

January 3, 2025

The Editor
Australian Broadcasting Corporation

Dear Editor,

In relation to the article entitled “Hong Kong to crack down on notorious flats, but 'coffin homes' will stay” by Kathleen Calderwood, Carol Mang and Fletcher Yeung published on 26 December 2024, we would like to reiterate the following points.

- (a) The Hong Kong Government attaches great importance to providing appropriate and reasonable accommodation to those in need. Since taking office, the current government has introduced various measures to substantially increase public housing supply by enhancing quantity, speed, efficiency and quality. Coupled with some 30,000 units of Light Public Housing (LPH) to be completed by 2026-27, the total public housing supply in the coming five years will reach 189,000 units, about 80 per cent higher than that of the previous five-year period (2022-23 to 2026-27). In addition, around 18,000 Transitional Housing (TH) units are already in operation, with the remaining 3,000 units expected to be completed in 2025 to plug the short-term supply gap. The increase in public housing supply does more than enable eligible households to find places in public housing more quickly with improved living conditions. It also helps the government tackle the long-standing issue of subdivided units (SDUs), especially given that about 40 per cent of the roughly 110,000 households in SDUs are applying for public rental housing.

- (b) As in many developed cities, some people want to live in convenient locations with easy access to their work place or children’s schools. As a result, they are prepared to accept a smaller living space. Noting the prevalence of the so-called “cage homes” in Hong Kong in the 1980s and the associated environmental hygiene and fire safety issues, etc., the Government took the initiative to enact the Bedspace Apartments Ordinance (Cap. 447) (the Ordinance) in 1994. To ensure the safety of occupants, the Ordinance contains clear structural and fire safety standards as well as requirements on sanitary configuration for regulating “cage homes”, “coffin homes”, “space capsules” and other bedspaces in various forms. Regulation under the proposed regime for Basic Housing Units (BHUs) would only duplicate regulations and is therefore unnecessary. The Office of the Licensing Authority under the Home Affairs Department (HAD) will continue to take enforcement

action and enhance publicity to tackle the issue of bedspace apartments. In fact, HAD recently took enforcement actions on two cases in September 2024.

- (c) Furthermore, there is always a misconception that all 220,000 persons residing in the 110,000 SDUs in Hong Kong are living in extremely poor conditions. In fact, the quality of SDUs available in the market varies significantly. Some are of higher quality which may meet the needs of some working individuals, small families and university students for easier access to work or school, while there are also a considerable number of SDUs with small living space and less desirable conditions. It is important to note this wide spectrum and avoid taking a lopsided view of the whole picture.
- (d) Those SDUs at the lower end of the spectrum with poor living conditions are targeted for eradication which, according to our recently completed in-depth survey, account for about 33,000 units (30 per cent of the total number of SDUs), of which some could be turned into acceptable basic housing units. We estimate that the remaining 77,000 units can meet the proposed minimum standards with some minor modification works. Of the remaining 30 per cent, some could also be turned into acceptable basic housing units. Therefore, more than 70 per cent (about 80,000 units) will remain in the market as acceptable BHUs in the long run. The increase in public rental housing supply in the coming years will also reduce demand for SDUs as more eligible households enter public housing. Given the anticipated drop in demand for these units, there is expected to be little room for significant rent increases.
- (e) Following the announcement of the proposal to set up a regulatory regime on BHUs, there are voices that SDU owners may leave the market due to high renovation costs. We wish to point out that the aggregate rent received from several units subdivided from a single flat is often much higher than the rent of one whole flat without subdivision. It is only fair that SDU owners, many of whom have already made considerable profits over the years, should provide their tenants with a decent living environment. On the other side of the coin, there are concerns that many SDU tenants will be driven out of their current homes as a result of the new regulatory regime. As the Government has reiterated, a guiding principle we are firmly adhering to is that no one shall be rendered homeless due to our enforcement actions which will be planned carefully having regard to the prevailing public housing supply and all other relevant circumstances. There will be dedicated service teams to help tenants find alternative accommodation such as transit centre, interim

housing, TH, LPH, etc. In particular, we wish to point out that 64% of the monthly rent of TH (with 21,000 units in total) are below HK\$3,000, and the monthly rent of LPH (with 30,000 units in total) ranges from HK\$880 to HK\$3,000. In other words, there are many very low rent options to accommodate SDU tenants as required.

Winnie Ho Wing-yin
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(ENDS)