

RHL International

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# MARKET EXPRESS

## 房地產市場快訊

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Myanmar

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HONG KONG PROPERTY

香港物業市場透視

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CHINA PROPERTY

中國物業市場透視

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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.

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- 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**

## **The Northern Metropolis and The Harbour Metropolis**

# HONG KONG PROPERTY - MARKET WATCH

## The Northern Metropolis and The Harbour Metropolis

In the latest Policy Address, the Government has released its Northern Metropolis Development Strategy to create the 300 km<sup>2</sup>-large Northern Metropolis (“the NorthMet”) in the coming 20 years. The NorthMet which covers nearly 30% of the city’s area is expected to provide about 920,000 domestic units, accommodating 2.5 million population; while the newly-created land equals to about 32 Victoria Park with 186,000 new flats for residence. Such Strategy aims at “Innovation and Technology in the north and Financial in the south”, and mutually-complementing with the expanded Harbour Metropolis to the Kau Yi Chau Artificial Islands under the Lantau Tomorrow Vision.

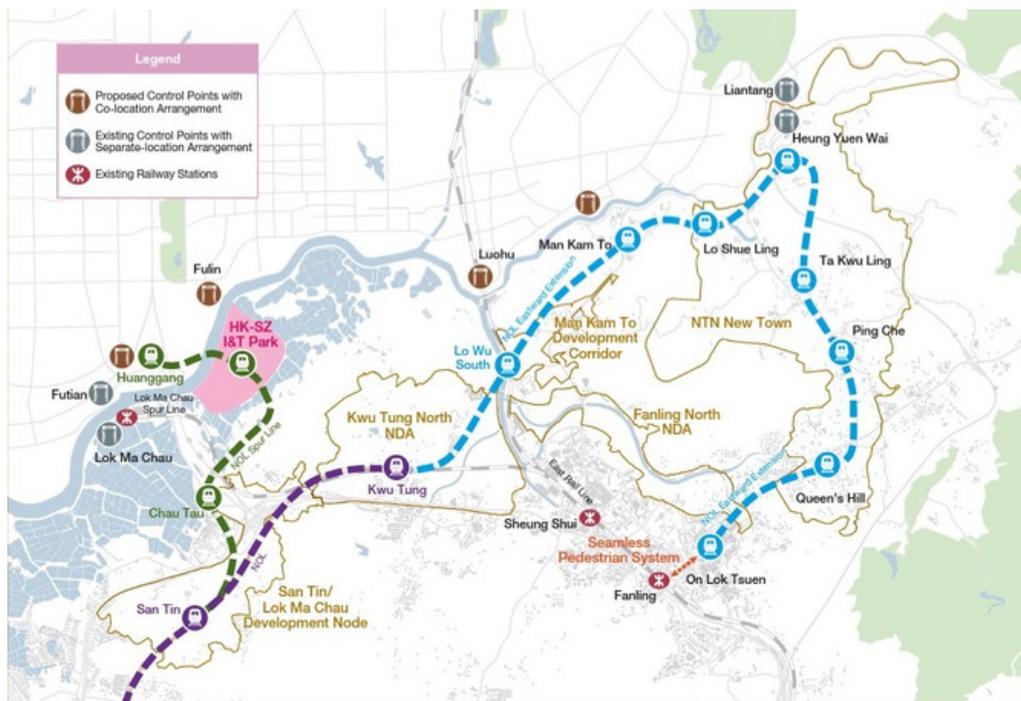


The conceptual boundary of the Northern Metropolis.  
(Source of Picture: Northern Metropolis Development Strategy)

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The NorthMet encompasses the mature new towns in Tin Shui Wai, Yuen Long and Fanling/Sheung Shui and their neighbouring rural areas, as well as 6 New Development Areas and Development Nodes in different planning and development stages, namely Kwu Tung North/Fanling North, Hung Shui Kiu/Ha Tsuen, Yuen Long South, San Tin/Lok Ma Chau, Man Kam To and the New Territories North New Town. The region shall be linked by several new railways, including the Northern Link, its spur to the new Huanggang Port in Shenzhen via the Hong Kong-Shenzhen Innovation and Technology Park, the extended section of the Northern Link to the New Territories North New Town, etc.. It is estimated that the NorthMet will provide 650,000 job opportunities with nearly 150,000 innovation and technology-related.



Several proposed railways within the Northern Metropolis.  
(Source of Picture: Northern Metropolis Development Strategy)

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In fact, from the local urban planning perspective, the idea of “Metropolis” has always been here before 1997. The traditional Harbour Metropolis Area (“the HarbourMet”) is used to refer to the 200 km<sup>2</sup> area across the Hong Kong Island, Kowloon, Tsuen Wan and Kwai Tsing area, where is also home to half of the city’s population, while the Non-Metropolis Area includes the rest of the New Territories area. With most of the vital economic and political activities being carried out in this HarbourMet, it is taken for granted that even the advocated CBD2 under the Energizing Kowloon East, CBD3 of the artificial reclamation island in early years were focused on this HarbourMet.

Although the developments of new towns in the past was targeted at self-sufficiency by providing adequate jobs to residents, lest them to commute, in reality, with the major economic activities staying within the HarbourMet, no doubt that the past new towns are unable to serve enough careers for the citizens.

Following the unveil of this NorthMet Strategy, apparently, we see more citizens from the northwestern and northern New Territories enjoy more job opportunities, or even achieve self-sufficiency. Nonetheless, among the total job vacancies in the NorthMet, about 150,000 are innovation and technology-related, accounting for 23% of the overall jobs, whether the rest of the opportunities are widely-variated in nature to benefit the populations are unknown.

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Even today's political system has securely-guaranteed the smoothness for the Government to launch its NorthMet project, and excluded all the uncertainties faced in the past, with the notion of this plan fully supports the Mainland's planning vision and integrate this city into Shenzhen and the Greater Bay Area in final, the overall project takes 20 years to achieve. From planning, launching, land resumption, infrastructures, land sales, construction, moving in, etc., local cooperation is required. Without any governmental offices and private companies moving in, this NorthMet will still be another Tin Shui Wai where mainly focused on domestic use only.

No matter how far the vision of this NorthMet goes for, the Government is required to promote and persuade the public, and shall not go for the north but forget the south, as the main economic locomotive is still staying at the traditional Harbour Metropolis.



The Harbour Metropolis  
(Source of Picture: RHL Photo Base)



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MARKET WATCH

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## HONG KONG SNAPSHOTS

# Bulk Purchase Recorded in Brand New Grade A Office Building

A drastic increase in the number of transactions of Grade A office building was observed in the past 3 quarters this year, comparing with that of last year due to the initiation of sale of multiple pristine Grade A office projects. A spanking new 28-storey Grade A office building located at No.888 Lai Chi Kok Road in Cheung Sha Wan, which will be completed in April 2022, had a bulk purchase recorded lately again. A financial institution spent around HK\$1.2 billion on 3 whole floors, with a gross floor area of about 68,000 sq.ft.. The unit rate reached HK\$17,500/sq.ft., which hit a record high of the same development. Approximately 70% of floor area has been sold since the commencement of sale, with a wide range of purchasers ranging from doctors, higher education institutions, financial corporations to family offices, etc..



A model of the new Grade A office projects located at No. 888 Lai Chi Kok Road, expected to be completed in April 2022

(Photo source: official website of No.888 Lai Chi Kok Road)

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## HONG KONG SNAPSHOTS

# The Northern Metropolis and Hong Kong-Qianhai Northwestern Railway Accelerate Commercial and Retail Developments in the District

The concept of The Northern Metropolis, which firstly appeared at the latest Policy Address, is expected to be the area with the fastest urban construction and population growth in Hong Kong in the next 20 years; while The Hong Kong- Qianhai Northwestern Railway which makes stops at Hung Shui Kiu/ Ha Tsuen is also benefiting neighbouring commercial activities in Tin Shui Wai in the long term.

Looking around the Tin Shui Wai area, several development projects are currently under preparation, involving commercial or commercial-residential complex-use. It is expected that the pedestrian flow in the district will be improved in the short term, and retail demand is expected to rebound. Investors are taking the chance to sell their commercial properties, boosting up the shop transactions in the area.



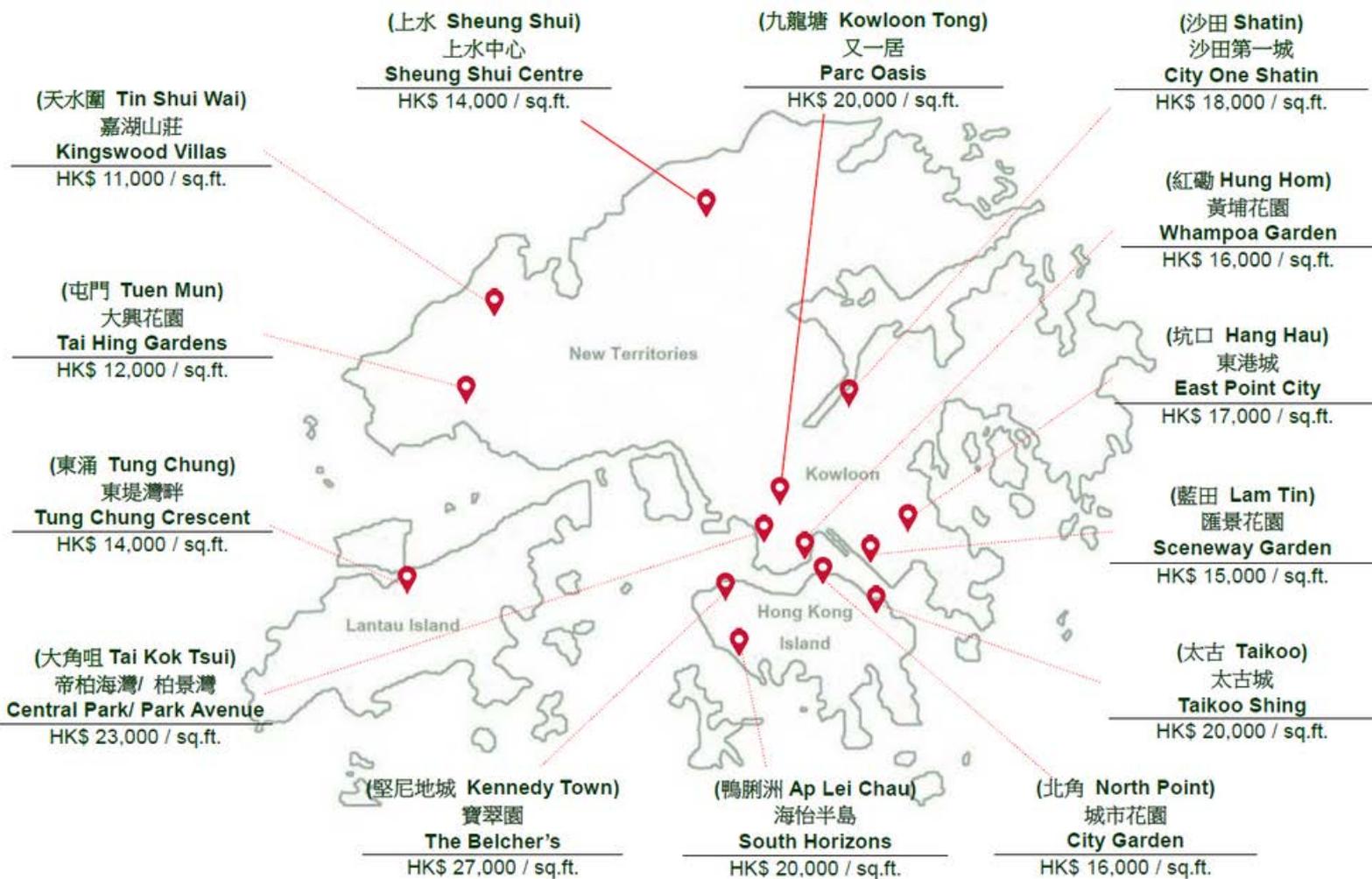
## HONG KONG SNAPSHOTS

For example, the Kingswood Richly Plaza has recorded about 40 shop transactions so far this year, more than twice the volume of 13 transactions in last year. This shows that the retail market in the area has begun to be active again, especially in the area with daily necessities shops.



Kingswood Richly Plaza recorded nearly 40 shop transactions this year so far.  
(Source of Picture: RHL Photo Base)

# 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



## New Yangon City in Myanmar

### Yangon City

#### Location:

- In the southern part of the country
- On the east bank of the Yangon River

#### Area:

598.75 square kilometers

#### Features:

- Capital of Myanmar from 1948 to 2006
- The largest city in Myanmar
- The industrial and commercial centre of the country

#### Population:

Home to around 5.42 million people in 2021

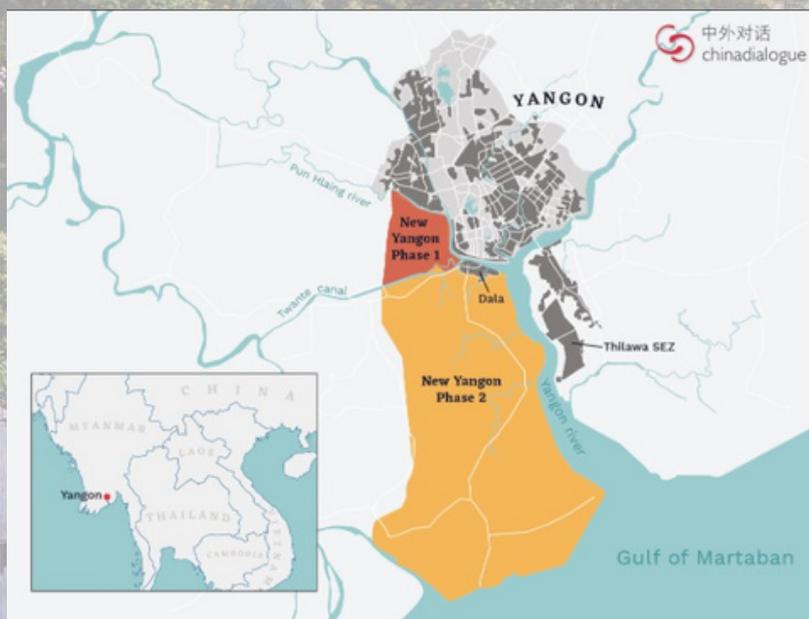
### Issues Related to Yangon:

- Though Yangon currently only homes to 12% of population, it contributes 26% of Myanmar's GDP and attracts more and more people to move in (population growth ranging from 22.2% to 22.4% annually)
- The population growth puts the old city's infrastructure under increasing pressure
- Stretched water, electricity, public transport, and rubbish collection in the city will impede the economic growth

### New Yangon City

#### Location:

- In the west of the Yangon river
- Separated from the old city by the river
- Between the Hlaingthaya-Twante motorway and Seikkyi Kanaungto Township



Source: (China Dialogue, 2019)

# 一帶一路

## BELT & ROAD

MYANMAR



### Reason for Choosing The Site:

- Only 15-minute drive from old Yangon City that reduces the cost of transporting products from the industrial zone

### Area:

- Around 1,500 square kilometers (the twice the size of Singapore)

### Plan:

**Budget:** US\$8 billion

### Executor:

- New Yangon Development Company Limited (NYDC), wholly owned by the Yangon regional government
- NYDC will undertake the project as a public-private partnership

### Land Uses:

- 31% for residential use, 25% for industrial use, and 9% for providing ancillary services
- Another 14 kilometers for green spaces and parks
- A 627-kilometer bicycle network

### Positioning:

- To become a "Resilient City", "Intelligent City", "Green City", and "People's City"
- To become a hub of growth and innovation at par with other cities in Southeast Asia by harnessing local potential based on international best practices
- To join the of China's Belt and Road Initiative
- To form the new China-Myanmar Economic Corridor that connects Yunnan in southwest China with Myanmar's Kyaukphyu Special Economic Zone (SEZ) and New Yangon via highways, railways, ports, and power links
- To become an industrial-commercial zone for economic development

**The development is split into two phases.**

### Phase 1:

- Consists of five townships, two bridges, 26 km of artery road, power plants, water and wastewater treatment plants, industrial estate, service infrastructure, and the "primary ring-dyke system" to reduce the risk of flooding



**Phase 2:**

- Consisting the power plants, the transmission pipelines of natural gas, the new international airport, well-planned public transport network, conference centres, bridges, and ports

**Timeline:**

- **2014:** Yangon Chief Minister Myint Swe announced the launch of the project to develop a US\$8 billion, 30,000-acre new city west of Yangon
- **2018:** The regional government officially launched the New Yangon City project and established the NYDC , an agency set up by the Myanmar government to take the scheme forward
- **2018:** NYDC signed a US\$1.5 billion framework agreement with China Communications Construction Company (CCCC). However, it left open the possibility of "Swiss challenge", allowing other bidders to come forward with rival proposals.
- **May 2019:** NYDC released a developed master plan designed by AECOM
- **July 2020:** The Myanmar government announced the scheme would be split into a number of smaller projects, making it less difficult for other contractors and companies to challenge its pre-ordained CCCC
- **Sep 2020:** Myanmar hires a German firm Roland Berger Co. Ltd to oversee bidding in initial phase of China-backed New Yangon City
- **Nov 2020:** 16 firms from 9 countries submitted proposals for New Yangon City to challenge against the existing contractor CCCC

**Advantages:**

- To mitigate the problems of the insufficient water and electricity supply, housing, and employment due to the increasing population growth in Yangon City in the future
- To support a population of 1.2 million and provide 900,000 jobs by 2050
- To attract low-skilled labour-intensive sectors, such as textiles and furniture, to the new city
- To be one of the key elements in China's Belt and Road Initiative that bring significant economic benefit to both countries

**Emerging Issues & Concerns:**

- The risk of flooding and rising seas due to its low-lying elevation
- The lack of transparency in the project's planning and tendering process
- The existing contractor has been engaged in corruption and bribery associated with development deals in over 10 countries in Africa and Asia



## **CHINA SNAPSHOT**

**Shenzhen Xiangmi  
Lake Resort's Old  
Renovation Project:  
Site Area of 247,900  
sq.m. to be Demolished**

## CHINA SNAPSHOT

# Shenzhen Xiangmi Lake Resort's Old Renovation Project: Site Area of 247,900 sq.m. to be Demolished

On 12 October 2021, the Urban Renewal and Land Development Bureau of Shenzhen Futian District issued a public announcement on the "Plan for Urban Renewal Unit of Xiangmihu Resort, Xiangmihu Street, Futian District" (draft). Those urban renewal units is located in Xiangmihu Street, Futian District, Shenzhen. The planned demolished and reconstructed site area is 247,865 sq.m., and the planned renewal direction is commercial land and other functions.



Shenzhen Futian District (Source of photo: Canva)

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## CHINA SNAPSHOT

### **Beijing: 2 to 3 World-Class Business Districts with a Scale of 100 Billion will be Built in About 5 Years**

Earlier, the Beijing Municipal Bureau of Commerce issued the "Implementation Plan for Beijing's Cultivation and Construction of an International Consumption Center City."

The government stated that Beijing will strive to build an international consumer center city with global influence, competitiveness and reputation through about five years of construction. Strive to improve the global competitiveness ranking and average annual growth of more than 5% in the number of inbound tourists.

Beijing will focus on creating consumer landmarks with unique Chinese advantages and characteristics. Relying on the "Cultural Golden Triangle" of "the Forbidden City" – "Wangfujing" – "Longfu Temple", promote the in-depth integration of "business + tourism + culture + technology" in the Wangfujing business district.

Currently, about 111 key projects are in preparation, among them there are 6 landed projects, including the first phase of the Universal Theme Park, the first Longhu Xiyuetian Street, Xidan Renewal Field, the first Longhu Lizetian Street, Meike Cave Museum and Qinghai Lake International Convention and Exhibition Center.

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## CHINA SNAPSHOT

### Universal Beijing Resort Officially Opened

The Beijing Universal Studios theme park and two resort hotels have been grandly opened on 20 September 2021.

On 25 September 2014, the Beijing Universal Studios project application was approved by the government. Construction will officially start in Tongzhou at the end of 2018.

Universal Studios Beijing is the sixth in the world and the first theme park in China with a core area of 1.2 sq.km.. Investors have invested a total of more than US\$ 50 billion for this, including the first and second phases of the theme park, a water park and five other resort hotels.

The Beijing Universal Resort is expected to receive 10 to 12 million tourists each year, with an average annual turnover of RMB 10 billion, which is equivalent to 0.28% of Beijing's GDP in 2020.

After the official opening of the Beijing Universal Resort, the theme park world in the mainland has formally formed a new pattern of "Universal Studios in the north, Disney in the east, and Chimelong in the south."

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## CHINA SNAPSHOT

### Residential Price Index of Major Cities (October 2021)

City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)	City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,777	0.22	Beijing	44,168	0.19
Chongqing	11,707	-0.06	Tianjin	14,986	-0.20
Guangzhou	24,228	-0.08	Shenzhen	54,367	-0.23
Nanjing	24,564	0.51	Hangzhou	29,129	-0.07
Chengdu	12,468	0.61	Wuhan	13,184	-0.40
Dalian	13,876	-0.14	Suzhou	18,178	0.06
Xi'an	11,706	1.24	Xiamen	29,137	0.03
Ningbo	19,127	0.50	Changsha	9,251	-0.02
Wuxi	14,059	0.03	Dongguan	19,212	-0.01
Shenyang	10,036	0.16	Fuzhou	17,121	0.04



(Source of Picture: Canva )

Source: Fangtianxia Hundred City Price Index



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