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Summer 2020

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Nanci Lopez

Trinity College, Hartford Connecticut

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Recommended Citation

Lopez, Nanci, "Hong Kong's Housing Crisis and Proposed Solutions". *The Trinity Papers (2011 - present)* (2020).

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2020

Hong Kong's Housing Crisis and Proposed Solutions

Nanci Lopez

Trinity College, Hartford, Connecticut

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Introduction

“Mortals...must ever learn to dwell” (Hoffman xx). This could not be more true in Hong Kong considering that people have been forced to adapt to a dire housing crisis and a lack of land zoned for housing by living in “cage homes.” People who live in cage homes have to endure confined living conditions and high rents, which is not only degrading but a violation of international human rights law. Time and again the government has chosen to place profit over people in order to maintain its status as the world's leading liberal global market, and proposals to address the housing crisis have largely come from individuals and sources outside of government. Some proposed solutions include using parklands to build homes, reclaiming land to create artificial islands, housing people in high-tech capsules, and revitalizing industrial buildings into homes. Despite the historical negligence by the government in addressing the housing crisis in Hong Kong, it is time for the public sector to effectively partner with the private sector and individuals to pursue comprehensive solutions.

Context on the housing crisis

Hong Kong is an autonomous region located south of China and is 1,108 square kilometers in size (My Life Elsewhere 2019). As of 2018, the World Bank reports that the region has a population of 7.4 million people and a gross domestic product of \$362 billion. Though 20% of the population is considered to live below the poverty line, the government is attempting to address the issue of poverty through a social welfare program that is “the second highest government expense, behind funding for education” (Ryall 2019). Although the government is addressing the issue of poverty through social welfare, there has been an ongoing housing crisis that has not been effectively tackled and has only worsened in recent years.

The housing crisis has led to the creation of so-called cage homes, or subdivided flats, in which low-income and working-class residents live and pay a significant amount of money for the limited space offered. In 2012, “an officially-sponsored survey revealed that 171,000 individuals were living in subdivided buildings” (Goodstadt 2013, 99). Evidently, the government has information that proves the severity of the housing crisis in the region yet refuses to effectively address it. For context, some subdivided homes are 75 square feet to 140 square feet, while a parking spot in the U.S. is usually 120 square feet (Vox 2018). Yet cage homes can cost as much as “\$170-\$190 USD, which if calculated by cost per square foot makes them more expensive than the most posh apartments in Hong Kong” (Kelly 2018). The aforementioned data proves that the urban poor face great disadvantages as it relates to housing, considering they pay more for limited space for both themselves and their belongings (See Appendix Image 1).

In dense regions, marginalized groups—including the poor, the elderly and children—have been forced to live in cage homes as a result of socioeconomic factors. Some regions, like Sham Shui Po, have cage homes because they have the “highest number of homeless people – two-thirds of whom are aged above 50” (James 2017). The elderly are not considered as versatile or useful, especially in a booming economy, where they may not have the skills needed by major corporations. This leaves the elderly with limited employment options that provide a living wage, which limits their social and economic mobility. Children are another vulnerable group

since they need room to develop and grow; this is quite difficult to do when living in such tight quarters. Furthermore, families who have children with special needs do not have adequate resources to properly care for them. For example, in a Vox video that explains the housing crisis, a mother is seen explaining that her child with ADHD does not have enough space or proper ventilation to play and grow (2018). Ultimately, cage homes negatively impact poor people, the elderly and children because they face a myriad of additional challenges due to their economic and social standing.

The deplorable conditions in cage homes also pose a threat to human dignity in urban areas. As an extension of China, Hong Kong is a party of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and it is obligated to uphold Article 11 that states:

“The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions” (The United Nations 1966).

In cage homes, the ability to sustain an adequate standard of living is impossible, considering the fact that subdivided housing means many live in the same area. The close proximity of cage homes and the limited space in flats may result in amenities, such as toilets and kitchens, to be located right next to each other (See Appendix Image 2). Not only is this a point of concern for human health, but it also a concern for human dignity because housing is a foundational pillar to human development (Friedmann 2000). This is not a situation in which some housing is better than no housing at all, considering Hong Kong is an economically developed country. The conditions in cage homes are deplorable and do not allow for human growth, which goes against the expectations in the ICESCR.

Ultimately, the housing crisis has led to the creation of cage homes that offer limited space to residents yet have high costs. These homes constrain the social and economic mobility of marginalized groups, including children and the elderly. Moreover, the deplorable conditions are a violation of international human rights covenants, of which Hong Kong is a party. The government has not adequately addressed this situation, and instead focuses on maintaining its status as a liberal economy to secure profits and its economic development.

The government’s role in the housing crisis

Although Hong Kong only covers an area of 1,108 square kilometers in size, there are alternative options the government can employ to develop land into public housing to mitigate the amount of cage homes (My Life Elsewhere 2018). Hong Kong has had the least affordable housing market in the world for the past eight years (Kwan 2019); yet, instead of addressing the aforementioned issue, the government has chosen to protect its title as the most liberal market in the world to attract business from major global corporations (Index of Economic Freedom 2019).

In recent decades, the Hong Kong government has prioritized profits over providing adequate public housing for residents, even when it had the opportunity to construct buildings for public housing. In 2002, the Housing Authority had around 1,000 sites that they believed could be used for public housing. Yet, developers succeeded in pressuring the government to sell the sites to them because they were in core urban areas (Goodstadt 2013). While the developers, who are notable actors in Hong Kong’s growth machine, could be charged with pressuring the government, the latter still holds the blame for placing profit over the struggling masses. The government owns all of the land for development, though only “3.7% of land [is] zoned for urban housing” leaving “75.6% of non-built-up area” in Hong Kong (Vox 2018). In other words,

the government could zone more land for public housing, but since the region's gross domestic product (GDP) is mainly made through land sales the government has neglected its duty to serve the people. Currently, the government has a policy in which it leases land to developers, usually for about 50 years, and considering the limited amount of land that is zoned for development, prices skyrocket (Sitto 2017). For example, a plot of land that is 126,595 square feet was sold for \$16 billion Hong Kong dollars (HKD) (Sitto 2017). The high cost to the developer on that sale implies that whatever developers build in the area will be costly in order to increase profits. Therefore, the government is unlikely to increase the percentage of land zoned for housing because it would conflict with its interests of maintaining its title as the most liberal economy in the world and increasing its GDP.

Another important point to note in the issue of the housing crisis is that despite the evident pattern of disregard for the public, the government has proposed short-term solutions to benefit social development. For example, in 2011, the crisis was dire to such an extent that the government encouraged non-governmental organizations (NGOs) to provide non-permanent housing to people under 30 (Goodstadt 2013 106). The fact that the government decentralized the responsibility of providing housing by reaching out to other actors, such as NGOs, highlights the importance of looking to different sources for solutions. Nonetheless, considering the government was desperate for a solution, they placed a 'band-aid' on a crisis that historically places marginalized groups at a disadvantage for having adequate housing.

In the following section, this paper will explore solutions to the housing crisis that go beyond a mere band-aid. These solutions may be impractical given that the government has thus far prioritized economic development and profits over human welfare. Nevertheless, the proposed solutions also demonstrate that there are definitely ways to address the crisis that will take time and money to implement, but that also encourage economic development and human development for marginalized groups.

Proposed solutions by individuals or other actors in the region

The proposed solutions that will be explored in this section include building public housing in parklands, reclaiming land for artificial islands, creating capsules the size of cage homes and revitalizing old industrial buildings as homes. Each of these solutions addresses people's economic needs and social needs since they may make housing more affordable and encourage their mobility. Ultimately, the solution that seems most practical is the revitalization of industrial buildings because it is a sustainable way to address the housing crisis and can be done within the existing political frameworks. However, it will require significant time, money and cooperation between various groups, both public and private.

One of the proposed solutions by individuals, such as Ken Chu, is to build homes on parklands, though this conflicts with existing environmental conditions. In Hong Kong, "country parks and nature reserves account for 40 percent of land...[though only] 7% of the land was zoned for housing as of 2017... [J]ust 2.5 percent of such low-value land in the country parks could yield 440,000 residential units" (Chu 2017).

This solution could be effective considering only a small portion of parklands would be used, leaving the rest for recreational purposes. Additionally, this plan is used by Singapore, where "14 percent of the land in Singapore is used for housing, with only 9 percent set aside for parks and nature reserves...[and] some 91 percent of residents in Singapore own their homes" (Chu 2017). Singapore leads by example since its policies on zoning allow for a significant amount of its population access to afford housing. Nevertheless, this solution in Hong Kong would not be beneficial to the environment, considering the significant pollution in the region. Currently, it

“has the world’s highest traffic density as well as coal-burning power plants which contribute an estimated 50% to the total level of pollution” (Boland 2018). If parklands are used to build homes, this will inevitably contribute to the increase of already concerning levels of pollution. Although using parklands is done by countries such as Singapore, Hong Kong’s specific environmental needs call for preserving as much land as possible for open, green spaces.

Another proposed solution by Matthe Keegan, a journalist who focuses on Hong Kong, is to build public housing on artificial islands. Singapore leads by example in this case as well, considering that it

“has used reclamation to expand its land mass by 25%, helping it stay more competitive than Hong Kong in terms of commercial and residential property prices...[If Hong Kong also took this approach to addressing the housing crisis] reclaimed land will house 700,000 to 1.1 million people in up to 400,000 homes” (Keegan 2019).

Notably, Singapore addressed the housing crisis through use of parkland and reclaimed land for affordable housing while maintaining its economic development. Therefore, Singapore’s demonstrates that Hong Kong can focus on both economic growth and public housing initiatives by way of eliminating cage homes to improve the quality of life of its residents.

Nevertheless, as with the proposal to use parkland for affordable housing, there is significant concern associated with the idea of creating artificial islands; many believe that the government will continue to use the land for profit instead of providing homes for those in need. The government claims that it would enforce a policy in which “70% will be public housing and 30% private” on artificial islands (Keegan 2019). Yet, the government’s actions to date do not validate their aforementioned claim, and if the government does not commit to this policy then they will be the only party benefiting from this expansion of land. As a result, those living in cage homes will be forced to continue to endure harsh living conditions, hindering their human development.

Indeed, if reclaimed land comes to be used largely for private housing development, this could further exacerbate the problem. As Harvey Molotch (1976) argues, political and economic growth usually benefit interest groups involved in land development. Applying this argument to Hong Kong, land reclamation will likely lead to the expansion of business opportunities, an influx of workers seeking job opportunities who may not be able to afford private housing, and a further increase in homelessness. Considering the government continuously places profit over people, as seen in the previous paragraphs, it is likely that a version of Molotch’s ideas will play out on reclaimed land. Although reclaiming land has been effective in Singapore, the Hong Kong government’s priorities on economic development may not allow for this plan to unfold in a way that will encourage human development.

Individuals, such as Eric Wong, have taken it upon themselves to address the housing issue through the innovation of high-tech, yet affordable capsules that would benefit people economically and socially. The capsules are more spacious than cage homes, have Wi-Fi, different types of lighting (i.e. reading lighting), a small safe for personal belongings, and cost around \$383 USD (Vox 2018). Wong’s plan has similar principles to that of John Turner, who expressed in his book, *Housing by People*, that one could benefit from living in inconvenient conditions (Turner 1976). In other words, while one may not live in an elegant home, there are economic and social benefits to living in a modest home. For example, one may be able to save money, be closer to their child’s school, and live by other important resources. As this argument relates to living in Hong Kong, these capsules offer a limited space, but may also save people money. Additionally, the various amenities in the capsule amount to adequate living conditions,

as they give people privacy and a sense of security by having a safe, for example. Nevertheless, this solution is not sustainable because it feeds into the idea that people still have to live in limited spaces. Moreover, two questions remain: where would these capsules be situated, and where would communal areas be located? Similar to the government's proposed solution of housing people under 30 in non-permanent homes, this is yet another band-aid for an ongoing issue in the region.

The most practical solution focuses on sustainable development and urban revitalization through the adaptive reuse of old industrial buildings in Hong Kong to provide public housing. Adaptive reuse is a sustainable architectural method that emphasizes repurposing buildings to fit people's needs (KEE 2014 3). A building that exemplifies the idea of adaptive reuse is the Auburn Family Residence, which used to be Cumberland Hospital in New York City (Elliott 2013). Although the Auburn Family Residence has administrative issues and could use renovations, the building works in the fundamental sense of providing a home for people in need. Similarly, industrial buildings in dense areas, such as Kwun Tong in Hong Kong, could function as homes. Although not a simple feat, the housing crisis in Hong Kong has reached such an appalling level that proposed solutions to address issues of sustainability, economic development, and human development must be drastic.

Additionally, converting old industrial buildings into homes could encourage relationships between residents, the public sector and the private sector in Hong Kong, which would be beneficial to economic and human development. Converting old industrial buildings into homes may be difficult considering the government's pattern of focusing on profit over people in its housing policies, but the effects could be economically beneficial for individuals, communities, and the government. As depressed areas are revitalized to be used for public or more affordable housing, more jobs, investments and government revenue will result, while also generating the type of housing primarily benefiting low-income individuals. Ultimately, this is the best recommendation and possible solution for the housing crisis in Hong Kong, because it could lead to economic growth as well as human development in terms of providing homes for those in need.

Conclusion

The Hong Kong housing crisis has led to the creation of cage homes, which are expensive subdivided flats with limited space. Many of the people who live in these homes are marginalized groups, such as children and the elderly, whose mobility is limited by social and economic factors. Though the government has attempted to address the issue with short-term solutions, it has prioritized profits over providing adequate homes for those in need. Therefore, individuals have taken it upon themselves to propose various solutions in academic journals or newspaper articles. Some solutions include building homes on parklands, reclaiming land for artificial islands, high-tech capsules as homes, and revitalizing industrial buildings.

Currently, the government and residents are focused on the issue of anti-government protests that have been going on for six months. Additionally, the process of applying any one of the aforementioned solutions will, unfortunately, take time. Although not a preferred conclusion, sustainable solutions will admittedly be difficult to find. This is not a sentiment of resignation or pessimism, rather it is a realistic outlook considering the immense number of people who need adequate housing and the long history of the government neglecting to sufficiently address this problem. None of the previously mentioned solutions truly address the root issue of discrepancies in governmental policies. Nonetheless, the implementation of adaptive reuse by

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turning industrial buildings into homes would be the most sustainable way to address the housing crisis.

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Appendix



Image 1

Source: Kelly 2018



Image 2

Source: Lam 2017