

PROPERTY

CONCRETE ANALYSIS

MALLS CAN BUILD TRUST UNDER NEW DATA LAWS

HK shopping centres also affected as regulation establishes consumer consent as legal basis for using mainland shoppers’ personal information

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China is taking an active approach to protect its citizens’ personal data, with the country’s first comprehensive personal data privacy law.

The Personal Information Protection Law (PIPL), enacted last November, joins the Data Security Law and Cybersecurity Law in framing the legal landscape for data protection, establishing consumer consent as the legal basis for personal information processing in the country.

The law applies to all marketing campaigns that provide products and services to, or analyse the activities of, people from mainland China, and does not discern between the location of brands and marketers. This means mall owners outside the mainland, including those in Hong Kong, are affected.

Millions of mainland consumers who visited Hong Kong previously are likely to have left their personal information with their favourite shopping malls’ websites or apps. In 2019, same-day mainland visitors spent a total of HK\$60.4 billion, with 86.6 per cent allotted to shopping, according to the Hong Kong Tourism Board.

The PIPL serves as an opportunity for ... retailers to fortify their personalised advertising ... strategies

In light of the PIPL, mall owners may wonder if and how they can continue to market to these customers. Unable to separate existing customer data based on location, they may worry about inadvertently breaching the PIPL’s requirements when carrying out their marketing activities.

To address these concerns, mall owners should re-examine the privacy policies of their site or app-based loyalty programmes with the law in mind, to ensure that appropriate consumer consents are obtained.

Under the PIPL, processing of personal information can only move forward with the voluntary consent of a fully informed consumer. Consent must also be obtained again if the purpose for which it was granted changes.

Personal information to be shared with a third party data collector, or transmitted from mainland China to Hong Kong, requires a separate consent. Mall owners should ensure their customer base is informed of the purpose for which their personal information is to be used, and

make consumers aware of their ability to exercise the right to withdraw their consent.

Once appropriate consent procedures are in place, mall owners and developers can continue to carry out personalised promotional activities targeted at mainland consumers, including the use of app-based loyalty programmes to collect and process personal information.

Another solution is establishing geography- or location-based promotional marketing methods, which can be set up within loyalty programme apps to ensure that notifications and relevant promotional activities are pushed on consumers only when they are in Hong Kong, and turned off once they return to the mainland.

Mall owners may also consider non-personal information-based solutions in their marketing strategies. Collaborating with brands to obtain appropriate consents can result in anonymised information. These solutions address the trend in the diminishing usage of personal information by empowering advertisers to reach target consumers without the use of unique identifiers.

There is ample time to gear up, before Hong Kong-mainland travel resumes. Mall owners should continue to stay abreast of new regulations stemming from the PIPL, such as those related to transfer of personal information outside the mainland, which may necessitate procedures in addition to getting separate consents.

Given Hong Kong’s importance to development of the Greater Bay Area economy, special consideration may be given in the future to cross-border data transfers from mainland China to Hong Kong. If implemented, such mechanisms would greatly cement the connection between Hong Kong and mainland consumers providing local mall owners with significant advantages.

While its broadly defined conditions can be a cause for concern, the PIPL serves as an opportunity for key retailers to fortify their personalised advertising and retargeting marketing strategies.

Mall owners should focus on curating their data collection strategies and developing innovative marketing campaigns and loyalty programmes. Those who make a concerted effort to comply with the PIPL’s requirements and are transparent in their requests for consent will be able to earn consumers’ trust, building a community of customers who are digitally conscious and willing to share their first-party data.

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ON THE MARKET



**Winner Court, Mid-Levels West**  
On offer is a 1,056 sq ft flat with three bedrooms, two bathrooms, a balcony and one covered car parking space. The 34-year-old project comprises 77 units in two blocks. The flat on offer, which has been renovated, enjoys an open city view.  
Asking price: HK\$22.3 million  
Agent: Ruby Sun (6298 7288) of Okay.com



**Sunderland Estate, Kowloon Tong**  
On offer is a 2,354 sq ft flat with three en suite bedrooms, 3.5 bathrooms, a combined living and dining room, a family room, a study room, a fully fitted kitchen, a maid’s room, a utility room and one garage for two cars. Located at 1 Hereford Road, the project was completed in 1983.  
Asking rent: HK\$128,000 per month  
Agent: Watford Lai (6535 2866) of Landscape Realty



FACTS & FIGURES

Latest residential transactions

District	Estate	Age (years)	Area (sq ft)	Price (HK\$m)	Sq ft (HK\$)
HONG KONG					
Mid-Levels	Robinson Place	28	893	21.00	23,516
Wan Chai	Convention Plaza Apts	33	1001	30.20	30,170
Tai Hang	Cavendish Heights	36	1439	50.00	34,746
North Point	Braemar Hill Mansions	44	1090	26.00	23,853
Quarry Bay	Lei King Wan	33-34	629	10.90	17,329
Heng Fa Chuen	Heng Fa Chuen	33-36	471	7.53	15,987
Apleichau	South Horizons	27-30	871	17.80	20,436
Kennedy Town	University Heights	26	401	8.80	21,945
Pok Fu Lam	Chi Fu Fa Yuen	41-44	439	6.26	14,260
Happy Valley	Beverly Hill	34	1346	40.28	29,926
Aberdeen	Aberdeen Ctr.	40-43	451	6.23	13,814
Tai Tam	Pacific View	32	1397	35.50	25,412
KOWLOON					
Cheung Sha Wan	Manor Centre	36	322	5.40	16,770
Tai Kok Tsui	Fu Tor Loy Sun Chuen	41-42	285	4.29	15,053
Lai Chi Kok	Mei Foo Sun Chuen	44-54	509	6.50	12,770
Yau Ma Tei	Prosperous Garden	27-31	606	9.20	15,182
Kowloon Tong	Beverly Villa	42	1212	20.00	16,502
Yau Yat Chuen	Beacon Heights	34-37	1305	18.00	13,793
Hung Hom	Whampoa Garden	31-37	389	6.88	17,686
Wong Tai Sin	Tin Ma Court (HOS)	35	415	5.60	13,494
To Kwa Wan	Wyler Garden	43-44	456	6.48	14,211
Lam Tin	Sceneway Garden	30-31	537	7.30	13,594
Kowloon Bay	Tak Bo Garden	38	381	5.58	14,646
Homantin,King’s Park	Chun Man Court (HOS)	41-42	525	6.95	13,238
Waterloo Hill,Perth St	Perth Garden	42	813	11.75	14,453
NEW TERRITORIES					
Kwai Chung	New Kwai Fong Garden	39	408	6.38	15,637
Tsing Yi	Tsing Yi Garden	36	547	7.08	12,943
Tsuen Wan	Tsuen King Garden	34-36	431	5.78	13,411
Tung Chung	Seaview Crescent	19-20	854	12.00	14,052
Castle Peak Road	Belvedere Garden	31-35	572	7.07	12,360
Tin Shui Wai	Kingswood Villas	26-31	550	5.70	10,364
Tuen Mun	Sun Tuen Mun Centre	32	597	7.00	11,725
Yuen Long	Sun Yuen Long Centre	29	466	7.19	15,429
Sha Tin	Royal Ascot	26-27	594	9.00	15,152
Mia On Shan	Sunshine City	28-29	404	6.90	17,079
Tai Po	Hong Lok Yuen	42	2520	46.68	18,524
Lam Tsuen River North	Tai Po Centre	35-37	315	4.82	15,302
Fanling	Flora Plaza	27	370	4.90	13,243
Sheung Shui	Sheung Shui Centre	29	351	5.40	15,385

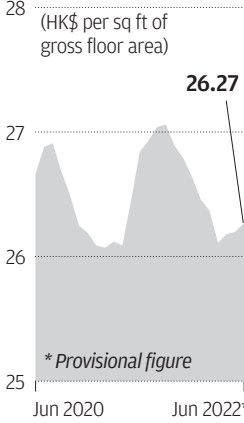
Prime office indicative rents

Prime office asking rents (HK\$ per sq ft) - as of end June 2022

HK Island		Tsim Sha Tsui	
One International Finance Centre	152	26 Nathan Road	93
Two International Finance Centre	152	International Commerce Centre	85
Exchange Square	130	The Gateway (Tower 6)	60
The Landmark (Gloucester Tower)	116	The Gateway (Tower 1)	49
The Landmark (Edinburgh Tower)	116	Mira Place Tower 1	49
Bank of China Tower	114	Ocean Centre	48
Jardine House	112	Lippo Sun Plaza	45
One & Two Pacific Place	100	China Hong Kong City (Tower I)	41
Bank of America Tower	59		
Admiralty Centre (Tower I & II)	55		
Lippo Centre	54	(Figures in net floor area)	

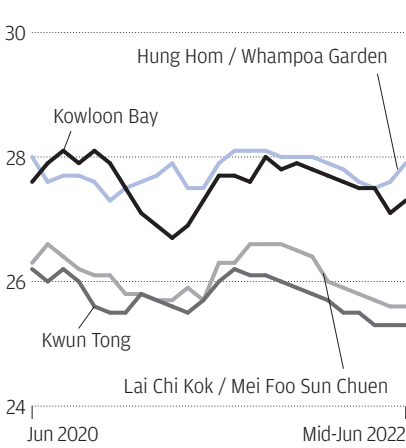
Rents for homes

Average rents of 100 housing estates



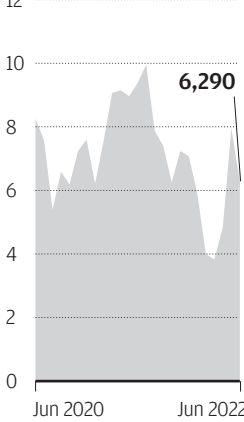
Average rents in selected districts

Rents (HK\$ per sq ft of gross floor area)



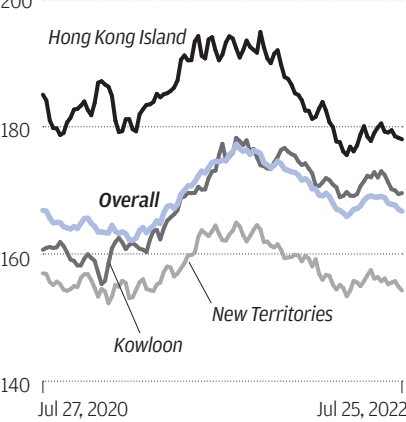
Property sales

(’000 transactions)



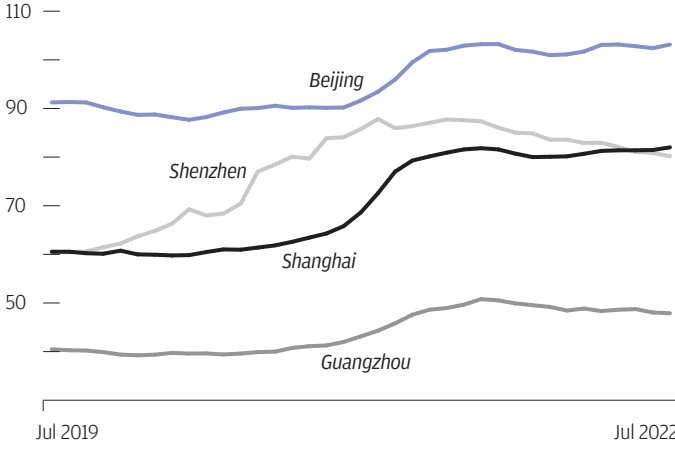
Midland property price index

Hong Kong region



Average price of secondary residential property

(Major cities, thousands yuan)



China property prices (yuan)

	Average price	Units sold		Average price	Units sold
Shanghai					
Parlong Tiandi	81,900	33	Wave	110,400	141
Phoenix City	59,000	72	Sino Spire	102,000	97
City Oasis Phase VI	57,200	236	Greentown Collection	85,000	106
Xinhui Mansion	49,580	89	Honor Mansion	83,000	76
Neo Park	47,500	144	One Sino Residences	72,000	75
Shenzhen					
Mangrove Bay	99,000	160	Xiguan Mansion	76,000	40
Mandarin Lane	73,000	330	Jinyuxifu	57,500	20
Shang Park	53,800	89	Revival	46,000	18
Central Joy	42,800	235	Flourishing Bay	35,000	6
Natural City	38,000	106	Cifi Island	34,000	4

Sources: CBRE, Midland Realty, Land Registry, Centaline China

SCMP

SINGAPORE

Retail rents showing only slow signs of recovery

Vacancy levels dip slightly, but inflation and higher interest rates a hurdle

EdgeProp

Prime retail rents in Singapore have yet to make a full recovery, although the private retail market netted a positive absorption island-wide in the second quarter by 32,300 sq ft, led by improvements in the fringe and rest of central area submarkets.

Overall the vacancy rate improved marginally to 9.4 per cent in the second quarter from 9.5 per cent in the preceding quarter

“Food and beverage operators continued to drive demand while supermarkets and gyms continued to expand,” said Tricia Song, head of research at CBRE.

The second quarter saw the opening of Lululemon at 112 Katong, the brand’s first store in the East and Daiso’s concept store at Jurong Point spanning 15,000

sq ft of retail space. Cafe chain Paris Baguette also unveiled its flagship store at Raffles City.

“Several pop-up stores have opened in the second quarter which feature special thematic offerings, multi-sensorial immersive experiences and big brand

collaborations,” said Catherine He, head of research at Colliers. These included the Clarins roving truck at Paya Lebar Quarter, Hillion Mall and Canberra Plaza, and the Gucci and Adidas and Louis Vuitton and Nike collaborations along Orchard Road.



The Orchard Road shopping belt in Singapore. Food and drink outlets are leading demand for retail space in the city state. Photo: AFP

Although the downtown core saw muted demand and recorded a zero net absorption in the second quarter, this was still an uptick from the previous quarter of negative net absorption. Despite employees returning to work, retailers maintained a wait-and-see approach, Song said.

Likewise, suburban demand experienced negative net absorption in the second quarter, with vacancy rates increasing by 0.9 per cent to 6.3 per cent. Intense competition among retailers has resulted in closures.

Book retailer Kinokuniya closed its 7,800 sq ft store in the Jem shopping centre while furniture chain Hive shut its last outlet in the IMM mall. Song expects overall demand in the suburban market to remain resilient.

Retailers are cautiously optimistic given Singapore is expected to see sustained economic growth and a return of tourist spending. As the government demonstrates

its commitment to endemic living, Song expects retail sentiment to improve for the downtown core area and demand for retail spaces to increase in the near-term.

However, headwinds from inflationary pressures and supply chain disruption pose challenges to retailers, creating labour shortages and higher operating costs, He said. In addition, higher interest rates and recession risks could curtail retail spending.

“Prime retail is unlikely to see a full recovery until tourist numbers recover to pre-pandemic levels, and until travel restrictions in North Asia are lifted,” she said. According to the International Air Transport Association, this will only happen by 2023.

Muted new retail supply will support rent and occupancy improvement in the coming quarters.

Leonard Tay, head of research at Knight Frank, expects prime retail rents to increase between 2 per cent and 4 per cent in 2022.