

# SMART



# Home Hunting

**Fourth Revised Edition**



**The Key to Renting Your Perfect  
Place in Hong Kong**

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*SMART Home Hunting: The Key to Renting Your Perfect Place in Hong Kong*

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**Disclaimer:**

While the author has made every effort to ensure the accuracy and timeliness of the information presented in this eBook, he cannot guarantee that it is complete and free of errors. Therefore, he cannot be held responsible for any losses or inconveniences experienced by potential property buyers or renters who apply the tips or advice provided in this book. Since government policies, trade practices, and the property market are constantly evolving, readers should consider this book as a reference guide only. They should seek additional professional advice when necessary.

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## Introduction

Housing in Hong Kong is always in great demand. Looking for a home here can be very stressful if you don't know where to begin and are unaware of the procedures involved. It is the goal of this eBook to provide you with essential knowledge for home hunting in Hong Kong, without overwhelming you with excessive details. However, it is worth noting that this book is constantly expanding.

This little book has come to life from my over 12 years of hands-on experience working with clients from all over the world to help them find homes in different areas of Hong Kong. It will help guide you through your home-searching journey in a SMART (Specific, Mindful, Adaptable, Ready, and Tactical) way. In addition, the bonus chapters offer valuable guidance on selecting and working with a local estate agent, as well as advice on being a good tenant. Whether you are a newcomer or a long-time resident of this vibrant city, you will find useful information, insights, suggestions, and tips in the following pages.

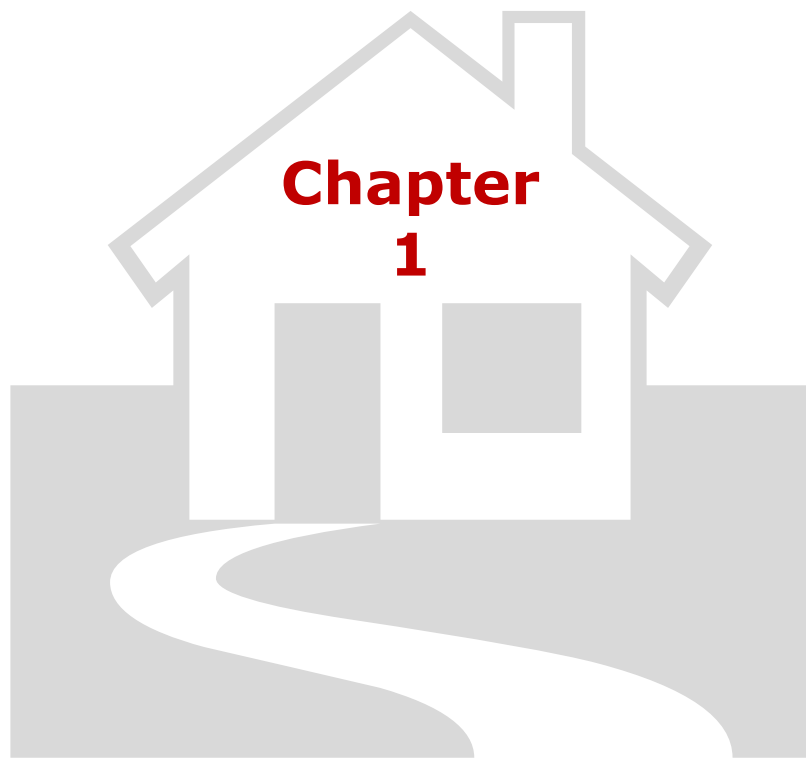
Although this book primarily focuses on the ins and outs of renting a residential property, many sections of it are still relevant if you are considering purchasing one. Potential homebuyers should stay informed about the latest updates regarding stamp duty rates, interest rates, and loan-to-value ratios when applying for a mortgage.

I hope you will enjoy your journey of searching for a home in Hong Kong as much as I have enjoyed writing this book. May God bless you and guide you to the right place at the right time, with the help of the right people!

*Daniel W. Lam*



P.S. Many thanks to David R. Henry, my long-time and multi-talented friend, for editing and livening up this book. His keen eye and sharp mind have greatly assisted in putting this together. It has been a real pleasure working with him.



"If you set goals and go after them with all the determination you can muster, your gifts will take you places that will amaze you."

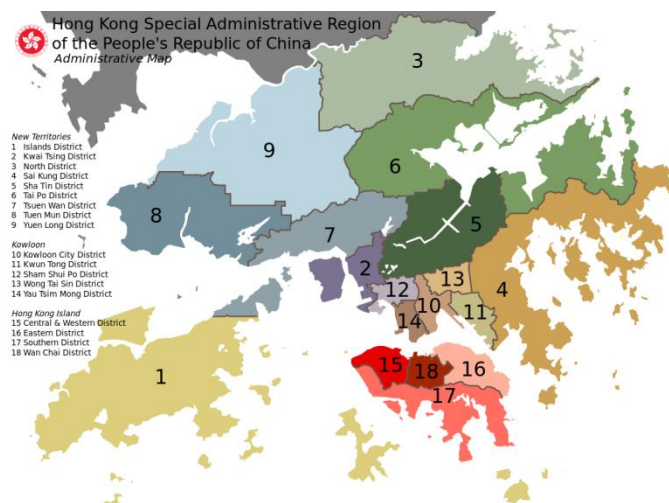
— Les Brown

## Be Specific in Writing Down All of Your Requirements

Thinking through and visualising your needs and wants is the first step to finding your perfect home in Hong Kong. **TIP:** To get a better picture of your desired place for living, you should write down all the factors that are important to you. It would be helpful to create a list of your *must-haves* and *nice-to-haves*. Prioritising your preferences can also save you a headache when it comes to choosing a property. Now, let's go through the major considerations one by one.

### Location

Hong Kong, a special administrative region of the People's Republic of China, consists of three main areas: Hong Kong Island, the Kowloon Peninsula, and the New Territories, which include some 260 outlying islands. The city is subdivided into 18 administrative districts as shown in the map below:



By User: Moddyg - File: Map of Hong Kong 18 Districts zh.svg, CC BY-SA 3.0  
<https://commons.wikimedia.org/w/index.php?curid=31210932>

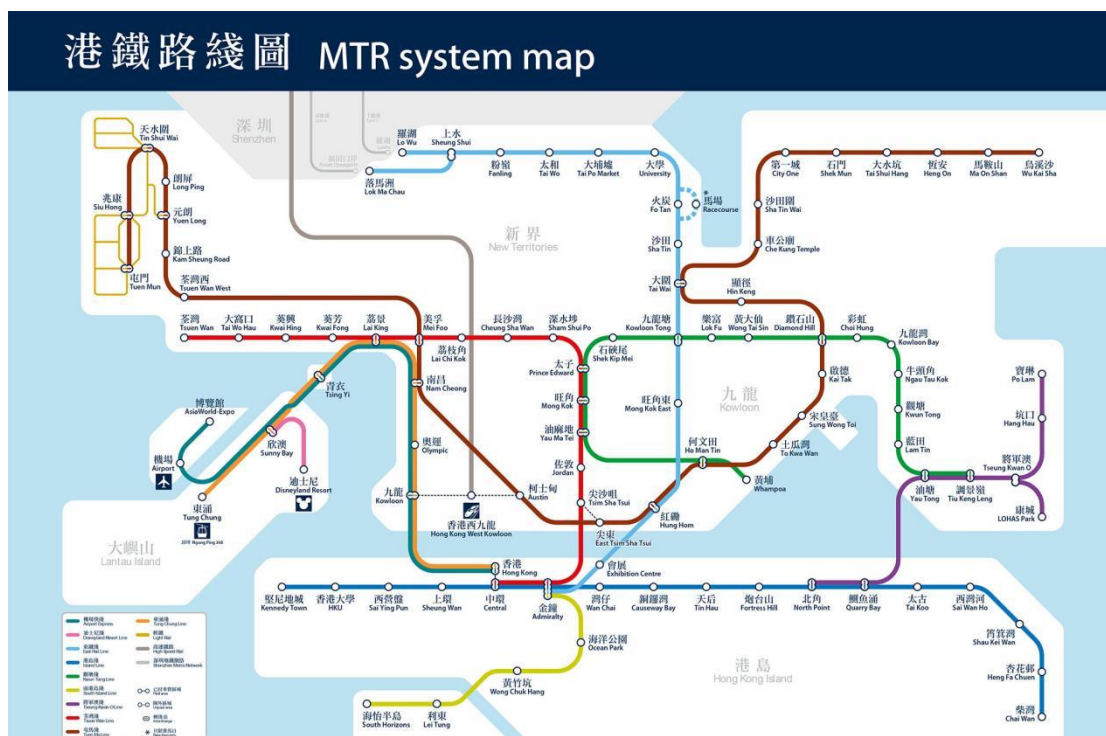
1. Islands, 2. Kwai Tsing, 3. North, 4. Sai Kung, 5. Sha Tin, 6. Tai Po, 7. Tsuen Wan, 8. Tuen Mun, 9. Yuen Long, 10. Kowloon City, 11. Kwun Tong, 12. Sham Shui Po, 13. Wong Tai Sin, 14. Yau Tsim Mong, 15. Central & Western, 16. Eastern, 17. Southern, 18. Wan Chai

Visit [https://en.wikipedia.org/wiki/Districts\\_of\\_Hong\\_Kong](https://en.wikipedia.org/wiki/Districts_of_Hong_Kong) to learn more about the various districts in Hong Kong.

“Location, location, location” may sound like a cliché, but it remains the number one rule in real estate. Different people choose to reside in different places for different reasons. Visit <https://expatliving.hk/living-in-hong-kong-expats-guide-where-to-live/> for a quick overview of some popular home locations in Hong Kong. Doing your own research from the outset can set you on the right path.

Most people prefer to live near their workplace or their child’s school. How about you? Generally speaking, the closer a place is to a central business district (CBD), such as Central, Wan Chai, Causeway Bay, or Tsim Sha Tsui, the higher the cost will be. **TIP:** Living in a location farther away from the CBD can be a good way to save money on accommodation.

Hong Kong is a compact city, occupying an area that is approximately 0.7 times the size of London and 1.4 times the size of New York City. Despite its small size, the city boasts efficient transportation systems that seamlessly connect most areas. If your home is not far away from the Mass Transit Railway (MTR), buses, minibuses, or ferries, you can normally get to work in an hour or less.



Most populated areas are accessible via the MTR (Image source: The MTR’s website)

Home is not just a place where you lay your head and hang your hat; it is where your heart is and around which your life revolves. **TIP:** When selecting a location for your home, it's important to consider whether it suits your lifestyle or not. What is the community like? Do you need a car to get around? Are there any good restaurants, coffee shops, supermarkets, or grocery stores nearby? Where would you like to hang out? Is it easy to access parks, playgrounds, swimming pools, beaches, hiking trails, shopping malls, and other recreational facilities? Do you have any other concerns?

**TIP:** If you are unfamiliar with the districts, a good way to start is by asking your friends, colleagues, and estate agent for suggestions on where to live. It may be helpful to get the feel of a few selected neighbourhoods before beginning your property search.



Most neighbourhoods have at least one supermarket nearby

## Types of Property

With an area of just 1,114 square kilometres, Hong Kong is home to over seven million people. Due to the shortage of available land for residential development, vertical living seems to be the only feasible solution. Most people, therefore, live in *apartments* or *flats* in high-rises. In fact, the city has nearly three quarters of its skyscrapers used for housing.



High-rises are ubiquitous in Hong Kong



*Houses* and *villas* are scarce and, therefore, very expensive, particularly those situated in upmarket areas such as the Peak and Southern District. **TIP:** Cheaper options, however, can be found in suburban areas like Sai Kung and North District. Some of them come with a garden, a swimming pool, or both.

**TIP:** If you're on a tight budget but don't want to compromise on living space, you may consider a *village house apartment*, which is usually around 700 ft<sup>2</sup>. A typical village house consists of three separate apartments spread across three floors: the ground floor, first floor, and second floor. The second floor, which is typically the highest level, often includes access to the rooftop directly above it. Some village houses have internal staircases connecting all the floors.



Most village houses are located in the suburbs and on outlying islands

**TIP:** “*Tong Lau*” (唐樓), an old-fashioned walk-up building, offers another type of budget accommodation. The places there are cheaper because they usually lack proper security and building management services. Poor lighting and unsanitary conditions in communal areas may also be a concern for some people.

**TIP:** If your stay in Hong Kong is less than a year, you may want to consider renting a *serviced apartment*. Although a serviced apartment is usually more expensive than a privately owned flat, it offers greater flexibility in terms of length of stay and requires a smaller deposit. Additionally, you can save money by avoiding the need to purchase furniture.

Is it possible to get an incredible deal? Finally, I would like to draw your attention to the term “*haunted house*”. Suicide or murder sites are considered inauspicious places for living. For this reason, their value is inevitably reduced, usually by about 20% less than the market price. It’s not easy for an unpopular property like this to change hands, as banks are hesitant to grant mortgages and become stakeholders. Nonetheless, even the most dreadful place can be transformed into a blissful abode with an open mind and lion-hearted courage. It also helps to be a Spirit-filled Christ follower who fears nothing but God.

## Property Area

You will probably come across the terms *saleable area* (SA) and *gross floor area* (GFA) when the size of a property is mentioned. Saleable area refers to the portion of a property that can be used, while gross floor area also includes a share of the common areas, bay windows, and facilities.

To foster a fairer property market, starting from January 2013, estate agents in Hong Kong have been statutorily required to provide the saleable area of a second-hand residential property to their clients in all promotional materials.



Saleable area is the usable area of a property

According to the Rating and Valuation Department, “saleable area” is defined as:

“The floor area exclusively allocated to a residential unit including balconies, verandahs, utility platforms and other similar features but excluding common areas such as stairs, lift shafts, pipe ducts, lobbies and communal toilets. It is measured to the exterior face of the external walls and walls onto common parts or the centre of party walls. Bay windows, flat roofs, top roofs, stairhoods, cocklofts, gardens, terraces, yards, air-conditioning plant rooms, air-conditioning platforms, planters/flower boxes and car parking spaces are excluded.”

In Hong Kong, we usually use *square feet* as the unit of measurement for property size. For your reference, one square metre equals 10.764 square feet to be exact.

Let me give you an idea of the size of a *decent* property, in saleable area, here. For a studio or one-bedroom flat, it's about 250 to 400 ft<sup>2</sup>. A tiny living space measuring 215 ft<sup>2</sup> or less is called a “nano flat” for it lacks enough room to even swing a cat. A two-bedroom apartment is between 400 and 600 ft<sup>2</sup> while a three-bedroom one ranges from 600 to 800 ft<sup>2</sup>. You may, of course, find larger homes in the luxury market.

**TIP:** If you are taller than six feet or 1.8 metres and need a bed longer than that, you should tell your estate agent right from the start. You know, many bedrooms in Hong Kong are smaller than what you can imagine. Some of them can only fit a bed no bigger than 4 feet by 6 feet.

## Number of Rooms

Obviously, the number of bedrooms and bathrooms you need depends on the size of your family. To meet the needs of many small local families, the most common housing options available here are two- and three-bedroom apartments. One-bedroom and studio flats are in high demand due to their lower prices, resulting in a limited supply. Both property investors and renters are actively seeking them out. By the way, do you need a storage room and/or an extra room for your domestic helper? Please note that the maid's room or suite here is usually very small.



How many rooms and how much space do you need?

Even if a place has the rooms you need, the bottom line is: Can you see yourself or your family living there? Not many people in Hong Kong would describe their homes as “spacious”. Nevertheless, you should ensure that there is enough space to accommodate your furniture and belongings.

If a room can only fit your king- or queen-size bed, you may need an additional room to serve as your closet. Some people make use of every inch of their living room by installing built-in cabinets, while others create an elevated platform in their master bedroom to store items underneath the bed.

If you cook a lot, it is essential to have a well-equipped kitchen with ample cupboard space and a high-quality worktop. **TIP:** Moving, by the way, is the perfect time to declutter. Get your new home organised, and your life will fall into place.

## View

Having the right view can make or break your stay in Hong Kong. What kind of view are you after? Like many other places in the world, a house facing the sea or water comes with a hefty price tag. Would you also enjoy a view of mountains, gardens, greenery, or the city skyline?

With just a quick glance at the densely populated urban landscape of the city, it's not difficult to understand why most residents living in apartments cannot completely avoid the view of other buildings, at least from a distance. Anyway, apart from privacy concerns, it's not much fun looking out your window directly at an old brick wall.



Picking the right view matters, doesn't it?

## Floor Level

If you have always lived in a house, you may need to adjust to a higher altitude in Hong Kong. As mentioned before, the majority of people here live in high-rise apartments.

**TIP:** In fact, there may be more advantages than disadvantages to living on a higher floor, as long as there is a lift in the building.

“If you wish to see things that are a thousand miles away, get to higher ground,” reads a line from a famous Chinese poem. Undoubtedly, an upper-floor unit offers a better and more expansive view. Having said that, reaching the very top has its own potential hazards. **TIP:** A unit located on the top floor is more susceptible to intense heat in the summer and water leaks during heavy rainfall due to its proximity to the rooftop. This is why the floor directly below is widely considered the best option.

A unit on a lower floor may have a more restricted view, but it can still be enjoyable if it overlooks a beautiful garden or swimming pool. Of course, a view of the beach would be even better. **TIP:** When considering which floor to live on, it’s important to take into account factors such as natural light, noise levels, air circulation, privacy, security, and signs of pest infestation.

## Direction

Many people don’t give enough thought to the orientation of a house when choosing a place to live. I wonder how important it is to you. Are you aware of the best direction for houses according to Chinese tradition? An ancient proverb makes it clear: “It’s hard to buy a south-facing house even with a thousand pieces of gold.” But why south?



The orientation of a house plays a significant role in determining room temperature. A physicist has pointed out that Hong Kong is located in the northern hemisphere, and during winter, the sun shifts southward. A unit facing south receives more sunlight throughout the day, resulting in a warmer temperature compared to units facing other directions. At noon in summer, the sun is positioned high in the sky, causing the sunlight to shine almost parallel to the window panes. For this reason, the house will not overheat. **TIP:** Simply put, a house that faces south is warmer in winter and cooler in summer.

A house facing north gets very little sunlight. It can be bitterly cold, mind you, when the northeast monsoon blows hard during the winter season. If you are an early riser or need to wake up early, you may appreciate having an east-facing bedroom. The rising sun can serve as a natural alarm clock to help you wake up. An unobstructed place facing west does not lack sun shine in the afternoon. If you can stand the summer heat, you may also relish the breathtaking sunset. **TIP:** As a side note, applying a tinted window film can effectively reduce the amount of sunlight entering a room, in addition to installing curtains or blinds.



A stunning sunset view from a flat in Park Island, Ma Wan

Cooler ocean breezes, combined with proper ventilation, can greatly help in keeping the heat at manageable levels. In summer, the prevailing wind in Hong Kong blows from the South China Sea, specifically from the south, east, southeast, and southwest directions. This is the reason why houses facing these directions are more desirable.

A friend who lives in a southeast-facing flat shared enthusiastically with me about the refreshing gusts of wind that enter his home during most summer days. Therefore, he rarely needs to use air conditioning, resulting in two significant benefits: lower electricity costs and improved health. As a matter of fact, prolonged exposure to an air-conditioned environment can do us more harm than good.

## Outdoor Space

Would you like to have an open space for chilling out without having to leave your home? A gentle breeze can give you a much-needed soothing touch, especially after a hard day at work. Having your own outdoor space can be very useful in many ways. You can cultivate plants, entertain guests, sunbathe, dry clothes, and even walk your dog (provided the space is large enough).

This is the end of the free preview. To gain access to more tips and guidance on home hunting, please order the full version of this eBook.

**Money-saving Tip:** While this eBook costs HK\$200, upon purchase, you will receive a *unique coupon code* worth HK\$300, which can be used to reduce the commission when you engage our services. Furthermore, there is a special discount on the commission, with the following details.

### Market Rates of Agent Commission

Renting a property: 50% of the monthly rent.

Buying a second-hand property: 1% of the purchase price.

Monthly Rent	Discount on Commission
HK\$20,000 or below	5% Off
Over HK\$20,000 to HK\$60,000	10% Off
Over HK\$60,000 to HK\$100,000	15% Off
Over HK\$100,000	20% Off

Purchase (or Sale) Price	Discount on Commission
HK\$7 million or below	20% Off
Over HK\$7 million to HK\$20 million	30% Off
Over HK\$20 million to HK\$50 million	40% Off
Over HK\$50 million	50% Off

For example, if you secure a property through us with a monthly rent of HK\$30,000, you will receive a 10% discount on the commission. This means that you only have to pay us HK\$13,500 ( $HK\$30,000 \times 50\% \times 90\%$ ). By presenting your unique coupon code from buying the eBook, you can save an additional HK\$300, resulting in a reduced payment of HK\$13,200 ( $HK\$13,500 - HK\$300$ ).

We recommend reading the entire eBook before arranging any property viewings. It will equip you with the essential knowledge for renting a home in Hong Kong and ensure that we are on the same page. By following the SMART approach and paying attention to the specifics, you will be well on your way to finding your perfect place.

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