



**For Immediate Release  
December 7, 2017**

**Citi Hong Kong Announces Findings of  
2017 Residential Property Ownership Survey**  
*Rising Housing Prices Have Not Dampened the Spirit of Buyers*  
*370,000 Hongkongers Express “Strong Need” to Purchase Home Property*

Citi Hong Kong announced today the results of the 2017 Hong Kong Residential Property Ownership Survey commissioned by the bank and conducted by **The University of Hong Kong Social Sciences Research Centre**. The survey interviews over 500 Hong Kong respondents by phone each quarter.

**More Respondents Expect Housing Prices to Rise over the Next 12 Months**

Despite the prudential measures introduced by the Government over the last year to stabilize the housing market, a high percentage of respondents expect housing prices to continue to rise. Conducted in the third quarter of 2017, the survey found that 55% of respondents expected housing prices to rise over the next 12 months, representing an 11% increase over the same period last year. Respondents expecting housing prices to drop in the next 12 months fell to 11%, indicating that confidence in the local property market has not waned.

<b>How do you think housing prices will trend in the next 12 months?</b>						
	<b>Percentage of Respondents</b>					
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
<b>Upward</b>	13%	44%	43%	62%	57%	55%
<b>Flat</b>	26%	35%	38%	29%	30%	34%
<b>Downward</b>	61%	21%	19%	9%	13%	11%

Base: All Respondents

Source: Citibank 2017 Residential Property Ownership Survey

**Confidence in Home Buying Rebounds over the Last Six Months**

The general expectation for housing prices to rise with little room for adjustment has not dampened spirits to purchase a home property. The survey indicates that 21% of respondents interviewed in the third quarter of this year expressed interest in purchasing a residential property, a 7% percent increase over the previous quarter, the second highest since 2012.

<b>How interested are you in purchasing a property now?</b>						
	<b>Percentage of Respondents</b>					
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
<b>Very/ rather interested</b>	13%	17%	18%	23%	14%	21%
<b>Neutral</b>	23%	28%	32%	29%	31%	30%
<b>Very/ rather uninterested</b>	64%	54%	50%	48%	55%	49%

Base: All Respondents

Source: Citibank 2017 Residential Property Ownership Survey

**Fewer People Concerned about Rising Mortgage Rates**



According to the survey, fewer people were concerned about rising mortgage rates. In the first quarter of this year, 73% of respondents expected mortgage rates to increase in the next year. In the third quarter, this number dropped to 52%, reflecting public acceptance of the Federal Reserve’s plans to gradually increase interest rates.

**Home Buying Rebounds: 370,000 Hongkongers Express “Strong Need” to Buy a Home**

The survey found that the number of respondents who felt it was a good time to buy a property rebounded from the 1% all-time-low in the second quarter this year, to 5% in the third quarter. The number of respondents who felt that it was not a good time to buy, dropped from 79% in the second quarter to 68% in the third quarter. However, with 8% of respondents expressing a “strong need” to buy a home, the survey projected that it represented the views of about 370,000 Hongkongers.

<b>If you do not own any property, taking into consideration your current standard of living and family finances, do you think it is a good time to purchase a home?</b>						
<b>Percentage of Respondents</b>						
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
<b>A good/ excellent time to purchase</b>	4%	5%	2%	3%	1%	5%
<b>Neutral</b>	41%	31%	31%	20%	20%	27%
<b>A bad/ terrible time to purchase</b>	55%	64%	67%	77%	79%	68%

Base: All Respondents

Source: Citibank 2017 Residential Property Ownership Survey

**60% of Homeowners Wished for Housing Prices to Drop**

With the housing market continuing to heat up, people are hoping that housing prices will adjust downward. The survey found that 75% of respondents wished for housing prices to drop in the next 12 months. Among the respondents who were currently homeowners, 62% wished for housing prices to drop because 43% planned to purchase a second property, 34% felt that home buying should be more affordable for all, and 16% deemed the current housing prices unreasonable.

The results of the survey also indicate that 360,000 people have sold property in the last ten years but have not purchased another property since. Among this group, 200,000 did not currently own any property.

**Only 50% of Respondents Believed A Home Could be Purchased for Under HK\$4M**

Each year, as housing prices continue to rise, fewer and fewer respondents believe that a home can be purchased for under HK\$4 million. The number dropped from 79% in 2012 to 53% in 2017.

**How much do you think you will need to buy your ideal home now?**



Percentage of Respondents						
	2012	2013	2014	2015	2016	2017
<b>Under HK\$4M</b>	79%	69%	59%	55%	55%	53%
<b>HK\$4M to below \$8M</b>	17%	21%	28%	31%	32%	31%
<b>HK\$8M or above</b>	4%	10%	13%	14%	13%	16%

Base: All Respondents

Source: Citibank 2017 Residential Property Ownership Survey

### **Young People Find It Increasingly Difficult to Become Homeowners**

Among respondents between the ages of 21 and 29, 32% expressed a strong need to purchase a property. Among the non-homeowners in this age group, the number of those who believe that they will not be able to become homeowners in the next ten years has risen from 43% in 2012 to 52% in 2017.

Lawrence Lam, Head of Retail Banking for Citibank Hong Kong noted, “The survey indicates that over half of the respondents expect housing prices to rise over the next year. As housing prices continue to trend upwards, people are losing confidence in their ability to purchase property. Those who have a need to purchase a home but do not have the full amount of the required down payment may consider applying for the Mortgage Insurance Programme in order to qualify for mortgage loans with higher loan-to-value ratios. Furthermore, by taking advantage of available wealth management solutions, their goals of purchasing a home is not completely out of reach.”

Since 2010, Citibank has commissioned the HKU Social Sciences Research Centre to conduct a quarterly survey on the housing market, in order to assess the current state of homeownership in Hong Kong, gauge public opinion on the subject of homeownership and examine public expectations on the future housing price trends. The data of this survey is collected through telephone interviews conducted at the end of each quarter using random digit dialing, with over 500 respondents on average in each quarter.