



For Immediate Release
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2022 Citi Residential Property Ownership Survey

The proportion of respondents who considered now a good time to buy a property hit a 10-year high with a lower proportion expecting property prices to rise

Citi Hong Kong conducted a survey in September 2022 on residential property ownership in 2022. According to the survey results:

- The proportion of respondents who expressed optimism about property prices in the coming 12 months plunged to 12% in Q3 this year, compared with 38% in the same period last year. More than half of the respondents expected property prices to fall in the coming 12 months.
- The proportion of respondents who considered now a good time to buy a home soared nearly fourfold compared with the same period last year, hitting a 10-year high.
- While a higher percentage of respondents considered now a good time to buy a property, the proportion of respondents wanting to purchase a property at the moment only slightly increased by 2%, reflecting a wait-and-see attitude towards home ownership.
- The proportion of respondents who toured properties over the past month was little changed from last year, with over 70% of this group of respondents expressing interest in buying a property.
- Among the respondents with home buying needs, more than 60% put the market price of a property best suited to their needs at around \$6 million or below.
- More than 30% of the parent respondents surveyed expressed a willingness to help finance their children's property purchase. Of these respondents, more than 40% are willing to provide their children with financial support ranging from \$1.01 million to \$2 million.
- Respondents interested in home ownership expressed a preference for mortgages with a long repayment term most, followed by mortgages with a high loan-to-value (LTV) ratio.
- More than 90% of the respondents expressed a willingness to pay a higher price for first-hand properties. Of this group of respondents, 40% expressed a willingness to pay a premium of 10% to 20%.

51% of respondents bearish about property market; percentage of respondents who consider now a good time to buy a home up fourfold to 16%

Q3 2022 saw a sharp decline in the proportion of respondents who expressed optimism about home prices. Only 12% of the respondents expected property prices to rise in the coming year, compared with 51% who expected otherwise. 16% of the respondents considered now a good time to buy a home, a percentage four times higher compared with the same period last year and the highest level in recent 10 years. Compared with their more bullish counterparts, respondents expecting property prices to remain stable or decline in the coming year were more inclined to see now as a good time to buy a property.



While a higher proportion of respondents considered now a good time to buy a property, this seemed to have little impact on the desire for home purchase among the respondents. The ratio of respondents interested in buying a property increased slightly by two percentage points to 15% from 13% in the same period last year, reflecting a wait-and-see attitude towards home ownership. Of the respondents interested in buying a property, more than 60% said they would hold back on home purchase until prices have eased further, preferably by an average of 17%, to an optimal level. 7% of the respondents toured properties during the month before they were interviewed, a figure little changed from the same period last year. Of this group of respondents, 72% expressed interest in buying a property.

588,000 Hong Kong people estimated to have home buying needs; more than 30% of parent respondents willing to help fund their children's home purchase

Based on the survey results, showing that 14% of respondents have home buying needs, an estimated 588,000 people are conscious of the need to buy a home. Of the respondents who want to buy a home, 63% considered a property priced at below \$6 million as being most suitable to meet their actual needs, with the majority of them putting the desirable price range at between \$4 million and \$6 million.

Regarding the reasons behind their intent to own a home, the willingness among local parents to give their children financial support to buy a home has come out as the third most important factor after "property price" and "actual housing needs". Of the parent respondents, 32% expressed a willingness to give financial assistance to their children to buy a home. Of this group, 41% are willing to contribute between \$1.01 million and \$2 million.

Preference for long-term mortgages and first-hand properties

Home buyers tend to favor a "long mortgage repayment term," a "high LTV ratio," and a "high loan amount." Across all age groups, respondents interested in home ownership prefer mortgage loans with a long repayment term, followed by a mortgage loan with a high LTV ratio. Regarding the choice of residential properties, 91% of the respondents would go for new properties, for which 41% of this group are willing to pay a premium of 10% to 20%, compared with 18% who are willing to pay 20% to 30% more.

The Residential Property Ownership Survey was conducted in September this year. Economic pressure amid the pandemic, coupled with the increasingly heavy burden of loan repayment due to rising mortgage interest rates, as well as stringent stress tests, has directly impacted the demand for property among end-users and investors alike, inevitably dampening property prices and understandably contributing to a widely-held bearish view on the property market. Looking ahead, despite the continued downside potential of local home prices, hopes for relaxation of the current cooling measures may stimulate new demand and avoid excessive correction of Hong Kong's property market.

How do you think home prices will trend in the next 12 months?			
Percentage of Respondents			
	Q3 2020	Q3 2021	Q3 2022
Upward	23%	38%	12%
Flat	34%	37%	37%
Downward	43%	25%	51%

If you do not own any property now, taking your current standard of living and family finances into consideration, do you think it is a good time to purchase a home now?			
Percentage of Respondents			
	Q3 2020	Q3 2021	Q3 2022
A good/an excellent time to purchase	10%	4%	16%
Neutral	36%	41%	51%
A bad/terrible time to purchase	54%	55%	34%

How interested are you in purchasing a property now?			
Percentage of Respondents			
	Q3 2020	Q3 2021	Q3 2022
Very/rather interested	17%	13%	15%
Neutral	28%	33%	41%
Very/rather uninterested	55%	54%	44%

"The survey results reflect a wait-and-see attitude among the public towards the property market in 2022," said Josephine Lee, Head of Retail Bank at Citi Hong Kong. "We can expect to see continued impact on future property prices from the economic situation and rising mortgage interest rates, among other factors. Those who are looking to buy a home should assess their personal financial condition comprehensively and the potential risks of higher interest rates. They should also seek an appropriate mortgage plan or consider a mortgage insurance program, while adjusting their investment portfolio in different market situations to accumulate wealth. This can help to empower them to realize their aspirations for home ownership sooner."

Citi Hong Kong commissioned the Chinese University of Hong Kong and Acorn Organization Limited to conduct the survey, interviewing a random sample of more than 1,000 Hong Kong citizens in September 2022 via telephone and street interviews. Since 2010, Citi Hong Kong has been conducting surveys of the Hong Kong housing market to assess the current state of home ownership in the SAR, gauge public intentions toward home ownership, and track public expectations of future housing price trends.

Source: 2022 Citibank Residential Property Ownership Survey



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