



For Immediate Release
July 29, 2021

Second Quarter 2021 Citi Residential Property Ownership Survey

Over half of respondents optimistic about home prices as pandemic situation improves, despite reduced interest in property ownership

Citi Hong Kong conducted a survey in June 2021 on residential property ownership in Q2 2021, examining the impact of the COVID-19 pandemic on local residents' attitudes towards residential property ownership. According to the survey results:

- With the COVID-19 pandemic being eased, Q2 2021 witnessed a significant recovery of confidence in the property market. Over half of the respondents believed that property prices would rise in the coming year. Only about 10% of respondents were pessimistic about the property market, a lower percentage compared with the previous quarter.
- 14% of respondents expressed interest in property ownership, down from the previous quarter. Based on the survey results, it was projected that close to 500,000 people toured new home developments in May and June this year.
- 7% of respondents considered it was a good time to buy a home in Q2 2021, a figure that remains higher than those recorded throughout the eight-year period between 2012 and 2019, before the COVID-19 outbreak.
- Approximately half of the respondents mentioned they have higher levels of household income than expenditure, down from nearly 60% recorded in the previous quarter. With close to 40% of respondents who just managed to strike a balance between income and spending, the survey findings show a lower percentage of respondents with surplus funds.
- With the improving pandemic situation, "zero local COVID-19 infections" were recorded for most of the days in Q2 2021, which helps boosting respondents' confidence in rising property prices. However, there is a drop in the percentage of respondents expressing interest in purchasing a home, probably due to fewer respondents having surplus funds.

Over half of respondents expect a rise in property prices in the coming year; based on the survey findings, an estimated 500,000 people toured new home developments in May and June this year

According to the results of the Q2 2021 survey, 7% of respondents considered Q2 2021 a good/an excellent time to buy a home, a percentage similar to that of the previous quarter but higher than that recorded throughout 2012 to 2019, the eight-year period before the pandemic outbreak.

In Q2 2021, 14% of the respondents expressed interest in buying a home, a slightly lower figure compared with the previous quarter. Estimated based on the survey findings, about 495,000 people visited a show flat in May and June this year, up nearly 10% compared with the previous quarter. This shows that more people have gone house-hunting amid the gradually easing pandemic.



Indicating a continued recovery of confidence in the property prices in the coming year, 54% of respondents were optimistic about a rise in property prices, up from 33% in the previous quarter, while 35% of the respondents expected property prices to remain unchanged. The percentage of respondents holding bearish views on the property market also fell to 12% this quarter from 20% in the previous quarter, reflecting stronger confidence in rising property prices. This view was probably fueled by the significantly improving pandemic situation, as "zero local infections" were recorded on most of the days in June this year, when the survey was conducted. However, when respondents were asked about their household income and expenditure, approximately 50% of them mentioned having higher household income than expenses, down from the close to 60% recorded in the previous quarter. 36% of the respondents just managed to strike a balance between income and spending, compared with 14% who considered themselves to spend more than their household income. The survey findings reflect a lower percentage of respondents with surplus funds compared with the previous quarter. This is probably one of the reasons contributing to the reduced level of interest in purchasing a home.

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					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
A good/an excellent time to purchase	11%	10%	8%	7%	7%
Neutral	35%	36%	39%	37%	38%
A bad/terrible time to purchase	54%	54%	54%	56%	55%

How interested are you in purchasing a property now?					
Percentage of Respondents					
	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Very/rather interested	21%	17%	17%	17%	14%
Neutral	27%	28%	27%	29%	28%
Very/rather uninterested	52%	55%	56%	54%	58%

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

"The survey results show a recovery of confidence in the property market in Q2 2021," said Josephine Lee, Head of Retail Bank at Citi Hong Kong. "More than half of the respondents expected property prices to rise in the coming year, and the number of respondents who considered it a good time to buy a property in Q2 2021 has remained at a higher level compared with that seen before the pandemic outbreak. However, fewer respondents with surplus funds were recorded, which may explain the reduced level of interest in buying a



property. Amid the continued improvement in the pandemic situation, the economy is expected to recover further. We recommend that interested homebuyers comprehensively assess their financial condition and seek an appropriate mortgage plan as part of the detailed planning necessary 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 June 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 Q2 2021 Residential Property Ownership Survey

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