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Academics attack housing strategy

By JIMMY LEUNG

THE Government's long-term housing strategy came under fire yesterday from two Baptist College academics who described its predictions of accommodation supply and demand as "simplistic".

Dr Li Si-ming, a geography lecturer, queried the Government's conclusion that there would be greater demand for homes in future, saying he doubted many families would be able to afford them.

He said it was hard to work out private sector demand and that an element of "false demand" came into play in this sector if someone purchased a flat as an investment without living there.

The Government's new strategy bases its conclusions on the fact that if the present policy was maintained until 2001, it would result in an abundance of public rental housing, a shortage of Home Ownership Scheme (HOS) flats and an under-utilisation of private sector resources.

At present, 40,000 public units a year are produced — 30,000 public rental, 5,000 HOS and 5,000 Private Sector Participation Scheme (PSPS) flats. More than

200,000 people participate in the latter two schemes.

The amended policy would keep production at these levels, but would allow for greater flexibility to satisfy the hoped-for increased demand for homes.

The Government acknowledges if it continued to rely solely on the HOS and PSPS schemes, it would have to build more homes, while private sector resources would be largely untapped.

But Dr Li disagreed there would be an over-supply of private sector resources in future since the actual building work would be done by private contractors whether the projects were private or public sector.

"If it is true, it would mean the capital and manpower of the building industry flowing into other industries which would lead to re-allocation of social resources," he said.

Another speaker, Mr Yu Fu-lai from the college's Economics Department said the policy statement was a result of the central Government's planned economy which allowed a small group of decision-makers to decide tenants' personal choice and demand for housing.

"Such method deprives a person's freedom to choose, as well as one's pursuance of his own objectives," he said.

On the home purchase loan scheme, Dr Li said it would lead to speedy development of new areas but also make dilapidation worse in old urban areas because public tenants had to purchase new private sector flats.

Under the interest-free down-payment loan scheme, existing public tenants and those affected by clearances and redevelopment can borrow up to 10 per cent of the flat price, or a maximum of \$50,000 to buy a private unit.

On the completion of the new unit, loan recipients will have to vacate their public housing units and lose the eligibility for subsidised Government housing.