



OUTSTANDING DISSERTATION
最佳碩士論文



The Contribution of Home Ownership to Male Attractiveness in Mate Selection in Hong Kong



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Introduction

Who said 'Love is simple'? Love is cruel, love is full of calculation and comparison, love is a war. Before we can enter the love market to enjoy all the fruitful and sweetness of love, there is a cruel process called courtship we should go through first.

About 5 million years ago our ancestors acquired a mate after a brutal fight or killing. If we look at the animal kingdom, we can see bloody fighting, biting and killing in front of the gate of love. After so many years humans became more civilized, we do not bite anymore but we still contend for love.

Wars become invisible while much more complex. There are criteria, there is selection, there is a calculator in each women's head but they do not tell you that. She would only smile at you and reply 'You are such a nice guy, however, we can just be friends.'

Some said Hong Kong is an opportunistic society, and personal relationships are complex in this city. Hong Kong women are accused of being materialistic and money-oriented. There is a popular saying that Hong Kong women will marry only if her boyfriend is a homeowner. Here comes the tragedy. The tragedy is, it is nearly impossible for Hong Kong people to buy a dwelling. According to 12th International Housing Affordability Survey 2016 (Day 2015), property prices are equivalent to 11.4 times the median annual household income in Hong Kong, which means that housing price has reached an extremely unaffordable level.¹

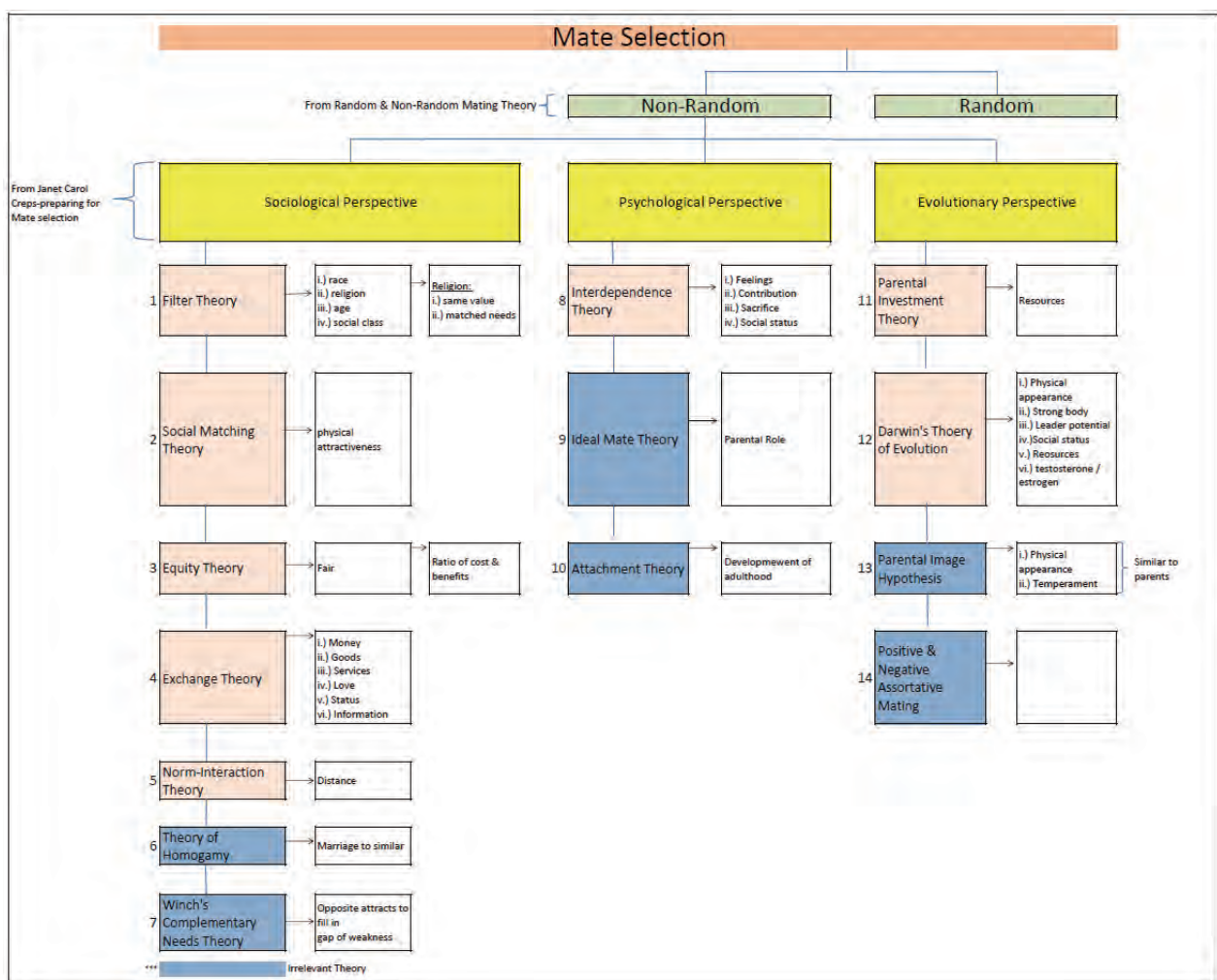
¹ Senator, B. D. 2015, 12th Annual Demographia International Housing Affordability Survey: 2016 Rating Middle-Income Housing Affordability. New Zealand: Performance Urban Planning.

If the foresaid popular saying is true, it will be obvious that most younger people in Hong Kong (without parental support) are going to be squeezed out from the love market. Providing young people graduate from university, after saving for 21 years to become a homeowner, clearly that will be too late. Luckily, the above is still a saying only. There has not yet been much research to support it. How true is the perception that homeownership contributes to male attractiveness in mate selection in Hong Kong? How do women rank homeownership in mate selection? We are going to find out the answers in this research.

Literature Review

For the overview of the literature, we will look into 14 theories, which are: Interdependence Theory, Parental Investment Theory, Parental-Image Hypothesis, Attachment Theory, Filter Theory, Winch's Complementary Needs Theory, Darwin's Theory of Evolution, Equity Theory, Exchange Theory, Ideal Mate Theory, Non-Random & Random Mating, Positive & Negative Assortative Mating, Theories of Homogamy and Norm-Interaction Theory. By interpreting and evaluating those theories and concepts, we will apply those theory concepts into our research questions, and formulate our conceptual framework. After interpretations of each theory, we have concluded all the theories we studied in the conceptual framework as follows: —

Chart 1 — Conceptual framework of research





Research Methodology

Research Question

The research question for our study is: is there a significant difference in male attractiveness as a marriage partner between homeowners and non-homeowners in Hong Kong? Our assumption, based on anecdotal information about Hong Kong, and drawing on the international literature, is that socio-economic status is important in mate selection and home ownership is an important marker of socio-economic status in Hong Kong, as well as providing for a couple to live alone and raise a child (or children) in a nuclear family setting.

We decided to use semi-structured, open ended questions to explore the sequences of criteria and the reason behind the thinking of the respondents. Furthermore, it is appropriate to use in depth, qualitative interviews to understand values, emotions and feelings. A qualitative research

can ensure the interviewee can be described and identified accurately, as well as to show the complexities between the variables. Also, we can demonstrate and explore factors that affect male attractiveness of being a homeowner. Based on such consideration, we decide to employ a qualitative method to answer the research question.

Finally, we have chosen 11 traits from the 18 traits we derived from our theories in the literature review. After adding the criteria of Homeownership, the 11 traits we are going to further extend in our qualitative research will be: Religion; Age; Social Class/Status; Same Value; Physical Attractiveness; Money; Services/Contribution; Love/Feelings; Information; Leadership Potential; and Homeownership.

We designed an in-depth interview guideline with questions that are related to the above 11 traits and let interviewee compare the traits and the reasons behind their choices. A copy of our interview guidelines are as follow:

Collection of demographic data first:

Age/Occupation/Educational Level/Living Arrangement/If Boyfriend is a homeowner

State clearly before interview:

We are going to tape record our interview, would you feel comfortable with this?

The interview will last about for an hour.

Our research is about how Hong Kong people make their decision before their wedding.

In-depth Interview (Questions):

1. What are your preferences when you select a boyfriend?
2. I would like to know the reasons why you stay with your present boyfriend/husband? What are the characteristics which attract you? What if these characteristics change? Will you still stay with him?
3. Do you think your present boyfriend would become your future husband? Why would you think so? What would make him more attractive as a marriage partner? What would make him less attractive?
4. Are you concerned about what his religion is? Why is it important/not important?
5. Are you concerned about his age? What is the range that is acceptable to you? How about if he is old but his outlook is young? Why is it important or not important?

6. Would you accept it if you partner has different values from yours? If so, what is the widest range that you can accept? Is it important to marry someone with similar values and opinion on ethical issue/politics/child-rearing as an important concern for your mate selection?
7. Are you concerned about the occupation of your partner in mate selection? Why is it important/ not important?
8. Are you concerned about the outlook of your partner in mate selection? Why is it important/not important?
9. Are you concerned about the economic resources/salary of your partner in mate selection? Why is it important/not important?
10. Are you concerned about your partner's contribution in this relationship? How about if you and he does not contribute equally? What is the largest proportion you can accept?
12. Are you concerned about the educational background of your partner? How about if he does not have a high educational background but knows a lot and could provide you with lots of information? Why is it important/not important?
13. Are you concerned if he has leadership qualities or not? Will you find it more attractive if a man is a leader? Why so/why not?
14. Would you think a man is more attractive if he owns a car?
15. Would you think a man is more attractive if he owns a flat?
16. There are practical and unpractical criteria in mate selection. Which group of criteria is your preference?
17. There are criteria which related to resources in mate selection while there are not. Which group of criteria would you prefer? In criteria that linked with resources, which criteria would you prefer most?
18. Any comments of male selection criteria from Hong Kong women in popular culture or those you know?
19. Being Homeowner is more attractive than non-homeowners?
20. Love can be calculated?
21. Tell me one moment that you are being attracted and describe it in detail. Why do you think you are so attracted in that moment?
22. Have you reject anyone in your experience? Why you reject them? What did this man have to change so you would not reject him anymore?
23. Do you believe in true love?



24. Would you plan to have children after marriage?
25. What will you expect about your living standard after marriage? Will it be better or worse than the one that you currently have? Why?
26. Have you ever discussed the question of mate selection with others? Who are they? To what extent and how their opinions affect you?

All answers are going to be recorded for further in-depth studying.

Before conducting the interview, we recorded the interviewee's demographic and background characteristics. Then, we had an in-depth discussion (by asking semi-structured in-depth questions) about their mate selection criteria related to the 10 traits above. Each interview lasted for about an hour. Interviewees were not told about the focus of our research, namely the importance of home ownership in marriage partner selection. This meant that interviewees considered all aspects of mate selection asked in the questions and did not prioritize their views with regard to home ownership. Since the focus of our study is masked from the participants, therefore we can reduce or eliminate bias and also dishonesty. Finally, since our research question involves sensitive and rather personal issues, we conducted the interviews privately. The importance of the study was stressed and the respondents were assured that the information was confidential and that they would remain anonymous. This can ensure respondents to be more honest and talk more about what they truly think.

We identified our interviewees using snowball sampling. The interviews lasted on average about one hour and therefore we drew on our network of friends to help us identify women who would be willing to give up a considerable amount of time to conduct the interview. Our research strategy was to interview ten women. Our indication would be to interview until our interviewees stopped telling us anything new about the research question.

In-depth Interview with Ten Women in Hong Kong about Mate Selection

To investigate our research topic, we conducted 10 qualitative in-depth interviews with semi-structured in-depth questions that addressed the 11 traits identified in the Conceptual Framework. We have interviewed 10 women living in Hong Kong who currently have a boyfriend and are in a stable and serious relationship from 2 to over 10 years. Our interviewees ranged in age range from 22 to 42 years old.

According to the Literature Review, Mate Selection is divided into Random Mate Selection and Non-Random Selection. Since we are living in the human society, cultural values and social rules guides us to the Non-Random Mate Selection scenario. In Non-Random Mate Selection, there are different theories to explain what women look for when they are choosing their partners. After reviewing all the theories in the Literature Review, we identified 3 key aspects: Sociological Perspectives, Psychosocial Perspectives & Evolution Perspectives. In each of the perspectives, there are different theories which view different criteria that make men attractive to women. In order to know which perspective can more truly describe the mate selection reality among HK women, evaluate the importance of the criterion 'Homeownership' in HK woman's heart, we summarize and present all our interviewee answers according to different criteria chosen from our Literature Review (except for criterion 'Homeownership' which is from our research topic) as below.

Key points from our interviewee answers

From the answers from the open questions (without pre-set any criteria) asking our interviewees about their mate selection preferences, it shows that same values within partners is the most important criteria, and Homeownership (or even related criteria – Money/Social Class/Status) is relatively unimportant when compared to criteria like Physical Attractiveness and Love/Feelings. But criteria related to homeownership — Money/Social Class/ Status is relatively more important than Information, Age, Religion, Leadership Potential. Homeownership independently was rarely mentioned when interviewees talked about their mate selection preferences.

For questions links interviewee's preference in mate selection to their real situation. We can learn from their answers that personality, characteristic, similar thoughts, physical appearance, outlook are still relatively important criteria for them. Not meeting the criteria of Social Status, Service/ Contribution, Information, Money, Religion, Leadership Potential & Homeownership was never mentioned to be one of the reasons to reject a guy among our interviewees.

Our research showed that homeownership is a relatively important criterion for them according to the interview result. We learn that Homeownership is a subtle criteria in mate selection, as interviewee rarely mentioned it in the open question. However, when asking them if they are attractive criteria exactly, less than half of them denied. There might be two reasons behind. Firstly, as the HK housing price is so unaffordable, few of the interviewee feel that it is unlikely for boyfriend/or any other guys (similar to their ages) to be a homeownership in the upcoming future. So they rather just ignore the criteria. Secondly, they might have line homeownership to other criteria like Money, Social Class/Status or Information. As guys with lots of savings/high income, a good job or being highly educated are more much easily to become a homeowner, as a result, they just use those criteria to represent the guy's potential to become a homeowner.



Finally, to conclude the 10 in-depth interviews, we have drawn a table as below: —

Conclusion of the 10 in-depth interview						
Perspectives		Sociological		Psychosocial	Evolution	Research Topic
Theory		Filter Theory	Exchange Theory	Inter-dependence Theory	Darwin's Theory	—
Religion	Filter Theory	1				—
Age	Filter Theory	3				—
Social Class/ Status	Filter Theory/ Exchange Theory/ Darwin's Theory	2	2		2	—
Same Value	Filter Theory	3				—
Physical Attractiveness	Social Matching Theory/Darwin's Theory				3	—
Money	Exchange Theory		3			—
Services/ Contribution	Exchange Theory/ Inter-dependence Theory		3	3		—
Love/Feelings	Exchange Theory/ Inter-dependence Theory		2	2		—
Information	Exchange Theory		2			—
Leader Potential	Darwin's Theory				1	—
Homeownership						1
Total		22		5	6	1

** Relatively More Important = 3

** Relatively Less Important = 2

** Relatively Not Important = 1

Conclusion

Our study aims to look further and focus on the criteria of home ownership and discover how this factor, which we treat as one kind of economic resource, will contribute more attractiveness or not which influence Hong Kong women's consideration and mindset, since modern Hong Kong women are accused of being materialistic and money-oriented and we would like to investigate this phenomenon.

We conducted a comprehensive review of the international literature into mate selection, and identified 14 theories. In these theories we selected 8 that the relevant to our research question and identified 11 criteria relevant to our research question from these theories. They incorporates the sociological, psychological and evolutionary perspectives. Given the nature of our research, we would benefit more from depth qualitative interviews with a small number of women than a large structured survey.

On the basis of our ten in depth interviews we found there is a trend that women with higher social status or better economic resources background place less importance on the contribution of home ownership as they are less dependent on others. While women with lower educational level and social status see home ownership as an important consideration in choosing a marriage partner. Women with lower educational level and social status usually look for a secure life after marriage, expecting a better living and being protected by their partner financially.

Within the 11 traits except homeownership, there are several traits that also play an important role, such as having the same value with partner, physical attractiveness, age, contribution in maintaining the relationship are also critical considerations. Overall our interviewees concerned about many non-material aspects in their relationship with their current boyfriends.

The results show that the statement that men who are not homeowners will be squeezed out from the love market might not be true. As our study provides no evidence that a man without the contribution of homeownership will have none or a slim chance of attracting others and being someone's partner. Most of the interviewees reckon that homeownership is an important factor at some point that will improve a male's attractiveness, but not the reason for them to fall in love with someone.

However, there are some limitations to this research, as our project has only sampled 10 interviewees with similar status (having a stable relationship over a specific period) which might not reflect female with other relationship status such as single, frequently changing relationship or even lesbians across Hong Kong. As their mate selection criteria might be totally different, further comprehensive research is needed.

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A Study on the Impact of the Disposal of Privatized Public Assets on the Community: The Case of Link REIT



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Introduction

The Hong Kong Housing Authority ("the HA") builds and manages public rental housing and subsidizes sale flats across Hong Kong. The housing estates are small communities by themselves and basic needs of the estate residents are supported by the estate ancillary retail facilities, which also provide the residents with business and job opportunities to build a self-sufficient community.

The Hong Kong Government announced in 2003 a plan to sell the HA's retail and car-parking facilities aiming to alleviate the HA's stringent financial situation and re-focus its resources on providing public rental housing. The divestment plan transferred the HA's title of the public assets to Link Real Estate Investment Trust ("Link REIT"), which later became publicly listed on the Stock Exchange of Hong Kong in November 2005.

In 2014, Link REIT announced the disposal of privatized public assets to property investors, including four sets of the privatized shopping centre and car park for HK\$1.24 billion. A total of 28 of the privatized assets were sold for HK\$11.96 billion so far.

Figure 1: Link REIT's Asset Disposal Since 2014

Fiscal year	No. of disposed properties	Total area (sq ft)	Total transacted price (HK\$ million)
2014/15	9	308,992	2,956
2015/16	5	181,055	1,716
2016/17	14	749,300	7,288
Total	28	1,239,347	11,960

Source: Link REIT (2017a), Annual Results Presentation of Link REIT 2016/17.



Not long after the transactions, some new owners carried out renovations to shopping centres and some of the disposed of car parks were strata-titled and disposed of individually at market value by the new owners. These new owners were seen to be more aggressive than Link REIT in looking for higher return from the privatized assets. However, management of some shopping centres were somehow neglected. As such, the disposal by Link REIT has aroused vigorous opposition from the society on the ground that the disposal had basically transformed the neighbourhood shopping centres into investment tools and public interest was ignored.

Research Question

This study will identify and evaluate the impact of the disposal onto the community, in particular the tenants and the shoppers, by examining the positive and negative effects of the disposal on the community. Whether the community is indeed disadvantaged or benefited from the disposal will also be discussed.

Goal and Objectives

The goal of this dissertation is to find out and then evaluate impacts of the disposal of the privatized public assets on the community with the following objectives:

- (i) to identify and evaluate any changes in operation of the privatized properties before and after the disposal;
- (ii) to investigate impacts of the disposal on the shop tenants and the local residents; and
- (iii) to compare the impacts and conclude the research study.

The hypothesis of this study is that the disposal of the privatized public assets by Link REIT has more benefits than damages to the community.

Scope of this Study

Since shopping centres are more direct in providing goods and services as well as business opportunities to the residents than the car parks, this study will be confined to the disposal of the shopping centres, and car-parking facilities will be excluded.

This study will concentrate on evaluating the impact of the disposal on individual shop tenants and shoppers. Chain store tenants with stronger financial background are expected to have higher bargaining power than the more reliant independent retailers. As such, this study will include only independent retailers, while chain store tenants will be excluded.

Literature Review

Definition and Impact of Privatization

Evans (1998) suggested that privatization shifted the management or ownership of assets from government to private sector while Starr (1988) defined privatization as a withdrawal from the public sphere or a shift of public action to private concerns. Privatization could be done through franchising the management function without privatizing the assets, or retaining the management by selling stock that carries no voting rights.

Privatization affects the change in objectives of an organization from welfare to profit maximization (Martin and Parker, 1997). Lau (2014) summarized that privatization would (i) increase revenue of the government in the short run; (ii) increase productivity; (iii) improve services efficiency; (iv) reduce financial burden of the government; and (v) improve organization performance. In the meantime, privatization would however decrease revenue of the government in the long run and reduce job opportunities in the public sector. The loss of ownership and control of the privatized assets or organizations would render the government's control of the management performance more difficult.

Public Concerns on the HA's Privatization

Before the privatization of HA's assets, tenants of the retail facilities were mostly individuals and also residents of the estates. Rents charged by the HA were generally lower than those by the market-oriented private developers. The Government anticipated initial resistance from existing retail and car-parking facilities tenants to the divestment and it would take an approach to ease the concern on new owner's adoption of commercial principles in operating the facilities by emphasizing the initial focus of the divestment on the control of bottom-line costs, but not growing the top-line revenue (Legislative Council Secretariat, 2003).

The tensions between Link REIT and the society had become stronger and stronger at the time when Link REIT raised the rentals and eventually led to the displacement of many independent retailers by chain stores (Yog and Wong, 2017). The Permanent Secretary for Housing, Planning and Lands (Housing) however advised that the divestment would not unduly affect the commercial tenants but rather enhance the operational efficiency of the assets (Legislative Council Secretariat, 2004).

Some members of the Legislative Council also pointed out that the HA had no empowering mechanism in the privatization proposal to ensure the new company would address the above concerns and requests raised by stakeholders. The members considered it difficult if not impossible to insure social obligation of the new company. They envisaged that while the new company would be more eager to increase rents than the HA because of the higher priority to achieve good financial returns, the burden would eventually pass onto consumers in terms of higher prices of goods and services (Legislative Council Secretariat, 2004).

Lack of Control over the Privatized Public Assets

The Government had made itself clear at various occasions not to hold shares in or control over the operation of Link REIT. At the meeting of

Legislative Council Panel on Financial Affairs on 14 December 2005, a member enquired about the reasons for such arrangement as the Government adopted an opposite policy in another privatization case by remaining the largest shareholder of the listed Mass Transit Railways Corporation Limited ("MTRCL"). Not to mention the Chairman of the Boards of Directors of the MTRCL was appointed by the Chief Executive. Another member also suggested that the Government should regulate the sale of Link REIT's assets or retain the HA the controlling shareholder to safeguard public interests (Legislative Council Secretariat, 2006).

Albeit the members' concern, to affirm a free economy in Hong Kong, the Government reiterated not to acquire any units of Link REIT from the equity market. The Government considered that the multiple layers of regulation on a REIT were sufficient to address the concerns. The Government also quoted Link REIT's business strategy of raising return through improving the facilities and savings in operation rather than substantial rental increase (Legislative Council Secretariat, 2006).

Implications on the Research Question

While privatization would provide several advantages to the society as a whole, like the improvement of productivity and services efficiency of the government, the loss of ownership and control of the privatized assets would render the government's control of the management performance more difficult (Lau, 2014).

Since the original purpose of the privatized public assets from the HA is to accommodate the daily needs of the nearby residents in public housing estates, the lack of control over the privatized public assets from the government has resulted in public concerns and social impacts on the community. In particular, the subsequent disposals of properties from Link REIT to new owners further complicated the issue as both the government and Link REIT would no longer be responsible for those assets.



Methodology

In this study, a qualitative approach will be adopted. Focus group discussions of customers and interviews with independent retailers will be carried out based on a set of key performance indicators aiming to understand the impacts of the disposal on the community. An in-depth interview with the senior management of Link REIT will be conducted to collect the views from the landlord's perspective.

The key performance indicators setting the framework for this study are (Powell and Allan, 2009):

- Rental level
- Management and maintenance
- Communication with local community
- Tenancy management
- Trade mix and variety of goods provided
- Price level of goods
- Customer service

For the selection of shopping centres in this study, there are several criteria: the transaction date, size of the shopping centre, the existing condition of the shopping centres at the date of this study and the identity of the new mall owner. Upon analysis, Tin Ma Shopping Centre in Wong Tai Sin and Tsui Lam Square in Tseung Kwan O are considered the most appropriate samples for this study.

Discussion and Findings

Impacts of Disposal on the Community

Five positive and eight negative impacts of the disposal on the community of Tsui Lam and Tin Ma are identified in our focus group discussions of customers and interviews with independent

retailers. The results show that there are more negative than positive impacts of the disposal on the community.

Positive impacts of the disposal:

- (i) Better environment for shopping and business in the case of Tsui Lam;
- (ii) Better trade mix and wider variety of goods in the case of Tsui Lam;
- (iii) Better customer service in the case of Tsui Lam;
- (iv) Better communication with local community in the case of Tsui Lam; and
- (v) Reduced price of goods and services in the case of Tsui Lam.

Negative impacts of the disposal:

- (i) Unaffordable increase in rent in the case of Tin Ma;
- (ii) Deteriorated environment due to lack of proper management and maintenance in the case of Tin Ma;
- (iii) Fewer shops of independent retailers in the case of Tsui Lam;
- (iv) Less organized management and maintenance in the case of Tsui Lam;
- (v) Lack of communication with local community in the case of Tin Ma;
- (vi) Poor and uncertain tenancy management in the case of Tin Ma;
- (vii) Increased price of goods and services in the case of Tin Ma; and
- (viii) Poorer customer services in the case of Tin Ma.

Key Findings from the Impacts of the Disposal

Asset Enhancement is a Key Factor of the Positive Impacts

Since Link REIT's portfolio has been so large that not every property could be allocated resources for asset enhancement, some of the properties were being left with no input of additional resources for physical improvement or upgrade of the tenancy management. The new owners could be more focused on investing capital for upgrading the shopping centres in return of better business performance. The disposal would open up opportunity for the disposed of privatized properties for asset enhancement by the new owner.

Impacts are More Significant to Public Rental Housing Tenants

It is important to distinguish public housing tenants from the residents of HOS developments. Public rental housing tenants are immobile under the current public rental housing system and they must bear with the better or worse shopping facilities in their neighbourhood. The residents of public rental housing estates are also low-income families and more in need of affordable goods and services provided at the nearby shopping centres. It would put a great burden on them if cost of living is increased due to unnecessary travel for buying daily necessities or high cost of goods and services from neighbourhood shopping centre.

The immobility of the primary catchment sets the fundamental difference between a privatized public asset from the HA and other shopping centres built by private developers. The impact of the disposal is therefore more significant to public rental housing tenants than the other HOS development residents.

Tenants are More Flexible in Coping with the Disposal

With no doubt, the tenants are concerned about how their businesses would be affected by the business environment of the shopping centres. If

the environment is no longer suitable, they would relocate and continue their businesses in other locations.

When compared to the shoppers, particularly public rental housing tenants, tenants have higher flexibility in coping with the disposal and the impacts of disposal on them would eventually reduced to money terms only.

Different Impacts of the Disposal on Shoppers of Different Ages

Focus group discussions have been carried out with shoppers in two different age groups. While the younger shoppers paid more attention to the management and maintenance of shopping centres, the elder shoppers were more concerned about price level and the variety of goods and services. In general, the younger shoppers had more vigorous comments on the disposal than the elder shoppers.

Lack of Communication Intensified the Negative Impacts of the Disposal

Both the focus group discussions and interviews with tenants revealed that communication between new owner of Tin Ma and the community was terribly weak. While the tenants and shoppers were used to directly communicate with Link REIT, the new way of communication by the new owner only through the management company did not meet the community's expectation.

The negative sentiment of the community was aggravated because of a lack of communication. The disposal of Tin Ma has eventually turned into hot topics on the mass media and discussion of public forums. The lack of communication could be explained by the inadequate experience of the new owners in managing the privatized public assets which would attract a lot of attention from the general public, media and political parties. This is uncommon when compared to other shopping centres normally owned by other private developers.



The Two Disposed Projects Have Different Impacts on the Community

This study revealed that the impacts of disposal could be very extreme and it would not necessary be a win-win situation. To explain, the different operation strategies could cause various performance of the shopping centres and diverse impacts of disposal on the community. The ultimate effect of disposal is highly dependent on the new owner who would determine its own operation strategy of the disposed privatized assets.

In addition, timing of the study may be a factor to the different measurement of impacts of the disposal on the community. The renovation works had been completed in the case of Tsui Lam, while the termination of shops and the building works suggested early stage of asset enhancement works for Tin Ma. The impacts measured could possibly be complicated or distorted by the different timing of the study along the timeline of the renovation works.

Relevancy of this Study to Disposal of Other Privatized Malls by Link REIT

While Link REIT has already sold 28 shopping centres over the past few years, the results of this study on Tin Ma and Tsui Lam should be able to represent the impact of Link REIT's disposals of other shopping malls on their community. Link REIT's properties were basically acquired from the HA with very similar neighbourhoods that composed of public rental housing estates and HOS developments.

While Tsui Lam could represent those disposed shopping centres which had been renovated by the new owner, Tin Ma serves as a typical example of the remaining disposal of shopping centres. The subsequent operation and management of the shopping centre by the new owner of Tin Ma could represent another type of strategy of the new owners who might consider that renovation is not a must for asset enhancement.

Analysis of Link REIT's Responsibilities in the Disposal

While Link REIT's disposal has opened up opportunities for new owners to carry out asset enhancement to the shopping centres, it would be too optimistic to assume that the community must benefit from the enhancement works. While the privatized shopping centres carry a social value in providing goods and services to low-income families, the study of Tin Ma suggested that both the tenants and shoppers cared more about the basic management and maintenance of the shopping centres rather than any asset enhancement.

Link REIT has launched community programmes to ease public concern about its asset enhancement works (Link REIT, 2017b). Such programmes enhanced the communications with the community and reduced opposing noises from the society with regard to the large scale renovations. Link REIT should consider extending its programmes to include the disposals in order to build a better connection between the new owners and the communities. Given Link REIT's experience in handling the mass media and political parties, the community programmes could mitigate some negative impacts of the disposals on the community.

Analysis of the Government's Responsibilities in the Disposal

Since Link REIT is the sole legal owner of the privatized public assets, Link REIT has the discretion to dispose of any of its properties without consulting the Government. Moreover, Link REIT is only held accountable to its unitholders. As the Government does not hold any units of Link REIT, what could be done by the Government to mitigate the negative impacts of the disposal is very limited.

Nonetheless, in response to the strong appeal from the society and without interfering Link REIT's operation, the Government is urging Link REIT to be more socially responsible. The Legislative Council and the District Councils could play an

important role in this aspect by closely monitoring the operation of the disposed shopping centres.

Conclusion

Results of this Study

The results of this study rejected the hypothesis that the disposal of the privatized public assets by Link REIT has provided more benefits than damages to the community. It could be explained by the lack of experience in managing those assets by the new owners. The negative effects were intensified because of inadequate communication between the new owners and the communities. The new owners had also overlooked that shoppers of different age groups have varying needs.

The population in the neighbourhood of the privatized public assets from the HA comprises mainly public rental housing tenants who are being more affected by the disposal than the other shoppers as most public housing tenants are low-income families who rely on the goods and services provided at the neighbourhood shopping centres at affordable prices. Tenants of the shops, in comparison, have higher flexibility in coping with the disposal as they could relocate their businesses away from the poor shopping environment.

Suggestions and Recommendations

Post-Disposal Operation of the Properties by Link REIT

Link REIT should coordinate with the new owners in bridging the transitional operation of the properties in the future disposal. Unlike Link REIT, many of the new owners did not have any experience in managing the privatized public assets. It would help ensure the least impact of the disposal to the community if the new owner is supported by Link REIT with its extensive experience in operation of the privatized assets. Link REIT should also extend its community programmes to the disposal of properties in order to enhance the communications between the new owners and the communities.

Asset-Light Strategy for Link REIT's Disposal

Link REIT should consider adopting an asset-light strategy to dispose of its assets in the future while maintaining its mall management for the new owners under management contracts. As Link REIT possesses strong expertise in managing those privatized public assets and handling the political parties, such strategy would help avoid the possible disturbances from the change of mall owner on the community.

On this, since REITs listed in Hong Kong are restricted from managing assets owned by any third parties, amendments must be made to the existing REIT code before Link REIT could adopt this strategy (Securities and Futures Commission, 2014).

In fact, the suggested asset-light strategy is getting more popular. For example, CapitaLand, the largest listed developer in Singapore by market capitalization, decided to expand its asset-light strategy by adopting the third-party management contract model for retail properties in China in August 2016 (CapitaLand, 2016).

Future Approach in Privatization of Assets from the Government

The Government had intended to safeguard the best interest of the society by only emphasizing the initial focus of the divestment on cost controls rather than growing the top-line revenue (Legislative Council Secretariat, 2003). However, the results of this study suggested that the above was impracticable.

In view of the strong relevance between a privatized public asset and the local community, particularly the public housing tenants, it is suggested that the Government should consider a partial privatization of public assets in the future (Starr, 1988). A possible option is to maintain a controlling share in the privatized asset as in the case of MTRCL as such the Government could involve in the management decisions of the privatized assets to achieve a balance between public and private interests.



Further Improvement of this Study

In view of the limited time and resources, this study has focused on the impacts of disposal of two shopping centres by Link REIT. The study could be improved by extending the primary data collection to all disposed properties with more tenant interviews and focus group discussions.

Acknowledgements

I am sincerely indebted to my dissertation supervisor, Dr. Daniel HO, for his support and guidance throughout the course of this study. I would also like to thank Mr. Hubert CHAK, Director (Finance) of Link Asset Management Limited, the manager of Link REIT, and Mr. TAM Lanny, Stanley, the District Councilor of Po Lam Constituency in Sai Kung District, for their valuable time and effort on the interviews in this study. Special thanks are due to my husband and my family for their continued encouragement and kind support.

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