

RHL International

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MARKET EXPRESS

房地產市場快訊



HONG KONG GOLF CLUB
Fanling Old Course



HONG KONG PROPERTY

香港物業市場透視

CHINA PROPERTY

中國物業市場透視

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GROUP INTRODUCTION

RHL International is one of the pioneering professional valuation and real estate consultants in Asia. Established since 1972, our group offers high quality professional services on Corporate Valuation & Advisory and Real Estate Solution & Surveying Practice. As an active participant in exchanging ideas and experience with regulators, government institutions and corporations, our group maintains vigilant to the dynamic changes in the market. Leveraging our extensive track record, technical resources and market intelligence, we are dedicated to provide tailored services to meet with the unique needs of our clients.

PROFESSIONAL TEAM

Our team comprises of professionals who have finance and/or real estate related academic background and internationally recognized qualifications, such as CPA, FRM, registered professional surveyors, and with diverse experience and up-to-date knowledge of the current market environment. We committed to provide our clients with high standard services.

The Group is committed to provide high standard of professional services in compliance with international standard and Government Statutory requirements.

CORPORATE & VALUATION ADVISORY

Our experience in operating businesses in the mainland China and cooperating with overseas parties has become our competitive advantage in offering comprehensive client solution to overseas as well as mainland clients. We cover real estate as well as other industries such as natural resources, green energy and finance area.

- Valuation (including Real Estate, Business Valuation, Plant & Machinery)
- Real Estate Solutions and Surveying Practice
- Industry Market Research & Analysis
- Project Feasibility Study and Advisory
- Financial Analysis
- Investment Advisory
- Due Diligence
- Portfolio, Asset and Facilities Management

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City's Footprint
Hong Kong Golf Club
Fanling Old Course

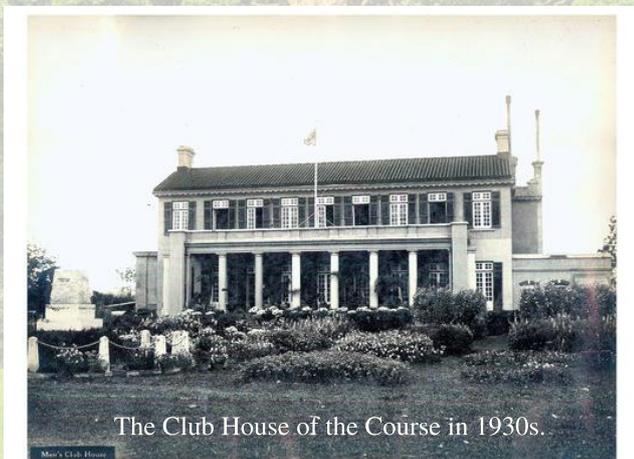




Hong Kong Golf Club Fanling Old Course

Earlier, the Government has announced that, a nearly 32 hectares of land on the most historical Old Course at Fanling Course would be taken back for housing development in 2023.

Tracing back, the Hong Kong Golf Club was founded in 1889. The Fanling Course, providing 3 18-hole courses, is an internationally acclaimed championship golf course. Work on the Old Course at Fanling started in 1911 with the first tee shot being struck in December 1913. The Old Course measures 6,246 yards from the Championships tees.



The Club House of the Course in 1930s.

Cherishing Valuable Natural Resources

Trees Coverage: 44.3%

Potential Old and Valuable Trees (minimum DBH of 1,000mm or above): 409

Percentage to total number of OVTs in Hong Kong: 46%

Rare and Protected Species: 114

Environmental Certification : Audubon Cooperative Golf Sanctuaries (in process).

Rare and Endangered Faunal Species: Brown Fish Owl, Reeve's Terrapin, Somanniathelphusa zanklon (a fresh water crab that is endemic to Hong Kong), Masked Palm Civet, Small Indian Civet, Common Rose Butterfly, Red Muntjac Deer, Chinese Water Snake, Leopard Cat



One of the old Banyan Trees on the course.

Major International Events & Diversified Sport Development

1959- Present: The Hong Kong Open

1979- Present: Hong Kong Schools Cross Country Championship

1984: The World Amateur Team Championship

2015- Present: The Hong Kong Ladies Open

2016-2019 :HKGC Charity Ultra Marathon

2017: The Asian Schools Cross Country Championship

2018: The Inter-school Cross Country Competition, the Hong Kong Jing Ying Cross Country Tournament and the Hong Kong Amateur Athletic Association's

Cross Country Championship

2019: The Third HKGC-sponsored Ultra-Marathon

2020: The World Amateur Team Championship

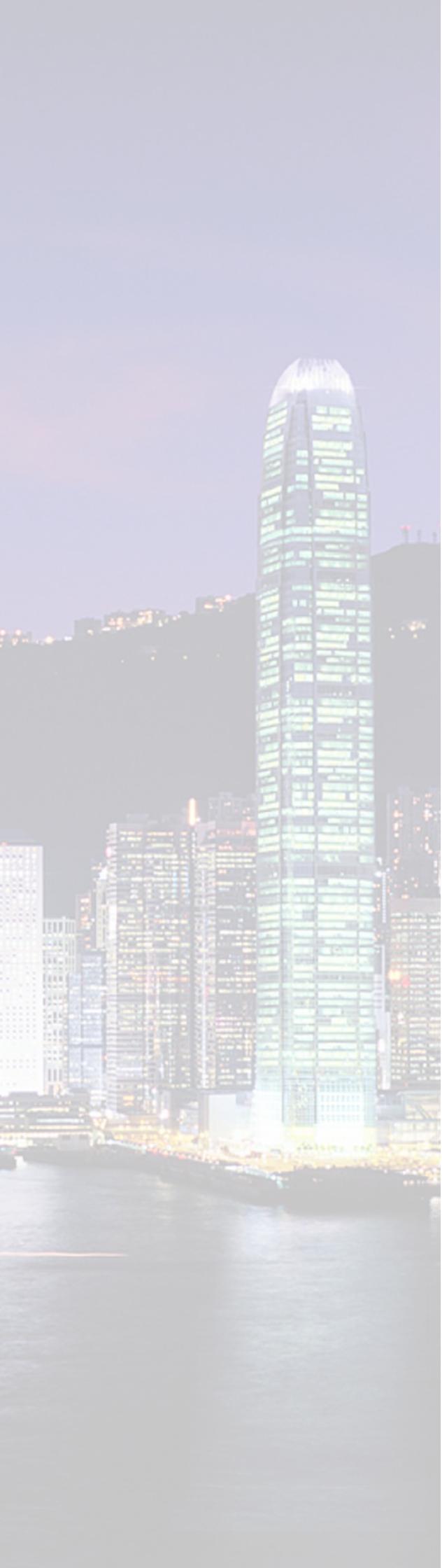
Public Access

Public/ Non- Member Opening Hours:
From 7am to 10pm Monday to Friday
(except public holidays) throughout the year, reservation is recommended

Rounds of golf played on Fanling's courses in 2018:
116,744 rounds, 51,775 or 44.3% of the total rounds played were non-members

Public Event Day:
6 public events a year from 2015 charged golf at \$125 ,
and \$130 for 2019, free for aged 16-21 to play

Photo credit: Hong Kong Golf Club



HONG KONG PROPERTY

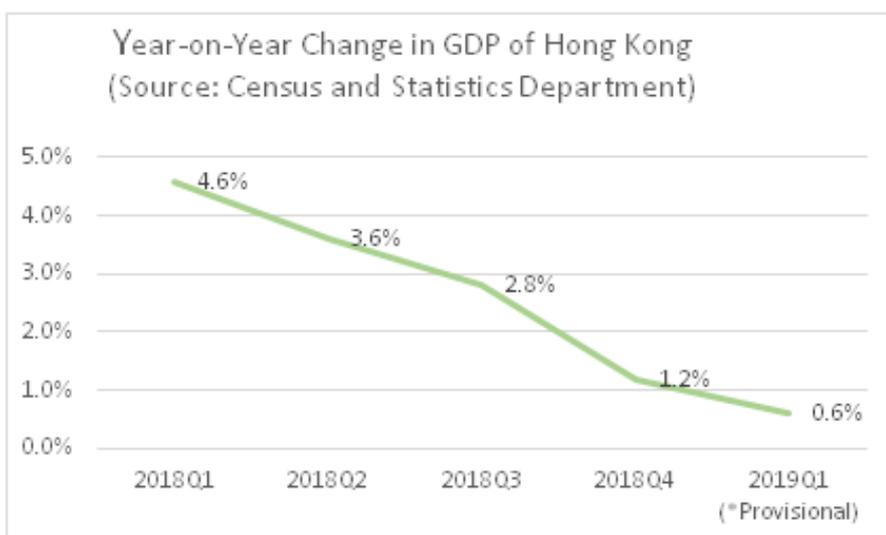
**THE BOY WHO CRIED
WOLF?**

HONG KONG PROPERTY - MARKET WATCH

THE BOY WHO CRIED WOLF?

Economic and political tensions suddenly climbed to a high level in May, which has posed uncertainty to the financial as well as real estate market. All of a sudden, the US-China trade conflict has been lifted and evolved to a trade war level. Locally, the disputes rising from the discussion concerning Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 has also posed challenges to our society stability. Indeed, apart from the “persistently strong” employment rate, other major statistics such as GDP and trade-related figures for the first quarter of the year have revealed a diminishing and worrying trend. Developers and potential buyers may opt to pend their investment activities in the coming months until a clear picture comes out.

Progress on the supply side is still little. Although sustainability assessment study tasks on the East Lantau Metropolis (ELM) preliminary concept under the Hong Kong 2030+ are yet to be completed, the Government has decided to jump to the implementation of Lantau Tomorrow Vision. Yet, as expected, seeking funding approval from the Legislative Council for only the start with the “studies related to artificial islands in the Central Waters” (“Studies”) is already a difficult mission and a lengthy battle. As the time of writing, the Studies are still at the stage of discussion within the Public Works Subcommittee of Finance Committee. It appears to be unlikely to obtain the funding approval for the Studies within this Council year.



Growth of GDP in Hong Kong has been diminishing.

"Strategic Investment Advisory & Agency"

- *Provide Market Research and Analysis*
- *As a Matching Platform to Source Opportunities*

Meanwhile, another source to increase land supply may be stemmed from the coming “Land Sharing Scheme”, which is expected to be put up by the Development Bureau in few months’ time. Frankly speaking, this is, however, on one side, another debatable topic as the public will have great concern on the transparency and fairness towards the government in terms of dealing with the major developers. On the other side, developers will definitely take into account the potential return of each project and without any “incentive”, they should only develop their land in accordance with their own agenda.

Redevelopment of brownfield is now the less debatable option. Yet, it is true that brownfield shall not be the only option due to scattering distribution in terms of location and the need for amalgamation into larger site to achieve economy of scale. Nevertheless, the government should take a proactive attitude to facilitate this land supply option.

It has been a market worry about a big worldwide economic downward adjustment like a wolf to come soon for the nearly past decade. But, there is also a query on the existence of such “wolf”. It should be noted that for short to medium term, demand is well over supply, based on the assumption that potential buyers are “able” to pay and it is a further assumption that the wolf shall never come!

"Strategic Investment Advisory & Agency"

- *Negotiation between Transaction Parties*
- *Provide Transaction Advisory Services*

HONG KONG SNAPSHOTS

Another Highest Price for Residential Land in Kai Tak

Land price in Kai Tak has set a new record again. Site 2 of Area 4C, a residential plot, in Kai Tak has been tendered to a local consortium at a price of HK\$12.59 billion. With the total gross floor area of about 641,180 sq.ft., the accommodation value of the site was about HK\$19,700/sq.ft.. The transacted price was higher than the one for the adjacent Site 3 of Area 4C that had been tendered for HK\$11.26 billion in January with the accommodation value about \$17,360/sq.ft..

Being put onto the market for years, the land supply in Kai Tak area has been gradually reducing. As it involves huge investment costs, only several large local developers are the major investors in the area. The new high price record of this transaction reflected not only the developer's optimistic vision on development potential of the area, but also the great demand for the quality land in the downtown urban area by developers.



-  The tendered Site 2 of Area 4C situates at the Runway Area, next to Site 3 of Area 4C that tendered earlier this year.

HONG KONG SNAPSHOTS

The Most Expensive Green Form Public Housing in NT! Flat Sold 3 Days after Advertisement

A record-breaking expensive Green Form public housing transaction was recorded at Cheung On Estate, Tsing Yi. A buyer has purchased a Unit 16 on high floor at On Chiu House of Cheung On Estate at HK\$4 million, excluding premium. The unit, measuring 485 sq.ft. with internal decoration and open view, transacted at a unit rate of HK\$8,247/sq.ft., has become the most expensive Green Form public housing in the New Territories. According to the market sources, the flat has only been put on advertisement for 3 days only before the transaction.



Cheung On Estate,
Tsing Yi.
(Source: Online
Photo)

"Forward Planning and Solution"

- *Financial Feasibility and Economic Viability Assessment*
- *Value-added and Reliable Implementation Scheme*

HONG KONG SNAPSHOTS

New Circular for Sale of First-Hand Residential Properties by Tender

In recent months, various new developments have switched their method of selling smaller size residential properties (i.e. 1 to 2 bedrooms) from issuing price lists to the sale by tender. Under this method, less information, such as list prices and discounts, are available to potential buyers. In order to tackle the problem of lacking transparency, the Real Estate Developers Association of Hong Kong, which represent the developers, has issued an updated circular to its members regarding this issue. Starting from June, only limited types of residential properties could be offered for sale by tender. In addition, relevant tender documents, the transaction price and benefit plans chosen by the purchasers have to be disclosed to the public.

"Forward Planning and Solution"

- *Financial Feasibility and Economic Viability Assessment*
 - *Value-added and Reliable Implementation Scheme*
- 

All Around 18 Districts: North District

Total Area : about 168 sq.km.

Location : Northern part of Hong Kong.

Districts include : Sheung Shui, Fanling, Ta Kwu Ling and Sha Tau Kok.

Population : about 312,700 (Population and Household Statistics analysed by District Council District 2017), accounting for 4.3% of the territorial population.

Median Monthly Household Income : HK\$29,800 (results of the Population and Household Statistics analysed by District Council District 2017).

**Source: North District Council*



Hot Pick of the North: Sheung Shui Centre

No.3 Chi Cheong Road, Sheung Shui

Completion Years:
1985- 1987.

Number of Blocks:
22 (all 6 phases, omitted Block No.13)

Number of Units: 4,080

Facilities:
Swimming Pool, Badminton Court,
Children's Playground,
Recreational Garden,
Car Park, Shopping Arcade.



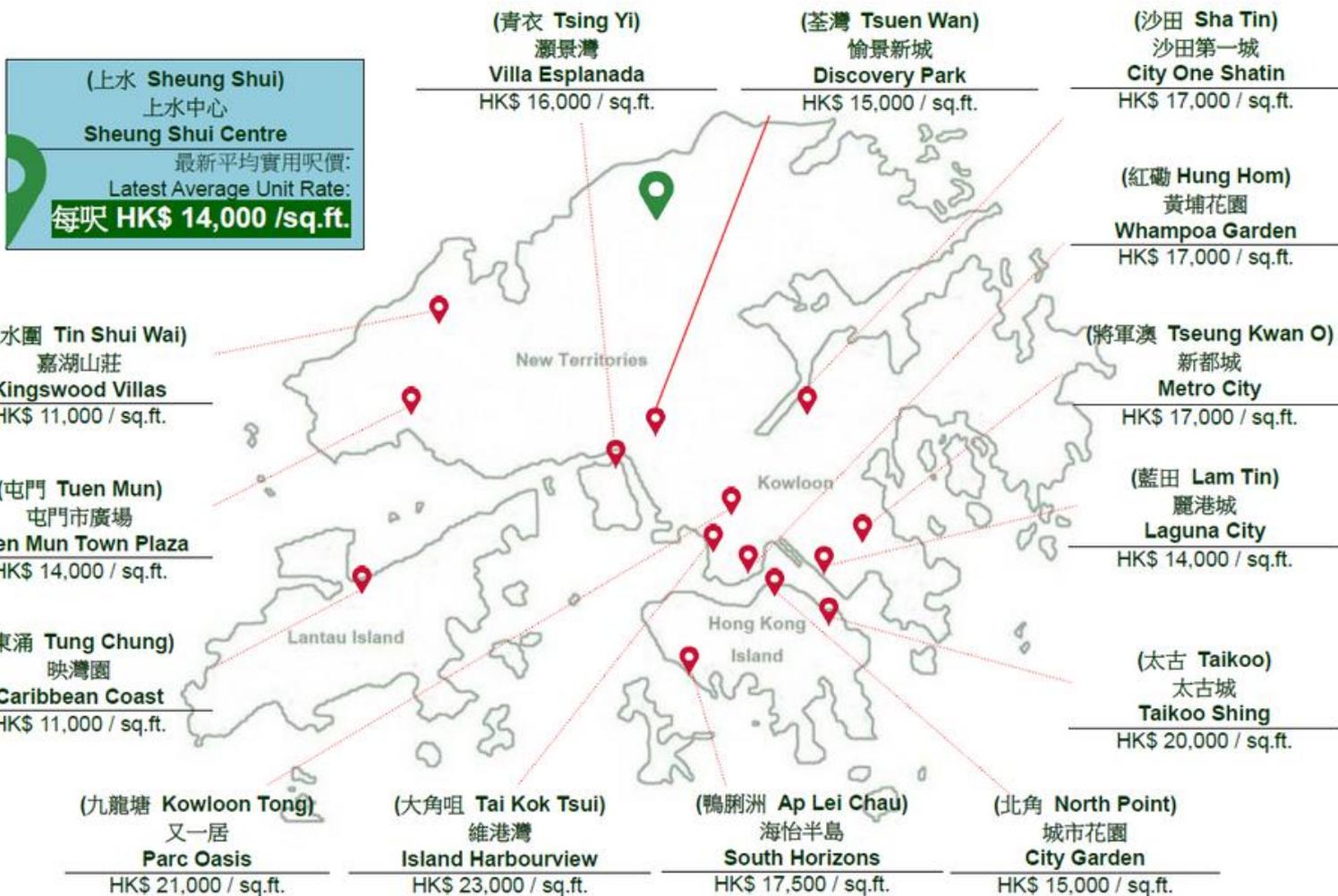
Sales Brochure of
Sheung Shui Centre



"Forward Planning and Solution"

- *Financial Feasibility and Economic Viability Assessment*
- *Value-added and Reliable Implementation Scheme*

HONG KONG TRANSACTIONS OVERVIEW



* Average saleable unit rate of standard units
以上為各標準單位平均實用呎價



CHINA PROPERTY

**Residential Price Index of
CAAD (April 2019)**

&

**Commercial Property Index of
CAAD (April 2019)**

CHINA PROPERTY - MARKET WATCH

RESIDENTIAL PRICE INDEX OF CAAD (APRIL 2019)

City	Index	City	Index
Beijing	115.8	Zhengzhou	112.9
Shanghai	97.6	Qingdao	199.8
Shenzhen	119.4	Xi'an	174.9
Guangzhou	144.6	Xiamen	113.0
Hangzhou	151.5	Taiyuan	147.7
Nanjing	121.7	Shijiazhuang	115.8
Chengdu	151.4	Kunming	140.3
Chongqing	154	Hefei	101.2
Wuhan	139.1	Nanchang	140.4
Changsha	141.6	Nan'ning	154.6

■ Rise m-o-m
 ■ Decline m-o-m
 ■ Stable m-o-m

Y-o-Y Changes: 2.7% Average Price: RMB23,156/sq.m.
 M-o-M Changes: -3.0% Median Price: RMB14,751/sq.m.

125.9

1. Residential Price Index Reference Base Period

The base period is January 2017, representing the base index of 100.

2. Data Sources

Property database of
China Appraisal Association Database ('CAAD').

"Professional Practice in Land and Planning Matter"

- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application

CHINA PROPERTY - MARKET WATCH

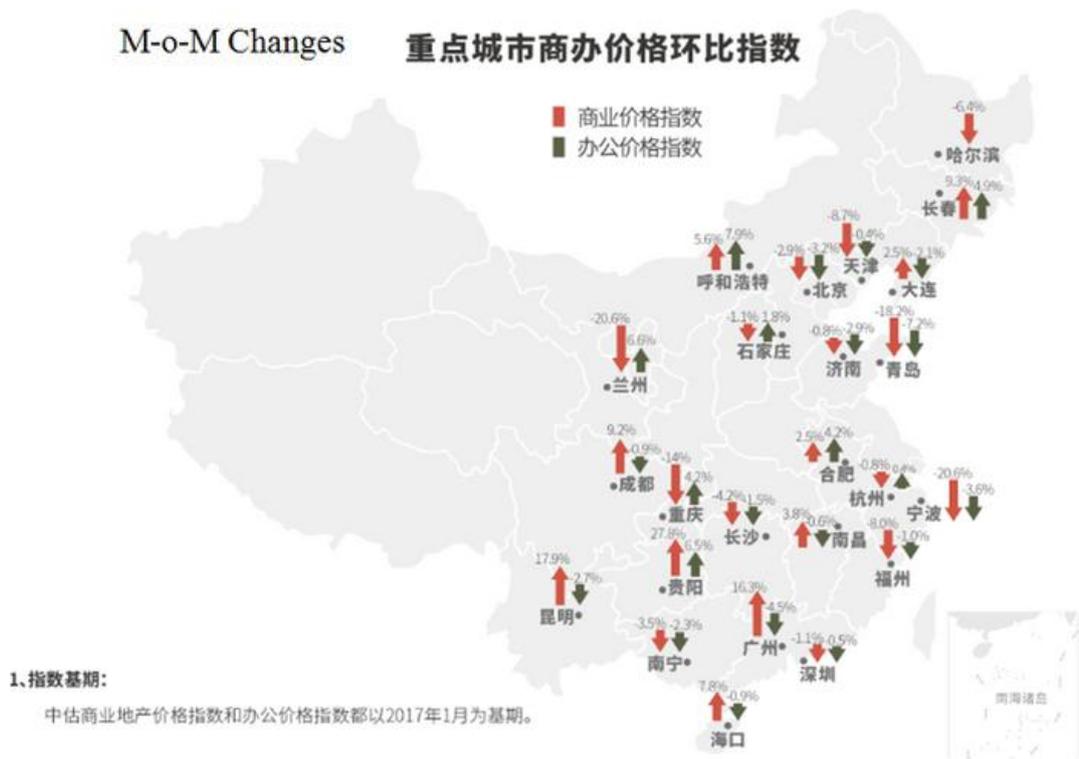
COMMERCIAL PROPERTY INDEX OF CAAD

(APRIL 2019)

Selected Cities (Right to Left):

- Harbin
- Changchun
- Dalian
- Tianjin
- Beijing
- Hohhot
- Qingdao
- Jinan
- Shijiazhuang
- Lanzhou
- Hefei
- Ningbo
- Hangzhou
- Nanchang
- Changsha
- Chongqing
- Chengdu
- Fuzhou
- Guiyang
- Shenzhen
- Guangzhou
- Nanning
- Kunming
- Haikou

M-o-M Changes 重点城市商办价格环比指数



Retail: **175.0**

M-o-M Changes: 0.29%

Office: **111.0**

M-o-M Changes: -3.18%

1. Residential Index Reference Base Period

The base period is January 2017, representing the base index of 100.

2. Data Sources

Property database of China Appraisal Association Database ('CAAD').

"Professional Practice in Land and Planning Matter"

- Rate & Government Rent Appeal
- Compensation Claim
- Assessment
- Planning & Development Consultancy

CHINA SNAPSHOTS

Shenzhen: Land Bidding Continues to Intensify in May, Expanding to Industrial Land

Recently, 2 pieces of industrial land located in Pingshan District of Shenzhen has been transacted. Both parcels of industrial land are highly similar in bidding criteria and development indicators: designed for biotechnology industry (A01 land) with a land use term of 20 years, and required to be equipped with prefabricated buildings. The final land premium rate have reached 335% and 117% respectively.

It is enumerated that 9 parcels of the industrial land have been transacted through government bidding in Shenzhen in May 2019, representing a total site area of over 110,000 sq.m.. Due to the conflicts between tightened land supply from local government and the strong demand for industrial parks from entity enterprises, Shenzhen has been allocating more land resources to commercial and industrial usage to deal with this dilemma.



"Revitalization of Industrial Buildings"

- *Coordinate with other professionals*

- *Submitting an application to the Town Planning Board for our client*
- *Submitting a "Temporary Waiver" or "No Objection Letter" application to the Lands Department*

CHINA SNAPSHOTS

10 cities' Restriction on Second-Hand Property Sale Expired, Extra Liquidity and Unstablensess to Housing Market Released

It is analysed that, since March 2017, 48 cities have imposed various policies to restrict second-hand property sale with a range of required minimum years of holding period.

Xiamen, as the first city to implement such restrictions, the earliest restricted houses are currently entitled to be transferred freely in the market. The restrictions in other 9 cities, including Fuzhou, Qingdao, Guangzhou, Xushui, Changle, Changzhou, Dongguan, Yangzhou and Changde have also been expired.

Under this context, a multitude of second-hand houses are recently entitled to enter into the housing market. According to experts' analysis, the housing market have been stabilized since 2018 with increasing rational transactions and no intention to deregulate by the government. Even though the first batch of restricted houses are allowed to be freely transferable, it may not cause significant unstablensess to the housing market.

"Super Connector Professional Provision, Facilitation And Consultation"

- *Consultancy Services in Greater Bay Area*

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Source: Land Registry, CAAD and RHL Research Department

