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Tseung Kwan O
Area 137

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.

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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

Time to Change

HONG KONG PROPERTY-MARKET WATCH

Time to Change

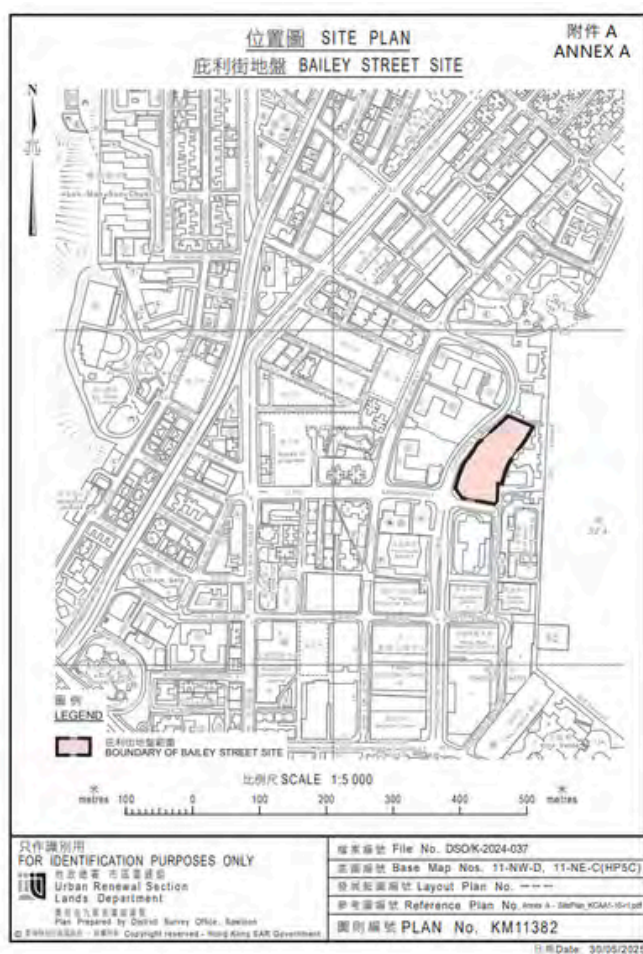
The Government announced earlier that in order to provide additional financial support to the Urban Renewal Authority (“URA”) to enhance its cashflow, so that the URA can continue to take forward its commenced redevelopment projects in an orderly manner, the Chief Executive in Council approved granting a site at Bailey Street, Hung Hom, and a site in Tseung Kwan O Area 137 to the URA by private treaty at nominal premium of HK\$1,000 for a term of 50 years from the date of execution, on the understanding that the two sites would be rezoned for residential use through statutory town planning procedures in due course.

Although the land premium is very affordable, clear requirements for this land grant are set, including (i) requesting the URA to make good use of the two sites as its assets to enhance its financing and borrowing capacity and to make good use of the sales revenue to be generated from the two sites for the URA; and (ii) the URA should work with the Government to review and refine its operating and financing model that can enable it to undertake urban redevelopment in a financially sustainable manner irrespective of market ups and downs.

With reference to the information cut off on June 30 2024, the URA has initiated 79 projects since its establishment in 2001, improved the urban environment and injected a holistic planning, however, redevelopment projects involve huge acquisition costs. Coupled with the sluggish property market in recent years, the URA's projects have been subject to the 'buy-high-sell-low' situation (i.e. acquiring properties at the market peak but tendering at low price or even a failed tender), thus affecting its cash-flow.

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 - *Planning & Development Consultancy*
- 



A site at Bailey Street, Hung Hom, and a site at Area 137, Tseung Kwan O have been granted to the URA by private treaty at nominal premium of HK\$1,000 for a term of 50 years.

(Source of Photo: Lands Department)

Even the URA has taken a number of measures to maintain a financially healthy portfolio, such as adjusting the pacing of taking forward redevelopment projects, obtaining external financing through bond issuance and loan facilities, enhancing the market attractiveness of project tenders, and critically controlling its operating expenditure, according to the URA's latest assessment, yet, in the event that the property market continues to falter and the results of project tenders are not as expected, the URA will have to secure additional financial support in order to maintain the redevelopment momentum, including making acquisition offers for the commenced redevelopment projects.

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In this regard, the writer believes that the government's granting of land to the URA at a nominal price can indeed alleviate its financial and financing pressures, but a single preferential land grant is not sustainable for the long-term development of the URA. The URA's past revenue sources were mainly driven by property sales. In the current and medium-term of perspectives, the market is difficult to make significant upward adjustments, its revenue from property sales is believed to be quite meager.

Definitely we are not asking the URA not to sell new properties, but as the acquisition costs have become a matter of financial burden to the URA nowadays, whether the URA should consider how to step up building rehabilitation to extend the service life of aged buildings and reduce the immediate need for redevelopment. On one hand, this should avoid the use of a huge amount of capital of the URA, on the other hand, this should reduce the impacts to the local residents and the integral of the social community network, contributing to the conservation of the decaying districts. If the areas can be conserved effectively, it may even help bring a new experience to the citizens and tourists.

In fact, the URA follows the guidelines set out in the Government's "Urban Renewal Strategy" in the implementation of its urban renewal initiatives, except "redevelopment", "rehabilitation" is another core business. While one of the methods is no longer as efficiently workable as the past, why not the URA grab this opportunity to strengthen its "rehabilitation" business, which does not only require the use of the limited resources, but also to minimize the construction wastes from buildings demolition and additional building materials for new projects, helping the growth of a sustainable society.



CALVIN PANG
WRITER- HONG KONG
MARKET WATCH

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HONG KONG SNAPSHOTS

AVA 61, Sham Shui Po: 1-Bedroom Unit Depreciated by 30% in 8 Years

At AVA 61, on Tai Po Road in Sham Shui Po, a mid-level Unit A with a one-bedroom layout and a saleable area of 233 sq.ft., was recently sold for HK\$3.6 million.

According to reports, the unit has been put on the market for a period of time, and until lately being inquired by the new buyer with the asking price being adjusted to HK\$3.88 million. During the negotiation, the original owner was willing to sell it for HK\$3.53 million. However, seeing the market fluctuation, the vendor has raised the price to HK\$3.63 million. In the end, both parties agreed to sell it for HK\$3.6 million, which is equivalent to a unit rate of HK\$15,451/sq.ft. in terms of saleable area.

Tracing back the transaction of similar units dated back in June last year, the similar unit A on low-level was sold for HK\$5 million. The area and layout of this unit were the same as the one sold lately, but with a saleable area unit rate of HK\$21,459/sq.ft..

Back to the transaction this time, the original owner has acquired the flat for HK\$5.18 million in 2017. Being held for 8 years, a book loss of HK\$1.58 million and a depreciation by about 31% during the period was recorded now.

Located on Tai Po Road in Sham Shui Po, AVA 61 is about 10-minute walking distance away from the MTR Station.
(Source of Photo: RHL Photo Base)



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HONG KONG SNAPSHOTS

Restaurant to Take the Lease of the Former Jockey Club's Austin Road Betting Branch For HK\$142,000 Monthly

The Hong Kong Jockey Club has converted some of its own shops into rental purposes in recent years. Lately, the former betting branch at Austin Road in Tsim Sha Tsui was rented out for about HK\$142,000 per month.

The mentioned shops are Shops A and B on the ground floor of Sovereign Mansion, No.124 Austin Road in Tsim Sha Tsui, with a total saleable area of approximately 2,376 sq.ft.. The earlier intended monthly rent was HK\$200,000, which was eventually rented out at a reduced monthly rental of HK\$142,000, or a unit rental of HK\$59.8/sq.ft..

According to media reports, the new tenant is a catering operator and the leasing period is from May 12, 2025 to August 11, 2028.

Tracing back the property ownership details, the shop is owned by the Hong Kong Jockey Club, at a price of HK\$16 million since 1988 and has been used as a Jockey Club betting branch until the cessation of the station in 2022 and has been vacant since then.



The former Hong Kong Jockey Club's Austin Road betting branch has been abandoned for 3 years (arrow-pointed).

(Source of Photo: RHL Photo Base)

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Latest Industrial Property Market Update

Industrial Property Purchase and Rental Transactions in the Market

Tuen Mun



| | |
|--|--|
| Address: | Workshop Unit 4, 6/F, Block B, Hang Wai Industrial Centre, No.6 Kin Tai Street, Tuen Mun |
| Transaction Price: (at May 2025) | HK\$2.69 million |
| Saleable Area: | 1,197 sq.ft. |
| Unit Rate in Saleable Area: | HK\$2,247/sq.ft. |
| Last Transaction as at March 2025 | |
| Price Change from Last Transaction: | 9.8% |
| Overall Market Change from Last Transaction: | N/A (Private Flatted Factories- Price Index by RVD) |

Kwai Hing



| | |
|--|--|
| Address: | Factory B, 8/F, Kwai Fong Industrial Building, Nos. 9-15 Kwai Cheong Road, Kwai Hing |
| Transaction Price: (at May 2025) | HK\$7.38 million |
| Saleable Area: | 3,460 sq.ft. |
| Unit Rate in Saleable Area: | HK\$2,133/sq.ft. |
| Last Transaction as at August 2016 | |
| Price Change from Last Transaction: | -22.3% |
| Overall Market Change from Last Transaction: | -3.5% (Private Flatted Factories- Price Index by RVD) |

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- Temporary Waiver Application

Latest Industrial Property Market Update

Industrial Property Purchase and Rental Transactions in the Market

Lai Chi Kok



| | |
|-------------------------------|--|
| Address: | 10/F, China Pacific Industrial Building, No. 698 Castle Peak Road, Lai Chi Kok |
| Monthly Rental from July 2025 | HK\$63,800 |
| Saleable Area: | 3,990 sq.ft. |
| Unit Rental in Saleable Area: | HK\$16.0/sq.ft. |

Tsuen Wan



| | |
|---------------------------------|--|
| Address: | Factory D, 6/F, Block 1, Waylee Industrial Centre, Nos.30-38 Tsuen King Circuit, Tsuen Wan |
| Monthly Rental from April 2025: | HK\$38,800 |
| Saleable Area: | 2,473 sq.ft. |
| Unit Rental in Saleable Area: | HK\$15.7/sq.ft. |

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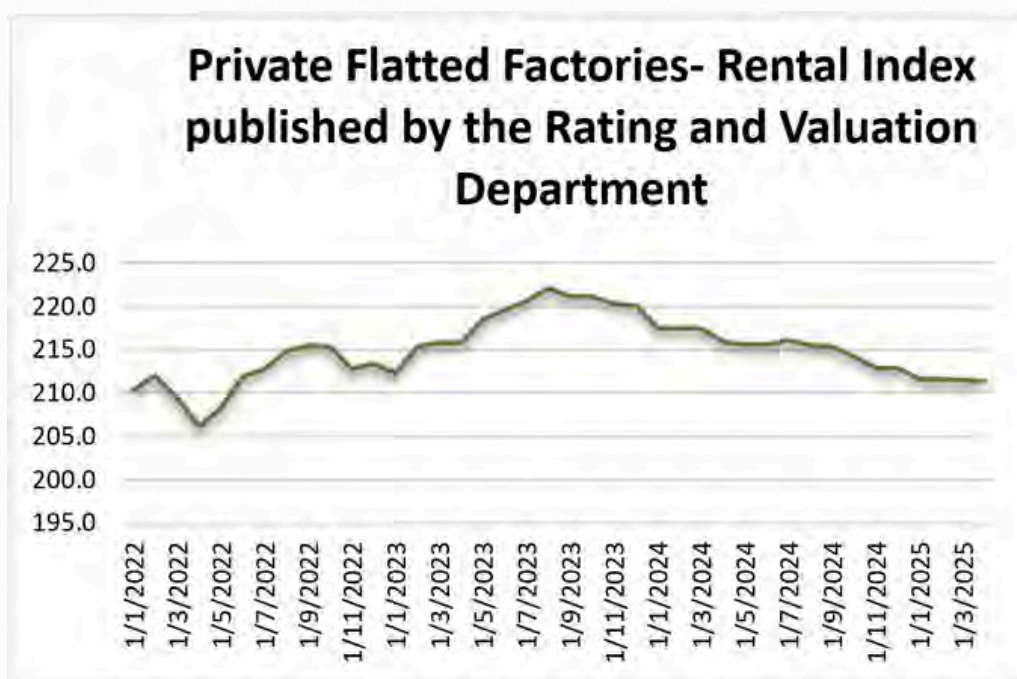
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Latest Industrial Property Market Update

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 Q4 | 514 |
| Preliminary Volume of Registered Transaction in 2025 Q1 | 587 |
| Transaction Value of Industrial Property in April 2025 | About HK\$2.11 billion |
| Transaction Value of Industrial Property in May 2025 | About HK\$0.947 billion |
| Monthly Change in Transaction Value | -55.1% |
| 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 Q1 2025, there were 587 nos. of transaction registered, increased by 14.2% compared with Q4 2024; and transaction value in May this year was cut by half, compared with the figure in April. However, price index is lacking support and continue its fall. According to the Private Flatted Factories- Price Index, the index has fallen by 12.8% annually whereas the index fell from its highest point in 2022 in recent years by nearly 30%. In contrast, though there is no sign for the rental index to pick up, it remains relatively stable with just a 0.1% reduction recorded since January this year. The situation is apparently being supported by the market users who wish to use the workshop as an office or other purposes legally.



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MAINLAND CHINA SNAPSHOT

- **Guangzhou Intends to Completely Abolish Real Estate Purchase, Sale and Price Restrictions**
- **Commodity Residential Sales Prices in All Tier Cities Fell in May**
- **Residential Price Index of Major Cities (May 2025)**
- **Major Land Transaction (June 2025)**

MAINLAND CHINA SNAPSHOT

Guangzhou Intends to Completely Abolish Real Estate Purchase, Sale and Price Restrictions

On June 13, the Guangzhou Municipal Government publicly released the Exposure Draft, proposing to optimise real estate policies and reduce consumption restrictions in an orderly manner. Measures restricting purchases, sales and prices will be cancelled entirely, and loan down payment ratios and interest rates to be lowered to better meet housing consumption demand.

At the same time, it promotes the transformation of urban villages and old districts. In 2025, plans are underway to start the transformation of more than 150 new old districts, update residential lifts in more than 9,000 units, and complete the transformation of urban villages with a fixed asset investment of RMB 100 billion. The Exposure Draft promotes the use of special loans to purchase stock of commercial properties as resettlement housing. It continues to optimise the policy on the use of housing provident funds by supporting depositors to withdraw their provident fund to pay the down payment for the purchase of a home while applying for a loan and further optimising the measures for rental housing withdrawal.

Right now, the Guangzhou Ministry of Commerce released the Exposure Draft regarding the restrictive policy on home purchases in Guangzhou, which sends a clear signal to the implemented policies and the relaxed market policy. In addition, accelerating the transformation of urban villages will be conducive to driving the release of more demand for housing purchases, as well as promoting the use of special borrowing to purchase commercial housing as resettlement housing, which will be effective in further reducing inventory.



Commercial housing in Guangzhou.
(Source of Photo: CANVA Photo)

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MAINLAND CHINA SNAPSHOT

Commodity Residential Sales Prices in All Tier Cities Fell in May

On June 16, the National Bureau of Statistics released the changes in commodity residential sales prices in 70 large and medium-sized cities in May 2025. Among the 70 large and medium-sized cities, the sales prices of commodity residential properties in each tier of cities fell month-on-month (MoM).

In May, sales prices of new commercial residential properties in first-tier cities fell by 0.2% MoM. Among them, Shanghai rose by 0.7%, while Beijing, Guangzhou and Shenzhen saw declines of 0.4%, 0.8% and 0.4%, respectively. Similarly, the sales price of newly-built residential properties in second-tier cities experienced the same decline as first-tier cities, dropping by 0.2% MoM. Sales prices of newly-constructed residential properties in third-tier cities fell by 0.3% MoM.

Regarding the second-hand housing market, second-hand residential sales prices in first-tier cities fell by 0.7% MoM, with Beijing, Shanghai, Guangzhou and Shenzhen posting declines of 0.8%, 0.7%, 0.8% and 0.5%, respectively. The sales prices of second-hand residential properties in second and third-tier cities all declined by 0.5% MoM, with the rate of decline expanding by 0.1%. Among the 70 cities, only three cities, Wuxi, Luoyang and Nanchong, recorded increases MoM in second-hand home prices in May.

In addition, second-hand residential sales prices in first-tier cities fell by 2.7 % Year-on-Year (YoY), with the rate of decline narrowed by 0.5%. Among them, Beijing, Shanghai, Guangzhou and Shenzhen fell by 0.7%, 0.1%, 6.6% and 3.2% respectively. The sales prices of second-hand residential properties in second- and third-tier cities fell by 6.1% and 6.9% YoY respectively.



Residential Community in Beijing.
(Source of Photo: CANVA Photo)

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MAINLAND CHINA SNAPSHOT

Residential Price Index of Major Cities (May 2025)

| City | Sample Average Price (RMB/sq.m.) | M-o-M Change (%) | City | Sample Average Price (RMB/sq.m.) | M-o-M Change(%) |
|-----------|--|------------------------|----------|--|--------------------|
| Shanghai | 58,792 | 1.47 | Beijing | 46,174 | 0.03 |
| Chongqing | 11,572 | 0.01 | Tianjin | 15,256 | -0.04 |
| Guangzhou | 24,975 | 1.25 | Shenzhen | 52,658 | -0.09 |
| Nanjing | 25,780 | 0.32 | Hangzhou | 31,054 | 0.16 |
| Chengdu | 14,074 | -0.09 | Wuhan | 13,335 | 0.27 |
| Dalian | 13,611 | 0.01 | Suzhou | 18,931 | -0.12 |
| Xi'an | 13,044 | 0.37 | Xiamen | 29,220 | -0.05 |
| Ningbo | 20,421 | -0.06 | Changsha | 9,687 | 0.04 |
| Wuxi | 14,538 | 0.77 | Dongguan | 18,596 | -0.48 |
| Shenyang | 9,801 | -0.08 | Fuzhou | 17,269 | -0.06 |

Source: Fangtianxia Hundred City Price Index

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MAINLAND CHINA SNAPSHOT

Major Land Transaction (June 2025)

| Beijing- Industrial Land | |
|-----------------------------------|---|
| Transaction Date: | 20-06-2025 |
| Address: | Yizhuang New City YZ00-0606 Block 0110 Industrial Project |
| Consideration: | RMB 635,040,000 |
| Usage: | M1 Industrial |
| Site Area: | 49,455 sq.m. |
| GFA: | 98,909 sq.m. |
| Plot Ratio: | 2.0 |
| Accommodation Value/ GFA sq.m. | RMB 6,420 |

| Shanghai - Residential Land | |
|-----------------------------------|---|
| Transaction Date: | 19-06-2025 |
| Address: | Lot 01-22A-10, Unit 01-22A, Minhang District MHC10601 |
| Consideration: | RMB 3,140,260,000 |
| Usage: | Residential |
| Site Area: | 40,493 sq.m. |
| GFA: | 80,986 sq.m. |
| Plot Ratio: | 2.0 |
| Accommodation Value/ GFA sq.m. | RMB 38,775 |

MAINLAND CHINA SNAPSHOT

Major Land Transaction (May 2025)

| Hangzhou- Commercial Land | |
|-----------------------------------|--|
| Transaction Date: | 17-06-2025 |
| Address: | Lots LP010104-11 and LP010104-16 (A36 and A37) in Tingcheng Unit, Linping District |
| Consideration: | RMB 551,470,000 |
| Usage: | Commercial, Business and Financial land |
| Site Area: | 55,202 sq.m. |
| GFA: | 149,045 sq.m. |
| Plot Ratio: | 2.2 to 2.7 |
| Accommodation Value/ GFA sq.m. | RMB 3,700 |

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