

RHL International

DEC 2021

ISSUE NO.252

MARKET EXPRESS

房地產市場快訊

Patuxai, Laos

凱旋門，老撾



HONG KONG PROPERTY

WWW.RHL-INT.COM



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

Industry / Market Research and
Feasibility Studies

Serena Lau

serena@rhl-int.com

(852) 3408 3398

Land & Planning Matters,
Surveying Practice

Keith Siu

keith@rhl-int.com

(852) 3408 3338

Hong Kong Property Valuation

Tony Wong

tony@rhl-int.com

(852) 3408 3322

Mainland China, Macau and
Overseas Property Valuation

Jessie Chen

jessie@rhl-int.com

(852) 3408 3302

Business Valuation

Alexander Lau

alex@rhl-int.com

(852) 3408 3328

CONTENTS

Hong Kong Property-Market Watch	P.4-6
• Power of the Northern New Territories	
Hong Kong Snapshots	P.7-8
• Tender Price the Highest Ever: New Central Harbourfront (Site 3)	
• Mount Nicholson Reclaims Title for the Asia's Highest Apartment's Unit Rate	
Hong Kong Transactions Overview	P.9
Belt And Road Initiative: Laos	P.10-12
China Snapshot	P.13-17
• Bureau of Statistics: Commodity Housing Prices in Large and Medium-sized Cities Fell Slightly Month-on-Month in October	
• Construction of Shanghai Legoland Resort Officially Launched	
• Collective Operating Construction Land in Yinghai Town, Daxing, Beijing: RMB 819 million Listed	
• Residential Price Index of Major Cities (November 2021)	



HONG KONG PROPERTY- MARKET WATCH

Power of the Northern New Territories

HONG KONG PROPERTY - MARKET WATCH

Power of the Northern New Territories

Property market in the New Territories has been boosted since the announcement of the Northern Metropolis (“the NorthMet”) in the Policy Address. With reference to the statistics from a property agency, among 17 major developments in the New Territories, transaction volume had been surged by 2.75 times from 8, one week before the Policy Address, to 30, after the Address, a pace much faster than the urban Hong Kong and Kowloon districts. The Tuen Mun local price index recorded by another agency, which stationed in northwest New Territories, had also reached its highest point afterwards. All these show that the NorthMet has its positive impact on the local market.

A property agency had released transaction statistics before and after the Policy Address. In all 35 major residential estates across the city, 60 transactions were made one week after the Address, 1.2 times higher than the level one week before the Address. Among 17 major New Territories developments, transaction volume had been surged by 2.75 times from 8, one week before, to 30, after the Address, a pace much faster than the urban Hong Kong and Kowloon areas.

Besides, the market reaction to the NorthMet can also be revealed from the property agency’s online search statistics. There was a major rise in search for developments in the New Territories by 11%, from the overall 49% 12 days before the Policy Address, to 60% 12 days after the Policy Address.

"Strategic Investment Advisory & Agency"

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

If we look at the more localized figures, the search proportion for properties in Yuen Long, Tuen Mun, Hung Shui Kiu and Tai Po had even increased to 13%, 16%, 7% and 10% from 10%, 13%, 5% and 7% respectively.

At the same time, an agency that stationed in northwest New Territories has also released its statistics lately. Its Tuen Mun local price index had climbed to the highest point at 584.56 after the publication of the Policy Address, just 4.35% lagging behind its historical peak at 611.13 recorded in 2018. Positive effects have been brought by the news of the NorthMet.

As expected, the NorthMet has succeeded in catching the city's focus and boomed the market activities in the New Territories. With the widely-covered area under the NorthMet, encompassing the mature 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, it is believed that the development potential of these areas would be higher and better in the long term. Anticipating the more intensified and improved facilities and infrastructures in the NorthMet, price level difference between the north New Territories and HK and Kowloon areas would further be reduced.



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

"Strategic Investment Advisory & Agency"

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

HONG KONG SNAPSHOTS

Tender Price the Highest Ever: New Central Harbourfront (Site 3)

The government had announced the tender result on the New Central Harbourfront (Site 3) earlier, which was granted to Pacific Gate Development, a subsidiary of Henderson Land, in the two-envelope open tender. The premium is the highest ever for a government tender with a record of HK\$50.8 billion. The plot, with a site area of about 516,316 sq.ft., is located at the north of the Old General Post Office and next to the International Finance Centre. Based on the premium, with the total gross floor area to be built of about 1.615 million sq.ft., the accommodation value of the site is at least HK\$31,463/sq.ft.. There will be one multi-functional building, two office buildings, and the Horizon Park at the site with an investment of HK\$63 billion, aiming at becoming a new landmark for Hong Kong with emphasis on people-centric, sustainable, and urban design.



The developer of the Site is responsible for the rebuilding of the former Central Star Ferry Pier clock tower.
(Source of Picture: Press Release of the Hong Kong SAR Government)

"Professional Practice in Land and Planning Matter"

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

HONG KONG SNAPSHOTS

Mount Nicholson Reclaims Title for the Asia's Highest Apartment's Unit Rate

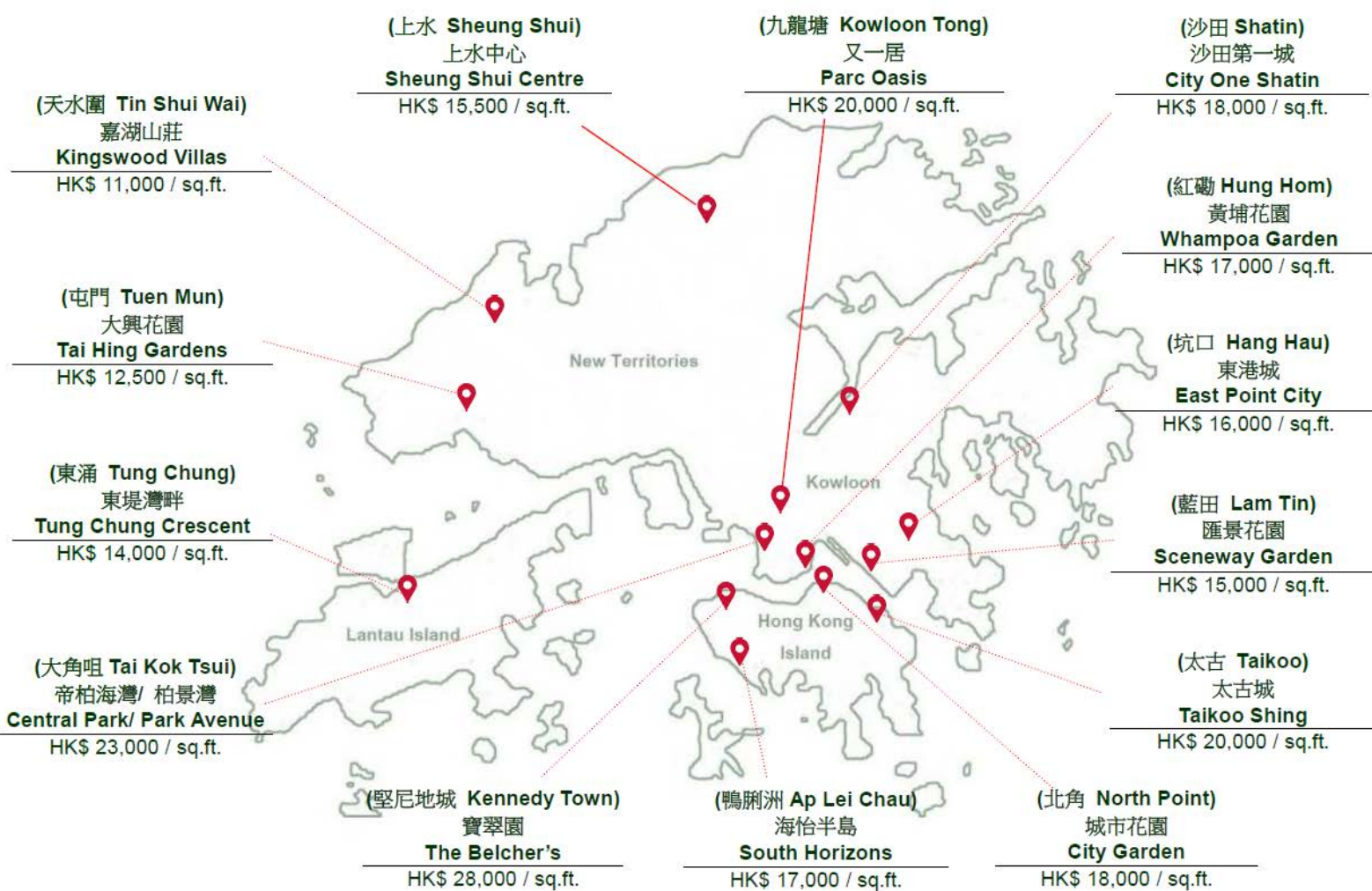
Unit rate of lavish properties hit a record high amidst the prolonged pandemic. Mount Nicholson, an ultra-luxury development at the Peak, had transactions recorded again. Market information revealed that a group of buyers have spent more than HK\$1.2 billion on two apartments and three car parking spaces.

According to the register of transactions, Unit C on 16/F of Tower C and Unit D on 16/F of Tower D (together with three car parking spaces) of Phase III of Mount Nicholson were sold in mid-November with transaction prices of about HK\$560 million and HK\$640 million respectively. Calculating on the basis of saleable area of 4,186 and 4,544 sq.ft., the unit rates reached HK\$134,000/sq.ft. and HK\$140,800/sq.ft. correspondingly.

Record of apartment's unit rate in Asia had been kept by Mount Nicholson since 2017 until 21 Borrett Road broke it with a unit rate of HK\$136,000/sq.ft. in February this year. Therefore, the unit rate of this transaction not only uplifted the Asian record, but also aided Mount Nicholson reclaiming its title for the highest apartment's unit rate in Asia.

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



Vang Vieng New Development Zone in Laos

Features:

- Being rich in natural resources and geographically diverse
- Being landlocked and the substantial interaction with the outside world carrying out through Thailand
- A lack of modern infrastructure and skilled workforce
- One of the poorest countries in the world with high external debt distress risk
- High dependence on agriculture (33% of GDP) and tourism (11% of GDP)
- One of the fastest growing economies in East Asia with the improved access to electricity, schools, and roads

Foreign Investment:

- Acting as a target for enormous foreign investments due to being one of the least developed countries in Southeast Asia
- Getting the majority of foreign direct investment from China in a total of 813 projects worth US\$16 billion
- Completing the China-Laos Railway in December 2021, which was built with Chinese investment and jointly operated by China and Laos



(Source: The Star Graphics, 2020)



The Proposed Special Economic Zone (SEZ)— Sustainable Tourism Development Project in Vang Vieng

Location:

- Located in central southern Laos
- 4 hour bus ride north of the capital city of Vientiane

Features of Vang Vieng:

- Population about 25,000
- Tourist attraction to backpackers and adventurers with its natural beauty
- Almost entirely dependence on tourism and ecotourism
- The inadequate local infrastructure to serve the increasing number of tourists

Area: More than 7,000 hectares of land

Plan:

Budget: \$5.3 billion

Developer: The China-owned Lao-Vang Vieng New Zone Development Group

Main Construction: Roads, a convention center, four bridges, a shopping center, unique temple grounds, a school, a hospital, and several natural tourism sites

Timeline:

- **2018:** The Lao government signed a memorandum of understanding with the Lao-Vang Vieng New Zone Development Group to construct a sustainable tourism project
- **Mar 2019:** The project has been suspended after pushback from local villagers and merchants
- **Oct 2020:** The developers finished environmental impact and feasibility studies for two years and proposed the project to the government
- **Dec 2020:** The Chinese-funded Vientiane-Vang Vieng Expressway completed, which significantly reduces the commuting time between two districts
- **2021:** The project remains at the stage of concession negotiation, moves to its final planning stage, and makes preparations for construction in coordination with the Government of Laos
- **Dec 2021:** The China-Laos Railway, which connects the capital Vientiane and the border of China-Laos and passes through Vang Vieng, is expected to be completed



Advantages:

- To be one of many projects in Laos under China's Belt and Road Initiative, located along the route of a new Chinese railway, and further support the trade with China
- To be one of the economic zones that raises Laos from the ranks of the world's least developed countries and attract investment along with a number of Chinese-backed highway projects
- To enhance the tourism potential of the Vang Vieng district together with Vientiane-Boten expressway and China-Laos Railway
- To provide 27,800 to 50,000 new jobs in the area

Emerging Issues & Concerns:

- There is little public information, and it is not clear how the planned foreign investment will change the lives of the region and local residents.
- Environmentalists are concerned about the potential destruction to natural beauty of the area and which is the main attraction for tourists.
- Some voiced concern about the capability of repaying the development loans to Chinese creditors with the government's precarious public debt.
- Lao villagers reject the project because of the fear of being displaced from their home by a new tourism project and the strengthening of China's influence.
- Compensation payments for the Lao citizens who lose land to development projects are occasionally delayed or are paid out in amounts lower than those promised initially.



CHINA SNAPSHOT

**Bureau of Statistics:
Commodity Housing
Prices in Large and
Medium-sized Cities
Fell Slightly Month-
on-Month in October**

CHINA SNAPSHOT

Bureau of Statistics: Commodity Housing Prices in Large and Medium-sized Cities Fell Slightly Month-on-Month in October

The sales prices of newly-built commercial housing and second-hand housing in various tier cities showed a slight decline from the previous month. According to estimates, in October, the sales prices of newly built commercial residential buildings in first-tier cities remained flat month-on-month. The sales price of second-hand housing in first-tier cities fell by 0.4% month-on-month, the same as last month. The sales price of newly-built commercial housing in second-tier cities fell from the same level last month to a decrease of 0.2%; the sales price of second-hand housing fell by 0.3% from the previous month, and the rate of decline was 0.2% larger than the previous month.

The year-on-year increase in the sales prices of newly-built commercial housing and second-hand housing in various tier cities continued to fall. According to estimates, in October, the sales prices of newly-built commercial housing and second-hand housing in first-tier cities rose by 5.0% and 6.7% year-on-year, respectively, and the increase was 0.3 and 1.0 percentage points lower than the previous month. The sales prices of new commercial housing and second-hand housing in second-tier cities increased by 3.7% and 2.5% year-on-year, respectively, and the increase was 0.4 and 0.5 percentage points lower than the previous month.

"Professional Practice in Land and Planning Matter"

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

CHINA SNAPSHOT

Construction of Shanghai Legoland Resort Officially Launched

Shanghai Legoland Resort is located in the east of Fengjing Town, Jinshan District, covering an area of 318,000 sq.m., is expected to be opened in 2024.

There are 8 major areas in Shanghai Legoland, including Lego Central Building, Building Block Street, Lego Building Blocks, and Lego City, Lego Friends, Wukong Xiaoxia, Lego Ninja, Lego Castle, covering other Legoland classics and popular attractions around the world. In addition, there will be a theme hotel in the park.

Shanghai Legoland Resort is the first international IP family entertainment theme park resort in the Yangtze River Delta. Before the opening of the park, the surrounding transportation facilities, commercial streets, and hotel accommodation will be put in place simultaneously. Shanghai Jinshan District will be renovated; 7 avenues will be widened; a parking lot with more than 6,000 parking spaces will be built; a transportation hub has been planned together with 14 bus lines designated to the park. A cluster of hotels and homestay will be developed with 4 to 5 high-end hotel on the track.

Shanghai Legoland plans to start construction in November 2021 and officially open in 2024. It was previously estimated that the annual number of tourists after the opening of the park will reach 3 million to 4 million.

"Professional Practice in Land and Planning Matter"

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


CHINA SNAPSHOT

Collective Operating Construction Land in Yinghai Town, Daxing, Beijing: RMB 819 million Listed

On November 17, as a pilot, a parcel of collective construction land was listed in the land market in Yinghai Town, Daxing District, Beijing, with a starting price of RMB 819 million.

The listing information shows that the land is located in Yinghai Town, Daxing District, Beijing. The usage of it is F81 green-belt industrial land (construction of talent apartments), the transfer period is 50 years, the total construction land area is 40,082.20 sq.m. with a maximum gross floor area not more than 60,123.30 sq.m., the plot ratio is less than 1.5, and the starting price is RMB 819.24 million. Joint bidding is not accepted for the plot.

"Professional Practice in Land and Planning Matter"

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

CHINA SNAPSHOT

Residential Price Index of Major Cities (November 2021)

City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)	City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,681	-0.19	Beijing	44,327	0.36
Chongqing	11,774	0.57	Tianjin	14,993	0.05
Guangzhou	24,227	0.00	Shenzhen	54,223	-0.27
Nanjing	24,562	-0.01	Hangzhou	29,103	-0.09
Chengdu	12,539	0.57	Wuhan	13,240	0.43
Dalian	13,854	-0.16	Suzhou	18,198	0.11
Xi'an	11,777	0.61	Xiamen	29,138	0.00
Ningbo	19,177	0.26	Changsha	9,274	0.25
Wuxi	14,112	0.38	Dongguan	19,214	0.01
Shenyang	10,049	0.13	Fuzhou	17,117	-0.02



(Source of Picture: Canva)

Source: Fangtianxia Hundred City Price Index



MS. JESSIE CHEN
MS. CHERYL WONG

**WRITERS- CHINA
SNAPSHOT**

"Professional Practice in Land and Planning Matter"

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

CONTACT

(852) 3408 3188

(852) 2730 6212

(852) 5307 9925 (Whatsapp)



EMAIL

info@rhl-int.com



WEBSITE

www.rhl-int.com



WECHAT

永利行評值



微信公众号
永利行評值



This document / publication is prepared by professionals in RHL International Ltd and /or its subsidiaries (RHL) for information only. Its application to specific situations will depend on the particular circumstances involved accordingly.

It does not constitute formal advice or commitment by RHL. Whilst all reasonable care has been exercised in preparing this document / publication. RHL recommends that readers should seek appropriate professional advice before making any decision or taking any action that may affect their finance or business. RHL accepts no responsibility for any loss whatsoever sustained by any person who relies in this document / publication.

Source: Land Registry, CAAD and RHL Research Department

©2021 All right reserved by RHL.

