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HONG KONG PROPERTY 香港物業市場透視

MAINLAND CHINA PROPERTY 中國内地物業市場透視

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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

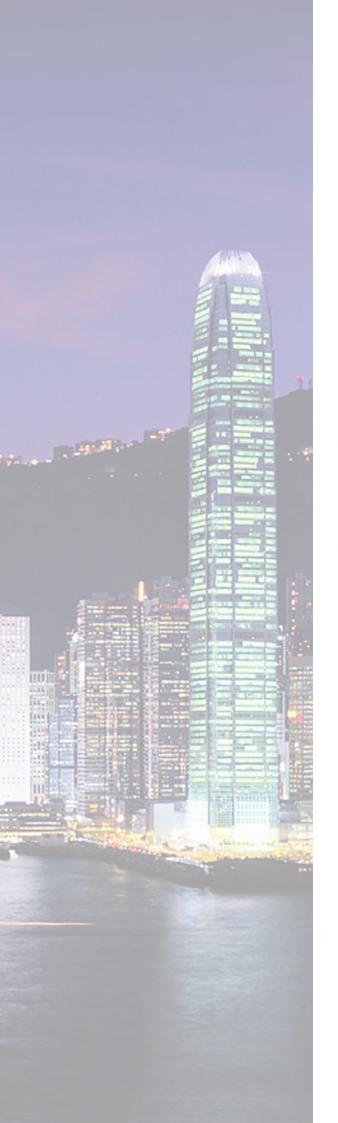
Our experience in operating businesses in the mainland China and cooperating with overseas parties has become our competitive advantage in offering comprehensive client solution to overseas as well as mainland clients. We cover real estate as well as other industries such as natural resources, green energy and finance area.

- 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

A Brief Discussion:
The Effectiveness of the
Pilot Scheme on the Increase
of Student Hostels Supply

HONG KONG PROPERTY-MARKET WATCH

A Brief Discussion: The Effectiveness of the Pilot Scheme on the Increase of Student Hostels Supply

In our last edition, we have introduced the pilot scheme to be launched by the Development Bureau ("the DevB") and the Education Bureau ("the EDB") to consolidate Hong Kong's status as an international hub for post-secondary education by encouraging the market to increase the provision of student hostels by streamlining 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. Although policies are apparently loosened for the conversion, can the scheme able to promote the supply of new hostels in the market?

Under the planning regime, the definition of the term "Hotel" used in Outline Zoning Plans will be expanded to cover student hostels, which is considered as "Residential Institution" use, that "Hotel" use is an "always permitted" Column 1 use for most "Commercial" sites as well as a "maybe permitted" Column 2 use for most "Other Specified Uses (Business)" sites. This shall reduce the potential time costs in applying to the Town Planning Board for the property land use changes or even land use changes of the whole lot.

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" to boost the supply of hostel accommodation.

It is believed that this will reduce the compliance cost for the trade and help make better use of space and a more flexible provision of facilities, increasing the business viability for converting commercial buildings into student hostels; at the same time to speed up the conversion process by not involving any floor space reduction works.

- Rate & Government Rent Appeal
- Compensation Claim Assessment
- Planning & Development Consultancy



Under the planning regime, the definition of the term "Hotel" used in Outline Zoning Plans will be expanded to cover student hostels.

(Source of Photo: Canva Photo)

Under the lands regime, 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. Even so, payment of premium or application of waiver are still applicable to some lots. The DevB has declared at this stage that no premium waiver or waiver fee concessions will be provided for this sector of student hostel developments. Lacking similar applications as references, uncertainties exist in the premium assessment of the Lands Department. Unless the DevB can announce anything like the details and standard premium or waiver fee for this type of application, the scheme may be questioned by this portion of potential conversion applicants.

At the same time, for properties that are only partially converted into hostels, the Secretary for Development has mentioned that there shall not be too many different uses within a same building. However, there is still no clear indicator for the definition of "too many", by the Secretary for Development as well. It is hoped that the authorities can clearly explain the details so that the market can understand how the scheme works as soon as possible and find suitable properties.

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- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application

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Even though the policy will be coordinated soon, the effectiveness of the pilot scheme still depends on the selection of properties suitable for conversion in the market. Although the current commercial building market in Hong Kong is not as prosperous as a few years before, hostels operators or educational institutions can take the advantage of the current situation to purchase properties at a more affordable cost, the location of a property is still of prime importance. If it is far away from the school, even if it is successfully converted into a hostel, it is believed that its ability to attract teachers and students to move in will be greatly reduced.

The pilot scheme proposed can reduce the extra time and money required for hostels conversion in terms of planning and building control, but there still seem to be some uncertainties or details that need to be clarified in terms of lands administration. As for how the market actually chooses properties, it is believed that the location will still be the main factor, and properties near colleges and universities will naturally be valued higher.



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HONG KONG SNAPSHOTS

2-Bedroom Flat Sold at HK\$3.8 Million in Secondary Market Same Purchasing Price as 2 Years Ago: Ping Yan Court, Tin Shui Wai

With second-hand property market stabilizing, a recent buyer of a property has successfully escaped from a loss, selling it at break-even. A 2-bedroom unit at Ping Yan Court, a Home Ownership Scheme development in Tin Shui Wai, recently sold for HK\$3.8 million under the secondary market, or HK\$9,922/sq.ft..

The unit sold is Flat No. 9 on the upper floor of Block A at Ping Yan Court, with a saleable area of 383 sq.ft. of 2-bedroom layout. The original owner had previously listed it for HK\$3.98 million under the secondary market. Recently, a new buyer negotiated the price down to HK\$3.8 million, a reduction of HK\$180,000 or 4.5%, equivalent to HK\$9,922/sq.ft..

The original owner purchased the flat for HK\$3.8 million before paying the land premium in early 2023 and held it for about 2 years. He has now successfully sold it and walked away with a break-even on paper, but after deducting expenses, a slight loss is expected.



Ping Yan Court is located next to the MTR Tin Shui Wai station, with shops and bus terminus provided in front of the development.

(Source of Photo: RHL Photo Base)

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HONG KONG SNAPSHOTS

2-Bedroom Flat Sold at HK\$4.55 Million, Nearly 90% Up in 14 Years: Ma On Shan Centre, Sha Tin

A transaction has been recorded at Ma On Shan Centre in Shatin recently. This high-level Unit F at Block 1 has a saleable area of 375 sq.ft., is a two-bedroom layout, with a southeasterly mountain view. The unit, which had been listed for three months, was sold for HK\$4.55 million after a 5.2% reduction of HK\$250,000 from the initial listed price of HK\$4.8 million. The unit rate is now approximately HK\$12,133/sq.ft..

It is understood that the original owner purchased the above unit at the end of 2010 for HK\$2.428 million. Owning it for 14 years and selling it now, the owner has made a book profit of HK\$2.122 million and the unit appreciated by 87% during the period.



A unit at Ma On Shan Centre has experienced a nearly 90% appreciation after 14-year of ownership.

(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.3, 3/F, Workingbond Commercial Centre, No.162 Prince Edward Road West, Kowloon	
Transaction Price: (at July 2025)	HK\$3.2 million	
Saleable Area:	273 sq.ft.	
Unit Rate in Saleable Area:	HK\$11,722/sq.ft.	
Last Transaction as at February 2010		
Price Change from Last Transaction:	+91.3%	
Overall Market Change from Last Transaction:	+52.6% (Grade B Private Offices- Price Index by RVD)	

Tsim Sha Tsui East



	Address:	Unit 9, 10/F, Seapower Tower, Concordia Plaza No.1 Science Museum Road, Kowloon	
	Transaction Price: (at July 2025)	HK\$8 million	
	Saleable Area:	583 sq.ft.	
	Unit Rate in Saleable Area:	HK\$13,722/sq.ft.	
	Last Transaction as at April 2011		
	Price Change from Last Transaction:	-17.8%	
C	Overall Market Change from Last Transaction:	+6.9% (Grade A Private Offices- Price Index by RVD)	

- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application

Latest Office Property Market Update

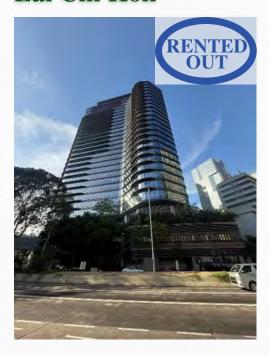
Office Property Purchase and Rental Transactions in the Market

Wan Chai



Address:	15/F, Pico Tower, No.66 Gloucester Road, Wan Chai	
Agreement made at May 2025	HK\$67,000	
Saleable Area:	1,660 sq.ft.	
Unit Rental in Saleable Area:	HK\$40.4/sq.ft.	

Lai Chi Kok



Address:	Unit A2, 6/F, NCB Innovation Centre, No.888 Lai Chi Kok Road, Lai Chi Kok
Monthly Rental from May 2025:	HK\$46,500
Saleable Area:	941 sq.ft.
Unit Rental in Saleable Area:	HK\$49.4/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 2025 Q1	209	
Preliminary Volume of Registered Transaction in 2025 Q2	286	
Transaction Value of Office Property in June 2025	About HK\$930 million	
Preliminary Transaction Value of Office Property in July 2025	About HK\$1.876 billion	
Monthly Change in Transaction Value	+101.7%	
Source of Information: Land Registry and Centaline Property Market Big Data		

The government has lately released the preliminary figure on the GDP in Q2, which has recorded a 3.1% rise annually, better than the market expectation. Summarizing the market statistics from the Land Registry and Centaline Property Market Big Data, the transaction volume of the office property in Q2 2025 is up by 36.8% compared to the figure in Q1 2025 while an obvious surge in transaction value was recorded in July 2025 compared to June 2025. The rental level is continuing its down arrow from the plateau period in 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 211.2, and the price index has returned to the level in March 2011. Although the supply of Grade A offices in the market is still relatively sufficient, with an improving figure on the economic situation, it is believed that the rental level of Grade A offices can be supported at the current level.



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- The Promulgation of the Housing Rental Regulations Expected to Clear Up Uncertainties and Ambiguities in the Rental Market
- Qianhai District: Land Crowned with the Highest Accommodation Value in Shenzhen
- Residential Price Index of Major Cities (July 2025)
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MAINLAND CHINA SNAPSHOT

The Promulgation of the Housing Rental Regulations Expected to Clear Up Uncertainties and Ambiguities in the Rental Market

The "Housing Lease Regulations" is officially promulgated by the State Council on July 21, 2025, and set to take effect on September 15, 2025. It aims to comprehensively regulate the housing lease market, safeguard the legitimate rights and interests of both lessors and lessees, and foster the healthy and orderly development of the sector. By establishing stable leasing relationships, promoting the development of a high-quality rental market, and supporting the "rent-and-purchase" housing system, these regulations not only strengthen the market's regulatory framework but also enhance the professionalism and sustainability of the real estate industry. For real estate professionals, this represents a pivotal step toward aligning industry practices with robust legal standards.

The regulations primarily apply to house leasing activities on urban state-owned land. In terms of housing safety and standards, the regulations mandate that rental properties must comply with compulsory standards for construction, fire safety, gas, and interior decoration. It is strictly prohibited to lease non-residential spaces, such as kitchens, bathrooms, balconies, or basements, for residential purposes. Additionally, minimum per capita living space and occupancy limits must adhere to local regulations. These measures effectively mitigate safety risks and provide clear operational guidelines for real estate practitioners, meanwhile helping them avoid legal liabilities arising from non-compliant leasing practices.

Regarding lease contracts and registration, the regulations require both parties to sign contracts under their real names, with lessors obligated to register contracts with real estate management authorities at no cost. Lessors must provide lessees with valid proof of property ownership, while lessees are required to cooperate with lawful property inspections by lessors. This strengthens the legal enforceability of contracts and facilitates compliance management for industry professionals during transactions. The obligations of lessors and lessees are clearly delineated: lessors must refrain from unauthorized entry into leased properties and ensure lessee safety, while lessees must use the property reasonably, refrain from altering its purpose or structure, and comply with property management rules. These provisions reduce lease disputes, enhance the stability of leasing relationships, and underscore the need for real estate intermediaries and leasing companies to prioritize client education and service quality.

- Rate & Government Rent Appeal
- Compensation Claim Assessment
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In regulating intermediaries and leasing enterprises, the regulations stipulate that such entities must possess appropriate qualifications, disclose operational information transparently, and refrain from publishing false property listings or engaging in rent gouging. Intermediaries are also prohibited from collecting or disbursing rent or deposits on behalf of clients and must establish escrow accounts for funds. These measures directly address industry malpractices, such as false advertising and fund misappropriation, fostering a fair competitive environment for professionals while mitigating financial risks. On the market oversight and service front, local governments are required to establish lease management service platforms to handle contract registration, property verification, and rent monitoring. Real estate management authorities will collaborate with public security, taxation, and other departments to enhance information sharing and regulatory enforcement, addressing violations promptly. This integrated oversight mechanism boosts industry transparency and provides valuable data for market analysis and decision-making within the real estate sector.

The legal accountability section imposes penalties for violations, such as leasing substandard housing or disseminating false information, including warnings, fines, or even revocation of business licenses. In severe cases, legal liability may be pursued. This strengthened enforcement encourages strict compliance among real estate professionals, minimizing economic losses and reputational risks due to non-compliance.

In a nutshell, the Housing Lease Regulations address longstanding pain points in the rental market, such as false listings and unjustified deposit withholdings. By leveraging legal



The "Housing Lease Regulations" is officially promulgated by the State Council on July 21, 2025, safeguard the legitimate rights and interests of both lessors and lessees. (Source of Photo: Canva Photo)

mechanisms, the regulations enhance lessees' living experiences, promote the professionalization of the leasing industry, stabilize the social housing environment, support the housing needs of low-income groups, and advance urbanization. For real estate professionals, these regulations serve as a critical guide for transformation and upgrading, paving the way for a more competitive and resilient market ecosystem.

- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application

Qianhai District: Land Crowned with the Highest Accommodation Value in Shenzhen

The T201-0232 plot in Shenzhen's Qianhai Cooperation Zone was successfully auctioned off on July 14, 2025. Located north of Hub One Street in the Guiwan area of Nanshan District, the plot spans a land area of 8,287.15 sq.m. and a gross floor area of 25,600 sq.m.. Designated for R2 residential use, it features a plot ratio of 3.1 and a height limit of 80 meters. The auction followed a "highest bidder wins" mechanism, with a starting price of RMB1.158 billion. Ultimately, it was acquired by Shenzhen Zhaorong Real Estate Co., Ltd., a subsidiary of China Merchants Shekou, for RMB 2.155 billion, achieving an 86.1% premium rate and an accommodation value approximately RMB 84,180/sq.m., a new record for Shenzhen's highest unit land price. Development stipulations include commencing construction within one year and completing it within four years, along with the provision of 500 sq.m. for childcare facilities and 100 sq.m. for property management rooms. Notably, there are no restrictions on 70/90 sq.m. unit ratios or requirements for affordable housing allocation. The "land handover with immediate certification" model facilitates rapid development and capital turnover. This transaction underscores the intense demand from real estate enterprises for land in Qianhai's core area, with 12 developers participating, including industry leaders culminating after 158 rounds of bidding.



Qianhai, Shenzhen. (Source of Photo: Canva Photo)

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The plot is situated in Qianhai's Guiwan district, the most mature location among Qianhai's "Three Bays" and positioned as Shenzhen's "new urban center". It is adjacent to Qianhai Bay Station on Metro routes 1, 5, and 11, offering significant transportation hub advantages for commuting and logistics. Surrounding amenities are abundant, encompassing ecological spaces such as Shuanghe Park, Qianhai Stone Park, and Qianhai Park; commercial facilities including the international-chained member club store, and various shopping facilities; as well as headquarters bases for a number of major companies, which fosters a high-density business environment. For residential benchmarks, the west side features Zhuoyue Yunhai Bay, with nearby Tianjian Yuewan Mansion commanding an average second-hand price of about RMB 106,194/sq.m and Jinhong Kaixuan City at around RMB 74,978/sq.m., placing overall second-hand housing prices in the range of RMB 70,000-110,000/sq.m.. The plot's compact scale and low total price make it ideal for developing low-rise, low-density upscale improvement-oriented communities. It benefits from Qianhai Free Trade Zone policy dividends and resources from Bao'an's central district, poised to attract high-end buyers and enhance the overall regional value.

From a market value perspective, the high-premium transaction stems from Qianhai's land scarcity and developers' strategic positioning needs, with the project expected to break even at a sales price of around RMB 120,000/sq.m and potentially achieving aggressive pricing of RMB 130,000-140,000/sq.m.. Given the limited supply of new developments in the vicinity, the project can be positioned as a premium improvement product with optimistic sales prospects. In the first half of 2025, residential land supply across 300 cities nationwide decreased by 19.4% in area, with transaction volume down 5.5%, yet land transfer revenues rose 27.5% and the premium rate reached 10.2%. First-tier cities like Shenzhen favor "small and exquisite" plots, enabling refined development and risk management. This plot's successful auction validates robust demand in core areas, signaling a shift among developers from scale expansion to "meticulous cultivation."

Delving into risk assessment, opportunities lie in Qianhai's policy support—such as Free Trade Zone expansion and Greater Bay Area planning—and the value appreciation potential from mature amenities. However, challenges include a tight development timeline (completion within four years) and market volatilities (e.g., macroeconomic downturns or interest rate fluctuations). On the investment return front, the project's key date is anticipated in the first quarter of 2029, aligning with a recovering property market trend for potentially substantial ROI. Developers are advised to prioritize green building and smart community designs to boost competitiveness and align with market trends.

Residential Price Index of Major Cities (July 2025)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	59,682	0.64	Beijing	46,461	0.03
Chongqing	11,519	-0.21	Tianjin	15,385	0.26
Guangzhou	24,975	-0.02	Shenzhen	52,556	-0.21
Nanjing	25,617	-0.14	Hangzhou	31,662	1.51
Chengdu	14,271	1.30	Wuhan	13,239	-0.14
Dalian	13,582	-0.05	Suzhou	18,873	-0.02
Xi'an	13,048	0.08	Xiamen	29,008	-0.31
Ningbo	20,556	0.83	Changsha	9,661	-0.22
Wuxi	14,529	0.12	Dongguan	18,488	-0.30
Shenyang	9,796	0.06	Fuzhou	17,030	0.01

Source: Fangtianxia Hundred City Price Index

- Rate & Government Rent Appeal
- Compensation Claim Assessment
- Planning & Development Consultancy

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Major Land Transaction (July-August 2025)

Huizhou- Industrial Land		
Transaction Date:	08-08-2025	
Address:	Plot DB08-06-01, Dongjiang Science and Technology Park, Zhongkai High-tech Zone, Huizhou	
Consideration:	RMB 32,780,000	
Usage:	W1 Industrial Use	
Site Area:	31,591 sq.m.	
GFA:	94,773 sq.m.	
Plot Ratio:	3.0	
Accommodation Value/ GFA sq.m.	RMB 346	

Suzhou- Commercial Land		
Transaction Date:	08-08-2025	
Address:	North of Yuanqu Road and west of Jingwei Road in Shengze Town	
Consideration:	RMB 17,950,000	
Usage:	Retail Commercial Use	
Site Area:	7,890 sq.m.	
GFA:	19,725 sq.m.	
Plot Ratio:	2.5	
Accommodation Value/ GFA sq.m.	RMB 910	

- Lease Modification / Land Exchange
- Premium Assessment
- Temporary Waiver Application

MAINLAND CHINA SNAPSHOT Major Land Transaction (July-August 2025)

Shanghai - Residential Land		
Transaction Date:	24-07-2025	
Address:	Plot hk315-11, North Bund, Hongkou District	
Consideration:	RMB 6,471,900,000	
Usage:	Residential Use	
Site Area:	19,441 sq.m.	
GFA:	51,130 sq.m.	
Plot Ratio:	2.63	
Accommodation Value/ GFA sq.m.	RMB 126,577	

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