

# HONG KONG RESIDENTIAL MARKET

Q2 2022

## Residential Market Overview

- **Residential S&Ps** – Strong recovery from Q1
- **Prices** – Stabilized as sales increased
- **Outlook**
  - **Long-term:** Infrastructure to drive capital growth and urban renewal
  - **Year-end:** Stable home prices (0-3% annual growth) and a yearly decline of 20-25% in transaction volume



# Total Residential S&Ps So Far Have Surpassed Q1

Expecting circa 14,900 cases in Q2, a quarterly increase of 48%, or an annual decrease of 32%



Month	2003	...	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Y-o-Y Change
Jan	6,187	...	5,430	4,488	6,412	2,045	3,286	5,270	4,543	2,762	4,562	4,275	-6%
Feb	3,649	...	6,307	3,159	6,027	1,807	4,079	5,482	4,089	3,572	6,125	2,912	-52%
Mar	4,550	...	4,534	3,141	4,329	2,369	5,856	4,263	5,231	3,870	7,444	2,869	-61%
Apr	5,373	...	3,427	4,781	4,549	4,494	7,060	6,646	7,822	4,102	7,325	3,897	-47%
May	4,130	...	4,276	5,270	5,168	4,586	5,732	5,522	8,208	5,984	7,084	6,202	-12%
Jun	4,833	...	3,740	5,960	5,776	4,620	6,100	6,713	4,627	6,987	7,591	4,800*	-37%
Jul	6,525	...	3,986	7,792	5,393	4,243	3,515	6,091	4,805	6,133	7,579	-	-
Aug	6,559	...	3,407	6,212	3,896	5,821	4,014	4,822	4,084	4,358	5,546	-	-
Sep	5,632	...	3,686	5,958	4,263	7,826	5,629	3,500	3,447	5,024	5,844	-	-
Oct	9,360	...	3,426	6,189	3,300	6,601	5,289	4,243	4,001	4,951	4,643	-	-
Nov	7,811	...	3,790	4,848	2,826	6,739	5,694	2,635	5,756	6,070	5,409	-	-
Dec	6,967	...	4,667	6,009	4,043	3,550	5,337	2,060	3,184	6,067	5,145	-	-
<b>Total</b>	<b>71,576</b>	...	<b>50,676</b>	<b>63,807</b>	<b>55,982</b>	<b>54,701</b>	<b>61,591</b>	<b>57,247</b>	<b>59,797</b>	<b>59,880</b>	<b>74,297</b>	-	-
<b>Jan-Jun</b>	<b>28,722</b>		<b>27,714</b>	<b>26,799</b>	<b>32,261</b>	<b>19,921</b>	<b>32,113</b>	<b>33,896</b>	<b>34,520</b>	<b>27,277</b>	<b>40,131</b>	<b>24,955*</b>	<b>-38%</b>

\* Estimated by Cushman & Wakefield, rounded to the nearest hundred

Q2 22 vs. Q1 22 (up 48%)  
Q2 22 vs. Q2 21 (down 32%)

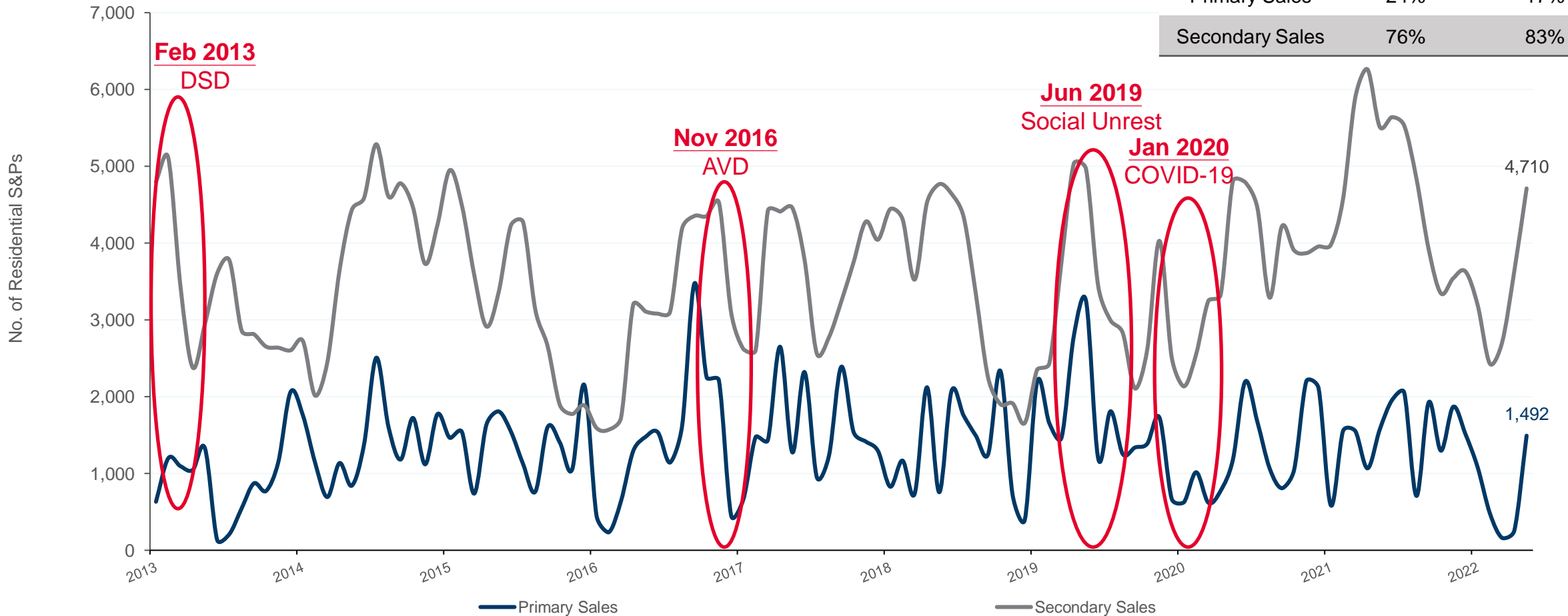
# Residential Sales Were Mainly Driven by Secondary Market

Previously held up by pandemic measures, primary sales are now back to normal



Breakdown of Residential Sales (%)

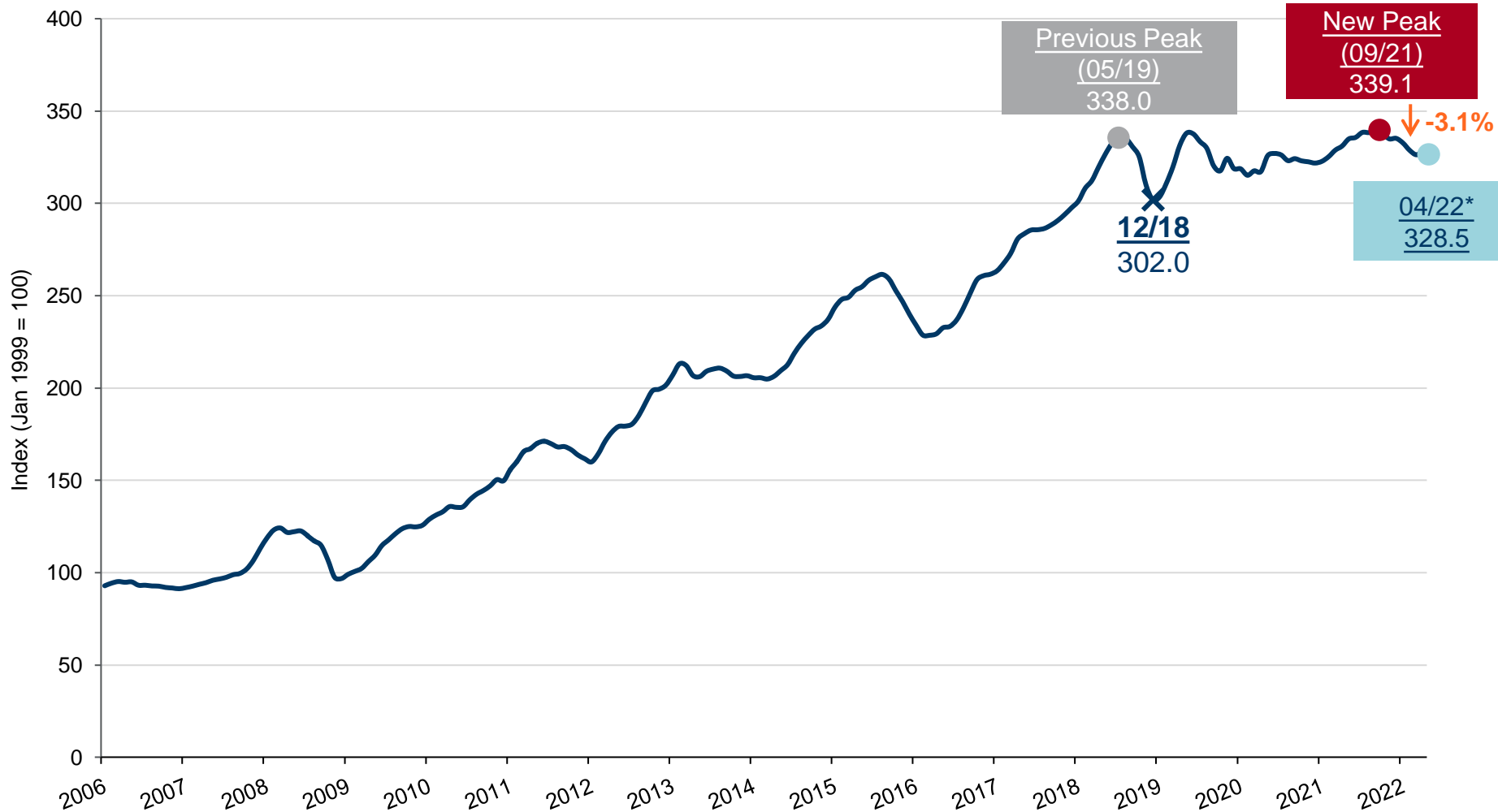
	2021	2022 YTD*
Primary Sales	24%	17%
Secondary Sales	76%	83%



Notes: DSD is short for Double Stamp Duty  
 AVD is short for Ad Valorem Stamp Duty  
 \*YTD refers to Jan to May

# Prices Continued to Slip from the Historical Peak

Declined by 2.0% YTD, or 3.1% from the previous peak

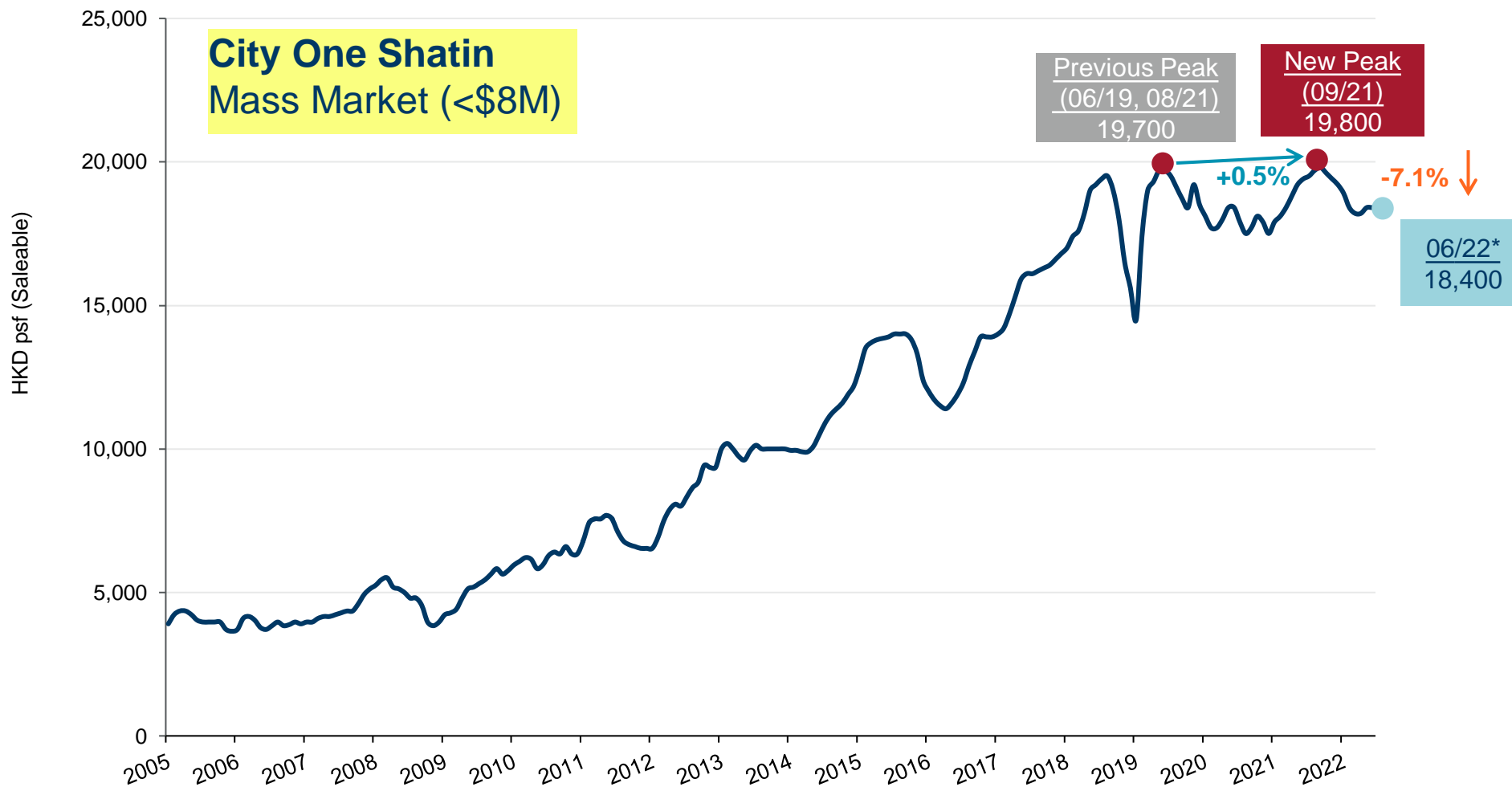


Residential Price Changes (%) Apr 2022*	
YTD	-2.0%
Y-o-Y	-0.8%
From Sep 21 (historical peak)	-3.1%
From Dec 18 (last trough)	8.8%

\* Preliminary figure

# Price Consolidating in All Sectors

Prices at City One Shatin (Phase 4) are expected to record a mild increase of 1.1% q-o-q

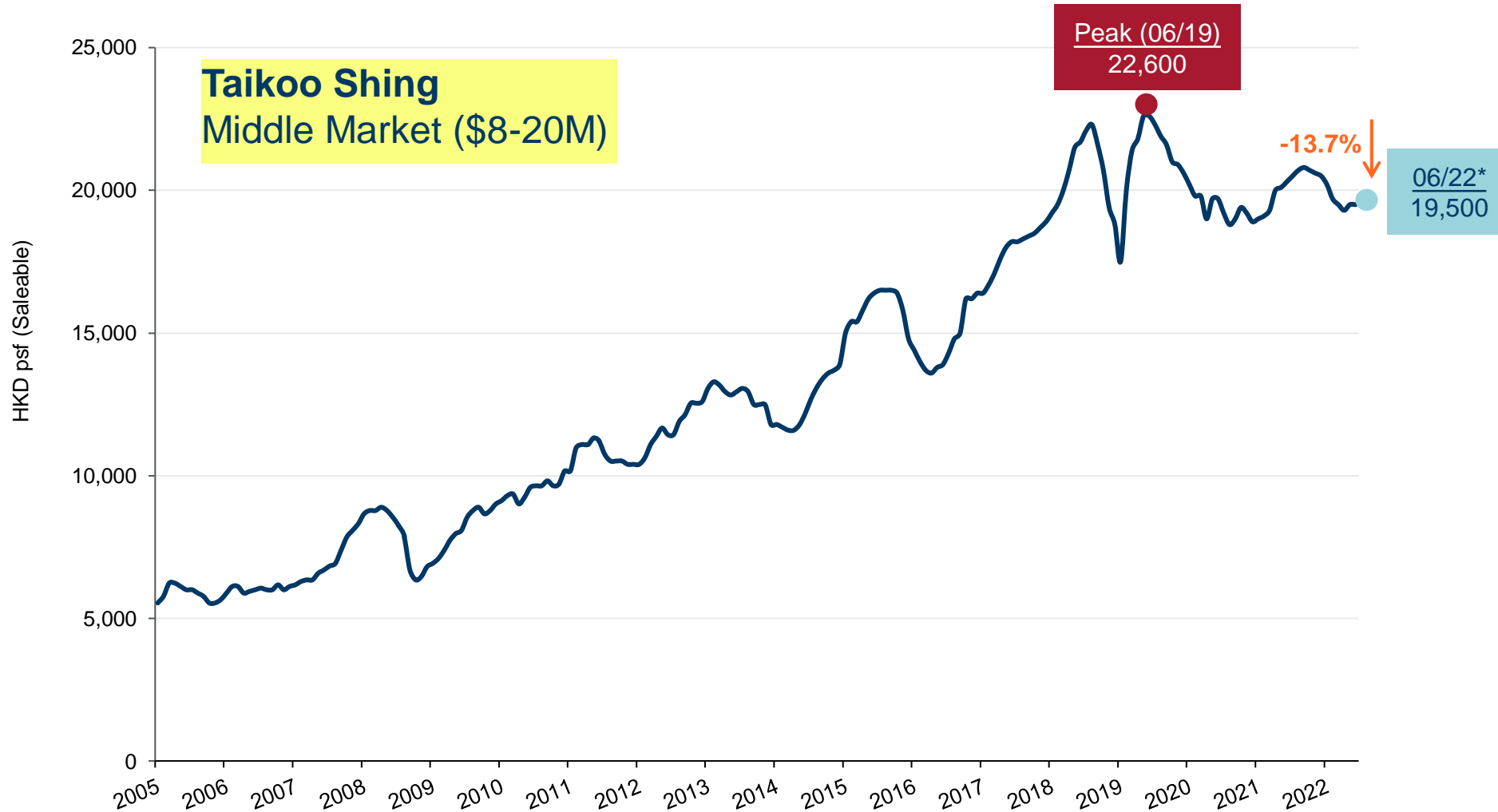


Residential Price Changes (%) Jun 2022*	
Q-o-Q	1.1%
Y-o-Y	-5.2%
From Sep 21 (Historical Peak)	-7.1%

\* Jun 2022 figure estimated by Cushman & Wakefield

# Price Consolidating in All Sectors

Prices at Taikoo Shing (Kao Shan Terrace) are expected to remain stable from last quarter

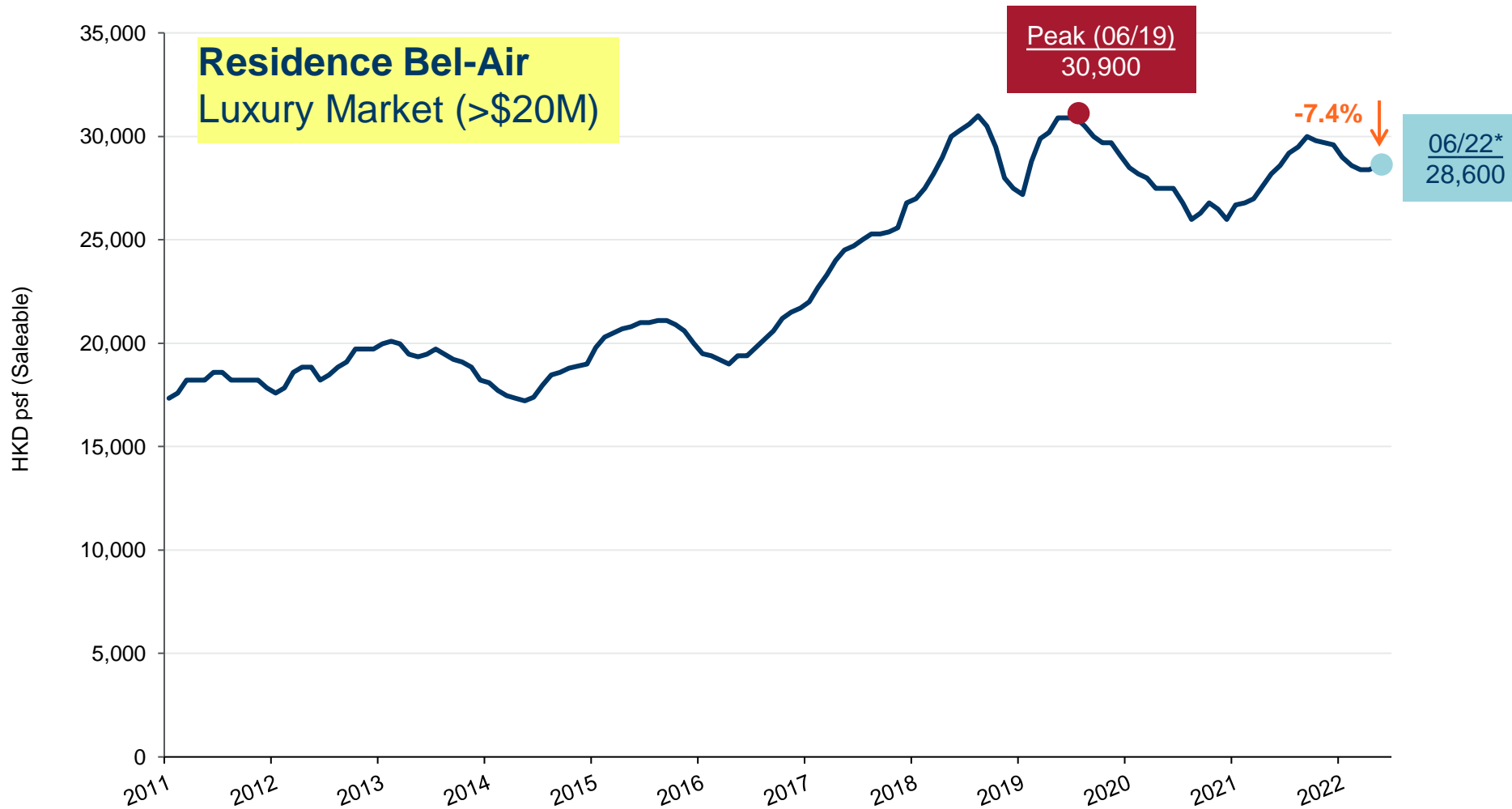


Residential Price Changes (%) Jun 2022*	
Q-o-Q	0.0%
Y-o-Y	-3.9%
From Jun-19 (Historical Peak)	-13.7%

\* Jun 2022 figure estimated by Cushman & Wakefield

# Price Consolidating in All Sectors

Prices at Residence Bel-Air (Phase 2) are expected to rise by 0.7% quarterly



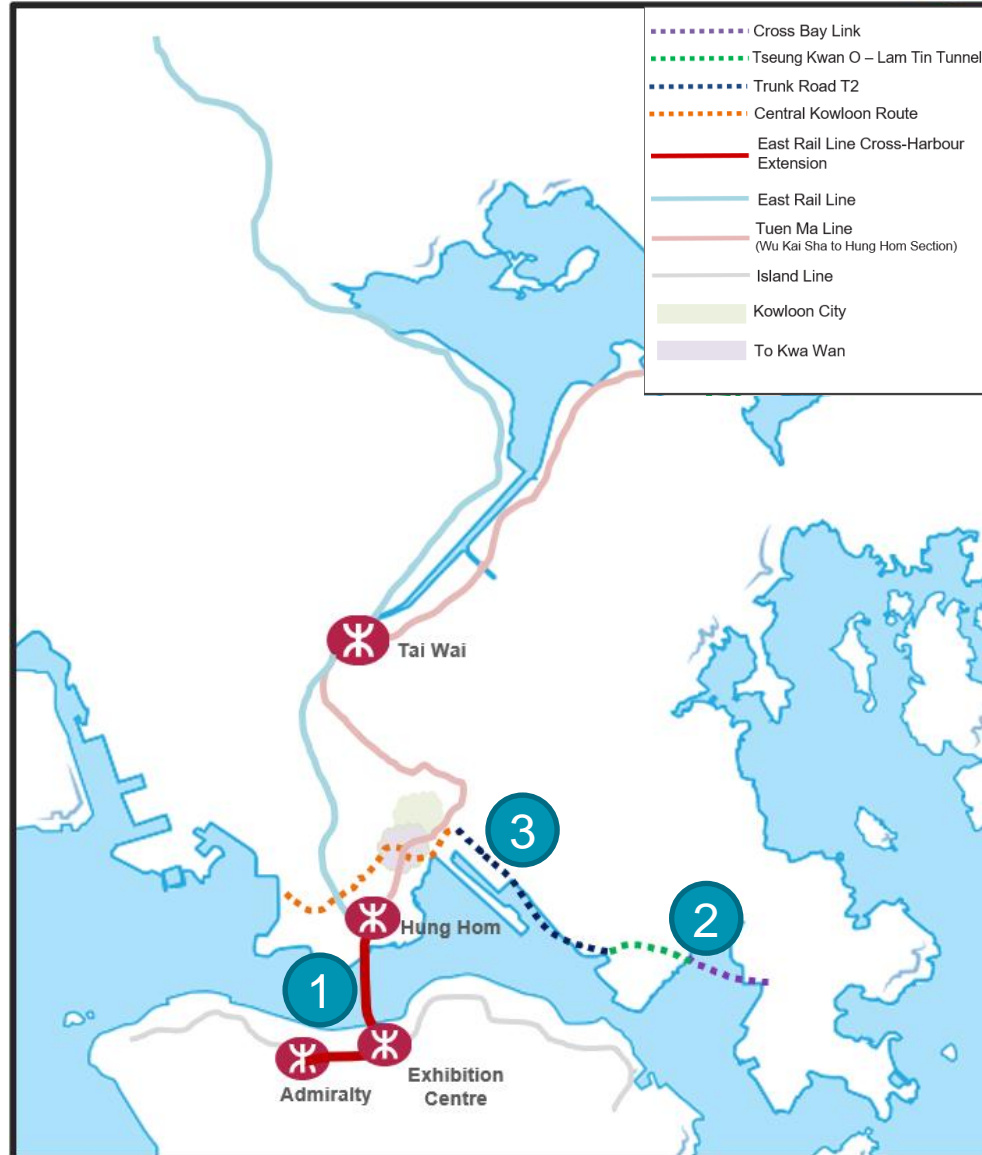
Residential Price Changes (%) Jun 2022*	
Q-o-Q	0.7%
Y-o-Y	0.0%
From Jun-19 (Historical Peak)	-7.4%

\* Jun 2022 figure estimated by Cushman & Wakefield



# New Infrastructure Drives Capital Growth and Urban Renewal

Improved connectivity set to narrow the gap between urban areas and NT



## North ↔ South

### 1. East Rail Line Cross-Harbour Extension

- Opened in May 2022
- Connecting the New Territories and Hong Kong Island

## West ↔ East

### 2. Cross Bay Link & Tseung Kwan O-Lam Tin Tunnel

- To be opened in 2H 2022
- Roadway connection between Tseung Kwan O and Kowloon East

### 3. Central Kowloon Route & Trunk Road T2 (Route 6)

- Anticipated to be commissioned by 2026
- Linking West Kowloon, Kai Tak, Kowloon Bay and Kwun Tong



# Hong Kong Residential Market Overview

## Key Takeaways

1

Number of S&Ps is expected to increase by 48% q-o-q, despite an annual drop of 32%

2

Overall home prices stabilized in Q2; signs of recovery observed

3

Improved connectivity will drive the long-term growth of property value and accelerate urban renewal in the city

4

We expect home prices to remain stable by the year-end; although transaction volume could drop by circa 20-25% yearly

5

Rate hikes associated with higher-than-expected inflation rates and the pace of economic recovery will remain the major risk factors

# HK Residential Market Overview

## The Panel



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