

**The Government's responses to the issues raised in the
Hon Tony TSE Wai-chuen's letter of 29 October 2013**

This paper serves to respond to the following issues raised in the Hon Tony TSE Wai-chuen's letter of 29 October 2013:

- (a) the Administration should set out the trends of private residential property prices of different types in recent years;
- (b) in relation to paragraph 10 of LC Paper No. CB(1)88/13-14(01) which provides the number of Hong Kong Identity Card (HKIC) buyers who sold their other residential properties after acquiring residential properties have their disposal transactions done within 6 months from acquisition, the Administration should provide a breakdown of the proportion of Hong Kong Permanent Resident (HKPR) buyers and involving buyers in the acquisition of properties under construction in respect of the transactions conducted from 2011 to 2012; and
- (c) the Administration should provide a breakdown of the proportion of buyers, who did not own any property in Hong Kong, when purchasing properties under construction and the ratio of HKPR buyers in respect of the residential property transactions conducted in 2011, 2012 and the first half of 2013.

Trends of Private Residential Property Prices of Different Types

2. According to the property market statistics compiled by the Rating and Valuation Department (RVD), we have set out the trends of prices of small/medium-sized (Classes A, B and C) and large-sized (Classes D and E)¹ units as below :

¹ According to RVD's classification, the floor areas of Classes A to E of private residential units are defined as below

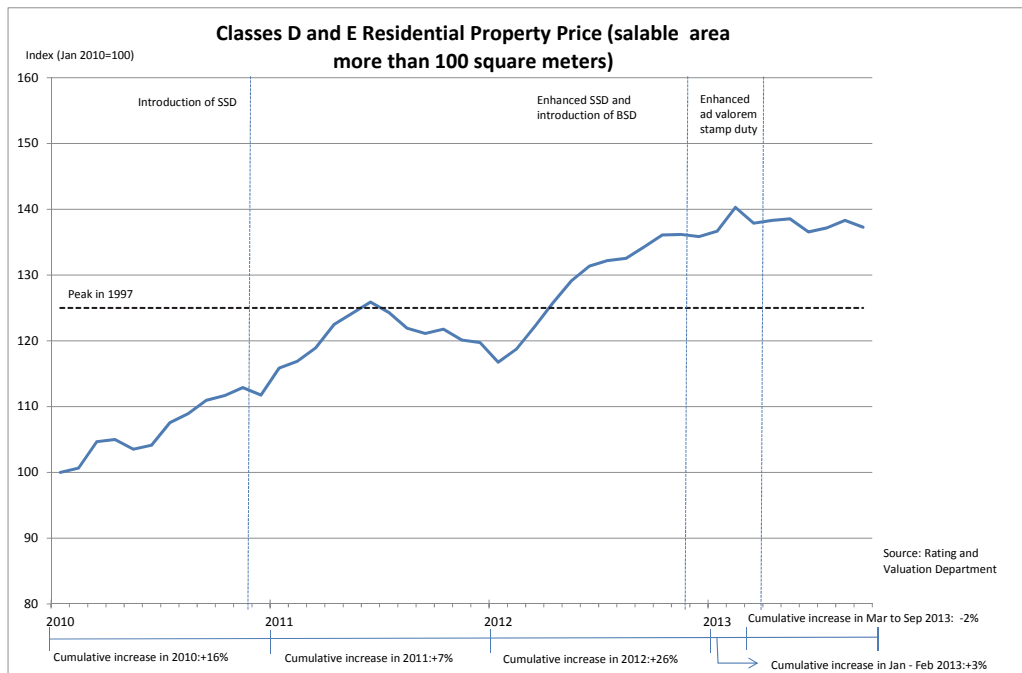
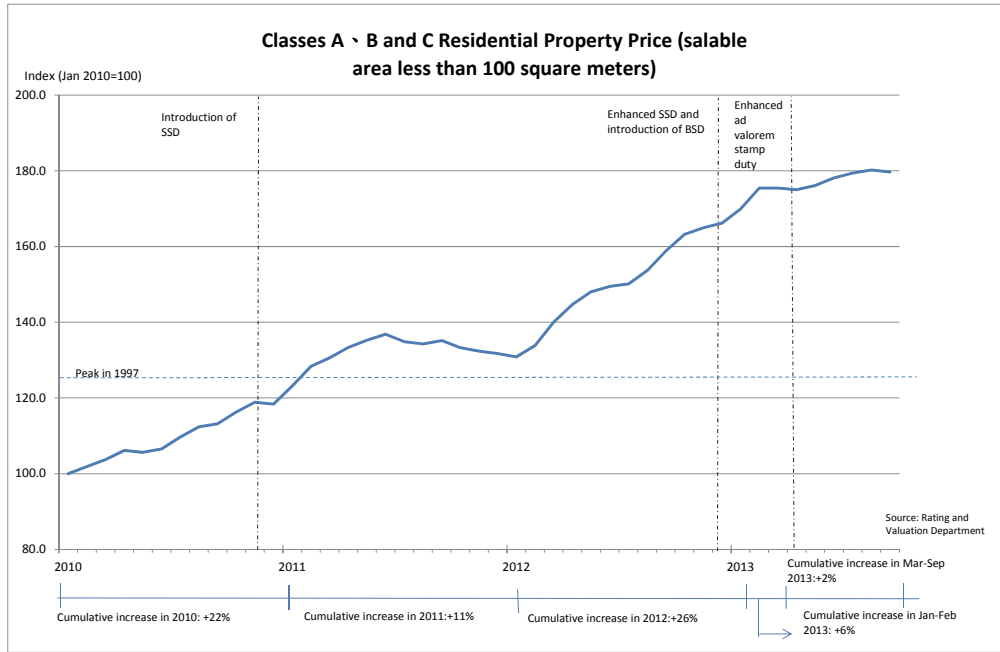
Class A - saleable area less than 40 m²

Class B - saleable area of 40 m² to 69.9 m²

Class C - saleable area of 70 m² to 99.9 m²

Class D - saleable area of 100 m² to 159.9 m²

Class E - saleable area of 160 m² or above



Information of HKPRs

3. At present, buyers are not required to declare whether they are HKPRs when submitting the stamping applications. Hence, the Inland Revenue Department (“IRD”) cannot compile statistics in relation to buyers who are HKPR or not. Moreover, stamping applicants are only required to confirm whether the acquired properties are purchased from developers or not. They are not required to state whether the acquired properties are under construction

or not. Thus, IRD could only provide the number of transactions where buyers purchased residential properties from developers. During the period from 2011 to 2012, for those HKIC buyers who sold their other residential properties within 6 months after acquiring residential properties, around 8.8% of them purchased the residential properties from developers; and the proportion of buyers who hold HKIC and bought the residential properties from developers, did not own any property in Hong Kong when purchasing the residential properties is as below :

	2011	2012	First half of 2013
Proportion of buyers who hold HKIC and bought the residential properties from developers, did not own any property in Hong Kong when purchasing the residential properties	20.5%	29.7%	56.6%

Financial Services and the Treasury Bureau
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