HONG KONG INVESTMENT MARKET

May 2022

CUSHMAN & WAKEFIELD
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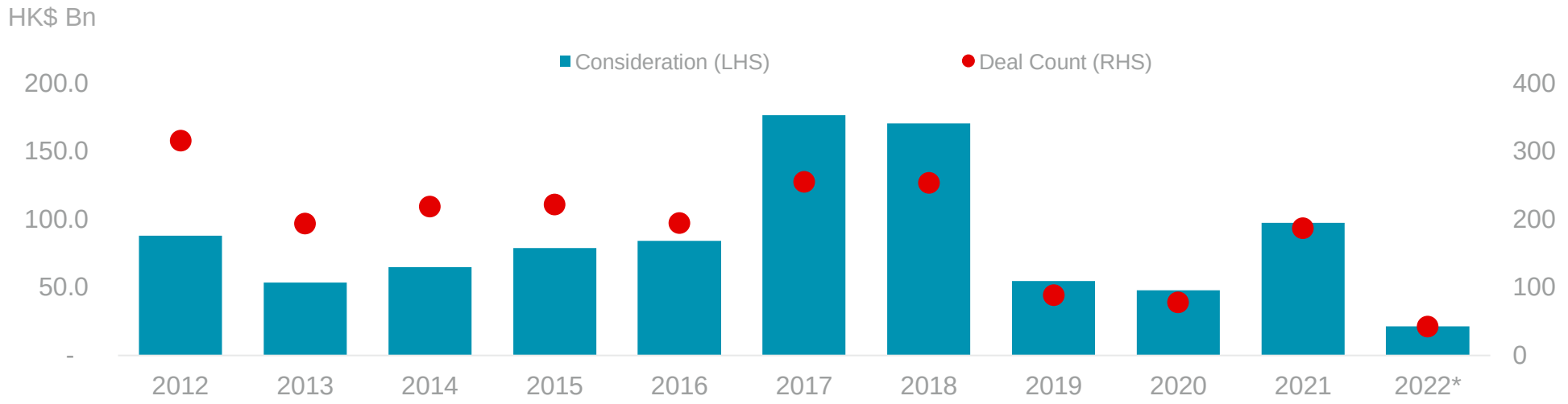
Overall Investment Activities Slowed by 5th Wave of COVID-19

Nevertheless, this year's investment volume still expected to surpass 2020 and 2019 levels

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD*
Deal count	316	194	219	222	195	256	254	89	78	187	43
Consideration (HK$ Bn)	87.8	53.6	65.0	78.7	84.0	176.6	170.5	54.7	48.0	97.5	21.4
Avg deal size (HK$ Mn)	278	277	297	355	431	691	671	615	615	522	498



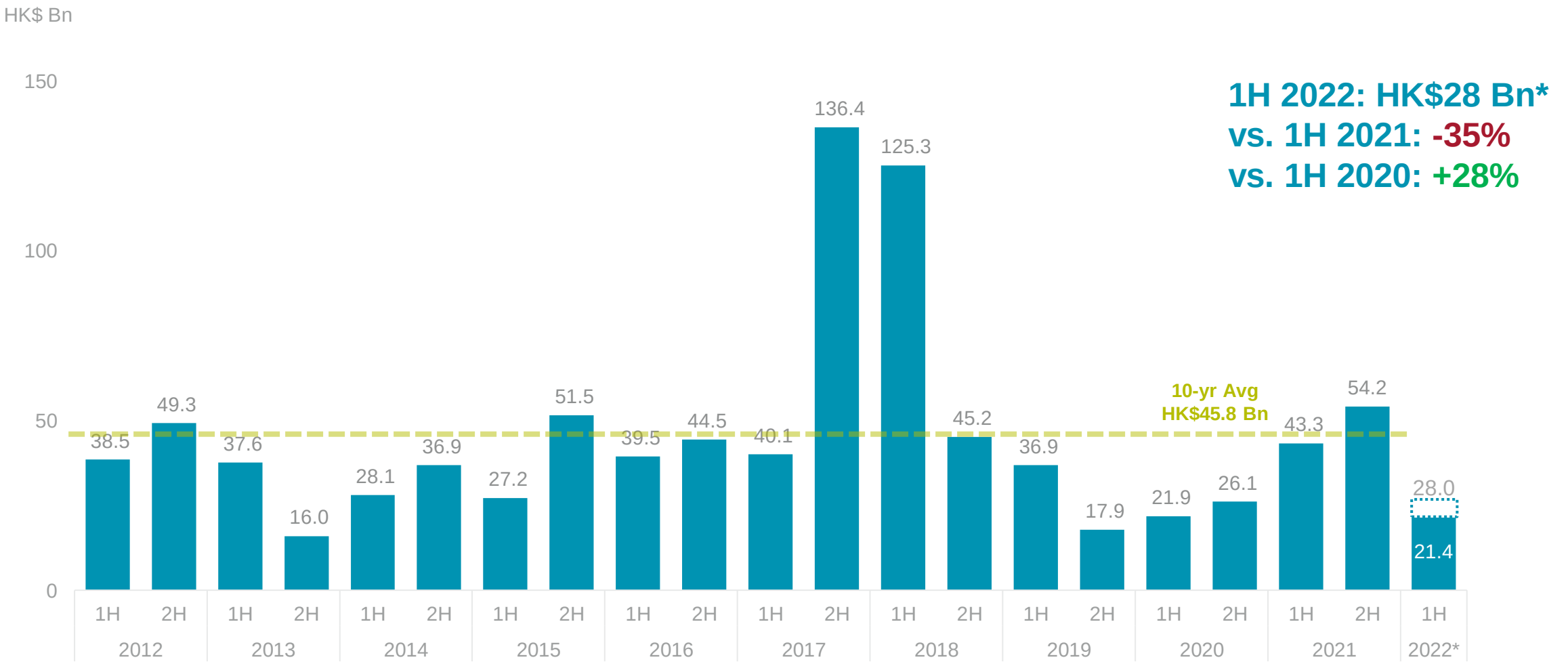
Note: Non-residential real estate transactions with deal size >HK$100M were recorded

** 2022 data as of May 15, 2022*

Source: Cushman & Wakefield Research

1H 2022 Total Consideration Expected to Hit HK$28B

Likely surpass 2020 on a like-for-like basis

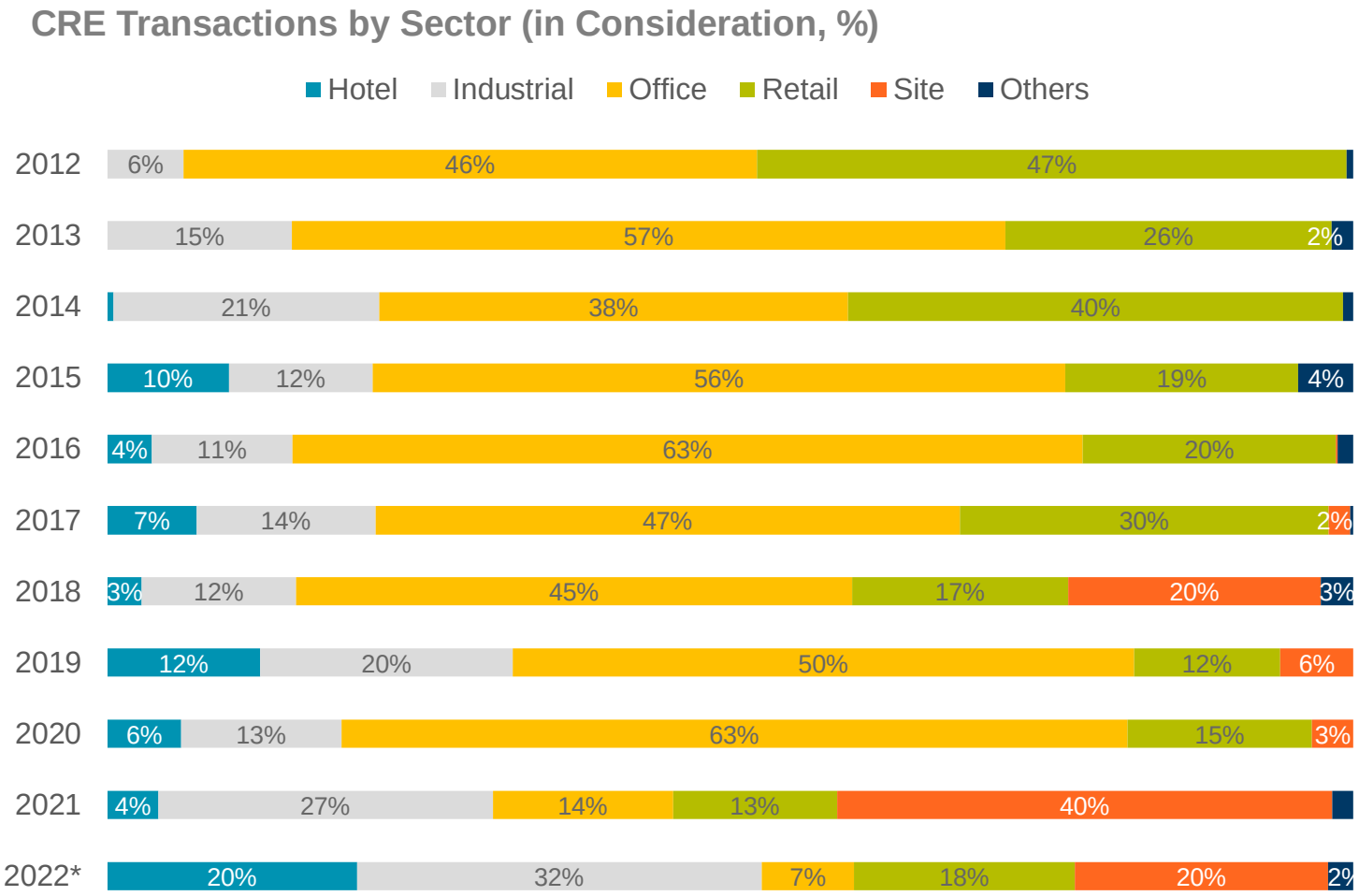


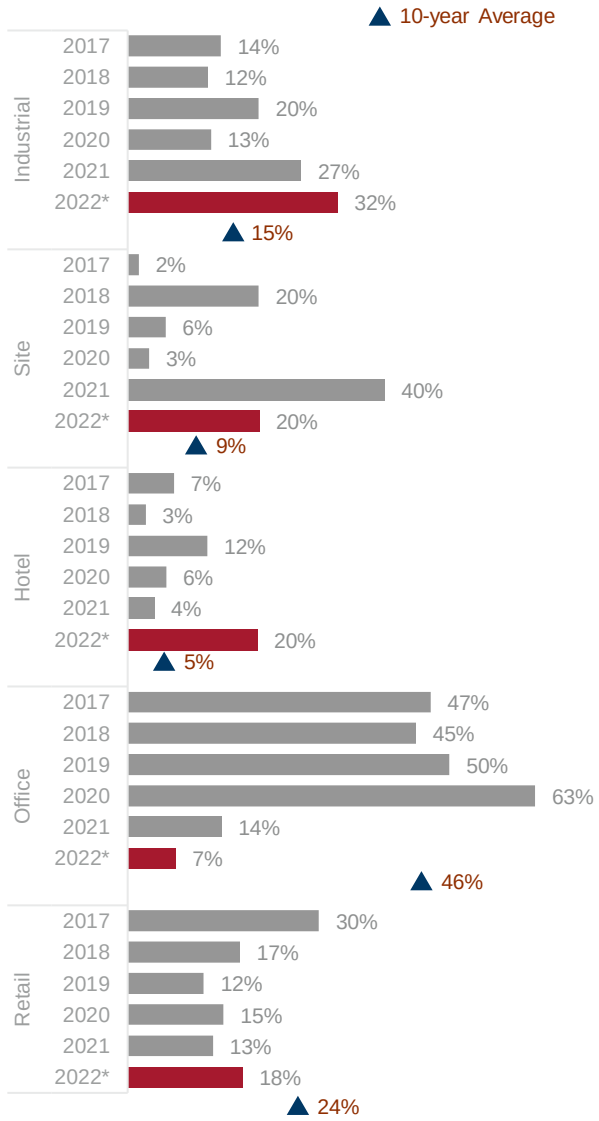
** 1H 2022 data estimated by Cushman & Wakefield*

Source: Cushman & Wakefield Research

Demand for Industrial and Development Sites Remain

Hotels emerged as an attractive asset class amongst institutional investors





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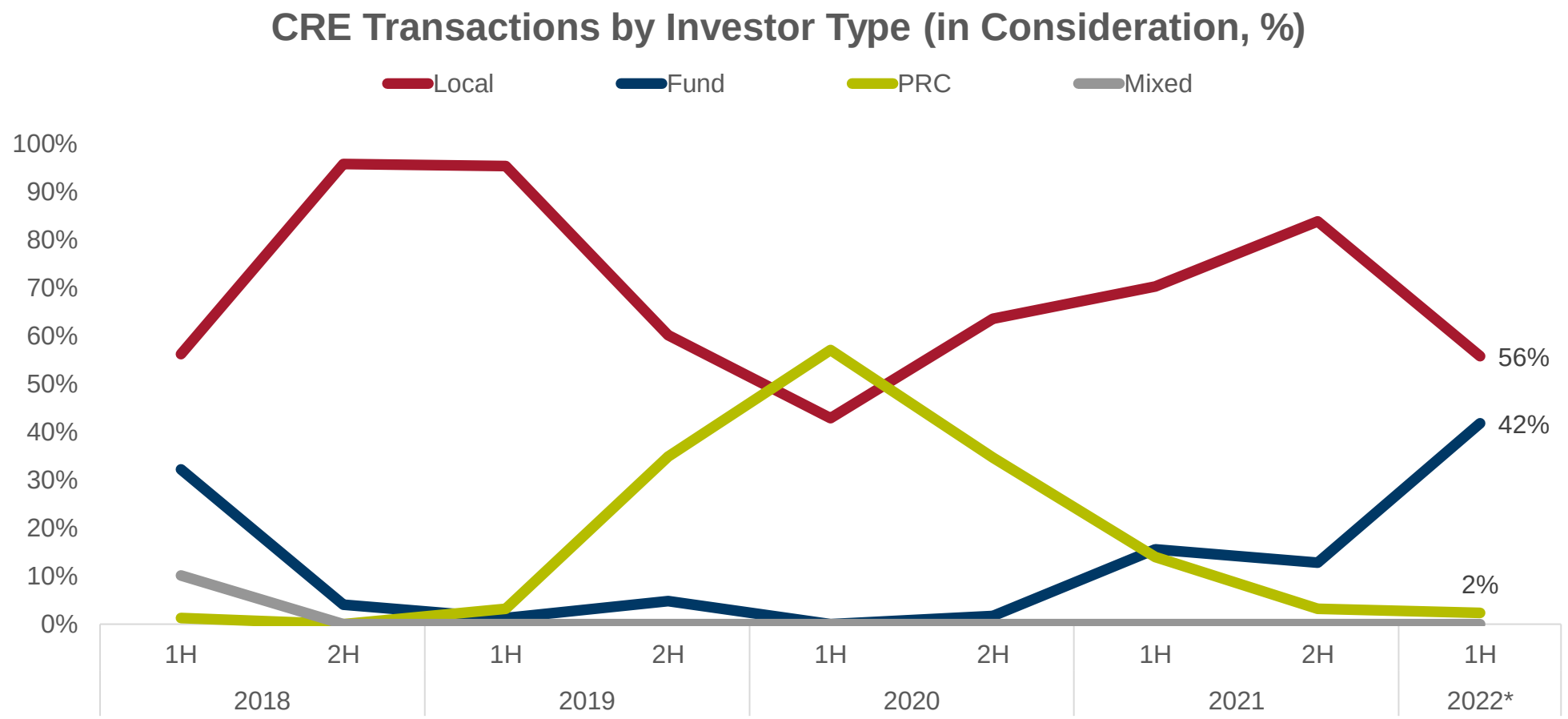
Source: Cushman & Wakefield Research

Institutional Funds Have Been Active

Several JV with local operators prevalent among industrial and hotel assets for conversions



*1H 2022 data as of May 15, 2022

Source: Cushman & Wakefield Research

2022 Investment Overview & Outlook

Key Takeaways

1. Total consideration stands at HK$21.4B so far, expect to hit HK$28B in 1H 2022
2. Industrial, hotel and development sites are sought after; Funds have been active
3. Funds-Local Operator JV anticipated; eyeing value-add assets especially among industrial and hotel assets
4. Total transaction volume expected to reach HK$70B, surpassing 2019 and 2020 levels
5. Interest rates, geopolitical risks and capital market fluctuation are the key factors determining the speed of recovery

Standard Rate and Infrastructure Provisions

To stimulate development opportunities in the New Territories

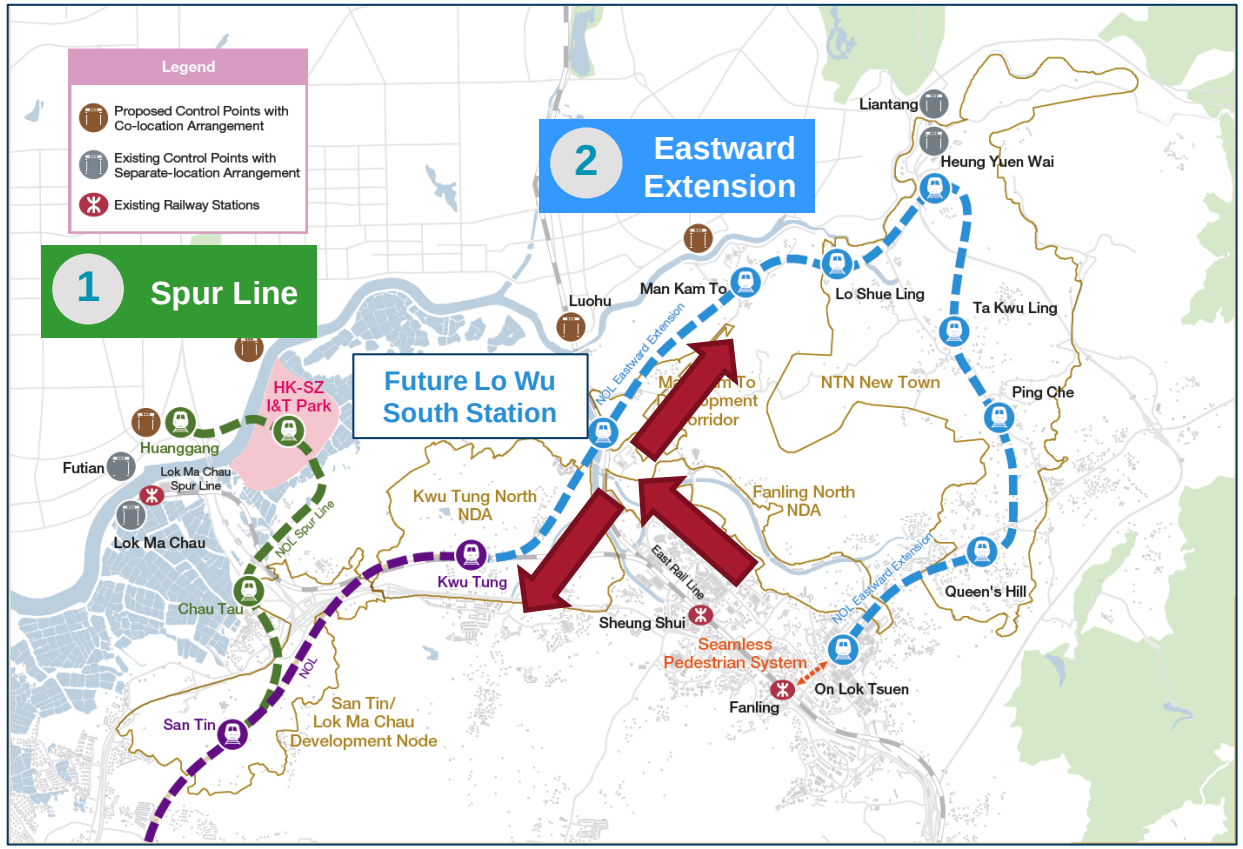
Standard Rates in Kwu Tung N and Fanling N

- Standard land premium charging
- Application deadline at 15/08/2022
- To speed up development and site acquisitions

Infrastructure Provisions

- Lo Wu/Man Kam To East Rail Extension
- Extension of new Lo Wu South Station
- Provide about 75k to 85k residential units
- Rezoning for the expansion of commercial and residential uses

Northern Link (New Proposal) – Spur Line and Eastward Extension



Source: Northern Metropolis Development Strategy 2021,

Source: Cushman & Wakefield Research

Hong Kong Investment Market

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