

## Housing policy and practice in Asia

**T**HIS book is another welcome addition to the growing volume of literature on comparative studies in housing. It is edited by Seong-Kyu Ha, Assistant Professor of Urban and Regional Planning at Chung-Ang University, Seoul, Korea, and comprises seven country studies together with an introductory chapter by the editor.

The introductory chapter notes that after the Second World War the housing situation in Asia was chaotic because of war damage, and also because low priority was given to housing problems. The rapid growth of urbanisation has significantly affected the development of housing policy.

Another factor has been the high cost of housing and the income distribution which has meant that significant sections of the population have been unable, without assistance, to afford the full economic price of decent accommodation.

The chapter concludes with a comment on state intervention, noting that governments simply cannot afford to subsidise many of the poorest people. The author concludes that the most important argument for state intervention is to compensate for poverty and inequality in the distribution of income in capitalist societies. However, he suggests that targeted minimum standards should be directly relevant to the housing conditions and aspirations of the mass of peasants and urban poor rather than geared to the position in western countries.

The chapter on *Hong Kong* by Peter Fong and Anthony Yeh notes that over 44% of the population live in public housing. The Government has adopted an interventionist policy but simultaneously has operated a land

policy which sells land to the highest bidder and, as a result of high land prices, many low income families do not yet enjoy public housing.

Hong Kong's public housing programme is regarded as being successful, with the territory being second only to Singapore in terms of the percentage of population now living in public housing. However, the authors comment that one may argue that Hong Kong has a public housing programme and no real housing policy. It is suggested that the Government should broaden its policy options to increase production of private housing and to improve the housing stock.

P. S. A. Sunderam contributes the chapter on *India*. The Indian housing

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*'Significant effect of growth of urbanisation'*

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problem is accentuated by the rapid rise in population and the even more rapid rise in the urban population. A range of housing programmes exists but there has been no consistency of approach over various planning periods.

A variety of housing policy instruments has been used. The role of the specialist Housing Development Finance Corporation is briefly noted, but it is argued that there are many inadequacies in the present system of financial intermediation for housing, with the specialised agencies touching only a fraction of the people. The author concludes that the prospect of low income housing is quite bright in terms of policy thrust to the Government and various initiatives.

*Korea* has had one of the most

dynamic economies in the world in recent years. Seong-Kyu Ha, the editor of the volume, also contributes to the chapter on Korea. As in other Asian countries, the growth of urban population has been particularly marked, the proportion of the population living in urban areas rising from 47% in 1970 to 65% in 1985. Seven housing problems are identified:

(a) The growing shortage of housing.

(b) The Government attitude that sub-standard settlements should be removed.

(c) Low income house ownership has been encouraged but low income tenant households have found themselves less able to obtain decent accommodation.

(d) Housing has not been a priority.

(e) The role of municipal housing has been significantly weakened.

(f) The poorly developed financial sector has failed to provide better investment opportunities in land and real estate.

(g) Government policies have restricted the conversion of agricultural and other land to residential use.

The chapter considers the evolution of housing policy, noting the role of the specialist housing finance lender, the Korea Housing Bank, and then goes on to explain the apparatus of housing administration and the Government response to sub-standard urban settlements.

The section on housing policy instruments deals with the financial system, dominated by the Korea Housing Bank, including its administration of the National Housing Fund. Various comments are made on the KHB activities:

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(a) It combines the roles of private deposit institution and an ordinary Government mortgage institution, having a hand in the financing of over 60% of all new housing units. It is argued that in the medium term the KHB should limit its role to that of a true Government mortgage institution financed by Government consolidated funds.

(b) Procedures for obtaining loans are time-consuming.

(c) There is little difference between the KHB's loans and the NFH loans in terms of interest rate and loan terms.

(d) The NFH's clients are more likely to be middle income groups than lower income groups.

(f) There is no well-developed private mortgage market. The author's own work suggests that in 1983 about 58% of home purchase funds were buyers' own funds, with the remaining 42% of funds being borrowed.

The chapter on *Japan* by Kazuo Hayakawa notes that, despite rapid economic growth, living conditions are poor. The chapter charts the development of housing policy and concentrates on a number of areas of concern:

(a) Housing policy has promoted discrimination by dividing people by class according to their income and gathering them together in one place.

(b) The recent introduction of a points system for public housing has led to a large increase in applications for public housing amongst households receiving welfare payments.

(c) Those living in the low income strata are discriminated against by their neighbours.

(d) There are strong pressures for people to move out of the inner city, but many, because of their jobs, are not able to do this.

(e) There is a shortage of public rental housing and high rents.

(f) High land prices make it very difficult for people to own their own homes.

The author concludes that all aspects in everyday life in Japan the most backward is housing.

The chapter on *Indonesia* by Johan Silas concentrates on the development of housing policy and housing policy instruments and then describes the various Government

and quasi-Government institutions involved in the housing programme.

The chapter on *Vietnam* by Lars Reuterswård notes that Vietnam's housing policy has undergone a revolutionary change since the early 1980s. There has been a shift in responsibility for construction from the state to individual entrepreneurs and a de-centralisation of physical planning.

Finally, the chapter on *Thailand* by Warin Wonghanchao emphasizes the role of the National Housing Authority (NHA) which was established in 1973 and explains the role of housing in various national social and economic development plans. In the current six-year plan, the Government chastises the NHA for bad short-term loan management and not using its funds effectively and recommends that in future it obtains loans from internal loans sources, especially the Government Housing Bank, which would become the NHA central financial institution. ■

*"Housing Policy and Practice in Asia," edited by Seong-Kyu Ha, 197 pages, hardback, published by Croom Helm at £25.*

## Australian fact book

**T**HE 1987 edition of the Australian Association's *Fact Book* provides up-to-date statistics and information on the Australian building society industry. A background section sets out the historical origins of the industry and the legislative framework in each state before going on to describe briefly the National Deposit Insurance Corporation and Mortgage Insurance.

The remainder of the book comprises key statistics and commentary. Among the areas covered are:

(a) The number of societies by state — the total number fell from 178 at June 1975 to 71 at June 1985.

(b) ATMs — the number grew from 26 in 1982 to 603 in 1987.

(c) Assets on a state basis.

(d) Asset concentration — the share of the largest eight societies increased from 47.4% in 1975/76 to 54.7% in 1984/85.

(e) Market share of building societies — societies' share of the assets of financial institutions rose from 5.3% in 1975 to 7.1% in 1979 before falling to 5.7% in 1985.

(f) Housing tenure — owner-occupation increased from 53.4% in 1947 to 71.4% in 1966, before falling to 68.4% in 1976 and then increasing to 70.1% in 1981.

(g) The structure of assets and liabilities

— at end June 1985 total assets were \$A20,543 million, of which loans accounted for 70.9%. Withdrawable shares accounted for 51.4% of liabilities and deposits for 40.1%.

(h) Income and expenditure.

(i) Savings flows.

(j) Loans — loan commitments to individuals peaked at 85,700 in 1984/85 but had fallen to 52,500 in 1985/86.

(k) The housing finance market.

*Building Society Fact Book 1987*, 29 pages in English, published by the Australian Association of Permanent Building Societies, 8 Thesiger Court, Deakin ACT 2600, Australia.