



For Immediate Release
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**Citi Hong Kong Releases Results of
First Quarter 2020 Residential Property Ownership Survey**
*10% of respondents believe now is a good time to buy property, the highest
percentage in nine years as respondents consider impact of COVID-19*

Citi Hong Kong conducted a survey on the impact of COVID-19 on residential property ownership in Hong Kong in Q1 2020, gauging respondents' attitude towards residential property ownership before and during COVID-19. According to the survey:

- During COVID-19, 52% of the respondents said they were very / rather uninterested in property ownership, similar to the level of interest recorded before COVID-19;
- During COVID-19, 57% of the respondents expect home prices to fall in the next 12 months, representing a sharp increase of 15 percentage points from before COVID-19;
- 10% of the respondents considered it a perfect time to buy a home at this moment, the highest percentage in 9 years. In contrast, more than half of the respondents did not consider it a perfect time to buy a home now, showing a decrease of 13 percentage points though compared with the percentage of respondents holding this view before COVID-19;
- Only 6.1% of property owners were willing to sell their property at a 10% discount or more during COVID-19

Property price expected to be 7.5% lower by year end, with a slightly less impact than in SARS period

Amid COVID-19, in March 2020, 52% of the respondents were very / rather uninterested in purchasing a property, compared with 17% of the respondents with a keen / rather keen interest in purchasing a property. The figures are similar to those recorded before COVID-19, showing little change in the interest of home purchase among the respondents amid COVID-19.

However, 57% of the respondents surveyed during COVID-19 expected home prices in Hong Kong to fall in the next 12 months. This represents a sharp increase of 15 percentage points compared with the percentage seen before COVID-19 in January, reflecting an overall increase in the percentage of respondents holding a bearish view on the property market. Benchmarked against a 10% decline in property prices witnessed during the SARS period in 2003, the survey collected the views of respondents on the trend of the property market amid COVID-19. The results show that the respondents expected a median decline in property prices of 7.5% from the beginning to the end of the current year, and with the largest expected drop of 10%, reflecting the perception of the COVID-19 in 2020 as having a slightly less impact on the property market than the SARS period in 2003. However, 24% of the respondents

expected their household finances to worsen in the coming year, double the number of respondents holding this view compared with the same period of the previous year.

Despite the bearish view on the property market and the fact that more than half of the respondents in the January and March 2020 surveys considered it a bad / terrible time to purchase a home at this moment, the number of respondents sharing this view during COVID-19 in March fell by 13 percentage points compared with the figure recorded in January before COVID-19. This compares with 10% of the respondents who considered now a good / excellent time to purchase a home, up 100% from the figure seen before COVID-19 and representing the highest percentage in 9 years of respondents holding this view.

The above results show that the respondents are looking favorably on the timing of home purchase amid the COVID-19 global challenge, despite lingering concerns about a fall in property prices and their finances in the future. This has resulted in a continuation of the relatively low level of interest in property ownership.

If you do not own any property now, taking into consideration your current standard of living and family finances, do you think it is a good time to purchase a home now?		
Percentage of Respondents		
	January 2020 (Before COVID-19)	March 2020 (During COVID-19)
A good/excellent time to purchase	5%	10%
Neutral	31%	38%
A bad/terrible time to purchase	65%	52%

How do you think home prices will trend in the next 12 months?		
Percentage of Respondents		
	January 2020 (Before COVID-19)	March 2020 (During COVID-19)
Upward	20%	16%
Flat	39%	28%
Downward	41%	57%

How interested are you in purchasing a property now?		
Percentage of Respondents		
	January 2020 (Before COVID-19)	March 2020 (During COVID-19)
Very/rather interested	16%	17%
Neutral	34%	31%
Very/rather uninterested	50%	52%

Base: All Respondents

Property owners remaining calm amid COVID-19

In March, during COVID-19, only 6.1% of property owners were willing to sell their property at a 10% or higher discount, reflecting a sense of calmness amid COVID-19 situation and they were not eager to sell their property despite the widely-held belief that property prices would fall.

Josephine Lee, Head of Retail Banking, Citi Hong Kong, said, “The results show the highest percentage in 9 years of respondents considering it a good time to buy a property now, despite a generally low level of interest in property ownership during COVID-19 and concerns about a fall in property prices and finances in the future. We have seen the percentage of respondents interested in home purchase remaining stable before and during COVID-19, with existing property owners staying calm amid COVID-19 and showing no eagerness to sell their property at low prices, after overcoming the challenges brought by SARS. This reflects little impact of COVID-19 on the respondents’ plans to purchase or unload a property as they continue to adopt a wait-and-see attitude towards the prospects of the property market. We suggest that interested homebuyers comprehensively assess their financial position and choose a mortgage plan that best meets their needs.”

Citibank commissioned The University of Hong Kong Social Sciences Research Centre to conduct the survey, interviewing a random sample of over 500 Hong Kong respondents by phone in January and March 2020 respectively. 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 Q1 2020 Residential Property Ownership Survey

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