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China Hong Kong City

中港城



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.

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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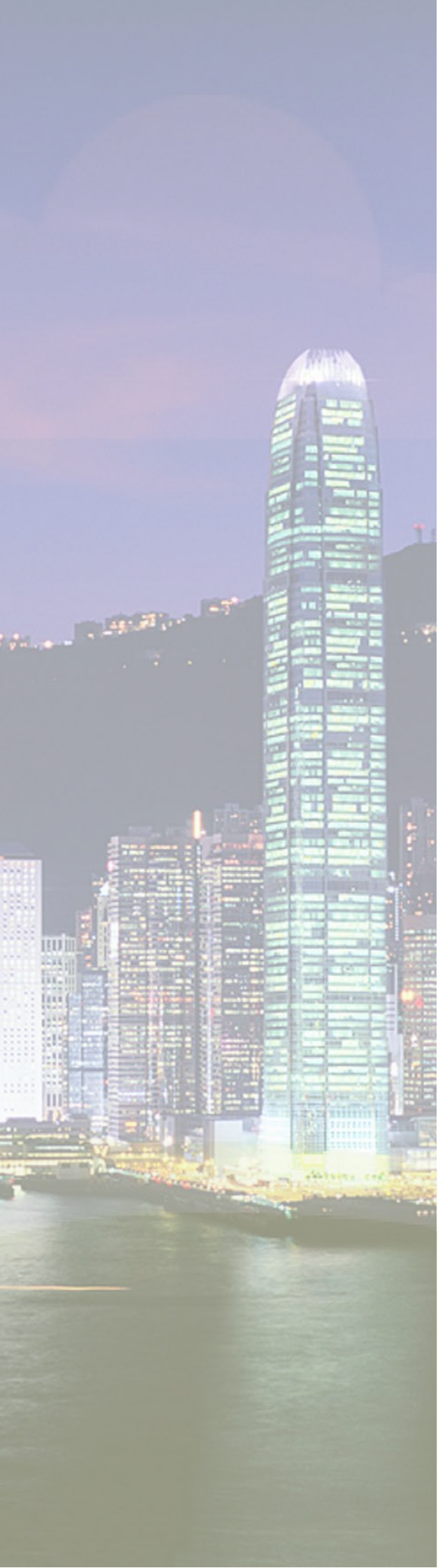
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HONG KONG PROPERTY- MARKET WATCH

**Tsim Sha Tsui Canton
Road: Shop Rental Market
Activities Remain Stable,
Rental Continues to Fall**

HONG KONG PROPERTY - MARKET WATCH

Tsim Sha Tsui Canton Road: Shop Rental Market Activities Remain Stable, Rental Continues to Fall

Retail market is still under pressure with the commencement of “0+3” arrangement and the relaxed control for the overseas guided tours entering Hong Kong lately. Tourists along Canton Road in Tsim Sha Tsui, one of the famous tourists shopping hot spots, are rare. Even so, rental market of retail shops along Canton Road is apparently being activated again by the local-led and commercial-led tenants.

Summarizing different sources, a bank has recently let the connecting shops Nos.5 and 6 on G/F of Hanley House, Nos.68-80 Canton Road at a monthly rental of HK\$720,000. The tenancy shall last for 6 years from November with the right to renew for 3 years. The shop had been used by a local cosmetics products shop before, and its peak monthly rental rocketed at HK\$3.3 million in 2014. The latest rental means the slump in rental by 78%. With the shop’s area of about 1,940 sq.ft., the unit rental worth only HK\$371/sq.ft..

The last tenant of the shop was a chained cosmetics products shop since September 2017. The monthly rental for the first 6 months was HK\$900,000 at a unit rent of HK\$464/sq.ft.; and climbed to HK\$1.35 million or HK\$696/sq.ft. for period from March 2018 to February 2021. After the termination of tenancy, both parties had agreed to reduce the rental to about HK\$500,000 per month or a unit rental of HK\$258/sq.ft. for a short-term period of 1 year only. Comparing with the latest bank tenant, the new long-term monthly rental has dropped by 47%.

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

Even so, between 2011 and 2014, the shop had been let to another bank for a monthly rental of HK\$1.55 million, which had then been taken away by a chained cosmetics products shop for HK\$3.3 million or a unit rental of HK\$1,701/sq.ft., the record highest rental of this shop.

Concurrently, according to agency's information, the 2,518 sq.ft. shop at Nos.4 and 5 on G/F of Manley House, Nos.86-98 Canton Road, has been put onto the market for letting at a monthly rental of HK\$800,000. The former tenant was a chained personal care shop since 2018 at a monthly rental of HK\$1.25 million. The latest asking rental reflects a drop in rental for 36% in 4 years.

As reported by us earlier, the G/F and 1/F duplex shop at Silvercord has also been let by a Mainland's sports wear shop for HK\$2 million per month, after the relinquishment of premises by a jewellery shop which had been paying for a monthly rental up to HK\$7 million per month since 2005.

Besides, the triplex shop at G4, G5 on G/F, 104 to 106 on 1/F and 207 to 209 on 2/F had been abandoned since the moving out of the last sumptuous brand which paid for HK\$6.5 million per month back in 2014. The developer has then sub-divided the shop again after its failure to let out this giant shop for HK\$2.8 million and HK\$2 million afterwards. And the 2,816 sq.ft. shop on G/F has finally been let by a handbags and accessories shop for a short-term period of 1 year with a monthly rental within the range of HK\$200,000 and HK\$300,000 per month, or unit rental of about HK\$71/sq.ft. to HK\$107/sq.ft., media reports.



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In fact, under the current restrictions for tourists in the city, it is believed that the prime retail shop rental market at golden shopping area shall continue be less competitive than the past peak years, which to be led by local commercial activities instead of tourists; short-term rather than long-term; and cheaper rental.



CALVIN PANG
WRITER - HONG KONG
MARKET WATCH

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HONG KONG SNAPSHOTS

Non-Industrial Site in Kennedy Town Tendered at about HK\$440 Million

The Lands Department recently announced that, Inland Lot No. 9069, located at Sai Ning Street and Victoria Road in Kennedy Town of Hong Kong Island, has been tendered at a premium of HK\$439.299 million on a 50-year basis. The site has an area of about 537 sq.m. and is designated for non-industrial (excluding godown, hotel and petrol filling station) purposes.

According to the information from the tender document, the minimum gross floor area is 2,578 sq.m, while the maximum attainable gross floor area for private residential purposes is 4,296 sq.m. With an accommodation value of about HK\$9,500/sq.ft., this tender marked itself the lowest accommodation value of land in Hong Kong Island in the recent eight years.



The non-industrial land locates at Sai Ning Street and Victoria Road in Kennedy Town.

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

HONG KONG SNAPSHOTS

Hanley Villa, Tsuen Wan: First 2-bedroom Apartment Transaction Under HK\$5M in 5 Years

More people have been pulled back to the market with the bargaining potential enlarged recently. A flat of saleable area of 475 sq.ft. at Flat B on low-floor of Block 4 at Hanley Villa in Tsuen Wan has been sold earlier at a price of HK\$4.98 million. This 2-bedroom apartment, enjoys an open mountain view, was initially put onto the market at an asking price of HK\$5.5 million. As a first-time buyer coveted at the property soon, the original owner has agreed to reduce its price to HK\$4.98 million, with the unit rate of HK\$10,484/sq.ft., which set the first transaction of a 2-bedroom flat less than HK\$5 million of the same estate in 5 years. The seller acquired the property for HK\$4.88 million in 2017; after 5 years, its value was only up by HK\$100,000.



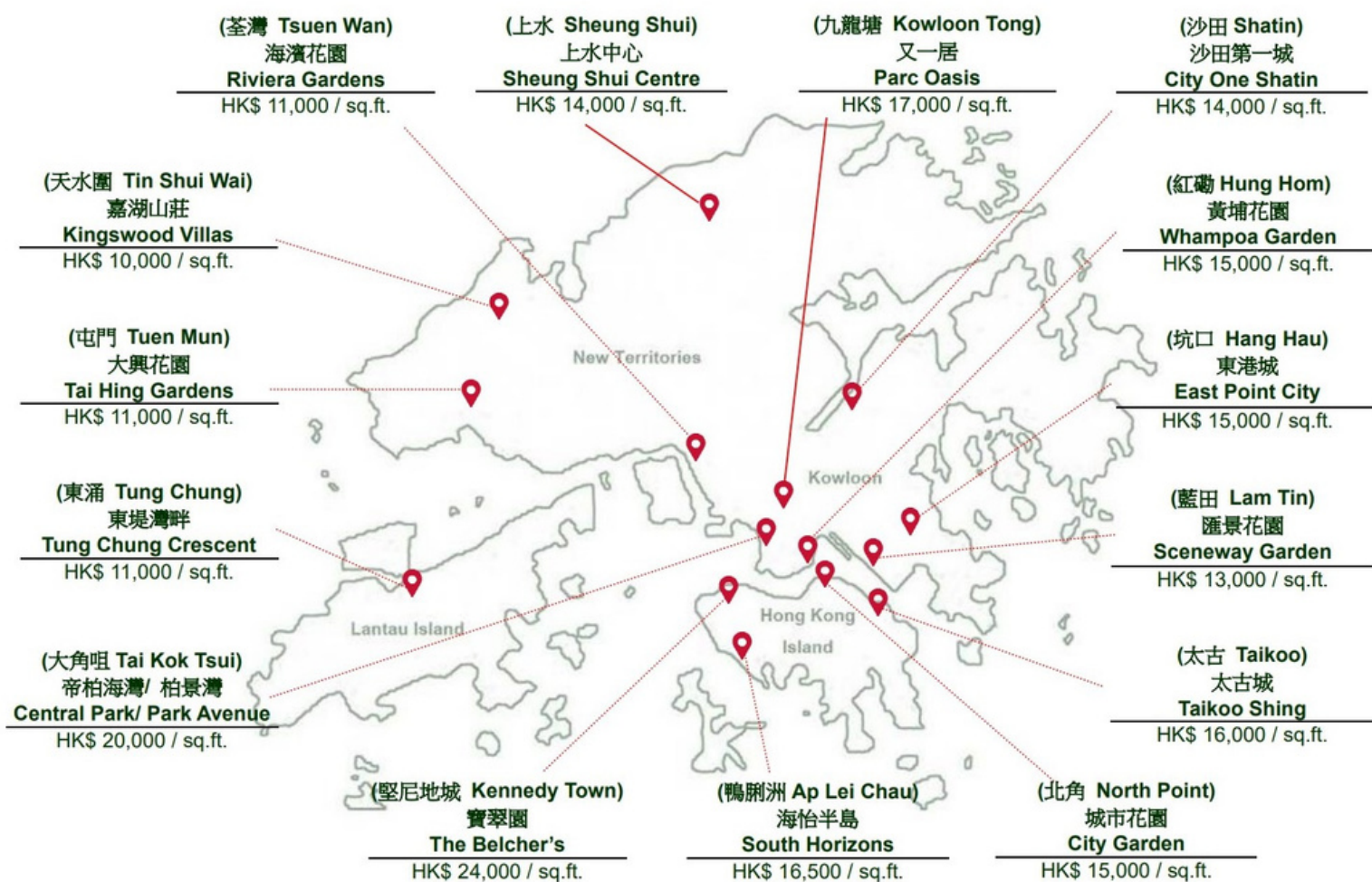
Hanley Villa.
(Source of Picture:
Online Database)

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- *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

- **Shenzhen Guangming Announces a New Urban Regeneration**
- **Pinggu, Beijing: Logistics Land Sold at an AV Up to RMB 2,000/m²**
- **Land Market Fatigue under Centralized Land Supply Policy**
- **Residential Price Index of Major Cities (October 2022)**

CHINA SNAPSHOT

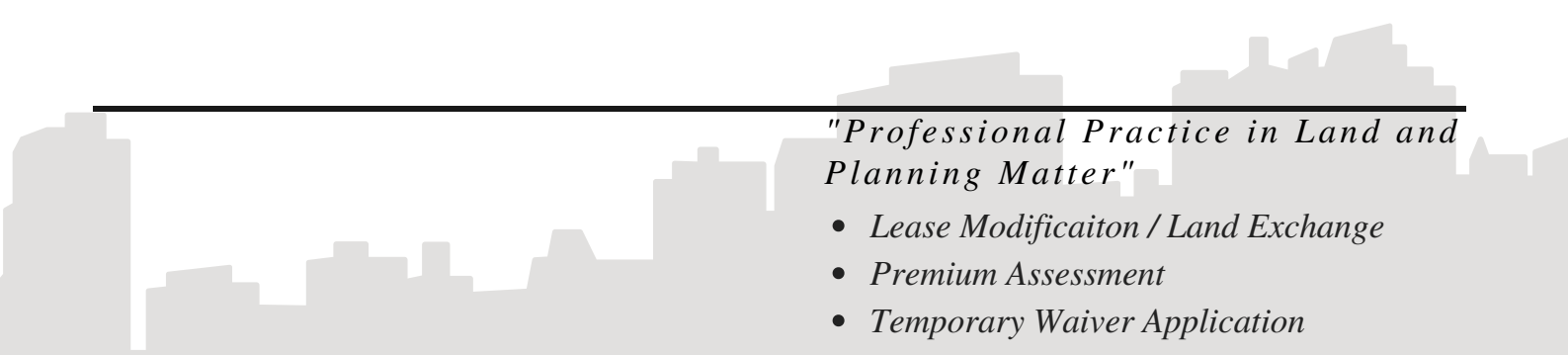
Shenzhen Guangming Announces a New Urban Regeneration

Recently, the Shenzhen Urban Renewal and Land Administration Bureau proposed an urban regeneration plan (the “Plan”) for Guangming District. The total site area of the Plan is around 1.95 million sq.m. including 1.28 million demolition area.

After regeneration, there will be development sites with a total site area of 520,000 sq.m. to be developed for commercial, residential and industrial use.

The Plan is located on Fenghuang neighborhood, TongMai Community, Guangming District with access by metro nearby. The entire scheme involves various kinds of land uses which embrace the multi-storey residential blocks hybrids with slightly commercial areas, educational facilities, leisure & sports facilities, industrial land uses, recreational green belts as well as a railway transit system. Not only the above properties, elderly homes and other supplementary community facilities like a wet market will also be in the masterplan proposal.

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 - Temporary Waiver Application
- 

CHINA SNAPSHOT

Pinggu, Beijing: Logistics Land Sold at an AV Up to RMB 2,000/m²

On November 1, a newly established storage corporation which based in Beijing successfully bided a W1 logistics use land in Pinggu Rural District, Beijing by paying a tender price, of approximately RMB 254 million. The average accommodation value was RMB 2,158/ sq.m..

The land plot is located in Mafang Village, Pinggu Rural District. It is one of the land blocks of the entire Beijing Logistics Park scheme (Phrase 1). The planned land area is around 6.53 hectares with a plot ratio, of 1.8, which lead to the planned Gross Floor Area, of 117,599 sq.m.. The land is proposed to offer the repair & maintenance service for vehicles, car sale exhibitions as well as automobile industry supplementary usage.



Pinggu Mafang logistics base planning renderings.
(Source of Picture: Online Database)

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CHINA SNAPSHOT

Land Market Fatigue under Centralized Land Supply Policy

According to market Index, until October 27, the completion rate in land tendering for the 22 cities which were on the list of “Centralized Land Supply Policy” failed to exceed 50%. The real estate developers were generally not eager and active in getting new lands owing to the economic downturn and sluggish demand in the sale market, even state-owned developers were gradually showing lassitude in obtaining new land.

The 16 cities like Wuhan and Guangzhou had started the third official centralized land tendering. However, the average auction pass-in rate was 11.3%, 3.3% higher than the second official centralized land tendering.

Simultaneously, due to the depressed market condition, the plot transacted in reserve price recorded an uplifting trend and probably became mainstream in the following season. In the short run, to stabilize the land market, it was predicted that the centralized land supply policy might be altered according to different market sentiments in cities. Also, to boost the market, more plots in prime locations with better planning conditions or legal terms will be released to the market.

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CHINA SNAPSHOT

Residential Price Index of Major Cities (October 2022)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,003	-0.05	Beijing	44,685	0.06
Chongqing	11,757	-0.10	Tianjin	14,959	-0.08
Guangzhou	24,691	0.17	Shenzhen	54,364	-0.32
Nanjing	24,743	-0.09	Hangzhou	29,414	0.10
Chengdu	12,718	0.21	Wuhan	13,272	-0.17
Dalian	13,865	0	Suzhou	18,375	0
Xi' an	12,156	0.08	Xiamen	29,237	-0.03
Ningbo	19,799	0.28	Changsha	9,481	0.25
Wuxi	14,376	0.05	Dongguan	19,539	0.01
Shenyang	9,922	-0.03	Fuzhou	17,189	0.05

Source: Fangtianxia Hundred City Price Index

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