

# **Consumer Perception Audit Report Summary**

*The Real Estate Developers Association of Hong Kong*

November 2010

# CONSUMER PERCEPTION AUDIT REPORT SUMMARY

---

The survey covered the general public aged 25 or above, who have a self-own property or is planning to buy a property in Hong Kong. The Computer-Assisted Survey Team (CAST) of Hong Kong Polytechnic University under CSPA conducted the telephone survey from 3<sup>rd</sup> to 17<sup>th</sup> September 2010 and collected 568 successful samples, the margin of error at 95% confident level was +/- 4.38%.

## Survey Method

The team was responsible for conducting telephone interview using a colloquial Chinese structured questionnaire with respondents and Computer Assisted Telephone Interviews (CATI) system used to collect the required information for analysis. In this survey, all the telephone numbers of the samples were selected by Simple Random Sampling (SRS) from the PCCW 2005 Residential Telephone Directory (Eng Edition). The modified random digit dialing strategy was employed to supplement the sample with the telephone numbers that were not included in the Residential Telephone Directory. The enumerators would attempt at least 3 times to contact each sampled respondent until the interview was successfully completed or could not be pursued any further.

## Summary of Findings

Perceptions and Expectations on Hong Kong's Real Estate Industry and Private Developers.

Most of the respondents perceived an important role of real estate industry in promoting Hong Kong's economic development (77.1%).

In the development of the real estate industry in Hong Kong, respondents were mostly concerned about "housing quality and price", "practical layouts such as Saleable Area, height of flat and spatial setting" and "integrity of the industry".

When it came to the best performances of private developers in Hong Kong, respondents obviously tended to have no idea on this statement. It implied respondents may not have a clear understanding of the real estate industry and they may have a negative impression on the industry.

It is observed that “Saleable Area, height of flat and spatial setting” was the most concern of respondents, but also that respondents thought the private developers performed the worst. In contrast, “in-store marketing” and “transparency of the industry” were seen as the worst performance areas of private developers, but not the biggest concern.

Respondents’ overall impression on private developers tended to be “average” (50.7%) and “negative / very negative” (42.3%). Compared with other industries and organizations (trade & logistics, professional services, tourism, finance & banking and government), respondents’ level of trust towards the real estate industry (4.52 score) was below average.

#### Perceptions on the Relationship between Real Estate Industry and HKSAR Government

To study the public perceptions on the relationship between real estate industry and HKSAR government, respondents were asked to comment on the recent measures taken by government to regulate property sale. Most of them agreed with the measures (80.4%) but nearly a half expressed “average” effectiveness of the measures. Also, respondents tended to comment the performance of the real estate industry in response to the measure were “average” (59.6%) and “bad” (27.7%).

In their view, over half of respondents thought the real estate industry had a “very good / good” relationship with government.

Respondents suggested “increase land supply”, “increase supply of affordable housing”, “more regulatory measures taken by government” and providing “guidelines for the industry and strengthen the coordination between the industry and government”. It implied the public expectation on the relationship between government and private developers should be “work in coordination”. To promote a healthier development of property market in Hong Kong not only is the mission of government, but also the responsibility of the real estate industry and private developers.

#### Perception and Expectation on the REDA

Over a half of respondents expressed “average” impression on REDA (59.5%) while 23.3% felt “negative / very negative”

Reasons of negative impression were the “transparency of REDA” (79.6%), “REDA’s role and position in the industry” (73.1%), “REDA’s response to the government’s recent measures to regulate private developers” (59.1%) and “REDA provides information about real estate industry” (55.9%).

Most of respondents expected a body representing a property sector should “protect rights and interests of self-owned occupiers” (80.3%), “increase transparency of the industry” (87%), “supervise the operation of property market” (79.4%) and “maintain fair competition among private developers” (79.4%).

### Concluding Remarks

Individual questions and the distribution of responses from respondents revealed the perception they had on those particular items, while an overall generalization could also be inferred to upon reviewing the whole set of data. With reference to this, the following observations could be concluded.

Concerning “Perceptions and Expectations on Hong Kong Property and Private Developers”, respondents tended to have high regard and admit the contribution of the industry to the economic development. On the other hand, with the uniqueness of the industry, respondents also tended to have a very high expectation on issues relating to fair dealings, transparency in the transaction processes, pricing of products, and environmental friendliness. The social responsibility of the industry was also expected by respondents. As a consequence, this heightened awareness and expectation on these also led to a tendency to leave not-so-positive remarks on existing situations.

Majority of respondents perceived a close relationship between the industry and the government. This “perceived closeness” seemed to shed doubts on the adequacy and effectiveness of the existing governmental regulatory measures on operation of the property market. This explained why there seemed to be a predominant request for stricter measures.

It appeared that the public impression on REDA tended to be more skewed to the neutral. They also have a high expectation on this organization not only to represent the interests of undertakers.

The launching of new regulatory measures by the government on the operation of the private property market have been made repeatedly since late 2009 to the time when the poll was conducted. It was also at a time when rocketing property prices have become a prime concern of the community. It was quite likely that these factors had constituted part of the social context and backdrops for this poll and were likely to different extent pre-occupied the public sentiments when the poll was in operation.

The ways that questions were constructed could also likely color the way respondents perceived the questions and the way they reacted. While this possibility had been

consciously ruled out in the preparation processes, a pilot study had also been conducted so that the questionnaire was fine-tuned before it was finalized.

All data is subjected to interpretation and misinterpretation. The Centre for Policy Studies, as an academic body committed to excellence and keeps aspiring for polling at the highest professional standards, has made the best efforts to make the study a neutral and objective exploration on the issues and boundaries as commissioned by our client. All data and responses generated from the telephone poll is objectively presented and tabulated. All these have been cross-checked and examined to maintain the highest possible quality.

### **Consumer Audit Questions:**

1. How important do you think the real estate industry in terms of promoting Hong Kong's economic development?
2. What are the three things you concern the most now in terms of the development of real estate industry in Hong Kong?
3. Which three things do you think the private developers (not include estate agency) perform the best?
4. Which three things do you think the private developers (not include estate agency) perform the worst?
5. What is your overall impression of private developers?
6. Please score your level of trust towards the following industries and organization.
  - Trade & Logistics
  - Professional services
  - Tourism
  - Finance & Banking
  - Government
  - Real Estate
7. Have you heard about HKSAR government's recent measures to regulate the way that private developers sell the properties?
8. Do you agree with the measures taken by government?
9. What do you think of those measures in terms of effectiveness to regulate the way that private developers sell the properties?(For the respondents who heard the said news)
10. How's the performance of real estate industry in response to the measures imposed by government? (For the respondents who heard the said news)
11. Do you think the relationship between Hong Kong's real estate industry and

government is good or bad?

12. Which of the followings do you think can promote a healthier development of property market in Hong Kong?

- Increase land supply
- Increase supply of affordable housing
- More regulatory measures taken by government
- REDA sets up a system to supervise the operation of property market
- Guidelines for the industry and strengthen the coordination between the industry and government
- Real estate industry's self-discipline
- Others

13. Have you heard of the "Real Estate Developers Association (REDA)"?

14. What is your overall impression on the Real Estate Developers Association? (For the respondents who heard of REDA)

15. Which of the following aspects make you think positively about REDA? (For the respondents who had positive impression on REDA)

16. Which of the following aspects make you think negatively about REDA? (For the respondents who had negative impression on REDA)

17. What do you think about the duties of a body that represent a property sector?

Open-end questions:

1. When it comes to "private developers", what pops into your mind at once?
2. How would you describe the relationship between Hong Kong's real estate industry and HKSAR government?
3. What is your suggestion for private developers to have a better image of real estate industry?