



# Shenzhen is the Greater Bay Area's next big business growth market.

Because of its concentration of highly creative and technologically advanced sectors, JLL, an international property consultant, describes Shenzhen as the GBA's key growth node. This might help stimulate economic development in linked firms and industries. Hong Kong is likely to be a key driver in the GBA's next stage of expansion, necessitating the creation of financial and professional services, according to a whitepaper issued recently by JLL called The Greater Bay: the Road Ahead. [used cars for sale](#)

It will be necessary for the GBA to develop a robust service sector, particularly in the financial and professional services sectors. Mainland Chinese enterprises will use Hong Kong as a regional gateway to global capital markets, which will be its most significant function. The Stock Exchange of Hong Kong (SEHK) received 17 Guangdong-based IPO applications between September 2019 and February 2020, compared to 15 on the Shanghai and Shenzhen Stock Exchanges. This highlights how Mainland Chinese enterprises in the GBA can raise much-needed capital by issuing an IPO through SEHK.

Gavin Morgan, JLL's Hong Kong Managing Director and Chief Operating Officer for Greater China, says: "Hong Kong's sustained role as a financial center will keep demand for office space high. Offices near the West Kowloon High-Speed Rail Station are a new priority because of the efficiency of transit. Companies from the GBA in the tech and manufacturing sectors that want to compete on the world arena will have their critical functions, such as finance, analysis, and marketing, located in Hong Kong. Lok Ma Chau Loop Innovation and Technology Park, located halfway between Hong Kong and Shenzhen, will increase the number of housing alternatives in the area when it opens in 2019."

More growth is expected in the next five years outside the key cities (Hong Kong, Guangzhou, and Shenzhen): Hong Kong-Zhuhai/Macau-Shenzhen, Shenzhen-Zhongshan and Shenzhen-Dongguan-GuangzhouFoshan.

"As connectivity improves and economic relationships between cities grow, we'll see more urban expansion and industry moves in the area. The increased demand for diverse types of real estate would open up new opportunities for developers and investors "Nelson Wong, Head of Research for Greater China at JLL, concurs.

## Investment opportunities in the GBA

The Pearl River's east and west banks will be connected by three sea-crossing bridges. According to JLL, the Shenzhen-Zhongshan Bridge will help Zhongshan attract additional logistics facility growth, which is becoming increasingly unprofitable in Shenzhen due to a restricted availability of land. Many factories in Shenzhen are considering moving to Zhongshan, creating more jobs in the process. Zhongshan's real estate market is predicted to grow rapidly, presenting numerous chances for developers.

Because of the outflow of low-end manufacturing, Shenzhen will be able to handle more high-value operations like R&D and smart manufacturing.

The retail and tourism industries will benefit from better connectivity between cities. With a rapidly expanding middle class and improved connectivity with Zhuhai/Macau, Shenzhen is poised to become a major new tourism destination.

"Hong Kong-Zhuhai-Macau Bridge, which completed in October 2018, has benefitted the tourist and retail industries in both Macau and Zhuhai, as indicated by an increase in Macau visitor arrivals and Zhuhai overnight visitors during the first half of 2019. Macau and Zhuhai will benefit from improved transportation infrastructure in the future, such as the Tuen Mun-Chek Lap Kok Connection "Gregory Ku, Managing Director of JLL Macau and Zhuhai, adds.

## New areas are being planted with TODs.

Transit-oriented developments are developments that integrate intercity and local rail networks into their office, retail, and housing components (TODs). International developers and investors, particularly those from Hong Kong and the rest of Asia, will prefer TOD projects in rising GBA areas because of their proven track record and ability to brand themselves.

A significant rise in absorption in Guangzhou and Shenzhen Grade A office markets has been achieved in the previous five years as a result of GBA policies that have encouraged rapid expansion in the TMT and finance sectors of the office industry. Over the next five years, absorption in Guangzhou is likely to rise by 40 percent or more, while in Shenzhen, it could rise by 50 percent. Long-term growth prospects remain bright despite the unfolding coronavirus scenario, which could reduce demand for GBA's office supplies temporarily.