

BUSINESS INSIDER

In Hong Kong, Rich Live In Mountain Mansions And Poor Live In Cages

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HONG KONG (AP) — For many of the richest people in Hong Kong, one of Asia's wealthiest cities, home is a mansion with an expansive view from the heights of Victoria Peak. For some of the poorest, like Leung Cho-yin, home is a metal cage.

The 67-year-old former butcher pays 1,300 Hong Kong dollars (\$167) a month for one of about a dozen wire mesh cages resembling rabbit hutches crammed into a dilapidated apartment in a gritty, working-class West Kowloon neighborhood.

The cages, stacked on top of each other, measure 1.5 square meters (16 square feet). To keep bedbugs away, Leung and his roommates put thin pads, bamboo mats, even old linoleum on their cages' wooden planks instead of mattresses.

"I've been bitten so much I'm used to it," said Leung, rolling up the sleeve of his oversized blue fleece jacket to reveal a red mark on his hand. "There's nothing you can do about it. I've got to live here. I've got to survive," he said as he let out a phlegmy cough.

Some 100,000 people in the former British colony live in what's known as inadequate housing, according to the Society for Community Organization, a social welfare group. The category also includes apartments subdivided into tiny cubicles or filled with coffin-sized wood and metal sleeping compartments as well as rooftop shacks. They're a grim counterpoint to the southern Chinese city's renowned material affluence.

Forced by skyrocketing housing prices to live in cramped, dirty and unsafe conditions, their plight also highlights one of the biggest headaches facing Hong Kong's unpopular Beijing-backed leader: growing public rage over the city's housing crisis.

Leung Chun-ying took office as Hong Kong's chief executive in July pledging to provide more affordable housing in a bid to cool the anger. Home prices rose 23 percent in the first 10 months of 2012 and have doubled since bottoming out in 2008 during the global financial crisis, the International Monetary Fund said in a report last month. Rents have followed a similar trajectory.

The soaring costs are putting decent homes out of reach of a large portion of the population while stoking resentment of the government, which controls all land for development, and a coterie of wealthy property developers. Housing costs have been fuelled by easy credit thanks to ultralow interest rates that policymakers



Vincent Yu, AP

can't raise because the currency is pegged to the dollar. Money flooding in from mainland Chinese and foreign investors looking for higher returns has exacerbated the rise.

In his inaugural policy speech in January, the chief executive said the inability of the middle class to buy homes threatens social stability and promised to prioritize tackling the housing shortage.

"Many families have to move into smaller or older flats, or even factory buildings," he said. "Cramped living space in cage homes, cubicle apartments and sub-divided flats has become the reluctant choice for tens of thousands of Hong Kong people," he said, as he unveiled plans to boost supply of public housing in the medium term from its current level of 15,000 apartments a year.

His comments mark a distinct shift from predecessor Donald Tsang, who ignored the problem. Legislators and activists, however, slammed Leung for a lack of measures to boost the supply in the short term. Some 210,000 people are on the waiting list for public housing, about double from 2006. About a third of Hong Kong's 7.1 million population lives in public rental flats. When apartments bought with government subsidies are included, the figure rises to nearly half.

Anger over housing prices is a common theme in increasingly frequent anti-government protests. Legislator Frederick Fung warns there will be more if the problem can't be solved. He compared the effect on the poor to a lab experiment.

"When we were in secondary school, we had some sort of experiment where we put many rats in a small box. They would bite each other," said Fung. "When living spaces are so congested, they would make people feel uneasy, desperate," and angry at the government, he said.

Leung, the cage dweller, had little faith that the government could do anything to change the situation of people like him.

"It's not whether I believe him or not, but they always talk this way. What hope is there?" said Leung, who has been living in cage homes since he stopped working at a market stall after losing part of a finger 20 years ago. With just a Grade 7 education, he was only able to find intermittent casual work. He hasn't applied for public housing because he doesn't want to leave his roommates to live alone and expects to spend the rest of his life living in a cage.

His only income is HK\$4,000 (\$515) in government assistance each month. After paying his rent, he's left with \$2,700 (\$350), or about HK\$90 (\$11.60) a day.

"It's impossible for me to save," said Leung, who never married and has no children to lean on for support.

Leung and his roommates, all of them single, elderly men, wash their clothes in a bucket. The bathroom facilities consist of two toilet stalls, one of them adjoining a squat toilet that doubles as a shower stall. There is no kitchen, just a small room with a sink. The hallway walls have turned brown with dirt accumulated over the years.

While cage homes, which sprang up in the 1950s to cater mostly to single men coming in from mainland China, are becoming rarer, other types of substandard housing such as cubicle apartments are growing as more families are pushed into poverty. Nearly 1.19 million people were living in poverty in the first half of last year, up from 1.15 million in 2011, according to the Hong Kong Council Of Social Services. There's no official poverty line but it's generally defined as half of the city's median income of HK\$12,000 (\$1,550) a month.

Many poor residents have applied for public housing but face years of waiting. Nearly three-quarters of 500 low-income families questioned by Oxfam Hong Kong in a recent survey had been on the list for more than 4 years without being offered a flat.

Lee Tat-fong, is one of those waiting. The 63-year-old is hoping she and her two grandchildren can get out of the cubicle apartment they share in their Wan Chai neighborhood, but she has no idea how long it will take.

Lee, who suffers from diabetes and back problems, takes care of Amy, 9, and Steven, 13, because their father has disappeared and their mother — her daughter — can't get a permit to come to Hong Kong from mainland China. An uncle occasionally helps.

The three live in a 50-square-foot room, one of seven created by subdividing an existing apartment. A bunk bed takes up half the space, a cabinet most of the rest, leaving barely enough room to stand up in. The room is jammed with their possessions: plastic bags filled with clothes, an electric fan, Amy's stuffed animals, cooking utensils.

"There's too little space here. We can barely breathe," said Lee, who shares the bottom bunk with her grandson.

They share the communal kitchen and two toilets with the other residents. Welfare pays their HK\$3,500 monthly rent and the three get another HK\$6,000 for living expenses but the money is never enough, especially with two growing children to feed. Lee said the two often wanted to have McDonalds because they were still hungry after dinner, which on a recent night was meager portions of rice, vegetables and meat.

The struggle to raise her two grandkids in such conditions was wearing her out.

"It's exhausting," she said. "Sometimes I get so pent up with anger, and I cry but no one sees because I hide away."

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