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Stabilising the Property Market

25. Real estate plays an indispensable role in the economic development of any place, not least in Hong Kong. 40 000 new households are formed each year. Also, living conditions and living space-per-person still have much room for improvement. The potential demand for first-time purchases and trade-ups remains considerable. There are still extensive opportunities for the development of the real estate sector.

26. A stable property market is one of the important elements in revitalising Hong Kong's economy. At this stage, to restore interest in investment and consumption requires the restoration of confidence in property ownership. The decline in property prices in recent years and prolonged deflation have inhibited local investment and consumption, contributing to a vicious cycle. Not long ago, the Government re-defined its role in the property market and launched a package of measures to stabilise it. These measures will be effective in the long term.

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