

CHINA HONG KONG



Up-to-date information on the residential rental market, international schooling and visa/immigration regulations in Hong Kong

RESIDENTIAL LEASING MARKET

The ongoing COVID-19 pandemic has resulted in lower activity in the Hong Kong leasing market¹ and luxury leasing transaction volumes remained low in the first half of 2022.

The fourth quarter of 2022 recorded a slight drop in rental rates (-3.1%) on Hong Kong Island, in New Territories (-1.1%), and a slight increase in Kowloon (+0.1%).

Not much has changed in the leasing market since Q3 2022, except that landlords have been more flexible during negotiations towards the year's end as they are keen to lease their vacant units before the low season starts.

Townhouse rentals dropped by 6.2% in The Peak and 5.5% in the Southside. Discovery Bay area is favored by airline staff due to its location, but the rental rate continues to face challenges as demand from airline staff remains weak.

Rental rates for serviced apartments dropped slightly by 3.2% in the fourth quarter, with average occupancy rates remaining low at 62% (vs. the typical occupancy rate of over 80%). As a result, some landlords are offering rental discounts to increase occupancy rates.

2023 OUTLOOK

Luxury residential rental rates are expected to increase progressively as restrictions lift and the Mainland China border reopens. We expect luxury apartment rentals to remain stable in the first half of 2023 and increase slightly in the second half.

PROPERTY RENTAL COST ESTIMATE

	Low Range (HKD)	Mid-Range (HKD)	High Range (HKD)
1 Bedroom	\$16,000 - 33,000	\$24,000 - 57,000	\$57,000 - 90,000
2 Bedrooms	\$21,000 - 42,000	\$34,000 - 87,000	\$75,000 - 148,000
3 Bedrooms	\$40,000 - 66,000	\$60,000 - 120,000	\$105,000 - 178,000

PERMANENT HOUSING

1. Leasing agreements are typically for two years, one year fixed with one, two, or three-month break clause.
2. Unfurnished apartment with basic electric appliances such as cooking stove, refrigerator, washing machine, air conditioner, water heater, exhaust fan.

SERVICED APARTMENTS MARKET

The removal of HK quarantine requirements alleviated demand for a while, but with the ongoing restrictions such as PCR tests and mask-wearing, coupled with the low peak period in December and January, experts are not expecting any sustained uplift.

SERVICED APARTMENT COST ESTIMATE

	Low Range (HKD)	Mid-Range (HKD)	High Range (HKD)
Studio	\$13,000 - 34,000	\$40,000 - 49,000	\$50,000 - 110,000
1 Bedroom	\$20,000 - 42,000	\$40,000 - 58,000	\$70,000 - 220,000
2 Bedrooms	\$21,000 - 53,000	\$50,000 - 83,000	\$140,000 - 250,000
3 Bedrooms	\$25,000 - 56,000	\$80,000 - 150,000	\$170,000 - 330,000

TEMP HOUSING



1. Minimum 1-month lease term.
2. The options for 3 and 4 bedrooms are very limited.





IMMIGRATION

Updated Situation for Novel Coronavirus (COVID-19) in Hong Kong²

PERSONS ARRIVING FROM OVERSEAS:

Persons applicable:	Inbound persons arriving from places outside of China
Pre-departure requirement:	<ul style="list-style-type: none"> a. Non-Hong Kong residents aged 12 or above on the day of arrival at Hong Kong: Fulfilled vaccination requirement; b. Persons aged three or above on the day of arrival at Hong Kong: Rapid Antigen Test (RAT) conducted within 24 hours or PCR-based nucleic acid test conducted within 48 hours prior to the scheduled time of departure (for arrivals via the airport) or before arrival at Hong Kong (for arrivals via other boundary control points), obtained negative result; and c. Retain photo showing the RAT result or the PCR test report for 90 days <p> May declare test result via the voluntary electronic Health Declaration Form</p>
Advisory post-arrival RATs:	<p>The Government recommends all inbound persons to conduct daily RATs* using self-arranged rapid antigen test (RAT) kits for the period from the day of arrival (i.e. Day 0) to Day 5 of arrival in Hong Kong.</p> <p> May voluntarily report their RAT results and health status via the Electronic COVID-19 Monitoring & Surveillance System (eCMSS)</p>

PERSONS ARRIVING FROM THE MAINLAND, MACAO OR TAIWAN:

Persons applicable:	Inbound persons who arrive at Hong Kong from the Mainland, Macao or Taiwan
Pre-departure requirement:	<ul style="list-style-type: none"> a. Persons aged three or above on the day of arrival at Hong Kong: Rapid Antigen Test (RAT) conducted within 24 hours or PCR-based nucleic acid test conducted within 48 hours prior to the scheduled time of departure (for arrivals via the airport) or before arrival at Hong Kong (for arrivals via other boundary control points), and obtained negative result; and b. Retain photo showing the RAT result or the PCR test report for 90 days <p> May declare test result via the voluntary electronic Health Declaration Form</p>
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* The day of arrival in Hong Kong is considered Day 0. For example, a person who arrives in Hong Kong on 1 February 2023 (Day 0) will be on the "5th day/Day 5" on 6 February 2023.

NEW TOP TALENT PASS SCHEME (TTPS)

Chief Executive of Hong Kong SAR, Mr. John Lee, announced a new scheme called TTPS in October 2022. The TTPS seeks to attract top talent with a rich work experience and good academic qualifications from all over the world to explore opportunities in Hong Kong. These top talents include high-income talents and graduates from the world's top universities.

Under the scheme, Hong Kong is offering a two-year visa to individuals who earned at least HK\$2.5 million (US\$318,472) over the past year; and graduates from the world's top 100 universities with at least three years of working experience over the past five years.



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DAILY LIVING

Below are some cost estimates and guidelines for utilities and transportation:

Utilities Cost Estimate

- Electricity, Gas & Water Bills: HKD 3,000 per month, electricity is expensive in summer
- Mobile Phone Bills: HKD 600 per month
- Broadband Internet Bills: HKD 500 per month

Transportation Cost Estimate

- Public Transportation (MTR, bus): HKD 600 per month
- Car Lease (e.g., BMW X5): HKD 24,000 per month

SCHOOLING

Classes have resumed in most schools.

The availability of International School placements are limited, especially for renowned and popular schools where there is a long waiting list. Early applications are strongly recommended.

INTERNATIONAL SCHOOL COST ESTIMATE

Fees	Cost (HKD)
Applications Fees	Nil - 3,700 (non-refundable)
Assessment Fees	Nil - 4,300 (non-refundable)
Annual Tuition Fees (Nursery to Year 13)	45,900 - 291,200
Annual Capital Levy	Nil - 100,000

Note:

- The application and assessment fees quoted above are fees published by various international schools in Hong Kong.
- Some international schools require mandatory debenture payable upon acceptance of a school place. The range of the mandatory debenture is between HKD60,000 and HKD610,000. Some are for each individual and some for each family. In this instance, no annual capital levy will be charged.

Exclusions:

- School bus transportation, books, uniforms, laboratory equipment, public examination fees, learning support programs.

School Name	Application Fee (HKD)	Debenture (Corporate/Individual) (HKD)	Annual Tuition Fee (HKD)
English Schools Foundation	2,000	Corporate Nomination Rights: Need to contact the ESF Centre Individual Nomination Rights: 500,000	119,100 - 159,300
Chinese International School	2,000 Assessment Fee: 2,000	Corporate Nomination Rights: not issuing new CNR	183,600 - 291,200
Hong Kong International School	2,000	Family Debenture (transferable): 3 million Standard Corporate Debenture (non-transferable): 3 million Comprehensive Corporate Debenture (non-transferable): 5 million	225,200 - 256,300
Kellett	2,000 - 2,500	Corporate Debenture: 650,000 Mandatory Individual Debenture: 120,000	180,400 - 230,700

For further information about relocating to Hong Kong, please contact your Cartus representative, or email cartussolutionsasia@cartus.com.



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Sources: ¹Savills Newsletter; ²www.coronavirus.gov.hk.

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