

Habitat for Humanity Hong Kong (Habitat) appreciates the opportunity to provide a submission to the 2020-2021 Policy Address and its public consultation process.

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Overview

Habitat for Humanity, a global nonprofit housing organization, works towards a vision of a world where everyone has a decent place to live by building strength, stability and self-reliance in partnership with families in need of decent and affordable housing. We have been serving families in Hong Kong since 2004, helping to improve the housing conditions of vulnerable households. In her 2019 policy address, Chief Executive Carrie Lam said, “Housing is the toughest livelihood issue facing Hong Kong society...I have never taken this matter lightly.”¹ We couldn’t agree more. With the spread of the COVID-19 pandemic, families are facing both a public health and an economic crisis further worsened by the housing crisis. A safe and secure home is the first line of defense in this pandemic.

Summary

The COVID-19 pandemic in Hong Kong is an opportunity for policy changes to protect housing needs as the first line of defense against COVID-19, and to foster sustainable, resilient communities for the future. Habitat for Humanity Hong Kong recommends the HKSAR Government consider the following policy priorities:

1. Address the specific needs of residents in substandard housing to support the pandemic response
2. Ensure inclusion and representation of community leaders and groups in COVID-19 responses and plans
3. Protect housing affordability, adequacy, accessibility, and stability

¹ HKSAR Government, 2019, Full text of “The Chief Executive’s 2019 Policy Address,” <https://www.info.gov.hk/gia/general/201910/16/P2019101600165.htm>

4. Establish long-term housing strategies to foster more secure and resilient communities in the future

Habitat Policy Address Recommendations in Detail

This global health emergency has very quickly become a housing emergency. “Stay at home, save lives” has emerged as a mantra in the fight against COVID-19 worldwide, underscoring how central the home is to public health during a pandemic. As Leilani Farha, former UN Special Rapporteur on the right to adequate housing stated, “...housing has become the frontline defense against the coronavirus...”² Home is taking on a new meaning as simultaneous workplace, school, daycare, and safety net. It is essential that all levels of government consider appropriate solutions to protect the homes of those living formally and informally to reduce transmission of this disease.

COVID RESPONSE

Address the specific needs of residents in substandard housing to support the pandemic response

Research shows that the impact of COVID-19 is disproportionately felt by low-income families that lack the resources to follow social distancing and hygiene guidelines. According to the results of the 2016 Population By-census, in Hong Kong over 200,000 people live in different forms of substandard housing, from subdivided units (SDUs) to cubicle apartments to rooftop housing. These forms of shelter have systemic vulnerabilities that put residents at greater risk of contracting and transmitting COVID-19, such as limited ventilation, substandard drainage and plumbing systems, and dense layouts.

Limited Access to Fresh Air/Ventilation

Research findings have provided clear evidence of the lack of ventilation in many SDUs, which can spur the COVID-19 spread among their residents.

According to a 2016 survey conducted by the HKSKH Lady MacLehose Centre Group and Community Work Unit and the World Green Organisation (WGO), 50% of interviewees (who were SDU residents in Kwai Chung) noted the lack of air circulation in their flats. Although 94% of the surveyed households had windows, only 40% had 1-2 usable windows since many of the households encountered problems with using the windows, such as harsh conditions of the neighborhood (18%), noise and odour outside (73%) and safety hazards (13%). The survey also found that nearly 80% of interviews reported that their flats’ indoor wind speed was below 0.3m/second, which was far below the 1m/second standard recommended by the Planning Department.³

² United Nations Human Rights Office of the High Commissioner, “Housing, the Front Line of Defence Against the Covid-19 Outbreak,” <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25727>

³ “An Environmental Investigation into the Living Conditions of Those Living in Subdivided Flats in the Kwai Chung District,” World Green Organisation (WGO), December 12, 2017, <https://thewgo.org/website/eng/news/indoor-environmental-quality-survey/>.

Poor air ventilation as described above, can lead to COVID-19's spread in indoor environments. A July 2020 Hong Kong University (HKU) mechanical engineering study found that when air ventilation is insufficient (ventilation rate <3 L/s per person), the short-range airborne transmission route can be extended to result in a long-range airborne route to infect more people beyond the proximity, leading to super-spreading events.⁴

Ad hoc Plumbing and Shared Toilets

Apart from high population density and poor ventilation, SDUs are also prone to the issue of inadequate plumbing facilities.

A document written by the Research Office of the Legislative Council Secretariat acknowledged that the building works associated with subdivision of a flat commonly involve the alteration or addition of internal drains. Improper drainage works can cause waste water seepage, leading to not only poor environmental hygiene, but also potentially, the transmission of COVID-19.⁵

As pointed out by the Kwai Chung Subdivided Flats Residents' Alliance, the plumbing system in subdivided flats was often altered to accommodate more toilets and did not come with a U-shaped design meant to lock in water for hygiene purposes. Similarly, a volunteer plumber who only wished to be known as Chan, reported that many of the homes he had worked on only had straight pipes, which often results in a bad smell in the flats and a backflow of dirty water between the kitchen and toilets. Worse still, the lack of U-shaped traps makes it possible for droplets and waste of COVID-19 patient(s) to enter the drainage system, which can cause the disease to spread throughout the building.

In fact, many SDU residents themselves were well aware of this issue. In a survey of Kwai Chung residents conducted by the alliance, 60% of interviewees expressed concerns over the sewage system spreading the disease, speaking to the need for government intervention in drainage inspection and improvement.

Limited Space for Physical Distancing

Living in extremely tiny and cramped flats with shared kitchens and bathrooms, many sub-divided unit (SDU) residents are struggling with maintaining social distance and are thus exposed to a high risk of contracting and spreading COVID-19.

According to a 2019 study conducted by the Platform of Concerning Subdivided Flats in Hong Kong, the average size of an SDU is 132.2 square feet while the median living area per person is only 52.8 square feet, about 23% smaller than the public housing standard of 75 square feet.⁶

⁴ WIX admin MECH Dept. HKU, "Opportunistic COVID-19 Airborne Transmission with Insufficient Ventilation," Mech Eng, HKU (Mech Eng, HKU, July 17, 2020), <https://www.mech.hku.hk/post/covid-19-airborne-transmission-in-indoor-environments-under-poor-ventilation>.

⁵ "Subdivided Flats in Hong Kong," Legislative Council Secretariat, Research Office, May 28, 2013, <https://www.legco.gov.hk/yr12-13/english/sec/library/1213in22-e.pdf>

⁶ <https://news.mingpao.com/ins>

The compact and confined space in SDUs where households are often just a few feet away from each other makes it virtually impossible for residents to vigilantly practice social distancing at home. The World Health Organization recommends physical distance of at least one metre⁷ as COVID-19 spreads primarily among people who are in close contact. As SDU inhabitants are unable to maintain physical distance, this unfortunately translates into higher risk for COVID-19 dissemination.

The inadequate housing conditions in SDUs as outlined above put their residents at heightened risk of infection, highlighting the urgent need to establish housing regulations in order to improve SDU living conditions and prevent these spaces from becoming hotbeds of disease.

Habitat calls on the HKSAR Government to consider the specific housing needs of residents in substandard housing during the COVID-19 pandemic by:

- Recognizing that many residents in substandard housing will be unable to incorporate life-saving preventative measures during this pandemic because of the conditions and ad hoc structure of their homes.
- Ensuring access to financial and physical resources for households and landlords to improve housing to ensure access to fresh air and proper ventilation, plumbing, drainage, and sanitation, while most importantly, preventing increases in rent.
- Articulating minimum housing standards and providing support to implement minimum standards for affordable, low-income housing that maintain health and safety of residents.
- Ensuring landlords maintain informal and formal access to uninterrupted utility services, including water, sanitation, electricity and waste removal while putting a freeze on cost to tenants.

COMMUNITY ENGAGEMENT

Ensure direct engagement with community leaders and groups in future COVID-19 responses and plans

Habitat recognizes the appointment of the *Task Force for Study on Tenancy Control of Subdivided Units* ("the Task Force") and advocates for the sustained inclusion of stakeholders and communities in decision making processes related to housing and community development. Hong Kong has a diverse and layered network of actors that engage with different sectors of communities, including local and international NGOs actively providing support and resources during the pandemic. By joining with community members and concerned stakeholders, we can gather data, build consensus, and work together to address common issues identified by community members in protecting themselves and their communities during this pandemic.

⁷ "Advice for the Public on COVID-19," World Health Organization (World Health Organization), accessed August 11, 2020, <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>.

Habitat calls on the HKSAR Government to integrate the voice of vulnerable communities into their COVID-19 responses by:

- Providing sustained accessible channels through which civil society groups and community members can engage with government leadership on the government’s COVID-19 response, as it relates to housing.
- Integrating locally sourced data on demographics and needs from community members to best prepare responses for specific communities and to identify higher-risk individuals who may need specific assistance.
- Funding and partnering with NGOs to assist in gathering census data from residents in substandard housing, so that future pandemic planning is inclusive of the most vulnerable in society.

ADEQUATE AND AFFORDABLE HOUSING SOLUTIONS

Protect the affordability, adequacy, accessibility, and stability of housing

We recognize that an adequate home can have a transformational impact on individuals and communities – fostering stability, security and opportunity and breaking the cycle of poverty. In this time of crisis, an adequate home is the most important line of defense in stemming the spread of this disease. Yet with an unemployment rate of 6.2%⁸ in Hong Kong, incomes continue to decrease or vanish while rent and mortgage payments are still due. In March, Secretary for Labour and Welfare Dr. Law Chi-kwong said the labour market would be subject to even more pressure in the near term because of the impact of the coronavirus on a wide range of economic activities.⁹ According to a survey of low-income residents conducted by Oxfam in March 2020, 90% reported that the coronavirus had severely or very severely impacted their families livelihoods.¹⁰

These pressures add further stress to low-income households with little bargaining power or tenancy protection under the current Landlord and Tenant (Consolidation) Ordinance. With insufficient rent control, there is no restraint over rent increases in SDUs. Most SDU residents are employed in entry-level jobs and the percentage increase of their salaries are unable to keep up with rent increases.¹¹ In fact, many residents are experiencing a decrease in their incomes while some lose their jobs altogether.¹² Additionally, many residents do not have a written tenancy agreement and face the risk of being subject

⁸ Moody’s Analytics, “Hong Kong – Unemployment Rate,” June 2020, <https://www.economy.com/hong-kong/unemployment-rate>

⁹ Not Just Low-Income Workers Struggling as Hong Kong Unemployment Soars,” South China Morning Post, March 8, 2020, <https://www.scmp.com/news/hong-kong/health-environment/article/3074082/unemployment-worlds-most-expensive-city-soars>.

¹⁰ “Employment Situation Amidst the Epidemic,” 香港樂施會, accessed August 11, 2020, <https://www.oxfam.org.hk/en/what-we-do/advocacy-and-campaign/hong-kong-advocacy/employment-situation-amidst-the-epidemic>.

¹¹ https://www.legco.gov.hk/yr19-20/chinese/panels/hg/hg_ihp/papers/hg_ihp20191207cb1-206-8-c.pdf

¹² Interview with Kenny Ng, Kwai Chung Subdivided Flats Residents’ Alliance, August 6, 2020

not only to rent increases but arbitrary water and electricity charges, and eviction at any time with only one month notice.¹³

In previous years the government implemented comprehensive forms of tenancy control ranging from rent control to security of tenure.³ The rate of increase in rent was limited and it was stipulated that rents should be at mutually agreed rates. Unreasonable eviction was prevented, and landlords were prohibited from evicting tenants within three years of a lease. Tenancy control ordinances had been developed in accordance with macro-societal and -economic environments such as the influx of refugees in 1921, the banking crisis in 1996, as well as the 1998 financial crisis and SARS in 2003.¹⁴

Habitat calls on the HKSAR Government to protect housing affordability, accessibility and stability by:

- Revisiting the Landlord and Tenancy (Consolidation) Ordinance and conducting comprehensive public consultations for establishing tenancy stabilisation mechanisms.
- Providing increased cash benefits as direct support to people struggling to address their rental needs.
- Placing a moratorium on evictions to protect tenants under increased pressure to pay rent and delaying or freezing rents.
- Establishing relief funds for landlords and mortgage holders who rent properties to third parties to cover losses from cancelled or deferred payments.
- Ensuring landlords and households can access financial and physical resources to incrementally improve their housing to ensure housing is adequate and facilitating a healthy environment by improving structures to address ventilation needs or access to water and sanitation.
- Banning utility shut offs including electricity, heat, and water so that people are safe in their homes while addressing the overcharging of electricity and water fees.

RECOVER FROM CRISIS

Building a more resilient future through housing

This global health crisis has highlighted the fact that healthy housing is more important than ever. Improved quality of housing has proven to have a significant impact on health, education and economic outcomes at the household, neighbourhood and city or regional level. By ensuring housing is well-located, accessible, connected to utilities, adequately constructed, not crowded, and affordable, we will ensure that the next pandemic will not unequally impact the most vulnerable.

Habitat for Humanity Hong Kong urges the HKSAR Government to take on a long-term vision to support increased access to adequate and affordable housing for low-income households. Adequate and affordable housing can be a central force in building a resilient city, putting citizens and communities in

¹³ https://www.legco.gov.hk/yr19-20/chinese/panels/hg/hg_ihp/papers/hg_ihp20191207cb1-229-2-c.pdf

¹⁴ "Tenancy Control in Selected Places," Legislative Council Secretariat, Research Office, July 7, 2017, <https://www.legco.gov.hk/research-publications/english/1617in16-tenancy-control-in-selected-places-20170707-e.pdf>

the position to more readily adjust and adapt to sudden shocks and longer term disruptions.¹⁵ We urge the government to recognize the centrality of housing in achieving success in recovery, in better containing future pandemics, and fostering resilient communities through housing.

Habitat calls on the HKSAR Government to ensure access for all to safe, adequate and affordable housing to reduce exposure and prepare for future threats by:

Ensuring access to adequate housing options for all

- Promote a policy of infrastructure improvements to address the many needs in terms of basic services (sanitation, drainage, etc.) in order to foster community-level health with specific interventions directed to diseases like COVID-19 prevention.
- Ensure the recently appointed **Task Force**, gathers data from SDU residents and other direct stakeholders and works together with the community to design equitable and sustainable solutions, taking note of innovative solutions for similar contexts globally.
- Define, articulate and implement minimum housing standards and provide support to implement minimum standards for affordable, low-income housing that maintain health and safety of residents.
- Prioritise and subsidise the upgrading of informal housing to avert future disasters and dilute the impact of future pandemics, without pricing low-income tenants out of the housing market.
- Study the feasibility of a fast-track conversion process of industrial buildings for residential use to address housing shortage issues by focusing on 3 overriding determining factors: 1) compatibility of subject site with the vicinity land use, evidenced by an Environmental Impact Assessment study, 2) achieving reduced plot ratio through architectural design, and 3) a Traffic Impact Assessment study. Also ensure any plan that involves potential evictions/relocations of tenants includes adequate resettlement measures.

Enabling stakeholder engagement

- Recognize the value of, and involve civil society in designing housing solutions for vulnerable communities.
- Study and consider community-based enumeration as a method to gather accurate collection of census data from residents living in substandard housing, including those in subdivided flats, cage homes, and rooftop housing.
- Recognize and incorporate community data collection to inform government decision making.
- Support people, public, private partnerships and coalitions addressing the upgrading of substandard housing and the delivery of quality affordable housing at scale.
- Implement education and awareness campaigns around safe and healthy shelter and settlements, sharing information on how to improve housing to ensure improved health outcomes.

¹⁵ Vale, Lawrence J., et al. "What Affordable Housing Should Afford: Housing for Resilient Cities." *Cityscape*, vol. 16, no. 2, 2014, pp. 21–50. *JSTOR*, www.jstor.org/stable/26326882. Accessed 5 Aug. 2020.

Expanding affordability through increased housing finance options and Public-Private Partnerships

- Research Public-Private Partnership (PPP) models that encourage and incentivize the private sector to help meet the demand for low-income housing.
- Provide incentives and subsidies to help households, landlords, and market providers to improve housing conditions incrementally.
- Study the potential to incentivize businesses and landlords to improve the quality and increase the supply of SDUs that meet adequate housing standards, without pricing low-income tenants out of the housing market.
- Consider an alternative for those on the waiting list for public housing through the introduction of a rental subsidy scheme for low-income families living in SDUs.
- Consider an alternative for those on the waiting list for public housing through fast-track transitional housing schemes developed by incentivizing the private sector.

Thank you

Habitat for Humanity Hong Kong appreciates the opportunity to provide a submission to the 2020-2021 Policy Address and its consultation process. We welcome a discussion with the HKSAR Government on these matters and look forward to meeting with the ***Task Force for Study on Tenancy Control of Subdivided Units*** to share examples of creative solutions from our global network. Thank you for your kind consideration.



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