WORKING PAPER NO. 8
HONG KONG RESIDENTS LIVING IN THE MAINLAND

Purpose

1. One of the major factors that this round of territorial development strategy review has to take into consideration is the increasing socio-economic linkage between Hong Kong and the Mainland. An average of 130,000 Hong Kong residents, for various reasons, travel to the Mainland every day. Many even live there on a more permanent basis. According to the results of the Cross-Boundary Travel Survey carried out by Planning Department (Plan D) in October 1999, it is estimated that among those who have traveled across the boundary during the survey period, about 51,300 Hong Kong residents have taken up residence in the Mainland.

2. In view of these developments, the extent of Hong Kong residents living in the Mainland needs to be analyzed to ascertain its strategic implications on land use planning in Hong Kong.

3. The purpose of this paper is to present the results of studies or surveys, from government and private sectors, that deal with Hong Kong residents living in the Mainland and outline the next step of actions to delve into additional information on this issue.

Finding of Surveys on Hong Kong Residents Living in the Mainland

Mainland Official Sources

Survey by the Ministry of Public Security

4. According to the statistics compiled by the Household Registration Bureau under the Ministry of Public Security, as at 30.6.1997, there were about 86,458 people from Hong Kong, Macau and Taiwan living in Guangdong.

5. However, the statistics were compiled at provincial level only and did not provide a breakdown at municipal level regarding Hong Kong residents living in various cities in Guangdong. Also, the statistics had not been updated further since 1997.

Mainland Government Authorities

6. Apart from the said survey, we have undertaken a literature review of the Mainland's published official documents including annual reports, statistical yearbooks at national, provincial and city level, previous and existing master plans prepared by various planning authorities, research papers etc. The readily available data in these documents is primarily related to the provision of housing land, supply of domestic flats, their vacancy, annual investment total, average price levels, etc. No specific information regarding Hong Kong residents living in the Mainland is available.

Hong Kong Private Sector Initiatives

7. Given the spate in the socio-economic interactions between Hong Kong and the Mainland, and the increasing cross-boundary traffic in recent years, the public has become more interested in the subject of Hong Kong residents living in the Mainland. According to our knowledge, different surveys on Hong Kong residents living in the Mainland have been carried out by the private sector to find out the intentions of Hong Kong residents to live in Mainland. Of these four surveys, two surveys of them were conducted by "Hong Kong - China Relation Strategic Development Research Fund" (the Research Fund) in 1999 and 2000; the other two surveys were conducted by local property agents in 2000. Results of these four surveys are summarised in the following paragraphs.

Studies of Hong Kong/Mainland Boundary Crossing

8. The study was conducted by the Research Fund. It was aimed at identifying the views of Hong Kong residents on boundary crossing facilities. It was based on random telephone interviews of 996 people between 15 and 23 August, 1999. Major findings are as follows:

   a. 13.2% of the interviewees (131 people) considered to live in the Mainland within the next ten years. On that basis, the survey projected that 880,000 people would consider to live in the Mainland in the next ten years; and

   b. for those aged over 45, 37.8% considered to live in the Mainland within the next ten years; while 33.5% of them had not decided whether or not to live in the Mainland.

9. The Research Fund conducted another similar random telephone interview of 1,121 people, aged above 12 years, between 25 March and 4 April 2000. The survey was aimed at soliciting views of Hong Kong residents on their intention to live in the Mainland and on boundary crossing issues. Major findings are as follows:

   a. in the next ten years, 15.6% considered to live in Shenzhen, 73.4% did not consider to live in Shenzhen and the remaining 11% had not decided yet; and

   b. based on the above statistics, it was projected that 1 million Hong Kong residents might live in Shenzhen in the next 10 years.
10. Between 10 and 25 June, 2000, Land Power International Property Consultants (China) Ltd. conducted a survey on housing demand for Shenzhen housing properties. The survey focused on the aspirations of Hong Kong residents interested in buying properties in Shenzhen. 614 Hong Kong residents had been interviewed and the major findings are as follows:
   a. 43% intended to buy properties in Shenzhen in the next two years whereas the remaining had no such plan;
   b. of those intending to buy properties in Shenzhen
      ■ 40% were professionals or businessmen
      ■ 22% were housewives or retirees
   c. of those intending to buy properties in Shenzhen, the usage of the property included:
      ■ 52% for accommodation
      ■ 26% for vacation
      ■ 13% for retirement
   d. of those intending to buy properties in Shenzhen, Futian District was their first choice (45%), to be followed by Lowu District (39%) and Nanshan District (8%).

Survey on Potential Housing Demand for Shenzhen Properties

11. In October 2000, Centaline (China) Property Consultants Ltd. (Centaline) carried out a survey to assess the aspiration of Hong Kong residents to buy property in Futian District, Shenzhen within the next three years. It had successfully interviewed 276 Hong Kong residents. All the interviewees were over 25 years old, each of a household income of over HK$10,000. Major findings of the survey on the interviewees intended to buy properties in Shenzhen are as follows:
   a. 69.6% were aged between 25 and 39;
   b. 31.3% were white-collars;
   c. 49.8% had self-owned property in Hong Kong; and
   d. 63% would use the properties in Shenzhen for holiday-home, 22.9% for investment purpose and 14.1% for long-term residence.

Analysis of Hong Kong Clients Buying Properties in PRD

12. During a seminar organized by Hong Kong Institute of Planners on 21.4.2001, Centaline presented an analysis of their 1,322 Hong Kong clients who had bought properties in PRD. Between January 1999 and March 2001. Major findings are as follows:
   a. most of the buyers were young executives;
   b. the properties were mainly for vacation purpose;
   c. over 70% of the interviewees had monthly income of over HK$20,000;
   d. about 70% of the interviewees were aged between 25 and 39; and
   e. about 70% visited Shenzhen less then twice a month; 28.8% 3-10 times a month.

Limitations to the Private Sector Surveys

13. While the aforementioned private surveys have provided one of the many angles to understand Hong Kong residents' aspiration and preference to acquire Mainland residential properties, particularly in Shenzhen, the following limitations should be noted:
   a. based on many small sample sizes, ranging from about 300 to 1,300, the analysis of the subject matter and hence the postulations might not represent the aspirations of Hong Kong residents apropos; and
   b. the Research Fund's survey on the number of Hong Kong residents "who consider to live in the Mainland" within the next five years has not been supplemented by additional questions on actions which would be taken in the near future to prepare for moving to the Mainland, and follow-up surveys would be necessary to identify general trends and aspirations of Hong Kong residents to live in the Mainland.

Hong Kong Government Surveys

14. The government has not conducted any surveys specifically related to the number of Hong Kong residents living in the Mainland. Nevertheless, topical surveys regarding Hong Kong residents working in the Mainland and cross-boundary traffic made by Hong Kong residents have been conducted. These surveys will provide some useful reference.

Hong Kong residents married in Mainland China - January 1996

15. An enquiry of Hong Kong residents married in the Mainland was conducted via the General Household Survey from November 1995 to January 1996 to estimate the number of Hong Kong residents married in the Mainland with their spouse or children still living there and to collect information on their characteristics. A similar survey was conducted between April and June 1991.

16. The sample of the enquiry consisted of 9,265 households, of which 8,725 (94.2%) were successfully enumerated. According to the enquiry, there were some 112,000 Hong Kong residents married in the Mainland with their spouses still living there at the time of enumeration. Key findings are as follows:
   a. there was 17.6% increase over the estimated 95,200 persons obtained from the 1991 enquiry;
   b. the majority (88.6%) of them were males;
c. 37.3% of them were married before 1976; 24.7% between 1981 and 1986 and 18% between 1986 and 1990; 
d. 30.5% of them had one child; 27.9% had two and 28.8% had three or more; and 
c. there were 320,600 children born and still living in the Mainland at the time of enumeration, and of them, 162,000 (or 50.5%) had one of the parents still living in Mainland and 105,700 (or 33%) had no parents living there.

**Hong Kong residents working in the Mainland of China - General Household Survey, May 1998**

17. From May to June 1998, the Census and Statistics Department (C&S D) interviewed 7,890 local households. According to the survey, about 157,300 had worked in the Mainland during the previous twelve months. Of these 157,300 persons, the following should be worth to note: 
   a. 133,500 were still working there at the time of the interview; 
   b. 72.7% were employees; 19.8% employers; and 7.5%, self-employed persons; 
   c. 40.8% were managers and administrators; 35% professionals and associates; and 
   d. 47.3% had an average stay of 1 to 2 days in Mainland; 17.5% of 3 to 4 days.

18. Together with C&S D's previous surveys, it is noted that there is a continuous increase in the number of Hong Kong residents working in the Mainland. It is noted that the annual increase is about 11.6% between 1988 and 1998. A summary of these figures is shown in the following table:

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<tr>
<td>No. of HK residents working in Mainland</td>
<td>52,300</td>
<td>45,600</td>
<td>64,200</td>
<td>122,300</td>
<td>157,300</td>
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**Hong Kong residents with spouse/children in the Mainland of China - General Household Survey, July 1999**

19. From March to May 1999, C&S D has interviewed 19,300 local households on whether they had any children born within registered marriage and living in the Mainland, and if so, were asked details about these children. According to the findings of the survey, there were about 286,300 Mainland children born within registered marriage to Hong Kong residents and still living in the Mainland. Of these 286,300 children:
   a. 97,600 (34%) had one or both of their parents born in Hong Kong or having ordinarily resided in Hong Kong for seven years or more at the time of their birth; 
   b. 188,700 (66%) Mainland children had their parents not born in Hong Kong and had ordinarily resided in Hong Kong for less than seven years at the time of their birth; and 
   c. 86% of them were living in Guangdong, within which Shenzhen and Guangzhou accounted for 14% and 10% respectively of the total number of such persons.

**Cross-Boundary Travel Survey, October 1999**

20. In October 1999, Plan D carried out a Cross-Boundary Travel Survey at the eight immigration control points to find out the patterns of cross-boundary trips and the socio-economic characteristics of the trip makers. A total of 45,709 face-to-face interviews were carried out. Based on the results of the survey, about 51,300 Hong Kong residents living in the Mainland traveled to Hong Kong during the survey period. Of these Hong Kong residents, there were about 7,700 residents who usually traveled to Hong Kong to work.

**The Hong Kong Monthly Digest of Statistics, September 2000**

21. In 1999, according to the monthly statistical survey conducted by C&S D, there were about 188,000 mobile residents in Hong Kong. Of these 188,000 mobile residents, 72,000 of them stayed in the Mainland and Macau for most of the time in 1999, and 7,000 elderly persons also spent most of their time there for a considerable period in 1999.

**Use and Limitations of Government Surveys**

22. None of the surveys were specifically designed to gather information on Hong Kong residents living in the Mainland and the figure on Hong Kong residents living in Mainland were based on postulations of the results of cross-boundary travel surveys and other topical surveys.

23. Based on the findings of the above-mentioned surveys, some trends could be observed as follows: 
   a. there is an increasing number of Hong Kong residents who worked in the Mainland; 
   b. while some Hong Kong residents have moved to live in the Mainland, they are still maintaining close socio-economic ties with Hong Kong as reflected in cross-boundary trips. According to the cross-boundary travel survey conducted in 1999, among the 51,300 Hong Kong residents who lived in the Mainland, about 7,700 of them were travelling to work in Hong Kong; and 
   c. based on C&S D's findings, a proportion of Hong Kong's mobile population, were staying for a major portion of their time in the Mainland and Macau.

**Strategic Planning Implications**
24. The general increase in the sale of residential units in Shenzhen to overseas buyers, including Hong Kong residents, may indicate a trend of Hong Kong residents' preference to live in the Mainland. At present, there is no detailed information regarding the exact number of Hong Kong residents living in the Mainland, such as their spatial distribution, type of accommodation, purchased or rented accommodation, etc, it would be difficult to assess the scale of the trend and the strategic implications of this trend of Hong Kong residents who have moved to reside in the Mainland.

25. Nevertheless, possible implications in the following areas would be studied upon the availability of further information:
   a. **Local housing market** - should the number of Hong Kong residents living in the Mainland increase significantly, there may be impacts on the territorial housing demand in the long term.
   b. **Population** - Hong Kong people living in the Mainland may be "discounted" from the population estimate if they are spending most of time living in the Mainland. C&S D's 1999 data has shown that 72,000 of the mobile population have spent most of their time in the Mainland and Macau.
   c. **Cross Boundary Facilities** - according to Cross-Boundary Travel Survey, among the Hong Kong residents living in the Mainland, 67% of them made regular trips (at least once a month) to Hong Kong. Thus it would be prudent to study the implications of Hong Kong residents living in the Mainland on cross-boundary facilities.
   d. **Education, Medical etc Facilities** - according to Cross-Boundary Travel Survey, there were 1,200 persons aged under 20 crossing the boundary to attend secondary schools or below. According to C&S D's findings, 72,000 of mobile population in 1999 have spent most of their time in the Mainland and Macau. Thus it would be important to study the degree of reliance of Hong Kong residents living in the Mainland on Hong Kong's education, medical and welfare facilities etc. as this may affect the provision of such facilities in areas close to the boundary crossings.
   e. **Demand for Close Liaison Between Hong Kong and Mainland Authorities** - the increasing number of Hong Kong residents living in the Mainland would inevitably require a close liaison and co-ordination between Hong Kong and the Mainland authorities on a range of issues, mainly due to different systems of the two places.

26. Apart from the above-mentioned implications, it may be more important to analyze the reasons behind this continuous outflow of Hong Kong residents. This will be critical to the strategic land use planning in Hong Kong as these reasons, say, the diminishing job opportunities in Hong Kong, could affect government's economic policy planning.

**The Way Forward**

27. In view of the limited information available, either from the Mainland official publications or from local government/private sector surveys, it would be desirable to have a specific survey on Hong Kong residents living in the Mainland and also to continue to consult the Mainland authorities on the issue.

**Thematic Household Survey in the 2nd Quarter of 2001**

28. In order to gauge the existing pattern and future trend of Hong Kong residents living in the Mainland, relevant topics pertinent to Hong Kong residents' property ownership in Mainland have been incorporated into the questionnaire of the Thematic Household Survey conducted in the second quarter of 2001. The survey - Experience and Aspiration of Taking Up Residence in the Mainland of China - was carried out in April/July 2001 and the results would be available in late 2001.

29. Major data items to be collected in the survey are summarized as follows:
   a. property ownership in the Mainland;
   b. intention to take up residence in the Mainland;
   c. action taken to buy or rent the Mainland properties;
   d. anticipated usage of the housing unit in the Mainland and anticipated arrangement for the existing accommodation in Hong Kong;
   e. preference of the properties to be purchased or rented;
   f. reason(s) for not taking up residence in the Mainland; and
   g. views on factors that affect taking up residence in the Mainland.

**Cross-Boundary Travel Survey - 2001**

30. Further to the first cross-boundary travel survey conducted in October 1999, Plan D late 2001 has commenced another round of cross-boundary travel survey. The survey has incorporated question on whether cross-boundary trip makers have any property in the Mainland, and the type of property. Survey results would be available by mid-2002.

**The Survey on Housing Aspiration of Households - 2002**

31. The survey aims at providing a general description of about 10,000 households' housing aspirations, including their intention to emigrate to other countries and the Mainland. Its primary objective is not to find out information related to the Mainland. However, relevant questions related to the aspirations and the subsequent arrangements will be asked only when the household expresses an intention to move to an overseas country or the Mainland. The survey will be conducted in early-2002 and preliminary results will be available by late 2002.

32. It should be noted that information such as the characteristics of households who have moved to reside in Mainland and the reasons for them to move there are not covered by the above three surveys.

33. Once further information on the number of Hong Kong residents living in the Mainland is available, it will be further examined in
the course of HK2030 Study.

Footnotes

2. Census and Statistics Department (1999), Special Topics Report No. 21 "Hong Kong residents working in the Mainland of China" - General Household Survey.
6. Study of Hong Kong Residents to Live in Mainland and Boundary Crossing Issues, 2000, Hong Kong - China Relations Strategic Development Research Fund.
8. Planning Department, Cross Boundary Travel Survey, Planning Department, 2000.

Some topics of the survey which will be relevant to the subject matter are summarised as follows:

a. long-term aspiration to live in the Mainland/other countries;

b. short-term aspiration to live in the Mainland/other countries;

c. action taken to live in the Mainland/other countries;

d. reason(s) for living in the Mainland/other countries;

e. number of family/household members intending to live in the Mainland/other countries; and

f. arrangement of existing accommodation after living in the Mainland/other countries.

Reference

2. Census and Statistics Department (1999), Hong Kong residents working in the Mainland of China - Social data collected via the General Household Survey.
7. The Hong Kong Monthly Digest of Statistics, September 2000, the Census and Statistics Department.
8. "Some topics of the survey which will be relevant to the subject matter are summarised as follows:"
  
  a. long-term aspiration to live in the Mainland/other countries;
  
  b. short-term aspiration to live in the Mainland/other countries;
  
  c. action taken to live in the Mainland/other countries;
  
  d. reason(s) for living in the Mainland/other countries;
  
  e. number of family/household members intending to live in the Mainland/other countries; and
  
  f. arrangement of existing accommodation after living in the Mainland/other countries.

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