

## Worrying haste in housing policy

By Chang Chin-oh 張金鵬 /

Thu, Nov 25, 2010 - Page 8

Social housing policy in Taiwan is being pushed forward in a big rush. The government's intention to promote social housing was announced at a press conference by the Ministry of the Interior on Oct. 31. The ministry said that, while gradually moving ahead with social housing, it planned to conduct a survey to find out how much demand there is for this kind of housing, what kinds of people need it and what quality of housing they need.

This suggests that a month ago the government did not have a clear idea about what the potential beneficiaries of social housing think or what they need. At about the same time, the Taipei City Government let it be known that it planned to build a social housing project just over the road from a luxury housing complex called "The Palace." This planned development, which quickly became known as "The Little Palace," immediately sparked controversy, with people across the board opposing the plan.

People in many fields then started to talk about what "social housing" is really meant to be and who should get to live in it, as well as how it should be integrated with existing housing resources. However, a couple of weeks later, even as these discussions were going on, the ministry hurriedly announced a list of sites for building social housing.

The ministry said it had allocated five locations for the first phase of construction and that building would begin before the end of next year. Once completed, these projects would provide 1,661 social housing units for rent, with priority being given to socially and economically disadvantaged groups. What kind of urgent pressure prompted the government to rush these plans?

Social housing requires an enormous input of state resources. The government needs to communicate with the public and plan its policy in greater detail. By "greater detail," I mean that it is not right to offer up five tracts of state-owned land to build social housing after merely choosing the locations and designating them for social housing without clearly identifying their future users.

On the demand side, the government has not made it clear what groups would be able to apply to live in these houses. There are other questions: Will 1,661 units be enough, or will more be needed? What kinds of living requirements will the people who move into these housing units have? Should such requirements not be given special consideration when the buildings are being designed?

On the supply side, the government has not explained why it is necessary to provide social housing by building new units. Even if we accept that it is necessary to build new units, we still need to know how social housing will be managed once it is built. If management is outsourced to private companies through a build-operate-transfer (BOT) process, could this have drawbacks? It looks as though the government is going to abandon existing housing resources under the authority of various departments, while making state-owned land in prime locations available for social housing.

Is this really the only option? Shouldn't we be asking how various government departments' existing housing resources are being used? For example, what differences are there, if any, between what the

Cabinet calls affordable housing and what the Ministry of Finance calls public housing? And how do these definitions diverge from what the Taipei City Government means when it refers to public housing, state-owned housing, as well as low-priced housing and social housing? How are these other kinds of housing to be integrated with social housing and used alongside it in the future? Does the government fully understand the difficulties that state-owned housing policy encountered in the past, and is it doing anything to prevent the same thing from happening when it builds social housing?

If the government is not clear about why the state-owned housing policy failed last time, then the social housing now being proposed is likely to meet the same fate.

Social housing policy is still full of uncertainties and unanswered questions. Nevertheless, in the run-up to Saturday's elections in Taiwan's five biggest cities, the government has hastily offered five pieces of state-owned land and decided with uncharacteristic speed and efficiency to build social housing units that will be rented out to those who need them, whoever those people may be. In addition, the government is demanding quick results. We must remind the government that social housing requires more detailed policy planning than this. The government's hasty response to electoral pressure gives rise to worries that those disadvantaged groups who really need social housing will actually not get the type of welfare they need.

Even more importantly, the government should not make the mistake of thinking that social housing can solve the problem of high housing prices. Perhaps the logic government officials are following is that today's housing problems are caused by excessively high house prices, so a housing policy should be designed to keep prices down, and the way to do this is to increase the supply by building plenty of social housing units. The problem with this logic is that it overlooks the fact that demand is the key factor. Social housing's contribution to increasing housing supply is so slight that it can hardly influence the real estate market. So it should be understood that a housing policy does not equal social housing policy, and a social housing policy does not equal a policy of building social housing anew.

*Chang Chin-oh is a professor in the Department of Land Economics National Chengchi University.*

TRANSLATED BY JULIAN CLEGG

**Published on Taipei Times :**

<http://www.taipeitimes.com/News/editorials/archives/2010/11/25/2003489358>

Copyright © 1999-2010 [The Taipei Times](#). All rights reserved.