

RHL International

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MARKET EXPRESS

房地產市場快訊



Kuang Si Waterfall, Laos
光西瀑布,老撾



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- MARKET WATCH

Where to Find New Opportunities in the Year of Ox

HONG KONG PROPERTY - MARKET WATCH

Where to Find New Opportunities in the Year of Ox

In a blink of an eye, the first month of 2021 is soon to come to an end. While we are preparing for the Lunar New Year, let us look ahead and explore how the local real estate market will develop in the new year.

Silence holiday

January ushered in a number of cold days, but fortunately there was also a warm sun shining in it, bringing vitality to 2021. The Chief Executive has recently expressed her belief that the public should have a quiet Chinese New Year holiday. Therefore, as expected, the business environment of retail and catering industries in particular will continue to be poor. However, the stock market seems to be parallel in time and space, with prices and volumes rising. Investors should observe the impacts of capital flows on the property market.

Increase in Acquisitions of Old Building Blocks

Acquisition of aging units for redevelopment by developers seems to increase. On one hand, fatal fire incidents and coronavirus outbreak news from aging building blocks has led to more building controls, causing owners to face more maintenance expenditures, and raising residents' concerns about home safety. The prospects for the local economy are still unstable, which may help increase owners' willingness in accepting acquisition offers. For developers, the acceleration of the urban renewal program will inevitably result in rigid demand in the district, which will guarantee the future price and support developers to offer competitive and attractive acquisition offers.

"Strategic Investment Advisory & Agency"

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

Instability in the Residential Property Market

On the surface due to the epidemic situation, the volume of transactions remained low, and prices remained stable despite the high unemployment rate. However, there is an increasing number of very flexible payment methods offered by developers, which however may show the fragility of the property market. It is reported from news that a 5-year mortgage loan package, with a maximum amount of borrowing of 80% of the property price and competitive interest rate, which is close to that of the bank without the requirement of financial stress test, is offered by the developer of a luxury residential project at the Peak area. There is also "My Home Purchase Scheme 2.0", which allows existing tenants to use the rent paid as part of the property price payment in the future. The need for developers to adopt aggressive payment solutions reflects the resistance of the market in attracting buyers.

An Indifferent Type of Industrial Property

The Lands Department announced on January 13 that the industrial land on On Lok Mun Street in Fanling was sold at a land price of approximately HK\$3,750/sq.ft.. We believe purchasers are to build the new generation of industrial buildings that can be used to cater the advanced technology and research needs, as well as data centres. Units within old-generation industrial buildings used to be popular by individual investors. However, the usage of most of these industrial units can only be extended as similar to Grade B or C office function, and their selling prices and rents are unfortunately affected by the current economic downturn.



"Strategic Investment Advisory & Agency"

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

Looking for Opportunities in the New Territories

The government's investment in NDAs (New Development Areas) and road infrastructure in the New Territories will certainly create opportunities for investors. However, the land ownership and/or occupancy status of land in the New Territories are different from those in the urban areas. Small investors should carefully study the background before making investment decisions. For example, on January 13, the Court of Appeal made a ruling on the legal issues related to the application of small houses by the indigenous residents of the New Territories through private agreements and land exchanges, which may affect the progress of the application for small houses.

The Year of the Ox is coming, I wish you all good health and all the best!



"Strategic Investment Advisory & Agency"

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

HONG KONG SNAPSHOTS

Second-Hand Property Market Became More Active

The epidemic in Hong Kong has been fluctuating. Despite of the cooled second-hand property market earlier, with a change in social environment, the market has started to warm again following more owners decided to emigrate and sell their properties. In Heng Fa Chuen, a Flat 2 on high level of Block 1 with a saleable area of 596 sq.ft., was sold for HK\$9.7 million as the owner planned to immigrate. The unit rate is about HK\$16,275/sq.ft..

Meanwhile, a Flat H on upper floor of Han Gung Mansion in Taikoo Shing, with a saleable area of 709 sq.ft. was sold for HK\$13.73 million, or a unit rate of HK\$19,365/sq.ft.. The asking price of this northwest-facing unit was HK\$16.5 million since mid-June from last year. With a cumulative reduction of HK\$2.77 million or 17% in the asking price, it is reported that the former owner would immigrate after the sale of the property.



Taikoo Shing.
(Source: RHL Photobase)

"Professional Practice in Land and Planning Matter"

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

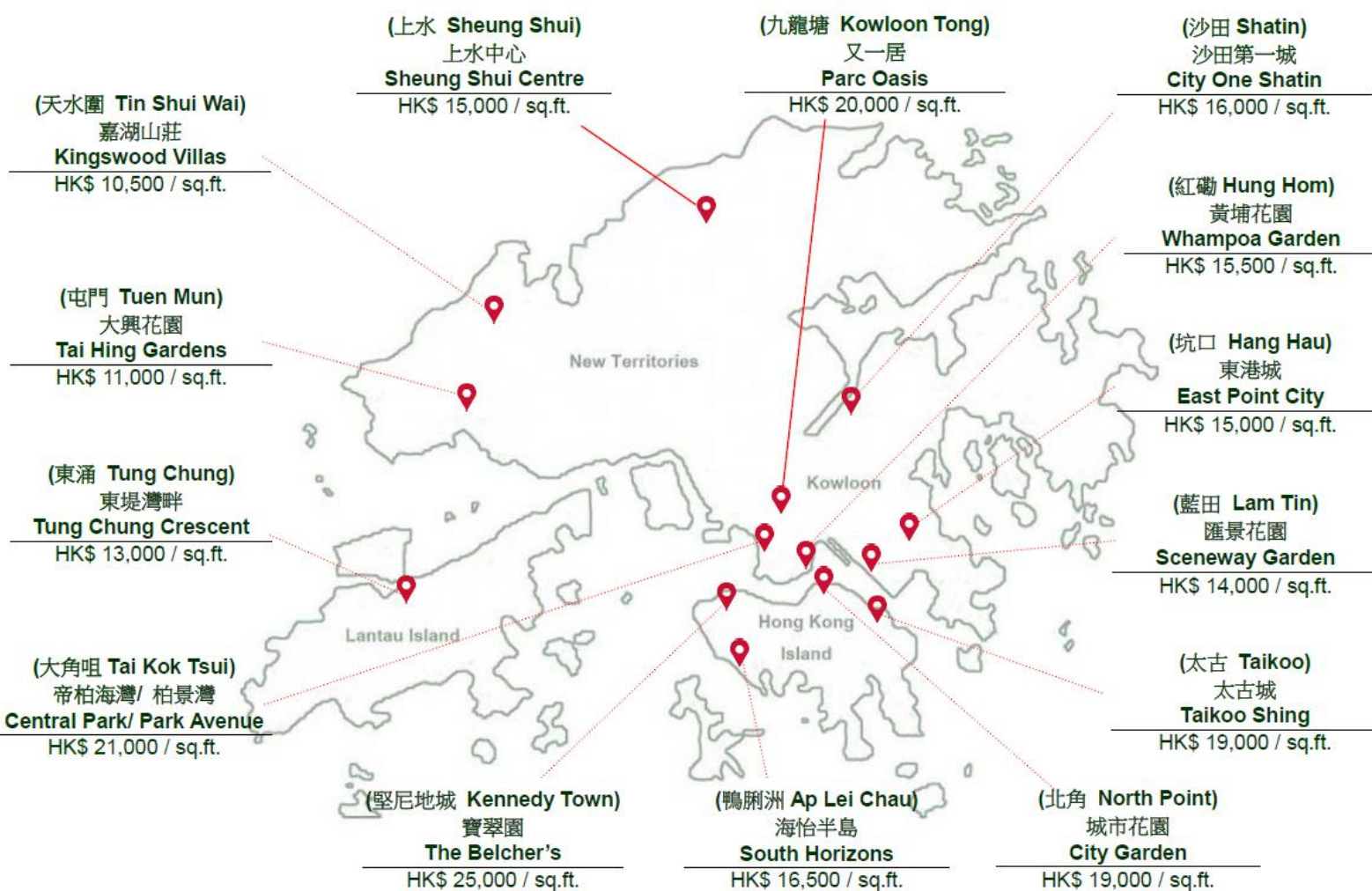
HONG KONG SNAPSHOTS

Investors Dilemma in Retail Market

Property price of retail shop reduces recently. While some investors have chosen to cut their real estate assets, some have decided to hold more. According to market sources, a gross floor area of 600 sq.ft. G/F shop at No.194 Shanghai Street, Yau Ma Tei, which originally asked for a price of HK\$26 million with 1/F unit has recently been acquired by an investor for HK\$18.6 million. The unit rate for this G/F shop was about HK\$31,000/sq.ft. which is 10% lower than the average market level. It is learnt that the existing tenant is a restaurant under a monthly rent of HK\$28,000 or a market yield of 1.8%. The vendor had owned the shop since November 2010 at a cost of HK\$14.8 million.

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

Laos is a landlocked country in Southeast Asia, and it is bordered by China, Vietnam, Cambodia and Thailand. It is a member of ASEAN and World Trade Organisation. Laos has been a colony of France in late 19th century and became independent in 1953. Though Laos is a country which was war-torn for a few decades, it has a significant economic growth in 2010s.

Capital : Viang Chan
Largest City : Viang Chan
Official Language : Lao
Official Word : Lao
Currency : Kip (LAK)
Surface Area : 237,955 square kilometers
Population : 7,169,455 (Population in 2019, World Bank)
Political System : Republic



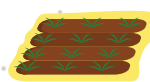
Gross Domestic Product

(World Bank Data in 2019)
18.17 (USD in billion)



Economic Structure

(GDP Composition in 2019)
Services (42.7%) Industry (30.9%)
Agriculture (15.3%) Others (11.1%)



Area of Land for Plantation of Rice

(Figure from publication of Asian Development Bank in 2018):
9,600 km²

Viang Chan

Viang Chan is the capital and largest city of Laos, on the banks of the Mekong River near the border with Thailand.

Viang Chan is noted as the home of the most significant national monuments in Laos – That Luang – which is a known symbol of Laos and an icon of Buddhism in Laos. Other significant Buddhist temples in Laos can be found there as well, such as Haw Phra Kaew. Beginning in the 1990s, Laos began to formalize individual land-use rights and strengthen tenure security through land titling and land allocation programs. Land titling was implemented in urban and peri-urban areas, with the eventual (though yet unrealized) goal of extending it throughout the country. With such a slow renovation of the property rights, the information of real estate markets for Viang Chan or Laos is not easily accessible.



Number of Households in 2019

178,544

(Laos Statistical Information Service, 2020)



Number of Villages in 2019

481

(Laos Statistical Information Service, 2020)



Number of Administrative Divisions in Viang Chan Capital

9 Districts

(Laos Statistical Information Service, 2020)



The Use of Land

Area of Viang Chan

130 square kilometer
(Wikipedia, 2020)

Overall Office Occupancy Rates in 2018 for Viang Chan

75%
(New Asia Property, 2018)

Total Office Stock in 2018

Under 70,000 square metres
(New Asia Property, 2018)

Number of Hotels in Viang Chan Capital (2019)

232
(Laos Statistical Information Service, 2020)

The National Land Management Authority (NLMA) and Provincial Land Management Agencies (PLMAs) established in 2006 are charged with a mandate covering various aspects of land management and planning as the implementing agencies under the Land Law approved in 2003.

There are 3 visions for Viang Chan Capital for development of 2030:
(i) Regional Hub in Greater Mekong Sub-region;
(ii) Centre of Nation; and
(iii) Comfortably Livable and Beloved Hometown.



Special Urban Planning /
Purposes in the City

1

2

大灣區前瞻

Greater Bay Area Special

The Guangzhou-Hong Kong-Macau Greater Bay Area also referred as Greater Bay Area (GBA), is a megalopolis, consisting of two special administrative regions of Hong Kong and Macau, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Jiangmen, Huizhou and Zhaoqing in Guangdong Province. GBA- with a total area of 56,000 km², and with a total population of approximately 72 million people at end 2019, is the largest and the richest economic region in South China. The GDP is USD 1,679.5 billion and GDP per capita is USD 23,371. GBA also is the largest and most populated urban area and is among the 5th largest bay areas in the world, comparable with the bay areas of London, New York, San Francisco, and Tokyo.

The development of the GBA is accorded the status of key strategic planning in the country's development blueprint. The objectives are to further deepen cooperation amongst Guangdong, Hong Kong and Macau, fully leverage the composite advantages of the three places, facilitate in-depth integration within the region, and promote coordinated regional economic development, with a view to developing an international first-class bay area ideal for living, working and traveling.

GUANGZHOU

Guangzhou City, the provincial capital of Guangdong Province of China, is a sub-provincial city as well as a national central city. Also, the city is known as one of the first batch of open coastal cities, the international commercial center and the integrated traffic hub. Guangzhou as one of the first-tier cities in China is with the advantageous location. Guangzhou gains the reputation of “the South Gate” from China to the world because it is the central city of Chu Chiang Delta, Guangdong- Hongkong-Macao Greater Bay Area and “the Belt and Road Initiative” hub.

Total Area: 7,249 km²

Permanent Residents: 15.3059 million

GDP: RMB 2,362.9 billion

GDP Per Head: 156,000 RMB

Handling Capacity For Port Cargo: 630 million tons

Transportation: Guangzhou Baiyun Airport, Intercity High Speed Rail, Shipping

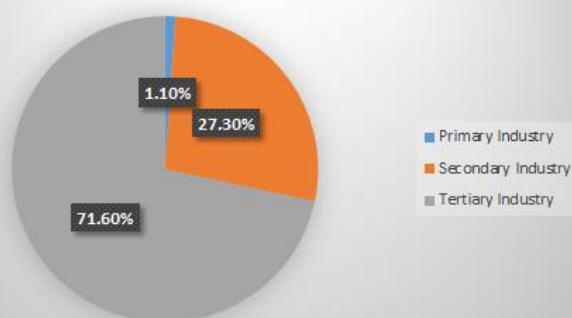
Development Zone: Nine national development zones, Four provincial development zones, China (Guangdong) Pilot Free Trade Zone Guangzhou Nansha Area

Number of Tourists: 67.732 million passengers

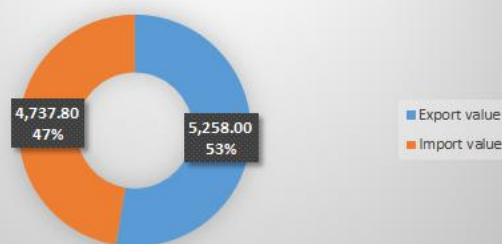


GUANGZHOU REAL ESTATE OVERVIEW

Industrial Structure In Guangzhou



Total value of import and export:
RMB 999.58 billion



Guangzhou Land Market

The impact of the COVID-19 on the China's real estate market has gradually disappeared and the land market in Guangzhou has warmed up rapidly. According to the data released by the Guangzhou Public Resources Exchange Center, there were 145 plots of residential land and commercial land transferred in 2020, an increase of 57 plots of land compared to the 88 plots of land transferred in 2019. Besides, the total transaction area in Guangzhou has reached at 8.34 million square meters in 2020, with an increase of 66% Y-o-Y from 5.01 million square meters. The transaction value in 2020 exceed RMB 246.4 billion, an increase of 58.7% Y-o-Y from RMB 155.3 billion.

Guangzhou Residential Land Transaction

Time	Sold Quantity (parcels)	Transaction Area (m ²)	Average Transaction Price (RMB/m ²)	Floor Price (RMB/m ²)
2020-10	9	482,564	43,974.84	15,028
2020-09	10	513,717	48,123.05	14,540
2020-08	5	186,928	57,201.70	14,461
2020-07	9	387,266	433,46.49	11,454
2020-06	8	597,716.6	32,669.9	10,543
2020-05	12	698,278.28	41,027.88	13,318
2020-04	6	501,899	32,945.01	10,773
2020-03	2	82,227.7	76,413.3	17,114
2020-02	2	35,896	35,971.97	13,632
2020-01	2	107,211	92,841.87	25,199

Guangzhou Commercial Land Transaction

Time	Sold Quantity (parcels)	Transaction Area (m ²)	Average Transaction Price (RMB/m ²)	Floor Price (RMB/m ²)
2020-10	4	26,114	12440.43	6,603
2020-09	6	401,865	15049.80	7,017
2020-08	4	25,859	59439.27	10,606
2020-07	8	137,241	19150.69	9,777
2020-06	1	5,317	38064.70	9,516
2020-05	3	148,778	23,443.86	8,360
2020-04	2	309,656	22,510.46	7,254
2020-03	4	76,850	35,723.75	9,751
2020-02	5	127,449	18,742.79	4,537
2020-01	3	39,316	34,881.22	10,942

Guangzhou Industrial Land Transaction

Time	Sold Quantity (parcels)	Transaction Area (m ²)	Average Transaction Price (RMB/m ²)	Floor Price (RMB/m ²)
2020-10	7	149,173	6518.34	2,021
2020-09	8	569,434	1426.38	436
2020-08	19	624,749	1537.67	349
2020-07	8	181,300	1142.02	318
2020-06	3	134,045	1,649.74	420
2020-05	5	224,969	895.06	280
2020-04	3	810,44.04	1,166.28	315
2020-03	14	797,033.91	1,035.82	317
2020-02	13	1,075,032.4	1,198.25	346
2020-01	11	260,396.74	1,087.34	324

GUANGZHOU REAL ESTATE OVERVIEW

Listing Property Prices in Guangzhou



Date Source: Soufang.com, January 2021 listing house prices

Second-hand Housing Market

The real estate market in Guangzhou has warmed up after H2 of 2020 with the average price of second-hand houses at RMB 35,270/m² in January 2021, benefiting from the economic recovery and loose financial environment. The price in Yuexiu district has ranked the top one at RMB 54,046/m², followed by Tianhe district with the average price at RMB 48,434/m². Other popular districts including Haizhu and Liwan are offering listing prices about RMB 39,864/m² and RMB 33,595/m² respectively.

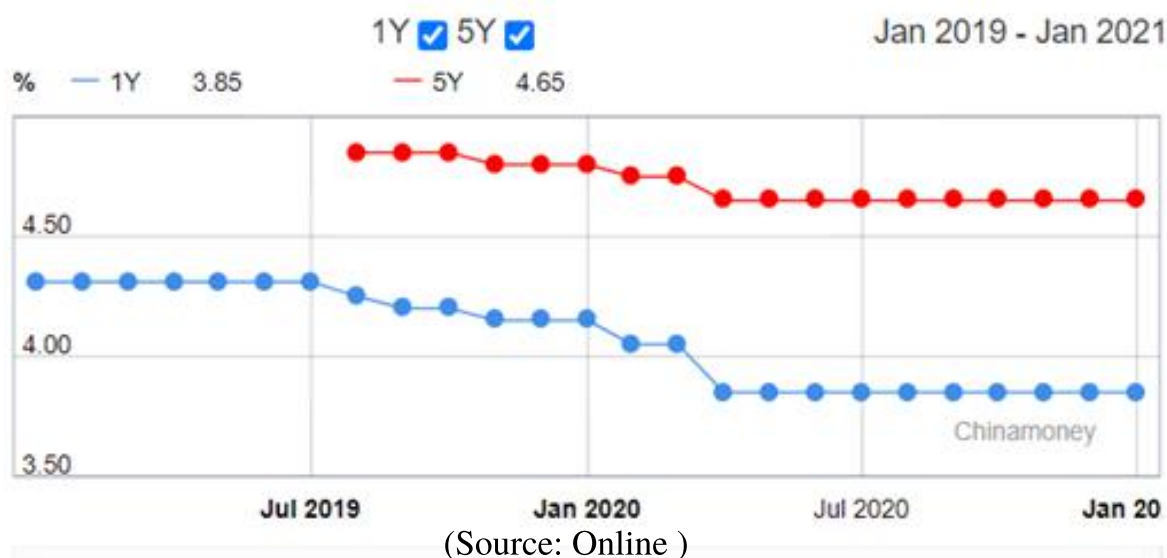
CHINA SNAPSHOTS

LPR released in January, "Staying In Place" For 9 Consecutive Months

On January 20, China's January 1-year loan market prime rate (LPR) was 3.85%, and the 5-year loan market prime rate (LPR) was 4.65%, both have remained unchanged for nine consecutive months.

Loan market prime rate (LPR) is quoted by each quoting bank based on open market operating interest rates (mainly refers to the medium-term lending convenience interest rate) plus points, calculated by the National Interbank Funding Center, and provides a pricing reference for bank loans. At present, LPR includes two varieties of 1 year and 5 years or more.

LPR has a high degree of marketization and can fully reflect the supply and demand of funds in the credit market. Using LPR for loan pricing can promote the formation of market-oriented loan interest rates and improve the efficiency of market interest rates to credit interest rates.



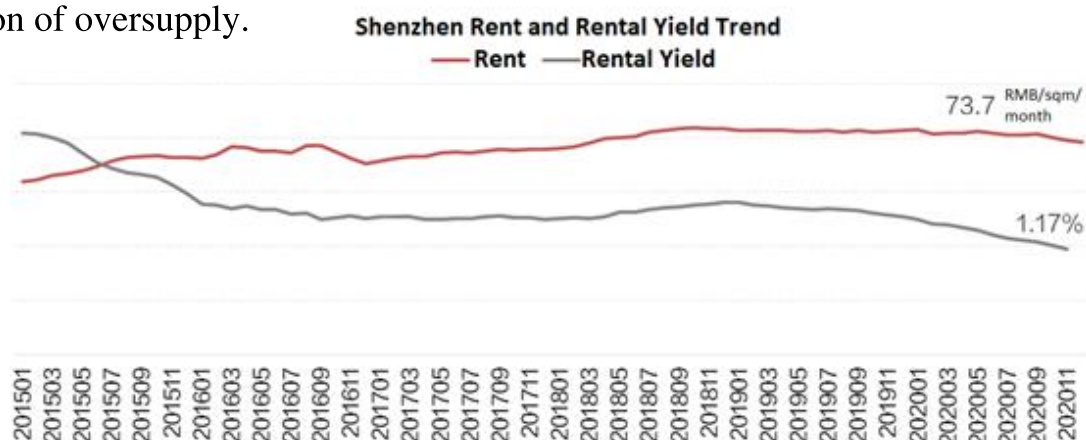
CHINA SNAPSHOTS

Shenzhen Rent Diving: Long-Term Apartment Rent Back To 3 Years Ago

Affected by the epidemic, Shenzhen residential leasing market saw a downturn in 2020. As the end of the lunar calendar is the traditional off-season for renting houses which leading to fewer tenants and longer rental cycles, many landlords have drastically lowered rents to promote transactions. In addition, in 2020, several new subways opened in Yantian, Guangming and other areas which led tenants to places outside the original customs or more remote places, resulting in lower rents in the central area.

According to data, in 2020, the overall supply of Shenzhen's leasing market exceeds demand which lead to falling rents. As of December, the Shenzhen's average monthly rent was RMB 73.7/sq.m., a cumulative decline of 5.3%. Except for Yantian, rents in other areas of Shenzhen have fallen. Among them, the rent in Futian District fell by 8.9%, the largest decline.

In 2020, Shenzhen's rents and rental yields both fell. Affected by the epidemic, the process of resuming work is slow after the year, the leasing market is sluggish, and rents have dropped significantly. With the number of start-up enterprises rebounded, rental demand gradually recovered, but the overall market is still in a situation of oversupply.



(Source: Online)

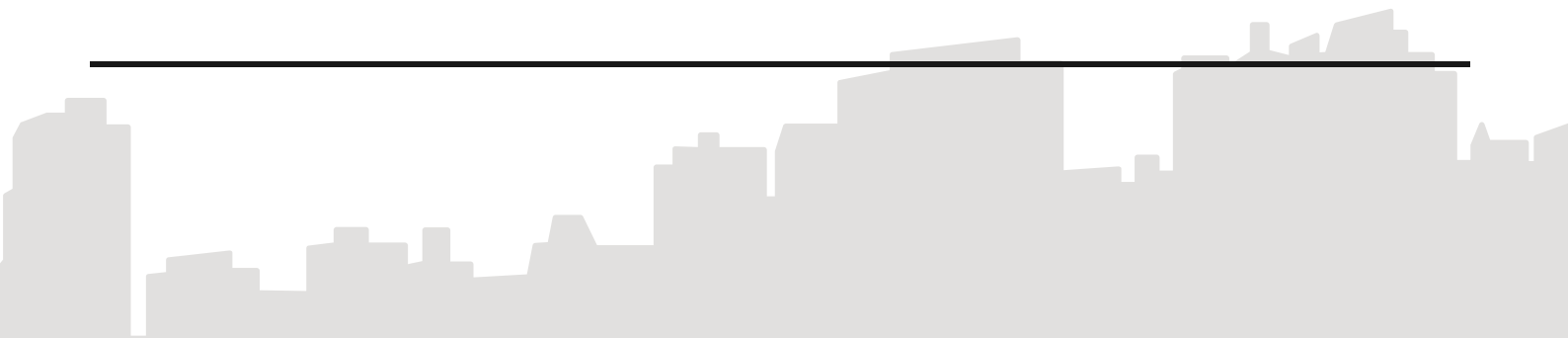
CHINA SNAPSHOTS

Transaction Areas and Value of China's Residential Commodity Property Reached New Highs in 2020

According to the data released by the National Bureau of Statistics of China on 18 January, in 2020, the transaction areas of China's residential commodity property was 1.76 billion sq.m., with an increase of 2.6% Y-o-Y and the transaction value of China's residential commodity property was RMB 17.36 trillion, with an increase of 8.7%. Both figures have reached new highs.

The average transaction price of the residential commodity property market raised 5.9% Y-o-Y to RMB 9,860/sq.m.. Previously, the highest record of transaction areas was nearly 1.717 billion sq.m. in 2018 and of transaction value was RMB 15.97 trillion in 2019.

China's residential commodity property market has proved resilient to overcome the COVID-19 in 2020 with a strong base of end-user demand supporting transaction volumes and prices. After the epidemic, the economic recovery and the loose financial environment stimulated the buyers' demand, which has led to the transaction volumes reaching a new high. Meanwhile, the COVID-19 has caused a sharp drop in investment in overseas markets and overseas funds returned back to domestic markets, vice versa, the demand for investment in domestic property markets has increased. In addition, residents' demand for improved housing purchases has also rebounded significantly, warming up the housing market.



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