

RHL International

# Property Market Express

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**HONG KONG PROPERTY**  
香港物業市場透視

**MAINLAND CHINA PROPERTY**  
中國內地物業市場透視

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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.

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- 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**

## **Conditions of Sale Adjusted for Multi-Storey Buildings for Modern Industries**

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# HONG KONG PROPERTY-MARKET WATCH

## Conditions of Sale Adjusted for Multi-Storey Buildings for Modern Industries

The Government announced earlier that adjustments will be made to the Conditions of Sale for the tender of the site for Multi-storey Buildings for Modern Industries (MSBs) in Hung Shui Kiu and Yuen Long, with the tender period of these 2 MSB sites further be extended by 4 months.

The Government launched tenders under the two-envelope approach for the Yuen Long Lot and the Hung Shui Kiu Lot in March and October 2024 respectively. The original tender closing date of both sites was 21st March, 2025. These 2 sites are the first batch of MSB sites rolled out for achieving the dual policy objectives of promoting the development of industries, and providing floor space to those brownfield operations displaced by government development projects to enable them to upgrade their operations. Under the two-envelope approach, tenderers must submit respective envelopes containing the non-premium proposals and premium proposals, so that the Government can consider non-premium factors, such as how the MSB(s) concerned may drive development of industries and facilitate consolidation of displaced brownfield operations, in addition to premium offers, and award the site to the most suitable bidder.

Considering the latest market situations, the adjustments of the Conditions of Sale include 3 main aspects:

Firstly, the enterprise successfully bidding the site will lease part of the floor space of the MSB to the Government at nominal rent for 10 years. The Government or its appointed agent will manage and rent out the floor space to brownfield operators affected by government development projects. This arrangement will replace the requirement under the original Conditions of Sale that the enterprise must permanently assign designated floor space to the Government at nil cost. In other words, the revised conditions will allow the ownership of the MSB to be fully consolidated in the hands of the enterprise being awarded the site.

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Besides, the Government allows phased development for the successful bidder by constructing floor space no less than the minimum gross floor area (“GFA”) required within the building covenant period. The floor space to be leased to the Government will then be calculated on the basis of the as-built GFA (20% for the Hung Shui Kiu Lot, and 30% for the Yuen Long Lot). The adjustment will enable a more flexible arrangement to accommodate the bidder’s actual operational needs rather than building the maximum GFA permissible once the site is tendered.

Moreover, the floor loading requirement of the floor space at Hung Shui Kiu Lot to be leased to the Government will be adjusted downwards from 30 kilonewtons/sq.m. to 25 kilonewtons/sq.m., which is the same as the floor loading requirement for the Yuen Long Lot and to achieve greater consistency with the requirement for industrial buildings in general and reduce the construction cost.



Development Area Concept Map of South Yuen Long.  
(Source of Photo: The Official Website of The Development Bureau)

The adjustments do not only move without deviating from the original policy intent, but also show the Government's receptiveness to market comments. Facing the current poor economic conditions, it is no longer a piece of cake for enterprises investing any landed property. Together with the original conditions requesting the enterprises must permanently assign designated floor space to the Government at nil cost, floor loading requirements for the space to be allocated to the Government, these terms have undoubtedly affected the returns of a piece of land and hence the willingness to enter into a bid by the enterprises.

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We believe that the revised conditions can bring a more reasonable investment return to the projects, and enhance the synergy between the policy objectives and the proposed development to be pursued by the tendering enterprises, encouraging enterprises to bid for the sites and expediting the developments of the lands. However, multi-storey buildings for modern industries is still a new concept to the city, whether it attracts those displaced brownfield operators is yet to be concluded.



**CALVIN PANG**  
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MARKET WATCH

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- 
- A light gray silhouette of a city skyline with various building shapes of different heights and widths, spanning the width of the page at the bottom.

## HONG KONG SNAPSHOTS

### Property Price Fell by Nearly Half After 3 Years of Possession

Constrained by the low prices of first-hand properties, the second-hand property market continues to be under pressure. Earlier, there was a record of substantial loss in market value of a second-hand property that had been held for less than three and a half years. A three-bedroom unit in Maya, Yau Tong, sets a record for the development's biggest loss. The original owner has only held the property for less than three and a half years, and its book losses amounted to HK\$8.573 million.

According to media reports and market information, Room C on high-level of Tower 1 at Maya in Yau Tong, with a salable area of 716 sq.ft. and three bedrooms, was initially sold for HK\$10.5 million. After negotiation, the unit was sold for HK\$9.3 million, with a unit rate of approximately HK\$12,989/sq.ft. in terms of saleable area.

Tracing the records, it was found that the original owner purchased the unit for HK\$17.873 million on 31st December in 2021. It had been held for less than three and a half years and the price dropped by 48%. The amount and magnitude of the loss hit a new high for the development. At the same time, its decline was even more significant than the 26.4% fall in the Class B private residential price index by the Rating and Valuation Department during the same period.

Maya is located at Sze Shan Street and Shung Shan Street in Yau Tong. The factory buildings in the area are being rebuilt at an active pace, and a number of new residential projects have been completed in recent years. It takes about 10 minutes to walk from the development to MTR Yau Tong Station.



The latest transaction revealing a substantial fall in market value was at Maya in Yau Tong.  
(Source of Photo: RHL Photo Base)



## HONG KONG SNAPSHOTS

### Price of Single-Bedroom Unit at Lai Tsui Court in Cheung Sha Wan Up by 60% in 6 Years

A one-bedroom unit at Lai Tsui Court, a Home Ownership Scheme development in Cheung Sha Wan, was recently sold for HK\$2.95 million in the HOS Secondary Market, with a unit rate of approximately HK\$10,498/sq.ft. in terms of saleable area. The original owner had acquired the unit in 2019 and now sold with a rise of HK\$1.12 million after 6 years of possession, an increase of at least 60%.

According to media reports, the property is Room 10 on the upper floor of Lai Sum House in Lai Tsui Court, with a saleable area of 281 sq.ft. and one-bedroom with an open city view. Considering the complete amenities in the area, the buyer finally agreed to take over the property at a price of HK\$2.95 million in the HOS Secondary Market, which is equivalent to a unit rate of about HK\$10,498/sq.ft..

The development was completed in 2019. The original owner acquired the unit at a price of about HK\$1.83 million in the HOS Secondary Market. After the 6-year ownership, it was now sold with a profit of around HK\$1.12 million or a at least 60% rise in property price.



A single-bedroom unit at Lai Tsui Court in Cheung Sha Wan was lately sold in the HOS Secondary Market with a 60% rise in property value after 6 years of ownership.

(Source of Photo: RHL Photo Base)

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# Latest Industrial Property Market Update

*Industrial Property Purchase and Rental Transactions in the Market*

## Lai Chi Kok



Address:	Factory B, 5/F, Fast Industrial Building, No. 658 Castle Peak Road, Lai Chi Kok
Transaction Price: (at February 2025)	HK\$7.25 million
Saleable Area:	1,915 sq.ft.
Unit Rate in Saleable Area:	HK\$3,786/sq.ft.
Last Transaction as at November 2016	
Price Change from Last Transaction:	-17.2%
Overall Market Change from Last Transaction:	-5.5% (Private Flatted Factories- Price Index by RVD)

## Tsuen Wan



Address:	Unit 2B, 5/F, High Block, Cheung Fung Industrial Building, Nos.23-39 Pak Tin Par Street, Tsuen Wan
Transaction Price: (at February 2025)	HK\$39.38 million
Saleable Area:	6,890 sq.ft.
Unit Rate in Saleable Area:	HK\$5,716/sq.ft.
Last Transaction as at October 1991	
Price Change from Last Transaction:	+481.9%
Overall Market Change from Last Transaction:	+363.1% (Private Flatted Factories- Price Index by RVD)

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# Latest Industrial Property Market Update

*Industrial Property Purchase and Rental Transactions in the Market*

## Kwun Tong



Address:	Unit H, 8/F, Selwyn Factory Building, No.404 Kwun Tong Road, Kwun Tong
Monthly Rental from January 2025	HK\$20,000
Saleable Area:	1,340 sq.ft.
Unit Rental in Saleable Area:	HK\$14.9/sq.ft.

## Kwai Hing



Address:	Factory Unit B, 2/F, Mai Shun Industrial Building, Nos.18-24 Kwai Cheong Road, Kwai Hing
Monthly Rental from January 2025:	HK\$48,000
Saleable Area:	4,420 sq.ft.
Unit Rental in Saleable Area:	HK\$10.9/sq.ft.

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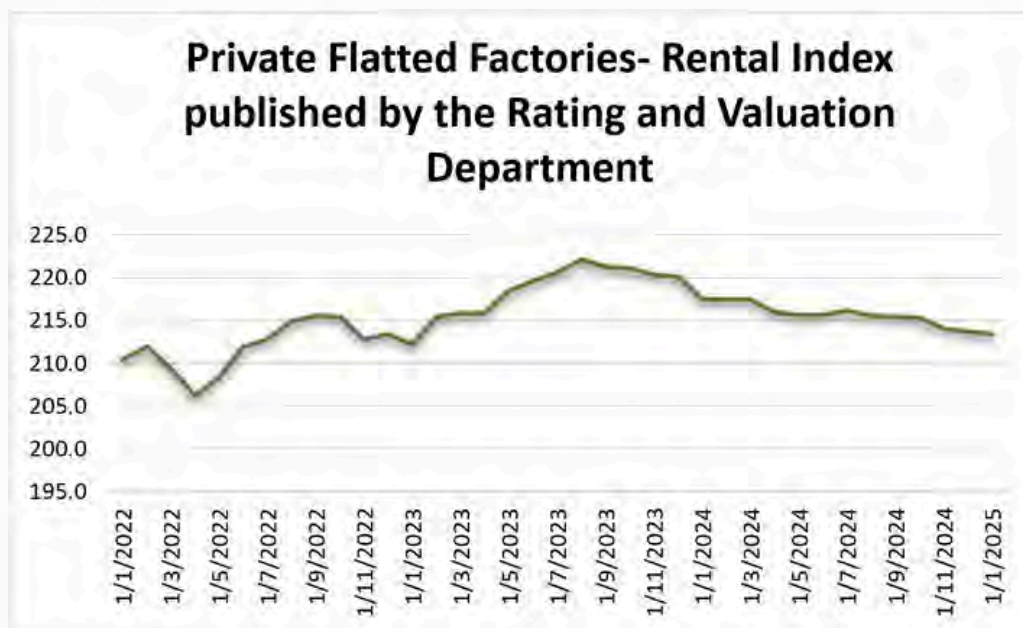
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# Latest Industrial Property Market Update

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

Statistics on Industrial Property Transaction Registered by the Land Registry	
Volume of Registered Transaction in 2024 Q3	450
Volume of Registered Transaction in 2024 Q4	514
Transaction Value of Industrial Property in January 2025	About HK\$2.355 billion
Transaction Value of Industrial Property in February 2025	About HK\$0.919 billion
Monthly Change in Transaction Value	-61.0%
Source of Information: Land Registry and Centaline Property Market Big Data	

As revealed from the statistics by the Land Registry and Rating and Valuation Department, as in Q4 2024, there were 514 nos. of transaction registered, increased by 14.2% compared with Q3 2024; and transaction value in February this year was down by at least 60%, compared with the figure in January. However, the price index is lacking support and continues its fall. According to the Private Flatted Factories- Price Index, the index has been falling since the highest point reached in 2022 in recent years by at least 26%. Meanwhile, the rental index is gently on a down side which is apparently being supported by the market users who wish to use the workshop as an office legally.



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## **MAINLAND CHINA SNAPSHOT**

- **Metropolitans Office Leasing Market Update**
- **Shenzhen Land Auction Defies Market Trend with High-Premium Sale**
- **Residential Price Index of Major Cities (February 2025)**
- **Major Land Transaction (March 2025)**

## MAINLAND CHINA SNAPSHOT

### Metropolitans Office Leasing Market Update

Throughout the past three months, the fatigued performance in office leasing in the major cities in China was still recorded, and it failed to show any strong rebound. By reference to the two main measurement indices, vacancy rate and rental level per sq.m., negative news are unfortunately mirrored from them.

In Shenzhen, Guangzhou, Beijing and Shanghai, these four metropolitans recorded an average of around 20% of office vacancy rate. Shenzhen was the worst among four of them, reaching 26% of the vacancy rate while Shanghai also recorded 23%. The recessions in real estate, financial, technological and professional service industries are one of the pillar grounds that contribute to the weak leasing markets. These tenants were prudent in engaging the rental terms and searching for some workplaces that are located in tier-two areas with low rental payments.

Compared on a year-to-year basis, the performance in daily rental level per sq.m. was still behind, especially in the office markets of Shanghai, Guangzhou and Shenzhen. However, compared to December 2024, average daily rental increased by 0.63% and 5.35% to RMB 3.21 per sq.m. and RMB 3.15 per sq.m. respectively in the Guangzhou and Shenzhen office markets. The average rental level of Beijing was surprisingly back to RMB 6.26 per sq.m. per day, which is a 5.56% uplift on a month-to-month basis. One of the driving forces is the robust demand for State-Owned Enterprises, Centralized Enterprises and some monopolistic scale groups which tend to set headquarters in Beijing with most of their leases signed expiring in the period of year end. They would prefer to renew the leases even with rental uplift as their cost in relocation were particularly high.



Office buildings along the Huangpu River in Shanghai.  
(Source of Photo: Online Photo)

Undoubtedly, the leasing market is under adjustment and the major anchor tenants were mostly looking for alternative options with less occupation cost or favourable incentives on the current surplus market. With the future increase in office supply, it is not astonishing that the rental level in core areas embodied a downward trend. However, it is believed that the absorb rate for those new-built offices shall be high as the features of open layout, smart appliances and multiple-usages decide can attract some quality tenants to move in.

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## MAINLAND CHINA SNAPSHOT

# Shenzhen Land Auction Defies Market Trend with High-Premium Sale

On 2nd December 2024, under a sluggish property market dynamic, the Shenzhen land sale market was surprisingly performing in a reverse way. A mixed-use plot, T107-0107, was tendered by a joint venture of two prestigious property developers, who bid RMB 18.512 billion with a 46.31% premium on the reserved price. The accommodation value is RMB 70,387/sq.m..

This R2 Residential-Commercial hybrid uses plot is located at Yuehai Street Block, Nanshan District, a sub-business district clustered with some headquarters of technological giants such as Lenovo and Alibaba. That area is filled with commercial skyscrapers and some luxurious residential developments. Based on the locality of 'China Silicon Valley' and the average price of RMB 120,000/sq.m. of the adjacent residential development, 'Riviera Phase 2-3', developers were willing to experience more than 160 rounds of price offerings to acquire this plot with high investment potential. It is believed that the average unit rate for residential property can reach up to at least RMB 150,000/sq.m. based on the newly-built condition and the seamless connection with the railway stop 'Teng Leong'.

The construction site area is 34,653 sq.m. (net of 3,912.9 sq.m. of road use area) and with a plot ratio of 7.5895, the maximum gross floor area (GFA) of the site will be 263,000 sq.m. where residential use consists of 176,900 sq.m.; commercial apartment consists of 70,000 sq.m.; and commercial & retail consists 10,000 sq.m., together with the remaining GFA reserved for a kindergarten with 9 classes, cultural activities rooms, a daily care centre for the elderly, a community service stop, a child care centre and a property management room. There were few special conditions for this land grant. Regarding the commercial apartment sector, 40,000 sq.m. out of the total area can be alienated in a fragmented way to different buyers while the rest of 30,000 sq.m. is required to be assigned as a bundle style in a single ownership. It is encouraged that the 30,000 sq.m. of the tied-up area can be changed into a reasonable use, like hotel purposes. Other than the alienation limitation, the building height must be up to 200 metres but lower than 250 metres as the developers are required to fit with the skyscraper's city line urban design stated in "Urban Design Implementation Assessment and Design for Deep Bay Central District, Nanshan", published by Shenzhen Town Planning Authority. Thus, it can be foreseen that part of the units situating on high floors may enjoy seaview, but only building and greenery view for units on lower storeys.

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From this stunning land sale, developers are still eager to acquire high-quality plots with excellent locality, even paying a costly premium and subject to various special development conditions stated on the land grant. They may only reserve the capital for the plot with huge development potential and forgone those plots locate in secondary tier districts. We can expect that after the market recession, the average price per sq.m. of residential developments launching in Shenzhen will be rebounded owing to the high land acquisition cost. Thus, the sale program shall tend to target on high-value-added buyers in the country.



Part of Yuehai Street, Nanshan District, Shenzhen.  
(Source of Photo: Online Photo)



## MAINLAND CHINA SNAPSHOT

### Residential Price Index of Major Cities (February 2025)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	57,285	0.28	Beijing	45,745	0.27
Chongqing	11,631	-0.10	Tianjin	15,265	0.05
Guangzhou	24,722	-0.05	Shenzhen	52,652	-0.03
Nanjing	25,680	0.08	Hangzhou	30,683	0.26
Chengdu	14,034	0.11	Wuhan	13,284	0.03
Dalian	13,626	0.01	Suzhou	18,963	-0.07
Xi'an	12,970	-0.07	Xiamen	29,188	0.01
Ningbo	20,435	0.12	Changsha	9,691	0.27
Wuxi	14,393	0.16	Dongguan	18,867	-0.05
Shenyang	9,812	-0.06	Fuzhou	17,320	0.26

*Source: Fangtianxia Hundred City Price Index*

## MAINLAND CHINA SNAPSHOT

### Major Land Transaction (March 2025)

Chengdu- Residential Land	
Transaction Date:	11-03-2025
Address:	Group 1, Group 10, Collective, Yi Ma Village, San Sheng Street, Jinjiang District, Group 1, Group 3, Chen Jiayan Village, Group 3, Zeng Jiapo Village
Consideration:	RMB 1,991,730,000
Usage:	R2 Residential Land
Site Area:	37,787 sq.m.
GFA:	79,352 sq.m.
Plot Ratio:	2.10
Accommodation Value/ GFA sq.m.	RMB 25,100

Guangzhou- Commercial Land	
Transaction Date:	11-03-2025
Address:	Lot FA0601023, East of Congcheng Avenue, Jiekou Street, Conghua District
Consideration:	RMB 37,000,000
Usage:	B2 Commercial Land
Site Area:	8,267 sq.m.
GFA:	20,667 sq.m.
Plot Ratio:	2.50
Accommodation Value/ GFA sq.m.	RMB 1,790

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## MAINLAND CHINA SNAPSHOT

### Major Land Transaction (March 2025)

Shanghai- Industrial Land	
Transaction Date:	05-03-2025
Address:	Remaining Lot No. 15-01, Zhelin Township, Fengxian District
Consideration:	RMB 17,960,000
Usage:	Industrial Land
Site Area:	17,104 sq.m.
GFA:	34,208 sq.m.
Plot Ratio:	2.0
Accommodation Value/ GFA sq.m.	RMB 525

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