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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 (Aug 2023)



HONG KONG PROPERTY- MARKET WATCH

Accelerated Shop Rentals at Core Business Areas

HONG KONG PROPERTY - MARKET WATCH

Accelerated Shop Rentals at Core Business Areas

The return of tourists has accelerated the rental activities of shops at core business areas, yet rental level is largely lagging behind the highest point. Facing the less rebounding catering industry, some owners have changed their strategies by dividing shops into smaller size to suit for the tenants and market's needs.

The latest one took place at the ground floor shop at the Goldmark in Causeway Bay. The shop has let by a local boutique for a monthly rental of about HK\$180,000 or a unit rent of HK\$118/sq.ft., based on the gross floor area of 1,516 sq.ft..The shop involves shop Nos. 6 and 7 of the Goldmark at No.502 Hennessy Road. The same shop together with the remaining shop Nos. 1 to 5 were tenanted to a jewellery shop at a monthly rental of HK\$3.5 million or a unit rent as high as HK\$722/sq.ft., accounting for an 80% fall in unit rental.

The new tenant is a local fashion brand with several branches across the city, but not a major one, media reports. The brand has coveted at the brightening future retail market in the district, plus the prime shop location next to the MTR station, opposite to the Japan's style department stores and close proximity to various shopping arcades. Considering the importance of the location, provision of restaurants and office within the building and the high customers' affordability, the brand has therefore chosen this shop.

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The most golden moment can be traced back to 2016, the shop Nos.1 to 7 was let to a jewellery store at a monthly rental of HK\$3.5 million. With the gross floor area of 4,845 sq.ft., the unit rental has reached HK\$722/sq.ft..Comparing with the latest one, monthly rental has been evaporated by about 95% while unit rental slumped by 83%.

Even though, rental market atmosphere for retail premises in Causeway Bay has been improved and attracted a number of famous luxury brands stationing again. The most eyed one by the public is the ground and first floors shop including the advertising boards on the external wall at Capitol Centre. The 19,000 sq.ft. shop was let by a worldwide luxurious boutique at a rent of HK\$3 million per month, unit rental worthing about HK\$158/sq.ft..

Concurrently, the ground floor shop at No.545 Lockhart Road was also let to a cosmetic products shop at a unit rental of HK\$250/sq.ft. while the ground floor Shop Nos.15 to 18 at Causeway Bay Plaza Phase 1 was tenanted to a jewellery shop for a unit rental of HK\$168/sq.ft..

On the opposite side of the harbour in Mong Kok, a number of rental transactions have been recorded at the podium of an office building at No.33 Argyle Street. The building's owner has injected HK\$60 million to renovate and repartition the shops from ground floor to the third floor.

Following the renovation works, shops from Mezzanine floor to the third floor and Shop E on ground floor have let out immediately, remaining several premises on the ground. The lately tenanted Shop A2, faces Argyle Street, has a gross floor area of 560 sq.ft., let to a Taiwanese drink shop at a rental of HK\$52,000 per month or a unit rental of HK\$93/sq.ft.. The owner intended to let the whole ground floor premises to a restaurant. Nonetheless, the less expanding catering industry has driven the owner to change his mind and divide the shop into several shops, and letting to this drink shop at a discounted rent.



After renovation and repartitioning of shops by the owners, a number of rental transactions have been recorded at the lower podium shops at the office building at No.33 Argyle Street in Mong Kok. (Source of Photo: RHL Photo Base)



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

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HONG KONG SNAPSHOTS

Whole Block NTEH at Tsam Chuk Wan, Sai Kung Sold at HK\$16 Million

A transaction has lately been made at an odd number New Territories Exempted House at Tsam Chuk Wan in Sai Kung. The 2,100 sq.ft. property, enjoying a mountain and sea view, was put onto the market initially at a price of HK\$18 million and sold at HK\$16 million finally after a HK\$2.8 million or 15% price cut. The unit rate is now HK\$7,619/sq.ft.. The former owner acquired the property in 2005 at a cost of HK\$7.18 million, after the price surge of 18 years, the house value was inflated by 1.2 times or by HK\$8.82 million.

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 - *Compensation Claim Assessment*
 - *Planning & Development Consultancy*
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HONG KONG SNAPSHOTS

2 Rental Transactions Recorded at Developments at Olympic Station

There have been 2 rental transactions lately revealed at the so-called “Olympic Station’s 3 treasures”, each from the development at Island Harbourview and Central Park.

On one side at Olympian City 1, the property is a 2-bedroom flat F, with a saleable area of 459 sq.ft., on high-floor of Block 9 at Island Harbourview with a north-facing garden view. The owner has listed the property on the market at a rental of HK\$20,500 per month initially, and after 2 weeks, the property has been successfully let to one from other districts at HK\$19,500, at a unit rental of HK\$42.5/sq.ft..

On the other side at Olympian City 2, the property is a 3-bedroom flat C, with a saleable area of 775 sq.ft., on low-floor of Block 2 at Central Park with a southwest-facing harbour view. The owner has listed the property on the market at a rental of HK\$35,500 per month initially, and after 1 month, the property was let to a tenant from other districts at HK\$35,000, at a unit rental of HK\$45.2/sq.ft..

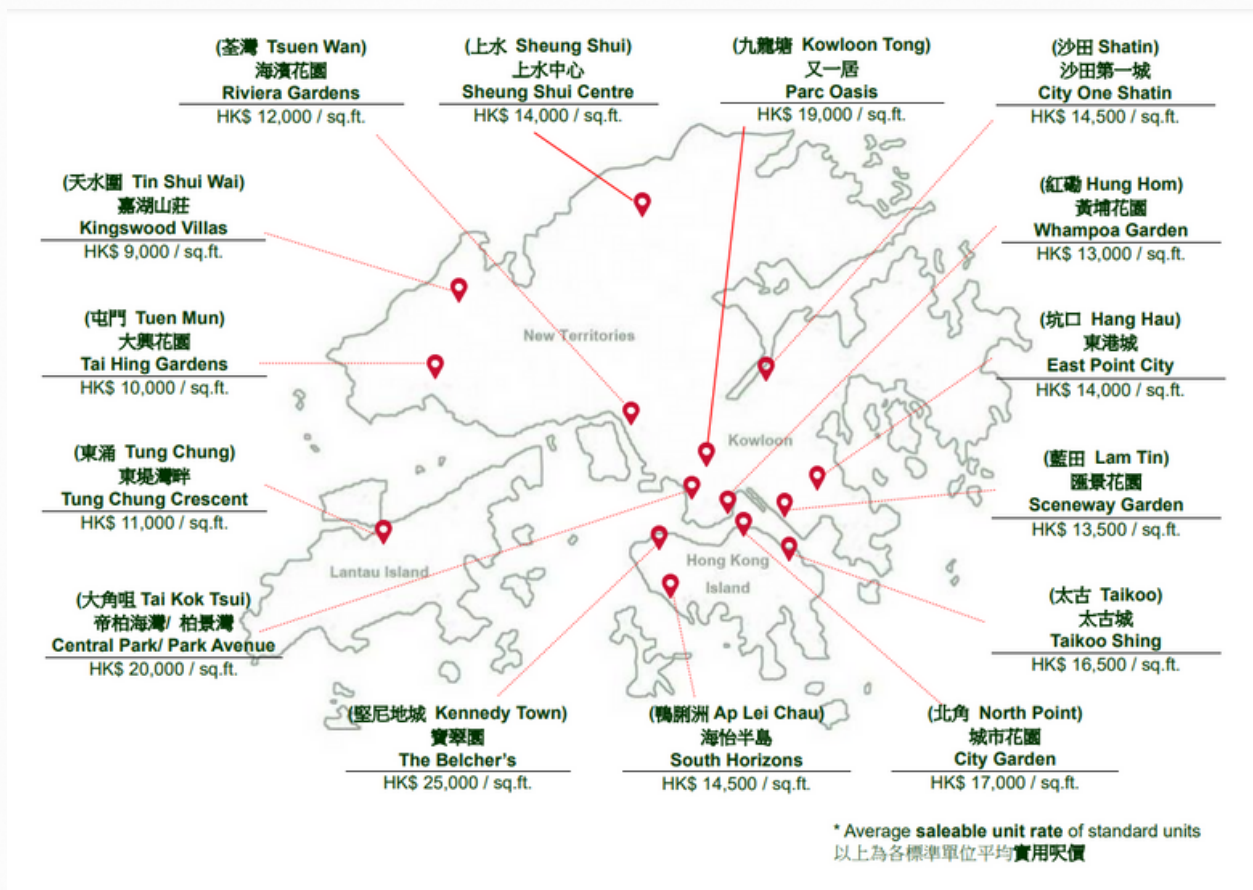


2 rental transactions lately revealed at Island Harbourview and Central Park of Olympic Station.

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

HONG KONG TRANSACTIONS OVERVIEW





CHINA SNAPSHOT

- **Beijing Cancels Property Reference Price**
- **Hospitality Assets are Envisaged to Increase Owing to the Recovery of Tourism**
- **Residential Price Index of Major Cities (Aug 2023)**
- **Major Land Transaction (Aug 2023)**

CHINA SNAPSHOT

Beijing Cancels Property Reference Price

In order to stimulate the fragile property market across the Mainland China, the capital city, Beijing, even followed other major cities like Shenzhen partially cancelled the "Second-Hand Housing Reference Price". In popular areas, especially in well-known school catchment areas, properties with price exceeding the guide price can be successfully listed now. During the period between 2020 Q4 and 2021 Q4, Haidian District together with Xi Cheng District, which are treated as the popular schools catchment areas, recorded a tremendous rise in second house prices. Thus, the high-volume transaction came with the relatively high unit rates drove the overall uplift in second-hand housing prices in Beijing at that time. To prevent market overheat and boom, related council implemented the reference price for flats, which sizes were under 60 sq.m., between 60 and 90 sq.m. and 90 sq.m. above. The asking price that is out of the range of reference price would be prohibited to list on the market.

However, the cancellation of reference price starting from September 8, which was seen as the signal of allowing the market to determine and adjust the unit rates by itself. The liberation of the property market may become the arrestment of gradually drop in property prices in Beijing.


CHINA SNAPSHOT

Hospitality Assets are Envisaged to Increase Owing to the Recovery of Tourism

Benefiting from the recovery of tourism market, the business performance of most of the listed hotel and hospitality listed companies were satisfactory. One of the leading enterprises was even recorded a RMB 10 billion in revenue in the first half of 2023, which is a 65.1% rise on year-to-year basis.

The sharp increase in traveler numbers has become the driving force to push up hotel room rents, especially in major tourism regions and metropolitans like Beijing and Shanghai. A lot of the hospitality groups turned losses into profits owing to the prosperous travelling emotions of the general public. Therefore, the investment of hospitality related assets particularly for high-ended luxury hotels are predicted to uplift as the real estates and hospitality groups add larger numbers of hotels and recreational facilities to their investment portfolios.

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

CHINA SNAPSHOT

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

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,184	0.01	Beijing	44,780	0.03
Chongqing	11,666	-0.04	Tianjin	14,902	-0.12
Guangzhou	24,634	-0.10	Shenzhen	53,445	-0.38
Nanjing	24,764	0.02	Hangzhou	29,461	0.02
Chengdu	12,863	0.04	Wuhan	13,179	-0.11
Dalian	13,474	0.00	Suzhou	18,405	0.01
Xi'an	12,240	0.13	Xiamen	29,269	0.03
Ningbo	19,912	0.07	Changsha	9,521	-0.11
Wuxi	14,266	-0.01	Dongguan	19,296	0.03
Shenyang	9,855	0.01	Fuzhou	17,171	0.02

Source: Fangtianxia Hundred City Price Index

Source: Fangtianxia Hundred City Price Index

CHINA SNAPSHOT

Major Land Transaction (Aug 2023)

Beijing- Residential Land	
Transaction Date:	22-08-2023
Address:	Pinggu District Plot
Consideration:	RMB 59,000,000
Usage:	W1 Logistic
Site Area:	20,172 sq.m.
GFA:	26,223 sq.m.
Plot Ratio:	1.3
Accommodation Value/ GFA sq.m.	RMB 2,250

Guangzhou- Commercial Land	
Transaction Date:	31-08-2023
Address:	Songjiang District
Consideration:	RMB 20,860,000
Usage:	Dietary & Hotel Plot
Site Area:	4,622 sq.m.
GFA:	9,244 sq.m.
Plot Ratio:	2
Accommodation Value/ GFA sq.m.	RMB 2,257

Shanghai- Industrial Land	
Transaction Date:	18-08-2023
Address:	Guangming District
Consideration:	RMB 3,732,000,000
Usage:	R2 Residential & Road
Site Area:	39,079 sq.m.
GFA:	212,970 sq.m.
Plot Ratio:	5.45
Accommodation Value/ GFA sq.m.	RMB 17,524

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