

RHL International

# Property Market Express 房地產市場快訊

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(Source of Photo: Online Photo)

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

**Transaction of HK\$100  
Million-Sumptuous  
Property Active in Early  
2024**



## HONG KONG PROPERTY-MARKET WATCH

### Transaction of HK\$100 Million-Sumptuous Property Active in Early 2024

During the Lunar New Year holiday, there was no transaction being made at the blue-chip housing estates by the city's 4 major agencies. On the contrary, a series of transactions have been revealed recently for luxury homes or houses with a transaction price above HK\$100 million.

The latest remarkable transaction has been recorded at “No.15 Shouson”, in the sumptuous properties market at the Southern district, during the Lunar New Year. House No.5 at No.15 Shouson, the luxurious housing development has been sold at a price of HK\$498.108 million or a unit rate of HK\$74,400/ sq.ft., revealing it as the first super luxurious property transaction in the Year of Dragon. The transaction is also the first recorded in one and a half year after the previous two made in 2022.

The sold House 5 comprises a saleable area of 6,695 sq.ft. with 5 suites, and a 2,391 sq.ft.-garden and a 1,580 sq.ft.-roof; the property is equipped with private lift, swimming pool and 2 parking spaces.

No.15 Shouson provides 15 houses. Tracing the sales record, including the one sold lately, 8 out of 15 houses have been disposed by the developer.



No.15 Shouson provides 15 houses  
(Source of Photo: Online Photo)

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Earlier in January, transactions of properties with a price over HK\$100 million have also been recorded in Beacon Hill and Happy Valley. At Mont Verra, No.3 Lung Kui Road in Beacon Hill of Kowloon Tong, a duplex penthouse had been sold through tender. The penthouse B is on the 6/F and 7/F of Tower 1 accommodating a saleable area of 8,583 sq.ft. with 5 suites and 3 maid rooms and, a roof of 2,777 sq.ft. and a terrace of 423 sq.ft.. The property is lately sold for HK\$619 million at a unit rate of HK\$72,119/sq.ft.. The price includes the rights to purchase of 2 residential car parking spaces which worth HK\$6 million for each space.

The development provides 5 towers with 61 flats and 3 mansions. Saleable area of the flats ranges from 3,466 sq.ft. to 8,583 sq.ft..



Mont Verra provides 61 flats and 3 mansions  
(Source of Photo: Online Photo)

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Meanwhile in Happy Valley, Unit B of House 5 of the luxurious housing estate at Nos.23- 39 Blue Pool Road is transacted at a price of HK\$230 million. The house accommodates a saleable area of 4,602 sq.ft., with a unit rate of about HK\$50,010/sq.ft.. Excluding the previous vendor-related transaction, the precedent deal of similar premises within the same estate was recorded in June 2021. Unit B of House 1 with a saleable are of 4,602 sq.ft. was acquired at a price of HK\$340 million or a unit rate of HK\$73,837/sq.ft..

Back to the early 2023, when everyone was waiting for the improvement of the property market after the reopening of the border, the market however was still weak. We wish to see any good news from the new Budget.

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

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## HONG KONG SNAPSHOTS

### Shop at Wan Chai Road Rented by a China's Bakery Shop for HK\$280,000 Monthly

A Mainland's bakery shop has rented Shops A and B on Ground Floor of Luen Tai Building, Nos.93- 99 Wan Chai Road, in Wan Chai at a monthly rental of HK\$280,000, media reports. The shop constitutes a saleable area of about 1,280 sq.ft., this new tenancy commences for a term of 3 years and the unit rental deduced in saleable area is about HK\$219/sq.ft.. The shop faces the intersection point of Wan Chai Road, Johnston Road and Fleming Road, with our daily observation, pedestrian flow outside the shop is high.

Comparing with the past tenancies, the new unit rental of the premises is close to the previous ones.



The shop faces the junction of Wan Chai Road, Johnston Road and Fleming Road, pedestrian flow outside the shop is high.  
(Source of Photo: RHL Photo Base)

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## HONG KONG SNAPSHOTS

### 2-Bedroom Apartment Rented at HK\$27,500 Per Month with Yield Rate of 6.1%: The Zenith, Wan Chai

A rental transaction has been made earlier for a 2-bedroom Flat F on high level of Block 2 at The Zenith in Wan Chai, media reports. The flat, comprises a saleable area of 443 sq.ft., was originally put onto the market at a monthly rental of HK\$28,500 and now being reduced to HK\$27,500, at a unit rental of HK\$62.1/sq.ft..

The owner has acquired the property in 2009 at a consideration of HK\$5.38 million, and a yield rate of 6.1% is expected to be brought to the owner under the latest tenancy agreement.



An apartment on high floor of The Zenith has lately been rented out at a unit rental of HK\$62.1/sq.ft..  
(Source of Photo: RHL Photo Base)

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# Latest Retail Property Market Update

*Retail Property Purchase and Rental Transactions in the Market*

## Quarry Bay



Address:	42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53 and 54/F, One Island East, No.18 Westlands Road, Quarry Bay
Transaction Price: (at November 2023)	HK\$5.4 billion
Saleable Area:	259,440 sq.ft.
Unit Rate in Saleable Area:	HK\$20,814/sq.ft. (Remarks: Property acquired directly from developer)

## Sheung Wan



Address:	12/F, No.238 Des Voeux Road Central, Sheung Wan
Transaction Price: (at November 2023)	HK\$46.64 million
Saleable Area:	1,268 sq.ft.
Unit Rate in Saleable Area:	HK\$36,779/sq.ft.
Last Transaction as at January 2015	
Price Change from Last Transaction:	+4.8%
Overall Market Change from Last Transaction:	+12.4% (Grade A Private Offices- Price Index by RVD)

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# Latest Retail Property Market Update

*Retail Property Purchase and Rental Transactions in the Market*

## Kowloon Bay



Address:	Units A and B, 26/F of Tower A, Billion Centre, No. 1 Wang Kwong Road, Kowloon Bay
Monthly Rental from January 2024:	HK\$136,000
Saleable Area:	4,658 sq.ft.
Unit Rental in Saleable Area:	HK\$29.2/sq.ft.

## Central



Address:	Units 2- 5, 41/F, IFC2, Central
Monthly Rental from December 2023:	HK\$1,011,000
Gross Floor Area:	6,740 sq.ft.
Unit Rental in Gross Floor Area:	HK\$150/sq.ft.
Last Tenancy since December 2020	
Rental Compared with Last Tenancy:	-14%
Overall Market Change from Last Tenancy:	-3.9% (Grade A Private Offices- Rental Index by RVD)

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## Latest Retail Property Market Update

### *Retail Property Purchase and Rental Transactions in the Market*

Statistics on Office Property Transaction Registered by the Land Registry	
Total Registered Transaction Volume in 2023 Q4	149
Volume of Registered Transaction in January	35
Transaction Value of Office Property in January	HK\$368 million
Transaction Value of Office Property in December	About HK\$5.769 billion
Monthly Change in Transaction Value	-93.6%
Source of Information: Land Registry and Centaline Property Market Big Data	

Hong Kong's economy is still being shadowed by uncertainties, both the transaction value and volume of office property market are weak. As revealed from the statistics by the Land Registry, there were only 35 nos. of transaction registered in January with the transaction value tremendously dropped by 93.6%. According to the Grade A Private Offices Rental Index published by the Rating and Valuation Department, the latest index has reached 229.2, the second consecutive months rising from the lowest point, but the figure is still 16.4% lower than the ceiling point recorded in June 2019; the price index however is still lingering at the lowest level. We estimate that, the current rental level of grade A offices could attract some corporates which intend to improve their working environments or expand its scale to enter the grade A offices, and slight improvement on rental level is expected in Q1. Meanwhile, basing on the current macro environment and the overall market supply of grade A offices, pressure on transaction price is anticipated.

**Grade A Private Offices- Rental Index published by the Rating and Valuation Department**



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## **CHINA SNAPSHOT**

- **Cancellation of Land Price Ceiling Boosts the Land Value in China Cities**
- **The Transformation in Commercial Real Estate Sector in Beijing Starting from the End of 2023**
- **Residential Price Index of Major Cities (Jan 2024)**
- **Major Land Transaction (Feb 2024)**

## CHINA SNAPSHOT

# Cancellation of Land Price Ceiling Boosts the Land Value in China Cities

The cancellation of land price ceilings brings up the highest accommodation value (AV) in histories in 6 cities including Guangzhou, Hangzhou, Chengdu, Fuzhou, Dongguan and Hefei. The principle of 'higher price can take the plot' are mainly targeting those state-owned enterprises with relatively huge capital and financial stability to compete for those plots with prime locations. In particular, the land sale program within the past two months has launched plots in core locations, better surrounding amenities and geographical qualities. Under the sluggish real estate norm, the quality and development potential of a plot is far more significant than plot quantities, most of the corporates changed their strategies from massively purchasing plots in the past to pin-pointing bidding plots with high investment value. The most remarkable sale occurred in Guangzhou, Yuexiu Group bought the Pazhou, Haizhu District plot with an AV of RMB 75,760/sq.m, 59% premium. It is surprising the non-tier one city, Hefei also recorded a 45% premium sale, reached an AV RMB 18,716/sq.m. for No. BK202305 residential plot, which broke the AV historical record of this city.

Besides, the planning control including plot ratio and usage has comparatively relaxed than in the past, particularly for those plots in countryside or suburban areas. The plot ratio is no longer limited to 1 or less than 1. Yet, it seems to be an attractive policy to real estate developers, the location and developers' cash flow seem to be the most determinant factors for bidding the plots. Basically, only those plots in cities' core areas were transacted with premium, the rest plots located in countryside generally sold out with reserved price and even encountered failure. Thus, the disparities between urban and rural areas may further be enlarged as capital is going to mainly flow into city centre. In the long run, this policy may not be beneficial to city planning, people's livelihood and the overall economy.

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## CHINA SNAPSHOT

# The Transformation in Commercial Real Estate Sector in Beijing Starting from the End of 2023

Within the period of the end of December 2023 till the first month of 2024, Beijing retail shopping centres and hotels performed positively, which was the opposite phenomenon of the Beijing office market. The office vacancy rate in the 5 core business districts rose to 12.6% after the 43.2% increase in office supply in 2023. By the end of 2023, the citywide office monthly rent dropped 1.8% to RMB 289.3/sq.m.. However, the retail market got rid of the adverse market trend as the office sector, and outperformed from the general ailing commercial real estate. The anabiosis of Beijing's local consumption habits and tourism stimulated the 0.4% growth in the first floor daily rental level of shopping arcades on citywide basis, up to RMB 32.3/ sq.m.. But partly based on the boost of digital shopping, the physical retail properties embodied the trend of transferring their functions from conventional retail shopping to dietary and beverage. It is common to observe that the chained soft drinks brands and some boutique cafés occupy the most eye-catching location on the first floor of the malls. They usually take those prime shops by paying a relatively higher rental costs than the rest of the retail tenants inside the same shopping centres. Thus, the retail market, especially shopping malls, is experiencing a transformation in tenant portfolio, rental level and physical structure.



The chained soft drinks brands and some boutique cafés occupy the most eye-catching location on the first floor of the malls by paying a relatively higher rental costs than the rest of the retail tenants inside the same malls. (Source of Photo: Online Photo)

In respect of hospitality transaction sector, in Q4 2023, hotels aroused investors' keen interest and capital inflow. Not only relying on the potential financial return owing to the recovery of tourism, but also hotels themselves share multi- functions like office, shopping arcades, conferences & exhibition usages instead of solely short-term accommodation use tourists. The functional inclusiveness of hotels lets investors purchase a single property but simultaneously enjoy the privileges of generating cash flow together with diversification of property investment risk. Its specifications can even attract some public REITs to put in their baskets for risk balancing. Moreover, like in Beijing, the two major hotel transactions in Q4 2023 signified the potential synergistic value creation from investors' perspective. Both hotels are chain-lined with brand value involving already creating stable cash flow, adding on with the prime location in the core mature business and retail districts can become high yield assets. Under a compilation of value-added or core-plus strategies like restructuring the ground floor hotel lobby, retail shops may even push up the asset value.



The functional inclusiveness of hotels lets investors purchase a single property but simultaneously enjoy the privileges of generating cash flow together with diversification of property investment risk.

(Source of Photo: Online Photo)

## CHINA SNAPSHOT

### Residential Price Index of Major Cities (Jan 2024)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,606	0.23	Beijing	45,054	0.14
Chongqing	11,645	0.08	Tianjin	14,991	0.31
Guangzhou	24,703	0.12	Shenzhen	52,973	0.12
Nanjing	25,091	0.26	Hangzhou	29,714	0.67
Chengdu	13,081	0.55	Wuhan	13,215	0.18
Dalian	13,571	0	Suzhou	18,545	0.15
Xi'an	12,395	0.49	Xiamen	29,145	-0.72
Ningbo	20,039	0.11	Changsha	9,591	0.16
Wuxi	14,311	0.24	Dongguan	19,296	0.08
Shenyang	9,801	-0.01	Fuzhou	17,108	-0.02

Source: Fangtianxia Hundred City Price Index

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## CHINA SNAPSHOT

### Major Land Transaction (Feb 2024)

Dongguan- Commercial & Financial Land	
Transaction Date:	20-02-2024
Address:	Dongguan Binhai New District 2024WG002 Plot
Consideration:	RMB 129,590,000
Usage:	Commercial & Financial Use
Site Area:	19,994 sq.m.
GFA:	35,989 sq.m.
Plot Ratio:	1.8
Accommodation Value/ GFA sq.m.	RMB 3,601

Chongqing- Industrial Land	
Transaction Date:	03-02-2024
Address:	Chongqing Hechuan District HC24-114-2 Plot
Consideration:	RMB 11,130,000
Usage:	Industrial Use
Site Area:	21,112 sq.m.
GFA:	42,224 sq.m.
Plot Ratio:	2
Accommodation Value/ GFA sq.m.	RMB 263

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## CHINA SNAPSHOT

### Major Land Transaction (Feb 2024)

Changsha- Industrial Land	
Transaction Date:	31-01-2024
Address:	Shanghai Qingpu District 16-06 Plot
Consideration:	RMB 315,410,000
Usage:	Commercial Use
Site Area:	13,713 sq.m.
GFA:	34,283 sq.m.
Plot Ratio:	2.5
Accommodation Value/ GFA sq.m.	RMB 9,200



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