

China | Chasing ghosts

A spectre looms over Hong Kong's property market

Why mortgage payments in the city can be ghoulishly expensive



PHOTOGRAPH: SCMP

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PROPERTIES ON THE Peak, a rich neighbourhood in Hong Kong, are among the world's most desirable. But nobody lives in Dragon Lodge, an Italianate mansion built in the 1920s. It was abandoned shortly after it sold, for HK\$118m (\$15m), in 1997. Rumour has it that nuns were beheaded there during the Japanese occupation in the second world war; they haunt the shadowy halls.

Dragon Lodge is known in Cantonese as a *hongza*, or “calamity house”. In Hong Kong's expensive property market that label can make even the swankiest homes places to avoid. A paper in 2020 by Utpal Bhattacharya of the Hong Kong University of Science and Technology and fellow academics said ghost-inhabited homes in the city lose a fifth of their value on average; the prices of flats on the same floor as one drop by 9%. Murders can kill prices by 34%.

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Property, an estate agency, to pay \$40,000 for failing to tell a buyer that a property was a *hongza*. Spacious, a rental website, features a grisly page that lists properties where untimely deaths occur. Buyers of such places must pay more for their mortgages because their properties are harder to sell. Hui Wing Cheong, an estate agent, says his company has a hauntings database.

Homes do not need to be haunted to be tainted by death; those near cemeteries and funeral parlours are cheaper too. Even the prices of homes for the dead—columbariums—drop by half if they might be haunted, says Andrew Kipnis of the Chinese University of Hong Kong.

Mr Kipnis points out that rural communities in China do not typically show an aversion to the dead. The deceased are usually kept at home before funerals. But Hong Kong is different.

Unlike the mainland, the city has not undergone fierce campaigns against superstition. The dead are hurriedly removed from premises, heightening a sense that they are to be feared. People in big cities are also more likely to live and die on their own in unhappy circumstances. A study in 2023 found that 41% of elderly people surveyed in Hong Kong were socially isolated. Hong Kong's rapidly evolving cityscape conjures apparitions, too. The turnover of tenants and buildings results in a greater fear of skeletons lurking in the closet. ■

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