Royston Carr Asset Management Comments as Hong Kong Property Prices Face Big Drop in 2019

Royston Carr Asset Management analysts warn that Hong Kong property market is vulnerable in face of trade war.

TAIPEI CITY, TAIWAN, November 23, 2018 /EINPresswire.com/ -- While it is expected that property prices in Hong Kong will decrease by 15 percent in 2019, analysts at Taipei, Taiwan based investment house, Royston Carr Asset Management say a bigger fall of up to 25 percent is likely if the US-Sino trade dispute continues to escalate.

Hong Kong is known for being one of the world's priciest property markets and property prices in the city are closely monitored for signs of the well-being of the wider economy. Hong Kong property prices are also viewed as being the most overvalued and consequently the risk of collapse is far greater for the Hong Kong real estate market.

If the trade war between the United States and China continues to worsen, Royston Carr Asset Management analysts believe that prices could fall by more than the baseline forecast of 15 percent with Hong Kong's property market entering what is known as a "correction phase".

Royston Carr Asset Management analysts are blaming the trade dispute as being one of the reasons for failing business sentiment. The Hong Kong Stock market peaked in January this year but has since suffered a 20 percent fall.

With a yuan weakening against the greenback, purchasers from mainland China are less eager to buy properties in Hong Kong. Because the Hong Kong dollar is linked to the US dollar in a narrow band, it follows the activity of the greenback and with the Federal Reserve hiking interest rates, Hong Kong's borrowing costs are also pushed up further affecting the attractiveness of properties.

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