



## TAIWAN: How to manage modern public housing

More than 5,000 Social Housing Units in the City Center of Taipei  
**Source;** China Post, March 21 2011

**Moreover, the sites that have been selected for the social housing projects are all in the city centre. The city government is planning, designing and building about 1,600 units, while another 1,000 will be created in the course of urban renewal and the remaining more than 2,000 will be built under the MRT Joint Development program, which develops real estate along new rapid transit lines in cooperation with private sector developers.**

To improve building management the city government will adopt the Hong Kong model, which commissions professional property management companies with cleaning and security services. Mayor Hau has actually shown the greatest interest in a demerit point system that the Hong Kong Housing Authority introduced in 2003. The system lists 28 undesirable behaviors that are punished with demerits. Should residents in a public housing complex accumulate a total of 16 demerit points over a two-year period, their rental agreements are terminated. The most common breach of resident policies and house rules are littering and smoking on the premises.

The first “Rental Public Housing for Young People” to be completed under Hau's term is the Dalongdong public housing complex, which will be finished in September and see its first tenants move in in January next year. “If the first one is a success, then it will be much smoother sailing for the projects that follow,” posits one official in charge of policymaking.

But just how much can these projects help to alleviate the financial burden on young members of the middle class, given that real estate prices in the capital keep going up? Hau hesitates a moment before he states with his trademark sonorous voice that the Young People's Housing projects aim to help those who can't afford buying property in Taipei to work and live in the capital. But he concedes that the new housing policy won't solve the problem of sky-high property prices.

As next year's presidential election draws near, the ruling Kuomintang is touting its new housing policy as a means to bridge the widening wealth gap. Voters will watch closely whether these bold promises stand the test of reality.

The crucial issue determining success or failure is clearly not building social housing projects, but managing them. “No one trusts the government, because not a single for-rent public housing project has been managed well,” Jeffrey Huang, an assistant manager at Evertrust Rehouse Group, states flatly.

In fact, rental public housing has been around for a while in Taiwan. In Taipei and the southern port city of Kaohsiung there are a total of 6,397 rental public housing units, amounting to a meager 0.08 percent of housing islandwide. Since rents are cheap, as many as 6,493 families are in the waiting line for public housing in Taipei alone.

The 12-story Huaisheng Public Housing building towers over the expressway overpasses on Civil Boulevard and Jianguo Road, both roads with heavy traffic. On the building's pink facade, mottled characters read “Huaisheng Rental Public Housing.”

Despite its noisy surroundings, the building ranks among the most sought-after addresses in the public housing portfolio of the Taipei City Government's Department of Urban Development, due to its convenient location in the heart of the capital. It takes just a ten-minute walk to MRT Zhongxiao Xinsheng Station, where the Nangang and Xinzhuang rapid transit lines meet.

Apartments here come in two sizes — 12 ping and 34 ping. Despite the proximity to Taipei's Daan District where property fetches top prices, monthly rents stand at NT\$5,900 and NT\$15,300, respectively — about half of the market rate. One tenant, a taxi driver surnamed Lin, says he has moved here from the suburb of Xizhi and is happy to have finally made it into the building after spending “a long, long time” on the waiting list. The tenant who moved in before Lin had waited four years and 11 months.

Yet the management of public housing complexes has always been a weak point of the Taipei City Government. While transportation is convenient and the living environment is good, one tenant, sur-named Chang, who is in the cram school business, feels that management at the Huaisheng Public Housing complex is too lax and that there is not enough cleaning personnel. The complex's only manager has to not only mediate tenant disputes, but also do property repairs and maintenance. On top of that, repairs have to be done in line with the Government Procurement Act, which means a lot of red tape. For all kinds of reasons, tenants manage to extend their contracts again and again beyond the legally allowed maximum rental period of six years.

### **Isn't Anyone Willing to Live Near Public Housing?**

“The longest residing tenant in this complex at the moment moved in in 1999,” an insider reveals privately. That was when Huaisheng Public Housing first opened. Since tenant turnover is low, waiting lines are long and still getting longer.

Just around the corner from Huaisheng on Jianguo South Road is a small eatery run by a man sur-named Hong. He frankly states that rental public housing complicates the living environment. “People who have not lived near rental public housing don't understand how it feels,” he says, insisting that the tenants in rented public housing are different from public housing owners.

Lu, from the Social Housing Promotion Alliance, notes that a good mix of tenants from different backgrounds is needed to polish up the image of public housing projects, which are widely seen as welfare accommodations for low-income earners. Such stigmatization and the resulting social exclusion as well as management problems could be prevented if young singles and young couples along with a certain percentage of socially disadvantaged people moved into the planned social housing projects, Lu suggests.

Secondly, resources and facilities inside public housing projects should be opened up to neighboring communities so that area residents feel they benefit from their presence. He further suggests that the government encourage non-profit organizations to found “social housing foundations” that manage social housing complexes.

A while ago, Mayor Hau led a delegation of officials to Hong Kong and Singapore to study their experiences with public housing, in particular construction and management models. Interior Minister Chiang Yi-hua flew to Tokyo to study its Toei Jutaku public housing system, which is operated according to a concept similar to Taiwan's social housing.

The Taipei City Government has already coined a new name for the planned projects, calling them “Young People Housing” in a bid to create a fresh image and make a new start. Instead of targeting the socially disadvantaged and low-income earners, the new projects cater to younger people between 20 and 40. A certain number of apartments will be allocated to newlyweds to encourage them to have children and enable them to settle down without having to worry too much about rent payments. “We will also reserve some apartments for socially disadvantaged people, but that ratio won't be high,” explains Pian Tzu-shu, deputy commissioner of the Department of Urban Development of the Taipei City Government, cautious to avoid touching raw nerves.

But the city government will still set an income ceiling for social housing applicants. At the moment the idea is to target medium-income earners to take care of the middle class. Therefore, rents will be set at around 80 percent of market rents in the respective area. “Only by 'using prices to control quality' can we make a distinction from the rental public housing we have now,” explains one official. Moreover, the sites that have been selected for the social housing projects are all in the city center. The city government is planning, designing and building about 1,600 units, while another 1,000 will be created in the course of urban renewal and the remaining more than 2,000 will be built under the MRT Joint Development program, which develops real estate along new rapid transit lines in cooperation with private sector developers.

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