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Student Hostel Y83
(Hung Hom)

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.

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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

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HONG KONG PROPERTY- MARKET WATCH

Pilot Scheme on the Increase of Student Hostels Supply

HONG KONG PROPERTY-MARKET WATCH

Pilot Scheme on the Increase of Student Hostels Supply

To consolidate Hong Kong's status as an international hub for postsecondary education by encouraging the market to increase the provision of student hostels, the Development Bureau ("the DevB") has submitted a document to the Panel on Development of the Legislative Council earlier, the DevB and Education Bureau ("the EDB") will jointly launch a pilot scheme to streamline the processing of applications for converting hotels and other commercial buildings into student hostels on a self-financing and privately-funded basis. The scheme will focus on the planning, building regulations and lands matters. Even so, whether the scheme is able to promote the supply of new hostels shall depend on other determining factors. In this edition, we will have a look at the major suggested aspects of the scheme.

Under the planning regime, the definition of the term "Hotel" used in Outline Zoning Plans ("OZPs") be expanded to cover eligible self-financing privately-funded ("SFPP") student hostels under the facilitation scheme so that most hotels or commercial buildings can be converted into student hostels without any planning procedures.

As student hostel is considered as "Residential Institution" ("RI") use which is not an "always permitted" Column 1 use under commercial-related zonings such as "Commercial" ("C") and "Other Specified Uses (Business)" ("OU(B)"). Therefore, converting commercial buildings on these sites into student hostels requires planning application or even rezoning. Having considered that the operations of hotels and student hostels are very similar in nature from planning perspective while "Hotel" use is an "always permitted" Column 1 use for most C sites as well as a "maybe permitted" Column 2 use for most OU(B) sites, the DevB recommended to expand the definition of "Hotel" use, which currently only covers licensed hotels, guesthouses, etc., to also cover eligible SFPP student hostels under the scheme.

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Y83 is located in Hung Hom, one of the former hotels refurbished into a student hostel.

(Source of Photo: RHL Photo Base)

Under the building regulations regime, even student hostels are regarded as non-domestic buildings, the hostels need not carry out any actual alterations (including reduction in floor areas) to their existing build just to fulfill the lower plot ratio and site coverage limits applicable to domestic buildings, and may also convert the retained “excessive Gross Floor Area” (“GFA”) to boost the supply of hostel accommodation. The Buildings Department (“BD”) will also allow communal canteen/kitchen/pantry, same as current arrangements for existing hostels; and allow upon approval non-provision of open space and service lane; existing covered carpark and loading/unloading areas shall be remained as areas exempted from GFA calculation. Yet, the student hostels must comply with the same natural lighting and ventilation standards applicable to domestic buildings.

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Under the lands regime, as the vast majority of land leases of commercial purposes do not prohibit student hostel development, conversion of hotels or commercial buildings into student hostels does not require lease modification, such as does not require payment of premium, or application of waiver. According to the desktop research by the Lands Department, the number of conversion cases requiring lease modification or waiver application is expected to be small. Considering that SFPF student hostels are for-profit business activities, the EDB, in consultation with the DevB, has decided not to provide premium or waiver fee concessions for this sector of student hostel developments that require lease modification or payment of premium.

Although these 3 aspects of suggestions provide a new direction for improving the supply of student hostels, the actual achievements depend on different factors. Let's discuss in our next edition.



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HONG KONG SNAPSHOTS

Flat Rented Out with Annual Rent Paid in Advance: Man Lai Court, Tai Wai

Market sources revealed that Flat C, located on the upper floor of Block 4 of Man Lai Court in Tai Wai, has just been rented out with one year's rent being paid in advance. The unit has a saleable area of 637 sq.ft. and is designed with 3 bedrooms. The owner initially intended to rent it out at around HK\$28,000 per month, but after negotiation, it was rented out at HK\$26,800, with an average rent of about HK\$42.1/sq.ft..

As the housing estate is conveniently located and the layout is relatively practical, the three tenants decided to pay a year's rent of about HK\$321,000 to rent the unit. It is understood that the owner acquired the unit for HK\$5.2 million in 2012, and the rental return is expected to reach about 6.2% today.



The flat rented out with one year's rent being paid in advance enjoys an open view.

(Source of Photo: RHL Photo Base)

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HONG KONG SNAPSHOTS

Book Value Up by 40% Irrespective of a List Price Cut by about 10%: Kingswood Villas, Tin Shui Wai

The property market has become more active recently, and some owners who are eager to cash out are willing to reduce their prices. An owner of Kingswood Villas in Tin Shui Wai has reduced the price and successfully sold the unit after only 3 days of listing.

The unit sold is 3-bedroom Flat B on the lower floor of Block 3 at Sherwood Court, Phase 2 of Kingswood Villas, with a saleable area of 633 sq.ft.. The original owner initially listed the property at HK\$5.5 million, but due to the urgent need to cash out, the price was reduced by HK\$500,000 to HK\$5 million after 3 days of listing, with a unit rate of about HK\$7,899/sq.ft..

According to the information, the original owner purchased the unit for approximately HK\$3.59 million in 2013. The book profit from this transaction was nearly HK\$1.41 million. After holding the unit for 12 years, the unit is now appreciated by nearly 40%.



An owner of Sherwood Court of Kingswood Villas in Tin Shui Wai has reduced the price and successfully sold the unit after only 3 days of listing.

(Source of Photo: RHL Photo Base)

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Latest Retail Property Market Update

Retail Property Purchase and Rental Transactions in the Market

Sham Shui Po



Address:	G/F, No.90 Yen Chow Street, Sham Shui Po
Transaction Price: (at April 2025)	HK\$19.5 million
Saleable Area:	595 sq.ft.
Flat Roof Area:	270 sq.ft.
Unit Rate in Saleable Area:	HK\$32,773/sq.ft.
Last Transaction as at October 2009	
Price Change from Last Transaction:	+30%
Overall Market Change from Last Transaction:	+73.1% (Private Retail - Price Index by RVD)

To Kwa Wan



Address:	Ground Floor, No.90 Tam Kung Road, To Kwa Wan
Transaction Price: (at April 2025)	HK\$12.5 million
Saleable Area:	855 sq.ft.
Unit Rate in Saleable Area:	HK\$14,620/sq.ft.
Last Transaction as at March 2007	
Price Change from Last Transaction:	+106.6%
Overall Market Change from Last Transaction:	+133.9% (Private Retail- Price Index by RVD)

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Latest Retail Property Market Update

Retail Property Purchase and Rental Transactions in the Market

Wan Chai



Address:	G/F, No.343 Hennessy Road, Wan Chai
Agreement made at June 2025	HK\$88,000
Saleable Area:	775 sq.ft.
Cockloft Area:	855 sq.ft.
Yard Area:	80 sq.ft.
Unit Rental in Saleable Area:	HK\$113.5/sq.ft.

Yuen Long



Address:	G/F, No.176 Castle Peak Road- Yuen Long, Yuen Long
Monthly Rental from April 2025:	HK\$100,000
Saleable Area:	945 sq.ft.
Unit Rental in Saleable Area:	HK\$105.8/sq.ft.

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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	
Preliminary Volume of Registered Transaction in 2025 Q2	279
Volume of Registered Transaction in 2025 Q1	224
Preliminary Transaction Value of Retail Property in June 2025	About HK\$1.164 million
Transaction Value of Retail Property in May 2025	About HK\$1.357 billion
Monthly Change in Transaction Value	-14.2%
Source of Information: Land Registry and Centaline Property Market Big Data	

No indication has been shown for a rebound of the local retail industry, with several chained and long-established food and beverage shops closed lately. According to the latest Private Retail- Rental Index published by the Rating and Valuation Department which cut off at May 2025, the latest figure is further going down to the lowest point in recent years, at 156.1. The resumption of "Multiple-Entry" Individual Visit Endorsements for permanent residents of Shenzhen in December 2024 apparently cannot persistently bring an obvious improvement to the retail property market's transaction value. The preliminary transaction value in Q2 2025 is less than Q1 this year, showing the conservative overview towards the retail property market.



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MAINLAND CHINA SNAPSHOT

- **Analysis of China's Housing Provident Fund Policy Optimization and its Impact in 2025**
- **Low-Density Residential Plot Transacted with the Highest Accommodation Value in Suzhou**
- **Residential Price Index of Major Cities (June 2025)**
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MAINLAND CHINA SNAPSHOT

Analysis of China's Housing Provident Fund Policy Optimization and its Impact in 2025

The Housing Provident Fund ("HPF") is a unique housing security system in China, designed to assist employees in addressing their housing needs. In recent years, as the real estate market has entered a period of adjustment, the government has optimized HPF policies to stimulate market demand, support economic stability, and enhance housing security for residents. In 2025, HPF policy optimizations were rolled out nationwide, particularly focusing on lowering barriers to homeownership, supporting families with multiple children, and streamlining approval processes, achieving notable success. This article introduces these policy optimizations and explores their impact on homebuyers and the real estate market, using examples from Beijing, Shanghai, Shenzhen, and Hangzhou.

Key Policy Optimizations

The HPF policy optimizations in 2025 primarily include the following aspects:

1. Reduction of Down Payment Ratios

Many cities have lowered the down payment ratio for HPF loans from 30% to 20% or even lower, especially for first-time homebuyers or families purchasing small to medium-sized homes. This measure significantly reduces the financial burden on homebuyers.

2. Increase in Loan Quotas

To adapt to housing price levels, some cities have raised the maximum limit for HPF loans. For example, Shanghai increased the loan quota ceiling for first-time homebuyers from RMB 1.2 million to RMB 1.5 million.

3. Relaxation of Withdrawal Conditions

Employees can now withdraw HPF funds in more scenarios, such as for paying rent, renovating homes, or purchasing property for their children, which will make the fund usage be more flexible. In Beijing, a "loan conversion" policy was introduced, allowing homebuyers to switch from commercial loans to HPF loans to reduce interest burdens. Additionally, withdrawal conditions were relaxed to support rental and renovation needs. Meanwhile, in Shenzhen, a "HPF + commercial loan" combination loan model was implemented to increase funding sources for home purchases, and age restrictions for withdrawals were relaxed to enhance flexibility.

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4. Support for Families with Multiple Children

In line with national fertility policies, families with multiple children can enjoy additional benefits, such as higher loan quotas or lower interest rates. For instance, in Hangzhou, loan quotas are increased by 10% for families with two children and by 20% for those with three children. An "intergenerational mutual assistance" policy was also introduced, allowing parents and children to share HPF funds.

5. Optimization of Approval Processes

Loan application procedures have been simplified, and disbursement times have been shortened to improve service convenience.



Residential Community in Shanghai.
(Source of Photo: Canva Photo)

Impact on Homebuyers and the Real Estate Market

These optimizations have had a positive impact on both homebuyers and the real estate market. For homebuyers, the policies have lowered the barriers to homeownership, enhanced the flexibility of fund usage, and provided additional support for families with multiple children, enabling more people to achieve their dream of owning a home. On a macro level, the policies have stimulated housing demand, helping to reduce inventory and stabilize housing prices, thereby promoting smooth market operations. These measures have already shown initial success, with a noticeable recovery in market transactions. However, their long-term impact will require further observation in conjunction with economic conditions and market supply and demand. In the future, continuous adjustments and improvements to these policies will be crucial to driving the healthy development of the real estate market.

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Low-Density Residential Plot Transacted with the Highest Accommodation Value in Suzhou

On 14 July 2025, a low-density residential plot (No. WJ-J-2025-002) was transacted by consideration of RMB 1.583 billion (Accommodation Value per sq.m.: RMB 17,291), with no premium applied to the reserved price, located in the area of Taihu New City, Suzhou. This Plot with site area 70,436 sq.m., was situated in East Taihu Lake Resort (Taihu New City), South of Liuhong West Road, East of Xiarong Street Block. This Lao Hung metro station along route no.4 is in proximity, which offers an intimate connection between the upcoming residential development and the heart of Suzhou. We believe a basement or tunnel has the potential to be constructed to make a seamless tie-in between the development and the metro station, but the details are pending confirmation with further land grant or planning documents. Land premium might be required to pay, but the market value enhancement to the subject property may be able to attract the current bidder to go for it. The west side of the plot is Tai Lake, one of the most famous lakes in China, which constitutes a fruitful natural scenery.

The planning control of this site is extraordinary in that locality as the maximum plot ratio, 1.3 but not less than 1.05, will only be able to account for not more than gross floor area 91,567 sq.m.. The building height is limited at 36 metres, but the building site coverage rate can reach 50%, which is comparatively rare in Wu Jiang District. Although the density is being compressed, one of the conditions stated that “villas with private accessed garden are not permitted to be constructed on the plot”. The future development will therefore be expected to be low-rise quality buildings with around 10 floors, with most of the units enjoying lake and green view.



Location of the Transacted Plot:
WJ-J-2025-002
(Source of Photo: The Paper News)

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By dissecting the first-hand residential sale within proximity on the market, the average first-hand sale ranges between RMB 30, 000 to 43,000 or above per sq.m.. When deep down to only observing the low-rise new apartments, which also enjoy similar lake and green view, the transaction prices are between the range of RMB 45,000 to 49,000 per sq.m.. Therefore, based on the improved public transportation linkage and a closer location to the lakeside, the asking prices can be expected to be at the upper tier of that area. Although this bidder is also facing the issue of higher capital finance cost than before together with the gradually increasing construction cost, however, under the relaxation of house-buying limitation policy and different incentives initiated by Government, they are positive to support the developers not to lower their target rate of return and profit margin. Assuming after two years of construction and marketing period, players in the property industry believe the average asking prices on the price list will be higher than RMB 47,000.

MAINLAND CHINA SNAPSHOT

Residential Price Index of Major Cities (June 2025)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	59,300	0.86	Beijing	46,447	0.59
Chongqing	11,543	-0.25	Tianjin	15,345	0.58
Guangzhou	24,980	0.02	Shenzhen	52,666	0.02
Nanjing	25,654	-0.49	Hangzhou	31,191	0.44
Chengdu	14,088	0.10	Wuhan	13,258	-0.58
Dalian	13,589	-0.16	Suzhou	18,877	-0.29
Xi'an	13,038	-0.05	Xiamen	29,098	-0.42
Ningbo	20,386	-0.17	Changsha	9,682	-0.05
Wuxi	14,511	-0.18	Dongguan	18,543	-0.29
Shenyang	9,790	-0.11	Fuzhou	17,029	-1.39

Source: Fangtianxia Hundred City Price Index

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Major Land Transaction (July 2025)

Hangzhou- Commercial Land	
Transaction Date:	15-07-2025
Address:	Plot 82, Hangzhou Future Science and Technology City
Consideration:	RMB 130,330,000
Usage:	Commercial & Financial Use
Site Area:	20,062 sq.m.
GFA:	32,099 sq.m.
Plot Ratio:	1.6
Accommodation Value/ GFA sq.m.	RMB 4,060

Shenzhen - Residential Land	
Transaction Date:	14-07-2025
Address:	Nanshan Subdistrict, Nanshan District, southwest of the intersection of Guiwan 1st Road and Menghai Avenue, Guiwan Area, Qianhai Cooperation Zone
Consideration:	RMB 2,155,000,000
Usage:	R2 Residential Use
Site Area:	8,287 sq.m.
GFA:	25,600 sq.m.
Plot Ratio:	3.1
Accommodation Value/ GFA sq.m.	RMB 84,180

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Major Land Transaction (July 2025)

Shanghai- Industrial Land	
Transaction Date:	10-07-2025
Address:	Jinshan District JSS2-0401 Unit 11-12 Plot (CB_201207005)
Consideration:	RMB 42,070,000
Usage:	Industrial Use
Site Area:	35,025 sq.m.
GFA:	87,562 sq.m.
Plot Ratio:	2.5
Accommodation Value/ GFA sq.m.	RMB 480

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