

RHL International

JULY 2022

ISSUE NO.259

# MARKET EXPRESS

## 房地產市場快訊



HONG KONG PROPERTY

[WWW.RHL-INT.COM](http://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.

- 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

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.4-7**

- **New Way Out for the Hotels in the Epidemic Era**

## **Hong Kong Snapshots** **P.8-9**

- **Developers: Speeding Up Land Acquisition to Seize Opportunities of Northern Metropolis**
- **Several Leasing Transactions of Fitness Centres Recorded Under Pandemic**

## **Hong Kong Transactions Overview** **P.10**

## **China Snapshot** **P.11-15**

- **Foshan Property Market Purchase Restrictions Lifted, Guangzhou Buyers Take Action Immediately**
- **Shanghai's First Round of Centralized Land Supply in 2022 Attracted RMB 83.4 Billion**
- **Tianjin's Benchmark Land Price Updated with a Newly-Added Benchmark for Self-Sustaining Residential Land**
- **Residential Price Index of Major Cities (May 2022)**



## **HONG KONG PROPERTY- MARKET WATCH**

### **New Way Out for the Hotels in the Epidemic Era**

---

## HONG KONG PROPERTY - MARKET WATCH

### New Way Out for the Hotels in the Epidemic Era

The city's border has been closed for more than 2 years since the invasion of Coronavirus in 2020. Tourists visiting the city almost completely disappeared. Except the retail industry, hotel industry has been badly affected. Pessimistically considering the industry's future by the consortium and developers, different new plans have been sought by the hotels' owners to optimize the property's values, which include changing the hotel use to residential use. In the last 2 years, at least 4 applications for modifying hotels into domestic uses have been approved, accounting for 6,704 units.

The latest Town Planning Board-approved application is the Royal View Hotel at Ting Kau in Tsuen Wan. The developer has applied for rezoning the site from "Comprehensive Development Area (1)" and "Green Belt" to "Residential (Group B) 2", and planned to renovate the hotel into a 15-storey domestic building, providing 661 units. The existing hotel provides 691 rooms. The building's bulk and surface will remain the same, and 18,100 sq.ft. club house, a 60-quota day care centre for the elderly and 76 car parking spaces shall be included at the development.

In fact, in the first year the epidemic outbreak, a developer has expedited its pace to change its hotel for residential use. The Harbour Plaza Resort City in Tin Shui Wai and Horizon Suite Hotel in Ma On Shan have been re-directed by the developer to be rebuilt and redesigned for domestic units respectively. The former one had been approved for redeveloping into a new development accommodating 5,000 domestic units, with the average unit size of about 300 sq.ft. in 2020; the scale of this is the largest application among those approved in recent years.

---

*"Strategic Investment Advisory & Agency"*

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

However, the same developer has submitted another new plan the Town Planning Board recently for developing the Harbour Plaza Resort City into 2 not more than 24-storey domestic buildings with 2 basements, with 1,102 units to be supplied. Although the amount of units greatly reduced from the original approved scheme, with only refurbishment works necessary and the existing commercial podium saved, the development is anticipated to continue its district-wise shopping focal point, bringing benefits to the developer. Even if the number of domestic units diminished by almost 80%, this scheme would still be the largest-scaled hotel user-changing application if its being approved.

### Successful Applications for Changing Hotel into Domestic Use in Recent Years

Approval Date	Application Site	Domestic Units to be Provided
December 2020	Harbour Plaza Resort City, Tin Shui Wai	5,000
January 2021	Novotel Hotel, Jordan	285
February 2021	Horizon Suite Hotel, Ma On Shan	758
June 2022	Royal View Hotel, Ting Kau, Tsuen Wan	661

*"Strategic Investment Advisory & Agency"*

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

Excluding the above approved applications, consolidating different market information, there are few more under application now.

Apart from the above, some developers have planned to make use of the hotels for co-living purposes. About 200 to 300 rooms at the Nina Hotel in Tsuen Wan West have been reported to be manoeuvred for co-living rental purposes among the total 1,608 guest rooms in the hotel.

In fact, among the recent market transactions, more investors have been acquiring hotels for other uses, especially for co-living use. We have been seeing that a co-living operator has been expanding its market share in the past 2 years by acquiring several hotels, including the Rosedale Hotel Kowloon in Tai Kok Tsui at about HK\$1.375 billion and Grand City Hotel Hong Kong in Sai Wan at about HK\$900 million. We believe this trend could bring a new way out to the hotel operators, and more similar acquisition and redevelopments are expected.



- All entrances of the Rosedale Hotel Kowloon in Tai Kok Tsui have been locked after being acquired.(Source of Picture: RHL Photo Base)



**CALVIN PANG**  
WRITER- HONG KONG  
MARKET WATCH

*"Strategic Investment Advisory & Agency"*

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



## HONG KONG SNAPSHOTS

### Developers: Speeding Up Land Acquisition to Seize Opportunities of Northern Metropolis

The Policy Address promulgated last year proposed the extension of charging land premium at standard rates from industrial buildings to New Development Areas (NDA). The Lands Department thereafter established the standard rates for the two NDAs, namely Kwu Tung North and Fanling North, in March this year.

Developers are eager to acquire land and apply for land exchange before the deadline stipulated in August this year. A local developer recently spent HK\$100 million on approximate 51,000 sq.ft. agricultural land subsequent to its bulk purchase of agricultural land in Kwu Tung last year to increase its land reserves. The newly purchased land is located at Ho Sheung Heung in Sheung Shui, which falls within 15-minute walking distance from the future Kwu Tung Station, has a high development potential. It is also worth noting that the unit rate of agricultural land transacted was HK\$1,960/sq.ft., which is about 30% higher than the Ex-gratia Compensation Rates awarded to Tier One agricultural land by the Government published in May this year.

---

*"Professional Practice in Land and Planning Matter"*

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



## HONG KONG SNAPSHOTS

### Several Leasing Transactions of Fitness Centres Recorded Under Pandemic

The fifth wave of Covid-19 epidemic led to the closure of fitness centres in the first quarter of 2022. However, with the rising awareness of personal health during the pandemic and the eases of social distancing measures recently in Hong Kong, the property market saw a few leasing activities related to fitness centres.

Lately, there was a lease extension of a unit on the first floor, United Building, North Point with an area of around 8,000 sq.ft.. The lease was renewed at HK\$250,000/month with monthly rent of about HK\$31/sq.ft.. Besides, the first to second floor, 78 to 84A Hennessey Road with about 6,750 sq.ft. was rented out to a fitness tenant at HK\$300,000, contributing to the unit rate around HK\$44/sq.ft.. Moreover, at Wah Sin House, Central, a 800 sq.ft. shop together with a 300 sq.ft. cockloft on the ground floor was leased at HK\$54,000/month. The monthly unit rent was approximately HK\$49/sq.ft., which recorded a decrease of close to 23% compared to the rental level of the previous fitness tenant.



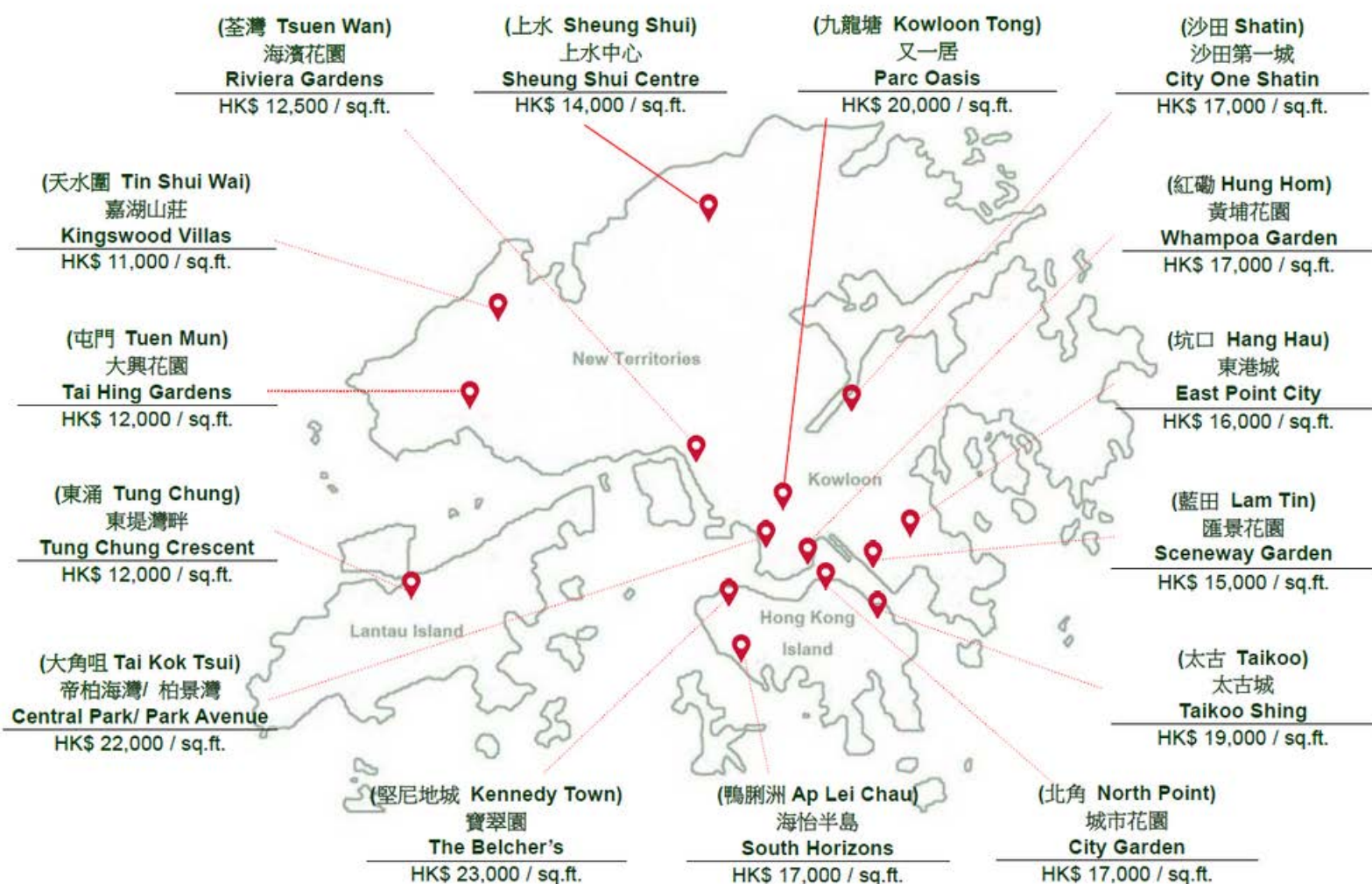
- *Lease Market of Fitness Centres accelerated under the pandemic era with more people pay attention to their health condition. (Source of Picture: RHL Photo Base)*

*"Professional Practice in Land and Planning Matter"*

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

# 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**

**Foshan Property Market  
Purchase Restrictions  
Lifted, Guangzhou Buyers  
Take Action Immediately**



---

## CHINA SNAPSHOT


### **Foshan Property Market Purchase Restrictions Lifted, Guangzhou Buyers Take Action Immediately**

In June, Foshan loosened the purchase restrictions again, announcing that the restricted areas were reduced from 11 towns and streets to 3, and only Zumiao Street in Chancheng District, Guicheng Street in Nanhai District and Daliang Street in Shunde District were left. Foshan's loose housing conditions are driving Guangzhou customers who had been stagnant to enter the market more quickly. According to market rumors, Guangzhou customers account for as high as 70% of individual properties.

In fact, since this year, Foshan has lowered the threshold for buying a house many times, including lowering the down payment ratio, lowering the mortgage interest rate, and accelerating loan approval. It is understood that at present, the minimum mortgage interest rate for the first home in Foshan can reach 4.25%, and some real estates have also introduced preferential down payment policies, with a minimum down payment of 10%. In addition, Foshan also issued a policy at the end of April, announcing that commercial housing that has been held for 5 years in the restricted area does not need to be checked for purchase qualifications when it is traded.

---

*"Professional Practice in Land and Planning Matter"*

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

---

## CHINA SNAPSHOT

# Shanghai's First Round of Centralized Land Supply in 2022 Attracted RMB 83.4 Billion

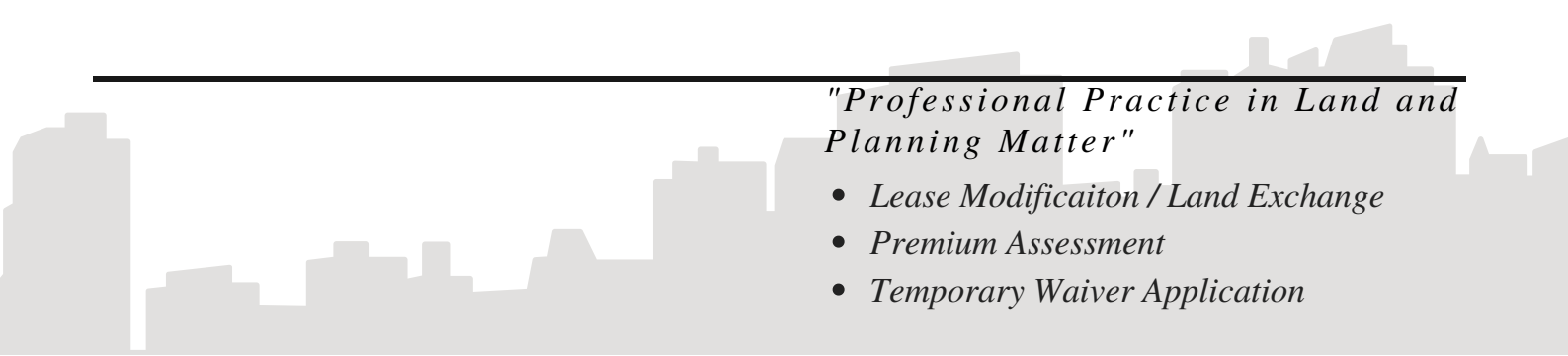
Shanghai finally ushered in the first round of concentrated land sales on June 1. After five days, 36 parcels of land received a total of 83.47 billion RMB. Although 19 were sold at the reserve price, there was no first-rate auction.

After the epidemic was brought under control, the performance of the first round of concentrated soil auctions in Shanghai can reflect the recovery of market confidence to a certain extent. After the epidemic, all the 36 land plots launched were sold, which also means that the developers are full of confidence in the future of Shanghai.

The first round of centralized land supply in Shanghai performed steadily. The participants included not only state-owned enterprises and central enterprises, but also foreign and private enterprises. The diversity of participants fully reflected that the Shanghai real estate market was stable and healthy.

---

*"Professional Practice in Land and Planning Matter"*

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

---

## CHINA SNAPSHOT

### **Tianjin's Benchmark Land Price Updated with a Newly-Added Benchmark for Self-Sustaining Residential Land**

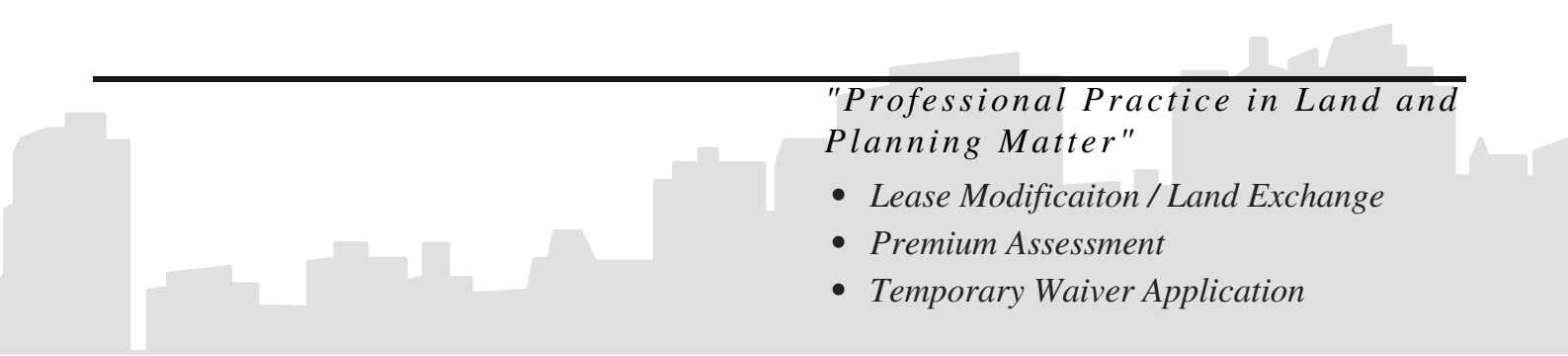
In February, the Tianjin Municipal Bureau of Planning and Natural Resources announced that the benchmark land price in Tianjin will be updated from March 1.

The urban benchmark land price takes January 1, 2021 as the benchmark date. On the basis of the three categories of residential land, commercial service land and industrial land, two categories of land for public service projects and land for transportation are added, which are subdivided into 21 types of land uses. The tenure is the legal maximum assignment period, the degree of development is "seven connections and one leveling", and the land price is expressed in the form of land price and floor land price.

Among the residential land, ordinary residential land is divided into 12 grades, and the benchmark land prices from grades 1 to 12 are 41,250-1,445 RMB/square meter (land price) and 16,500-963 RMB/building square meter (floor land price). And for the first time, the land for self-sustained residences (rental residences) has been added, which is also divided into 12 grades. The benchmark land prices from grades 1 to 12 are 12,375-434 RMB/square meter (land price) and 4,950-289 RMB/building square meter (floor). land price).

---

*"Professional Practice in Land and Planning Matter"*

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



## CHINA SNAPSHOT

Residential Price Index of Major Cities  
(May 2022)

City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)	City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,534	-0.01	Beijing	44,447	0.10
Chongqing	11,802	-0.07	Tianjin	15,034	0.02
Guangzhou	24,637	0.03	Shenzhen	54,350	0.37
Nanjing	24,573	0.27	Hangzhou	29,149	0.10
Chengdu	12,628	0.28	Wuhan	13,263	-0.15
Dalian	13,881	0.11	Suzhou	18,336	0.27
Xi'an	11,988	0.17	Xiamen	29,180	0.01
Ningbo	19,347	-0.02	Changsha	9,393	0.28
Wuxi	14,272	0.34	Dongguan	19,504	0.34
Shenyang	9,935	-0.21	Fuzhou	17,188	0.02

Source: Fangtianxia Hundred City Price Index

*"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

©2022 All right reserved by RHL.