

RHL International

OCT 2022

ISSUE NO.262

MARKET EXPRESS

房地產市場快訊

Kwun Tong Commercial Area
觀塘商業區



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

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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.

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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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HONG KONG PROPERTY- MARKET WATCH

From Kowloon East, We Glance at the Hong Kong's Planning Vision (Part 2)

HONG KONG PROPERTY - MARKET WATCH

From Kowloon East, We Glance at the Hong Kong's Planning Vision (Part 2)

In our last publication, we have discussed how short-sighted the planning vision of the authority was in leading the development of Kowloon East to become the city's second Central Business District CBD2, in particular to the Kai Tak area. In this publication, we will focus on the transport planning, to see how does the area has been overlooked in the linkage with the whole CBD2 and its impact on the district.

Tracking the information from the Energizing Kowloon East Office, Kowloon East covers an area of about 488 hectares, encompassing the Kai Tak Development Area, Kwun Tong, Kowloon Bay Business Areas and San Po Kong. With the coastline-lineated development pattern across this wide area and the natural land shape of the runway area, connection among areas is indirect. As such, in 2011, the government at the time had reserved land and conducted an analysis on the building of the Environmentally Friendly Linkage System ("EFLS") which was the elevated monorail system linking the runway area with Kowloon Bay and Kwun Tong Business Areas, and further to interchange with the MTR Kwun Tong Line and Tuen Ma Line.



The original proposed elevated monorail system connects the Kai Tak runway area with Kwun Tong and Kowloon Bay. (Source of Picture: Online Database)


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However, in 2019, the government had mentioned difficulties in construction; in 2020, the authority had suggested the “Multi-Modal” EFLS to launch more new bus and minibuses within the areas, travellers network, and water taxi etc.. In 2021, the government had further reported to the Legislative Council that, facing a series of complex technical challenges, the construction and operation costs of the monorail system would be very expensive which made it not a sustainable and feasible choice.

I believe our readers who have been to the Kai Tak Cruise Terminal may know that the runway area is currently relying on the only vehicular access, from Shing Fung Road and Kai Tak Bridge to Shing Cheong Road in Kowloon Bay. In the past, whenever there was an event being held at the runway area or cruise berthed at Kai Tak, the existing road network and connection was incapable of handling the flow of people. Although another road from the runway to Kai Tak station is anticipated to be completed this year, the amount of new population from the 14 residential lands at the central runway area must not be minimal. Considering the existing road congestion in Kowloon Bay and Kwun Tong, the future intensified bus and minibuses services for the Kai Tak area instead of a mass transportation system would not be an adequate one.

The government opined that the monorail system was not cost-sustainable. I wonder that if all the people heading to the area by means of bus, minibuses and other vehicles, would the increase in exhausted gases and fuel costs, and also the burden on the road network and congestion situation a social and environmentally sustainable one? When the public realizes that how bad the transport situation in the area is, would people choose the area to be their home?



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More importantly, from the first land sale of the runway area, besides how the developers and many of the citizens anticipated the daily transport function of the monorail, this brand-new transport will become another unique travel experience which similar to the Yurikamome Line. The driverless train line connects urban Tokyo at Shimbashi with the offshore islands shopping and leisure and TV station at Daiba, Ariake, and the new fish market at Toyoshu, crossing Tokyo Bay via the Rainbow Bridge. With the moving in of different commercial activities, exhibition centre and cruise terminal, this area has become a leisure and commercial focal point. As the trains run along the coast with a spectacular Tokyo Bay view, many tourists have been attracted to ride on this line.



The Yurikamome Line links up urban Tokyo Shimbashi with the offshore islands at Daiba and Ariake districts.
(Source of Picture: Railway company's website)

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The Yurikamome Line train
with the Rainbow Bridge.
(Source of Picture: Railway
company's website)



Applying the same situation to Kai Tak, being adjacent to the cruise terminal and commercial developments, also with an open harbour view, it is believed that this monorail train must attract local citizens and foreign tourists, and further motivate the area's evolution. In long run, how will this monorail system be a non-sustainable one?

To develop a district is not easy, if we have to boom the place further to become part of the CBD2, transport connection should not be neglected. From what we learnt from Geography lessons, the prerequisite to be a CBD is a well-connection. Without a convenient transport network would not even pull businesses into the area, not to mention to become a CBD.

To conclude, consolidating the views and facts from the transport and urban planning perspective, the planning vision and directions of the authority on the Kai Tak developments in recent years is questionable, not only by the public, but also the developers, and wishing for a review on the plan so as to bring Kowloon East onto the track to CBD2.



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

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HONG KONG SNAPSHOTS

Retailers Seize Rental Opportunities in Core Districts amid Market Consolidation

Along with the rental decline of shops in core districts, rental transactions slightly increase with a bulk rental transaction lately recorded at Silvercord in Tsim Sha Tsui. A duplex shop comprising the G/F (with an area of 5,243 sq.ft.) and 1/F (with an area of 2,443 sq.ft.) was recently let to a sports equipment shop at a monthly rent of about HK\$2 million. The shop had been rented by a chained jewellery shop since 2005, with a monthly rent once hit HK\$7 million. Despite the fact that the current rent slumps for more than 70% comparing with the previous rent, this transaction has already been the largest rental transaction in core districts this year.

Meanwhile, market information revealed that Shop No.2 of Ying Kong Mansion at Nos. 2-6 Yee Wo Street in Causeway Bay, having an area of approximate 500 sq.ft., was recently rented to a brand selling healthy food at a monthly rent of about HK\$250,000 with a unit rent of about HK\$500/sq.ft.. Facing the pedestrian crossing of Yee Wo Street, this shop enjoys a very high pedestrian flow.

Comparing with the previous rental with a chained herbal tea shop at a monthly rent of about HK\$900,000 and a unit rent of about HK\$1,800/sq.ft., a substantial rental decrease of over 70% was noticed.

After the removal of the jewellery shop standing for 17 years at Silvercord, Canton Road, the same shop has finally let to a sports equipment shop with the monthly rental lowered by at least 70%.
(Source of Picture: RHL Photobase)



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HONG KONG SNAPSHOTS

Application for Relaxation of Plot Ratio and Height Restriction Received at Hopeful Godown, Kwai Chung

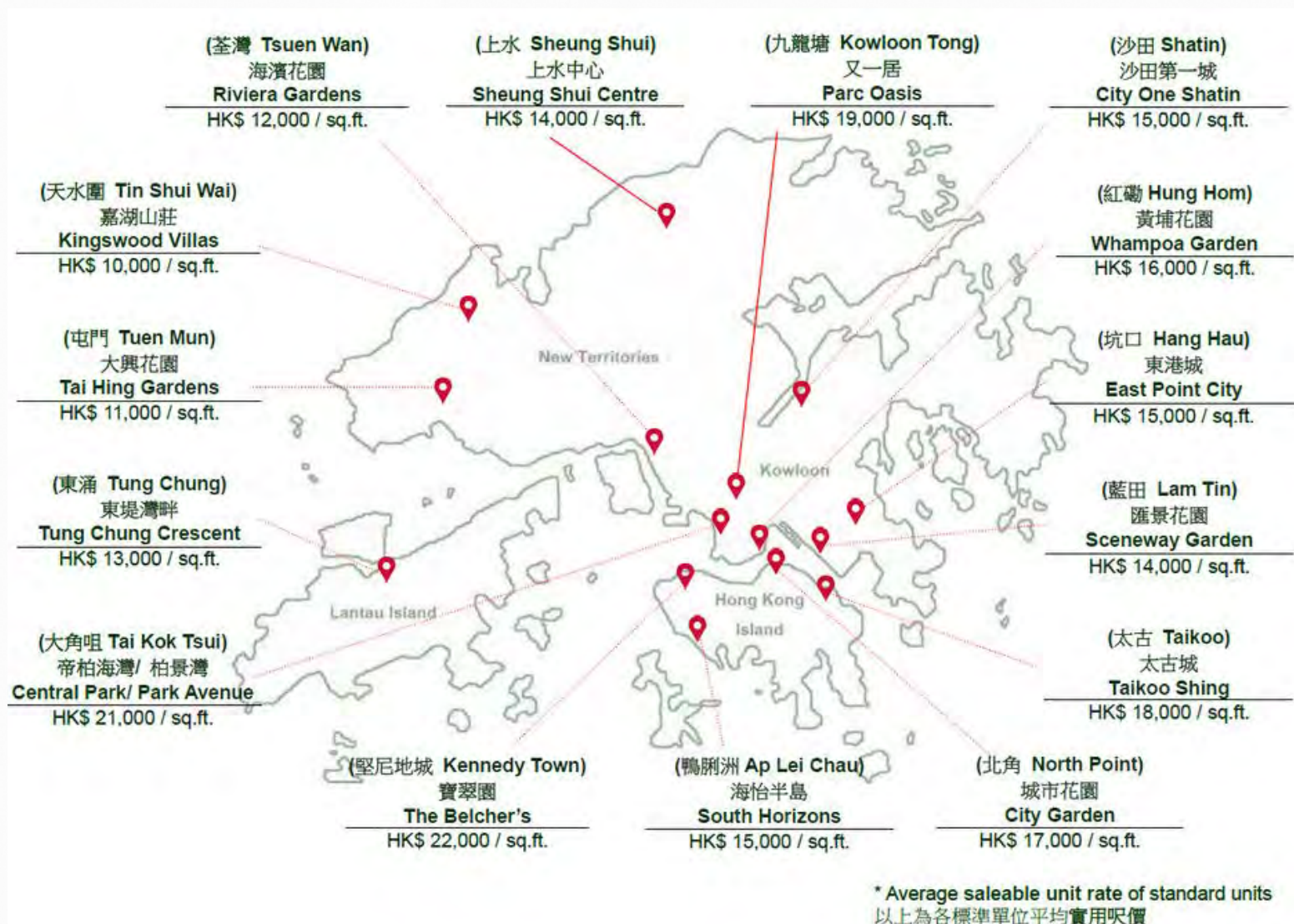
Another application for redevelopment of old industrial building received. The Town Planning Board has lately received an application for a relaxation of plot ratio and height restriction at Hopeful Godown, Nos.7- 11 Wing Kin Road Kwai Chung, and its adjoining government land, for the building of a godown building. The “industrial”-zoned site occupies an area of 10,379 sq.ft.. According to the application, it is proposed to relax plot ratio and height restriction to 11.4 and 115.2 mPD to accommodate a 19-storey godown building (including 3 storeys of basements and 1 refugee floor) with a total floor area of about 118,317 sq.ft.. Benefiting from the compatible land use activities around the site and fulfilling the revitalization of industrial buildings policy and green building design, the applicant considers this application justifiable.

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HONG KONG

TRANSACTIONS OVERVIEW





CHINA SNAPSHOT

- **Shenzhen Completes the First Second-Hand Housing Transaction with Mortgage-Free Property Transfer, No Need to Repay Loan in Advance**
- **With a Construction Area of 86,000 sq.m., The Largest Office Building Transaction In Nanning was Completed in the First Half of the Year**
- **An Industrial Plot in Shenyang Economic and Technological Development Zone Listed for Trading from September to October**
- **Residential Price Index of Major Cities (August 2022)**

CHINA SNAPSHOT

Shenzhen Completes the First Second-Hand Housing Transaction with Mortgage-Free Property Transfer, No Need to Repay Loan in Advance

On September 1, Shenzhen's first second-hand housing transaction service of "notarized withdrawal + foreclosure-free property transfer with mortgage" was implemented, practicing a new model of second-hand housing transactions.

Different from the “first redemption and then transfer” model commonly used in second-hand housing transactions, the “notarized deposit + foreclosure-free property transfer with mortgage” model eliminates the redemption link and saves both parties in the redemption process. The resulting redemption funds, interest, guarantee fees and other redemption costs. According to the current market general redemption costs, the transaction cost can be directly reduced by one-third.

The second-hand housing transaction model of "notarized deposit + foreclosure property transfer with mortgage" solves the concerns of both parties and creditors (mortgage owners) regarding transaction process safety, capital safety, and creditor's rights safety, shortens the transaction cycle, and reduces transaction costs. Prior to this, many cities have launched second-hand housing "transfer with mortgage", including Zhuhai, Qingdao, Kunming and Jinan.

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CHINA SNAPSHOT

With a Construction Area of 86,000 sq.m., The Largest Office Building Transaction In Nanning was Completed in the First Half of the Year

Building A of Fuya International Business Building, Wuxiang New District, Nanning, Guangxi completed the entire transaction. The property has a total construction area of 86,000 sq.m.. It consists of a 193-meter high-end office building and a 5-story open-plan commercial podium, which can meet the multi-dimensional needs of users for office, social interaction, and shopping. At the same time, it has a 43-storey super-high skyline. It is the largest office building asset transaction in Nanning in the first half of 2022 with the highest transaction value. It is said that the transaction value is about RMB 585 million.

Wuxiang New District is a new core built by Nanning with the strength of the whole city. It is the bridgehead for Guangxi Autonomous Region to connect with the Greater Bay Area, radiate to the southwest, and embrace ASEAN. It has invested heavily in infrastructure and has an excellent business environment. It has attracted a large number of enterprises and high-quality talents.

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CHINA SNAPSHOT

An Industrial Plot in Shenyang Economic and Technological Development Zone Listed for Trading from September to October

On September 2, with the approval of the Shenyang Municipal People's Government, the Shenyang Municipal Bureau of Natural Resources organized the listing and trading of the JK(G) 2022-005 J37-2 plot. The listing transaction time is from September 22 to October 10.

The plot is located on the west side of Xihe Liubei Street, Shenyang Economic and Technological Development Zone, with a land area of 9,706.27 sq.m. and a construction area of 9,815.14 sq.m.. The starting price of the plot is RMB 344/sq.m., and the bidding deposit is RMB 700,000.



Shenyang Economic & Technological Development Zone,
Shenyang city, Liaoning province
[Source of Picture: China Daily]

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CHINA SNAPSHOT

Residential Price Index of Major Cities (August 2022)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,100	-0.21	Beijing	44,611	0.05
Chongqing	11,793	-0.04	Tianjin	14,987	-0.16
Guangzhou	24,670	0.06	Shenzhen	54,555	0.23
Nanjing	24,770	0.30	Hangzhou	29,332	0.27
Chengdu	12,701	-0.07	Wuhan	13,308	-0.01
Dalian	13,868	-0.01	Suzhou	18,369	0.05
Xi' an	12,133	0.13	Xiamen	29,238	0.11
Ningbo	19,693	0.40	Changsha	9,441	0.33
Wuxi	14,340	0.24	Dongguan	19,549	0.17
Shenyang	9,923	0.11	Fuzhou	17,180	-0.02

Source: Fangtianxia Hundred City Price Index

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