Enlightenment of Hong Kong's Real Estate Regulation to the Mainland

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Abstract. At present, the domestic housing price is rising, and the housing problem is gradually exposed, especially for the middle and low income groups, which is difficult to solve the housing problem. It has affected the process of urbanization and has become a problem that the domestic government has to solve. This paper needs to study how to solve the existing contradictions under the current domestic housing system and can put forward plans for the future development of the housing market. Since the 1950s, in order to achieve the goal of "home ownership", Hong Kong has explored and gradually formed a public housing policy system of "leasing first and selling only second". Many problems have also been exposed in the process of achieving results. This paper sorts out the three stages and regulation policies of the Hong Kong government on the property market, analyzes the gains and losses of the Hong Kong government on the housing market in recent years, summarizes the success and shortcomings of the Hong Kong public housing policy, and provides inspiration and reference for the formulation of public housing policies in mainland cities.

Keywords: Public Housing, Property market, Policy.

1. Introduction

As the most basic means of living, the property is indispensable in everyone's daily life, so the house is crucial to everyone. In addition, due to the historical and social and cultural reasons, the house is a symbol of home and dependence in the hearts of every Chinese people, so the Chinese people have an obsession with the house. The explosive growth of China's real estate in the past decade has brought many problems to be solved. At present, the housing pressure is great and the real estate industry is depressed, and more and more young people can not afford to buy houses and choose to rent outside urban areas or urban villages. These places have a poor living environment and the low safety factor seriously affect the quality of life. At present, the implementation of housing security in major cities in China has always not been perfect, and the government needs feasible policies to solve these problems. As a special economic zone in China, Hong Kong has evolved a complete system to solve the housing problem, but there are still many problems in the process of development. This paper studies the origin, evolution and the final outcome of the housing development in Hong Kong. At present, the research on the development process of public rental housing system in Hong Kong has been relatively perfect, but it is only limited to the study of Hong Kong. Most of the studies have not put forward a good research plan on how Hong Kong policies are implemented in China, but are only limited to the analysis of Hong Kong's regulatory policies. This paper will summarize the gains and losses of Hong Kong's development and provide inspiration and experience for the mainland's policy development.

2. Development of Hong Kong's Real Estate Regulation

2.1. Re-settlement Building Stage (1950s-1970s)

This stage is caused by historical reasons and political reasons, due to the influence of the end of the second world war, a large number of inland people into Hong Kong to seek vitality in Hong Kong, coupled with the postwar Hong Kong population increased from 60 0000, to 1949 in 1949, to 1959, the Hong Kong housing pressure increasing. However, since the government at that time did not

intend to manage this area, people in Hong Kong chose to choose to live in places with poor living conditions and poor geographical location. It was not until the fire on Christmas Eve in 1953 that broke out in Sham Shui Po, and tens of thousands of people were homeless [1]. The Hong Kong government ordered the construction of a buildings to house the people in order to maintain social order. During this period, the "housing ownership" plan was proposed, which was essentially constantly building unit housing to meet the needs of Hong Kong citizens and met the housing needs of 2.225 million ordinary citizens [2]. As Hong Kong's population grows, so does the city's housing market.

2.2. Long-term Housing Phase

In order to meet the needs of Hong Kong's economic development, more and more foreigners and international institutions and enterprises have come to Hong Kong. At this time, Hong Kong wanted to rectify the current housing market phenomenon in Hong Kong, building a large number of buildings and proposing a "ten-year building plan" in order to attract more private capital into the real estate industry. During this period, the Hong Kong government built 220,000 public housing units and sold them all cheaply or rented them at a low price, benefiting millions of Hong Kong residents [3]. In 1973, Hong Kong specially enacted the Housing Ordinance, which reorganized the various agencies in charge of public housing and established the Housing Commission [4]. At this stage, in addition to the construction of the public house for rental, the Hong Kong government issued the purchase preferential policy to encourage public housing tenants to buy housing and the government withdrew from the committee, so that more social capital into the organizing committee to facilitate social capital to enter the real estate market [5]. During this period, a large number of tenants bought houses and became owners, and the housing committee recovered the public rental housing arranged for new tenants to let the public housing market into a virtuous circle [6].

2.3. The Hong Kong Government Intervention Phase

In the 1990s, with international speculators and local Hong Kong residents raising the housing price in Hong Kong, the housing price in Hong Kong continued to climb to four times that of the previous housing price, far higher than the purchasing power of the local people. After the bursting of the Hong Kong property bubble in 1997, housing prices in Hong Kong began to fall. In order to save Hong Kong real estate, the government had to interrupt the public housing system and formed a deformed model. —— Only in the case of high housing prices can the price range of commercial housing and public housing be guaranteed, which provides the policy space for the government to manipulate. However, with the increasingly expensive housing prices, most people in Hong Kong cannot afford the high housing prices, so they choose to queue up to enter the housing security system. So far, property transactions in Hong Kong have remained at a high level of activity, and Hong Kong's housing prices have been growing and entered the ranks of world-class cities.

The Hong Kong government has taken a variety of measures to regulate housing prices in Hong Kong. The government continues to increase the transparency of real estate disclosure, and ensure the pre-sale, sale and release of real estate, so as to reduce the information gap between developers and the people of Hong Kong and prevent the price gouging. The Hong Kong government has also been improving the land transaction system in Hong Kong by solving the problem. A number of legal systems have been promulgated to regulate the land transactions in Hong Kong, and the Hong Kong government has passed these regulations to make the land conditional, limited and paid for its use. Preventing the monopoly of land, the right to use land must come from the free trade market. This allows the government to obtain an invisible gate to control the market, to increase the right to sell the housing land when the housing prices are too high to regulate the housing prices, and also ensures that the government has a reliable source of income. The Hong Kong government's housing price control has generally experienced from "forced intervention" to "active intervention", to "negative intervention", and then to "moderate intervention" process [7].

In order to ensure that the low-income groups can also have houses to live in, the Hong Kong government is constantly improving the public housing system. The Hong Kong government has funded the construction of public housing buildings for rental and sale, mainly using the methods of cost sale, low down payment and zero interest to protect the low-income groups in Hong Kong. It has solved the housing problem of many middle and low income people, saved land resources for Hong Kong, maintained social stability and improved the competitiveness of the city. With the continuous efforts of the Hong Kong government, the proportion of public rental housing in Hong Kong has been increasing.

Building mortgage and purchase loan is also one of the measures of the Hong Kong government to regulate the property market in Hong Kong. Mortgage in Hong Kong is flexible and diverse, Hong Kong local residents buy the first house minimum down payment of 40%, purchase funding to sell the house or apply for mortgage insurance, the down payment can be as low as 5%; real estate developers and finance companies mortgage down payment less than 20%, and support down payment mortgage [8].

3. Policy Implications

Hong Kong's public housing program has achieved remarkable results over the past few decades, allowing the settlements of 1.8 million people. But the form of public rental housing in Hong Kong has not completely solved the housing problem in Hong Kong. Many public housing due to low rent housing surrounding environment condition is very poor, in the actual construction of public housing, the house space is very narrow, supporting public facilities are not complete lead to attract investors and high income groups of low appeal, no investors are willing to invest in construction, formed a vicious closed loop, produced the Hong Kong class regional and poverty [9].

By observing the housing policy of Hong Kong on migrant population, domestic cities such as Beijing, Shanghai, Guangzhou and Shenzhen can adopt the solution to this situation. At present, China provides normal housing security to local registered residents in Beijing, Shanghai, Guangzhou and Shenzhen, but only for a few non-registered people. At present, there are no urban villages among the above big cities in China. For non-registered residents living here, the living environment is poor and the living quality is low. At present, the government wants to study how to solve the housing qualification problem of the migrant population and establish a positive and complete housing security policy for the floating population. In short, the housing rights of urban vulnerable groups such as migrant people and middle- and low-income people should be guaranteed.

Government should improve the standardized land management system, strictly take control of the two means of credit regulation and land regulation and control, strictly control the supply of land into the market, grasp the conversion of agricultural land to commercial land, and do a good job in the economic benefits of land.

Local finance should transform the dependence on land policies to avoid land fiscal revenue accounting for the largest part of local fiscal revenue. Because land resources are limited and unlimited land development and sale, local governments should try to explore other ways to obtain fiscal revenue.

Real estate tax can be gradually implemented in the mainland, which can limit the phenomenon of domestic property speculation to some extent and can also be used as a source to supplement local finance. In the case of a complete supporting system, the real estate tax will enhance social welfare, so the real estate tax should be levied [10].

The threshold of urban welfare provision can be appropriately lowered to provide equal development opportunities for migrants and non-local residents. Constantly optimize the supply structure of land and housing and coordinate the total supply of different areas. Reasonable supervision of the application process of all kinds of policy housing, to ensure that residents can normally apply in accordance with the policy, to ensure the housing needs of all residents.

4. Conclusion

At present, the development of the mainland housing market is also the problems of the Hong Kong property market development, Hong Kong through the development of sixty years has made significant achievements in this respect and rich experience for the future development of the mainland has a good reference significance, Hong Kong is currently in the security of migrant housing problems and housing stability has achieved obvious success. However, after so many years of development, Hong Kong has not realized the original ownership. The reasons behind this needs to be considered deeply. Under different social systems, the imitation and implementation of Hong Kong's regulatory policies need to be adjusted in line with China's national conditions.The domestic real estate market is developing slowly. In order to solve the dilemma of market development, blindly relying on welfare policies to attract people to buy houses can not solve the urgent need. The government can learn from the advantages of Hong Kong's public rental housing system, and first solve the housing problem of Chinese and foreign migrant workers in big cities such as Beijing, Shanghai, Guangzhou and Shenzhen. At present, in the domestic big cities, the housing is not guaranteed, quite a large part of the masses live in urban villages and remote areas, the government can use the existing property converted into public housing for the masses, guarantee the housing power of low-income population, establish a positive complete foreign housing security policy of the floating population.

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