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印尼國家紀念塔
National
Monument (MONAS)



HONG KONG PROPERTY

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香港物業市場透視

CHINA PROPERTY

中國物業市場透視

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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HONG KONG PROPERTY

**Entry or Exit are
both difficult**

HONG KONG PROPERTY - MARKET WATCH

Entry or Exit are both difficult

Short Term Wake Up

While the number of COVID-19 cases appears to be stabilized at relatively lower level in this October, another surge of COVID-19 is always possible and experts are urging residents to maintain to a restrained lifestyle. However, most of the Hong Kong people have largely resumed their pre-pandemic living habits in the city, which may give a short term impression of economic recovery. However the sharp drop of the overall transaction price and rental level in the range of 20% to 40% since last year of retail properties reveals the pessimistic view on the future instead.

Edward Yau, Secretary for Commerce and Economic Development, in the mid-October, mentioned that Hong Kong residents will be able to travel abroad without having to be quarantined following a “travel bubble” deal between the SAR and Singapore on October 17. Yet, there are expensive cost for virus check and risks, together with the one and only choice of destination, which may discourage prospective travelers. Unfortunately, ahead of the possible improvement likely to be found due to the “travel bubble”, Dragonair, the 35-year local airline which witnessed the growth of Hong Kong in 1980s and 1990s was unable to face such a little light in the dark and being ceased to operate. That’s an end of an era.

"Strategic Investment Advisory & Agency"

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

Prospect and Policy

Probably the postponement of the release of the 2020 Policy Address, which was originally scheduled on October 14, to around late November is not a bad idea. Currently, people are pessimistic on Hong Kong's prospect. Another failed tender just occurred for a commercial plot located at Tung Chung. Does it mean the pessimistic attitudes of the developers towards the local market, or they are just wait-to-see? It is well accepted that there must be powerful local policy to guide the recovery and growth of the economy. Support from external sources are also important and undoubtedly, cooperation with nearby cities/ countries, in particularly Shenzhen, is necessary. Indeed, to celebrate the 40th anniversary of the establishment of the Shenzhen Special Economic Zone (SEZ), Chinese President Xi Jinping delivered a speech and outlined the new historic mission for Shenzhen in the new era. Before this event, in fact, the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council (中共中央辦公廳、國務院辦公廳) have announced the plan on implementing pilot reforms in Shenzhen to build the city into a demonstration area of socialism with Chinese characteristics in the next five years on October 11. A list of the first batch of authorized matters for comprehensive pilot reforms in Shenzhen, was also announced on October 18. There are measures which are related to SEZ's financial market reform and the advancement of development of Greater Bay Area of which Hong Kong could have a role to play. In this regard, policies to facilitate the cooperation are therefore expected in the coming 2020 Policy Address.

"Strategic Investment Advisory & Agency"

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

Entry or Exit

It is really another historical period of Hong Kong. Under the possible backdrop of de-coupling between major western countries and China, together with the complex world economic and political changes during the past year, Hong Kong people are now facing difficult decision-making moment on asset allocation and even overseas immigration. Talks of the town in the Central revolve around terms such as BNO, migration, scale down or cease of operation by international companies and diminishment of importance as an international financial hub. On the contrary, general public also still focus on the high price level of residential properties and prospect of Greater Bay Area for living and business opportunities. The government has eventually decided to shelve the bill to tax vacant flats this October may be a confusing action on addressing the housing market problem.

US election has attracted our attention at historical high level as the Sino-US relationship is, beyond doubt, highly influential to Hong Kong.



"Strategic Investment Advisory & Agency"

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

HONG KONG SNAPSHOTS

Mong Kok Sincere House: De-valued Shop Transactions Continue Within a Month

Themed for the mobile products, a number of shops at the arcade of Sincere House in Mong Kok had been sold at a loss in the same month. The latest one was Unit F72 on 1/F, with a saleable area of 75 sq.ft., that sold for HK\$1.88 million only.

The owner had acquired the shop in 2005 for HK\$2.73 million. The devaluation of this shop was about 31%.

Except this de-valued loss deal, within the same month, few other transactions that lose money were also recorded at a devaluation rate of 30% to 60%. Unit F15 on 1/F was sold earlier for HK\$1.98 million and lost HK\$3 million from the previous acquisition price of HK\$4.98 million 9 years ago. In addition, a 178 sq.ft.-large odd number shop on 2/F was disposed for HK\$1.38 million, compared to its transaction price of HK\$1.88 million in 2010.

In fact, under the pandemic year, price of retail shops no longer remains at Sincere House. Together with the dimming businesses of the tenants, rents affordability has been affected, and thus the shop prices.

Mong Kok Sincere House
(Source of Picture: RHL Photo Base)



"Professional Practice in Land and Planning Matter"

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

HONG KONG SNAPSHOTS

Air Crew Members Start to Dispose Tung Chung Properties

Following the company's reform of the Cathay Pacific with about 8,500 jobs cut, the second-hand property market in Tung Chung, the neighbourhood district where is populous to the aviation industry workers, has been heated up with more Cathay's staff to sell their properties.

According to media reports, a property agent has received an enquiry from a non-local captain from Cathay Pacific to put his apartment onto the market. The 582 sq.ft. full seaview Unit A, on high floor zone of Block 1, Seaview Crescent, was acquired by the captain last year at HK\$7.95 million. As to be sacked by the company, the captain has agreed to put his property for sale this month, when the property is being held by him for 1 year and the rate chargeable for Special Stamp Duty is reduced to 10%.

Meanwhile, a Filipino-flight attendant had sold her 2-room flat at Caribbean Coast for HK\$5.9 million. The Unit F flat on middle floor zone of Block 1 was 470 sq.ft. large with the last transaction price at HK\$3.1 million.

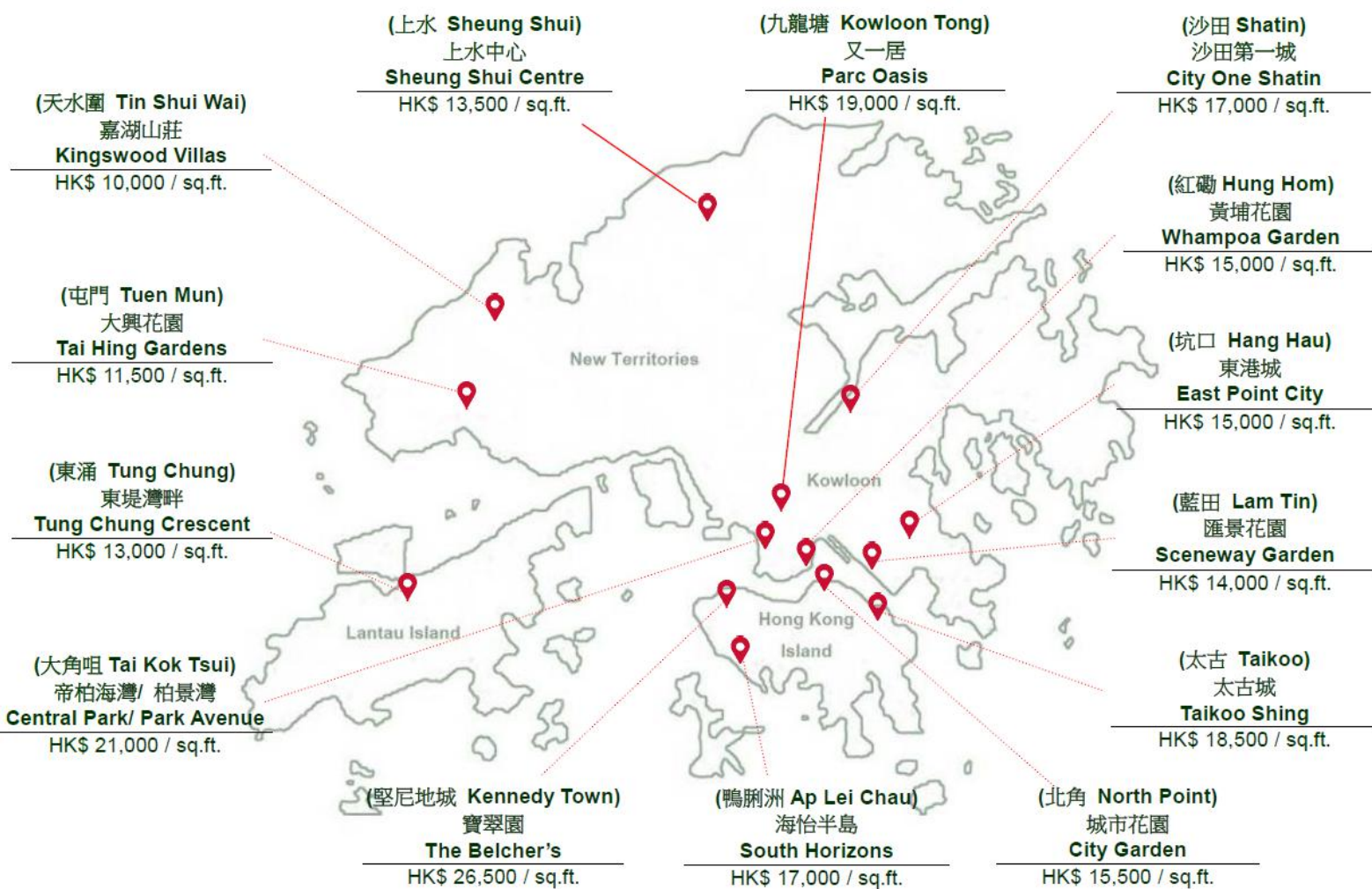
In fact, a lot of Filipino-flight attendants had chosen to own their properties in Tung Chung in the past years. However, many of them started to sell their properties lately, including a Unit D on high zone of Block 6 at Caribbean Coast, which has a saleable area of 756 sq.ft., is now in the market for sale at HK\$7.9 million.



➤ Airline crew members started to dispose their properties in Tung Chung. (Online Photo)

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

Indonesia locates at Southeast Asia and Oceania. It is the most populous Muslim-majority country in the world. With the population size of about 270 million in 2019, Indonesia is the largest country in ASEAN and Southeast Asia.

Capital : Jakarta

Largest City : Jakarta

Official Language : Indonesian

Official Word: Indonesian

Currency : Indonesian Rupiah (IDR)

Surface Area : 1,913,580 square kilometers

Population : 270,625,568 (World Bank, 2020)

Political System : Constitutional Republic



Gross Domestic Product

(World Bank Data in 2019)
1.119 (USD in trillion)



Economic Structure

(GDP Composition in 2019)
Services (44.2%)
Industry (38.9%)
Agriculture (12.7%)
Others (4.2%)



Inflation Rate in Indonesia

(September 2020) (Figure from Bank Indonesia)
1.42%

Jakarta

Jakarta, officially the Special Capital Region of Jakarta, is the capital and largest city of Indonesia. On the northwest coast of the world's most-populous island of Java, it is the centre of economy, culture and politics of Indonesia. Jakarta's business opportunities, as well as its potential to offer a higher standard of living, have attracted migrants from across the Indonesian archipelago, making it a melting pot of numerous cultures.

Households in Jakarta



Population (2020)
10,770,487



Number of Administrative Cities and Administrative Regency
5 Admin Cities +1 Admin Regency



The Use of Land

Total Area of the Region

661.5 km²

Supply of Office in Jakarta (Q1 2020)

212,274 m²
(Colliers Quarterly for Q1 2020)

Average Rental Rate in CBD during Q1 2020

IDR 270,859
(Approx. US\$18.4)
(Colliers Quarterly for Q1 2020)

Average Apartment Asking Prices (per m²) in overall Jakarta

IDR 34,906,014
(Approx. US\$2,368.6)
(Colliers Quarterly for Q1 2020)



Latest and Future Developments of the Special Capital Region

The newest CBD towers are in Sudirman Area

In 2019, there was an announcement from Indonesian Government to move its current capital, Jakarta, to the sparsely populated Island of Borneo, for reliving the heavy burden in current city.



CHINA PROPERTY

**Mainland Property Market
Ushered in a Golden
September,
Divisions Intensified
Between Cities**

CHINA PROPERTY - MARKET WATCH

Mainland Property Market Ushered in a Golden September, Divisions Intensified Between Cities

Benefiting from the comprehensive control of the Covid-19, the golden month of China's property market has arrived as scheduled in 2020.

According to data recently released by the National Bureau of Statistics, from January to September, the sales area of commercial housing was 1,170.7 million sq.m., a year-on-year decrease of 1.8%, and the rate of decrease was 1.5 percentage points smaller than that from January to August. Among them, residential sales area fell by 1.0%. The sales of commercial housing was RMB 11,564.7 billion, an increase of 3.7%, and the growth rate increased by 2.1 percentage points. Among them, residential sales increased by 6.2%.

According to the data of a single month, the sales area of real estate in a single month of September was 185 million sq.m., up 7.25% year-on-year and 25% month-on-month. Sales were RMB 1.87 trillion, up 16% year-on-year and 20.5% month-on-month.

According to analysis, the property market was brisk in September, which has the effect of delaying the epidemic. The demand affected by the epidemic in the first and early second quarters has been continuously released since May.

CHINA PROPERTY - MARKET WATCH

Overall, while the property market continues to heat up, the differentiation between regions is also very obvious. Currently, hotspot cities in the property market are concentrated in East China and South China, especially the Yangtze River Delta and the Pearl River Delta, while the North China and Beijing rim areas are relatively cold, and the land market is relatively cold. The main reason behind this differentiation is the difference between the development of emerging industries and population mobility. Since July, at least 27 cities have issued more than 30 tightening policies. Judging from the distribution of these cities, the Yangtze River Delta and South China are the most concentrated, and the subsequent markets are expected to maintain stable development.

CHINA SNAPSHOTS

Price Trend of 70 Cities in September – 55 Cities Rose Month-On-Month

The National Bureau of Statistics released the monthly report on the sales prices of residential buildings in 70 large and medium-sized cities in September. 55 of the the 70 cities have seen price increases for newly-built commercial residential buildings. Beijing, Shanghai, Guangzhou and Shenzhen rose by 0.3%, 0.5%, 0.6%, and 0.4% respectively.

As for the sales price of second-hand housing, the increase was 0.1% lower than that in August. Among them, Beijing, Shanghai, Guangzhou and Shenzhen rose 0.4%, 1.0%, 0.7% and 1.1% respectively. In second-tier cities, the sales price of newly-built commercial housing rose by 4.8% year-on-year, and the sales price of second-hand housing rose by 2.0% year-on-year, the same as the previous month. The growth rates of the two indices in second-tier cities were the same or declined for 17 consecutive months.

The sales prices of newly-built commercial housing and second-hand housing in third-tier cities rose by 4.4% and 1.7% year-on-year, respectively, and the increase rate dropped by 0.1 percentage point from the previous month. Both remained the same or fell for 18 consecutive months.



CHINA SNAPSHOTS

First Three Quarters Nationwide Land Transactions Exceeded RMB 4 Trillion, Hangzhou Ranked First

In the first three quarters of 2020, the cumulative transaction value of overall residential land in 351 cities across the country exceeded RMB 4 trillion and the cumulative transaction value increased by 10% year-on-year. Hangzhou, Shanghai and Beijing ranked the top three in transaction value. According to the China Index Research Institute, in May, Hangzhou (the main city, Xiaoshan, Yuhang, Lin'an, Fuyang) sold 29 plots of land, including 22 plots involving housing, with a total transaction value of RMB 33.84 billion. The land transaction income in Hangzhou in the first five months has ranked first in the country. In September, a total of 18 plots of land were transacted in the urban area of Hangzhou, with a total transaction volume of 1.085 million sq.m. and a total transaction value of RMB 15.66 billion, both of which rebounded from August.



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Market data from CAA (China Appraisal Association) is undergoing system reformulation. It is expected that PRC market express of 2020.9-2020.11 will be effected by the reformulation and cannot provide such data as before. However, more market updates will be presented for your perusal during the aforesaid period.

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Source: Land Registry, CAAD and RHL Research Department

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