

# Buying In

A new guide to owning property in Hong Kong helps expatriates get their foot on the property ladder. Teresa Chow takes a look.



Dillon's office in a factory in Wong Chuk Hang before and after renovation.

Let's face it. Buying property in Hong Kong isn't easy, and many people, especially newcomers to the city, find the local property market almost impossible to negotiate. Fortunately, help is at hand. Newly released this year, "Landed: The Expatriate's Guide to Buying and Renovating Property in Hong Kong" is a helpful guide to getting on the property ladder and raising its value through simple renovations. The author, Chris Dillon, started buying property five years ago, after living in Hong Kong for 16.

Dillon decided to start buying property here because as a long-time resident, he now considers Hong Kong his home. "Look around the region," he says. "Where else in Asia would you rather buy a property? The infrastructure is complete; there is a good legal system, less corruption than in many parts of Asia and a well-structured multinational environment for doing business. Best of all, with China emerging as a formidable market force, Hong Kong is a really exciting place to be at the moment."

In addition to these factors, don't forget that there is no capital gains tax, no foreign exchange control, and no citizenship or local partner required to make a purchase. Plus, all contracts are executed in English, making it even easier to get on the property ladder as a foreign investor. It's a boon for the economy, too. Dillon adds: "The fact that there are more and more expats owning homes here shows that people have confidence in Hong Kong's future, especially as so much of Hong Kong's economy is built on the property market."

Dillon observes that many of his friends rent for the entire duration of their stay in Hong Kong. Some maybe have been living locally for over 20 years, meaning they're paying someone else's mortgage the whole time. "A tiny apartment in Hong Kong could cost up to US\$1million," Dillon notes. "The sky-high prices may cause a psychological threat for people attempting to enter the market, but at least when you're paying a mortgage, you're building up equity at the same time."

## Dillon's advice for first-time buyers

- Don't hesitate to buy just because you can't find exactly what you want. It's always advisable to get onto the property ladder.
- Be conservative toward buying property and don't over-commit financially.
- Be sure you can pay off the mortgage fee even if the interest rate goes up, so buy a slightly small property than you can afford.
- If you are staying in Hong Kong for a while, buy something instead of paying somebody else's mortgage. ■

