

Consumer Economic Issues in Hong Kong

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Country/Region Reports
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By Che-Cheong Poon, Hong Kong Shue Yan University

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20 years after the 1997 handover, there are three major consumer economic issues facing Hong Kong people:

1. Unreasonable home prices
2. High shop rental; and
3. Overload of public health services.

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Unreasonable home prices

The highest records in 2017:

The price HK\$644 million (US\$ 82 million) was the price paid for a 9,170sqft flat (two semi-detached units) at Blue Pool Road, Happy Valley.

The monthly rent of HK\$169,277 (US\$21,570) for a 2,148sqft flat at Queen's Garden, Mid-Levels.



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Hong Kong's real problem within the private residential property market is not shortage of homes, but affordability of homes

- The Demographia International Housing Affordability Survey rates middle-income housing affordability using the "Median Multiple," which is the median house price divided by the median household income.
- As revealed by the 14th Annual Demographia International Housing Affordability Survey, the most affordable major metropolitan housing market in 2017 was in the USA with a Median Multiple is 3.8, and the least affordable was in Hong Kong with a Median Multiple of 19.4 (18.1 last year).
- The monthly household income for a typical family in Hong Kong in March 2018 was HK\$28100, Median Multiple of 19.4 means this family have to use all its 19.4 years' income to buy a typical flat (600 ft²); that is the flat price was $\text{HK\$}28100 \times 12 \times 19.4 = \text{HK\$}6.54 \text{ million}$ (RMB\$5.56 million or US\$0.85million).

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Impacts of severely unaffordable home on Families

- It increases the degree of inequality in disposable household income distribution (Gini index in 2016 is 0.539);
- Unable to access to decent, affordable housing would provide critical instability for these families, and increase the risk that vulnerable families become homeless.
- High housing costs leave low-income families with little left over for other important expenses, leading to difficult budget trade-offs.

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High shop rental

Central Business District: Matheson Street, Causeway Bay, Hong Kong Island

Shop Type: Street Shop

Area: Approx. 812 ft² (Gross)
G/F: Approx. 800 ft²

Asking Rent: HK\$120,000
(HK\$145 per ft²)



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High shop rental

Satellite town: Tai Chung Kiu Road, Shatin, New Territories

Shop Type: Shop / Arcade's Shop

Area: Approx. 330 ft²

Asking Rent: HK\$33,000
(HK\$100 per ft²)



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Impacts of high shop :

- It pushes up food prices;
- It may undercut the competitiveness of Hong Kong as a business hub, and thus cause unemployment.
- if the surge in shop rentals goes way beyond what the businesses can support in terms of earning capacity or income prospect, they will close down. Especially, the traditional small Retail Shops such as electrical shops and grocery stores.

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Overload of public health services



- The shortage of hospital beds
- Hospital overcrowding
- Ridiculous' waiting times as wards at every public hospital exceed capacity
- Doctors in specialist outpatient clinics handle about 30 cases in three hours, meaning time spent on each case would only be six minutes

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Hospital overcrowding

Cluster 醫院聯網	Hospital 醫院	No. of A&E first attendance per day 急症室每天 首次求診數字	No. of inpatient admission to Med via A&E per day 經急症室入內科 每天數字	Medical inpatient bed occupancy rate at midnight 內科住院病床 於午夜時的佔用率
HA Overall 醫院管理局公立急症醫院		* 7,454	# 1,025	118%

58 weeks

The median waiting time of new cases at child and adolescent psychiatric specialist outpatient clinics in 2015.

以下號碼請到房間 The following number please go to Room			
房間 Room No.	電話 Call No.	房間 Room No.	電話 Call No.
1	687	2	688

平均輪候時間為58周
The average waiting time is 58 weeks

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Waiting time at the Accidental and Emergency Department (AED) of a public hospital



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Injured construction worker fails to get quick surgery in a public hospital

An ironworker who was taken to Princess Margaret Hospital on 2 July 2018 after suffering from great pain as his left arm had been pierced by a steel bar, he failed to get surgery for nearly 6 hours.

The wait stretched into several hours as no surgeon was available at that time, apparently owing to a staff shortage at the hospital.



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Conclusion

High shop rental

Unreasonable home prices

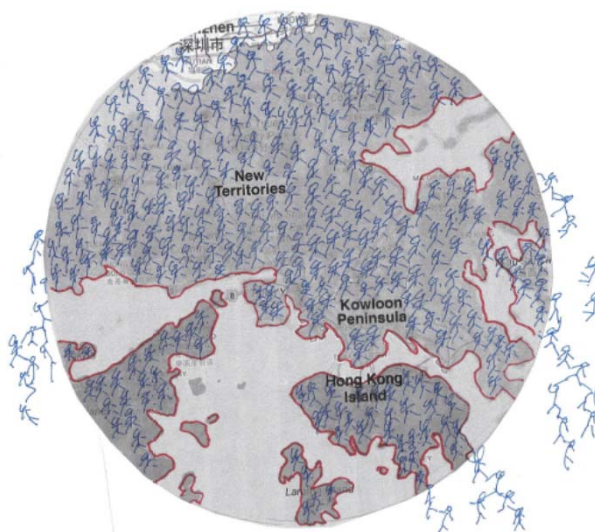
Overload of public health services

Deterioration of consumer benefits

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Hong Kong people is facing the problem of overpopulation

There are over 8 million people (including transient population) crowded into a small region of 1106 square km.



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