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ArtScience Museum
Singapore



HONG KONG PROPERTY

香港物業市場透視

CHINA PROPERTY

中國物業市場透視

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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.

- Valuation (including Real Estate, Business Valuation, Plant & Machinery)
- Real Estate Solutions and Surveying Practice
- Industry Market Research & Analysis
- Project Feasibility Study and Advisory
- Financial Analysis
- Investment Advisory
- Due Diligence
- Portfolio, Asset and Facilities Management

Industry / Market Research and
Feasibility Studies

Serena Lau

serena@rhl-int.com

(852) 3408 3398

Land & Planning Matters,
Surveying Practice

Keith Siu

keith@rhl-int.com

(852) 3408 3338

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

CONTENTS

Hong Kong Property- Market Watch	P.4-8
<ul style="list-style-type: none">• From Land Sharing to the Rights of Owners under Land Resumption Ordinance	
Hong Kong Snapshots	P.9-10
<ul style="list-style-type: none">• Cheung Sha Wan: Rentals of First Hand Properties Superior to Second Hands• First-Hand Properties Buyers to be Cautious	
Hong Kong Transactions Overview	P.11
Belt And Road Initiative: Singapore	P.12-15
Greater Bay Area Special :Foshan City	P.16-19
China snapshot	P.20-23
<ul style="list-style-type: none">• Latest Housing Prices in 15 New First-Tier Cities: 9 Exceed RMB20,000/sq.m., Hangzhou the Most Expensive VS Changsha the Lowest• Xi'an's Centralized Land Supply Debuts Smoothly but at Low Prices• Shenzhen Takes the Lead in Fully Applying Demarcated Land Prices; Highest Land Price of RMB 65,800/square meter	



HONG KONG PROPERTY- MARKET WATCH

From Land Sharing to the Rights of Owners under Land Resumption Ordinance

HONG KONG PROPERTY - MARKET WATCH

From Land Sharing to the Rights of Owners under Land Resumption Ordinance

The Development Bureau has received the first application under the Land Sharing Pilot Scheme, covering 3.2 hectares of private and government land at Lo Fai Road and Ting Kok Road, Tai Po. The application involves about 1,149 public housing or Starter Homes and 493 private housing flats with supporting facilities.

According to the information extract from the Legislative Council, the Scheme aims to complement, but not replace, government-led planning of private land for a specified public purpose, accelerate and facilitate the development process for public and private housing within the application site, and ensure efficiency in land development and costs control.

Nonetheless, only one application has been received since the commencement of the Scheme in May 2020, may the developments in the New Territories or brown fields still have to rely on the long-established “Land Resumption Ordinance” (“the Ordinance”)? If the lay public comes across with land resumption under the Ordinance, what they should pay attention to?

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 - *As a Matching Platform to Source Opportunities*
- 

Under the “public purpose”, the Government has to prove that there is no alternative scheme but to resume the private land in a fair and honest way under the Ordinance. In general, no matter the location and size of land to be resumed, the future usages of the lands, such as for railway, roads, public hospitals and schools, etc., or even for public housings, are in no doubt for “public purposes” without any other alternative proposals can be completed by any private land owners or developers.

Although the Government has the rights to resume land, its procedures to action and the related proposals could be controversial and being postponed, especially the compensation and rehousing issues. Parties being affected will be entitled to statutory compensation for the value of the land and building or other land interests resumed in accordance with the provisions of the Ordinance.

Under the Ordinance, the Government will make an offer of compensation in respect of the resumption to the owner and to any person having an estate or interest in the land immediately before reversion under an instrument registered in the Land Registry or invite claims for compensation from them within 28 days from the date of reversion. The original intent to calculate the amount of compensation is to base on the initial land usage, which means ex-gratia compensation rate for arable land shall be offered to those land with original usage of “agriculture” only, and its amount shall not be increased due to the future rise in land value brought by the new land usage afterwards.

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- *Provide Transaction Advisory Services*

Nevertheless, it has long been a complicated issue for the ownerships in the private lands in the New Territories. Any person who considers that he/ she has a compensatable interest in the land resumed but has not been offered compensation nor been invited to claim compensation may, within one year from the date of reversion, submit a claim stating the nature of his estate or interest in the land and the amount of compensation which he claims for the resumption of that estate or interest.

In fact, statutory compensation is not restricted to a property or land to be resumed. Any domestic occupants in squatter structures and business undertakings affected by the Government development clearance exercises are also encompassed by the ex-gratia compensation and rehousing (C&R) arrangements. If related persons wish to submit its request for a compensation or reject the amount of compensation offered by the Government, he/ she can submit its request for a compensation amount with supporting evidences to the authority for consideration.

From our past experiences dealing with similar cases, the procedures require a lot of information and evidences to be submitted to certify that the compensation requests by the claimants are reasonable. Hence, we wish to remind that, any one who is submitting a compensation claims should seek advices and assistances from independent and qualified professionals, to allow a smooth and efficient procedure of claim.

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One point to note that, under the Ordinance, costs or remuneration reasonably incurred in employing persons to act in a professional capacity in connection with claims for statutory compensation are reimbursable in appropriate circumstances while professional fee is not paid as a matter of course.

Therefore, whenever a land or property is being resumed under the Ordinance, related parties shall pay attention to their rights to claims. If further advices are required, we welcome your enquiries.



(Photo Source: Online)

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HONG KONG SNAPSHOTS

Cheung Sha Wan: Rentals of First Hand Properties Superior to Second Hands

Market information states, 2 rental transactions were revealed at the Addition in Cheung Sha Wan, which has received Occupation Permit earlier in April. One of the flat was studio type Flat F on low-level, having a saleable area of 220 sq.ft., it has been let for HK\$11,000/ month, at a unit rental of HK\$50/sq.ft.. The owner has acquired the property in April 2019 at a price of HK\$4.762 million, with a yield of 2.7% today. Besides, another studio designed Flat G on low-level, saleable area of 238 sq.ft., has also been let for HK\$11,500/month at a unit rental of HK\$48/sq.ft.. The property owner has purchased the flat first-hand for HK\$4.823 million with a yield of 2.9% today. The observed yield rates of these transactions were not only higher than the overall 2.3%, the unit rental is also higher than the level of about HK\$40/sq.ft. at those “Heya” developments in the same district.



2 rental transactions have been recorded lately at the just completed development, The Addition (left), in Cheung Sha Wan, which unit rentals and yield rates are higher than those “Heya” developments from the same district that completed for few years; Right: Heya Crystal (Source of Picture: RHL Photo Base)

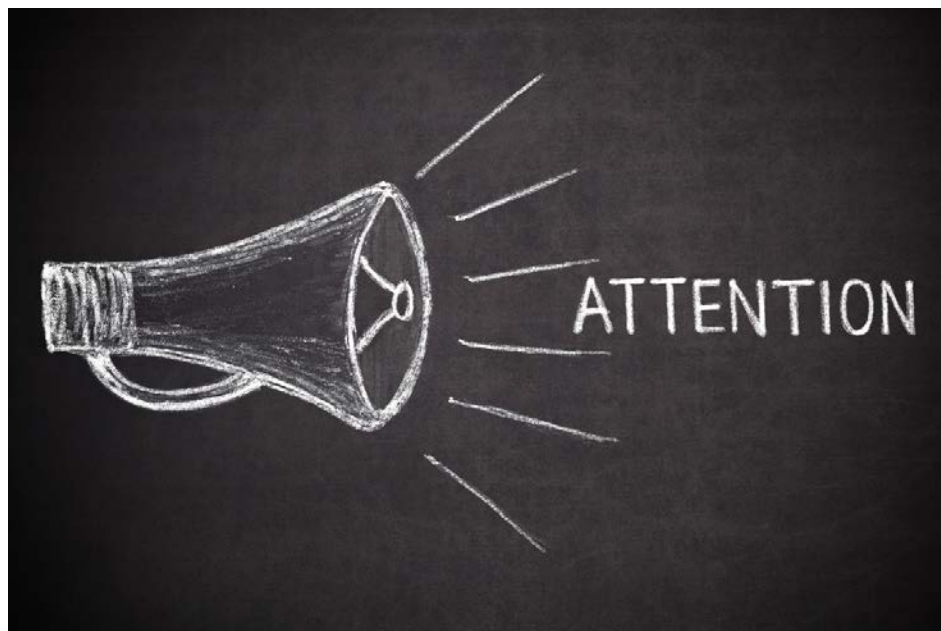
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HONG KONG SNAPSHOTS

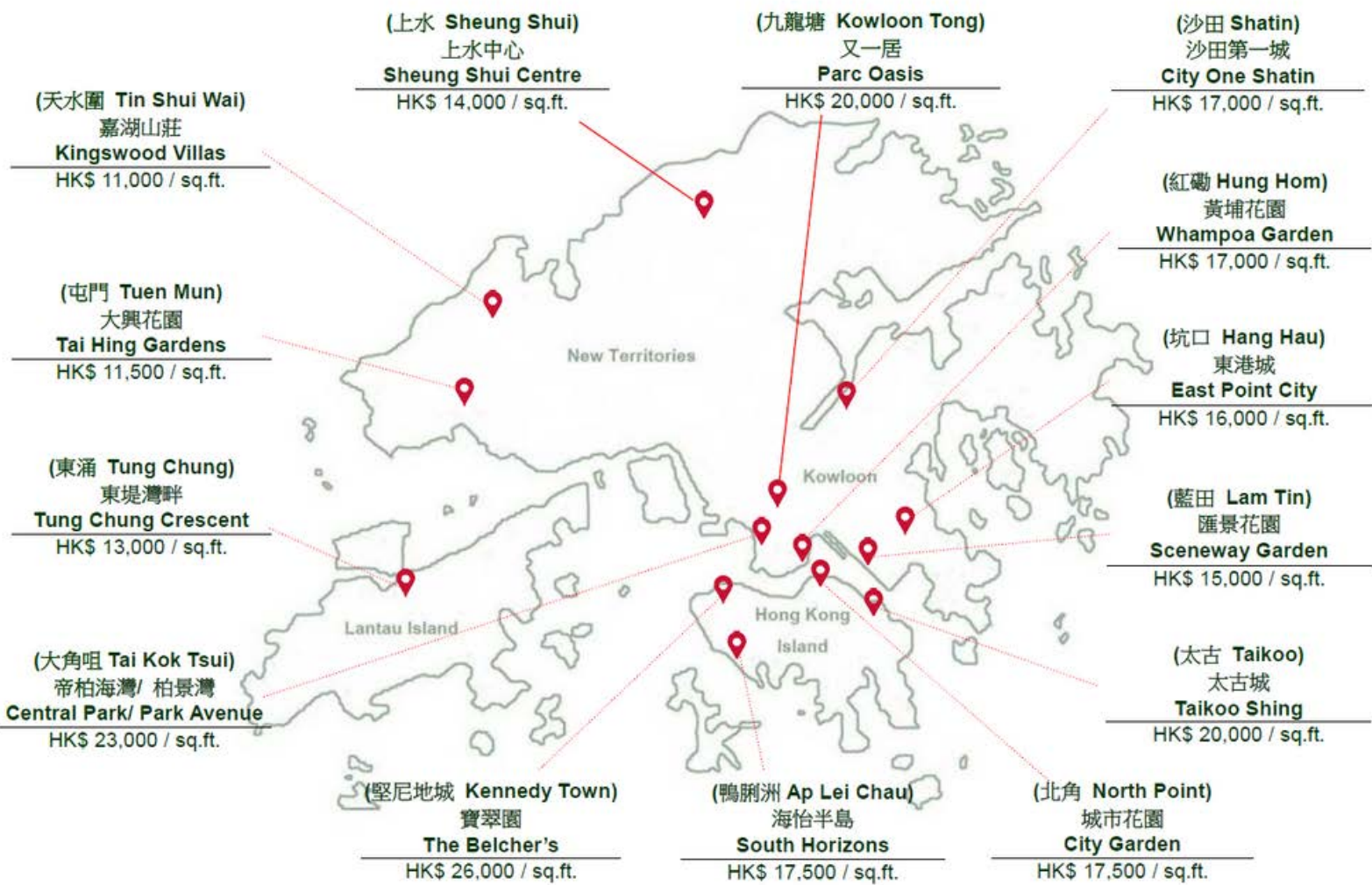
First-Hand Properties Buyers to be Cautious

Recently, a developer has decided to demolish and rebuild its development under construction which concrete used was not up to the standard. Also sources reported that local banks may not undertake mortgages for the first-hand residential units developed by a mainland developer which is under a financial duress. As buying a property is an important decision for every citizen, the regulatory authorities do remind the public regularly on their webpages that citizens need to understand all terms and conditions before signing a provisional sale and purchase agreement. The authorities also remind buyers not to mistrust estate agents for getting a bank mortgage easily with own financial ability.



(Photo Source: Online)

HONG KONG TRANSACTIONS OVERVIEW



* Average saleable unit rate of standard units
以上為各標準單位平均實用呎價



Singapore Green Plan 2030

Objectives: Strengthen Singapore's economic, climate and resource resilience, improve the living environment of Singaporeans, and bring new business and job opportunities.

When to be Published: 10th February 2021.

Which Ministries to Promote: Ministries of Education, National Development, Sustainability and the Environment, Trade and Industry, and Transport.

Green Plan 2030 Aspects to Achieve

City in Nature: More green spaces and parks for providing shade, cooling the environment and recreational uses.



Sustainable Living:

- Encourage citizens to conserve water and promote "Reduce, Reuse and Recycle" for addressing the problems of e-waste, packaging waste and food waste.
- More green transportation, including expansion of rail network, purchasing cleaner-energy public buses, or even encourage citizens to walk or cycle more and develop new town concepts.
- Integrate the environmental sustainability in schools in terms of building and education programme with students.

Energy Reset:

- Promote green energy/ sustainable fuels for international trade, travel and electricity generation.
- Build more sustainable buildings and raise the sustainability standards for green buildings through the Singapore Green Building Master Plan.
- By 2030, all newly registered vehicles are required to be in cleaner-energy models.

Green Economy:

- New carbon-intensive investment should be the best in terms of energy/carbon efficiency.
- Energy usage for production processes for industries should be in green.
- Singapore aims at being a leading centre for green finance in Asia and globally.
- Support local enterprises for adopting sustainability practices / standards and capture business opportunities in sustainability.

Resilient Future:

Adapt to sea-level rise and enhance flood resilience by investing in R&D for technology and detection for urban heat effect.



Singapore Urban Redevelopment Authority (URA)

Objectives:

- Town planning: Responsible for setting up a long-term comprehensive plan for Singapore, such as the Concept Plan and Master Plan; evaluating and granting planning approvals for development through various guidelines.
- Main Government land sales agent.
- Conserving historical buildings and districts if necessary.

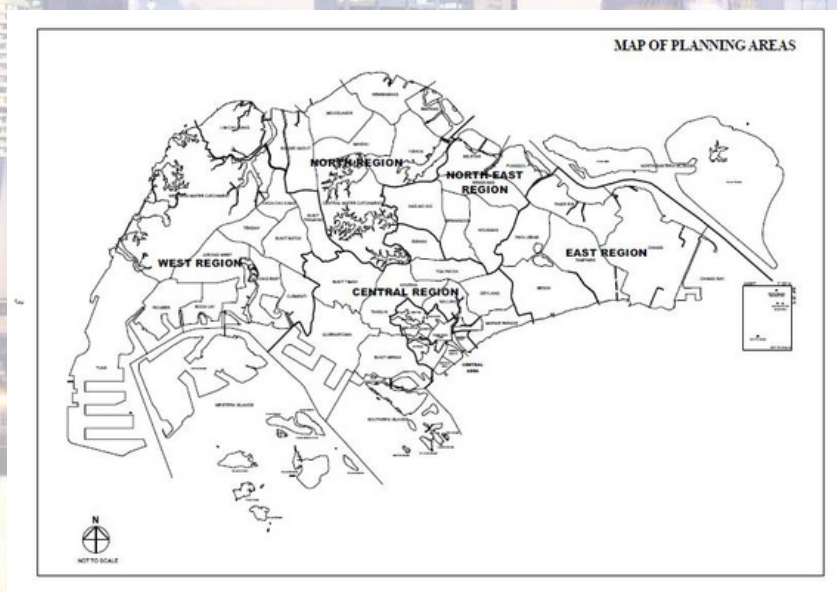
When to be established: 1st April 1974.

Who is the manager: URA is a statutory board of Singapore Government, and its overseeing Ministry is Ministry of National Development (MND).

Number of Groups in URA: 11, such as the groups for strategic and urban planning (e.g. Strategic Planning Group), Land Sales and Administration Group, Development Control Group and Information Systems and Geospatial Group.

Current Master Plan

The Master Plan 2019, with different development aspects in 5 major planning areas:
North Region, North East Region, West Region, Central Region and East Region



Source: The Planning Act: Master Plan Written Statement 2019

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BELT & ROAD

SINGAPORE



Urban Transformation Projects to be involved as examples

Greater Rustic Coast: Turning an area related to military installations during occupancy by Britain into a recreational area, with wetlands, mangroves and parks.



Source: Webpage of MND (Ministry of National Development) Link (2019)

Punggol Digital District: Singapore Institute of Technology (SIT)'s campus and JTC's Business Park spaces are here and it aims at promoting digital technology and green lifestyle as a pilot Enterprise District.



Source: Webpage of Strait Times (2020)

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Changi Region: As the aviation hub, Changi Airport has increased its capacity so as the land nearby could provide for its future expansion, including the Changi East Industrial Zone and Changi East Urban District. In addition, recreational and tourism facilities might be developed on a waterfront district.



Source: URA webpage (2021)

大灣區前瞻

Greater Bay Area Special

The Guangzhou-Hong Kong-Macau Greater Bay Area also referred as Greater Bay Area (GBA), is a megalopolis, consisting of two special administrative regions of Hong Kong and Macau, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Dongguan, Zhongshan, Jiangmen, Huizhou and Zhaoqing in Guangdong Province. GBA with a total area of 56,000 km², and with a total population of approximately 72 million people at end 2019, is the largest and the richest economic region in South China. The GDP is USD 1,679.5 billion and GDP per capita is USD 23,371. GBA also is the largest and most populated urban area and is among the 5th largest bay areas in the world, comparable with the bay areas of London, New York, San Francisco, and Tokyo.

The development of the GBA is accorded the status of key strategic planning in the country's development blueprint. The objectives are to further deepen cooperation amongst Guangdong, Hong Kong and Macau, fully leverage the composite advantages of the three places, facilitate in-depth integration within the region, and promote coordinated regional economic development, with a view to developing an international first-class bay area ideal for living, working and traveling.

FOSHAN CITY

Foshan, abbreviated as "Fo", is a prefecture-level city in Guangdong Province. Foshan is located in the central part of Guangdong Province and the hinterland of the Pearl River Delta (PRD), adjacent to Hong Kong and Macao, bordering Guangzhou to the east and Zhongshan to the south which forming the "Guangzhou-Foshan Metropolitan Area" together with Guangzhou. Foshan is one of the most developed private economies in China and is a leader in the economic development of Guangdong Province. It is an important manufacturing base in China, an economic and trade center in the western wing of the Pearl River Delta region, and a comprehensive transportation hub, as determined by the State Council.

Positioning : National Manufacturing Innovation Center

Permanent Residents : 8.16 million

Total Area : 3,798 sq.km.

GDP : RMB 1,075.1 billion

GDP per Head : RMB 134,000

Total Merchandise Trade : RMB 482.76 billion

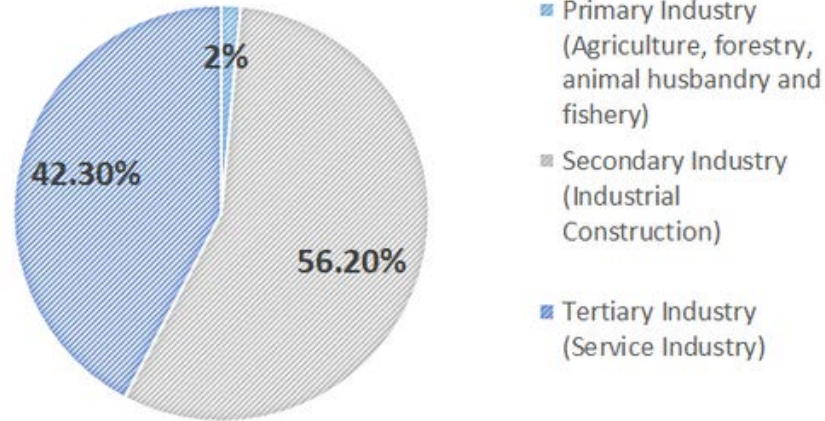
Export Value : RMB 372.77 billion

Import Value : RMB 109.99 billion

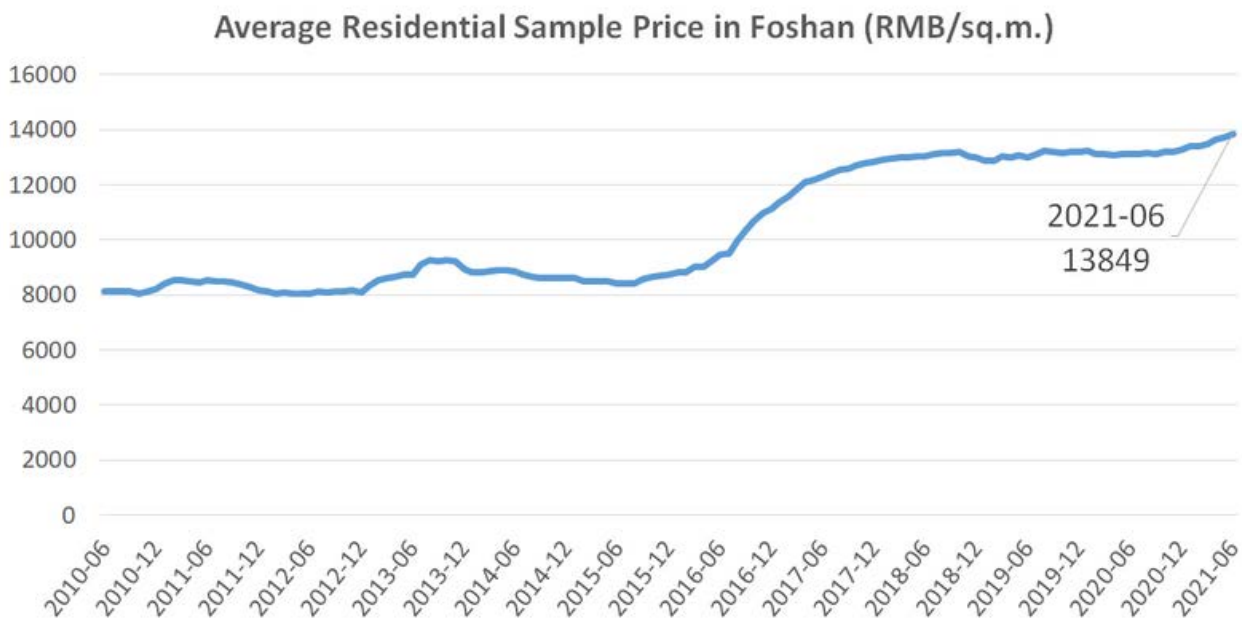


FOSHAN CITY REAL ESTATE OVERVIEW

Industry Structure



Residential Housing Price Trend



FOSHAN CITY REAL ESTATE OVERVIEW

Land Sales Status

Residential Land Use

Month	No. of Transaction	Transaction Area (sq.m.)	Average Transaction Price (RMB/sq.m.)	A.V. (RMB/sq.m.)
2020-11	7	280,377.85	22,527.35	7,812
2020-12	7	498,883.60	29,538.15	9,979
2021-01	2	62,752.35	41,480.52	8,206
2021-02	2	126,459.99	18,719.36	6,240
2021-03	4	175,119.17	21,441.19	8,576
2021-04	7	339,527.40	31,524.03	12,296

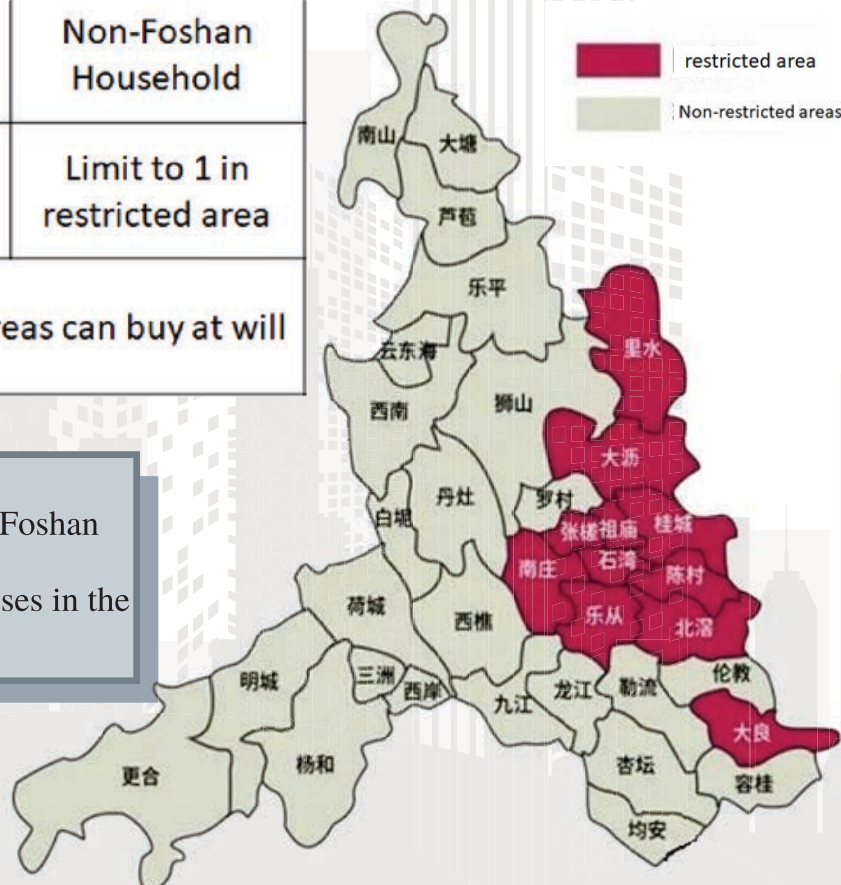
Industrial Land Use

Month	No. of Transaction	Transaction Area (sq.m.)	Average Transaction Price (RMB/sq.m.)	A.V. (RMB/sq.m.)
2020-11	15	524,065.75	1,051.41	320
2020-12	19	979,583.58	1,835.82	504
2021-01	4	90,202.82	1,634.54	479
2021-02	7	370,155.76	1,624.45	495
2021-03	7	561,247.21	840.36	276
2021-04	12	550,249.91	1,030.82	318

Foshan 2021 Housing Purchase Policy

Household Type	Foshan Household	Non-Foshan Household
Number of Units Available for Purchase	Limit to 2 in restricted area	Limit to 1 in restricted area
	Non-restricted areas can buy at will	

Talented person housing purchase policy:
Talented people who are recognized as Yuyue Foshan Card A, Card B, Card C or Card T.
They can purchase two sets of commercial houses in the restricted area.



FOSHAN CITY REAL ESTATE OVERVIEW

New Construction: Foshan Will Build 15,000 5G Base Stations

- On 26 March 2021, the "Foshan City Action Plan to Promote New Infrastructure Construction (2020-2022)" was officially published. In 2022, Foshan will be led by the new development concept and driven by technological innovation. Based on those information networks to support digital transformation, intelligent upgrading, integration and innovation of the new infrastructure system.
- Foshan will build 15,000 5G base stations, achieve full 5G network coverage in the city's central city and key towns and streets. Also, Foshan will cultivate no less than 50 industrial Internet application demonstration projects, while promoting the construction of industrial Internet platforms to drive 20,000 enterprises "on the cloud on the platform".
- In this new infrastructure action, Foshan will implement 11 intelligent projects to promote the integration of infrastructure construction.



(Photo Source: Online)

CHINA SNAPSHOT

Latest Housing Prices in 15 New First-Tier Cities: 9 Exceed RMB20,000/sq.m., Hangzhou the Most Expensive VS Changsha the Lowest

In addition to the 4 first-tier cities in Beijing, Shanghai, Guangzhou and Shenzhen, the new first-tier cities are also key areas for current population influx.

According to data from SouFun.com, among the 15 new first-tier cities, the average house prices in June in 9 cities has exceeded RMB20,000/m². Among them, Hangzhou ranked first at RMB37,558/m², and Nanjing ranked second with RMB34,016/m².

It is worth noting that among the 9 new first-tier cities with a unit price of more than RMB 20,000/m², the first 7 are from the eastern coastal areas, namely Hangzhou, Nanjing, Tianjin, Ningbo, Dongguan, Suzhou and Qingdao. The average price in Wuhan and Xi'an in the central and western regions also exceeded RMB20,000/m². There are 4 cities with a unit price of less than RMB15,000/m², namely Changsha, Shenyang, Chongqing and Zhengzhou. These cities are located in the central and western regions and the northeastern regions.

City	House price in June (RMB/m ²)
Hangzhou	37,558
Nanjing	34,016
Tianjin	25,826
Ningbo	25,570
Dongguan	23,801
Suzhou	23,156
Qingdao	21,330

City	House price in June (RMB/m ²)
Wuhan	20,257
Xi'an	20,197
Chengdu	19,422
Foshan	15,174
Zhengzhou	14,606
Chongqing	13,479
Shenyang	12,633
Changsha	11,065

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CHINA SNAPSHOT

Xi'an's Centralized Land Supply Debuts Smoothly but at Low Prices

Following the centralized land supply in 22 key cities across the country, Xi'an's first centralized land supply has also revealed the mystery. On June 29, Xi'an concentrated on auctioning 5 plots of land, of which 4 were residential land and 1 was mixed commercial and residential land. Unexpectedly, there were 2 unsuccessful auctions and 1 aborted. The remaining two were sold at an overall cost of RMB 28.97 million /mu at 20% of premium rate and RMB24.4 million /mu at 30% of premium rate respectively.

Afterwards, on June 30, Xi'an concentrated another 15 lots. Although a total of 20 lots were released for the centralized land supply in Xi'an this time, there were not many purely residential land lots, and the size were not large. Many developers had chosen to wait and see due to the land restriction, therefore the transaction price remained stable overall.



(Source of Picture: Canva Photo Base)

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CHINA SNAPSHOT

Shenzhen Takes the Lead in Fully Applying Demarcated Land Prices; Highest Land Price of RMB 65,800/square meter

On July 15, Shenzhen standardized land price and the land price calculation rules was approved by the municipal government and would officially issue recently. The standardized land price is the price indicator of specific land usage within a certain period, and is the reference standard for the government to determine the land premium, land value-added tax and manage the property market.

The standardized land price is based on the valuation date as at January 1, 2021 for four types of uses, including residential, commercial, office and industrial. There are 430 residential land parcels in total. The lowest land price was RMB10,200/ square meter which is located in the eastern part of Pingshan District and near Huizhou, with a plot ratio of 3.5; the highest was RMB65,800/ square meter which is located near Shekou Sea World in Nanshan, with a plot ratio of 2.81. Except residential land, there are 438 commercial land parcels, 193 office land parcels and 254 industrial land parcels.



(Source of Picture: Canva Photo Base)

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CHINA SNAPSHOT

Residential Price Index of Major Cities (June 2021)

City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)	City	Sample Average Price(RMB/sq.m.)	M-o-M Change(%)
Shanghai	51,166	0.62	Beijing	43,939	0.26
Chongqing	11,617	0.68	Tianjin	14,989	0.36
Guangzhou	24,150	0.73	Shenzhen	54,581	0.16
Nanjing	24,401	0.05	Hangzhou	28,984	0.89
Chengdu	12,275	0.41	Wuhan	13,257	0.23
Dalian	13,780	0.34	Suzhou	18,044	0.60
Xi'an	11,218	0.59	Xiamen	29,115	-0.18
Ningbo	18,870	0.11	Changsha	9,203	0.63
Wuxi	13,941	0.99	Dongguan	19,114	0.39
Shenyang	9,937	0.39	Fuzhou	17,115	0.14

Source: Fangtianxia Hundred City Price Index



(Source of Picture: Canva Photo Base)

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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

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