

HSBC TIGHTENS LENDING ON LUXURY

Major local banks have started to tighten credit terms on mortgages for luxury flats, pending concern over falling property prices.

Hongkong and Shanghai Banking Corp on Monday lowered the loan-to-value ratio for residential mortgage lending to less than 70% for flat purchases of more than HK\$20M for investment purposes and for homes priced at more than HK\$40M for end-users.

A spokeswoman for the bank said the policy change will not affect the purchase of small to medium-sized homes.

Market sources and Bank of China (Hong Kong) will adopt a similar policy, but the bank said it has not yet adjusted mortgage requirements and the board approves applications case by case.



The Standard, Oct 2008

NO.3 STANLEY MOUND ROAD, STANLEY

The purchaser for a Type G House in No.3 Stanley Mound Road, Stanley is requesting to have his deposit of HK\$7.2M returned and would like to cancel the Sales & Purchase agreement. This property is owned by the family of Dr. Cheng Yu-Tung (The Chairman of New World Development Company Limited). The agreement was signed in September 2008 at HK\$72M (Approx HK\$20,000 per s.f.). The size of the premises is 3,557 s.f. with Garden size 1,179 s.f.



No.3 Stanley Mound Road, Stanley

Hong Kong Economics, Nov 2008

NEWS & VIEWS

NOVEMBER 2008

NO.77 PEAK ROAD, THE PEAK

Wheelock and Company Limited invests HK\$340M (approx. HK\$8,000 per s.f.) develop the new residence at No.77 Peak Road, The Peak. The total site is 76,726 s.f. a proposal of 7 towers with 4 floors in each has been submitted. There was a rental transaction at No.8 Seven Road, The Peak at HK\$24,000 per s.f. which is lower than the market price. The highest rental transaction of the same residence was HK\$50,000 per s.f. The market index is only for the special market index and it will not affect the re-development of No.77 Peak Road.

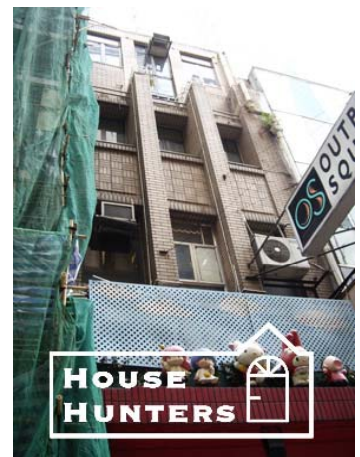


No.77 Peak Road, The Peak

Hong Kong Economics, Oct 2008

96 WELLINGTON STREET, CENTRAL

The deadline of the open tender from A.G Wilkinson & Associates of the whole building No.96 Wellington Street, Central will be 2 December 2008. This property is located in the prime area of Central and very close to the escalator's SOHO Area. This building has 5 levels, the total site area is 1,035 s.f. and it can be for either residential or commercial purpose. The above mentioned premises also comes with the shop which is renting for HK\$60,000 per month.



96 Wellington Street, Central

The market valuation of the building is approximately HK\$73M. The last owner bought it at HK\$37M in March 2007. A profit of HK\$36M was made in one year.

Hong Kong Economics, Oct 2008

NO TRANSACTION FOR COMMERCIAL BUILDING IN HONG KONG ISLAND

There is zero sale transaction in October 2008 in Hong Kong Island.

This also happened in September 1998. In the past year, the records show December 2007 as the most active month with a total of 85 sale transactions. The total asking price of Grade A offices dropped by around 30% to 40%. For example, Lippo Centre in Admiralty, was asking HK\$16,800 per s.f. in February 2008 the price has now dropped to HK\$12,800 per s.f. in September 2008.



Hong Kong Island

OFFICE RENTS FACE BIGGER HIT

Grade A office rents are expected to fall further as a result of the present worldwide financial crisis than they did following the Asian financial crisis of 1997 to 1998 as well as the bursting of the dotcom bubble in 2001, a property analyst has forecast.

According to property consultant DTZ, rents in Central's grade A office market dropped 46 per cent in two years after the 1997-98 crisis, while the vacancy rate was 7.8%.

From the bursting of the dotcom bubble in 2001 to the health scare caused by the outbreak of the severe acute respiratory syndrome (SARS) in 2003, rents fell 51% and the vacancy rate in Central reached 10% during the period.

Hong Kong Economics, Oct 2008