

# SMART



# Home Hunting

**Fourth Revised Edition**



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

**Daniel W. Lam**

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

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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.

# CONTENTS

<b>Introduction</b>	iii
<b>Chapter 1 Be <i>Specific</i> in Writing Down All of Your Requirements</b>	1
• Location	2
• Types of Property	4
• Property Area	6
• Number of Rooms	7
• View	8
• Floor Level	8
• Direction	9
• Outdoor Space	10
• Furniture	11
• Parking Space	12
• Amenities	12
• Proximity to School	13
• Children’s Playgrounds	13
• Keeping Pets	14
• Property Condition	14
<b>Chapter 2 Be <i>Mindful</i> of Counting the Costs</b>	17
• Monthly Outgoings	18
• One-off Expenses	19
<b>Chapter 3 Be <i>Adaptable</i> and Willing to Change If Necessary</b>	20
<b>Chapter 4 Be <i>Ready</i> for Action When Viewing Properties</b>	23
<b>Chapter 5 Be <i>Tactical</i> When Negotiating with the Landlord</b>	27
• How to Craft an Appealing Offer	33
<b>Chapter 6 How to Select and Work with a Local Estate Agent</b>	34
<b>Chapter 7 Being a Good Tenant</b>	38
<b>Conclusion</b>	42
<b>About the Author</b>	43

## 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 13 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.

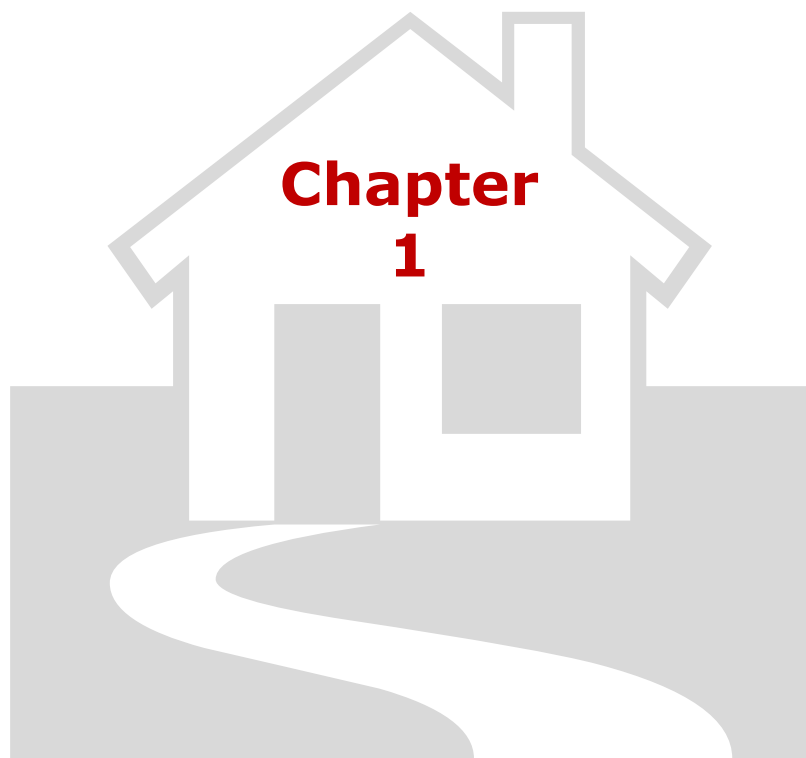
Although this book primarily focuses on the ins and outs of renting a residential property, many sections of it are still relevant if you are considering purchasing one. Potential homebuyers should stay informed about the latest updates regarding stamp duty rates, interest rates, and loan-to-value ratios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

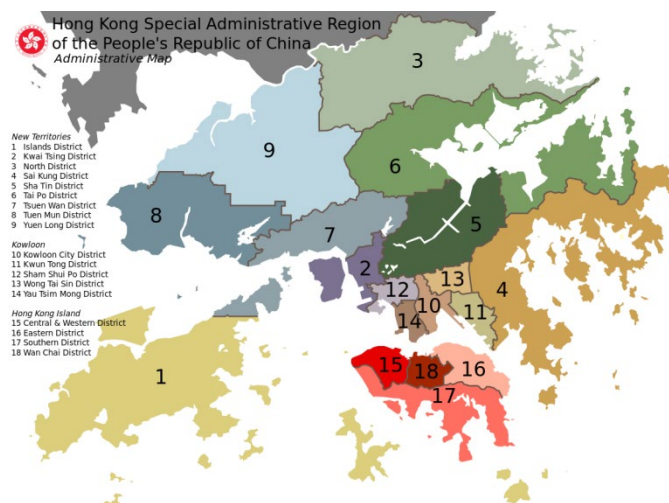
— Les Brown

## 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: Moddlyg - 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.



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 problems. **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 few floors directly below are widely considered the best options.

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 sunshine 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).

In Hong Kong, some modern buildings offer apartments with balconies, although they are usually not very big. Terraces, patios, rooftops, and gardens, however, are not as common. Some larger estates feature communal gardens or outdoor areas, as well as playgrounds for children.

**TIP:** Of course, you will have more property options if an outdoor space is not a must.



Having a private garden in HK is a rare luxury

## Furniture

Some people don't want to invest in new furniture, especially if they are newly relocated to Hong Kong and are not sure how long they will stay in the city. However, most apartments available on the market are either unfurnished or only partially furnished. Most of the time, even if a place is furnished, you may find the furniture to be outdated or not to your taste. **TIP:** Buying new furniture is a piece of cake here. Simply place an order and have it delivered to your home.



**TIP:** Cheaper second-hand offers can easily be found on the internet. Local Facebook groups are a great resource to procure inexpensive furniture items. You may even be able to get some free stuff if you are timely. On another note, the fact that something is second-hand doesn't necessarily mean it's second best. A used or unwanted item could be given a new lease of life or even a new purpose. "Reduce, reuse, and recycle" has become the new standard for sustainable living.

## Parking Space



Due to the scarcity of land, parking space is very limited here and therefore costly. In fact, it may even be difficult to get one.

**TIP:** Unless you can find a place that includes a parking spot or you're willing to pay a lot (several thousand HK dollars per month), it's best to "go with the flow" – use public transportation.

In Hong Kong, owning a car is not a necessity if you live in a well-connected area. By the way, some buildings and estates provide bicycle parking spaces for their residents at a nominal fee or even for free.

## Amenities

Living in Hong Kong can be very stressful owing to its fast-paced and demanding work environment. What activities do you enjoy doing in your leisure time? What kind of amenities or clubhouse facilities would you like to have access to?

Gyms, swimming pools, reading areas, and sauna rooms are some of the common facilities found in contemporary buildings. Some sizable estates also include additional sports venues, event spaces, and barbecue places, to name just a few. Depending on the policy of each estate, you may be able to use the amenities either free of charge or for a reasonable fee.



Most standalone buildings, especially older ones, do not come with a clubhouse. However, in densely populated areas, you can always find public or privately-run facilities nearby. A friendly reminder: you're never too old or too busy to be full of vim and vigour!



**A Case in Point:**

During my consultation with a client named Jackie, she expressed her desire to find a property that offered a spacious indoor swimming pool within the clubhouse. She said she had joint problems, so she needed to swim regularly, both in summer and winter. **TIP:** To find a place that suits your lifestyle, you should communicate your specific needs to your agent.

**Proximity to School**

Many local families move from one district to another with the sole intention of providing their children with a better education. Districts such as Central and Western, Wan Chai, and Kowloon City (which includes Kowloon Tong and Ho Man Tin) have more reputable subsidised schools compared to other areas. There is a higher probability of a child being admitted to a desired school if the family lives in the same district.

**Children's Playgrounds**

**TIP:** If you have kids, it's likely that you are looking for a place that gives them opportunities to play, exercise, and socialise.

Parks and playgrounds are quite common in Hong Kong, but not every estate or building has nearby play areas for children.

Some small estates only have indoor playgrounds, while larger apartment complexes typically have outdoor ones as well. By the way, some swimming pools also have play areas for young children.



Outdoor play is crucial for children's development

## Keeping Pets

Some housing developments may have restrictions on allowing dogs, but cats are usually permitted. **TIP:** Be upfront with your agent about your pets. Even if an estate is designated as pet-friendly, some landlords, particularly those of newly constructed apartments, may say no to pets due to concerns about odours or potential damage to their property.



Does your furry friend need a home as well?

With a growing number of people enjoying the companionship of their furry friends, dog parks, pet-friendly cafés, and pet hotels have become more popular in the city.

## Property Condition

Lastly, and perhaps most importantly, the appearance of a place is always a determining factor when it comes to picking a home. A place that has a high aesthetic appeal may sell itself, but a wise person looks beyond the surface to ensure its beauty is not only skin deep. To do this, all of your faculties should be brought into play when inspecting a property.



**See:** Examine closely for any dirty marks and faulty parts. Pay attention to any recent cosmetic improvements. Has the paint job been done properly? Are there any hairline cracks, nail holes, or peeling paint on the wall? Can you spot any indications of water leaks? Does the caulking around sinks, bathtubs, or shower trays become mouldy?

Do the appliances require repair, replacement, or just cleaning? Will there be excessive light pollution at night? There are probably more neon signs in Hong Kong than anywhere else in the world.

**TIP:** The optimal time to check for water leaks is immediately after a typhoon or heavy rainfall. Adversity is the acid test of the strength of character – it applies to both people and properties.

**Hear:** Is there any noise coming from the street, traffic, or nearby construction site? Can you hear any sounds of a crying baby or barking dog coming from the neighbours? Is the air conditioner, especially if it is a window-type unit, operating too loudly? Will there be intermittent noise during the building's renovation?



Incessant noise and complete silence can both drive us crazy, while a euphonious environment promotes health and well-being by putting us in harmony with nature. It could be a positive sign if you find a place where you can listen to the relaxing rhythm of ocean waves or an uplifting musical performance from a feathered choir.

**TIP:** Since most renovation and construction work ceases on Sundays and public holidays, it is recommended that you conduct a sound inspection on a weekday or Saturday (before 5 pm and avoid lunchtime).

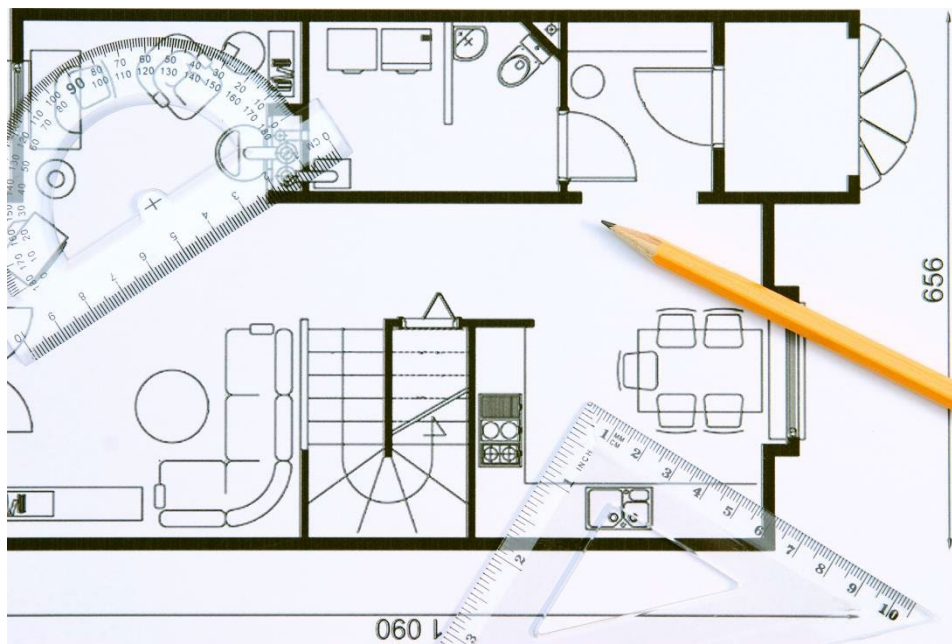


**Smell:** Is there any musty, pungent, or unusual odour? Can you tell if your adjacent neighbour is a smoker or not? Has air freshener been used to mask any unpleasant smell? Yep, it helps to be a little bit nosy with your nose.

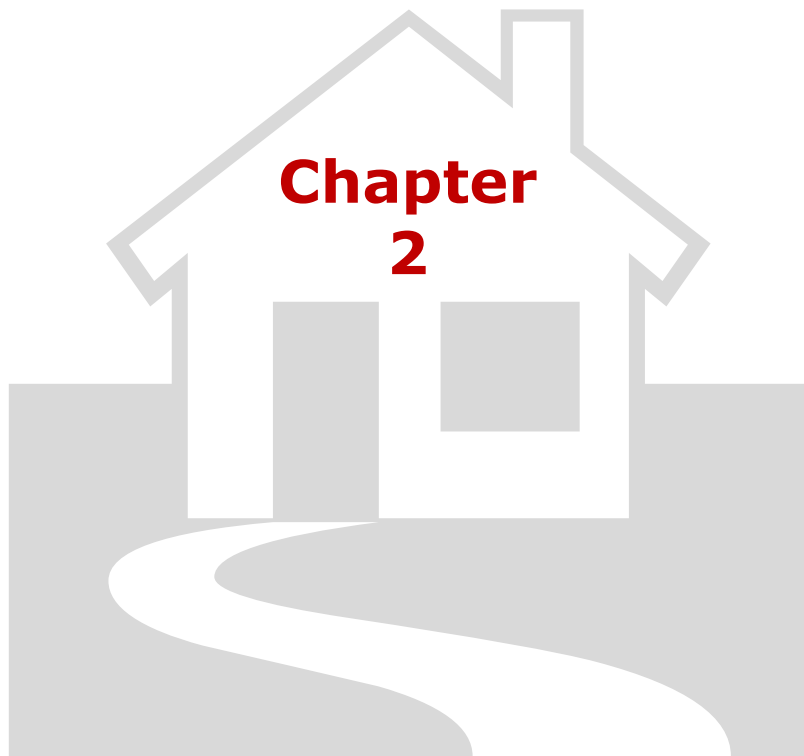
**Touch:** Can you feel a gust of fresh air when the windows are open? A simple, well-ventilated flat is rather to be chosen than a gorgeous house adorned with gold and silver. Does the apartment get too hot in the afternoon? Can the air conditioner cool the room quickly? Do the doors and windows close properly? Does the sofa or mattress, if provided, give you good support? Of course, if you're not interested in the place or if someone still lives there, do not touch anything without permission.

**Speak:** Sometimes the only way to discover something is by opening your mouth. Don't be afraid to ask questions! Will the furniture stay or go? Are there any upcoming developments in front of the building that may block the view? Where should I dispose of rubbish and recycle unwanted items?

**Think:** Why are there different shades of paint on the same wall? Is the carpet near the window being used to cover up a damp floor? Will the place be excessively hot in summer or cold in winter? Why is only one wall in the living room wallpapered? Could the additional or altered structure be illegal? The original floor plan and records from the Land Registry may provide clues. You don't need the brain of Sherlock Holmes to uncover hidden problems.



Load-bearing walls are usually shown on a floor plan and they shouldn't be knocked down



"You will find that everything in life exacts a price, and you will have to decide whether the price is worth the prize."

—Sam Nunn

## Be Mindful of Counting the Costs



We cannot be good stewards of life if we fail to be good stewards of money. Since there is a myriad of costs associated with acquiring a home and living a decent life, careful budgeting is essential. You should have a good estimate of your monthly outgoings as well as the one-off expenses.

### Monthly Outgoings

The *rent* is the biggest chunk of your outgoings in getting a home. **TIP:** As a rule of thumb, you're advised not to spend more than half of your monthly income on the rent. Of course, you should also take into account your daily expenses: food, transportation, clothing, entertainment, and the like. What's more, giving education to your child or hiring a domestic helper would add to your monthly expenditure. You might also want to save up some money every month as a contingency fund or for future uses.

**TIP:** You may easily learn about home prices in different districts by conducting a property search at [www.squarefoot.com.hk/en](http://www.squarefoot.com.hk/en) or [www.spacious.hk/en/hong-kong](http://www.spacious.hk/en/hong-kong). More property search websites can be found at [www.oikos.hk/free-resources](http://www.oikos.hk/free-resources). One thing to bear in mind, though, is that properties in Hong Kong come and go very quickly. The units might have already been taken by the time you come across them.

**TIP:** If you want to find out the latest transaction prices of properties in a particular district, estate, or building, <https://hk.centanet.com/findproperty/en/list/transaction> is a reliable source to refer to.

The rent usually includes rates, Government rent, and management fees. However, you will usually be responsible for paying for utilities such as water, electricity, and gas. Please note that deposits are required to open these accounts. You will be asked to pay for the deposits and consumption when you receive your initial bills.

These utility charges, especially for water and gas, are inexpensive compared to those in Western countries. You would, of course, receive a higher electricity bill if you use air conditioning more frequently in summertime.

Additionally, if you require *broadband internet* access and *Wi-Fi* services at home, you can sign up for a plan with a local internet service provider. You may also apply for a fixed telephone line if you so desire.



Do you need more than the basics?

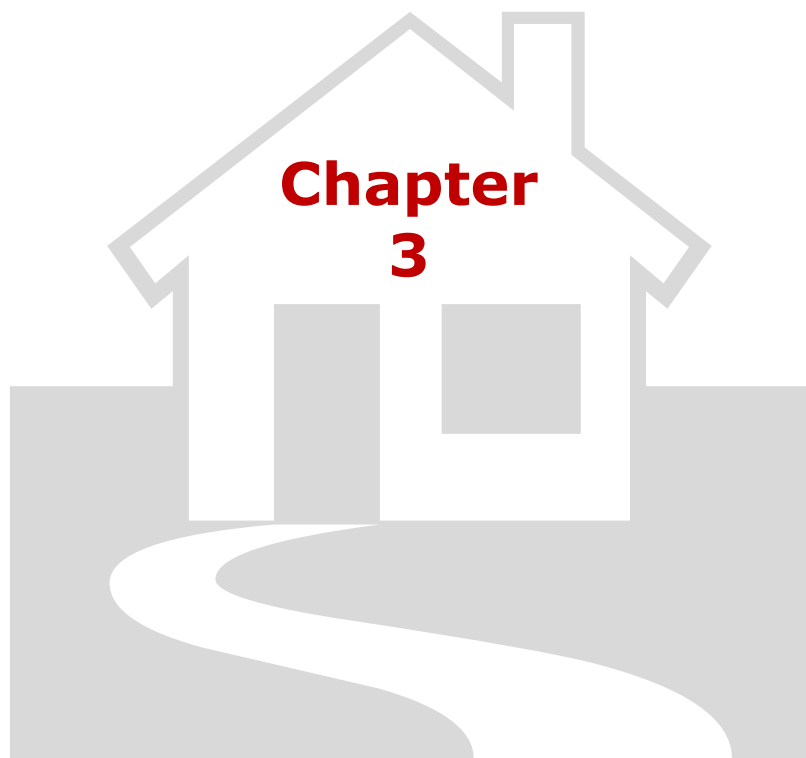
## One-off Expenses

- Security deposit: two months' rent (you will most likely get it back at the end of the tenancy)
- Stamp duty: usually about 3% of the monthly rent
- Agent commission: half a month's rent (negotiable)

(The three fees mentioned above should be paid upon signing the formal *Tenancy Agreement*. More details can be found on page 25.)

- Buying furniture and other household items, or the removal of them
- Renovation, professional cleaning, and pest control before moving in (if needed)
- Changing the main door lock for better security (optional)
- Home insurance (optional)
- A car or any other things that you may need

By now, you should have a better idea of what your home in Hong Kong is like, how much you need to pay for it, and all the expenses involved.



“As the water shapes itself to the vessel that contains it, so a wise man adapts himself to circumstances.”

—Confucius



## Be Adaptable and Willing to Change If Necessary

Looking for the right home can be similar to pursuing other goals. Do not be surprised if you experience a bumpy ride at some point. Someone aptly said, “We cannot direct the wind, but we can adjust the sails.” Adaptability is a necessary quality that helps us get through the storms of this uncertain world. **TIP:** Writing down all of your requirements on paper is essential, but you should not set them in stone.

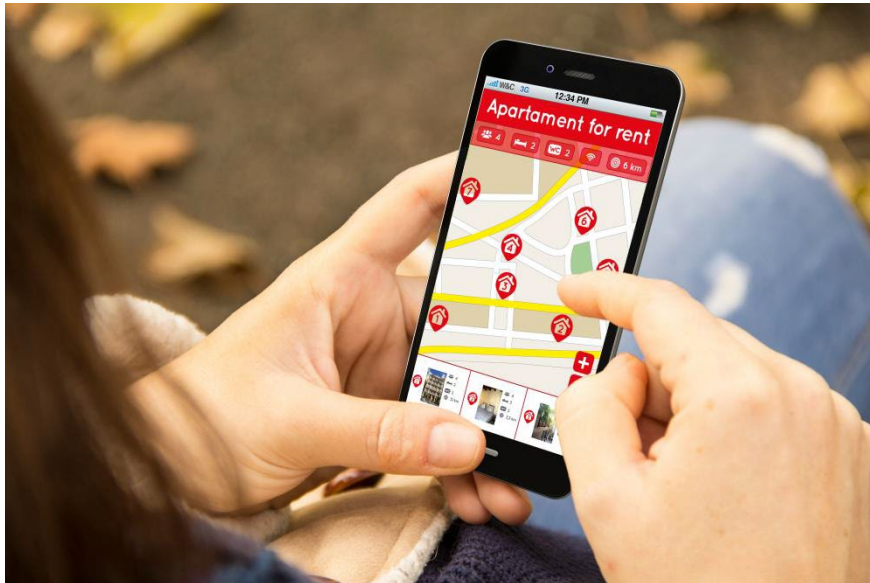
Visualising a mountaintop house with a panoramic sea view, a humongous garden, and top-of-the-line facilities may bring us happiness for a short while. However, the truth is that unless we are extremely wealthy, our “dream home” may only exist in our dreams.



Can you find your “dream home” in the real world?

Perfect apartments are rare on the market. If there were any, they would be gone quickly. **TIP:** If you can’t find a home that ticks all the boxes, stick to the *must-haves* and compromise on the *nice-to-haves*. It’s better to settle for a place that is eighty percent okay than to chase after something that is unattainable day after day.

**TIP:** A good way to raise the likelihood of finding a suitable place is to widen the search area. Being open to suggestions from your friends and estate agent can expand your horizons. A perfect home may have been prepared for you somewhere you've never thought of. Why not give it a try?



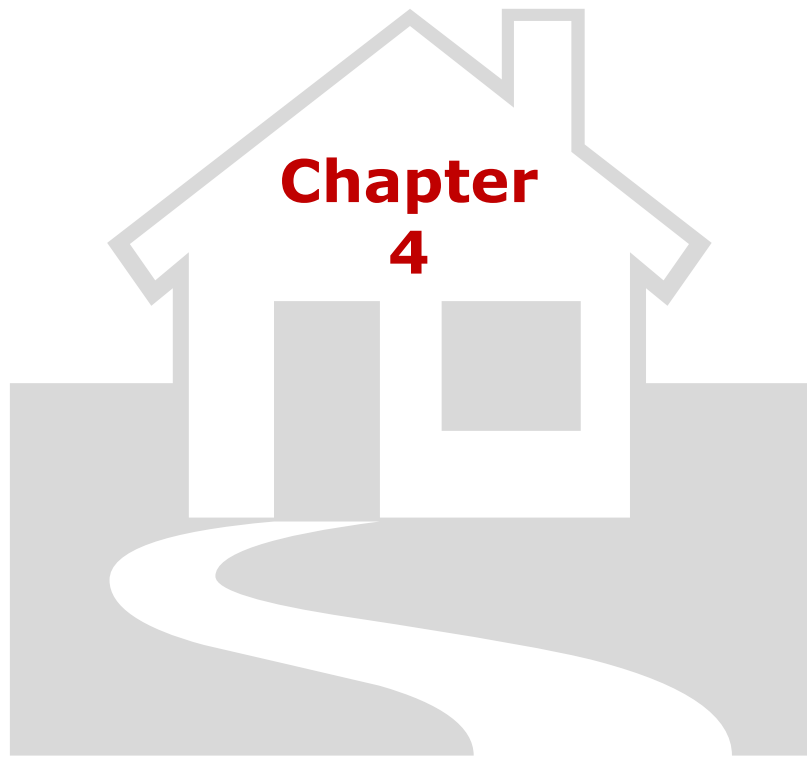
Widening the search area can increase the chance of finding a suitable apartment

**TIP:** Sometimes you may need to increase your budget to get what you really want. The bottom line is to be adaptable and pragmatic. Take a different route when obstacles come your way. Home will not be too far across the horizon!

#### **A Case in Point:**

Cathy, a lady from the UK, was searching for a residence for herself and her son in Sheung Wan. Initially and ideally, she had set her mind on getting a furnished flat as she planned to leave HK within a year or so. Unfortunately, the quality of the furnished places that came along didn't measure up to her expectations.

After some time, she finally found a pleasant and well-maintained unit that she liked. It also had a second bedroom that was big enough for her tall son. Although the flat was unfurnished, Cathy gladly took it as she considered it the best option available on the market at that time.

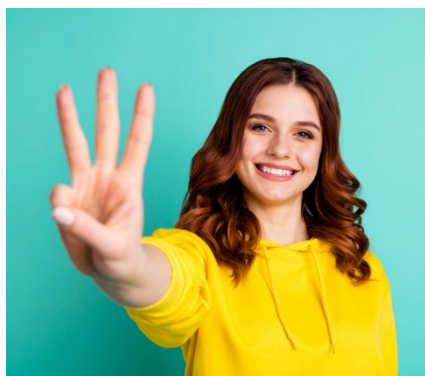


"Success is where preparation and opportunity meet."

—Bobby Unser

## Be Ready for Action When Viewing Properties

“If you fail to plan, you are planning to fail!” This famous quote by Benjamin Franklin applies to various aspects of our lives, including the seemingly daunting task of house hunting. Many people have missed out on their dream homes simply because they were not well prepared. To secure a property, you need to first enter into a *Provisional Tenancy Agreement* with the landlord, and three things are required:



1. Your *HKID* or *passport* as proof of identity.
2. Your *employment letter/contract* or your *last three months' payslips* as proof of work and income. Showing your *name card* and/or *staff badge* to the landlord can also be helpful.
3. *Money* – an initial deposit of one month's rent is usually required. It can be paid by either cheque or cash.

**TIP:** It is advisable to bring your documents and chequebook with you when viewing a property. If you do not have a chequebook, you should bring your ATM card so that you can have access to cash. For safety reasons, try not to carry a large amount of cash around, unless you are good at kung fu (I've learned some basic Wing Chun. Ha ha!). A word of caution: giving money, especially cash, to the landlord is not recommended before the paperwork is done.

**TIP:** A nice place at a reasonable price usually doesn't stay long on the market. If you find the perfect home and have your ducks in a row, you can acquire it before someone else does.

Even if you have signed a preliminary agreement with the landlord, don't count your chickens before they hatch as either party could pull out of the deal with compensation. Before the property handover, both parties must finalise the transaction by signing a formal *Tenancy Agreement*. At that time, you will need to pay:

1. The *balance of the two months' security deposit* (i.e. one more month) plus *one month's rent in advance* to the landlord.
2. A small *stamp duty*, which is usually about 3% of the monthly rent, to the Hong Kong SAR Government.
3. An *agent commission* of half a month's rent (negotiable).



You should consider the terms of the tenancy agreement carefully before signing

In addition to the important points mentioned above, there are a few other things you should pay attention to when you go to inspect properties:

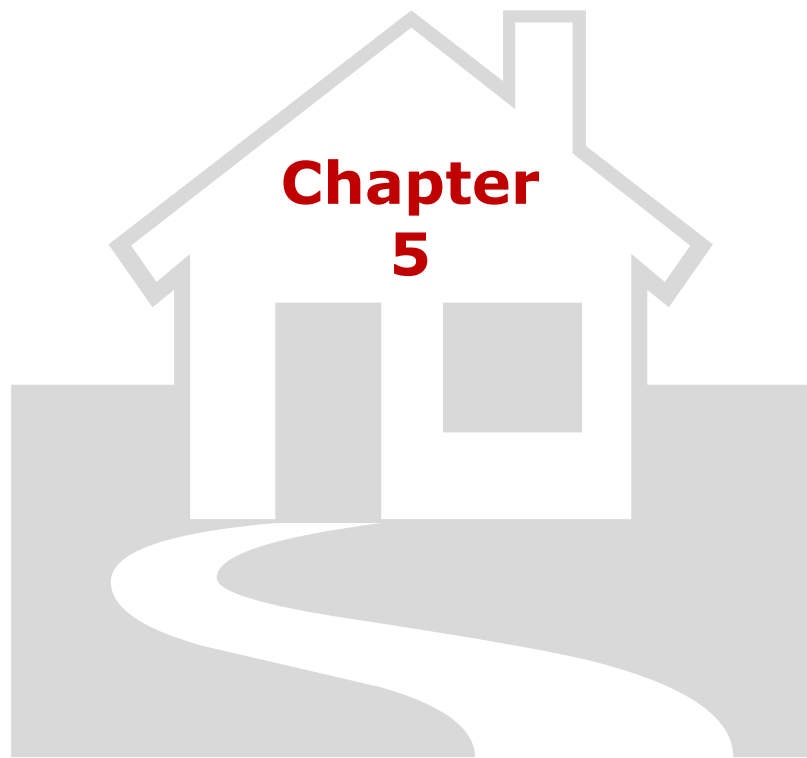
- **TIP:** Wear *comfortable clothes and shoes*. Slippers and high heels should be avoided as you may have to walk for a few hours to view a number of properties (maybe at different districts) for comparison. If you visit a place where the landlord or the existing tenant is still residing, it's customary to take off your shoes at the door.
- **TIP:** Don't begin a viewing tour on an empty stomach. You need a great deal of energy to move quickly and weigh up property options. **TIP:** It's always a good idea to bring some *water*, especially on a hot and sunny day.

- What else should you bring? **TIP:** An *umbrella* can be helpful on both rainy and scorching summer days. A small *compass* is good for telling directions while a *tape measure* is useful for determining room and bed sizes. You'll also need a *notebook* (physical or digital) to jot down property information, as well as a *camera* or *smartphone* to take pictures or videos. Very few people have a truly photographic memory. Mixing things up could lead to a great mess-up!



Both compass and tape measure are very useful tools for property inspection

Getting a home in Hong Kong can be a cakewalk if you are ready for action. Don't view apartments empty-handed so you won't go home heavy-hearted. It's possible to find a place, complete the paperwork, and even get the keys – all in the same day!



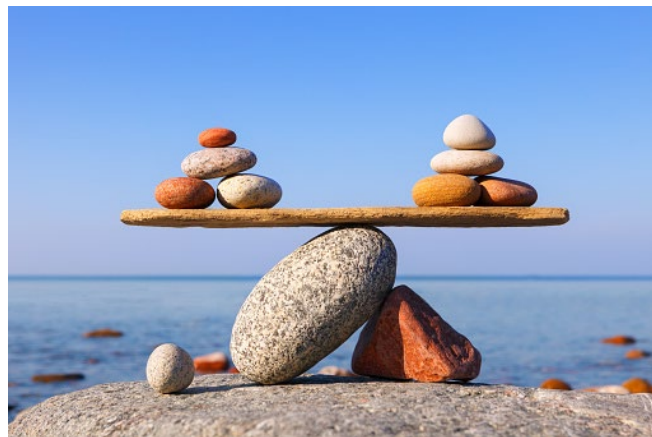
"Strategy requires thought, tactics require observation."

– Max Euwe

## Be *Tactical* When Negotiating with the Landlord

Sun Tzu, a renowned Chinese military strategist, stated in his influential work *The Art of War*, “To know one’s own strength and the enemy’s is the sure way to victory.” You may regard the landlord as your “enemy” in the negotiation process. Why? It’s all about *money*!

The landlord will try to charge you the highest possible rent, while you will certainly want to pay as little as you can. To win the game and get a good or at least a fair deal, you should ask several questions:



Negotiation is the art of balancing the interests of two parties

### 1. What is the current market value of the property?

Usually, the landlords in Hong Kong intentionally set an *asking price* higher than the market value of the property. **TIP:** Knowing the recent transaction prices of similar properties can help you make a wise and strategic offer.

**TIP:** I always suggest to my clients that they make an offer slightly lower than the market price. If the landlord is desperate or considers you an ideal tenant, they may be willing to accept a lower rent. If not, you still have some room to negotiate for a reasonable price.

After all, most landlords want to have a say in the deal, so they tend not to accept the first offer from a client unless it’s very attractive. **TIP:** Avoid revealing your true bottom line to the landlord unless it is absolutely necessary.



**TIP:** The room for negotiation is usually around 3 to 7 percent, although certain landlords adopt a fixed-price policy. Sometimes you may notice that the prices stated in some advertisements are very, or even unrealistically, low. That could either be rock-bottom prices or just fake promotions from unscrupulous agents. Be cautious of bait-and-switch tactics!

**TIP:** Having a second option (and even better, a third one) can help ease your mind and give you an edge over the landlord during the negotiation process. If Plan A doesn't work out, you may still put Plan B or C into action.

## 2. How long has the property been on the market?

**TIP:** If a property has been vacant for an extended period, such as over one or two months, the landlord may be more open to negotiation and willing to accept a lower offer.

Time is money, after all! If the property has only been on the market for a few days, there may not be much room for negotiation.



## 3. How soon can I start the lease?

**TIP:** The sooner you can start the lease, the greater your bargaining power will be. Right timing is critical in getting a place. The best time to view properties is one to three weeks prior to your desired move-in date.



Unless you are looking for something very special or rare, you don't have to begin your home search more than one month before you need a place. Most landlords won't wait that long for a tenant to start paying the rent, especially during the months from May to August when the demand for rentals is at its peak.

**TIP:** If you can start the lease soon enough, say within one to four weeks, you may also ask for a rent-free period. Let's assume that today is 15th August. If you find a place in



the next few days and wish to start the lease on 1st September, you may request the keys earlier, say on 25th August, provided that the place is ready for handover by that date. If the landlord agrees to that, you will get 7 days rent free. Isn't that cool?

#### 4. What other types of requests can or should I make along with an offer?

Properties are like people; they are seldom perfect. Most flaws and defects in a place can be fixed in one way or another. If you are paying a fair rent to the landlord, it's reasonable to expect that the place will be in good condition upon handover.

**TIP:** You can make certain requests along with an offer. The landlord probably won't give you a hot tub, but they might:

- Repair or replace items or appliances that are broken or in poor condition.
- Repaint the walls if they are very dirty.
- Polish the floor if it is badly scratched.
- Remove or provide you with some furniture.
- Install curtain rails and curtains (or blinds).
- Clean the apartment and appliances.



Air conditioners need regular servicing

“Ask, and it will be given to you” (Matthew 7:7). If you don't ask, you probably won't get what you want. **TIP:** Make your requests known to the landlord, preferably in writing, and be specific.

## 5. How can I get a good bargain?

Stand in the landlord's shoes and consider using one or more of these commonly used tactics (you can discuss with your agent about that):



- **TIP:** Offer the landlord a whole year's or half a year's rent up front. In fact, you may be asked to do so if you are unable or unwilling to disclose your employment contract or financial status. The landlord may offer you a small discount for a lump sum of advanced payment. As a trade-off, however, you have to bear the risk of losing your money in a worst-case scenario, such as repossession of the property by the bank or mortgagee; the property becoming uninhabitable due to fire, flood, or typhoon; or any other unfavourable circumstance.
- **TIP:** Start the lease that fits the landlord's schedule or as soon as possible (as discussed earlier) if the place is ready to be taken over.
- **TIP:** Try not to be too fussy or make too many requests. Some landlords are very busy, so they would rather accept a lower rent or give you a longer rent-free period than have to handle a great deal of repair and renovation work.
- **TIP:** It may be helpful to obtain a reference letter from your previous landlord or a certificate from a trusted organisation verifying that you were punctual with rent payments, had no complaints from neighbours, and left the property in good condition upon moving out.
- **TIP:** Take your time, as time can be a very useful tool in negotiations. If your offer is an absolute no or a resounding yes, the landlord will usually say so right away. If you haven't received any feedback from them within a few hours (you don't have to wait for a few days here), just hang on. It's actually a good sign. They might need some time to consider your offer and see how your requests can be fulfilled – it involves getting quotes and doing cost calculations. A delay is not a denial.

I love this line from John Ortberg's book *The Life You've Always Wanted*, "We must ruthlessly eliminate hurry from our lives" (the idea actually came from the counsel of his wise friend, Dallas Willard). It's important to allow enough time to get our points across and get the right things done – properly and gracefully. Our world would be lovelier if we had a little more patience. **TIP:** Even if you are desperate, don't let the landlord know it. Hungry fish get hooked easily!

- Negotiation is like playing tug of war. **TIP:** Teaming up with an agent who truly looks after your interests can put you in a stronger position. I'm going to share more about that in the next bonus chapter.

Now, let's put all the house-hunting tips mentioned so far in a nutshell – be SMART:



## How to Craft an Appealing Offer

After choosing the desired property, it is essential to present a compelling offer to the landlord. Start by providing information about your background and family size. Additionally, share details that could enhance the likelihood of your offer being accepted. Finally, clearly outline your timelines and requests to ensure that both parties can effectively manage expectations and estimate costs. Once the landlord has accepted your offer, it's important to avoid making further requests, as this would be unfair to them. Here is an example of an offer:

**Property:** Address

**Client:** A young couple from the UK. The husband is a senior manager working at HSBC, while his wife is an English teacher at Sonrise International School. Having lived in Hong Kong for the past 5 years, they can also speak simple Cantonese and Putonghua. They have a 3-year-old son and a 2-year-old small dog (toilet-trained Poodle). They will co-sign the tenancy agreement and can provide proof of work and income upon request.

Their domestic helper will live with them. They are all non-smokers, very clean and tidy, and will take care of the flat as if it were their own.

**Offer:** HK\$29,000 [Note: The landlord is asking for HK\$31,000 and the market price is HK\$30,000]

**Lease starting date:** September 1, 2024

**Property handover date:** August 25, 2024

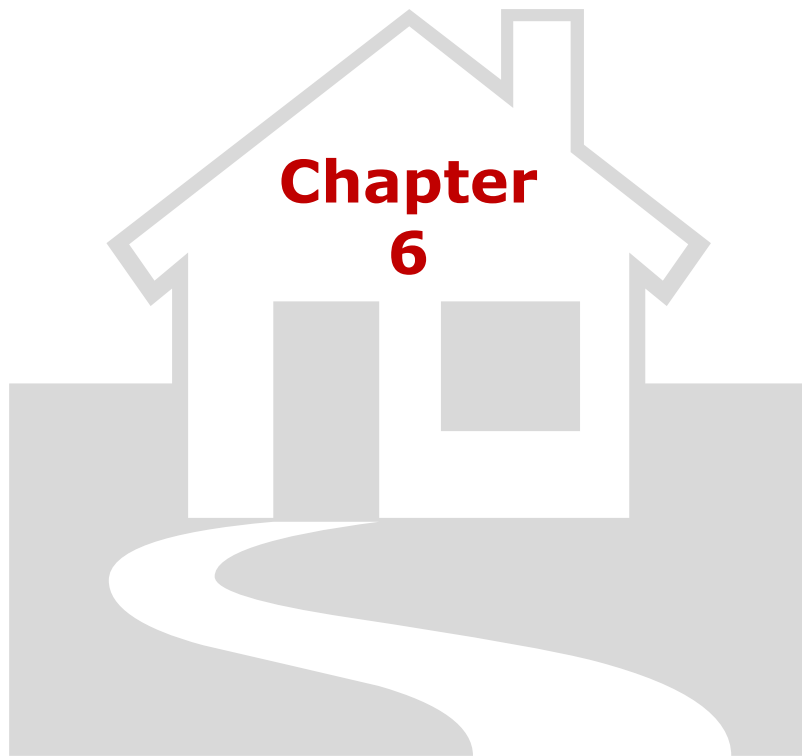
**Rent-free period:** 7 days

**Tenancy term:** 2 years (the first year is fixed, while the second year is optional)

**Break clause:** Either party may terminate the contract after 11 months by giving one month's prior written notice to the other party

**Requests for the landlord** (tasks to be done *before* the handover):

1. Remove the bed in the master bedroom and the sofa in the living room.
2. Repaint the walls in all rooms to cover up any marks.
3. Redo the caulking in the bathroom.
4. Replace the mosquito nets on the windows.
5. Repair anything that is broken (if applicable).
6. Clean the flat thoroughly and service the air conditioners.



"I'm courageous enough to know I can accomplish great things. I'm humble enough to know when to ask for help."

— Katrina Mayer

## How to Select and Work with a Local Estate Agent

When it comes to effective house hunting, a reliable estate agent is your best buddy. *A Guide to Tenancy*, published by the Estate Agents Authority (EAA), states:

“Licensed estate agents have professional knowledge in property transactions and are regulated by the EAA. Members of the public may consider appointing them for better protection. If one chooses not to appoint a licensed estate agent but to seek or list a property by oneself or via an online platform, he/she should be extra careful and seek professional advice when necessary.”

It’s not difficult to find an estate agent in Hong Kong as there are over 40,000 licensed ones (although some may no longer be active). However, you surely want to work with someone who can give you a pleasant ride. So, let’s consider the following points:

1. **TIP:** First and foremost, it’s crucial to find an agent who can *communicate* with you effectively and efficiently. Although all licensed agents are required to complete a certain level of education, not all of them have a reasonably good command of English, let alone other foreign languages. You may try reaching out to a few selected agents to see if you feel comfortable working with them. **TIP:** It would be helpful to keep a record of all your communication with the agents.

**TIP:** Try to find an agent who is also fluent in Cantonese, and having knowledge of Putonghua is a plus, since most landlords here are either local residents or from Mainland China. Appointing an agent who is proficient in the languages can be very helpful in bridging the communication gap.



“Hey, do you understand what I’m saying?”

2. **TIP:** Consider working with an agent or agents who specialise in the district where you are looking for a home. These agents, if they have enough experience, know the area, landlords, and their properties well. Please be aware that these “district-based” agents usually represent and act for both the vendor/landlord and the buyer/tenant (i.e. dual agency). Consequently, there may be a conflict of interest.
3. **TIP:** Appointing an agent who is familiar with and has an extensive network in various districts is a wise move. Representing and acting solely on your behalf (i.e. single agency) in most cases, a “cross-district” agent is more likely to look after your best interests throughout the entire process. Having the freedom to collaborate with other district-based agents, he or she may be able to provide you with more property options.

4. **TIP:** Tell your agent your *budget range* (mentioning your absolute maximum helps) and provide clear details about your desired specifications. Are you looking for a home in downtown where the action is or a haven in a more remote area where you can live in peace and tranquillity? Would you prefer an open kitchen or a closed one? Do you like a bath tub more than a shower stall (a bathroom here rarely has both)? What are the first few things on your priority list?



5. **TIP:** It would be sensible to ask your agent for property information, as well as any available pictures or videos, before embarking on a viewing trip. You can filter out any properties that do not interest you. This would also assist your agent in gaining a better understanding of your preferences and save you time by avoiding unsuitable properties. Sometimes the pictures or videos you view online can be very different from what you experience in person, and they are usually not as impressive. It’s always better to see the real thing.



6. **TIP:** Always be *punctual* when meeting your agent to view properties. Better still, arrive 15 to 30 minutes early. This will give you the opportunity to become more familiar with the neighbourhood and check out places like local cafés, a nearby park or supermarket. If you are running late or need to reschedule a viewing tour (although it's best to avoid doing so), please tell your agent as soon as possible. Since appointments may have already been made with some landlords or existing tenants, your agent could inform them of any necessary changes then.

**TIP:** By the way, viewing properties on a weekday rather than on the weekend or a public holiday may work to your advantage as there is usually less competition from other home seekers. Most agents are also less busy on weekdays.

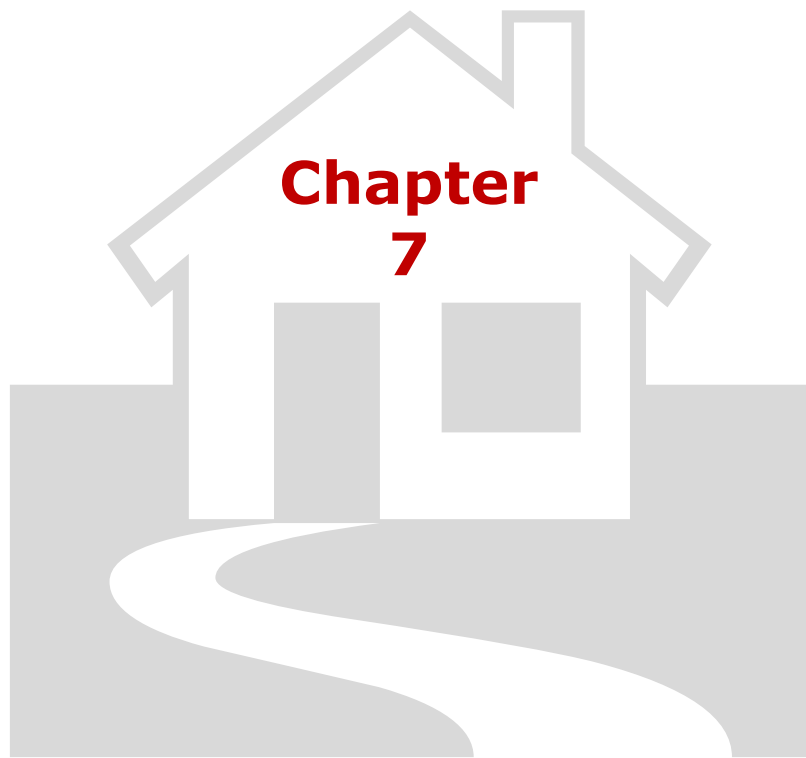
7. **TIP:** You can evaluate the professionalism and integrity of an agent by asking questions, particularly about his or her opinion on a property. When aiming to close a deal quickly, many agents tend to emphasise only the positive aspects and refrain from mentioning any potential drawbacks or hidden issues. An agent who has your best interests at heart will present you with both the pros and cons so that you can make an informed decision.



On another note, you can ascertain whether the person concerned holds a valid licence and whether the EAA has taken any disciplinary action against the person in the past 3 years at [www.eaa.org.hk/en-us/licence-search](http://www.eaa.org.hk/en-us/licence-search).

8. **TIP:** Last but not least, let the principle of reciprocity guide you. Be *polite* and *friendly* to your agent, and he or she will probably treat you the same way and work harder for you. Your relationship with an agent doesn't end after a deal is clinched. Your agent may help you take up the utilities, act as a mediator between you and the landlord, and provide professional advice if problems arise. A little kindness goes a long way!

My final words: Be SMART, work with a good estate agent, find a home that tickles your fancy, explore the city, make some new friends, and have lots of fun!



"Seek first to understand, then to be understood."

— Stephen Covey

## Being a Good Tenant

As soon as you reach an agreement with the landlord, it's important to develop a win-win and long-term relationship with them. Life would be difficult if your landlord were uncooperative when troubles come.



**TIP:** Follow the “Golden Rule of Tenancy”: Treat your landlord the way you would like to be treated. Here are a few pieces of friendly advice:

1. **TIP:** Always pay your rent and utility bills on time. If you fail to comply with the former, you could face a lawsuit and eviction. Neglecting the latter for an extended period may result in the termination of your power and water services. You wouldn't want to come home to sour milk or only be able to take a dry shower, would you? Maintaining a sound credit profile, whether it's documented or not, is of the utmost importance.

**TIP:** If you're not able to pay the rent on time, it's better to inform your landlord in advance rather than wait until the last minute. You can propose a payment plan that includes an interest offer as compensation to recover the debt. A kind landlord may be willing to accept a delayed payment, but this type of stalling tactic should only be employed as a last resort. Please understand that your landlord may also need the money to pay their own rent, mortgage, and bills. By the way, the security deposit should not be used to offset rental payments.

**TIP:** A good way to prevent any unintentional delay in paying your monthly rent is to set up a standing instruction at your bank (it's free if you get it done online). It would also give your landlord greater peace of mind. **TIP:** Similarly, setting up autopay for your bills can save you time and avoid late charges.

- TIP:** Keep the place clean and maintain all furnishings and appliances provided in good condition as if they were your own. Your landlord has the right to deduct money from your security deposit to cover the cost of repairing any damages or restoring the property to its original condition. In such a case, you may only receive the remaining deposit after the repair work has been completed.
- TIP:** It is recommended to conduct a thorough inspection of your new rental property shortly after receiving the keys, ideally before moving in any furniture or unpacking your boxes.

This inspection should cover all aspects of the property, including doors, windows, floors, walls, pipes, drains, cables, appliances, and any other relevant features. Please note that the landlords in Hong Kong are not obligated to provide their tenants with a move-in checklist. You can hire a professional building inspector to ensure the job is done properly.



**TIP:** Make a list of all the items that require attention from your landlord instead of bothering them time after time. It would be beneficial to keep and provide your landlord with a comprehensive record, along with attached photos, of any pre-existing damages or defects to ensure mutual understanding between both parties. This act can reduce the likelihood of disputes over security deposits when you move out.

4. **TIP:** Be nice to and maintain open communication with your landlord. When you need assistance from your landlord, whether it be for fixing a broken air conditioner or obtaining a rental receipt, please make your request in a polite manner and allow enough time for the task to be done.
  
5. **TIP:** Try not to inconvenience your landlord with trivial matters like replacing burnt-out light bulbs or doing minor repairs. It helps to be handy about your own place!



Home tools can be borrowed at modern buildings

If you have a good relationship with your landlord, you are more likely to negotiate a favourable lease renewal or extension. Most landlords would love to keep a good tenant and avoid a constant nuisance. It's as simple as that.

#### **A Case in Point:**

Steve, a native English teacher, had been renting a place in Kowloon for over three years. When his landlady, Anna, visited him and inspected the property one day, she found a clean, tidy, and well-maintained apartment.

However, she noticed that the sofa she had provided for him was completely worn out, and one of the air conditioners was making too much noise. Without waiting for Steve to ask, she promptly offered to buy him a new sofa and air conditioner. She also assisted him in repairing a few other damaged items.

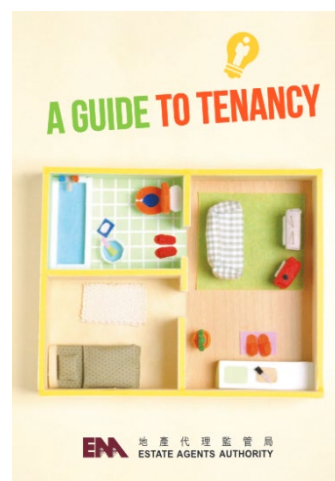
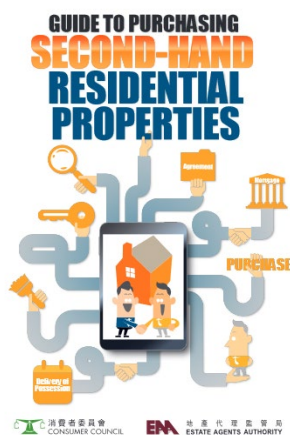
Anna told me that since Steve had always been punctual in paying the rent and had never caused her any trouble, she was more than happy to give him a hand. Steve had enjoyed staying at the property till Anna decided to sell it, and she had always valued having a good tenant like him.

## Conclusion

Navigating the property market in Hong Kong can be challenging, but with the right knowledge and preparation, it can also be a rewarding experience. Remember to stay informed, be proactive, and maintain good relationships with your landlord and agent.

Whether you're renting or buying, finding a place to call home is a significant milestone. We hope the tips and insights shared in this eBook will help you achieve your housing goals with confidence and ease. With persistence and the right approach, you are on your way to finding a home that suits your needs and lifestyle in this vibrant city.

Happy house hunting, and here's to your success in finding your perfect place in Hong Kong!



For more information on renting or buying a property in Hong Kong and understanding your rights and responsibilities, you can download these booklets and others published by the Estate Agents Authority at <https://www.oikos.hk/more-ebooks>.

## About the Author

Daniel W. Lam, born and raised in Hong Kong, has been working in the real estate industry since 2010. Prior to his current role, he held various positions including church administrator, insurance agent, language officer at an educational organisation, and voluntary first aider at the Auxiliary Medical Service.



He began his career in the property field by working with Centaline Property Agency Limited. Later, he joined Century 21 Surveyors Limited as an independent estate agent before starting his own business in 2015.

Embracing a strong ethic of integrity and proficiency in both Chinese and English, Daniel and his team have assisted clients from diverse backgrounds and regions around the world. They strive to provide their clients with independent advice and the highest level of professional service. Some testimonials can be found at [www.oikos.hk](http://www.oikos.hk).

Daniel enjoys reading, writing, swimming, playing table tennis, watching inspirational films, and laughing out loud. With a keen interest in words and creating bilingual slogans, he has won several first prizes in local open translation and slogan writing competitions.

### Your feedback can make a difference!

Thank you for taking the time to read this eBook. As you go on your home-searching journey in Hong Kong, you are sure to gain valuable experiences and be filled with excitement. We, along with other home seekers, would love to hear your story and learn from you. Your input could make this book better and be a great blessing to many others. Any suggestions for improvement are, of course, very welcome. Please write to Daniel at [daniel@oikos.hk](mailto:daniel@oikos.hk).