

Industrial land/premises for transfer in Qingpu, Shanghai

Description

A European corporate client has entrusted me to look out for potential investors who may be interested in taking up the factory and the underlying premises that are located in Huaxin Township, Qingpu district, Shanghai, China.

The client is a marble business operator that has run their business for more than ten years. In 2005, the client entered into a long term leasing agreement with local collective (a “virtual” entity that is provided under laws to own rural lands in China, as China does not allow individuals to have land ownership) that owns the properties (the land and the buildings) under which the client secured a very nice leasing price.

However, things have changed in terms of the investment policy environment with Shanghai government determined to filter out unwelcome industries in its territories, esp those businesses that consume big bulk of energy, and causes pollution. Unfortunately the client's marble business fell victim to such policy changes. In the specific area, local government has expressed their hope to lure high-tech industries, new energy, warehousing etc which are more environment-friendly.

Knowing that legally speaking, local government has no legal ground to oust the client, local governments have selectively strengthened their law enforcement against the client alleging that the noise is too high and has sparked grumble among the residents in the neighbourhood. Fines have been imposed therefore with the true intention to force the client to move out of Shanghai.

Sensing that it is not advisable to go against the wishes of Shanghai government, the client has now decided to quit. But the client does not want to go without recovering some loss as it has invested more than two million Euros in the past.

Now the client wants to transfer the premises to new investors who may be interested in doing manufacturing or warehousing businesses there, either by way of sub-leasing or sale of their company.

The details of the properties:

- (1) first of all, its rural land owned by the collective, not the state-owned land;
- (2) the land area is around 30,000 square meters;
- (3) the above-ground building's GFA is around 5,141 square meters;
- (4) the client's current leasing price is even lower than half of the market level.

If you are interested to know more about this piece of land/premises, you can contact Jason Tian for more.

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