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### **My Hong Kong housing history as faculty member at HKUST 1995-**

When I joined HKUST in 1995 I was allocated an approximately 1,500sqft apartment off-campus against 7.5% of my salary. In (likely) 1996 I was told I could no longer stay off-campus and had to move on campus (to a similar-sized apartment).

On 10 January 2001 I signed up for the 10-year Home Financing Allowance (HFA). I was told that this was the last chance to opt for the HFA. Otherwise I would have to live on campus for the remainder of my employment period at HKUST (against 7.5% of my salary).

I lived on campus through 2007, paying the HFA as rent. Between 2007 and 2018 I lived in a sequence of 6 different apartments off-campus; the HFA was suspended during leave periods. My 10-year HFA ended in June 2018. HKUST no longer provides any housing support.

### **Why I didn't use the HFA to buy an apartment**

(1) When I signed up for the HFA in January 2001 I was not yet tenured and therefore not comfortable committing to an apartment purchase.

(2) Once I was tenured in summer 2002, I viewed apartments. (i) Apartment prices were in the HKD 6-9mio range compared to a HFA of HKD 15,480 per month. I.e., the cumulative remaining HFA would at best pay 25% of the apartment costs, and with interest payments more like 10-15%. (ii) Down payment was an issue. (iii) The fine print to my new "tenure" contract stated that I can be fired at 4 months' notice (without reason). I asked the dean and he said this can't be true, checked with Human Resources, and came back saying it was true. (iv) On 1 October 2002 my salary was cut by 4.42% as part of a 3-stage 10% salary cut; faculty were threatened with dismissal unless one agreed to the cut. (v) A merger between Chinese University of Hong Kong (CUHK) and HKUST was announced in spring 2003, possibly eliminating HKUST's small all-in-one Social Science Division given CUHK's full-fledged discipline-specific departments.

Thus, I faced increasingly severe financial constraints to buying an (unaffordable) apartment as well as increasing employment uncertainty. I went on sabbatical leave to Stanford University in 2003/2004 and in spring 2003 stopped pursuing an apartment purchase.

(3) When I came back from sabbatical leave in fall 2004 I was up for the then triennial salary review that would determine my salary advancement for the following three years. This was crucial for an increase in the HFA (linked in stages to salary level) from HKD 15,480 to HKD 24,760, a 60% increase. Dean William Tay violated HKUST rules to block my salary advancement (<http://carstenholz.people.ust.hk/HKUST-SOSC.html#Review0405>) and thereby kept my HFA at the lower level.

The second and third salary cuts happened on 1 January 2004 and 2005 (-3%, -3.106%). A salary freeze was imposed in 2006/2007. A salary increase specifically for economists in the

social sciences was promised for 2007 but did not happen and when I inquired, in writing, I did not receive a reply.

I asked Human Resources to turn my “annual leave passage”—an annual monetary remuneration linked to the cost of a plane ticket to my “home country”—into one extra salary rank, which would trigger the higher HFA. The extra salary rank cost the university less than the leave passage (and the government supposedly pays the HFA). The answer was ‘No.’

Thus, while house prices kept rising my financial constraints kept worsening, and HKUST administrators seemed to go out of their way to do harm. Perhaps fawning on administrators (of highly questionable character) may have helped; I value academic freedom as well as the freedom to speak up for the common good.

(4) In 2007/2008 I taught at Princeton University. After returning to HKUST, I learnt that my application for full professorship was turned down. The decision made no sense to me. I confronted the Vice President for Academic Affairs Roland Chin who could not defend the decision (<http://carstenholz.people.usc.edu/HKUST-SOSC.html#UASC-VPAA>), an outcome not conducive to an apartment purchase. In 2010 through 2013 I taught for two years at the University of Southern California and then self-financed most of a research year at Stanford University after HKUST administrators denied sabbatical leave (without explanation).

(5) Returning to HKUST in 2013, I was eager to finally buy an apartment, no matter how small. But prices for even just a net 600sqft apartment were on the order of twenty times my gross salary. Any purchase was by now plain impossible. I rented (net 600sqft), using the HFA and my salary. In 2013-2019, annual adjustments to my salary were consistently below average faculty salary adjustments and in most years did not keep up with inflation.

During my progression at HKUST from untenured assistant professor to tenured full professor (with substantial teaching experience and research record) I moved from a nice 1,500sqft off-campus apartment to ‘nothing.’ (A newly hired colleague today receives a housing allowance that alone matches my salary, and rents off-campus, an option never available to me unless I signed up for the HFA.) My overall compensation as full professor falls short of that as assistant professor 20 years earlier. My university retirement funds at HKUST’s mandatory retirement age of 65 will be several times insufficient to retire on, limiting if not precluding the use of my salary for renting given the need to prevent a catastrophic outcome at age 65.