

RHL International

# Property Market Express

## 房地產市場快訊

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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

[www.rhl-int.com](http://www.rhl-int.com)

Land & Planning Matters,  
Surveying Practice

**Serena Lau**

serena@rhl-int.com

(852) 3408 3172

Hong Kong Property Valuation

**Tony Wong**

tony@rhl-int.com

(852) 3408 3322

Mainland China, Macau and  
Overseas Property Valuation

**Jessie Chen**

jessie@rhl-int.com

(852) 3408 3302

Business Valuation

**Alexander Lau**

alex@rhl-int.com

(852) 3408 3328

Industry / Market Research and  
Feasibility Studies

**Serena Lau**

serena@rhl-int.com

(852) 3408 3172

## 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**

**All New Standard Rates  
for Redevelopment of  
Industrial Buildings Fall**

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# HONG KONG PROPERTY-MARKET WATCH

## All New Standard Rates for Redevelopment of Industrial Buildings Fall

In early April, the Lands Department (LandsD) announced that new standard rates will apply with retrospective effect from April 1, 2025, for charging land premiums for lease modifications (including land exchanges) with regard to the redevelopment of pre-1987 industrial buildings (IBs) on industrial lots into new developments for modern industrial uses.

The standard rates arrangement for charging land premium in the redevelopment of IBs was first launched in 2021 as an alternative to the conventional premium assessment mechanism. The arrangement aims to provide certainty regarding the premium chargeable for lease modifications and streamline development procedures to expedite the redevelopment of pre-1987 IBs, which were constructed under a set of lower fire service installation requirements before the Code of Practice for Minimum Fire Service Installations and Equipment was revised by the Fire Services Department in 1987.

Differential standard rates were set for five broad regions in Hong Kong, including Hong Kong Island, Kowloon East, Kowloon West, New Territories South and New Territories North, and four uses within each region, namely: "industrial/godown (except special industrial)" use and "special industrial" use before lease modification, as well as "commercial/modern industrial" use and "residential" use to be permitted under the modified lease, for the calculation of the premium chargeable. The level of the standard rates applicable to the redevelopment of IBs is reviewed annually by the LandsD to ensure that the rates are in line with prevailing market conditions.

Unlike the past years, the LandsD promulgates, for the first time, separate standard rates for "commercial" and "modern industrial" uses after lease modification. The separation of the standard rates for "modern industrial" use from "commercial" use is to better reflect the land value of redeveloped IBs intended for modern industrial use.

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According to the latest announcement, the after value for modern industrial use is approximately HK\$1,579/sq.ft. to HK\$3,995/sq.ft., a significant decrease of approximately 25% to 29.2% compared to the previous rates before the adjustment. As for the standard rates for commercial use, the latest rate is about HK\$1,858/sq.ft. to about HK\$4,459/sq.ft., a fall by about 12.5% to 21.2%. For the standard rates of residential use, the decline was smaller, ranging from about 6.8% to 14.7%, or about HK\$2,694/sq.ft. to HK\$6,968/sq.ft..

Meanwhile, the previous value of industrial buildings in various districts was about HK\$1,301/sq.ft. to HK\$2,462/sq.ft., a decrease of about 12.5% to 14.5% from a year ago. The current before value for special industrial use has dropped by about 9.1% to 15.9% to HK\$929/sq.ft. to HK\$1,719/sq.ft..



Industrial building located in To Kwa Wan.  
(Source of Photo: Online Photo)

Even though Hong Kong is now on its strategic path of planning innovative and technological developments, number of IB-related transactions in the market are more frequently-recorded due to the growing demand for modern industries, the falling standard rates of all uses of properties have shown the local property market that full of down-going pressures.

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Based on the separated assessments of the standard rates for “commercial/modern industrial” uses, the new differential standard rates will apply for five uses, namely: "industrial/godown (except special industrial)" and "special industrial" uses before lease modification, and "commercial", "modern industrial" and "residential" uses after lease modification.



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

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## HONG KONG SNAPSHOTS

### City Garden, North Point: Price of 3-bedroom Sea View Apartment Returned to the Level in 2012

A three-bedroom sea view unit in City Garden, North Point, was recently sold for HK\$12.31 million, returning to the level of the unit 13 years ago.

Market sources indicated that the unit sold was Room E on the middle floor of Block 9 of City Garden, with a saleable area of 1,014 sq.ft., equipped with 3 bedrooms including 1 suite, enjoying a northwestward sea view. Based on the earlier transaction price of HK\$12.31 million, the unit rate is HK\$12,140/sq.ft., which returned to the level in the year of 2012.

According to the transaction records, the original owner purchased the unit for HK\$11.9 million in 2012 and held it for 13 years. The owner shall enjoy a book profit of HK\$410,000 with the property appreciated by only about 3.4%. After deducting miscellaneous expenses, it is believed that the owner has sold the property at a loss.



City Garden in North Point.  
(Source of Photo: RHL Photo Base)

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## HONG KONG SNAPSHOTS

### Parc City, Tsuen Wan: Unit Sold with a HK\$1 Million Price Cut

The tariff war has caused turmoil in global stock markets. An owner of Parc City was worried about the economic outlook and decided to cut the price to sell the property. The price of the 2-bedroom property was eventually reduced by HK\$1 million and sold for HK\$8.55 million, nearly 4% lower than the similar transaction last month.

Market sources revealed that the property sold was a 2-bedroom Room D on the high floor of Block 7, Parc City in Tsuen Wan, which has a saleable area of 524 sq.ft..

The original owner listed the unit for HK\$9.55 million in January this year. However, due to the recent escalation of the Sino-US tariff conflict and the stock market turmoil, the owner was worried that the property market would be hit. The owner was then reduced the price by a total of HK\$1 million and sold it for HK\$8.55 million, with a unit rate of HK\$16,316/sq.ft.. This is nearly 4% lower than the transaction price of HK\$8.88 million for a similar unit last month.

The original owner purchased the unit for HK\$8.36 million in September 2017 and held it for about 8 years. The current sale made a book profit of HK\$190,000 and the unit appreciated by 2.3% during the period.



Parc City at Tsuen Wan West station in Tsuen Wan.  
(Source of Photo: RHL Photo Base)

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# Latest Retail Property Market Update

*Retail Property Purchase and Rental Transactions in the Market*

## Mong Kok



Address:	Shop F, G/F, Lisa House, Nos.33-37 Nelson Street, Nos.12 13 13A-B 14 & 14A Yim Po Fong Street, Mong Kok
Transaction Price: (at February 2025)	HK\$22.5 million
Saleable Area:	768 sq.ft.
Unit Rate in Saleable Area:	HK\$29,297/sq.ft.
Last Transaction as at May 1991	
Price Change from Last Transaction:	+581.8%
Overall Market Change from Last Transaction:	+504.5% (Private Retail- Price Index by RVD)

## Central



Address:	Shop B, Ground Floor, No.11 Old Bailey Street, Central
Transaction Price: (at February 2025)	HK\$22.8 million
Saleable Area:	905 sq.ft.
Unit Rate in Saleable Area:	HK\$25,193/sq.ft.

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# Latest Retail Property Market Update

*Retail Property Purchase and Rental Transactions in the Market*

## Tsuen Wan



Address:	Shop 3, Ground Floor, Fortune Mansion, Nos.3-5 Cheong Tai Street, Nos.2-6 On Wing Street, Nos.10-18 Tsuen Hing Path, Tsuen Wan
Monthly Rental from March 2025	HK\$126,000
Saleable Area:	411 sq.ft.
Unit Rental in Saleable Area:	HK\$306.6/sq.ft.

## Cheung Sha Wan



Address:	Shop No.I, Ground Floor, Wing Lung Building, Nos.220-240 & 240A Castle Peak Road, Nos.20 & 22 Wing Lung Street, Cheung Sha Wan
Monthly Rental from January 2025:	HK\$70,000
Saleable Area:	680 sq.ft.
Unit Rental in Saleable Area:	HK\$102.9/sq.ft.

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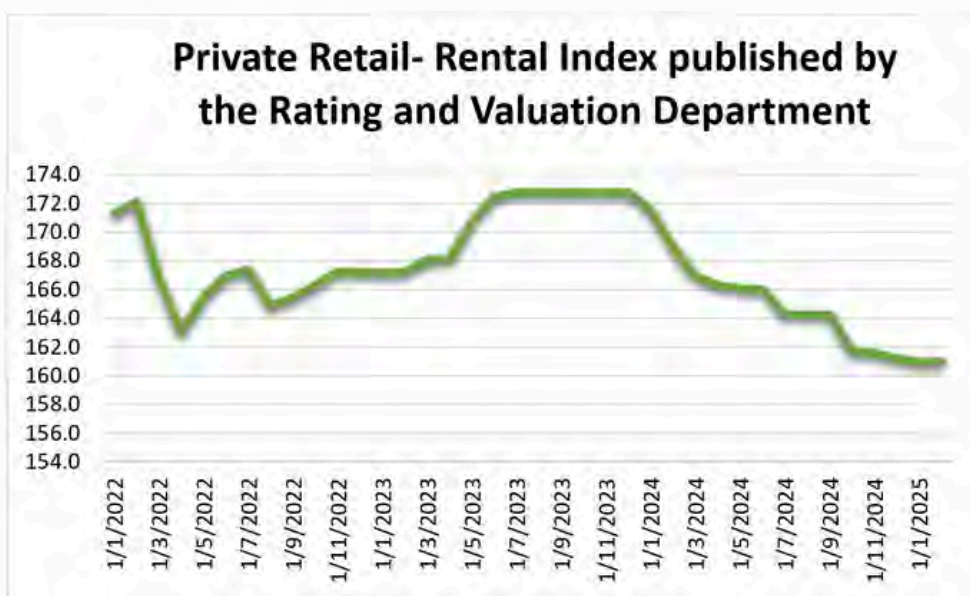
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# Latest Retail Property Market Update

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

Statistics on Retail Property Transaction Registered by the Land Registry	
Volume of Registered Transaction in 2024 Q4	248
Preliminary Volume of Registered Transaction in 2025 Q1	226
Transaction Value of Retail Property in February 2025	About HK\$1.756 billion
Preliminary Transaction Value of Retail Property in March 2025	About HK\$898 million
Monthly Change in Transaction Value	-48.9%
Source of Information: Land Registry and Centaline Property Market Big Data	

The latest governmental documents provided to the Legislative Council showed that, the number of nights staying in the city and the average spending per tourist have been reduced last year. Together with the trend for Hong Kong citizens heading northward for consumption during weekends or holidays, there is no major reason for a rebound of the local retail industry. According to the latest Private Retail- Rental Index published by the Rating and Valuation Department which cut off at February 2025, the latest figure is lingering at the lowest point in recent years, at 161.0. However, the figure has been stabilized for 5 consecutive months. We believe that the index has started to reflect the slight support of the resumed "Multiple-Entry" Individual Visit Endorsements for permanent residents of Shenzhen in December 2024 on the retail industry. Meanwhile, the preliminary transaction volume in 2025 Q1 has dropped from 2024 Q4, showing the conservative overview towards the retail property market.



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## **MAINLAND CHINA SNAPSHOT**

- **Update on “Residential Development Building Regulation, 2025”: Shenzhen**
- **Reverse Pricing for the Residential Pre-Sale Scheme in Beijing’s Zone 4 and 5**
- **Residential Price Index of Major Cities (March 2025)**
- **Major Land Transaction (March to April 2025)**

## MAINLAND CHINA SNAPSHOT

# Update on “Residential Development Building Regulation, 2025”: Shenzhen

On 31 March 2025, Shenzhen Building Authority published the “Residential Development Building Regulation, 2025,” which was to replace the related 14-year-old policy. This new standard will be officially implemented starting from 1 May 2025.

There are a few major building elements, which embrace the indoor ceiling height of bedroom/living room, vertical ascension requirement, smart appliances and technological improvement stated in the latest updated version.

More than 2.6 metres of indoor ceiling height for bedrooms and living rooms will become the standard for the new developments which are 3 metres span in building floor-to-floor. According to the last regulation, only more than 2.4 metres of indoor ceiling height for residential flats which are 2.8 metres high in floor height. For the new development, the increase in ceiling height can positively affect the flexibility in the arrangement and design of the lighting, ventilation and air-conditioning equipment. Meanwhile, the interior design will be more agile such as the projection screen can be larger and the wardrobe could be vertically extended. The most crucial improvement is the spatial perception and the daylighting inside the dwellings, which will bring up favourable influence to residents’ physical health.



Residential buildings in Shenzhen.  
(Source of Photo: CANVA Photo)

In the aspect of vertical ascension, in the past 14 years, only buildings with 7 storeys or more were mandatory for installing lifts. Turns out, the only vertical uplift mean is via the staircase for the tenement mansions which are less than 7 storeys. Thus, the new regulation clearly stated that at least one lift must be installed at residential buildings with 4 storeys or more or 9 metres tall above. Developments with 12 storeys or more or 33 metres high above will be equipped with at least 2 lifts. The rectangular-sized lifts will be at least 2.4 sq.m, as it is designed for medical emergency use. The ambulance stretcher will be capable of reaching the flats directly by the lifts.

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This vertical ascension standard is not limited to the new developments, but also to the currently-built estates such as the urban villages. Though it takes time to upgrade, the flats situated between the fourth to sixth floors could enjoy this legislative benefit. The valuation of these flats is believed to be uplifted. The elderly can also have safe accessibility.

Regarding technological improvement, the 2025 version of building regulation suggested the new development to expand the public mobile communication and network signal to the lift area, reserve more sockets for electric vehicles and install the automatic unlock function for the emergency exits. Also, the AC platform will be asked to construct for holding the outdoor machine of the split-type air conditioner, in case of any potential risk of falling objects. Other than these requirements, there are improvements in the standard of building and structural material, particularly regarding the aspects of soundproofing and balcony/ verandah safety.

The above update in building standards will undoubtedly improve the quality of life for the residents while for developers, it brings along with the potential 5% to 8% increase in construction cost and the compliance difficulties in the first-hand sale program for the upcoming new developments. However, despite the above regulation explaining the latest standard in detail, there is one confusion in the plot ratio and building height update. It mentions the maximum building height is 80 metres; the residential plot ratio is 3.1. Meanwhile, some urban regeneration schemes in Shenzhen are under-proposing and promoting by developers. Many of these projects are still in planning submission progress, no specific planning approvals have been granted. They have fallen into the basket of getting regulated by this 2025 legislation, which will cause unforeseeable financial outcomes to the regeneration plans. Eventually, to avoid the investment risk, the schemes may be forgone by the promoters. In a nutshell, the government and developers are recommended to address the conflicts in building density by granting discretionary planning conditions for specific projects after prudent consideration.



The vertical ascension standard is not limited to the new developments, but also to all the currently-built estates (i.e. urban villages on the left photo).

(Source of Photo: CANVA Photo)

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## MAINLAND CHINA SNAPSHOT

# Reverse Pricing for the Residential Pre-Sale Scheme in Beijing's Zone 4 and 5

From March to April 2025, there were a few residential flat pre-sales launched in Beijing. These new developments are mostly located between Zones 4 and 5, the sub-urban districts in Beijing. The pricing lists of the sales showed a reverse pricing pattern of the developments.

A development which was just granted with Pre-Sale Permission (No. Jingfang Sales Certificate No. (2025) 17), was promoted on 21 March 2025, located in the core area of Haidian District, with some Chinese technological and internet giants including Baidu and Sina in proximity. Prestigious high schools and universities also surround the subject development. The neighborhood can satisfy the occupational and educational needs of most of the buyers with families. Targeting the family users, with the excellent locality, all the 3-bedroom and 4-bedroom apartments were sold out on the first day of the sale launch. 91% of the stocks were purchased by buyers, despite the estimated handover date of the property is around May 2027. This stunning sale volume was believed not only to rely on the well-planned amenities around the development but also the attractive pricing. The average price offered on 21 March was only around RMB 100,000/sq.m., which was around 15% to 30% lower than the asking prices of the nearby residential dwellings. These comparables are not brand new, with building ages can reach up to 10 to 20 years. Though the old developments may have a better location than the subject, the brand-new houses with fit-out and furniture come along are undoubtedly providing pleasant grounds for the buyers.

The reversed norm reflects that the market is gradually recovering and the main force is driven by the buyers with essential needs. However, behind the satisfying first-hand sale volume, second-hand homes are encountering pressure as the sellers must show a dedicated attitude in promotion by engaging in price competition with the new developments listed on the market. Another positive news mirrored by this pre-sale scheme is that market players tend to rebuild confidence in purchasing pre-sale flats. In the past, unideal unfinished houses are filling around the country because of the developers' financial deficit. However, under the great effort of governance, the pre-sale scheme must comply with regulations.



Model apartment of a new building development in Haidian, Beijing.

(Source of Photo: Developer's Website Photo)

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## MAINLAND CHINA SNAPSHOT

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

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	57,588	0.53	Beijing	46,079	0.73
Chongqing	11,612	-0.16	Tianjin	15,268	0.02
Guangzhou	24,744	0.09	Shenzhen	52,705	0.10
Nanjing	25,692	0.05	Hangzhou	30,711	0.26
Chengdu	14,070	0.26	Wuhan	13,319	0.26
Dalian	13,624	-0.01	Suzhou	18,985	0.12
Xi'an	12,976	0.05	Xiamen	29,196	0.03
Ningbo	20,427	-0.04	Changsha	9,667	-0.25
Wuxi	14,397	0.03	Dongguan	18,796	-0.38
Shenyang	9,816	0.04	Fuzhou	17,330	0.06

*Source: Fangtianxia Hundred City Price Index*

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## MAINLAND CHINA SNAPSHOT

### Major Land Transaction (March - April 2025)

Guangzhou- Industrial Land	
Transaction Date:	14-04-2025
Address:	South of Xiaohu Nan San Road and West of Nanwan Chau Road, Huangge Town, Nansha District
Consideration:	RMB 48,140,000
Usage:	M3 Industrial Land
Site Area:	52,146 sq.m.
GFA:	156,438 sq.m.
Plot Ratio:	3.0
Accommodation Value/ GFA sq.m.	RMB 308

Shanghai- Commercial Land	
Transaction Date:	28-03-2025
Address:	Lot 23-09, Xicen Unit (JZ03), Qingpu District and part of the underground space on Lanke Road
Consideration:	RMB 79,390,000
Usage:	B2 Commercial Land
Site Area:	18,729 sq.m.
GFA:	30,863 sq.m.
Plot Ratio:	1.65
Accommodation Value/ GFA sq.m.	RMB 2,572

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## MAINLAND CHINA SNAPSHOT

### Major Land Transaction (March - April 2025)

Beijing- Residential Land	
Transaction Date:	18-03-2025
Address:	HD00-0705-0035-1 Land Use Coordination Plan for Shucun Fund Balancing, Haidian District, Beijing
Consideration:	RMB 7,502,000,000
Usage:	R2 Residential Land
Site Area:	39,738 sq.m.
GFA:	73,300 sq.m.
Plot Ratio:	1.6
Accommodation Value/ GFA sq.m.	RMB 102,347

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## CONTACT

(852) 3408 3188

(852) 2730 6212

(852) 5307 9925 (WhatsApp)



## EMAIL

info@rhl-int.com



## WEBSITE

www.rhl-int.com



## WECHAT

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