



**For Immediate Release
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Third Quarter 2021 Citi Residential Property Ownership Survey

Less respondents expect an increase in property prices

The average age of first-time home buyers is 31

Citi Hong Kong conducted a survey in September 2021 on residential property ownership in Q3 2021. According to the survey results:

- 38% of the respondents expected property prices to rise further in the coming year, a lower percentage compared with the previous quarter but higher than the level recorded in the same period last year.
- 4% of the respondents considered that it was a good time to buy a property, a figure easing back to pre-pandemic levels and down from the previous quarter and the same period last year.
- 13% of the respondents expressed interest in property ownership, similar to previous quarter. Based on the survey results, close to 320,000 people toured properties in August or September this year.
- Young respondents aged 21 to 24 expressed the highest interest in home ownership, with the average age of first-time buyers being 31.
- On average, the respondents considered HK\$5.8 million to be the price of a property that can meet their accommodation needs, double the price of HK\$2.7 million estimated 10 years ago.
- Nearly 60% of the respondents who have purchased a residential property in the past 10 years made their purchase decision after touring five properties, and a similar percentage of respondents decided to buy a property within three months after touring the first property that came their way. Those who purchased a home 10 years ago found making a home-buying decision easier than their counterparts in recent years.
- Nearly 70% of the respondents who managed to buy a home in the past 10 years did so with financial support from their family, a higher figure compared with a decade ago. At an average of HK\$1.86 million, the amount of financial assistance from family was also higher compared with 10 years ago.

Nearly 40% of respondents expect property prices to rise in the coming year, and it's estimated that close to 320,000 people visiting properties in August or September this year

Compared with the exceptionally strong positive sentiment seen in the previous quarter, a lower level of optimism about the housing market was recorded in Q3 2021, with 38% of the respondents expecting a rise in property prices in the coming year. However, an average of 42% of respondents expected property prices to rise for the whole year of 2021, a higher percentage compared with an average of 23% recorded in the previous year. However, the percentage of respondents considering it “a good time to purchase a home now” and expressing “interest in purchasing a property” – both being indicators of the public’s attitude towards the property market – eased back slightly. In Q3 2021, 4% of the respondents considered now a good time to buy a property, down from the previous quarter and the same period last year. On the other hand, 13% of the respondents expressed interest in buying a home, representing a slight decrease of 1% from the previous quarter. Estimated based on the survey results, approximately 317,000



people conducted property hunting in August or September this year. The overall percentage of respondents expressing optimism about the property market fell from the previous quarter, reflecting a wait-and-see attitude among the respondents towards home ownership.

Driven by earlier expectations of an easing pandemic and a reopening of the economy, property owners may have proceeded with buying property early, contributing to a particularly positive outlook for the property market among the respondents in the previous quarter. The property market may have experienced readjustment this quarter, after seeing a premature release of the local population's purchasing power, and the transaction volume may drop. In view of the temporary impact of other macro factors, including uncertainty in recent stock market sentiment and wealth effect, citizens' property market outlook may be affected in the short run. That said, the local property market remains supported by positive structural factors such as undersupply and long-term economic growth upon border reopening.

Average age of first-time home buyers is 31, with an estimate of HK\$5.8 million as the average price of a property meeting respondents' accommodation needs

The survey also explored the views and experiences of the respondents regarding home ownership. It was found that young respondents aged 21 to 24 were most interested in home ownership, with the average age of first-time buyers being 31. The respondents put the average price of a property that can meet their accommodation needs at HK\$5.8 million, 115% higher than the price of HK\$2.7 million estimated 10 years ago, reflecting the rising trend of property prices during this period. Respondents who bought a home 10 years ago found it easier to make a purchase decision compared with their counterparts during recent years. 58% of the respondents who bought a home in recent years made their purchase decision after touring five properties, and 58% of the respondents decided to buy a property within three months after touring the first property that came their way. 70% of the respondents who bought a home 10 years ago made their buying decision after touring five properties, and 68% made their purchase decision within three months after touring the first property that came their way. On the other hand, 67% of the respondents who managed to purchase a home for the first time in the past 10 years said they did so with financial support from family, a figure that is 15 percentage points higher compared with 10 years ago. The amount of family assistance has also increased from an average of HK\$500,000 a decade ago to the current HK\$1.86 million.

How do you think home prices will trend in the next 12 months?					
Percentage of Respondents					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Upward	23%	22%	33%	54%	38%
Flat	34%	43%	47%	35%	37%
Downward	43%	36%	20%	12%	25%

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	Q4 2020	Q1 2021	Q2 2021	Q3 2021
A good/an excellent time to purchase	10%	8%	7%	7%	4%
Neutral	36%	39%	37%	38%	41%
A bad/terrible time to purchase	54%	54%	56%	55%	55%

How interested are you in purchasing a property now?

Percentage of Respondents					
	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Very/rather interested	17%	17%	17%	14%	13%
Neutral	28%	27%	29%	28%	33%
Very/rather uninterested	55%	56%	54%	58%	54%

“The survey results show that local citizens were holding a wait-and-see attitude towards the property market in Q3 2021,” said Josephine Lee, Head of Retail Bank at Citi Hong Kong. “Nearly 40% of the respondents expected property prices to rise in the coming year. The percentage of respondents who considered it a good time to buy a property has slightly decreased from the previous quarter, and the proportion of respondents expressing interest in buying a property has also dropped a bit from the previous quarter. The younger respondents were more interested in buying a property, with the average age of first-time buyers being 31. The price of a property the respondents considered suitable to meet their accommodation needs has doubled in 10 years. We recommend that young people interested in buying a property start reviewing their asset allocation as soon as possible, accumulating their wealth and gradually becoming empowered to realise their aspirations in home buying. Other potential homeowners should also assess their financial condition comprehensively and seek an appropriate mortgage plan to fulfil their dream of home ownership.”

Citibank commissioned the University of Hong Kong Social Sciences Research Centre to conduct the survey, interviewing a random sample of more than 500 Hong Kong respondents by phone in September 2021. Since 2010, Citibank has been conducting quarterly surveys on the Hong Kong housing market to assess the current state of home ownership in the SAR, gauge public intentions towards home ownership, and track public expectations of future housing price trends.

Source: Citibank Q3 2021 Residential Property Ownership Survey

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