

Land use, housing preferences and income poverty: In the context of a fast rising market



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ABSTRACT

Although the public housing programme and the development of new towns are important (and inter-related) land use planning policies, many people hold the belief that these policies actually aggravate the problem of poverty concentration in several areas. This paper, in this light, analyzes their relationships with household income poverty in two consecutive five-year periods (2001–2006 and 2006–2011) in Hong Kong. The findings indicate that low-income households are more likely to cluster in the new towns, rather than in the inner-city regions, when property price is surging; and that the public housing programme does not show a significant relationship with household income poverty in both study periods. In addition to the preferences of low-income households in general, the preferences of the “sandwiched households” are specifically explored as well. These households are found to be susceptible to property price fluctuations in different regions, and therefore tend to cluster in the new towns. Not regarded as “poor” households under the 2001–2006 poverty line, the “sandwiched households” were (and still are) the most vulnerable, yet the most overlooked, population group in view of surging housing price and median household income. We suggest that the geographical distribution of newly-completed flats should be considered as a crucial factor affecting low-income households’ preferences.

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1. Introduction

Even though Hong Kong is one of the more famous Asian metropolitans, it is also facing the deteriorating poverty problem. Despite an increase in median household income (from HKD 17,250 in 2006 to HKD 20,500 in 2011), the proportion of low-income households in Hong Kong, defined as those with monthly income below the International Poverty Line Standards (IPLS), had also risen (from 26.5% to 28.2%).¹ In addition, the household income gap among Hong Kong citizens had widened. By 2011, the average monthly income of the poorest 10% households in 2011 was HKD 2170, whereas that of the richest 10% households was HKD 137,480.²

Nevertheless, as poor households in Hong Kong appear to cluster either in a number of new towns or in other non-new-town

areas where public housing estates are located, new town development and the public housing programme, two vital and interrelated housing-related land use planning policies, inevitably have been regarded as the major factors contributing to these areas’ household poverty situations. The new town development programme was launched in the 1960s aiming to address the issues of overcrowding and dense living conditions in the inner-city regions (i.e. Hong Kong Island and Kowloon Peninsula). Twelve new town areas have been developed in the New Territories ever since, where over 40% of Hong Kong’s population live (Census and Statistics Department, 2013). Those new town areas, in general, can be divided into two groups: mature new towns and developing new towns. The former, developed before the 1980s, consist of Tsuen Wan, Kwai Chung (Kwai Tsing District), Sha Tin, Tuen Mun, Tai Po, Fanling & Sheung Shui (North District), and Yuen Long. And the latter, developed in the 1980s and 1990s, include Tsing Yi (Kwai Tsing District), Tseung Kwan O (Sai Kung District), Tin Shui Wai (Yuen Long District), Ma On Shan (Sha Tin District), and North Lantau (Islands District) (Fig. 1).³ The new town development programme, to a certain extent, has been effective in re-distributing Hong Kong’s

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¹ An official estimate in 2012 categorized about 19.6% of Hong Kong’s population (i.e. 1.3 million people) as poor (Hu and Yun, 2013).

² Another indicator of income distribution, the Gini coefficient, had also increased from 0.525 in 2001–0.537 in 2011.

³ A supplementary description of new towns policy is provided in Appendix A.

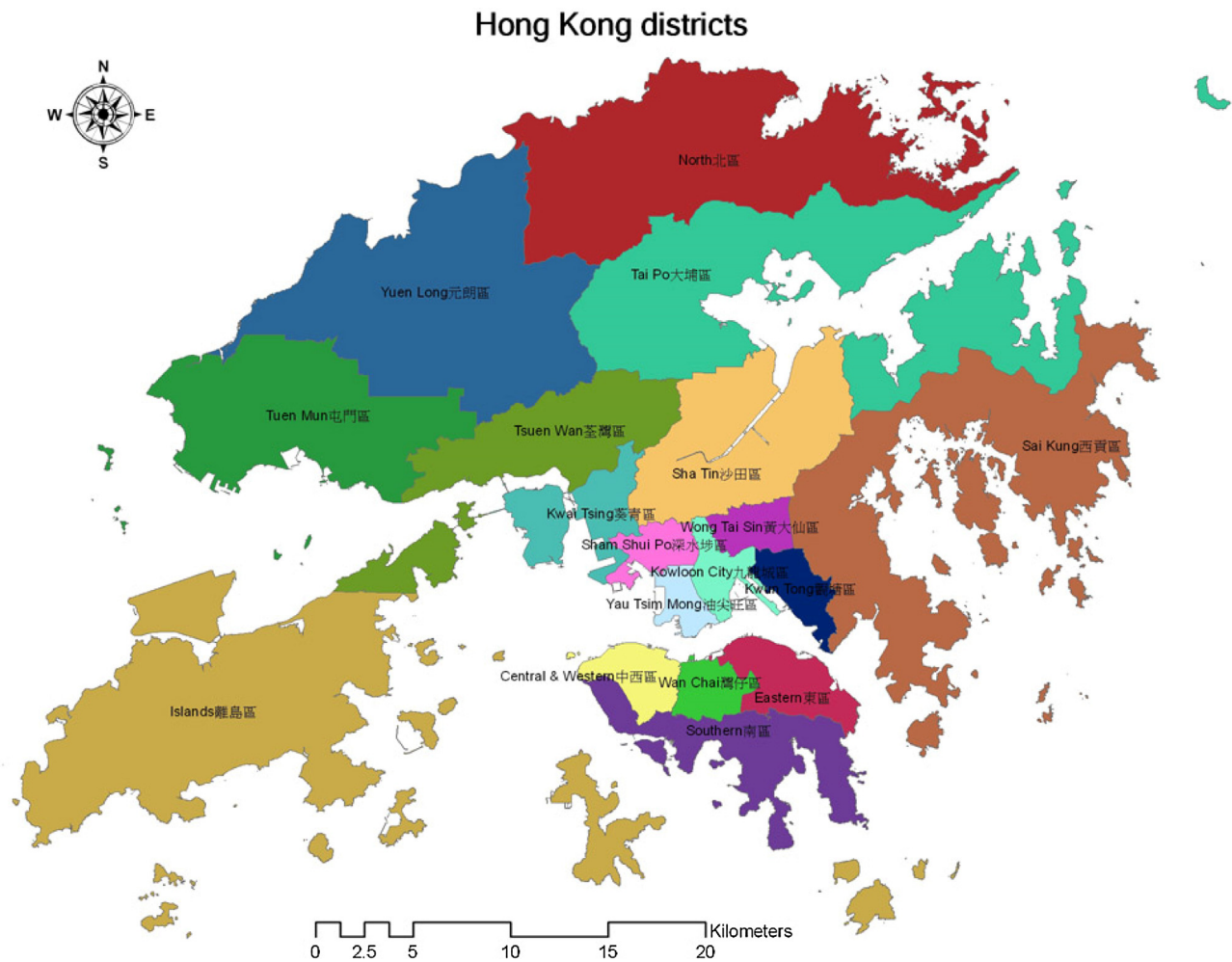


Fig. 1. Hong Kong districts map.

(Source: Hong Kong Public Health Mapping, <http://www.spatioeipi.com>)

population. In 1971, 81.1% of Hong Kong's populace lived in the inner-city regions.⁴ By 2001, the figure reduced to 50.1% (Yeung and Wong, 2003). However, whether or not the new town development programme actually improves residents' living standards has been widely debated. Tin Shui Wai, a new town with much higher poverty rate and unemployment rate than others, has usually been raised as a counter argument. Worse, as businesses have generally been reluctant to move their offices to the new towns, two consequences arise: 1) the prevalence of inter-district commuting for work among new town residents and 2) the mobility of residents from the new towns to the inner-city regions to minimize travelling costs (see Hui and Lam, 2005; Hui and Yu, 2013).

The public housing programme, on the other hand, was launched in to the aftermath of the 1953 Shek Kip Mei fire. Originally intended to proffer shelter for households who became homeless due to the fire, this programme was later extended to households with financial difficulties. Since then, the two government agencies responsible for the provision of public housing, the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS), have supplied 710,200 flats and 148,000 flats respectively⁵ (Table 1). The rents of public housing are set to be

Table 1
Statistics of Land Domestic Households (land-based non-institutional population).

Year	2001	2006	2011
Overall ('000)	2055	2221	2359
Public Permanent Housing	47.5%	46.7%	45.8%
–Public Rental Housing	29.9%	30.4%	30.0%
–Subsidized Home Ownership Housing	17.6%	16.3%	15.8%
Private Permanent Housing	51.2%	52.4%	53.4%
Temporary Housing	1.4%	0.8%	0.8%

(Source: Hong Kong Housing Authority, 2013).

much lower than those of private housing (Tables 2 & 3), despite their smaller size (from about 12.0–53.6 sq m.). Besides providing affordable housing for locally-born Hong Kong citizens, the public housing programme has also managed to relocate new immigrants from Mainland China and South Asians that are eligible for public housing as well (Hui et al., 2012a).

In order to study the relationships between new town development/the public housing programme and household income poverty, we have first computed the household poverty rates for different areas,⁶ and compared them with respect to 1) the pro-

⁴ Including Central and Western, Wan Chai, Southern, Eastern, Yau Tsim Mong, Kowloon City, Kwun Tong, Sham Shui Po, and Wong Tai Sin.

⁵ Including public rental housing, Home Ownership Scheme and other subsidized ownership schemes.

⁶ The household poverty rates are based upon poverty lines, established by means of the International Poverty Line Standard (IPLS). For more information concerning the computation of Hong Kong's IPLS, see Section 3.4.

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