



CE Noticias Financieras English

## **In Hong Kong, a golf cart is more expensive than a Porsche**

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As car makers vie to sell new and stunning models to rich Chinese, the old-fashioned golf cart is the hottest buy in a region of Hong Kong where prices surpass Tesla's Model S and Porsche sports cars Boxster. On the two-lane streets of Discovery Bay - a residential development about 30 minutes by ferry from downtown Hong Kong - golf carts are both the preferred means of transportation and an investment for the rich. They can cost more than \$ 2 million Hong Kong dollars (\$ 255,000) in the luxury neighborhood where airline pilots, bankers and lawyers live.

The carts are run by executives, adored by expatriates and used by nurses to transport the children to school. Private touring cars are not allowed in this neighborhood, and the Department of Transportation has limited golf cart licenses to around 500. The shortage of supply has transformed these slow, gas-guzzling carts into a luxury transportation medium. For some buyers, who make money from renting or selling, they are an investment.

Shockingly high prices are not uncommon in Hong Kong. The financial capital of Asia always appears on the lists of the most expensive cities on the planet, and real estate prices are the most inaccessible in the world in terms of incomes. At a time of low interest rates and high real estate prices, city dwellers tend to focus on unusual investments - such as expensive parking lots and taxi licenses.

"If you have 2 million Hong Kong dollars, it's better to buy a golf cart than to put the money in the bank," said Bill Chan, director of real estate Century 21 Newcourt Realty in Discovery Bay.

Golf carts can be purchased for less than \$ 10,000 in the USA. At Discovery Bay, buyers are paying for licenses, which can only belong to residents who are also owners of a property. They can be traded freely between individual owners.

This limitation has led to prices normally associated with luxury cars - the kind that includes windows, air conditioning and trunk. The Tesla Model S costs \$ 1.03 million from Hong Kong, and Porsche sells the 718 Boxster model for \$ 972,000 from Hong Kong.

Golf carts attract buyers in part because of the high cost of Hong Kong real estate investments: there is not much for sale in the real estate market for anyone who has 2 million Hong Kong dollars to spend.

Private homes in Discovery Bay are currently sold for about 8 million to 80 million Hong Kong dollars, said Denis Ma, head of Hong Kong research at real estate services company Jones Lang LaSalle.

Based on recent deals, your company estimates that prices in Central and West Hong Kong districts start at 5 million Hong Kong dollars for smaller apartments in older buildings. Prices reach about one billion Hong Kong dollars for homes in Peak, one of the highest points in the city.

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