

Analysis on Real Estate Investment Using Tableau

Rather than doing a research again on why hong kong property price are so high which is already a reality caused by high demand low supply, cost driven up by mainland developers, and the Hong Kong government reliance on land sales for revenue, I want to look at the bright side of the situation for investors. The constant fluctuation in Hong Kong housing property price is good news for investors who are struggling to decide whether to gamble in the stock market again or invest in the real estate market. In fact property value will always increase overtime especially in economic thriving cities over the globe despite the midway fluctuation. This is a fact we can learn from historical data. Moreover, considering the time value of money, inflation will decrease the value of dollar over time. Therefore, it is always more profitable to invest in something with future value such as housing property.

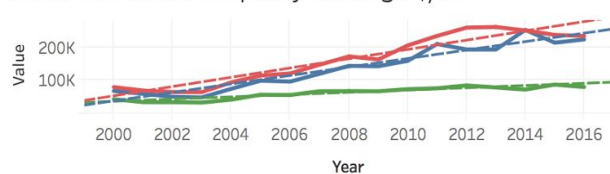
Hong Kong Property Average \$/m² Per Property Size, Region, and Date(Year)

All Size Property Average \$/m²

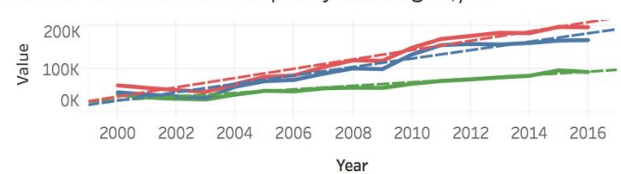


(figure 1)

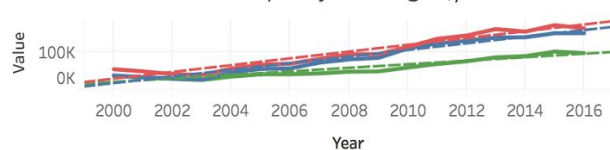
160m² or Above Property Average \$/m²



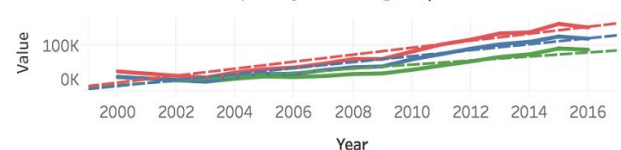
100m² to 159.9m² Property Average \$/m²



70m² to 99.940m² Property Average \$/m²



40m² to 69.9m² Property Average \$/m²



(figure 2)

By comparing all the different size property data over the past 16 years in Hong Kong, we can see that house price inflation occurs significantly over the past years from the figures above. Even with drop in price, it will never drop back to the price from before. Although we did not take into account of any possible political, economic, or other unaccounted factors impact on the data, we can still hold a positive outlook for Hong Kong real estate market. Even with Sars in 2003 and the financial crises in 2007 to 2008 which impacted the real estate market, the value still increased significantly over time.

Another thing I want to analyse is the importance of location in property investment. In marketing, they have 4Ps; product, price, promotion and place. But from the wisdom of the previous generation, in real estate investment it is all about the location. From the historical rise in the property price over Hong Kong Island, Kowloon, and The New Territories with consideration of the different size of the properties, we can see that on an average scale the properties in Hong Kong Island area indicate a higher value and steeper rise. However, another thing my data sets did not take into consideration is the specific location and age of the properties which is not provided by the Hong Kong government statistic site yet. Properties with fireworks view and the bay view are also commonly known to worth more which my data did not take into account. Moreover, from the figures two above we can also infer that the larger the property size the steeper increase in value overtime.

From my personal experience of having lived around Hong Kong Island, it is indeed more convenient to live around popular shopping district and parks without the need to drive around and be stuck in traffic. Although, Kowloon and The New Territories are also developing in a rapid pace and are also very worth investing too, some people may prefer to invest in properties around the Hong Kong Island area just for convenience.