with clear objectives being set. We have also been making use of the opportunity of attending the Harrogate Conference in June to have more sharing with the management and delegates from the NBUs. Our Work Group has meetings in past months to review relevant governing documents relating to NBUs, to identify any concern areas of the Branch to be devolved to a NBU, and to recommend an optimal mode of operation and timeline for the change. I hope I can share with you more on our workings for the subject in future.



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