



# 2011 YEARLY REVIEW

## Greater China property market

**Knight Frank 萊坊**

### Commercial sectors outperform

#### Beijing

Over 2011, the Mainland government introduced a number of buying restrictions to help curb the rise in home prices. In Beijing, non-local buyers were required to present evidence of social security and income tax payments covering a minimum of five continuous years since February. Mortgage rates were raised to at least 1.1 times of benchmark interest rate, while the loan-to-value ratio for second-home buyers was limited to 40%. The government also imposed a strict control on the design, construction and sales of offices to prevent developer selling commercial units as residential units.

Amid these austerity measures, secondary home sales dropped year on year. According to the Beijing Municipal Commission of Housing and Urban-Rural Development, 109,000 secondary homes were sold in November, a 38% decrease year on year and the lowest level for three years. Prices began to drop in September and reached about RMB25,000 per sq m in November, a month-on-month decrease of 2.4%.

Office market sentiment was better in Beijing. With rapid rise in rents, some tenants relocated their offices from traditional business districts to emerging areas such as Wangjing and North Third Wing, while a greater number of tenants

opted to acquire their offices.

The development of new business districts was yet to commence, as there were still no confirmed plans on the eastward expansion of the CBD or the expansion of Beijing Financial Street. New Grade-A office supply in Beijing will remain limited until 2015 and the uptrend in rents is expected to continue.

A number of en-bloc transactions were recorded in 2011. The Fifth Square, an office building totaling 120,000 sq m in East Second Ring Road, was sold for RMB4.5 billion or RMB37,500 per sq m. Meanwhile, Mapletree Tower, another office building measuring 33,745 sq m at 108 Jianguo Street in Chaoyang District, was sold for RMB1.3 billion or RMB38,524 per sq m.

#### Shanghai

Shanghai imposed a new property tax on its permanent residents in January 2011. If the average floor area per family member of all homes combined exceeds 60 sq m, the extra area of the newly purchased second and second-plus homes will be taxed. The tax rate is 0.6% for houses valued at more than twice the average price or 0.4% for those priced below. The taxable value in the initial period is 70% of the transaction price, but will later be

equivalent to the home valuation price.

In February 2011, Shanghai released the latest announcement relating to the home-purchase policy. Registered residents and non-residents in Shanghai who are able to show evidence of income tax or social security payments for one year can only purchase one additional flat. Non-residents who are unable to show proof of tax payments, non-residents who own more than one flat or residents who own two or more flats are not allowed to purchase additional flats.

A number of bulk sales were witnessed in the Grade-A office market. Shanghai World Financial Centre, for example, had sold ten entire floors with a total gross floor area (GFA) of about 30,000 sq m since March 2011. Meanwhile, SOHO China (0410.HK) purchased three pieces of commercial land and two office buildings in the secondary market, with a total GFA of about 386,000 sq m, for RMB11 billion. These sites and properties were located in office districts in Shanghai, including Lujiazui and Nanjing Road West.

The Shanghai market continued to attract foreign investors. Mapletree, a Singaporean fund, purchased Yong Yin Building in Huangpu District from American fund Pacific Esplanade for RMB2.4 billion. This is the first transaction Mapletree has completed in Shanghai.

The development includes serviced apartments, offices and retail space with a total GFA of about 67,000 sq m.

## Guangzhou

The Housing Purchase Policy has been in effect in Guangzhou for more than a year and the residential market remained weak over this period. Residential prices in Guangzhou had generally been below expectations. Transactions in overall Guangzhou and the downtown area were 15% and 42% less than in 2010 respectively. Even properties in the old district of Guangzhou, where prices had been comparatively resilient, started to record price drops in latter half of 2011. Some developments were sold at a 10% discount.

Amid poor sentiment in the residential market, investors turned their interest towards the less restricted commercial market. Office and retail both outperformed the residential market. GDH Investment Limited (0270.HK)—a subsidiary of GDH Limited which holds a 76% share of Guangzhou Teemall—bought Comic City, Ming Cheng Commercial Plaza and a land parcel in Pearl River New City for a total of RMB328 million. The transactions helped expand its investment portfolio of commercial properties in Guangzhou. Meanwhile, Yuexiu Property Company Limited (0123.HK) sold Popark Plaza for RMB494 million and recorded a gain of around RMB148 million.

Land sales in Guangzhou were also far below market expectations. The transaction value of land was believed to be about 36% lower year on year. During the third quarter of 2011, 14 sites were offered for sale near Guangzhou South Station, but because of weak interest and unsatisfactory bidding prices, only two sites were sold at their base prices.

## Hong Kong

Prices and rents of prime street shops gained more than 20% over 2011, thanks to robust retail sales. Retail sales had been supported by the strong consumption power of both locals and tourists, particularly those from the Mainland.

By comparison, the residential and office markets underperformed. In June, the Hong Kong Monetary Authority (HKMA) further tightened credit by lowering maximum loan-to-value (LTV) ratios for properties under the net worth-based mortgage to 40% and capping the maximum loan amounts for properties. LTV ratios for mortgage loans were also reduced for buyers whose income is derived outside of Hong Kong. Ratios were lowered by an additional ten percentage points—the first measure to-date targeting foreign buyers.

Credit tightening measures, increases in mortgage rates and the announcement of the resumption of the Home Ownership Scheme negatively impacted the residential market. Residential prices and rents started to fall in the third quarter of 2011. Alongside the continual cooling effect of Special Stamp Duty (SSD) introduced in November 2010, transactions of residential units decreased by about 40% year on year to 84,462 in 2011, according to the Land Registry and the downtrend is expected to continue in 2012.

While sentiment in the office market cooled in the latter half of the year following the volatility in global markets and tightening credit conditions, rents and prices of Grade-A offices still recorded year-on-year growth of about 23.5% and 19.4% in 2011 respectively.

## 2012 OUTLOOK

Despite uncertainties in the global economy, positive outlook about China's economic growth will lift demand for quality commercial properties on the Mainland. Amid the rapid expansion of international and local corporations with a shortage of Grade-A offices and prime retail properties, we believe the uptrend of rents and prices of commercial properties in first-tier cities will continue in 2012. The rents and prices of Grade-A offices could outperform and grow 15% and 10% respectively in Shanghai, followed by Guangzhou and Beijing in 2012.

In the residential market, sluggish sales and high inventory levels will further increase funding pressure on developers and force them to cut prices in order to stimulate sales. Now that residential prices have started to appear under control, we believe the government is unlikely to launch further tightening policies. However, current policies are not expected to be relaxed in 2012. We expect prices will only adjust slightly this year, as local governments fine-tune their policies based on each city's situation. Although the transaction volumes of luxury flats will decline significantly, rents and prices in Shanghai and Beijing will increase slightly, while those in Guangzhou will remain stable.

In Hong Kong, the property market trend will hinge on local economic performance which is affected by the sovereign debt crisis in European and the US. Office demand is expected to remain weak amid slow business expansion and limited new office set-ups. We forecast that the current downtrend in Central Grade-A office rents will continue in 2012. In the residential market, mass home prices are likely to drop 10–15% in 2012. However, with continued tight supply, luxury residential properties are likely to perform better, with price declines limited to 10% in 2012.

We believe retail properties will continue to outperform other property markets in 2012. Global retailers are set to continue expanding into major shopping centres in both core and non-core areas. Retail rents are expected to continue their uptrend in 2012, albeit at a slower pace amid the risks of a worsening global economy.



# 2011 年度回顾

## 大中华物业市场

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### 商用物业领先大市

#### 北京

二零一一年，中国政府透过购房限制压制房价上升。自二月起，非北京户籍居民买家须提供连续五年社会保险或个人所得税缴纳证明。同时规定第二套住房贷款利率不可低于基准利率的1.1倍，按揭贷款比例不可高于百分之40。又严格监管写字楼设计、建造及买卖，以禁止开发商售出写字楼作住宅用途。

在连串紧缩措施下，二手楼市成交量按年录得跌幅。根据北京市房地产交易管理网，截至十一月份北京二手住宅成交套数仅109,000套，较二零一零年同期下跌百分之38，创近三年新低。成交价自九月份开始下跌，至十一月跌至每平方米人民币约25,000元，按月下跌百分之2.4。

北京写字楼市场气氛较佳。写字楼租金持续上升，部分租户的选址逐渐由传统商务区向望京、北三环等新兴区域转移。越来越多租户倾向购买写字楼物业。

新的商务区发展尚未开始，而CBD商业区东扩方案及金融街扩展方案亦未有确定的建设规划，因此截止二零一五年前北京甲级写字楼供应将非常有限，租金水平将维持上升趋势。

二零一一年北京录得多宗全幢物业买卖。其中位处东二环的第五广场写字楼共120,000平方米，作价人民币45亿元易

手，每平方米人民币37,500元。另外，朝阳区建国路108号丰树大厦以人民币13亿元转手，楼面面积共33,745平方米，作价每平方米人民币38,524元。

#### 上海

上海自二零一一年一月起推行房产税。新购第二套或以上住房后家庭全部住房人均面积超过60平方米，需为新购住房超出部分的面积缴纳房产税。如果应税住房每平方米市场交易价格高于全市上年度新建商品住房平均销售价格两倍以上，税率为百分之0.6，否则税率则减为百分之0.4。征收额度先按住房市场交易价格的百分之70计算，并会在之后重估。

二月份，上海公布最新的限购令。能够提供当地纳税证明或社会保险缴纳证明的户籍居民家庭和非户籍居民家庭只能多购一套住房，而拥有两套或以上住房的户籍居民家庭、拥有一套或以上住房的非户籍居民家庭及无法提供当地纳税证明或社会保险缴纳证明的非当地户籍居民家庭则不可在上海再购房。

上海甲级写字楼市场录得多宗大手成交。例如上海环球金融中心自二零一一年三月已售出十个楼层，总面积约30,000平方米。另外，二零一一年SOHO中国(0410.HK)在二手市场上共购入三幅土地和两幢

写字楼，总建筑面积达386,000平方米。这些土地及写字楼分布在上海各大商业区，例如陆家嘴及南京西路。

上海市场亦受海外投资者青睐。新加坡丰树基金于和美资基金Pacific Esplanade达成协议，以人民币24亿元购入黄浦区永银大厦。项目包括一幢酒店式公寓、一幢写字楼及一幢商业裙房，总面积约67,000平方米。这是丰树基金首次进入上海市场。

#### 广州

广州住宅市场受限购令影响超过一年，市道疲弱。广州住宅成交价格普遍比市场预期低。据统计，二零一一年全市成交量同比下降百分之15，主城区下降百分之42。广州大部分的住宅成交价格开始出现调整。自二零一一年下半年开始，向来房价坚挺的广州市老城区受到政策影响，部分楼盘降价达一成。

由于住宅投资市场气氛淡薄，很多投资者都转投限制较少的商用物业。商铺及写字楼的表现都超越了住宅市场。拥有广州天河城广场百分之76股份的广东粤海控股旗下的粤海投资(0270.HK)以人民币3.28亿元接盘动漫星城、名城商业广场及珠江新城地块。此举有助扩大该公司在广州市商用物业的投资组合。另外，越秀地产

(0123.HK)以人民币4.94亿元出售旗下东方宝泰广场，录得人民币1.48亿元收益。

卖地方面，去年广州的卖地成绩比预期逊色，土地交易成交额同比下降百分之36。第三季广州南站推出最后一批14幅地。不过在开发商缺乏兴趣及叫价未如理想的情况下，仅两幅地块以底价成交。

## 香港

二零一一年香港零售消费额大增，商铺价格及租金上升超过百分之20。零售消费在本地市民及旅客(尤其内地旅客)的强劲购买力带动下增长强劲。

相比之下，住宅及写字楼表现较为失色。六月份，香港金融管理局进一步降低住宅及写字楼物业按揭成数及最高贷款额，以收紧信贷。以资产净值为依据所批出的按揭贷款最高成数下调至百分之40，并限制物业最高贷款额。此外，针对境外买家的政策首次出炉，主要收入并非来自香港的人士可造按揭贷款再下调十个百分点。

收紧信贷、息率上升及复建居屋的消息为住宅市场带来负面影响，住宅租金及售价在二零一一年第三季后出现下调。加上额外印花税持续压抑楼市，根据土地注册处，二零一一年住宅成交按年下跌约百分之40至84,462宗，预料趋势会在二零一二年持续。

虽然写字楼市场下半年受全球经济波动及以收紧按揭影响，气氛转弱，但二零一一年甲级写字楼租金及售价仍分别按年上升百分之23.5及百分之19.4。

## 二零一二年展望

尽管全球经济前景不明朗，但中国经济发展形势正面，将提高高素质商用物业的需求。在更多国际及本土公司扩张以及甲级写字楼及高端商铺供应短缺的情况下，二零一二年一线城市的商用物业租金及价值升势可望继续。二零一二年上海甲级写字楼租金及售价可分别上升百分之15及百分之10，而广州及北京则紧随其后。

在住宅市场方面，销售不畅和高企的库存压力日益加剧开发商的资金压力，迫使开发商降价以促进刺激销售。鉴于房价上涨的势头已经得到控制，未来出台新的房地产调控政策的机率较少，但预料二零一二年中央政府的房地产政策环境仍不会放松，我们相信整体住房价格将进一步向下微调，而地方政府可能会因地制宜地对政策作出适当调整。虽然豪宅物业成交量会显著下跌，上海及北京豪宅的租金及价格可望轻微上升，而广州则保持稳定。

香港物业市道与香港经济表现息息相关，并受欧元区及美国主权债务危机影响。企业扩充及新设办公室速度放缓，写字楼市场需求疲弱。我们预测中区甲级写字楼租金下调趋势将持续。在住宅市场方面，一般住宅楼价在二零一二年可能下跌百分之10至15。不过，供应有限的豪宅市场表现则较优胜，价格跌幅在百分之10以内。

我们相信商用物业在二零一二年表现仍较其他物业优胜。跨国零售商将持续在核心及非核心地区的商场扩展。虽然全球经济转坏风险或拖慢零售租金增长，但相信二零一二年香港零售租金仍然向上。

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