

## *Finalist Summaries:*

### **Team 44:**

Although Hong Kong's housing industry faces multitudinous problems, those problems essentially boil down to two categories: supply-side and demand-side.

Demand for housing does not know where to stop. Internally, family structure has changed dramatically with increasing core families, young and retired singles, divorcees, and widows, increasing the demand for studios unmatched by the near-transfixed supply, leading to the drastic consequence of crowding out low-income households to "cage-houses." Externally, Hong Kong has to tackle two challenges coming from the mainland. First, new immigrants occupy a significant proportion of the waiting list of public housing. Second, mainland investors also speculate in the housing market and manipulate the housing prices by hoarding apartments and flats.

On the supply side, Hong Kong struggles in increasing the housing supply: First, developers hoard empty land and flats to increase the flat price. Besides, due to directly auctioning land to the public, developers' production costs skyrocket, giving developers incentives to raise the land price. Other than first-hand apartments, rental houses also fall short of demand, caused by housing speculation and property owners' unwillingness to lease flats out. Finally, Hong Kong boasts a mountainous topography, which despite its beautiful scenery for hikers, does no avail for desperate Hongkongers searching for more land to build at least decently habitable dwellings.

We initially proposed nearly a dozen solutions in response, but only one stands out as absolutely crucial, working immediately, and pragmatically feasible: encouraging migration to the Greater Bay Area.

The government shall relocate part of the population to the Greater Bay Area in mainland China to reduce housing demand. This GBA scheme consists of two parts. For the elderly, the Hong Kong government can cooperate with the Guangdong province's local counties to provide subsidized elderly homes, medical vouchers, and transportation subsidies to reduce citizens' cost for visiting the Fragrant Harbour: their motherland.

For young couples accompanying their children, the Hong Kong government shall implement more facilitation measures related to education, such as providing school fee subsidies to second-generation Hongkonger immigrants to GBA and transportation subsidies.

This initiative will benefit participating citizens other than reducing housing costs since living in GBA costs way less than Hong Kong. According to WorldWide Cost of Living 2017 (NYC=100), living in Guangzhou costs 71 (Tier 1 City) while living in Hong Kong costs 114 (~1.6 times higher). With the same amount of allowance or retirement savings, elders can live a more abundant life there.

Hong Kong stands out globally in terms of its housing market bubble (1st in Asia [1]) due to lacking collaboration with surrounding cities within the metro area. Seoul houses 15 million residents in Gyeonggi and Incheon with readily available metro for commuting. Singapore's satellite state Johor offers affordable condos, golf courses, and trilingual international schools. A 6-million Selangor backs Kuala Lumpur with commuters on cheap gasoline and affordable Perodua and Proton automobiles. 80% of Paris workers live in tall condos in les banlieues. Likewise, Hong Kong should collaborate with local authorities within the Greater Bay Area to expand its metro area, save Hongkongers in housing despair---the youth and the elderly alike---and consequently build a synergy between global financial hub Hong Kong, Asia's Silicon Valley Shenzhen, the world's factory Guangzhou, and all the Tier-2 cities teeming with potential for decades of growth.