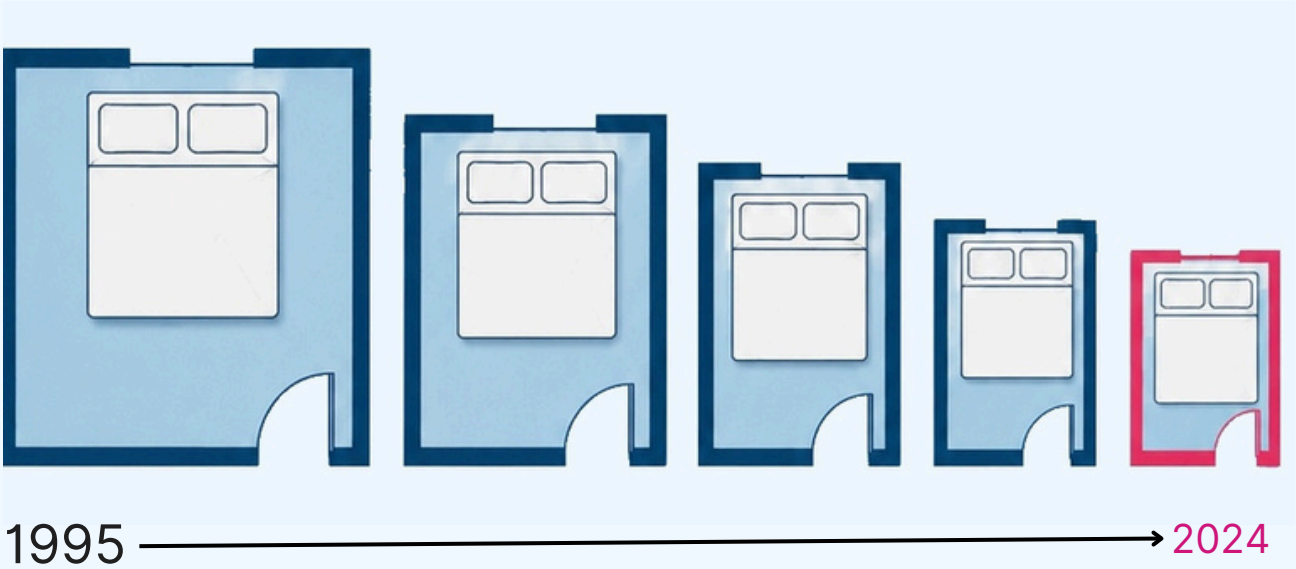
Smaller and Smaller:

Trends in the size of New Housing Units in Hong Kong, 1995-2024



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Abstract

Hong Kong has made measurable progress on housing supply in recent years: completions have recovered from their post-2000 trough, public-housing output has risen, and the public-rental waiting time has fallen from a peak of 6.1 years to 4.7. That progress, however, is counted in units completed, but not the unit size. In fact, the units have shrunk. The average new home fell from 50.4 m^2 in 1995 to 37.2 m^2 in 2024, the smallest in three decades of records. Counting units alone therefore overstates the gains, a pattern we term the "quantity illusion."

We track completions by size band across public rental, subsidised sale (HOS), and private housing from 1995 to 2024. Average unit size has fallen by a quarter to a half in all three categories. Nearly half (46%) of the units completed in 2024 were under 40 m^2, up from 4% in 2000. The divergence is most pronounced for HOS: 2024 completions were 60% of the 2000 total by unit count, but only about 30% by floor area. Family-sized homes (70 m^2 or above) are declining in absolute numbers: private completions of such units fell 58%, from 33,642 in 2000–2004 to 14,187 in 2020–2024.

Smaller households partly offset this: estimated floor space per person was about 14 m^2 in both 1995 and 2024. But unit counts remain an inadequate measure of supply, and household size is itself partly endogenous to housing conditions. Nor is urban density the cause: new Hong Kong homes average about 37 m^2, roughly half the size of new homes in Tokyo (66 m^2) or the United Kingdom (79 m^2), while new Hong Kong public flats (about 27 m^2) are roughly a third the size of new Singapore public flats (about 80 m^2).

These findings have direct implications for how housing supply is measured and targeted. Our study suggests that supply should be assessed by floor area as well as unit count; subsidised sale (HOS) flats should be built larger, through both a higher minimum and a higher average; and the subsidised housing mix should shift further toward larger ownership unit.

1. Introduction

Hong Kong has been ranked the world's least affordable housing market for fifteen consecutive years.[1] The median home price exceeds sixteen times the median household income. Over 200,000 residents live in subdivided flats, and the average waiting time for public rental housing exceeds five years. As Wong, Huang, and Ngau (2026) document, affordability has deteriorated sharply since 2002, younger generations face worse housing outcomes than their parents, and the suspension of the Home Ownership Scheme (HOS) for fourteen years removed subsidised homeownership precisely when it was most needed.[2]

The prevailing policy response to this crisis is to build more units. The government's Long-Term Housing Strategy (LTHS) sets a rolling ten-year supply target—currently 420,000 units—and reports progress in terms of units completed. In recent years, completions have recovered from their mid-2010s trough, and official reports have characterised this as meaningful progress. Public rental housing supply has risen and the average waiting time has fallen from a peak of 6.1 years to 4.7 years. These gains provide an important foundation for the next phase of housing policy.

As supply gradually recovers, the discussion of Hong Kong's housing policy can also enter a next stage: from a sole focus on "how many to build" to also "what is built." Quantity matters, but the floor area, unit configuration, and family-suitability of new units—together with the total new living space—are equally central to the real effectiveness of housing policy. In other words, housing supply is not only a question of quantity but also one of structure. If the number of new units rises while average size falls and the share of family-sized units contracts, the real gains represented by the recovery in supply need to be assessed more carefully.

Using completion data by size band for public rental housing, HOS, and private housing over 1995 to 2024, we estimate the total floor area and average unit size completed in each year, and compare two ways of measuring supply: "unit counts" and "actual living space." The results show a downward trend in average unit size across all three main housing categories. This means that, in assessing whether supply is adequate, unit counts—though important—need to be read together with indicators such as total new floor area, average unit size, and the share of family-sized units.

This creates what we term a "quantity illusion." When the government reports that HOS production has recovered to 14,126 units in 2024—60% of the 23,542 units completed in 2000—the apparent implication is that the programme is delivering roughly 60% as much housing. But because average unit size has nearly halved, the total living space delivered in 2024 was about 30% of the 2000 level. Read on their own, unit counts can overstate the housing services actually delivered.

This paper makes three main contributions. First, it compiles and compares the completion counts and size changes of public rental housing, HOS, and private housing over 1995 to 2024, supplementing existing supply analysis that focuses on unit counts. Second, it quantifies the difference between unit counts and total new living space, and argues for adding floor-area and unit-structure indicators to supply assessment. Third, it analyses changes in the supply of family-sized units and discusses their implications for family formation, population planning, and the design of future housing-supply targets.

2. Data and Method

The analysis draws on three decades of housing completion data (1995–2024). Public rental housing and HOS data are sourced from the Hong Kong Annual Digest of Statistics; private domestic data are from the Rating and Valuation Department.[3]

To estimate total floor area, we apply a midpoint estimation method: for each size band reported in the completion data, the midpoint of the band's upper and lower limits is multiplied by the number of units in that band, and the products are summed. This provides annual estimates of total floor area and average unit size for each housing category. The method is straightforward and deliberately conservative—it relies only on published size-band data and makes no distributional assumptions within each band. [4]

3. Thirty Years of Housing Completions

Figure 1 presents total housing completions by category from 1995 to 2024. The trajectory is one of sharp decline from a historic peak followed by a gradual, incomplete recovery. Annual completions reached 96,088 units in 2000 before declining to a low of 20,635 in 2011. Although completions have since recovered to 47,347 in 2024, this remains well below the 2000 peak. Over the thirty-year period, approximately 1.17 million units were completed: public rental housing accounted for 41%, private domestic for 47%, and HOS for 12%. Notably, the HOS programme recorded zero completions in eight of the fourteen years between 2002 and 2015.

Figure 2 presents the estimated total floor area of housing completions over the same period. The contrast with Figure 1 is striking. While unit counts have partially recovered, total floor area has not. Mean annual floor area was approximately 2,835,000 m² during 1995–2004 before declining sharply to approximately 1,209,000 m² during 2005–2016—a fall of 57%. Although it recovered to approximately 1,380,000 m² during 2017–2024, this remains less than half the level of the earlier period.

The divergence is most visible at the endpoints. In 2024, completions reached 47,347 units—approaching the 1995 figure of 52,048. But the total floor area delivered in 2024 was approximately 1,763,000 m², equivalent to only 67% of the 2,622,000 m² recorded in 1995 and just 39% of the 2000 peak of 4,577,000 m². The unit count has nearly recovered; the living space has not.

Figure 1: Total housing completions by category, 1995–2024

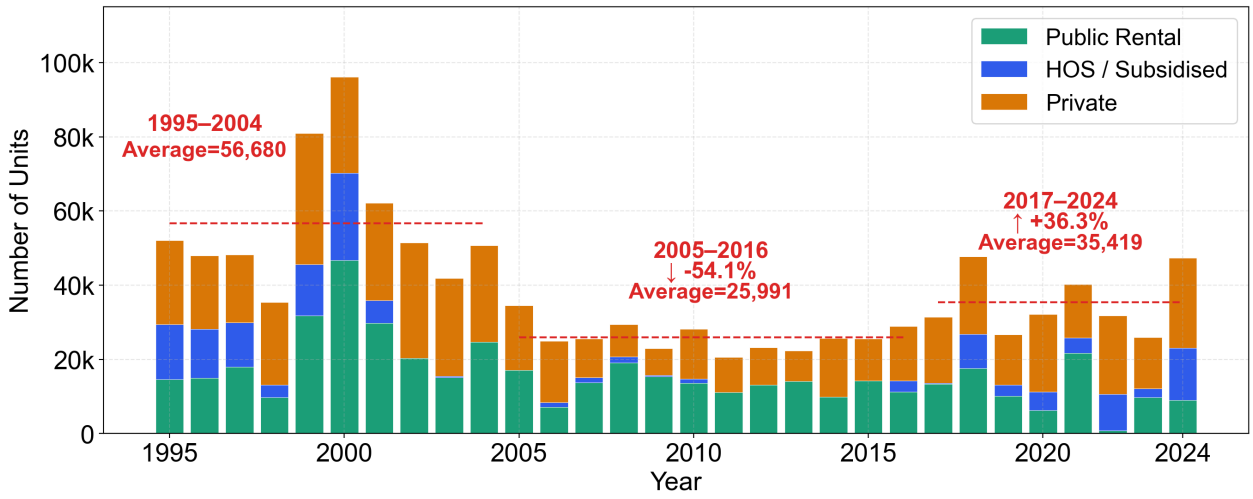
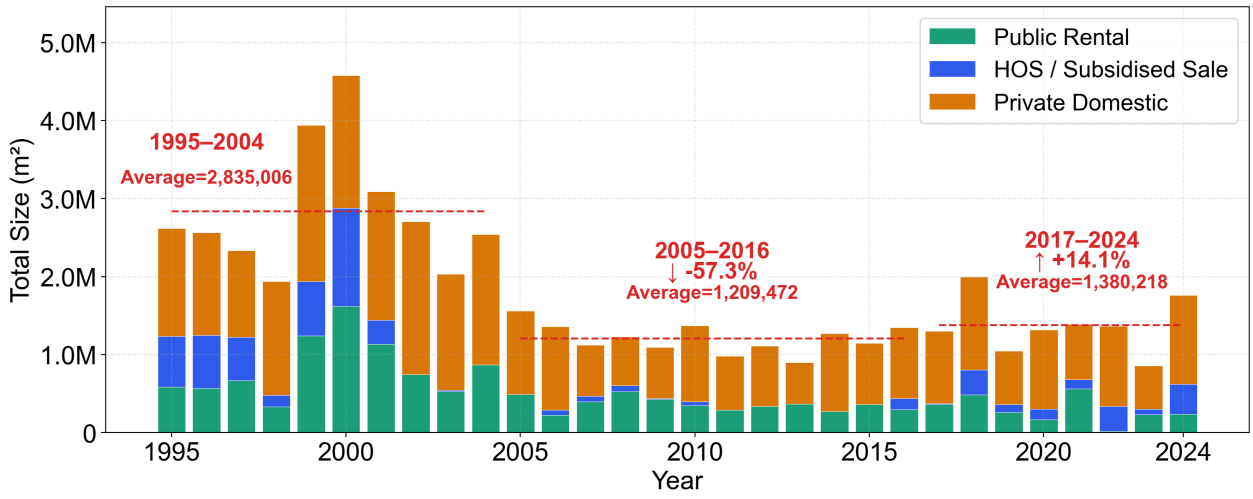


Figure 2: Estimated total floor area of housing completions by category, 1995–2024



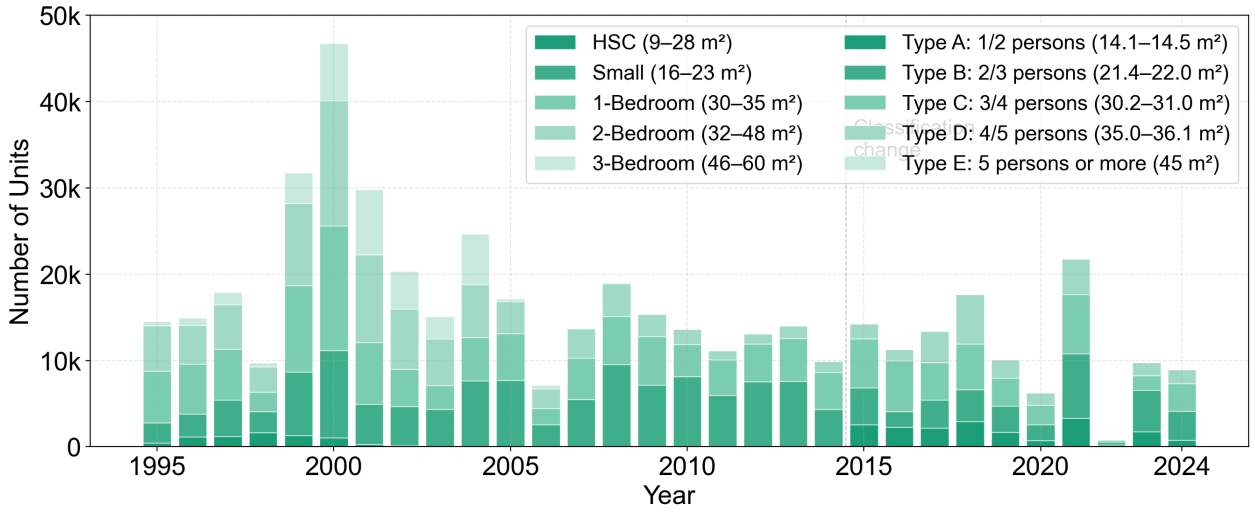
4. Public Rental Housing: From Family Flats to Micro Units

Public rental housing completions have shifted decisively from larger family-sized flats toward smaller units. Figure 3 shows the composition of completions by flat type. In 1995, two-bedroom and three-bedroom flats together accounted for 40% of completions (5,767 out of 14,559), while "small" flats constituted only 16%. By 2010, the combined share of two-and-three-bedroom flats had fallen to 13%, and three-bedroom flats disappeared entirely from new production after 2009.

From 2015, the Housing Authority switched to a household-size classification (Type A through E), making direct comparison with earlier periods difficult. However, the largest common new type—Type D, for four to five persons—provides only 35–36 m², which is smaller than the midpoint of the old two-bedroom category. Types A and B, for one to three persons, dominate new production, accounting for 36% to 67% of annual completions between 2015 and 2024.

The result is a sharp decline in average unit size: from 40.2 m² in 1995 to 26.7 m² in 2024, a reduction of one-third. Building 10,000 public rental units in 2024 provides roughly the same total living space as building 6,600 units in 1995.

Figure 3: Public Rental Housing Completions by Flat Type, 1995–2024



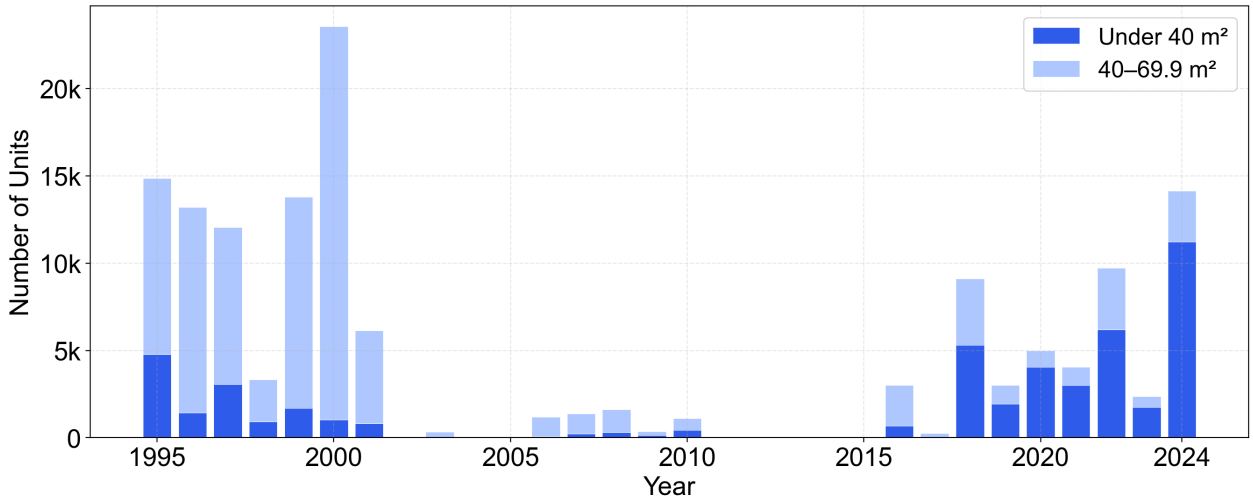
5. HOS / Subsidised Sale Flats: A Fundamental Shift

The Home Ownership Scheme tells the starkest story of transformation. The programme was effectively suspended for fourteen years: completions were zero in 2002, 2004, 2005, and continuously from 2011 through 2015. When the programme restarted, the character of its output had fundamentally changed.

Before the suspension, HOS units were predominantly family-sized. In 2000, only 4.3% of completions (1,020 out of 23,542) were under 40 m²; the vast majority were family flats of 40–69.9 m². After the restart, the share of units under 40 m² surged: 22.7% in 2016, 58.1% in 2018, 81.3% in 2020, and 79.5% in 2024 (11,234 out of 14,126). The estimated average unit size fell from 53.5 m² in 2000 to approximately 27 m² in 2024—a reduction of roughly one-half.

The consequences for total living space are dramatic. In 2000, 23,542 HOS units delivered an estimated 1,259,000 m² of living space. In 2024, 14,126 units—60% of the 2000 figure in unit terms—delivered only approximately 384,000 m². That is just 30% of the 2000 level. The government can report that HOS production has "recovered," but in terms of actual habitable space, it has not come close. The programme has shifted from enabling families to own homes to providing a limited entry point to homeownership.

Figure 4: HOS / Subsidised Sale Completions by Size, 1995–2024



6. Private Domestic Housing: The Rise of Nano Flats

Private housing has undergone a structural transformation. During 1995–1999, units under 40 m^2 accounted for only 14% of completions, the 40–70 m^2 mid-range units dominated at 62%, and units of 70 m^2 or above contributed 24%. By 2020–2024, units under 40 m^2 had surged to 45%, the mid-range shrank to 40%, and units of 70 m^2 or above collapsed to 15%.

This process gave rise to the "nano flat" phenomenon—a term that emerged around 2015 to describe private units with a saleable area under approximately 200 square feet (18.6 m^2), smaller than a standard car parking space. Notable examples include developments in Kennedy Town and Tuen Mun with units of just 128 square feet.[5]

Figure 5 shows the compositional shift, and Figure 6 isolates the diverging trends: the share of completions under 40 m^2 (rising from 18% in 1995 to 45% in 2024) and 70 m^2 or above (falling from 26% to 11%). The two lines trace a scissors pattern, crossing around 2005. In absolute terms, 33,642 units of 70 m^2 or above were completed during 2000–2004, falling to just 14,187 during 2020–2024—a decline of 58%. Large private homes have shifted from a mainstream product to a marginal share of new supply.

Figure 5: Private Domestic Completions by Size, 1995–2024

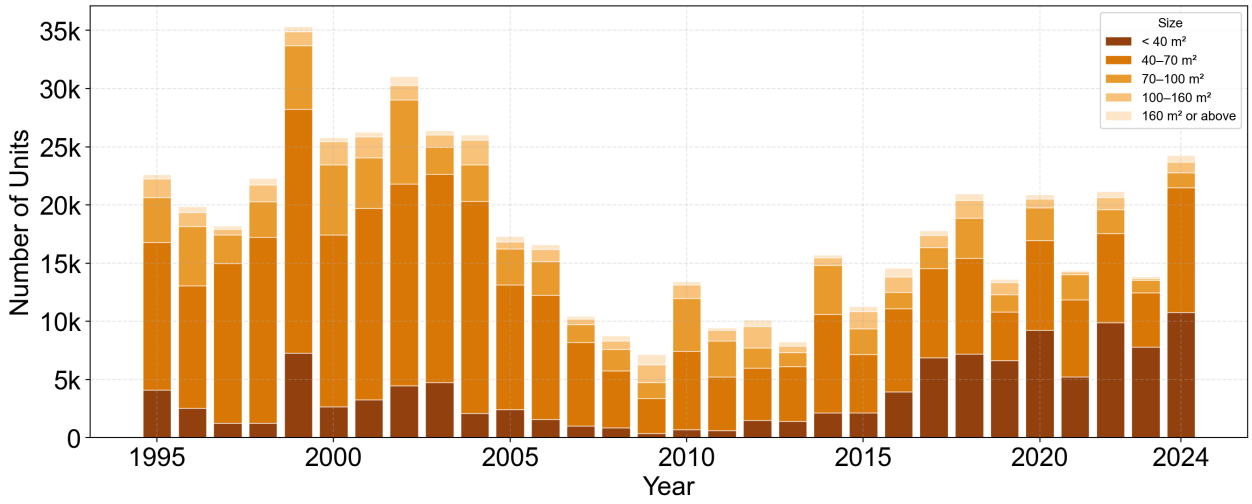
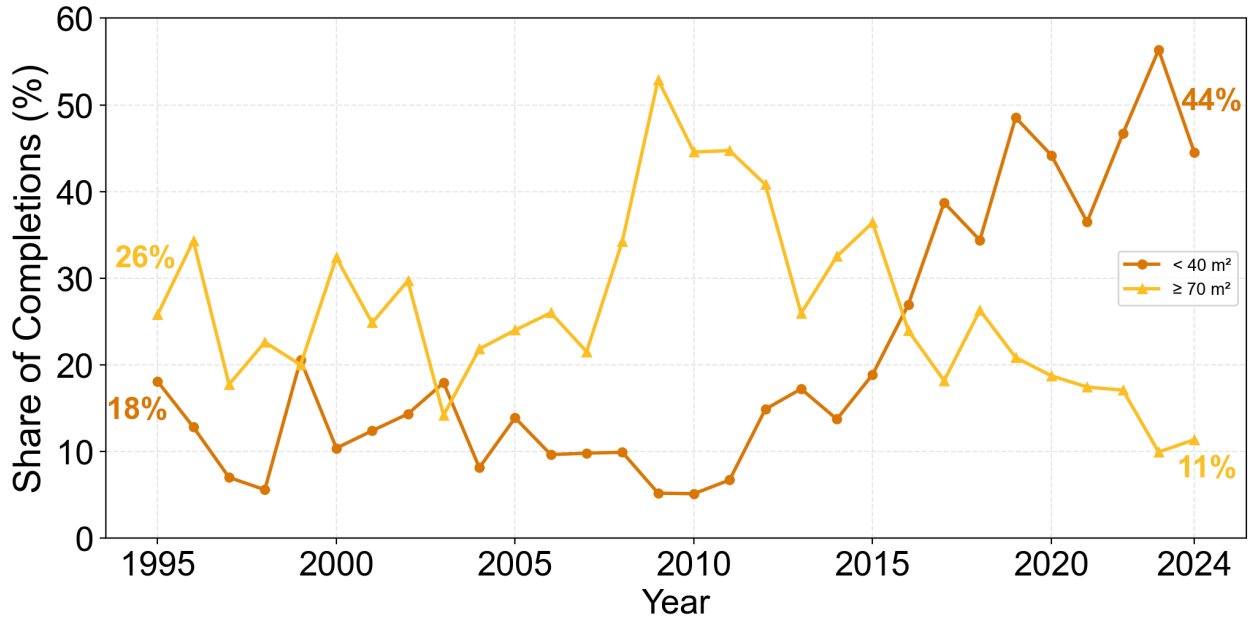


Figure 6: Share of Private Completions Under 40 m^2 and 70 m^2+, 1995–2024



7. The Quantity Illusion: More Units, Less Living Space

Because units are shrinking across all housing types, raw unit counts systematically overstate the actual housing services being delivered. This is the quantity illusion.

The most striking illustration comes from the HOS programme. In 2000, 23,542 units delivered approximately 1,259,000 m² of total living space. In 2024, 14,126 units—60% of the 2000 count—delivered only 384,000 m²—just 30% of the 2000 level. The unit count suggests that the programme is operating at 60% capacity. The floor area indicates a markedly different pattern: it is operating at approximately 30%.

The same pattern applies to public rental housing. The average floor area per unit fell from 40.2 m² in 1995 to 26.7 m² in 2024—a 34% reduction. Building 10,000 units in 2024 provides the same total living space as building roughly 6,600 units in 1995. For private housing, even as unit completions recovered from the 2005–2014 trough to 2020–2024, total floor area has not recovered proportionally because each unit is smaller.

Figure 7 consolidates the average unit size trends across all three categories, showing convergence on progressively smaller unit sizes. Public rental and HOS units now both average approximately 27 m². The three categories, which in 1995 ranged from 40 m² (public rental) to 61 m² (private), are converging at levels that would have been considered inadequate a generation ago.

The aggregate picture underscores the scale of the transformation. Figure 8 shows the overall average unit size of all completions combined, which declined from 50.4 m² in 1995 to 37.2 m² in 2024—a 26% reduction. Five-year averages fell steadily: 50.7 m² (1995–1999), 49.5 m² (2000–2004), 46.4 m² (2005–2009), 47.0 m² (2010–2014), 42.7 m² (2015–2019), and 37.8 m² (2020–2024). In 2024, nearly half (46.5%) of all housing completions across all types were under 40 m². In 2000, this figure was just 3.9%. This pattern is systemic rather than category-specific.

Figure 7: Estimated Average Unit Size by Category, 1995–2024

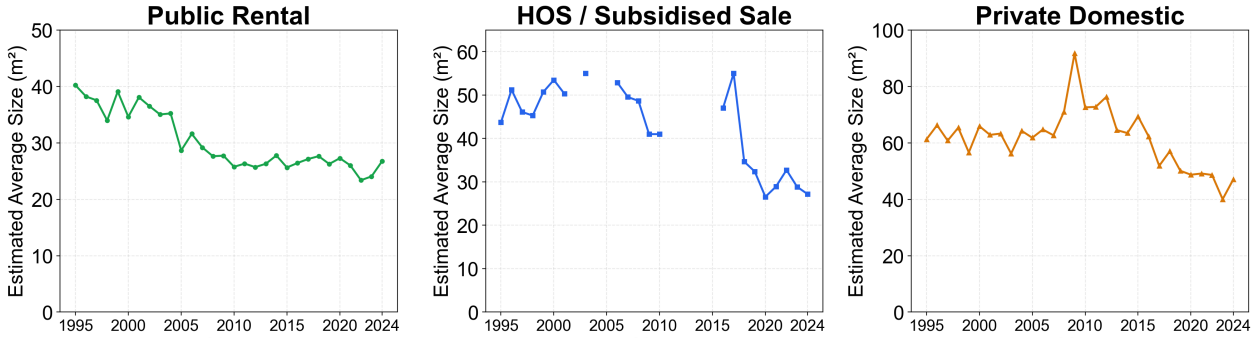
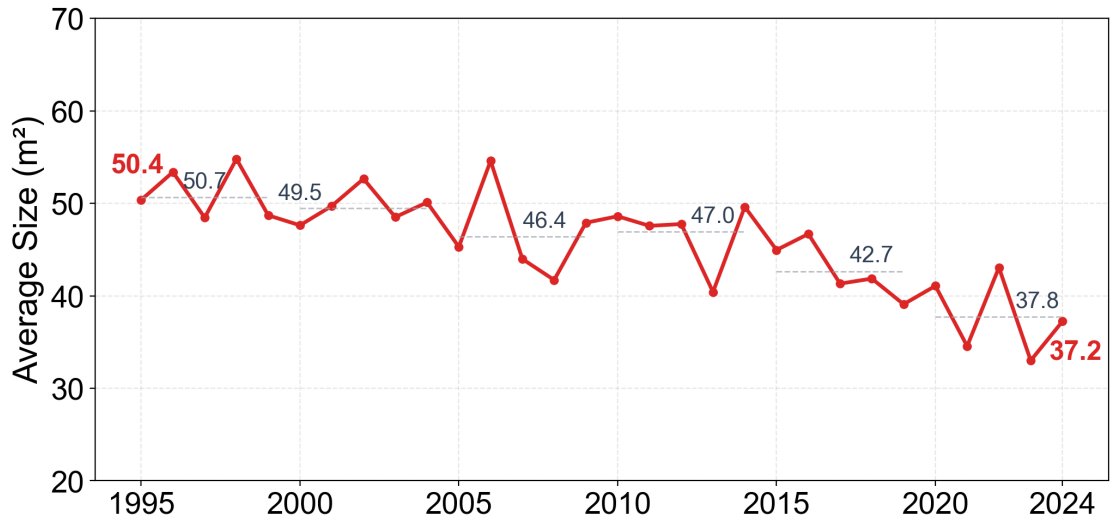


Figure 8: Overall Average Unit Size of All Completions, 1995–2024



8. Household Size and Per-Capita Space

A related measurement issue is the decline in average household size. Smaller households can partly offset the effect of smaller unit sizes on average space per person. Hong Kong's average household size fell from around 3.6 persons in 1995 to approximately 2.6 persons in 2024. Applying these figures to the average size of completed units — 50.4 m^2 in 1995 and 37.2 m^2 in 2024 — implies roughly 14.0 m^2 per person in 1995 and 14.3 m^2 per person in 2024. On this simple calculation, average per-capita space in newly completed units has not clearly deteriorated.

This measurement is important. However, it does not remove the measurement problem. Three issues remain.

First, declining household size is not an exogenous reduction in housing need. Hong Kong's total fertility rate has fallen from 1.30 in 1995 to 0.84 in 2024, while housing affordability has deteriorated to the world's worst. Our research on housing-demography links establishes that housing constraints suppress household formation through delayed marriage, deferred childbearing, and reduced multi-generational co-residence.[6] When the household-size data is itself partly endogenous to the housing data, it cannot be invoked as an independent justification for smaller units. The causation runs both ways.

Second, averages conceal distributional pressures. One- and two-person households grew from roughly 31.8% of all Hong Kong households in 1995 to 54.7% in 2024. Their per-capita space is mechanically higher: a single occupant in a 27 m^2 HOS flat reports 27 m^2 per person. Families with children, multi-generational households, and young family-forming households face the opposite arithmetic.

The HOS evidence illustrates the point clearly. In 2000, 95.7% of HOS completions were family-sized units of 40 m^2 or above. By 2024, 79.5% were under 40 m^2. A stable average per-capita figure may therefore be produced by the households that have formed, while obscuring the households that require larger units in order to form.

Third, housing policy must support future household formation, not only accommodate current household composition. This matters for three reasons.

1. Housing stock is long-lived. Units built today will shape the choices available to the next generation of household-forming adults. If today's supply is dominated by very small units, tomorrow's households inherit that constraint.

2. Housing circulation is restricted, particularly within the subsidised homeownership sector. Our research on the HOS Secondary Market (HOSSM) has shown that resale restrictions, premium-payment requirements, mortgage frictions, and a limited White Form Secondary Market Scheme suppress transaction activity and limit households' ability to move up the housing ladder as their needs change.

In 2024, the HOSSM recorded only 4,435 transactions, implying a turnover rate of around 1%, compared with over 36,000 transactions and a 2.2% turnover rate in the private secondary market. Before the post-2010 cooling measures, private housing turnover averaged around 7.1% between 2006 and 2010.[7] This low turnover means young households cannot assume they will be able to trade up easily as family needs change.

3. Physical unit size imposes binding constraints: a 27 m^2 unit cannot be reorganised to accommodate a family of four regardless of preference. If new subsidised housing supply is increasingly dominated by units that are physically unsuitable for families with children, the housing system may gradually narrow the practical conditions under which families can form and grow. A stock built only to fit today's smaller households risks reinforcing, rather than relieving, Hong Kong's demographic constraints.

The quantity illusion is not the claim that per-capita space has fallen for every household. It is the claim that unit counts alone are an inadequate measure of housing supply. A complete assessment requires at least four indicators read together: units completed, total floor area delivered, average unit size, and the share of family-sized units. Household-size trends should be read alongside these indicators — not used as a substitute for them.

9. The Disappearance of Family-Sized Housing

Across both public and private sectors, housing suitable for families—units of 70 m^2 or above—is vanishing not merely as a share of completions, but in absolute numbers.

In the private sector, the number of units of 70 m^2 or above completed in 2020–2024 was 14,187—a 58% drop from the 33,642 built in 2000–2004. This is not a percentage shift within a stable total; it is an absolute decline in the production of family-sized homes. At just 2,762 units in 2024, large private flats have become a luxury product.

For HOS, the picture is even starker. Before 2002, the vast majority of HOS units were 40–69.9 m^2—suitable for families of three to four. Since the programme restarted, approximately 80% of units are under 40 m^2—essentially one-person or couple starter units. The HOS has shifted from enabling families to own homes to providing a minimal foothold in the property market.

In public rental housing, three-bedroom flats have completely disappeared from new production since 2009, and two-bedroom flats have been drastically reduced. The dominant new types are designed for one to three persons.

If Hong Kong does not build family-sized housing, it cannot reasonably expect families to form. The shrinkage of housing is not only an affordability issue—it is a demographic issue. The declining birth rate and the housing crisis are interrelated.

10. International Comparisons: Hong Kong in a Shrinking World

The shrinkage documented in the preceding sections is not unique to Hong Kong, and — notably — it is not a necessary feature of dense urban living, as international experience shows. Across the high-density, high-cost cities of East Asia, and in the chronically supply-constrained markets of Western Europe, new homes have been getting smaller for much the same reasons: land scarcity, rising per-square-metre prices, and a policy emphasis on unit counts over floor area. What distinguishes Hong Kong is not the direction of the trend but its endpoint. Hong Kong is not merely shrinking faster than its peers; it is shrinking from an already lower base, and it has converged on unit sizes that other comparably wealthy cities still regard as substandard.

A caveat is essential before any comparison. There is no internationally standardised measure of "unit size." Jurisdictions differ in whether they report saleable area, gross floor area, or internal usable (carpet) area; in whether they count balconies, bay windows, and circulation space; and in whether the reported figure covers all tenures or only newly sold private units. Hong Kong's saleable-area basis is among the more conservative definitions, which means that like-for-like comparisons, if anything, understate how small Hong Kong units are relative to cities reporting on a gross or all-tenure basis. The figures below should therefore be read as indicative orders of magnitude, not precise rankings. Where possible, we compare new-build or recently completed units, the measure most comparable to this paper's completion-based estimates, rather than the average size of the entire existing stock.

10.1 The East Asian high-density comparators

Singapore. Singapore is the natural benchmark, given its similar land constraints, density, and dominant public-housing sector. Yet new public flats there remain markedly larger than Hong Kong's. New Housing & Development Board (HDB) Build-To-Order flats completed since the mid-2000s have averaged roughly 80 m^2, down from the exceptionally large roughly 120 m^2 flats of the mid-1990s but still more than double the size of new Hong Kong public rental units (26.7 m^2 in 2024) and new HOS units (~27 m^2 in 2024).[8] The standard four-room HDB flat — Singapore's mainstream family product, comparable in intended function to Hong Kong's vanished two- and three-bedroom public flats — is about 92 m^2 for new builds in 2024.[9] Singapore's private (condominium) sector has shrunk more sharply, with median new-unit size in suburban areas falling from about 116 m^2 in 2007 to roughly 71 m^2 by 2020, but even this reduced figure remains well above Hong Kong's 2024 private-domestic average.[10]

Tokyo. Tokyo is frequently invoked as the global exemplar of compact urban living, yet its new units are also substantially larger than Hong Kong's. The

average floor area of newly sold condominiums in the Greater Tokyo Area was approximately 66 m^2 in 2021–2022 — described in industry surveys as the smallest on record — having declined gradually from the low 70s over the preceding two decades.[11] Notably, the direction of Tokyo's trend mirrors Hong Kong's: the share of new condominium units under 70 m^2 rose from roughly 23% in 2001 to about 48% by 2021. But the level is different. Tokyo's "smallest ever" new condominium is still roughly the size that Hong Kong's private sector occupied a generation ago, and it is nearly double the size of Hong Kong's new subsidised flats. Tokyo does have a small share of micro-studios, but they remain a marginal category in the new-build distribution rather than, as in Hong Kong, an increasingly central share of total completions.

Chinese mainland cities. Comparison with Shenzhen, Hong Kong's immediate neighbour, is instructive in a different way. As noted in earlier work, per-capita living space in Shenzhen (~28 m^2) is nearly double Hong Kong's, despite Shenzhen's own affordability pressures. A more significant development for this paper's forward-looking argument is the recent and opposite policy turn on the mainland. In May 2025, China's Ministry of Housing and Urban-Rural Development introduced upgraded national residential standards — the "good homes" (好房子) rules — mandating, among other things, minimum ceiling heights of three metres and lifts in buildings of four or more storeys, explicitly to raise the quality of new housing. While Hong Kong's regulatory floor has crept up reluctantly and only for a subset of housing (the 26 m^2 minimum on government land sales), several mainland markets are now actively steering new supply toward larger, higher-specification "improvement" units.[12] The contrast underscores that the shrinkage in Hong Kong reflects policy priorities as much as density constraints.

10.2 The Western comparators

Outside Asia, the most apt comparison is the United Kingdom, long noted for having among the smallest new homes in Western Europe. In 2024, estimated new-build dwellings in England averaged roughly 79 m^2,[13] and analyses have found new homes to be around a fifth smaller than those built in the 1970s. Even so, the UK's much-criticised new-build is roughly double Hong Kong's overall 2024 completion average of 37.2 m^2. The contrast with less land-constrained economies is starker still: average new homes are far larger in the United States (above 200 m^2) and Australia (also above 200 m^2), though these figures include houses as well as flats and reflect very different settlement patterns, so the comparison is one of broad magnitude only. The relevant point is not that Hong Kong should aspire to Australian or American floor areas — that is neither feasible nor desirable in a compact city — but that even Europe's smallest new homes provide roughly twice the space of Hong Kong's, and that the gap has widened over the period this paper examines.

The UK comparison also reinforces this paper's central methodological argument. Britain's experience of shrinking new homes prompted the introduction of the Nationally Described Space Standard, which sets minimum internal floor areas by occupancy (for example, a minimum of around 37–50 m^2 for a one-bedroom dwelling). Hong Kong's 26 m^2 minimum — applying only to subsidised sale flats from 2026/27, and to government land-sale sites — sits below even the floor of the UK's standard for a one-person home, and does not cover public rental or private development at all.

10.3 What the comparison establishes

Three conclusions follow. 1. Hong Kong's new units are smaller than those of **every** comparable high-cost city for which reliable data exist — not only the affluent low-density economies, but its closest structural peers in Singapore and Tokyo, and its immediate neighbour Shenzhen. 2. The shrinkage trend itself is shared (Tokyo and Singapore's private sectors are shrinking too), which means Hong Kong cannot treat smaller units as a problem that market forces will spontaneously reverse. 3. Most importantly for policy, the cities that have arrested or reversed the trend have done so through deliberate regulation of minimum sizes and quality — the UK's space standard, Chinese mainland's 2025 "good homes" rules, Singapore's sustained provision of family-sized public flats. Hong Kong's policy instruments remain comparatively weak: a single minimum that is low by international standards and

narrow in scope. On the contrary, the international evidence reinforces this paper's central conclusion: Hong Kong is an extreme case even among the world's most space-constrained cities, and the remedies adopted elsewhere are precisely the floor-area-based interventions this paper recommends.

Figure 9: Average size of new residential units, selected cities (most recent available year).

City / category	Approx. new-unit average	Basis
Singapore — new HDB (BTO, 2024)	80 m^2	Public, GFA
Singapore — 4-room HDB (2024)	92 m^2	Public, GFA
UK / England — new build (2024)	**79** m^2	All-tenure, GIA
Tokyo — new condominium (2021–22)	**66** m^2	Private, GFA
Singapore — suburban condo (2020)	**71** m^2	Private
Hong Kong — private domestic (2024)	**43** m^2	Private, saleable
Hong Kong — all completions (2024)	**37.2** m^2	All, saleable
Hong Kong — public rental (2024)	**26.7** m^2	Public, saleable
Hong Kong — HOS (2024)	**27** m^2	Subsidised, saleable

11. Conclusion and Policy Implications

Wong, Huang, and Ngau (2026) showed that Hong Kong's housing is unaffordable and that younger generations face worse outcomes systematically. This paper shows that the problem extends beyond price. What is being built has fundamentally changed. Units are smaller across every housing category. Unit counts create a quantity illusion that masks the true state of housing delivery. Family-sized housing is disappearing in absolute terms. [14]

These findings carry several policy implications.

1. Housing supply should be measured in floor area, not only in units

The LTHS and all government housing reports currently measure supply in units. This creates a systematic illusion of progress. A 20 m^2 micro unit and a 60 m^2 family home are counted equally. The government should adopt total floor area completed as a primary supply metric alongside unit counts. Had this been standard practice, the shrinkage documented in this paper would have been visible—and perhaps preventable—years ago.

2. Subsidised sale (HOS) flats should be larger, raising both the minimum and the average

The 2025 Policy Address introduced a 26 m^2 minimum for subsidised sale units from 2026/27, but this does not cover public rental housing or private developments. Government housing targets should specify a minimum proportion of units above 50 m^2 to ensure that the housing stock supports family formation and population sustainability.

3. Affordability metrics should account for unit size

Hong Kong Economic Policy Green Paper's affordability benchmarks use fixed reference sizes of 400 and 500 square feet. But as this paper documents, an increasing share of new supply falls below these benchmarks. Affordability analysis that assumes a standard-sized unit increasingly measures the cost of something the market no longer produces. Future affordability research should incorporate the changing size distribution of the housing stock.

4. The subsidised housing mix should shift further toward ownership.

The Housing Authority has already begun moving the planning ratio of public rental to subsidised-sale units from 70:30 toward 60:40. Given the low resale-market turnover documented above—about 1% in the HOS Secondary Market—and the role of affordable ownership in supporting household formation, a reasonable next step is to move toward a 50:50 balance between rental and ownership in the subsidised sector. A larger ownership stream would broaden the entry point to homeownership

for younger households and ease the upward-mobility bottleneck this paper identifies.

The quantity illusion is not merely a measurement problem. It shapes policy. When policymakers see rising unit counts and conclude that supply is recovering, they are less likely to pursue the aggressive interventions that the actual situation demands. Getting the measurement right is a prerequisite for getting the policy right.

12. Footnotes

1 Demographia (2025). *Demographia international housing affordability: 2025 edition*. Chapman University, Center for Demographics and Policy.

2 Huang, Ngau and Wong (2026), *Housing Affordability and Homeownership in Hong Kong, 1985–2023*, Hong Kong Economic Policy Green Paper.

3 Public rental and HOS data: Hong Kong Annual Digest of Statistics (1995–2024 editions). Private domestic data: Rating and Valuation Department.

4 For public rental housing, the Housing Authority used two classification systems over 1995–2024: a flat-type system (1995–2014) with categories HSC, Small, 1-Bedroom, 2-Bedroom, and 3-Bedroom, and a household-size system (2015 onwards) with Types A through E. For HOS flats, two size bands are used: under 40 m^2 (midpoint 20 m^2) and 40–69.9 m^2 (midpoint 55 m^2). For private domestic units, five size bands are used: under 40 m^2 (midpoint 20), 40–69.9 (midpoint 55), 70–99.9 (midpoint 85), 100–159.9 (midpoint 130), and 160+ m^2 (midpoint 190). Full size-band tables are available from the authors upon request.

5 In 2022, the government imposed a minimum unit size of 26 m^2 on new government land sales, an implicit admission that the market had pushed unit sizes below acceptable levels.

6 Wong, Michael B., Ngau, Chi-Hang and Sung, Yun-Wing. (2025). "*香港經濟面臨長期衰退 房策須全面改革(上)*." Ming Pao.

7 Wong, Michael B., Ngau, Chi-Hang and Sung, Yun-Wing. (2025). "*居屋二手市場流通窒息 買賣限制須大幅放寬*." Ming Pao.

8 Teo Kai Xiang. (2026). *"You're not imagining it: Singapore homes are getting smaller." The Straits Times.*

9 For the Singapore HDB comparison, average flat size is estimated using HDB's 2024 BTO sales brochures. Unit counts are taken from each project's unit distribution table, and flat sizes are taken from the corresponding floor plan pages. Where a brochure distinguishes between subtypes, such as 2-room Flexi Type 1 and Type 2, each subtype is treated separately using its stated floor area. Rental flats are excluded. Community Care Apartments and 3Gen flats are included only where both unit counts and floor areas are stated in the brochure. For each project, average flat size is calculated as Σ(flat-type units × stated floor area) divided by total included sale flats. The overall estimate is calculated by aggregating unit counts and estimated floor area across the selected 2024 BTO projects. Full project-level calculation tables are available from the authors upon request.

10 Grace Leong. (2021). *"Median sizes for new Singapore condo units shrank in past decade."* The Straits Times.

11 Real Estate Economic Institute Co. (2025). "*首都圏マンション 戸当たり価格と専有面積の中央値の推移*."

12 Ministry of Housing and Urban-Rural Development (2025). "*《住宅项目规范》*（GB55038-2025）."

13 Ministry of Housing, Communities and Local Government, UK. (2024-25). "Annex tables for English Housing Survey 2023 to 2024 headline findings on demographics and household resilience. "

Using Appendix Table 1.6 of the English Housing Survey, the net increase in England's dwelling stock between 2023 and 2024 was approximately 221,000 dwellings. The positive net increase was concentrated in the 70–89 m^2 band, with a smaller increase in the 50–69 m^2 band. Using band midpoints, the average floor area of positive net additions is estimated at approximately 79 m^2. However, this should be interpreted as a net stock-change estimate rather than an official new-build floor-area measure, since several size bands recorded negative net changes between the two years.

14 Huang, Ngau and Wong (2026), Housing Affordability and Homeownership in Hong Kong, 1985–2023, Hong Kong Economic Policy Green Paper.