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OWNERS SUFFER STEEP LOSSES IN HOME SALES1

Owners suffer steep losses in home sales

Homeowners are dumping their properties at hefty losses amid the ongoing pandemic and bleak economic outlook.

The secondary market recorded at least 36 loss-making sales in August, according to local media reports, and some property agents left the lucrative industry last month.

One vendor suffered a loss of HK\$8.41 million on paper after selling a 2,115 sq ft house at The Beverly Hills for HK\$22.28 million, or HK\$10,534 per sq ft.

In Wong Chuk Hang, a mainland vendor suffered a loss of HK\$38 million on paper after selling a 3,408 sq ft house at Marinella for HK\$100 million.

This came as private residential prices in Hong Kong dipped 0.5 percent month-on-month in July after climbing for two consecutive months, data from the Ratings and Valuation Department showed, as well as Knight Frank's forecast that home prices will drop about 5 percent this year.

In the commercial property market, Midland IC&I (0459) recorded only 43 transactions at 50 major Grade A office buildings in the first eight months, down by about 60 percent from the same period last year.

In August, the number of transactions at 50 major Grade A office buildings fell to four from five in July, although the Hong Kong Monetary Authority relaxed the loan-to-value ratio caps for mortgage loans on non-residential properties by 10 percentage points from 40 percent to 50 percent two weeks ago.

In Causeway Bay, a cake shop rented an 850 sq ft street shop at Lai Yuen Building for HK\$120,000 per month, or HK\$141 per sq ft, after HK\$210,000, or 63.6 percent, was cut from the original asking rent, according to Centaline Commercial.

Meanwhile, the number of licensed real estate agents in Hong Kong fell to 39,858 last month from 39,945 in July, ending the previous three consecutive monthly increases in the number, data from the Estate Agents Authority showed.

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In the primary market, Sino Land (0083) will offer seven units at 133 Portofino in Clear Water Bay for sale by tender on Friday. Also in the area, Chinachem will offer seven luxury houses at Villa Cove for sale by tender on Friday.

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