

RHL International

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MARKET EXPRESS

房地產市場快訊



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

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.

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

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CONTENTS

Hong Kong Property-Market Watch	P.4-7
• A Roaring Year of Tiger	

Hong Kong Snapshots	P.8-9
• Residential Site in Repulse Bay Tendered at a Record High Price	
• Sales of First-Hand Property Market Stopped amid the Fifth Wave of Pandemics	

Hong Kong Transactions Overview	P.10
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China Snapshot	P.11-15
• Down Payment Ratio Reduced In More Places, The Real Estate "Rescue Trend" Has Begun?	
• Dongguan: 8 New Shopping Centres Opened, Total Volume of about 405,000 sq.m.	
• Beijing's First Batch of Centralized Land Supply in 2022: Turnover More Than RMB 48 Billion	
• Residential Price Index of Major Cities (January 2022)	



HONG KONG PROPERTY- MARKET WATCH

A Roaring Year of Tiger

HONG KONG PROPERTY - MARKET WATCH

A Roaring Year of Tiger

Kicking off the Renyin Year of the Tiger is the outbreak of the 5th wave of COVID-19 pandemic, followed with stricter social restriction measurements, a rarely-seen lonely urban area has been observed. Amount of citizens' activities reduced tremendously, including the property viewing activities. The sales schedule of first-hand domestic developments delayed, together with a number of considerable prices cut of second-hand properties due to migration needs, is Hong Kong's property market entering another glacial period or downturn?

Although the sales of first-hand properties have been delayed due to pandemic, the demands for domestic properties still exist. Potential buyers return back to the second-hand market. Under the recent stricter social measurements, amount of physical property viewings dropped. From what we learn, many of the property agents have offered virtual property viewings for clients, or even online enquiries and price negotiation services. In other words, less active physical property market activities do not necessary implies a freezing market situation.

In terms of property prices, except a number of transactions with relatively substantial price cut recorded due to migration needs, consolidating different market statistics that, the price indices among all districts have slightly fallen since the tightened social measurements from January 5, but it is still too early to call for a trend of the market.

"Strategic Investment Advisory & Agency"

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

Tracing back the information, in 2020, when the pandemic started to spread in the city, property prices have just been fluctuated for the first few months and back to ordinary state afterwards, and even reached the year's early level according to the price index of all class properties by the Rating and Valuation Department. In 2021, with the Coronavirus being controlled, price index has increased for 2.8%, showing the limited effects of the pandemic to the property market.

Indeed, the 5th wave situation comes aggressively and peoples go anxious, more potential buyers may wait and see for a while before they make a transaction. Luckily and optimistically, the number of citizens having their first dose of vaccine has reached at least 85% among the overall number of qualified people to receive vaccines, it is believed that many of us have been mentally prepared. Facing the short-term market adjustment, there is still a chance for the property market to be stabilized under the circumstances of scarce supply.

At last, we cannot ignore the world market. Entering the American interest rate-rising period, international institutions have been foreseeing that the Federal Reserve will increase the interest rate for 6 times, each for 0.25%; and the coming Federal Open Market Committee is scheduled in March. No doubt, rise of interest rate does have negative impacts to the local property market.



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If we look back to 2015, 9 times of interest rates increase have been recorded within the same year for an overall 2.25% while we have just experienced a 1 time rise by 0.125%. Thus, the pace of rate surge in Hong Kong is not totally following the western market. In addition, the current rate level in the city is still at a low level, any mild increase in it may have limited impacts in the long run.

Even so, no one has a crystal ball. In the moment facing the deteriorating pandemic situation and the migrations of citizens, we hope that the spread of Coronavirus can be stopped, and the property market can return positively with everyone lives in peace and works happily.



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

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

HONG KONG SNAPSHOTS

Residential Site in Repulse Bay Tendered at a Record High Price

The Lands Department announced the tender result for the site, Rural Building Lot No. 1203, at South Bay Road, Repulse Bay in February, which was granted on a 50-year land grant at a premium of HK\$1,188,181,800. The accommodation value is the highest ever for a government tender of over HK\$62,000/sq.ft., which reflects developers' confidence in the luxury residential property segment despite the Coronavirus negatively impacting the overall market sentiment.

The site is situated three-minute away from Repulse Bay Beach in one of the most prestigious neighbourhood in Hong Kong Island and has a site area of around 21,173 sq. ft. with a maximum gross floor area of about 19,065 sq.ft..

It is worth noting that the previous most expensive accommodation value was HK\$50,100/sq.ft. at the residential plots in Nos. 9 and 11 Man Fai Road, The Peak set in February 2021.



The small plot in Repulse Bay residential district attracted bids from nine developers, including several major local developers. (Source of Picture: Lands Department)

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HONG KONG SNAPSHOTS

Sales of First-Hand Property Market Stopped amid the Fifth Wave of Pandemics

In light of the aggravating pandemic, the Hong Kong government tightened the social distancing measures and developers slowed down their paces of selling brand-new properties, resulting in a further plunge of first-hand transactions. Subsequent to the cessation of sales of The Harmonie in Cheung Sha Wan and The Aperture in Ngau Tau Kok, Mount Pavilia in Clear Water Bay and Fleur Pavilia in North Point also had their sales offices closed and sales terminated.

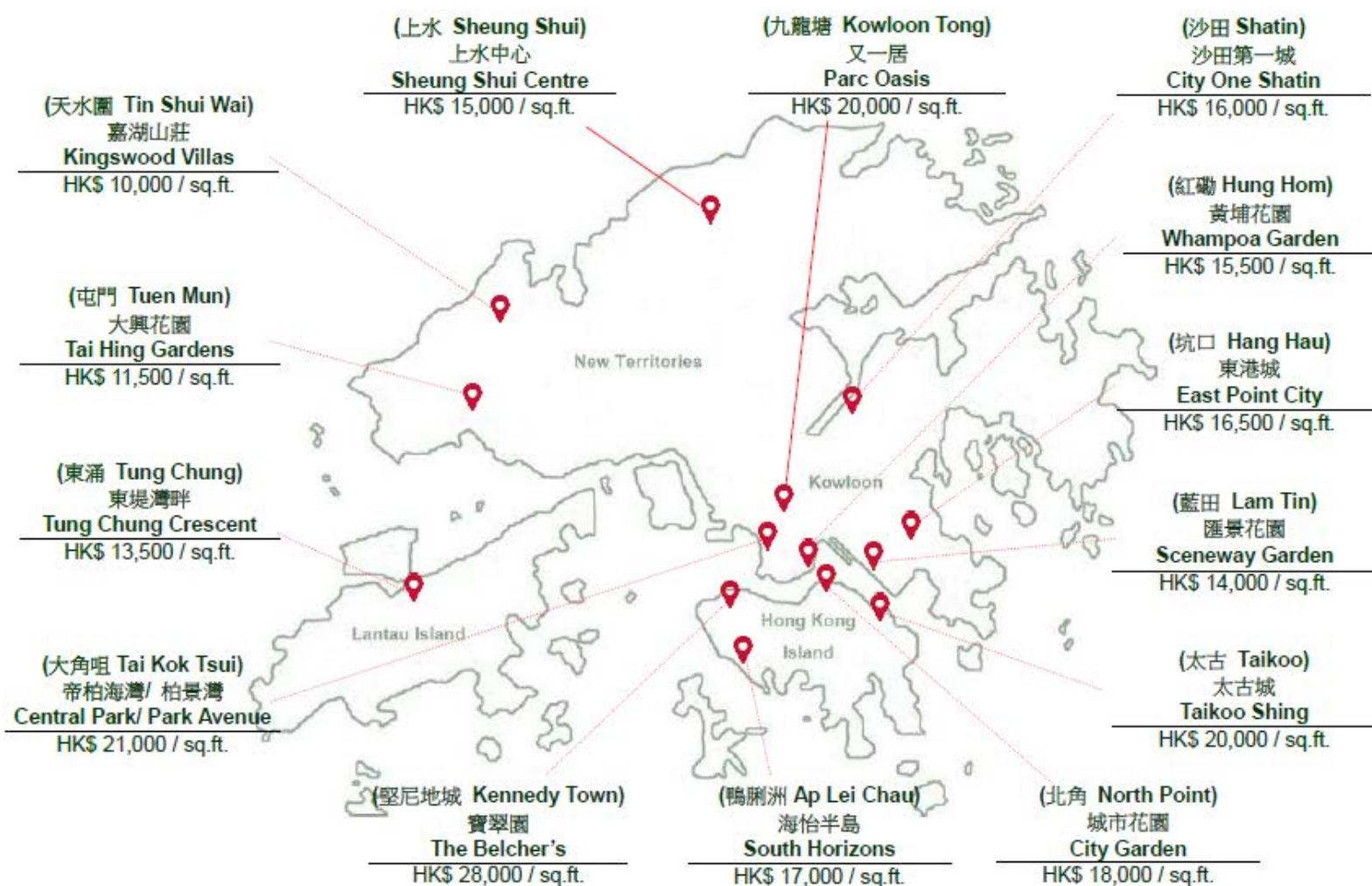
Merely sporadic first-hand transactions were recorded in February, with only 4 documented on February 20 (Sunday). According to the information from the Register of Transactions, ONE SOHO, located at Shan Tung Street in Mong Kok, had its first transactions recorded this month. Unit A1 on 18/F, a 1-Bedroom flat with a saleable area of 285 sq.ft., was sold at HK\$7.287 million with a unit rate exceeding HK\$25,500/sq.ft.. As depicted by the 72 transactions recorded in the first half of February, a plummet of 77% in transaction volume was observed while drawing comparison with the 314 transactions documented in the same period in January. It is anticipated that the aggregate first-hand transactions may fall beneath 200 in February, symbolizing a record low for more than 6 years.



The Harmonie, under construction, located in Cheung Sha Wan.
(Source: RHL Photobase)

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 SNAPSHOT

**Down Payment Ratio
Reduced In More
Places, The Real
Estate "Rescue
Trend" Has Begun?**

CHINA SNAPSHOT

Down Payment Ratio Reduced In More Places, The Real Estate "Rescue Trend" Has Begun?

Recently, the news that the minimum "20% down payment" for buying a house in Heze, Shandong has attracted people's attention. According to the news, starting from February 14, some Shandong Heze Bank and other home buyers who have no housing under their name and no personal housing loan record can implement a 20% down payment ratio.

In addition, "20% down payment" also appeared in Chongqing and Ganzhou. The industry believes that this indicates that the real estate market in some cities has bottomed out. At this time, the "20% down payment" is one of the "rescue" measures, and the meaning of encouraging and promoting the consumption of just-needed housing is very clear.

However, judging from the current policies of various places, the influence is not severe. Some places have only introduced preferential policies for mortgage interest rates without reducing the down payment.

Certainly, this type of "rescue" policy is mainly aimed at low-tier cities, and there is no news of stimulating the real estate market in first- and second-tier cities.



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SNAPSHOT**

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CHINA SNAPSHOT

Dongguan: 8 New Shopping Centres Opened, Total Volume of about 405,000 sq.m.

Dongguan's business continues to exert its strength. In 2021, Dongguan added 8 new shopping centres, and the new business volume will be 405,000 sq. m.

With the development of the Greater Bay Area, Dongguan, which is positioned as a "world-class advanced manufacturing centre", has been focusing on developing industrial parks, but over the years, commercial real estate has been slightly sluggish.

One of the difficulties is that there are more than 30 towns in Dongguan, and the area is relatively scattered. It is difficult to concentrate consumer groups, and the consumption intensity and radiation range are also limited.

Therefore, most of the newly opened shopping centres are small and medium-sized businesses of 30,000-50,000 sq.m., focusing on community-based services. Only one shopping centre in the urban area is larger, reaching 12 sq. m. Except for two located in Dongcheng District, the rest are located in Changping, Chang'an and other areas.

With the upgrading of Dongguan's industries and the increase in the number of permanent residents, the consumption capacity of citizens has gradually increased. Naturally, the development of commercial real estate will also rise.

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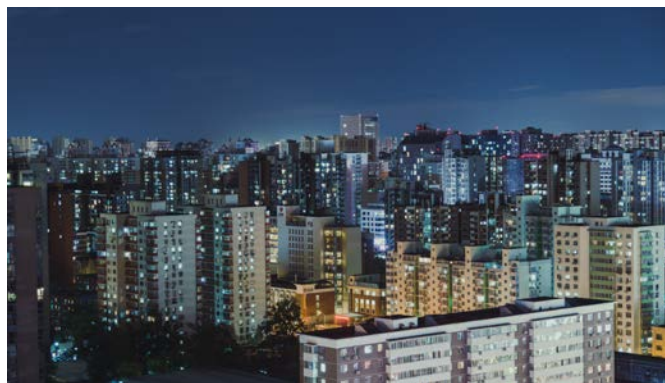
CHINA SNAPSHOT

Beijing's First Batch of Centralized Land Supply in 2022: Turnover More Than RMB 48 Billion

Among the 18 land plots sold in the first batch of centralized land supply in Beijing 2022, 17 were successfully sold and one was passed in.

Among the 18 plots of land, the highest floor price was the Fengtai Jijiamiao land, and the transaction floor price was RMB 66,885/sq.m.; the lowest floor price was Pinggezhuang, which was bid by CIFI Group at RMB 10,730/sq.m..

In this round of centralized land supply, the highest floor price of the future project is the Fengtai Jijiamiao project, with a price limit of RMB 102,460/sq.m.; the lowest project price is the Yanxi Town plot in Huairou Science City, and the price limit is RMB 37,000/sq.m..



Beijing
Source From Canva)

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CHINA SNAPSHOT

Residential Price Index of Major Cities
(January 2022)

City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)	City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,408	-0.20	Beijing	44,336	0.08
Chongqing	11,815	0.11	Tianjin	15,022	0.08
Guangzhou	24,408	0.33	Shenzhen	54,191	0.04
Nanjing	24,579	0.16	Hangzhou	29,103	0.08
Chengdu	12,522	0.05	Wuhan	13,307	0.23
Dalian	13,828	0.06	Suzhou	18,266	0.21
Xi'an	11,893	0.09	Xiamen	29,171	-0.02
Ningbo	19,271	0.18	Changsha	9,347	0.36
Wuxi	14,187	0.25	Dongguan	19,323	-0.01
Shenyang	10,016	0.18	Fuzhou	17,188	0



Shanghai
(Source: Canva)



Shenzhen
(Source: Canva)

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