

RHL International

Property Market Express

房地產市場快訊

FEB 2025

ISSUE NO.290



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

Industry / Market Research and
Feasibility Studies

Serena Lau

serena@rhl-int.com

(852) 3408 3398

Land & Planning Matters,
Surveying Practice

Calvin Pang

calvin@rhl-int.com

(852) 3408 3163

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

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

CONTENTS

Hong Kong Property-Market Watch

- **The Important Functions of the Artificial Islands that Cannot be Ignored** P.4-7

Hong Kong Snapshots

- **Proposed Concrete Batching Plant in Kwai Chung, the Third Time Change in Use of the Same Factory Building** P.8
- **2-Bedroom Unit Appreciated by 1.6 Times in 2 Decades: Taikoo Shing** P.9

Latest Retail Property Market Update

P.10-12

Mainland China Snapshots

- **Second Half of 2024: Residential Land Sale Market Recovery?** P.14
- **Investors' Attention towards the Foreclosed Housings Market in 2024** P.15
- **Residential Price Index of Major Cities (December 2024)** P.16
- **Major Land Transaction (December 2024 - January 2025)** P.17-18



HONG KONG PROPERTY- MARKET WATCH

The Important Functions of the Artificial Islands that Cannot be Ignored

HONG KONG PROPERTY-MARKET WATCH

The Important Functions of the Artificial Islands that Cannot be Ignored

In order to support the future development of Hong Kong, a number of large-scale urban development projects have been implemented or planned to be launched, including the Northern Metropolis, the Kau Yi Chau Artificial Islands in the central waters (hereinafter referred to as "the Artificial Islands"), etc.. However, given the government's huge fiscal deficit, it is very important to flexibly allocate social resources and adjust the order of implementation of plans according to the needs of social development. The concepts and development destinies behind the Northern Metropolis and the Artificial Islands are different. On the one hand, the government is fully committed to promoting the Northern Metropolis, while on the other hand, the Secretary for Development said that there is no need to set a date for the start of the Artificial Islands project at this stage. What impact will this decision have on the future development of Hong Kong?

From the perspective of ordinary citizens, the current development priorities are indeed relatively reasonable, but a slight change will affect everything. There are some other planned infrastructures and supporting facilities that could be affected by the delay of the project. By then, it may not only affect the citizens, but even the prospects of the traditional Central Business District (hereinafter referred to as "the CBD").

The positioning and idea of the Northern Metropolis are clear, and its priority is irrefutable. As for Artificial Islands, apart from the environmental impact that reclamation projects will cause, the huge amount of resources to be invested and the land sales income that can be brought to the Treasury in the future are definitely worth discussing in the current market environment.

"Professional Practice in Land and Planning Matter"

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

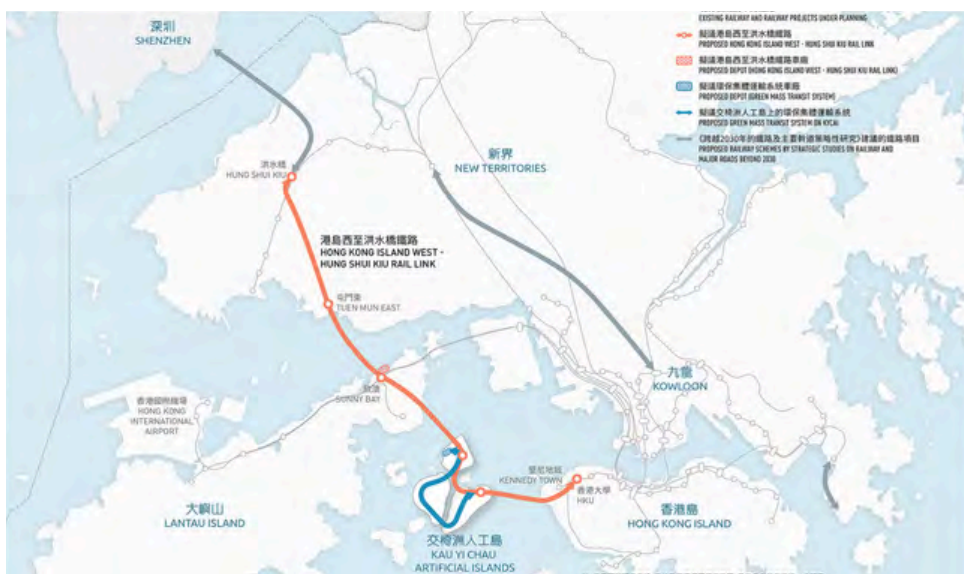
According to the official website of the Artificial Islands project, the authorities conducted an economic benefit analysis of the project in March 2019. In February of that year, it was estimated that the revenue from land sales would be about HK\$974 billion to HK\$1,143 billion, while the cost of reclamation and infrastructure construction would be about HK\$500 billion. The data was further adjusted in November 2022, land sale revenue was revised downward to approximately HK\$750 billion, and the total project cost was roughly estimated to have risen to about HK\$580 billion. Although the figures have not been updated since then, referring to the latest price index of all types of private domestic properties of the Rating and Valuation Department, the index has fallen by nearly 15% from November 2022 to today. With construction costs remaining high, the gap between revenue and expenditure can only narrow further. Considering the current overall economic situation, from the perspective of public finance, it is acceptable not to start the project for the time being.

However, from the perspective of the city's long-term transport infrastructure strategy, this shall be impacted somehow. The Artificial Islands were originally planned with a set of strategic transport infrastructure. The initial route is to connect the existing or planned main roads and railways through the islands to the Hong Kong International Airport, Zhuhai and Macau in the west; to Northern Metropolis, Qianhai and Shenzhen in the north; to Kowloon West in the east, and to Hong Kong Island West and Central in the south. These include the road linkage to Hong Kong West and the northeast Lantau Island, connecting to the planned Route 11 to Tuen Mun and Shenzhen; and the railway to Hong Kong West and Hung Shui Kiu, connecting to the planned Hung Shui Kiu to Qianhai Hong Kong-Shenzhen Western Railway Link.

It is not only meeting the transportation needs of the Artificial Islands, but also enhancing the connectivity of Hong Kong's transportation network. Although many commercial activities in Hong Kong have now been dispersed to Kowloon East, Hong Kong Island East, and even the future Northern Metropolis, the traditional CBD in Central is still the core area of the city's economic development where provides many employment opportunities. The current route will be more direct and faster than nowadays from Central district to the Mainland, Northern Metropolis and Northwest New Territories by using the road and rail network via the Artificial Islands in the future, which will facilitate exchanges between Hong Kong and the Mainland and relieve the pressure on the existing transportation network. Not commencing the Artificial Islands project for the time being is believed to have some slight impacts on Hong Kong's transport network flow and economic exchanges between the CBD and the Mainland in the future.

"Professional Practice in Land and Planning Matter"

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



Road and railway networks under planning to the Artificial Islands.
(Source of Photo: Official website of the Artificial Islands project.)

If there is no timetable for the Artificial Islands project, the government should plan other transport policies and routes as soon as possible to ensure unimpeded mobility between citizens and cities and maintain the convenience of Hong Kong's economic activities.



CALVIN PANG
WRITER - HONG KONG
MARKET WATCH

"Strategic Investment Advisory & Agency"

- Negotiation between Transaction Parties*
- Provide Transaction Advisory Services*

HONG KONG SNAPSHOTS

Proposed Concrete Batching Plant in Kwai Chung, the Third Time Change in Use of the Same Factory Building

It is the third time usage alteration at South China Cold Storage Industrial Building in Kwai Chung. According to the online information of the Town Planning Board, the owner of the building has lately applied for a planning permission at the premises, by allowing the use of the building from a cold storage to a proposed concrete batching plant which will lead to a cut in total gross floor area by 48%. In fact, modern industrial, data centre and cold storage usages have been proposed at the application premises before.

South China Cold Storage Industrial Building is located at Nos.13- 17 Wah Sing Street in Kwai Chung, with a site area of 19,135 sq.ft.. The proposal this time is to redevelop the site into a 3-storey (including a floor of basement) concrete batching plant, providing a total gross floor area of 113,021 sq.ft..

The proposed plant will be running 24-hour, with production peak from 6 a.m. to 6 p.m. and materials delivery peak from 6 p.m. to 11 p.m., media reports.

Applicant has pointed out that, the plant shall be able to support and satisfy the demands for concrete by the planned domestic and other development projects in Hong Kong, together with other infrastructures. Meanwhile, the applicant considered that the proposed use shall comply with the planning intention of “Industrial” zone and not bringing any negative transport and sewage problems.



South China Cold Storage Building in Kwai Chung is going for the third change in use, the lately proposed user is a concrete batching plant.

(Source of Photo: RHL Photo Base)

*"Super Connector Professional Services
Provision, Facilitation And Consultation"*

- *Consultancy Services in Greater Bay Area*

HONG KONG SNAPSHOTS

2-Bedroom Unit Appreciated by 1.6 Times in 2 Decades: Taikoo Shing

Before the Lunar New Year, a transaction of two-bedroom unit in Taikoo Shing was recorded. The original owner had owned the property for nearly 20 years and a profit of HK\$5 million was expected.

According to market sources, the unit sold is Unit F on high-level of Shun On Mansion in Taikoo Shing, enjoying an open building view, with a saleable area of 589 sq.ft., and two bedrooms. The original owner had previously asked for about HK\$8.2 million, and coveted by another buyer from the same area. The transaction was made for HK\$8.1 million at a unit rate of about HK\$13,752/sq.ft..

Tracing the records, the original owner had acquired the property for HK\$3.1 million in 2005, and after 2 decades of ownership, the unit has been appreciated by approximately 1.6 times with a profit of HK\$5 million to the seller.



A 2-bedroom apartment transaction was lately recorded in Taikoo Shing, where the property has been appreciated by 1.6 times in nearly 2 decades of ownership.

(Source of Photo: RHL Photo Base)

"Professional Practice in Land and Planning Matter"

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

Latest Retail Property Market Update

Retail Property Purchase and Rental Transactions in the Market

Wan Chai



Address:	Shop A on G/F, Tak Lee Commercial Building, 113-117 Wan Chai Road, Wan Chai
Transaction Price: (at December 2024)	HK\$46.8 million
Saleable Area:	1,213 sq.ft.
Unit Rate in Saleable Area:	HK\$38,582/sq.ft.
Last Transaction as at November 2007	
Price Change from Last Transaction:	-18.6%
Overall Market Change from Last Transaction:	+108.7% (Private Retail – Price Index by RVD)

Jordan



Address:	Shop A on G/F, Yen Kit Building, Nos.14-18 Kwun Chung Street, Jordan
Transaction Price: (at December 2024)	HK\$13.2 million
Saleable Area:	940 sq.ft.
Plus Yard:	186 sq.ft.
Unit Rate in Saleable Area:	HK\$14,043/sq.ft.
Last Transaction as at August 2009	
Price Change from Last Transaction:	+59.0%
Overall Market Change from Last Transaction:	+87.7% (Private Retail – Price Index by RVD)

"Professional Practice in Land and Planning Matter"

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

Latest Retail Property Market Update

Retail Property Purchase and Rental Transactions in the Market

Tsuen Wan



Address:	Shop 6 on G/F, Lung Wah Building, Nos.46- 62 Chuen Lung Street, Tsuen Wan
Monthly Rental from November 2024:	HK\$60,000
Saleable Area:	330 sq.ft.
Unit Rental in Saleable Area:	HK\$181.8/sq.ft.

Mong Kok



Address:	Shop D on G/F, Po Lun Building, Nos.175-181 Portland Street, Mong Kok
Monthly Rental from November 2024:	HK\$135,000
Saleable Area:	610 sq.ft.
Plus Yard:	230 sq.ft.
Unit Rental in Saleable Area:	HK\$221/sq.ft.

"Strategic Investment Advisory & Agency"

- *Negotiation between Transaction Parties*
- *Provide Transaction Advisory Services*

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 Q3	212
Volume of Registered Transaction in 2024 Q4	231
Transaction Value of Retail Property in November	About HK\$1.158 billion
Transaction Value of Retail Property in December	About HK\$1.542 billion
Monthly Change in Transaction Value	+33.2%
Source of Information: Land Registry and Centaline Property Market Big Data	

There trend for Hong Kong citizens heading northward for consumption is growing. According to the value of retail sales in November published by the Census and Statistics Department, the value was about HK\$317 million, dropped by 7.3% annually. With reference to the Private Retail- Rental Index published by the Rating and Valuation Department which cut off at October, the latest figure is 164.4. As the index is yet to reflect the resumed "Multiple-Entry" Individual Visit Endorsements for permanent residents of Shenzhen in December, together with the Christmas festive season and the coming Lunar New Year, it is expected that the retail industry would slightly be improved. Hence, rental index is anticipated to be supported in a short term. Meanwhile, transaction volume in Q4 has grown obviously from Q3, showing the optimistic overview towards the retail property market.



"Super Connector Professional Services Provision, Facilitation And Consultation"

• *Consultancy Services in Greater Bay Area*



MAINLAND CHINA SNAPSHOT

- **Second Half of 2024: Residential Land Sale Market Recovery?**
- **Investors' Attention towards the Foreclosed Housings Market in 2024**
- **Residential Price Index of Major Cities (December 2024)**
- **Major Land Transaction (December 2024 - January 2025)**

MAINLAND CHINA SNAPSHOT

Second Half of 2024: Residential Land Sale Market Recovery?

In the second half of 2024, the residential land sale & auction markets in different cities were heated up again by frequently witnessing some plots transacted with high premiums in major metropolitans. Here are a few highlights :

In October, the plot in Jiangwan New City, Hangzhou was transacted with RMB 3.42 Billion, which pushed the accommodation value to RMB 50,717/ sq.m, the historically high level in AV in Hangzhou.

In November, Beijing's plot transaction also broke its historical record in terms of total land cost. 'Jiuxianqiao, Xiaohongmen and Shibalidian Plot' in Chaoyang District was sold for RMB 15.322 Billion.

Meanwhile, the plots in Shanghai and Chengdu broke the historical records in the premium rate by paying an extra 40.37% and 46% of the reserve prices respectively. The accommodation value of the Shanghai's plots reached up to RMB 74,400/ sq.m. and RMB 26,300/ sq.m. for the one in Chengdu.

In December, the plot in Houhai Financial Headquarters Base, Nanshan District, Shenzhen, was transacted for RMB 18.512 billion with a 46.32% premium. It became the most expensive plot transaction across the country in 2024. During the same period in Xian, the plot in North Zone Two was sold for RMB 2.559 Billion, which turned out to be the lot that transacted with the highest land cost in Xian.

Although stunning land transactions constantly emerged in the market, which constituted a prosperous scene, a polarized auction market was the actual norm. Other than the above-highlighted lot sale schemes in core areas of the main cities, most of the plots are transacted with reserved prices. Currently, the majority of buyers are Central- and State-Owned Enterprises but the increasing numbers in transactions embodied the recovery of developers' confidence and market demand. As a whole, the residential land sale market is still under an adjustment in early 2025.



The planning map of the plots in Shanghai.
(Source of Photo: Website of Pudong Government)

"Professional Practice in Land and Planning Matter"

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

MAINLAND CHINA SNAPSHOT

Investors' Attention towards the Foreclosed Housings Market in 2024

In 2024, the number of foreclosed houses across the country continued rising from 2023, accumulating to 760 thousand dwellings, but only 180 thousand of them were fully transacted. The total amount reached RMB 330 Billion. It can be observed that the market scale of foreclosed houses is large, but the transaction rate is underperforming.

The most attractive point of buying foreclosed houses is the price. The reserve price in the auction is usually 70% of the market value. Part of the houses are even priced at 40% off from the market value. The actual average transacted prices are given around 32% off from the market value, which embodies the balance in buyers' and sellers' markets. The reasons behind this can be explained by the relatively perfect foreclosed housing market with transparent information. Yet, there is the evident price gap between foreclosed housing and conventional first and second-hand estates, the overall housing market is not shaken by this niche competitor.

Despite the advantages of purchasing foreclosed houses did embracing the attractive asking prices and transparent transaction medium, the risks involved can still be an issue. For instance, tenure defects, multiple seizures, delinquency in taxes & fees together with building quality concerns. If the foreclosed houses are leased out or occupied, some more actions are required to be conducted by the buyers.



The most attractive point of buying foreclosed houses is the price.

(Source of Photo: Canva Photo)

"Professional Practice in Land and Planning Matter"

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

MAINLAND CHINA SNAPSHOT

Residential Price Index of Major Cities (December 2024)

City	Sample Average Price (RMB/sq.m.)	M-o-M Change (%)	City	Sample Average Price (RMB/sq.m.)	M-o-M Change(%)
Shanghai	56,803	1.43	Beijing	45,579	0.07
Chongqing	11,647	0.21	Tianjin	15,207	0.38
Guangzhou	24,695	0.05	Shenzhen	52,625	-0.11
Nanjing	25,564	0.83	Hangzhou	30,566	0.02
Chengdu	13,931	0.68	Wuhan	13,279	-0.16
Dalian	13,632	0.00	Suzhou	18,969	0.51
Xi'an	12,937	0.74	Xiamen	29,164	-0.08
Ningbo	20,357	0.30	Changsha	9,664	0.64
Wuxi	14,358	0.25	Dongguan	18,864	-0.04
Shenyang	9,823	-0.02	Fuzhou	17,278	0.08

"Strategic Investment Advisory & Agency"

- *Negotiation between Transaction Parties*
- *Provide Transaction Advisory Services*

MAINLAND CHINA SNAPSHOT

Major Land Transaction (December 2024 - January 2025)

Wuhan- Industrial Land	
Transaction Date:	7-1-2025
Address:	Xinguzhen Street North of Xinggong 3rd Road, West of Renovation Avenue
Consideration:	RMB 25,600,000
Usage:	M2 Industrial Land
Site Area:	48,696 sq.m.
GFA:	58,435 sq.m.
Plot Ratio:	1.2
Accommodation Value/ GFA sq.m.	RMB 438

Guangzhou- Residential Land	
Transaction Date:	31-12-2024
Address:	Lot AT080721, West of Yancun Erxiang Road, West District of Financial City, Tianhe District
Consideration:	RMB 4,327,920,000
Usage:	R2 Residential Land
Site Area:	27,307 sq.m.
GFA:	84,650 sq.m.
Plot Ratio:	3.1
Accommodation Value/ GFA sq.m.	RMB 51,127

*"Super Connector Professional Services
Provision, Facilitation And Consultation"*

• Consultancy Services in Greater Bay Area

MAINLAND CHINA SNAPSHOT

Major Land Transaction (December 2024 - January 2025)

Shanghai- Commercial Land	
Transaction Date:	30-12-2024
Address:	Lot 02aA-04, Unit 02aA, BSP0-0801, Po Shan District
Consideration:	RMB 1,048,700,000
Usage:	Commercial, Dietary & Hospitality, Office Building Land
Site Area:	95,969 sq.m.
GFA:	220,728 sq.m.
Plot Ratio:	2.3
Accommodation Value/ GFA sq.m.	RMB 4,751

"Professional Practice in Land and Planning Matter"

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



CONTACT



(852) 3408 3188

(852) 2730 6212

(852) 5307 9925 (WhatsApp)

EMAIL

info@rhl-int.com



WEBSITE

www.rhl-int.com



WECHAT

永利行評值



微信公众号
永利行評值

This document / publication is prepared by professionals in RHL International Ltd and /or its subsidiaries (RHL) for information only. Its application to specific situations will depend on the particular circumstances involved accordingly. It does not constitute formal advice or commitment by RHL. Whilst all reasonable care has been exercised in preparing this document / publication. RHL recommends that readers should seek appropriate professional advice before making any decision or taking any action that may affect their finance or business. RHL accepts no responsibility for any loss whatsoever sustained by any person who relies in this document / publication.

Source: Land Registry, CAAD and RHL Research Department

Photo credit: CANVA and RHL Library

©2024 All right reserved by RHL.

