

Young people X Housing issue

Can be used with *Hong Kong Today* (Fourth Combined Edition) p.23

Concept X Issue 5-Step Teaching

- As young people grow up, they have more imminent need for buying flats.
- Housing is the basic needs of people’s lives. However, Hong Kong is now facing insufficient housing supply and rising property prices. Therefore, it is difficult to solve the housing problem.

Focus: What difficulties do young people face in the housing issue?

Young people	Housing issue	
<p>Characteristic 1: Age: 18 or above</p>	<p>Application condition: Difficult public housing application</p>	<p>Unable to improve the living conditions due to technical limitations</p> <ul style="list-style-type: none"> • <u>New public housing applicants aged 18 need to queue for at least 30 years for a flat, but they cannot change the system.</u> • With limited resources, the government needs to set up a system to prioritize resource allocation. Under the modified Quota and Points System, if a non-elderly one-person applicant starts applying at 18, he or she will not meet the detailed eligibility vetting requirements until 48 years old. • <u>Some think that it is difficult to adjust the System to satisfy all stakeholders. This lengthens the queuing time of young people.</u>
<p>Characteristic 2: Income: Lower income</p>	<p>Price: High prices of private housing</p>	<p>Conflicts in interests among stakeholders</p> <ul style="list-style-type: none"> • <u>The median monthly income of persons aged 20 – 24 with tertiary education has only slightly increased in 20 years, by 7.2% from 1997 to 2017.</u> • Based on the housing price index, the average selling price of flats smaller than 40 square metres on Hong Kong island increased from about \$70,000 per square metre in 1997 to about \$130,000 per square metre in 2016, a rise of 95%. • <u>The rise in university graduates’ income is slower than the rise in the property prices. Thus, home ownership is almost hopeless to young people.</u>
<p>Characteristic 3: Expectation: Pursuing independence</p>	<p>Supply: Limited HOS flats</p>	<p>Limited disposable resources</p> <ul style="list-style-type: none"> • <u>Some young people hope to have more private space and move out of their parents’ place, but they cannot afford to buy private housing.</u> • In 2014, the government resumed the Home Ownership Scheme (HOS) and provided 2,160 flats in the first batch, resulting in an oversubscription of 32 times. • <u>Therefore, it is difficult for young people to buy a HOS flat or afford the private housing. Their expectation of living independently cannot be fulfilled.</u>

Focus: What difficulties do young people face in the housing issue?

Step 1 Understand the key of the issue

1. Understand the relationship between the housing issue in Hong Kong and young people from the videos and sources below and finish the table.

Source A

劏房居民實況（全港關注劏房平台）(Chinese version only) https://www.youtube.com/watch?v=v-p6SuXDGsQ		
	Related content	
Housing issue in Hong Kong		
Relationship between housing and young people		

Source B

Gov't to boost homeownership (11.10.2017) https://www.youtube.com/watch?v=EMnB6oP7v8c		
	Related content	
Housing issue in Hong Kong		
Relationship between housing and young people		

Source C

公屋聯會【公屋冷知識】171025 公屋三年上樓 (Chinese version only) https://www.youtube.com/watch?v=kK-t92FLeoQ		
	Related content	
Housing issue in Hong Kong		
Relationship between housing and young people		

2. Consider the following sources to understand the contents related to the housing issue and young people.

Source D: Average monthly employment earnings of different degree educated cohorts of different generations

Cohorts born in	Year in which the cohort aged 20-24	Earnings of the cohort concerned when their ages reached		
		20 – 24	25 – 29	30 – 34
1970 – 1974	1994	\$17,000	\$24,000	\$35,000
1975 – 1979	1999	\$15,200	\$22,220	\$35,000
1980 – 1984	2004	\$13,000	\$22,100	\$29,600
1985 – 1989	2009	\$15,500	\$20,300	-
1990 – 1994	2014	\$14,900	-	-

(Source: *Half-yearly Economic Report 2016*)

Source E: Private Domestic - Average Prices by Class (from 1982)

Class	Less than 40 m ²			40 m ² – 69.9 m ²		
	Hong Kong	Kowloon	New Territories	Hong Kong	Kowloon	New Territories
1999	41,861	35,471	35,735	49,287	37,095	35,042
2001	31,922	26,560	27,883	38,783	28,317	27,841
2004	32,535	25,233	26,611	41,716	33,058	28,023
2007	52,292	36,806	32,514	61,548	47,791	34,220
2010	75,892	55,661	48,206	86,553	69,728	47,127
2013	123,304	94,808	83,132	126,642	103,401	75,449
2016	137,558	112,486	102,680	140,103	115,792	91,942

(Source: Rating and Valuation Department)

Source F

The Census and Statistics Department has published the report *2016 Population By-census Thematic Report: Persons Living in Subdivided Units*. There were around 27,100 quarters with subdivided units in Hong Kong. The total number of subdivided units in these quarters were estimated to be about 92,700, which means each quarter is divided into 3.4 units on average. Around 210,000 people were living in these subdivided units, with the average household size of 2.3 persons, of which nearly 30% of them were young people aged under 25. Besides, nearly half of the subdivided unit households were working population, amounted to 110,915 persons. Analysed by occupation, 3,109 of them were managers and executive officers, amounting to 2.8% of the residents in subdivided units. After the publication of the report, some people complained the failing housing policy of the government over the years, which has led to the accommodation of these professionals in those subdivided units with poor living conditions.

Besides, in 2015 – 2016, the median per capita floor area of subdivided unit households dropped from 61.8 square feet to 56.5 square feet, which was lower than that of all domestic households in Hong Kong (161.5 square feet), as well as the public housing standard of 75 square feet. Meanwhile, the median monthly rental payment of subdivided unit households increased from \$3,800 to \$4,500, a rise of around 18.4%. The median rent to income ratio of subdivided unit households rose from 30.8% to 31.8%, which reflected the heavier living burden of subdivided unit residents. Their quality of life is getting worse.

Source G

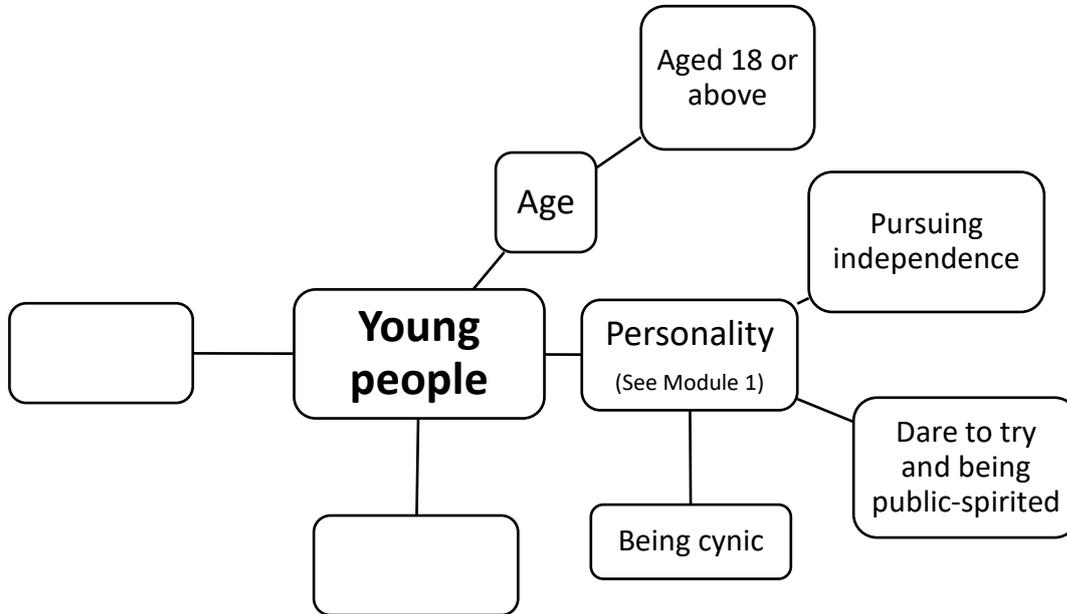
As stated by Stanley Ying Yiu-hong, Permanent Secretary for Transport and Housing (Housing) and Director of Housing, the Green Form Subsidised Home Ownership Scheme (GSH) will not affect public housing supply. They will discuss whether the scheme will become regular afterwards. They are now studying whether the 4,000 public housing units in Fo Tan would be converted to GSH units. Some scholars doubt that the plan will further lengthen the waiting time for public rental housing. This will only sacrifice the interests of some people but will not solve the housing shortage problem in Hong Kong.

Source H

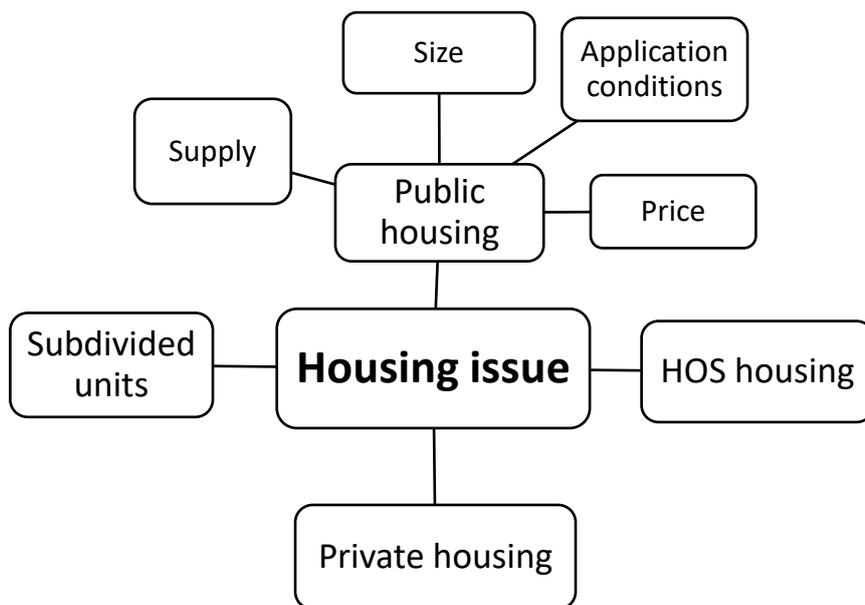
In 2017, the Hong Kong Housing Society (HKHS) launched the application for Subsidised Sale Flats projects, Terrace Concerto in Tuen Mun and Mount Verdant in Tseung Kwan O, which provided 620 units in total. It received around 100,000 applications in total. Among the applications, over 6,000 were from Green Form applicants, while 88,000 were from White Form applicants. The ratio of Green Form and White Form applications was 6% to 94%. For the distribution of applicant age, around 57,000 White Form applications were from one-person applicants, amounted to 65% of the total number. 72% of them were aged between 18 and 30, which were equivalent to 41,330 applications. In terms of the total applications, White Form one-person applicants amounted to 44% and 683 applicants competed for one unit on average.

Step 2 Analyse the thinking directions of the concept and issue

1. With reference to the sources above and what you have learned (Can refer to p.32 – 36 of the textbook), identify different characteristics of **young people**.



2. With reference to the sources above and what you have learned (Can refer to p.32 – 36 of the textbook), identify different thinking perspectives for the **housing issue**.



Step 3 Screen out and match keywords

1. Try to match the characteristics of ‘young people’ and ‘housing issue’ by connecting the related points in the two concept maps above.

2. Fill in the table below with the related two points and explain the relationship between them.

Group	Young people	Housing issue	What is the relationship?
1	Age: 18 or above	Application condition: Difficult public housing application	Age is one of the application requirements for public rental housing. The younger the applicants are, the harder for them to apply for public rental housing successfully.
2	Income: Lower income	Price: High prices of private housing	As the income of young people is not high, they are unable to buy expensive private housing on their own. Some people do not want the property prices to fall.
3	Expectation: Pursuing independence	Supply: Limited HOS flats	Young people pursue independent living space. However, with the limited housing supply in Hong Kong society at present, their demand cannot be satisfied.
4	Expectation: Pursuing independence	Size: Small and narrow subdivided units	Young people pursue independent living space. However, due to their limited ability, they can only afford to rent those subdivided units of small size. The rent per each foot of these subdivided units is also expensive, which cannot fully satisfy their expectations.
5	Income: Lower income		
6			

Step 4 Answer the focus question

Focus What **difficulties** do young people face in the housing issue?

Requirements for the question type of ‘difficulties’:

- Conceptualize and classify the identified difficulties. Discuss them based on the specific scenario in the issue.
- Demonstrate a complete cause-and-effect inference with an in-depth and concrete explanation of difficulties faced when dealing with the problem.

Analyse the focus

1. Turn to *Hong Kong Today (Fourth Combined Edition)* p.35 for related content
2. Pay attention to the explanation of ‘young people’ and ‘housing issue’ in the answer
3. Combine the concept and issue and deduce the ‘difficulty’

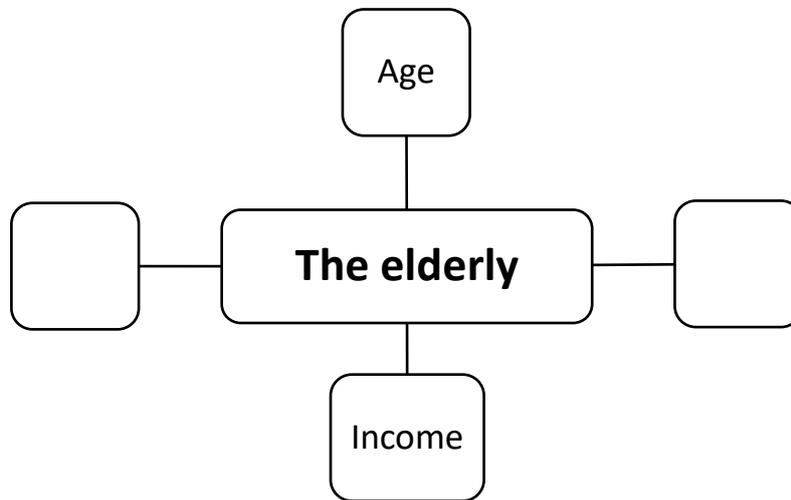
Difficulty	Young people	Housing issue	Difficulties
Difficulty 1: Technical limitations which cannot improve the living conditions			Firstly, young people are facing technical limitations which cannot improve their living conditions. With limited land resources, the government cannot increase public housing supply in the short run. Therefore, it needs to add queuing requirements and set up a system to prioritize resource allocation. Under the modified Quota and Points System for public rental housing, if a non-elderly one-person applicant starts applying at 18, he or she will not meet the detailed eligibility vetting requirements until 48 years old. Therefore, new public housing applicants aged 18 need to queue for at least 30 years for a flat. This reflects that it is more difficult for younger applicants to apply for public housing. Although there are voices in society to revise the System, it is difficult for the government to set up a system which can satisfy all stakeholders. This lengthens the queuing time of young people. Young people cannot change their living environment in a short time and their quality of life is continually affected. These show that young people are encountering the technical limitations which cannot improve their living conditions.

4. Complete the difficulties from other perspectives with the ways of analysis above.

<p>Difficulty 2: Conflicts in interests among stakeholders</p>	<p>Secondly, young people are bound by the conflicts in interests among stakeholders, so it is difficult for them to improve their current lives. As different stakeholders have different expectations towards property prices, young people can hardly achieve their goal of home-ownership. <u>The median monthly income of persons aged 20 – 24 with tertiary education has only slightly increased in 20 years, by 7.2% from 1997 to 2017.</u> Based on the housing price index, the average selling price of flats smaller than 40 square metres on Hong Kong island increased from about \$70,000 per square metre in 1997 to about \$130,000 per square metre in 2016, a rise of 95%. Therefore, the rise in university graduates' income is slower than the rise in the property prices. This shows that in terms of housing issues, young people are bound by the conflicts of interests between stakeholders and they are unable to improve their current living conditions. <u>Property prices take a higher proportion in young people's income, but developers and property owners hope the property prices will keep increasing. Thus, home ownership is almost hopeless to young people and they have no way to change the situation.</u> These show that young people are bound by the conflicts in interests among stakeholders, so they are unable to improve their current living conditions.</p>
<p>Difficulty 3: Limited disposable resources</p>	<p>Lastly, some young people only have limited disposable resources, so they cannot improve their living conditions. <u>Some young people hope to have more private space and move out of their parents' place, but they cannot afford to buy private housing.</u> Therefore, they may need to purchase the relatively cheaper Home Ownership Scheme (HOS) flats. However, <u>the government ceased the sale of HOS housing in 2002. It resumed the HOS in December 2014 and provided 2,160 flats in the first batch, resulting in an oversubscription of 32 times.</u> Therefore, <u>with limited flats provided by the government, it is difficult for young people to buy a HOS flat. Their expectation of living independently cannot be fulfilled.</u> This shows that as some young people have limited disposable resources, it is hard for them to improve their living conditions and satisfy their expectation of living independently.</p>

Step 5 Concept transfer

1. The housing issue is not limited to the discussion of young people. Identify some characteristics of the elderly.

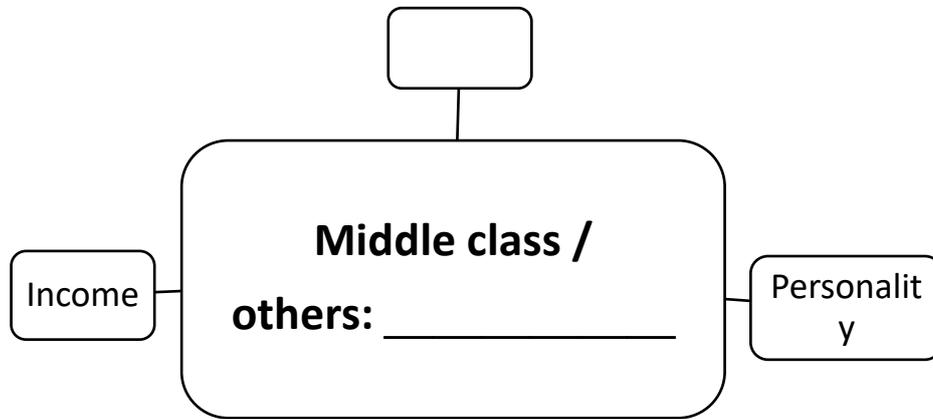


2. Try to apply the characteristics of the elderly above to the housing issue and discuss the focus below with your classmates.

Focus What **difficulties** do the elderly face in the housing issue?

The elderly	Housing issue	Difficulty
Income: No income, high proportion of poverty	Price: High prices of private housing	Ineffective government measures The poverty rate among elderly persons has reached 30% and they have limited ability to pay rents. Based on the housing price index, the average selling price of flats smaller than 40 square metres on Hong Kong island increased from about \$70,000 per square metre in 1997 to about \$130,000 per square metre in 2016, a rise of 95%. The elderly are not able to afford the high rents of private housing, so some of them can only live in small subdivided flats with poor living condition. If the government wants to replace subdivided flats, it needs to solve the limited housing supply. As a result, some elderly people still need to face poor living environment.

3. The issue is not limited to the discussion of young people or the elderly. Suggest other relevant stakeholders and write down their characteristics using the way above.



4. Apply one of the concepts above to the housing issue and discuss the focus below with your classmates.

Focus What **difficulties** do the middle class / others: _____ face in the **housing issue**?

	Housing issue	Difficulty
Characteristic 1:		
Characteristic 2:		

Extended discussion

Choose one of the topics below. Discuss with your group members using the framework and present to the class your discussion result.

Topic 1: Suggest some ways to deal with the housing needs of young people. Explain your answer.

Stakeholder	Difficulty of young people		Way
The government	Lower income		Providing financial subsidies
Non-governmental organizations	Expectation: Pursuing independence		Providing social housing
Young people	Lower income		Enhancing their value
Others: _____			

Topic 2: ‘The government should provide housing subsidies to young people.’ To what extent do you agree with this view? Explain your answer.

Stance	Agree	Disagree
Argument 1	The incomes of young people are not high. They are not able to cope with the present difficulties in society, which will intensify social discontent. There is an urgent need for the government to cope with the problem in order to stabilize the society.	Due to limited resources of the government, it should provide help and support for those who need it the most, such as the elderly without any income.
Argument 2	Young people expect to own independent living space. Yet, they may not be able to improve their living conditions on their own. The government should bear the responsibility for responding to the public’s demands.	The government should balance the interests of different people and should not only concentrate on one particular group. In addition, as not all young people are in need, it may be a waste of resources to provide housing subsidies.