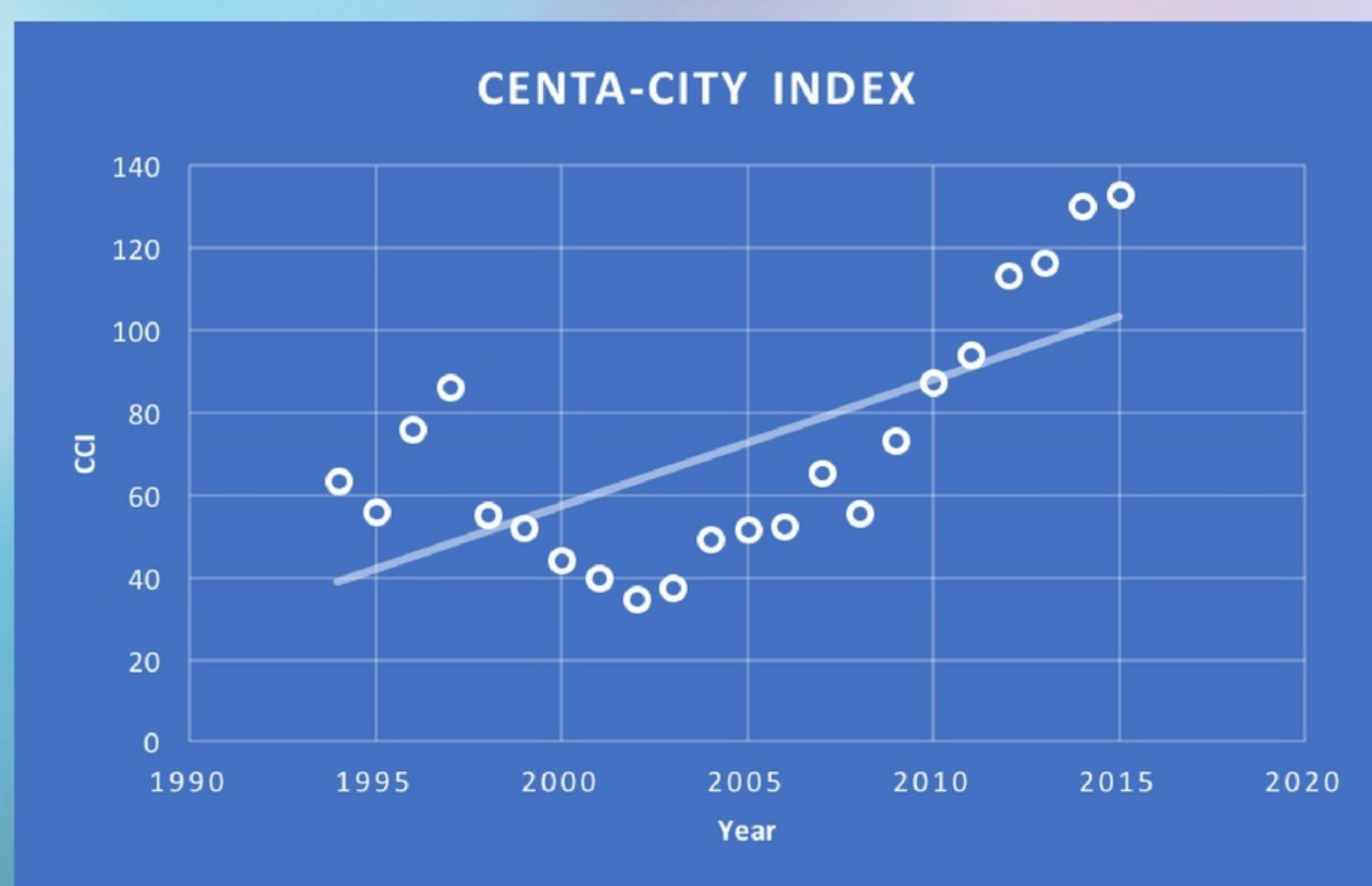
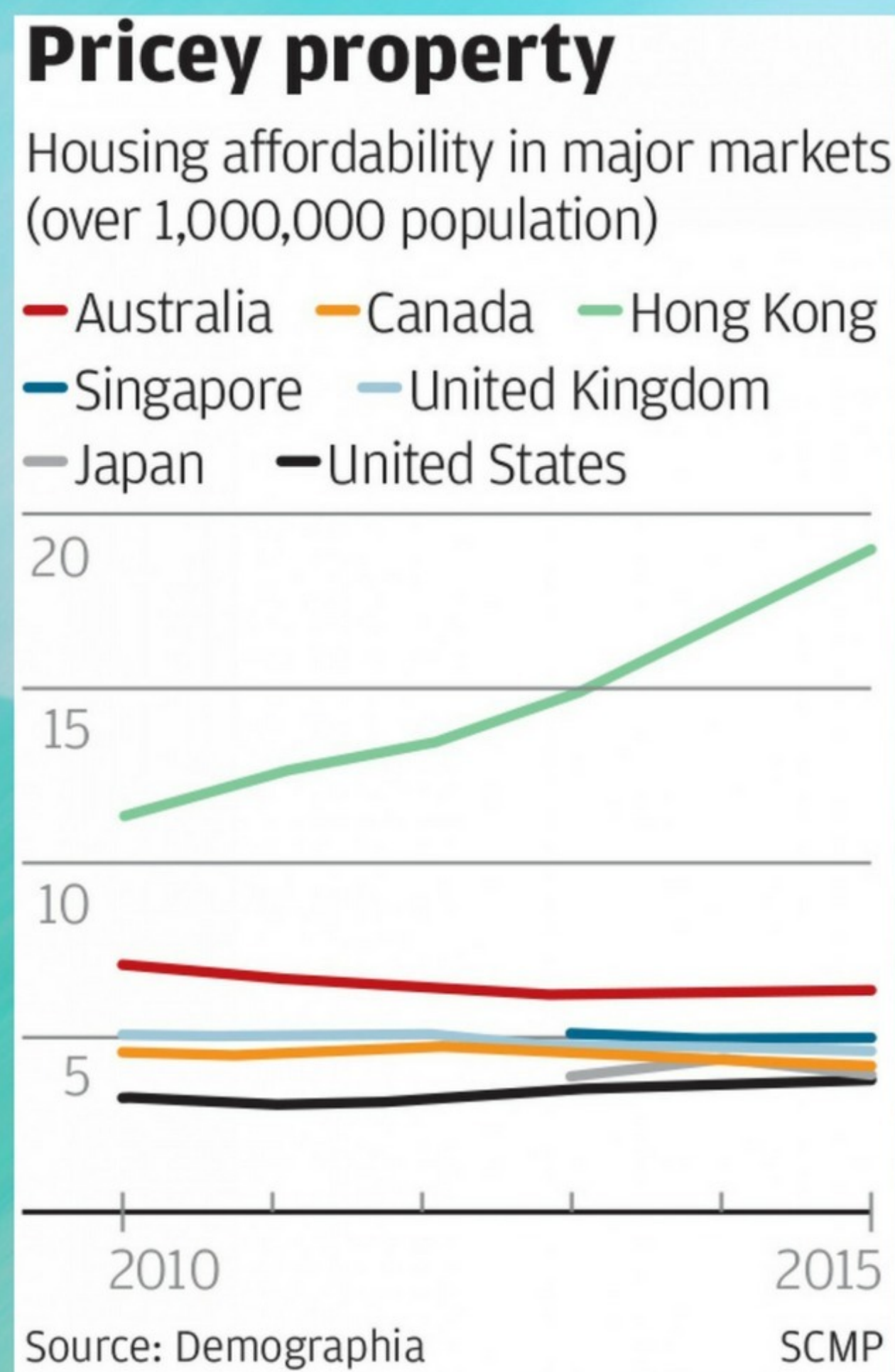


More Private Housing Units

– Friend or Foe?

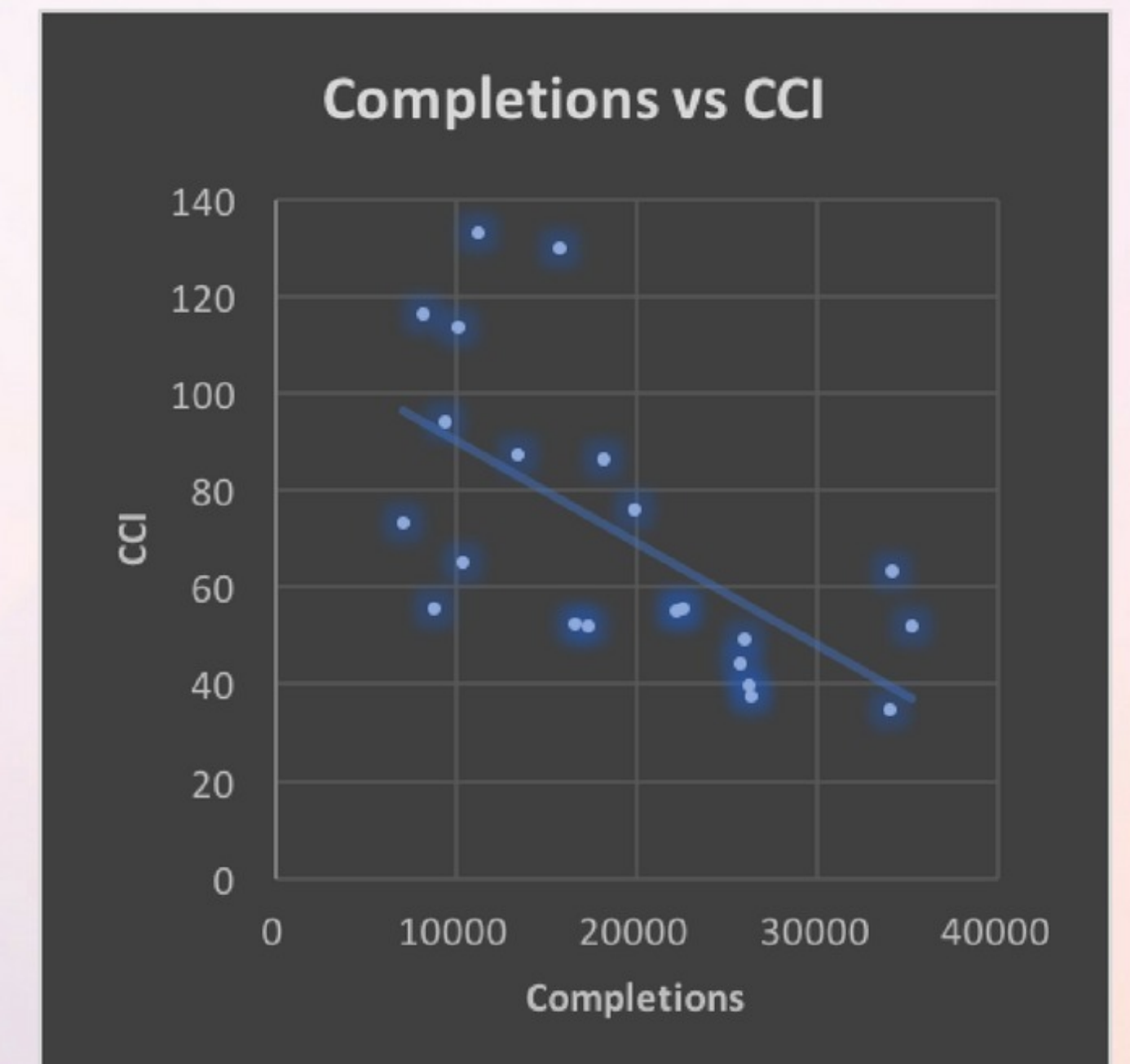


Introduction



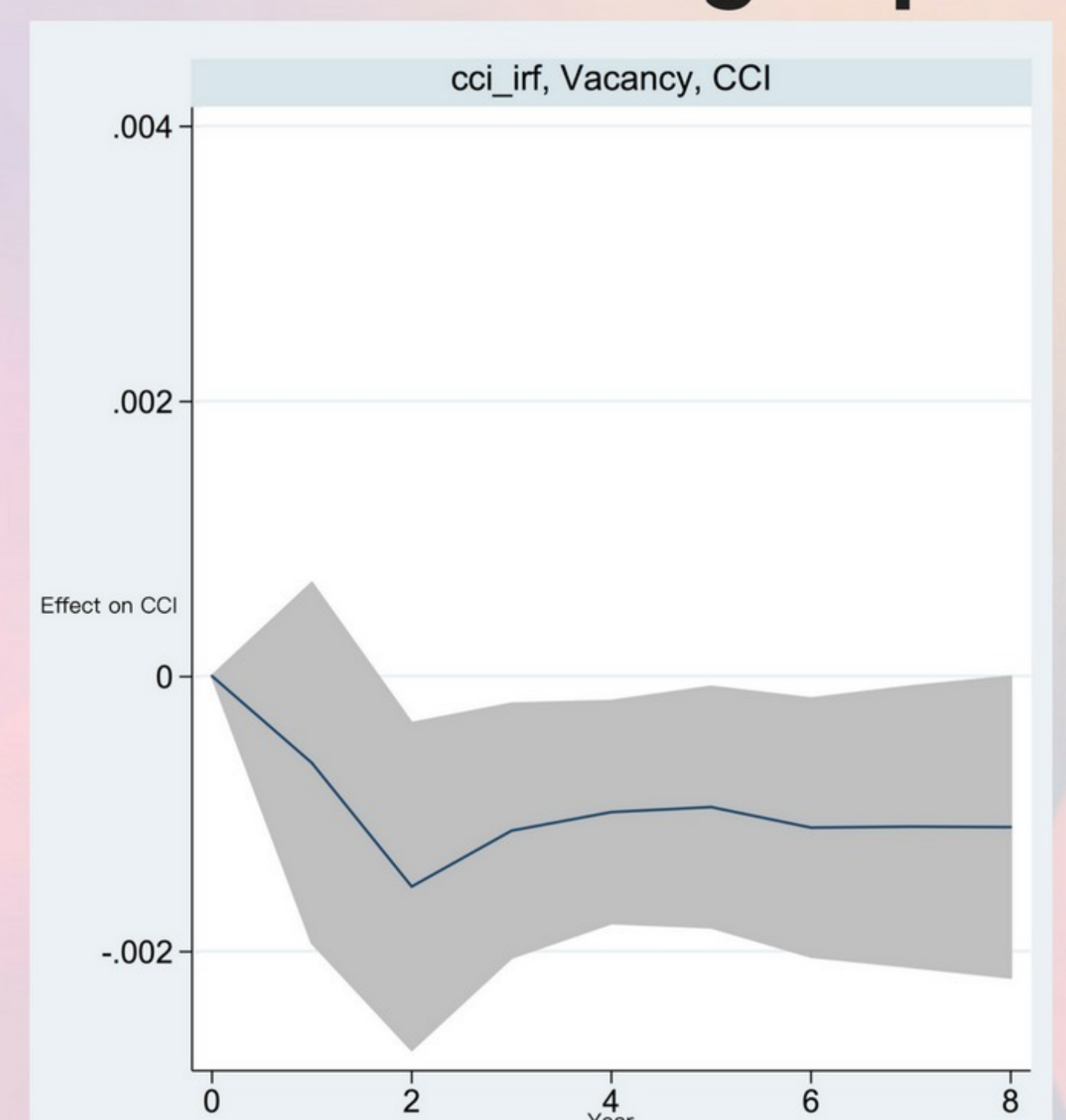
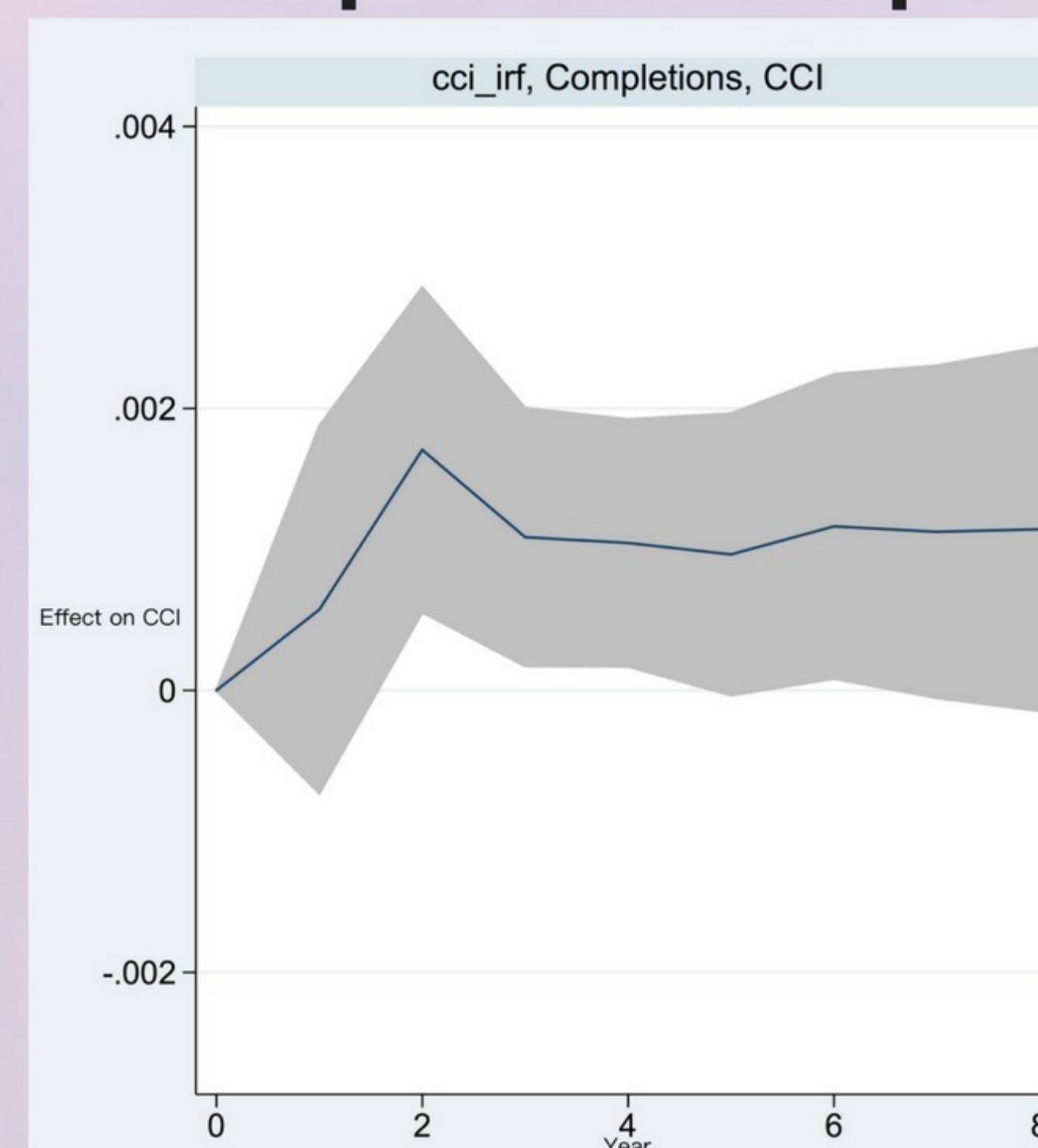
Results

1. scatter diagrams



=> **Completions & Vacancy** are **negatively correlated to CCI**?

2. Impulse response function graph



=> **Completions** (impulse) has a **positive** effect on CCI (response)
=> **Vacancy** (impulse) has a **negative** effect on CCI (response)

(exogenous population & real GDP per capita)

Objective



If supply , will the price of private housing drop?

Assumption

1. Centa-City Index (CCI) is **representative**
2. All private housing units have the **same effect(s)** on CCI, neglecting their sizes and location

Methodology

Sources:

- Consumer Price Index (CPI), real GDP per capita, population from the Census and Statistics Department
- Centa-City Index (CCI) from Centadata
- Housing affordability from SCMP
- Completions and vacancy of private housing from the Rating and Valuation Department.

Model:

Time series regression (impulse response function graph), scatter diagrams

Created by Benzox - Freepik.com

Limitations

1. CCI is **not** a real-time indicator
2. **Incomprehensiveness** of CCI
3. **Inaccuracy** of data for Vacancy
4. **Neglect** of Home Ownership Scheme (HOS)

Conclusion

The increase in supply (as known as completion) of private housing units will **not** lower the price of them.