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Hong Kong Special Administrative Region: Access to Housing Shaping a Healthier Hong Kong

The Hong Kong Special Administrative Region is a sprawling urban landscape separated into 3 sectors: Kowloon Peninsula, the New Territories, and Hong Kong Island. Though relatively small in size, Hong Kong has a population of 7,413,000 people as well as an overall population density of 7,125 people per square kilometer (Hong Kong Census and Statistics). With many living in compact cities, overcrowding poses a large issue, reducing access to suitable housing. From high prices to low-quality housing, residents of Hong Kong face many barriers to adequate housing. The financial burden of housing can affect all aspects of life. For those who struggle to meet that burden, it severely limits access to food, as income is devoted to shelter in place of consistent meals. Though the Hong Kong government has tried to solve this problem through public housing programs, with one-fifth of the population living at or below the poverty line there is not enough housing to meet demand (The Borgen Project).

Hong Kong is a special administrative region of the People's Republic of China and runs under three branches of government made up of the executive council, legislative committee, and judiciary. The district council acts as an intermediate between the people of Hong Kong and the larger government, working directly with the 18 districts of Hong Kong to manage the welfare of the citizens (GovHK). Hong Kong is located south of mainland China in the northern fringes of the tropical belt, experiencing both a monsoon climate, as well as seasons changes resulting in cooler, dry winters and hotter, wet summers. While the natural terrain of Hong Kong is mountainous with steep hills and valleys it is highly urbanized. A vast majority of Hong Kong citizens live in urban areas, with the exception of remote villages in the outskirts of the New Territories (Country Reports).

Nearly 60% of the population lives in dense urban centers, stacked on top of each other in high-rise apartments. Hong Kong is developed upwards, allowing for a large concentration of people in a relatively small area (Subdivided Housing Issues of Hong Kong Causes and Solutions). An increasing proportion of the population is elderly, over 65 years old. Cheap, easy access to health care and balanced diets has increased the average lifespan of women to 87.3 and men to 81.3 (CNN). There is also easy access to schooling. Education is compulsory through the secondary level, providing nearly all Hong Kong residents with at least a primary education (Hong Kong Factsheets-Population). The median monthly income for families, averaging 2.7 people, is 18,000 HKD, or 2,294 USD. within income there is a disparity between men and women with women making 15,000HKD, or 1,911USD, and men making 20,000HKD, or 2,548USD (Hong Kong Census and Statistics). It is important to note that wealth in Hong Kong is highly stratified with the top 1% of earners comprising a larger portion of the total wages than the bottom 50% (Income and Wealth Inequality in Hong Kong 1981-2020: The Rise of Pluto Communism?). Hong Kong has an unemployment rate of 4.5% with 180,600 people currently unemployed (Hong Kong Census and Statistics).

Due to Hong Kong's low land mass and high population density, very little space is left for agriculture, and a vast majority of resources, including water, must be imported. 90% of the food in Hong Kong is imported, largely from mainland China (Modern Farmer). The majority of Hong Kong residents also have easy access to clean water. Most of the water has to be imported from the neighboring province of Guangdong in mainland China (Water Supplies Department, The Government of the Hong Kong Special Administrative Region). While food is largely not a concern for the 80% of Hong Kong residents who live above the poverty line, 20% of children who live in low-income households do not reliably receive 3 meals a day. Two-thirds of these low-income households suffered from food insecurity, around 13% of total households (Foodlink).

The rates of poverty, and by extension food insecurity, are largely contributed to by the incredibly high housing prices of Hong Kong. 71,000 Hong Kong households spend less than 15HKD or 1.92USD a meal per person as income is largely dedicated towards housing (South China Morning Post). Hong Kong has the highest median monthly multiple of any country or special administrative region at 20.9. The median monthly multiple is used by the world bank to compare housing affordability to the housing market by comparing housing prices to gross income (Public Housing in the Global Cities: Hong Kong and Singapore at the Crossroads). Housing has been a problem in Hong Kong since the 1950's when political turmoil in China led to an influx of political refugees dramatically increasing the low-income population of Hong Kong (Subdivided Housing in Hong Kong Problems and Solutions). Though the Government has established multiple programs to combat the lack of access to safe housing in Hong Kong, many are forced to live in dangerously cramped conditions. Often called coffin homes or coffin cubicles, more than 200,000 people in Hong Kong resort to subdivided housing-apartments split between multiple individuals (The Borgen Project). These subdivided apartments can house dozens of tenants, offering each individual little more than a single bed's worth of space. They lack exits in the case of fire or other disasters, have poor ventilation, and encourage the spread of disease. (Subdivided Housing Issues of Hong Kong Causes and Solutions). These issues are exacerbated in children, who experience long-term psychological effects. Nearly 30% meet the criteria for Post-Traumatic Stress-Disorder after quarantining over the Covid-19 pandemic (The Borgen Project).

Yet coffin homes still remain the only option for many. Rent prices in Hong Kong are high. The median rent price for a coffin home is 4,200 HKD, or 536.42USD a month (The HK Hub). The rental costs for the average apartment in Hong Kong are 70% of the monthly salary of the bottom 50% of Hong Kong residents (The Borgen Project). This is partially attributed to the high population density of Hong Kong. Simply put, there aren't enough houses to meet demand. Only 7% of the land is zoned for residential use in Hong Kong, and only 2% is used for public housing. Land is distributed by the government, which gains much of its revenue from land sales, creating a lack of incentive to lower land prices. Due to this government monopoly there isn't enough land to develop into residential areas (Subdivided Housing In Hong Kong Causes and Solutions). High prices for housing puts economic strain on those who can afford adequate housing as well. Working class residents who have to spend the majority of their income on housing have less spending money, impacting their ability to acquire quality food, engage in social activities outside of work, and access social services like employment and schooling. Houses close to public transport are also more expensive, limiting the mobility of those who live in low-income

households. Access to safe shelter is a basic need that many in Hong Kong struggle to afford, severely impacting every facet of their lives, it was found that the housing environment was the most influential factor in predicting the overall quality of life for residents of public housing in Hong Kong. (The Impacts of Housing Factors In a World City: The Case of Hong Kong).

This issue can be directly tackled by allocating more land for residential use. Increased residential buildings could meet the high demands for housing, decreasing the incredibly expensive housing prices that block many from suitable housing. This could not only lead to housing for the many homeless people in Hong Kong, but also allow those living in subdivided housing to gain access to higher quality housing, meeting a basic need for safety (Subdivided Housing in Hong Kong Causes and Solutions). While the government does currently have programs to allow citizens to apply for public housing, as it stands there are 88,000 applicants waiting for placement, which is 141 times the current supply of housing (The Borgen Project). The average waiting time for current public housing is 5.6 years, despite the government-listed wait time of 3 years. By meeting demand this waiting period can be reduced, shortening the backlog of residents waiting for public housing (Subdivided Housing in Hong Kong Causes and Impacts).

However, the environmental impacts of new development should also be considered. Hong Kong is a patchwork of skyward city-scapes and pristine parkland. This undeveloped parkland would fall victim to urban sprawl, reducing the total green space in Hong Kong. Not only does this negatively impact the scenery and aesthetics of Hong Kong, but also its natural ecosystems. A relatively small amount of parkland would be required for such developments as buildings are constructed vertically to conserve space, yet there still remains the concern of increased levels of pollution from new land developments.(Hong Kong's Housing Crisis and Proposed Solutions).

Building more houses is more easily said than done. Hong Kong is renowned for its low tax rates, however, this is largely because the government is fiscally dependent on land sales. In order to make housing more affordable, the government would have to lower land prices, allowing investors to purchase land to develop into residential areas. This lowers the amount of revenue from land sales that would have to be substituted elsewhere, namely, taxes(CNBC).

Residents in Hong Kong are largely aware of the issues of subdivided housing, and many support government reform and policies to make housing more affordable (Subdivided Housing Causes and Solutions), however, a significant increase in taxes could make it more difficult to garner support for these policies.

Developing new residential areas could help other aspects of the Hong Kong economy. New residential areas could increase demand for luxury goods by giving residents more spending money to infuse into the many shopping districts that populate Hong Kong. This could potentially open up more employment opportunities as shopping districts expand and increase the overall need for workers, helping many businesses and stakeholders as well (Subdivided Housing in Hong Kong, Causes and Solutions).

Singapore has undergone similar changes, making its housing significantly more affordable. Singapore and Hong Kong are both global cities with high population densities and booming housing markets,

however, they fundamentally differ in political landscapes, making the application of Singapore's housing policies in Hong Kong impractical (The Visible Hand in the Housing Market: Singapore's Housing Model and its Implications on Hong Kong). Instead, Hong Kong may take other cues and strategies from Singapore. Singapore has created artificial islands, increasing the total landmass available for expansion. By creating new land to be transformed into residential areas they have been able to supply a significant portion of its population with affordable housing, this would also allow more land to be specifically allocated towards residential use in Hong Kong (Hong Kong's Housing Crisis and Proposed Solutions).

There still remains the concern that the Hong Kong government lacks an incentive to lower land prices. Even if more land were to become available for development, it would be in the self-interest of the Government to continue to sell land at incredibly high prices. Despite claims to allocate at least 70% of artificial island developments to public housing from the Hong Kong government, there are no strict policies in place to enforce such a promise, seeding concern that the government will choose to instead act in its own self-interest (Hong Kong's Housing Crisis and Proposed Solutions).

Ultimately opening up new land would be a band-aid solution that may help to meet demand, however, still misses the heart of the issue. Housing in Hong Kong runs under many separate statutory organizations that receive grants from the central Hong Kong government, but function independently (Public Housing in the Global Cities: Hong Kong and Singapore at a Crossroads). Two of the most important in regard to low-income and public housing are the Hong Kong Housing Authority, HKHA, and the Urban Renewal Authority, URA. The HKHA is the organization that manages public housing in Hong Kong, however, is limited in scope. The URA upkeeps infrastructure in Hong Kong, including making sure that housing and residential areas are livable and up to government code. Both serve important roles in ensuring the people of Hong Kong have adequate access to housing, however, because they are separate statutory organizations with little influence from the central government, and thus the people of Hong Kong, solutions geared towards this problem that utilize a multi-pronged approach are doomed to fail before they can begin. Communication between statutory organizations in Hong Kong is slow and ineffective, and because they are largely self-funded the government has little power to utilize and organize the multi-faceted solutions needed to increase housing affordability (The Visible Hand in the Housing Market: Singapore's Housing Model and its Implications on Hong Kong).

Hong Kong's central governing principle lies in their Laissez-fair policy which ensures a separation of the government and market, reducing the ability of government policies to regulate the housing market. This policy also makes it difficult for Hong Kong citizens to exert pressure on the HKHA and URA (The Visible Hand in the Housing Market: Singapore's Housing Model and its Implications on Hong Kong). Some degree of government reform is needed to tackle the housing crisis in Hong Kong on a large scale, improving communication between these statutory organizations and creating incentives for collaboration in through grants could be a good first step.

The Government does have some power over these organizations, primarily in the form of grants. The URA has played a large role in the gentrification of poor neighborhoods in Hong Kong, contributing to the increasing housing demand. Reselling the land after demolishing the older housing and converting it

into higher-income areas is a large way the URA funds itself, so by allocating more grants from the government the pressure to resell these areas would decrease. This could serve as an incentive to instead keep current low-income neighborhoods liveable and affordable (Sustainable Community Building in the Face of State-led Gentrification: The Story of the Blue House Cluster in Hong Kong).

The Housing Crisis in Hong Kong significantly reduces the quality of life for the large portion of its population who are at or below the poverty line. The financial burden of housing reduces access to quality food, education, and long-term health. Housing prices trap residents of Hong Kong in cycles of poverty, limiting consistent access to nutritious food for low-income households. (South China Morning Post). With housing prices in Hong Kong only increasing year after year, solutions are desperately needed. By opening up more land for residential use and development, as well as improving the effectiveness of the government organizations meant to keep housing in check, the Hong Kong government can significantly lessen this financial burden. More housing, and sustaining of current low-income housing results in an overall quality increase of housing as fewer people need to resort to cramped, unsanitary coffin cubicles. Through quality housing, the elderly of Hong Kong who are in or approaching retirement age will be able to maintain a quality of life, and disadvantaged children will suffer fewer physical and psychological strains, enhancing their opportunities and outlooks. Ultimately, improving the quantity and quality of housing in Hong Kong is the key to a happier, healthier population.

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