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HONG KONG PROPERTY
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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.

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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

CONTENTS

Hong Kong Property-Market Watch

- **Be Cautious at Low-Price Purchases !** P.4-7

Hong Kong Snapshots

- **Wealthy Garden, Kwai Fong:** P.8
**2-Bedroom Unit Sold at HK\$5.33 Million,
20% Down in 5-Year**
- **Ocean Pride, Tsuen Wan: Price of** P.9
2-Bedroom Unit Fell by 6% in 8 Years

Latest Office Property Market Update P.10-12

Mainland China Snapshots

- **Commercial Plot Tender in Nanshan** P.14-15
**District, Shenzhen: The Future DJI
Technology Global Headquarter?**
- **China Hotel Investment Market: Trend** P.16-17
and Challenges
- **Residential Price Index of Major Cities** P.18
(April 2025)
- **Major Land Transaction** P.19-20
(May 2025)



HONG KONG PROPERTY- MARKET WATCH

**Be Cautious at
Low-Price Purchases !**

HONG KONG PROPERTY-MARKET WATCH

Be Cautious at Low-Price Purchases !

Hong Kong's economy continues to be sluggish, chain stores are closing down, and migration continues. Even though residential property prices have continued to fall in recent years, some owners who are eager to sell their properties will inevitably sell them with a price cut greater than the market adjustment range. No matter in the free market or at auctions, it is not uncommon to hear news of properties being purchased at prices significantly below the market level. Even if the buyer can find his dream property at a low cost, the Inland Revenue Department, after consulting the Rating and Valuation Department (hereinafter referred to as "the RVD"), has the right to add stamp duty if it considers that the transaction price is too low. The buyer may therefore have to pay more than expected with the price cut.

With the property market in a downturn, news of property losses has been common in recent years. Occasionally, there have been cases where the property was sold at prices significantly below the market level. Apart from those individual factors, such as the unit being an accident unit or having no deed, some units may be sold at a cheaper price due to the poor condition inside or the owner is in a hurry to dispose. According to the market information, there have been at least two transactions in Cheung Sha Wan and Tuen Mun recently, where properties were sold at least 20% below the market price.

In Cheung Sha Wan, a studio unit at Lei Cheng Uk Estate was recently sold for HK\$950,000 before paying the land premium. Although the original owner bought the unit in 2017 and the unit has now appreciated by 1.3 times, the transaction price fell below the million-dollar mark, with a unit rate of HK\$3,430/sq.ft., a 3-year low for the estate. The unit is Room 10 on the middle floor of Wo Ping House, with a saleable area of 277 sq.ft. and a view of the playground. Since the decoration of the unit is relatively old, a discount has been allowed by the original owner. The market price of similar units ranges from HK\$1.1 million to HK\$1.3 million. The price of this unit is now about 14% to 27% lower than the market price.

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- 



A studio unit at Wo Ping House of Lei Cheng Uk Estate was recently sold for a transaction price below the million-dollar mark, a 3-year low for the estate. (Source of Photo: RHL Photo Base)

While in Tuen Mun, a 2-bedroom unit in Greenland Garden was recently sold for HK\$3million. The original owner bought the unit as early as 1989 and held it for 36 years at a book profit of HK\$2.51 million, and the flat is now appreciated by 5.1 times. The unit is Room 6 on the lower floor of Block C, with a saleable area of 429 sq.ft.. As the owner is about to migrate, to sell the property at an accelerated pace, a greater discount was offered by the owner. The asking price was reduced from HK\$3.5million to HK\$3million, or a unit rate of only HK\$6,993/sq.ft. in terms of the saleable area, about 20% lower than the recent transaction price of similar units.

Buyers are certainly happy to be able to buy properties at a low price, but what follows may be a letter from the RVD. It is no doubt to pay ad-valorem stamp duty after the sale of a property, but the property price for calculating stamp duty is not necessarily based on the buyer's final transaction price. Before collecting the stamp duty, the Collector of Stamp Revenue of the Inland Revenue Department will first certify whether the property sales price is reasonable with the RVD. If it considers the transaction price to be too low after analysis, the RVD will send a letter to the buyer stating that the transaction price is lower than the result of the department's assessment and state the price the department believes. If the buyer does not raise any objection within 14 days of the letter, the RVD will inform the Collector of Stamp Revenue of the assessment result for the purpose of collecting stamp duty.

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At this point, I believe that most buyers will not agree with the assessment of the RVD. However, in addition to objecting to the relevant results, buyers should immediately seek the advice of a professional General Practice Surveyor. If both parties believe that there is sufficient evidence or market transaction data to prove that the purchasing price of the property is reasonable, the surveyor can then prepare a valuation report for the buyer and submit it to the RVD for reference and negotiation.

Of course, the final result is still subject to the consideration of the RVD. However, in order to avoid delay and loss of time and opportunity for appeal, buyers must seek the advice of a General Practice Surveyor immediately after receiving the letter from the RVD.

If you have any enquiries regarding the appeal on the ad-valorem stamp duty on property transactions, please feel free to contact RHL, we are delighted to provide any assistance if necessary.



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

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HONG KONG SNAPSHOTS

Wealthy Garden, Kwai Fong: 2-Bedroom Unit Sold at HK\$5.33 Million, 20% Down in 5-Year

At Wealthy Garden in Kwai Fong, a low-level Unit D with a saleable area of about 400 sq.ft., which is a two-bedroom unit with a store room, has lately been sold at a price of HK\$5.328 million. The original owner had held the property for about 5 years and suffered a book loss of HK\$1.312 million.

According to market reports, the original owner listed the property for HK\$5.95 million last year, which then reduced to HK\$5.73 million, and later further reduced to HK\$5.5 million. After negotiation between the buyer and seller, the price was agreed at HK\$5.328 million, with a unit rate in terms of saleable area of approximately HK\$13,320/sq.ft..

According to records, the original owner purchased the unit for HK\$6.64 million in 2020 and held it for about 5 years. The book loss on this transaction was HK\$1.312 million, and the property depreciated by 19.7% during the period.



A low-level Unit D at Wealthy Garden in Kwai Fong was lately disposed with a 20% depreciation after 5-year ownership.

(Source of Photo: RHL Photo Base)

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HONG KONG SNAPSHOTS

Ocean Pride, Tsuen Wan: Price of 2-Bedroom Unit Fell by 6% in 8 Years

A 2-bedroom unit at Ocean Supreme of Ocean Pride in Tsuen Wan was recently sold for HK\$8.6 million, with a saleable unit rate of HK\$16,226/sq.ft.. The unit has been held for 8 years and has depreciated by about 6.3% during the period.

The unit is Room A on the high floor of Block 2B at Ocean Supreme of Ocean Pride, with a saleable area of 530 sq.ft., 2 bedrooms, and southeastern sea views. The unit was initially priced at HK\$9.9 million, but after negotiation it was sold at HK\$8.6 million, equivalent to a unit rate of HK\$16,226/ sq.ft. in terms of saleable area.

The original owner purchased this first-hand unit for HK\$9.18 million in July 2017 and held it for 8 years. As at this transaction, a book loss of HK\$580,000 was recorded while the unit depreciated by about 6.3% during the period.



Ocean Pride is located above the MTR Tsuen Wan West Station.
(Source of Photo: RHL Photo Base)

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Latest Office Property Market Update

Office Property Purchase and Rental Transactions in the Market

Mong Kok



Address:	Office No.6, 3/F, Workingbond Commercial Centre, No.162 Prince Edward Road West, Kowloon
Transaction Price: (at April 2025)	HK\$4.8 million
Saleable Area:	331 sq.ft.
Unit Rate in Saleable Area:	HK\$14,502/sq.ft.
Last Transaction as at May 2022	
Price Change from Last Transaction:	-4.0%
Overall Market Change from Last Transaction:	-34.8% (Grade B Private Offices- Price Index by RVD)

Kwai Fong



Address:	Units 2501 and 2512, 25/F, Tower II, Metroplaza, No.223 Hing Fong Road, Kwai Fong
Transaction Price: (at March 2025)	HK\$34.2916 million
Saleable Area:	3,445 sq.ft.
Unit Rate in Saleable Area:	HK\$9,954/sq.ft.
Last Transaction as at July 1996	
Price Change from Last Transaction:	-30.5%
Overall Market Change from Last Transaction:	+70.0% (Grade A Private Offices- Price Index by RVD)

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Latest Office Property Market Update

Office Property Purchase and Rental Transactions in the Market

Tsim Sha Tsui



Address:	Units.14 and 15, 15/F, Star House, No.3 Salisbury Road, Tsim Sha Tsui
Monthly Rental from March 2025	HK\$45,500
Saleable Area:	1,230 sq.ft.
Unit Rental in Saleable Area:	HK\$37.0/sq.ft.

Causeway Bay



Address:	Unit No.3, 13/F, East Point Centre, No. 555 Hennessy Road, Causeway Bay
Monthly Rental from March 2025:	HK\$56,978
Saleable Area:	1,286 sq.ft.
Unit Rental in Saleable Area:	HK\$44.3/sq.ft.

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Latest Office Property Market Update

Office Property Purchase and Rental Transactions in the Market

Statistics on Office Property Transaction Registered by the Land Registry	
Volume of Registered Transaction in 2024 Q4	202
Preliminary Volume of Registered Transaction in 2025 Q1	209
Transaction Value of Office Property in March 2025	About HK\$2.342 billion
Preliminary Transaction Value of Office Property in April 2025	About HK\$1.05 billion
Monthly Change in Transaction Value	-55.2%
Source of Information: Land Registry and Centaline Property Market Big Data	

Summarizing the market statistics from the Land Registry and Centaline Property Market Big Data, the transaction volume of the office property in Q1 2025 is similar to the figure in Q4 2024 while an obvious drop in transaction value was recorded in April 2025 compared to March 2025. The rental level is continuing its down arrow since the plateau period of last year end. According to the Grade A Private Offices Rental Index published by the Rating and Valuation Department ("RVD"), the latest index has further dropped to 212.8, and the price index has returned to the level in April 2012. With the relative sufficient supply of Grade A office in the market and the diminishing special trading position of Hong Kong in the international environment, we believe that, demands for office are way fewer than before, both the rental and price levels could hard be rebounded shortly.



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MAINLAND CHINA SNAPSHOT

- **Commercial Plot Tender in Nanshan District, Shenzhen: The Future DJI Technology Global Headquarter?**
- **China Hotel Investment Market: Trend and Challenges**
- **Residential Price Index of Major Cities (April 2025)**
- **Major Land Transaction (May 2025)**

MAINLAND CHINA SNAPSHOT

Commercial Plot Tender in Nanshan District, Shenzhen: The Future DJI Technology Global Headquarter?

On 6 May 2025, the Shenzhen Planning and Natural Resources Bureau announced a commercial use plot tender, which is scheduled to be transacted on 28 May 2025.

Plot number T207-0066 is located at the southeastern corner of the intersection of Shenwan Er Road and Baishi Zhiyi Street, Shahe Street, Nanshan District, Shenzhen. The site area is 15,657.68 sq.m., with a plot ratio of 12.0, resulting in a total gross floor area (GFA) of 188,000 sq.m.. The GFA is combined with 172,320 sq.m. for office purposes, 5,900 sq.m. for ground floor commercial retail use, 9,400 sq.m. for cultural facilities and 380 sq.m. for property management services. The upcoming en-bloc building is restricted in alienation, just entitled to occupy and lease. This tenure with 30-year leasehold is required to pay at least the reserved price of RMB 2,287,000,000.

The plot is located in the front row position of the coastline of Shenzhen Bay, which is recognised as the technological and financial basecamp of southern China. Numerous financial institutions like the Global Headquarter of China Merchants Bank and technological giants like the Headquarter of Zhongxing Telecommunication Equipment Corporation are situated in the same neighbourhood. Also, Mangrove Bay South Metro station and Beijing Hong Kong Macau Expressway are in proximity, to show the advantage of accessibility. However, meanwhile, there are harsh conditions stated on the land grant. Part of the construction site area occupying 1,119 sq.m. of Metro Route 29 is overlapping with the plot area, the bidder is required to negotiate with the related metro party to obtain the written comment report in order to draft the “Certificate of Reporting of Piling Foundation for Construction Works” and “Planning Permit for Construction Works”, which are compliant with the technical standard. Other than the metro issue, the sedimentation geology requires the bidder to submit “Assessment Report on the Risk of Regional Geological Hazards in Shenzhen Bay Super Headquarters” and strictly monitor the subsidence matter.

Regarding the public use area aspect, the bidder is responsible for the construction of the area of bicycle lanes, pedestrian roads, green belts, underground civil air defence floors, but these places will be passed to the government with no monetary compensation. A bridge connecting plot T207-0051 is also mandatory to be built by the bidder.

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DJI's headquarters building is currently located in Nanshan, Shenzhen.
(Source of Photo: DJI's Official Website)

Last but not least, building height is limited to under 300 m high, over 250 m is asked to seek approval from the Housing Construction Authority, according to related legislation.

Right now, only one single party, Shenzhen DJI Technology, shows strong interest in setting up its Innovative Intelligent Aerospace Systems Global Headquarter on this plot. Due to the sophisticated special conditions listed on the land grant, the professional fee in seeking advice from engineers, architects, urban planners, surveyors and legal experts will be higher than the typical site. The development period is expected to extend due to the complicated site preparation, consultation and negotiation with related parties. Meanwhile, under the fatigued performance in the office leasing and capital investment market, office demand is speculated to be in a horizontal line; only some multinational corporations or oligopolies like DJI Technology are capable of absorbing the approximately 180,000 sq.m. office space. Thus, under the uncompetitive tender market, the plot is envisaged to be transacted with the reserved price. Moreover, it is reckoned that there is room for negotiation and amendment of the special conditions and the building regulations as the bidder is preferred not to expose the development risk that is constituted by those various uncertainties.

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MAINLAND CHINA SNAPSHOT

China Hotel Investment Market: Trend and Challenges

The mainland Chinese hotel investment market remained highly active in 2024, with transaction volumes reaching RMB 18.79 billion by mid-March, approximately 70% of which were concentrated in tier 1 and emerging tier 1 cities. Transaction volumes for 2025 are projected to stabilise at around RMB 18 billion, mirroring 2024 levels. Over the past decade (2015–2024), cumulative hotel investment in China totalled RMB 168.54 billion underscoring sustained long-term growth. Notably, emerging tier 1 cities have gained prominence, with their share of transactions rising by 6% between 2020–2024 compared to 2015–2019, positioning them as an emerging blue ocean for investment.

Several high-profile deals have dominated the headlines in 2025. Most notably, Tongcheng Travel's acquisition of Wanda Hotel Management (Hong Kong) Co., Ltd. for RMB 2.497 billion, marked the largest transaction in China's tourism and hospitality sector in recent years. This travel agency aimed at expanding into the luxury hotel market. Other significant sales include five-star assets such as Sichuan Nanchong Tianlai Hotel (RMB 220.8 million), Wenzhou Wanhao Herton Hotel (RMB 45.35 million), and Chengdu Hilton Hotel (RMB 503 million), reflecting robust investor appetite for premium assets.

Despite strong market momentum, high-value asset auctions continue to face liquidity challenges. As of 24 April, 18 hotel assets with reserve prices exceeding RMB 100 million had failed to sell on Alibaba's auction platform, with some relisted at discounted prices—for example, a mixed-use asset in Shanghai's Hudong Financial Tower saw its reserve price reduced from RMB 174 million to RMB 158 million. Legal risks further complicate transactions, including disputes over property ownership (e.g., land-use rights, unauthorised constructions), operational licence compliance, and termination of hotel management contracts. It is crucial to notice that the legal due diligence is not only a compliance imperative but also a critical determinant of transaction value.



Wenzhou Wanhao Herton Hotel.
(Source of Photo: Online Photo)

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The market's vibrancy is partly driven by asset holders under liquidity pressure, so offloading properties at discounted rates, which creating opportunities for investors to acquire assets at attractive entry prices. Hotels' dual appeal as inflation-resistant real estate and income-generating operational assets has made them a favoured diversification tool for high-net-worth individuals. To unlock value, owners are pursuing strategies such as property rights optimisation (e.g., rezoning), hardware upgrades, rebranding (e.g., switching operators), and revenue restructuring (e.g., repurposing underutilized spaces).

Evolving policies are reshaping exit strategies. While hotel assets are not yet eligible for China's public REITs framework, industry expectations are growing that future regulatory easing could open securitized exit routes, enhancing liquidity. Additionally, urban renewal initiatives, such as adjusting plot ratios and repurposing ageing assets, are seen as key growth drivers. Experts advise investors to adopt a holistic approach to asset lifecycle management ("invest, finance, build, manage, exit") to drive professionalization and capitalization within the sector.

China's hotel investment market is navigating a dual reality of buoyant trading activity and persistent auction failures. Core assets in tier 1 cities retain strong value preservation, while emerging tier 1 cities offer untapped potential. Long-term growth will hinge on mitigating legal risks and capitalising on policy innovations, particularly in asset securitisation and urban regeneration. For real estate professionals, strategic focus on geographic diversification, operational optimisation, and regulatory trends will be pivotal to success in this evolving landscape.

MAINLAND CHINA SNAPSHOT

Residential Price Index of Major Cities (April 2025)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	57,941	0.61	Beijing	46,160	0.18
Chongqing	11,570	-0.36	Tianjin	15,262	-0.04
Guangzhou	24,666	-0.32	Shenzhen	52,704	0.00
Nanjing	25,697	0.02	Hangzhou	31,003	0.95
Chengdu	14,087	0.12	Wuhan	13,299	-0.15
Dalian	13,609	-0.11	Suzhou	18,953	-0.17
Xi'an	12,996	0.15	Xiamen	29,234	0.13
Ningbo	20,433	0.03	Changsha	9,683	0.16
Wuxi	14,397	0.03	Dongguan	18,686	-0.59
Shenyang	9,809	-0.07	Fuzhou	17,279	-0.29

Source: Fangtianxia Hundred City Price Index

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MAINLAND CHINA SNAPSHOT

Major Land Transaction (May 2025)

Hangzhou- Residential Land	
Transaction Date:	13-05-2025
Address:	Dongwan New Town Unit QT020102-08, 13, 14, 28, 29 plots
Consideration:	RMB 1,759,730,000
Usage:	R2 Residential, Green Park/ Commercial
Site Area:	94,270 sq.m.
GFA:	102,000 sq.m.
Plot Ratio:	1.082
Accommodation Value/ GFA sq.m.	RMB 17,252

Ningbo- Industrial Land	
Transaction Date:	13-05-2025
Address:	Yongxin G-241#-a plot
Consideration:	RMB 27,050,000
Usage:	M2 Industrial
Site Area:	64,390 sq.m.
GFA:	193,170 sq.m.
Plot Ratio:	3.0
Accommodation Value/ GFA sq.m.	RMB 140

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MAINLAND CHINA SNAPSHOT

Major Land Transaction (May 2025)

Shanghai- Commercial Land	
Transaction Date:	12-05-2025
Address:	Qingpu District Zhujiajiao Town Suburban Unit Village Planning Plot 01-07
Consideration:	RMB 69,720,000
Usage:	Commercial Land
Site Area:	21,339 sq.m.
GFA:	21,339 sq.m.
Plot Ratio:	1.0
Accommodation Value/ GFA sq.m.	RMB 3,267

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