

# PROPERTY

**Two-speed economy**  
East coast prices still surging but rest of the country in decline

**Opportunity knocks**  
Stronger investors bring boom in China's prime office space

**Point of sale**  
Price: HK\$7.13 million  
Size: 644 sq ft  
Where: Larvotto Aberdeen

Secondary market  
**143**  
Home sales in 50 states, Oct 27-Nov 2

**Master's touch**  
King of cloisonne destined to bring beauty to others



> AUSTRALIA P4

> CONCRETE ANALYSIS P2

> FACTS & FIGURES P2

> DESIGN P4



DEVELOPMENT

## WANDA FACES DIFFICULT U.K. MARKET

**Mainland developer launches** first London project just as prime housing cools and city contends with construction supply chain problems

**Liang Ching**  
liang.ching@scmp.com

It is going to be a tough start for Dalian Wanda Group in Britain. Industry experts say, as the mainland property-to-film conglomerate begins its first London project amid rising competition for clients and contractors, just as the tide in the city's prime home market appears to have begun to ebb.

Wanda will market the One Nine Elms project in Hong Kong over the weekend, just a week after a Malaysian consortium started the sales process here for

the iconic Battersea Power Station project.

The two projects are about 100m from each other, both at the waterfront along the south bank of the River Thames, at the redevelopment zone of Nine Elms that comprises more than 20 different developments.

Wanda's project is of a smaller scale, some 233 flats in the first release, and sits on existing infrastructure, said Michael Purefoy, a deputy general manager of Wanda's international real estate centre in Beijing.

He told the South China Morning Post that clients' response from London, Singapore,

Beijing and Shanghai had exceeded expectations, as global awareness of the Wanda brand grew amid the company's aggressive expansion in countries including the United States, Spain and Australia.

Wanda bought the site last year in London near the new US embassy in its first foray into overseas markets. The 1.13 million sq ft scheme comprises two residential towers of 438 flats - one of which will be central London's tallest residential building - and a hotel. It is due for completion in late 2016.

Foreign buyers have fuelled soaring home prices in London

in the past few years. However, a survey by the Royal Institution of Chartered Surveyors showed expectations for housing inflation in the British capital were falling at the fastest pace since before the global financial crisis on worries about a strengthening pound, rising interest rates and possible punitive taxes on overseas buyers.

Mark Farmer, head of residential at consultancy EC Harris in London, is more concerned about the delivery.

"Wanda is bringing forward One Nine Elms in one of the most challenging London development markets of recent years," he said.

"There are big contractor and supply chain capacity problems at the moment which are making

the selection of construction partners very difficult."

An EC Harris report in October estimated total prime residential units in the pipeline would hit 12,000 in the next three years with a peak in 2017, and planned completion would overshoot a deliverability ceiling of no more than 2,500 to 3,000 units per annum in the years between 2016 and 2019, considering both financing and human resources.

London media said Wanda had appointed architects, project managers and cost consultants, but has yet to finalise the decision on its main contractor.

Meanwhile, the 42-acre Battersea development has also yet to pin down the contractor for its third-phase construction, which will offer 538 apartments. It had

fixed-price contracts for the first two phases. Delivery will start from mid-2016 until 2025.

"The constructors are busy but there is still a lot of competition in the market," said Simon Murphy, chief financial officer of Battersea Power Station Development. "So we are comfortable that the numbers we have in our appraisal will be delivered in terms of cost, and we have funded the whole project."

Murphy, a former HSBC banker, is betting on the history of the Battersea Power Station, which at its peak supplied a third of London's power but ceased operation in 1983, to attract Asian buyers against rivals. But he said developers including Wanda can help rebuild the old industrial Nine Elms neighbourhood.

DIGEST

Sales of new homes gain momentum in HK



The number of property transactions lodged with Land Registry last month fell a modest 0.4 per cent month on month to 7,967, but it jumped 73.4 per cent from a year earlier. The total value was HK\$869.6 billion, up 27.5 per cent compared with September. On a year-on-year basis, it rose 192.2 per cent. Among the sale and purchase agreements, 6,389 were for residential units, an increase of 3.9 per cent from September and 80.5 per cent from a year ago. The total value of these deals rose 7.9 per cent month on month, or 176.8 per cent on the year, to HK\$417.7 billion. According to the Land Registry, sales of primary homes in the first nine months of the year reached a record HK\$122.9 billion, equivalent to 1.2 times the average in the past 10 years. Over the weekend, just seven transactions were recorded in the top 10 housing estates tracked by Centaline Property Agency, compared with 11 a week ago. By contrast, 60 units were sold in new launches, led by the first batch of The Wings EBK, developed by Sun Hung Kai Properties. Investment bank Jefferies expects secondary home prices to stay flat. "Inevitably, buying demand will be absorbed by rising new launches that are below secondary market prices," it said in a report. Peggy Siu

VENTURES

## UK group keen on partnership with Asian firms

**Strawberry Star says it is interested in ventures with developers that have expanded to London**

**Peggy Siu**  
pegy.siu@scmp.com

British developer Strawberry Star Group says it is open to co-operation with Asian and Chinese developers which have expanded into the London property market.

"They need local partners, they need local services," chairman Simon Ho Gowda said.

Gowda said Strawberry Star had deep experience in prime London properties and welcomed any joint-venture possibilities.

He said his company was a pioneer in developing property

More than 20 per cent of the units in the large London schemes in the development pipeline are under the control of Asian developers, according to Hanover Private Office, a London property acquisition specialist.

Gowda is confident in facing the challenge and has taken the initiative to tap Asian capital by opening offices in Hong Kong and Singapore.

Strawberry Star opened its first Asian office in Hong Kong last month, and it is going to launch its residential development, Hoola, London E16, which is in the Royal Docklands, in Hong Kong this weekend.

The company will open its Singapore office early next year.

Gowda said when the company started selling properties in Hong Kong in 2009, it was triggered by a market slowdown in Britain, but now, it was attracted by the strong Asian demand.

"At the time, the financial crisis had really hit (Britain), developers tended to shift their focus to overseas investors," he said. "Overseas investors show a preference for London, as (Britain) offers a stable currency and a solid regulatory framework."

Gowda said nowadays it was a direct result of the success the company had in its business here so far.

"Hong Kong and Singapore are currently worth 60 per cent and 40 per cent of Strawberry Star's Asia-Pacific sales, respectively," he said.

To differentiate itself from competitors, Gowda said Strawberry Star would also provide other sales management services for buyers of its homes.

REGULATION



Vivien Chan says a continuing professional development scheme would enhance the image of real estate agents. Photo: Nora Tan

## Education key, says former estate agent regulator

**Sandy Li**  
sandy.li@scmp.com

Property agents need to catch up with their peers in other professions on continuing industry education, says Vivien Chan, who stepped down as chairman of the sector's regulatory body last week.

Chan, who served six years at the Estate Agents Authority, said a 17-year-old law governing estate agents was overdue for an update.

A key priority is to introduce a compulsory continuing professional development scheme - by amending the Estate Agents Ordinance - as part of efforts to raise standards in the industry.

"Revision is needed as the industry has to catch up with what the market demands," Chan said. The ordinance, which was enacted in May 1997, imposed requirements such as the licensing of agents and the need for them to include their licence number on all business cards and correspondence.

The EAA was set up to oversee the regulatory framework and handle complaints from consumers. In 2005, the statutory authority launched a CPD scheme for agents that aims to keep their industry knowledge up to date and boost competency, but the course is voluntary.

"Other professionals such as lawyers and accountants must sit

CPD courses every year. Even though I have been a practising lawyer for 30 years, I have to meet this requirement," said Chan, who on Friday handed over the reins at the authority to William Leung Wing-shing.

The Law Society requires all lawyers to accumulate 15 CPD accreditation points in each practice year.

A mandatory CPD accreditation scheme would greatly enhance the image of estate agents, Chan said.

She said a revision of the ordinance also needed to take into account that secondary education had been extended to Form Six in 2012. The ordinance regulates completion of Form Five as the minimum education requirement.

Chan understands that amendments to the ordinance would take time, leading that as a task for her successor to pursue.

In 2013, Vivien Chan shares her views on the real estate industry



In Nine Elms, where Dalian Wanda's project is located, "We were one of the first developers to spot the potential in London's Nine Elms shortly after the announcement that the US Embassy would move to the area, for example. Since then, a multi-billion-pound regeneration has started in the area to transform it," he said.

Gowda said he noticed the growing number of Asian and Chinese projects in London targeting Chinese and Asian buyers.



More than 20 per cent of the large development schemes in the pipeline in London are by Asian developers. Photo: Bloomberg

INVESTMENT

## China still the top target for Asian investors

**Peggy Siu**  
pegy.siu@scmp.com

China remains the destination of choice for Asian investors, who are well-optimistic about the coming year, a survey showed.

A poll conducted by Colliers International on global investor sentiment showed that 74 per cent of Asian respondents plan to expand their real estate portfolio over the next six months, up from 69 per cent last year.

China sits on top with 41 per cent of Asian investors indicating that they plan to invest in the country over the next 12 months.

Singapore and Hong Kong are again in the top three with 36 per cent and 33 per cent of Asian respondents respectively, as they preferred those locations owing to their solid property market fundamentals, the survey showed.

Colliers polled more than 630 investors from the United States, Canada, Latin America, Australia

and New Zealand, Asia, Europe, the Middle East and Africa.

Similar to last year, offices in central business districts, particularly new developments, were the most popular investments among Asian investors, with 61 per cent of respondents indicating that they intend to target this sector within the next 12 months.

Colliers said international property investors generally anticipate an increase in investment volumes across global markets over the next 12 months, de-

spite a mixed picture of global economic performance. While North America and Britain are enjoying strong growth, deflation worries are hitting the euro zone, emerging markets face fallout from tighter US monetary policies and the Chinese economy is slowing.

Asia and the Pacific region (Australia and New Zealand) stood out in the survey, with 73 per cent of the sample expecting to see increases in investment in 2015, with 17 per cent and 13 per

cent respectively anticipating they will increase to more than 10 per cent. The US and Britain were also expected to benefit from that increased investment, the Colliers survey showed.

In a separate survey by the Royal Institution of Chartered Surveyors, the prime investment sentiment index posted a modest decline in China in the third quarter amid the country's uncertain economy. But investor demand is continuing to increase, albeit very modestly, it said.



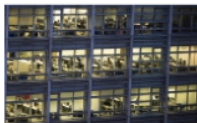


# Wanda faces numerous challenges in first London project



It is going to be a tough start for Dalian Wanda Group in Britain, industry experts say, as the mainland property-to-film conglomerate begins its first London project amid rising competition for...

5 Nov 2014 - 6:25am



## UK group keen on tie-ups with Asian developers

British developer Strawberry Star Group says it is open to co-operation with Asian and Chinese developers which have expanded

into the London property market.

5 Nov 2014 - 6:25am



## Ex-EAA chief Vivien Chan wants higher standards for

### CONCRETE ANALYSIS



## Investors ride boom in China prime offices

China's office market has experienced one of the fastest growth rates in the world. Between 2009 and the third quarter of this year, the grade A office market in the four first-tier cities...

5 Nov 2014 - 4:04am



## Colliers survey shows China top target for Asian

investors

China remains the destination of choice for Asian investors, who are still optimistic about the coming year, a survey showed.

5 Nov 2014 - 6:25am



## China's tax policy holding back reit growth

The mainland must streamline its tax regime for publicly traded real estate investment trusts (reits) for them to gradually take off despite near-term unfavourable conditions, industry experts...

5 Nov 2014 - 4:04am

### Editor's Pick



## New World wins 'sweet deal' MTR Tai Wai project

The MTR Corp yesterday awarded the property project at its Tai Wai station in a desperate deal that will allow the winning bidder, New World Development, to cut the initial investment to nearly a...

15 Oct 2014 - 5:24am

### RELATED TOPICS

[Sun Hung Kai Properties](#) | [Kerry Properties](#) | [Wheelock Properties](#)

[Hongkong Land](#) | [China Overseas Land & Investment](#) | [Chinachem](#) | [Cheung Kong](#)



PROPERTY • INTERNATIONAL • VENTURES

# UK group keen on tie-ups with Asian developers

Strawberry Star says it is interested in ventures with developers that have expanded to London

**Peggy Sito**  
peggy.sito@scmp.com

PUBLISHED : Wednesday, 05 November, 2014, 6:25am

UPDATED : Wednesday, 05 November, 2014, 6:25am



More than 20 per cent of the large development schemes in the pipeline in London are by Asian developers. Photo: Bloomberg

SHARE

0 Likes | 0 Shares | 0 Tweets | 0+1 LinkedIn Shares | 0 Comments

British developer Strawberry Star Group says it is open to co-operation with Asian and Chinese developers which have expanded into the London property market.

"They need local partners, they need local services," chairman Santhosh Gowda said.

Gowda said Strawberry Star had deep experience in prime London properties and welcomed any joint-venture possibilities.

He said his company was a pioneer in developing property in Nine Elms, where Dalian Wanda's project is located.



"We were one of the first developers to spot the potential in London's Nine Elms shortly after the announcement that the US Embassy would move to the area, for example. Since then, a multibillion-pound regeneration has started in the area to transform it," he said.

Gowda said he noticed the growing number of Asian and Chinese projects in London targeting Chinese and Asian buyers.

More than 20 per cent of the units in the large London schemes in the development pipeline are under the control of Asian developers, according to Hanover Private Office, a London property acquisition specialist.

Gowda is confident in facing the challenge and has taken the initiative to tap Asian capital by opening offices in Hong Kong and Singapore.

Strawberry Star opened its first Asian office in Hong Kong last month, and it is going to launch its residential development, Hoola, London E16, which is in the Royal Docklands, in Hong Kong this weekend.

The company will open its Singapore office early next year.

Gowda said when the company started selling properties in Hong Kong in 2009, it was triggered by a market slowdown in Britain. But now, it was attracted by the strong Asian demand.

"At the time, the financial crisis had really hit [Britain], developers tended to shift their focus to overseas investors," he said. "Overseas investors show a preference for London, as [Britain] offers a stable currency and a solid regulatory framework."

Gowda said nowadays it was a direct result of the success the company had in its business here so far.

"Hong Kong and Singapore are currently worth 60 per cent and 40 per cent of Strawberry Star's Asia-Pacific sales, respectively," he said.

To differentiate itself from competitors, Gowda said Strawberry Star would also provide after-sales management services for buyers of its homes.

*This article appeared in the South China Morning Post print edition as UK group keen on partnership with Asian firms*

Comments

abbed-death-and-daughter-slashed-stranger