

# Chosen land

If you want property in Shouson Hill get to the back of the queue and expect to pay near-1997 prices, says *Ricky W. K. Poon*

**T**ucked away at the entrance to the South-Side, Shouson Hill has been a popular luxury property zone since the early eighties, and it's always been less pricey than its neighbours. As a result it represents a good investment opportunity for those seeking to enter the high-end residential market.

Prices in the area, for older properties, now range between \$9,000 per square foot (for apartments) and \$16,000 per square foot (for houses). This is considerably cheaper than in other Island South locations. For example, in Deep Water Bay,

houses sell at between \$28,000 and \$30,000 per square foot. In Repulse Bay, you won't get an apartment for less than \$11,000 per square foot.

Here you can still find some large, quality houses for between \$50 million and \$70 million, whereas in Repulse Bay or Deep Water Bay, you'd be looking at at least \$80 million. 6,000-square-foot houses in South Bay sell for between \$150 million and \$220 million.

As for rented property, apartments in Shouson Hill average out at \$30 per square foot, duplexes at \$35 per square foot and ►►



**“With the rise in prices — in the past three years, prices have gone up by between 60 and 100 percent — less and less of the purchasers tend to be expatriates”**

- ▶ houses at \$40 per square foot. Elsewhere on the South-Side, you’re looking at \$35 to \$40 per square foot for an apartment, \$40 to \$45 per square foot for a duplex, and \$40 to \$50 per square foot for a house.

## Constant demand

It’s difficult to say why Shouson Hill is cheaper than other hotspots on the South-Side. Could it be that for those in search of the quiet life, it’s not remote enough? So close is it to the Aberdeen Tunnel, that you can get to Central in 15 to 20 minutes. South-Siders like to get away from it all but surely a 15-minute commute to the Central Business District isn’t a disadvantage?

Homes in Shouson Hill are cheaper (and have always been cheaper) than others on the South-Side because few boast a sea view — the majority look out to Aberdeen, certainly, but few take in the South China Sea.

This isn’t to say that Shouson Hill isn’t in demand. This is a peaceful and green, low-density location with a distinctly suburban atmosphere. In keeping with town planning regulations, the maximum height of buildings, often built over a garage, is three storeys.

The area has been established for over 30 years and the average age of the properties is 20 years. Here, 1994-built Las Pinadas (formerly Grand Garden) and 10-year-old No. 1-9, Shouson Hill Road are both considered new.

People are primarily drawn to the low-rise townhouses, normally with a 600-square-foot garden and a rooftop terrace. These have what it takes in terms of size: averaging out at 3,000 to 4,500 square feet. Duplexes in the area are equally substantial, measuring between 2,800 and 4,000 square feet, and the apartments range from 1,500 to 2,500 square feet.

Due to the lack of supply, especially of newer properties, prices are climbing back to where they were in 1997. Back then, for example, the asking price for units in Las Pinadas was \$50,000 per square foot. Prices subsequently collapsed by 60 to 70 percent. Now they are back to somewhere between \$45,000 and \$48,000 per square foot, just 20 percent lower than in 1997.

## New developments

The larger developers are hungry for land in Shouson Hill and the landscape is changing, as spanking-new (albeit) low-rise developments replace the original condominiums.

Two years ago Sun Hung Kai Properties Ltd (SHK) bought up No. 9-11, Shouson Hill Road, aiming to convert the existing apartments into houses.

And earlier this year, the same developer bought a 20-year-old property, Heredan Court, presently comprising duplexes, which it intends to redevelop.

The occupation permit for Cheung Kong Holdings Ltd’s new-build No. 22, Shouson Hill Road has just been issued although some work is still in progress. For the newer properties, the starting price is about \$70 million, depending on size.

The price of the latest transaction for No. 57, Shouson Hill Road, which was built three to four years ago by Citic, was around \$100 million. This property consists of seven houses, and it is unusual in that it has a sea view.

The market is strong at present, with a lot of buyers looking for good locations for their own use. These end-users make up about 65 percent of the demand. Another 20 percent are individual investors looking for investment opportunities over two to three years, while the remainder are institutional investors.

With the rise in prices — in the past three years, prices have gone up by between 60 and 100 percent — less and less of the purchasers tend to be expatriates. This is because those likely to be interested in luxury properties tend to have limited budgets of between \$15 and \$25 million. Many cannot catch up with the price rises. That’s why, whereas two years ago 20-25 percent of end-users were expatriates, today the figure is more like 10 to 15 percent.

In the next 12 months prices of high-end residential property in Shouson Hill are likely to go up by 12 to 15 percent, while rents will go up by at least 10 percent. [SF](#)

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