

Making Hong Kong Home

These were “Homes for Heroes” - millions of “council houses” built across the UK in the early 1950s as the freshly elected Labour Government celebrated their victory - and the safe return to civilian life of millions of soldiers who had battled Hitler in the Second World War. My recently married parents were among these “heroes”, and even though my three-year-old memories are probably hazed, I recall the family’s move into our new council-built home as one of the most euphoric moments of my parents’ lives.

Of course it was not truly “ours”. My parents were merely renting. They were many years short of ever dreaming they could save enough to buy their own home. But this was security. It was affordable. And most important of all, it was almost 1,200 square feet. Space enough to live in dignity and moderate comfort.

I have thought a lot about those “Homes for Heroes” as Hong Kong people have fiercely debated Donald Tsang’s “My Home Purchase” plan in his recent policy address, and Legislators have lambasted him for failing to reintroduce a major Home Ownership Scheme.

My own conclusion is that everyone seems to have lost the plot. The crux is not whether Hong Kong’s people can own their own home. My own family spent more than 30 very happy years living in the same council home without ever wanting or needing to own. The crux is the space you have - and the dignity and privacy this offers to a family.

The disgrace in Hong Kong is not that a small proportion of the population own their own home (about 53% of the population, compared with around 70% for the US, England and Australia, and 89% for Singapore). Rather, it is that more than half of

Hong Kong families live in 490 sq ft or less, with no prospect of ever living in anything larger. What an embarrassment when Hong Kong families discover that average home sizes in Shenzhen and Shanghai are at least double ours.

When I last wrote on this subject about a year ago, I attracted an angry email from Hang Lung's Ronny Chan, who insisted that Hong Kong people were happily reconciled to living in tiny homes. What utter nonsense. If Donald and his administration want to get to the heart of the gloom and anger that currently colour the political discontent of Hong Kong people, then they need look no further than the thousands of battery farm housing units being built for them, at great profit, by leading developers and even – scandalously – by the URA with its “Queen’s Cube” units in Wanchai.

What thrilled my parents more than 50 years ago as they moved into their newly-built council home was not the prospect of ownership, but the liberating sense of personal private space: this could be a home in the true sense – a place where you can put down secure roots and build a family. And if my parents could be offered 1,200 sq ft homes in a Britain financially crippled by a decade of war, with food rationing still firmly in face, is there not something deeply disgraceful that Hong Kong, one of the world’s richest cities on a per capita basis, cannot half a century later offer similar dignity and security to its own people. Note that the average new home in Australia today is almost 2,200 sq ft, and in the US 2,000 sq ft. Even Greece (at an average 1,300 sq ft) and Spain at just under 1,000 sq ft, put us to shame.

If the cancer on the Government side is to condone the developers’ practice of offering citizens tinier and still tinier “cubes” on the pretext of keeping them “affordable”, then the cancer at the heart of society at large is the obsession with property as a tradable

asset rather than a home. It is surely an irony that the 89% of Singapore families that own their own home – 36% higher than ownership in Hong Kong – seem wholly to lack the speculative culture that pervades Hong Kong's property market.

But of course it is the pathetic claustrophobic inadequacy of Hong Kong housing units that drives this speculative culture in the first place. How can anyone truly regard such tiny spaces as “home” in the sense that my parents did, or Singapore families do – places to throw down roots and live for the long term? Of course such units are cynically and relentlessly traded: they attract as much emotional investment from families as pork bellies or coffee futures..

Ironically, even though Hong Kong's “homes” are so unattractively unhomelike, a huge proportion of the population still seems to yearn the “security” of home ownership, and suffer progressively deeper angst as speculation presses prices further and further out of practical reach. Hence the current misdirected demands for resurrection of the Home Ownership Scheme, I suppose. There seems to be systemic amnesia over the catastrophic losses property-owners incurred when local property prices collapsed in 1998 by 70%. And there seems to be a financially illiterate unconcern over the dangers today's mortgage-owners face, by which even a 2 percentage point rise in interest rates would double mortgage repayment costs.

If the Government is ever truly to diffuse the political malaise that has bubbled to boiling point over the past two years, then it should forget for now about home ownership, and instead lay down ground rules for the minimum size of home unit that is to be offered to our families of the future – whether by the private or the public sector. To make such homes affordable would mean turning upside down the economic model

that puts land auctions at the heart of fiscal policy. It would mean squeals from property developers with huge stocks of “cubes” for sale at preposterous prices.

With just two years more in office, there is of course absolutely no chance of such action from our current administration. But as many thousands of Hong Kong’s now-aged apartments need to be demolished – as they certainly will over the coming decade – we have a one-off chance to escape this embarrassing and demoralizing scourge. Owning a home of 1,000 sq ft should not be an impossible dream.

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