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**RHL International**

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# **PROPERTY 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**

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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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- **Major Land Transaction (May 2023)**



# **HONG KONG PROPERTY- MARKET WATCH**

**Live Green**



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# HONG KONG PROPERTY - MARKET WATCH

## Live Green

In last edition, we have discussed how developers cooperate with enterprises to achieve ESG by creating a green business environment. Although the lay public and ESG are not directly related, every citizen can help the protecting the environment through their property purchases. This edition, we will briefly introduce the notion of “green domestic property” and “green mortgage”.

In order to promote a sustainable development in the building industry and aim at Net Zero by 2050, the Hong Kong Green Building Council (“HKGBC” or “the Council”) has set up a construction standard, and to launch a certificate of zero carbon building in July. According to the information, there has been more than 10 developers joining the programme.

In fact, in the past decade, more local developers have started to introduce different green designs in the new-built domestic developments. Building a green property not only can it enhance its energy efficiency and reduce carbon emission, but also to benefit the residents by saving the daily buildings’ expenditures. HKGBC has in addition established a performance standard to assess the sustainability of a construction’s planning, design, building, renovation, management, operation and maintenance. The assessment result will be accredited by the Council, the higher the score, the better the sustainability performance of the building it is.

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Apart from living in a “green domestic property”, the general public can also choose to go green in their mortgage plans. Many of the local banks have launched “green mortgage plan” for their clients which encourage mortgagors acquiring properties that satisfied with the idea of sustainable design and construction practice, in a bid to advocate green living and support the city’s sustainable development.

Before applying for a green mortgage plan, mortgagors are required to fulfil relative requirements. The property must be a first-hand, second-hand or government subsidized flats of residential property recognized and certified by the Council as a valid Gold or Platinum rating under “BEAM Plus New / Existing Buildings” scheme. Throughout the whole process of application, it would be a fully-digitalized and paperless one, including the submission of application form, documents, review of application result and daily account management.

To attract more clients from choosing the green mortgage plan, some of the banks have provided extra offers or other benefits in insurance buying or special interest rates for deposit-linked mortgage.



With the localizing green buildings in both living and business environments, together with the rising consciousness of environmental protection in the society, it is believed and optimistic that more green domestic developments will be completed in the future, driving our city to a greener one.

More green elements have been incorporated in the new-built domestic developments in recent years.  
(Source of Photo: RHL Photo Base)



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MARKET WATCH

*"Strategic Investment Advisory & Agency"*

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



## HONG KONG SNAPSHOTS

# The Government Acquired a Shop at Kwun Tong Office Tower for HK\$46 Million

In 2020, the Government has announced its plan to acquire 126 premises from the private market at a cost of HK\$200 million for various social welfare facilities. The latest one was revealed in May.

According to market information, the Government has purchased Shop B on 1/F of COS Centre, No.56 Tsun Yip Street, in Kwun Tong at a price of HK\$46 million. The premises provides a saleable area of 4,229 sq.ft., with the unit rate of HK\$10,877/sq.ft.. The purchaser was under the name of “The Financial Secretary Incorporated”.

The premises has been let to a restaurant at a monthly rental of HK\$105,000 until June this year. The premises was listed onto the market initially at HK\$78 million. The original owner bought the shop at a price of HK\$58.36 million in 2014. After 9 years ownership, the shop has been devalued for more than HK\$12 million or 21%.



The Government has purchased Shop B on 1/F of COS Centre in Kwun Tong lately.  
(Source of Photo: RHL Photo Base)

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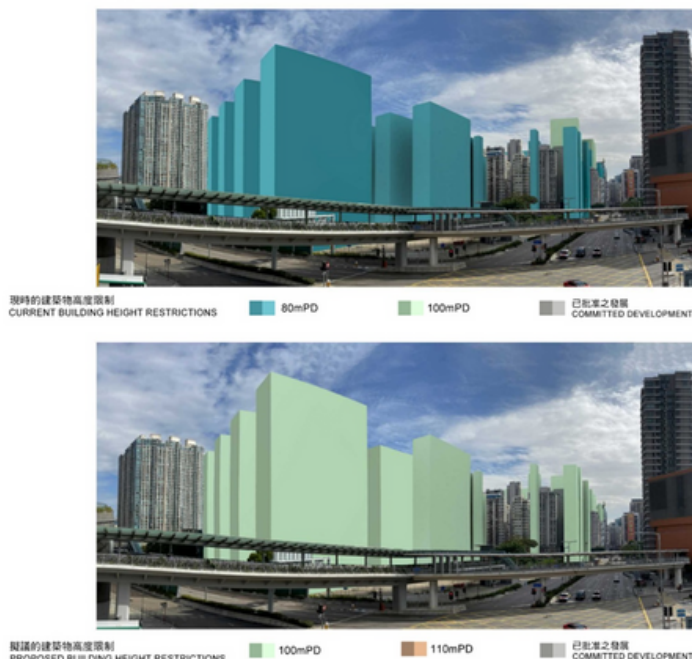
- Rate & Government Rent Appeal
- Compensation Claim Assessment
- Planning & Development Consultancy

## HONG KONG SNAPSHOTS

# Town Planning Board Agreed to Relax Commercial and Residential Development Density and Height in Yau Ma Tei

Following last year's announcement of the results of planning analysis for Yau Ma Tei and Mong Kok led by the Urban Renewal Authority in early years, the Planning Department has also suggested several amendments to the Yau Ma Tei Outline Zoning Plan, including increasing the plot ratio for commercial lands to 15 and residential lands from 7.5 to 8.5. Subsequent to discussion and consideration, the Town Planning Board has agreed to give it a green light.

The amendments allowed to raise the plot ratio for commercial lands along both sides of Nathan Road between Dundas Street and Jordan Road by 25%, and the maximum building height restriction relaxed to Hong Kong Principal Datum 140 m ("mPD") from 110 mPD, nearly a 27.3% increase.



Besides, residential plots around Man Sing Street, Canton Road and Reclamation Street shall be rezoned for "Residential (Group A)" with plot ratio booming to 8.5 from 7.5 and the building height restriction shall be relaxed by 15%, from 100 mPD to 115 mPD,

Imagination of buildings with height restrictions relaxed.  
(Source of Photo: Town Planning Board documents)

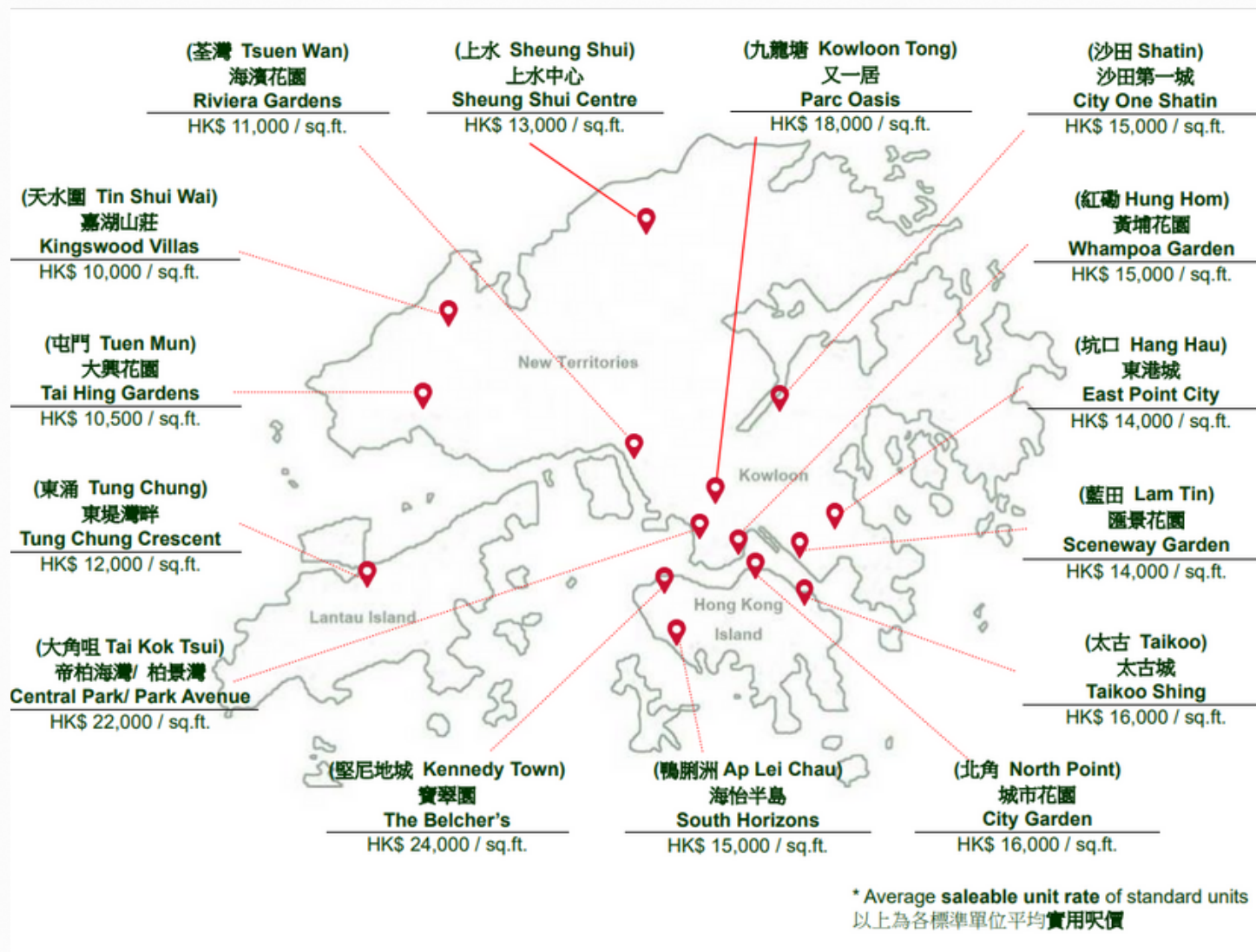
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- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application



# HONG KONG

## TRANSACTIONS OVERVIEW





## **CHINA SNAPSHOT**

- **The First Launch of Daily Consumption & Fundamental Infrastructure REITs in China**
- **Beijing Chaoyang Ocean Future Plaza Acquired for RMB1.963 billion**
- **Residential Price Index of Major Cities (May 2023)**
- **Major Land Transaction (May 2023)**



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## CHINA SNAPSHOT

### **The First Launch of Daily Consumption & Fundamental Infrastructure REITs in China**

In June, there are several new Chinese Real Estate Investment Trusts (REITs) launched on the public trading market. The 5 REITs are all focusing on non-residential or office properties, which embrace industrial parks, storage & logistical facilities, department stores, shopping arcades together with agricultural trading markets in their property portfolios. This is the first time that the Chinese government initiates the REITs that cover the community's commercial assets and infrastructure. This initiative is beneficial to optimize the land resources allocation as well as to balance the development between traditional investment assets like residential dwellings & offices as well as the other properties that are related to daily consumption. Moreover, the launch of these transformative REITs can enrich the coverage of REITs assets in the current market, which can attract more capital injection from investors owing to more speculation opportunities.

## CHINA SNAPSHOT

### Beijing Chaoyang Ocean Future Plaza Acquired for RMB1.963 billion

On May 29, Easyhome (000785. SZ) announced its plan to acquire Ocean Future Plaza for an aggregate amount of RMB1.963 billion.

The transaction consideration for the acquisition included a consideration of RMB349 million for the pre-emptive rights of the target shares and target debentures, a consideration of RMB1.604 billion for the transfer of the target shares and target debentures, a consideration of RMB10.335 million for the ownership of parking spaces and the civil defence construction.

The total site area of Ocean Future Plaza is approximately 35,887 sq.m. with 53 parking spaces equipped. The gross floor area and lettable area are approximately 62,398 sq.m. and 31,223 sq.m. respectively. The original owner of the property is Sino-Ocean Group and is currently held by a private equity fund under a REIT-like structure.

According to Easyhome, the transaction will enable it to hold a prime property in a top first-tier city. The arcade is only a hundred metres away from their shop at North 4th Ring road. Therefore, the acquisition not only has a synergistic effect but also strategically consolidates and enhances their business in the core Beijing.



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## CHINA SNAPSHOT

**Residential Price Index of Major Cities  
(May 2023)**

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,145	0.04	Beijing	44,735	0.04
Chongqing	11,723	0.03	Tianjin	14,918	0.03
Guangzhou	24,630	0.04	Shenzhen	53,979	0.03
Nanjing	24,734	-0.07	Hangzhou	29,479	-0.20
Chengdu	12,839	0.12	Wuhan	13,211	-0.08
Dalian	13,747	-0.01	Suzhou	18,403	0.03
Xi'an	12,206	0.15	Xiamen	29,246	0.05
Ningbo	19,881	-0.01	Changsha	9,524	0.07
Wuxi	14,288	-0.07	Dongguan	19,310	-0.12
Shenyang	9,862	-0.02	Fuzhou	17,169	0.03

Source: Fangtianxia Hundred City Price Index

Source: Fangtianxia Hundred City Price Index

## CHINA SNAPSHOT

### Major Land Transaction (May 2023)

Beijing- Residential Land	
Transaction Date:	01-06-2023
Address:	Shunyi District
Consideration:	RMB 1,730,750,000
Usage:	R2 Residential
Site Area:	34,099 sq.m.
GFA:	61,379 sq.m.
Plot Ratio:	1.8
Accommodation Value/ GFA sq.m.	RMB 28,198

Hangzhou- Residential Land	
Transaction Date:	29-5-2023
Address:	Tonglu Country
Consideration:	RMB 303,400,000
Usage:	Residential
Site Area:	45,997 sq.m.
GFA:	110,393 sq.m.
Plot Ratio:	2.4
Accommodation Value/ GFA sq.m.	RMB 2,748

Guangzhou- Commercial Land	
Transaction Date:	15-5-2023
Address:	Whampoa District
Consideration:	RMB 979,890,000
Usage:	Sports and Commercial
Site Area:	70,233 sq.m.
GFA:	196,652 sq.m.
Plot Ratio:	2.8
Accommodation Value/ GFA sq.m.	RMB 4,983

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