

**Juwai IQI**<sup>TM</sup>

# Chinese Foreign Buyers: Where are they buying globally?

PRESENTER

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# Juwai IQI – Asia’s Biggest PropTech Group

## Empowering Asian Consumers to be Global Residents 拓展亚洲人足迹至全球

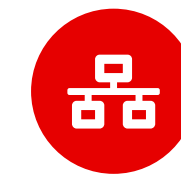
Juwai IQI provides realtors around the world with an end-to-end solution to promote and sell global properties to Asian buyers via the largest real estate network in Asia.



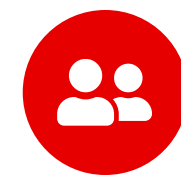
## Juwai IQI in 2020



**5-6m** Property Listings in  
**110+** Countries



**21,000+** Real Estate Agents



**20m** Monthly Active Users  
*(25% from China)*



**17,000** Property Transactions



**500** Developments Marketed



**30** Offices in **20** Countries



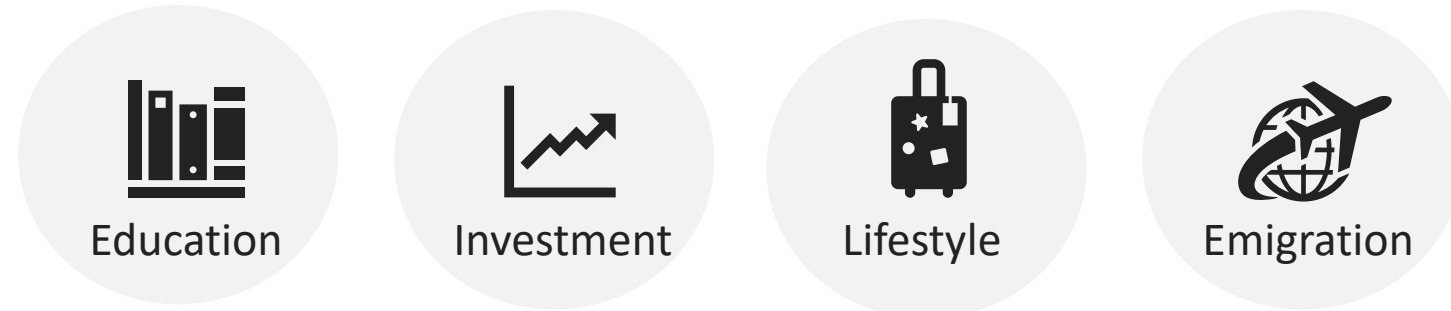
**12** Global Real Estate Partners



**400,000**  
Real Estate Agents Advertising

# Who are Chinese Foreign Buyers?

## Motivations for Overseas Buyers



## Key Buyer Segments



**6 million**

**High Net Worth Chinese by 2025**  
Purchase multiple overseas properties



**57 million**

**Affluent Chinese by 2022**  
Purchase 1-2 overseas properties



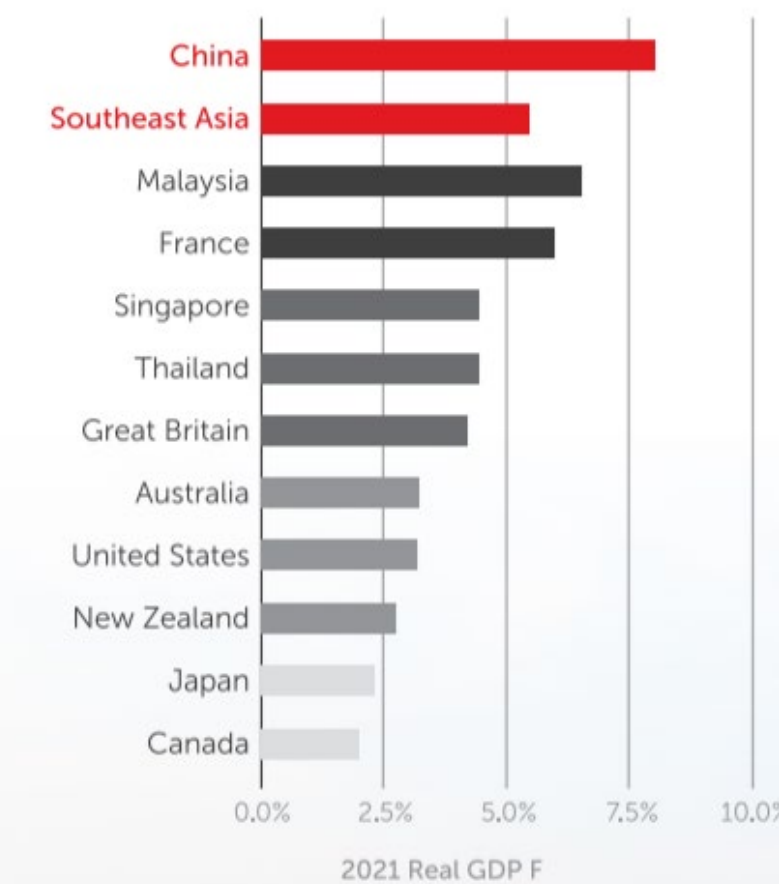
**720 million +**

**Middle-Class Chinese by 2025**  
Demand more affordable investment options, e.g REITs

Sources: LGIM "China's rising middle class: sector implications 2018"; Bain & Co and China Merchants Bank, China Private Wealth Report, Jun 2019; Globaldata "China Wealth Management: Opportunities and Risks to 2022", Statista 2019.

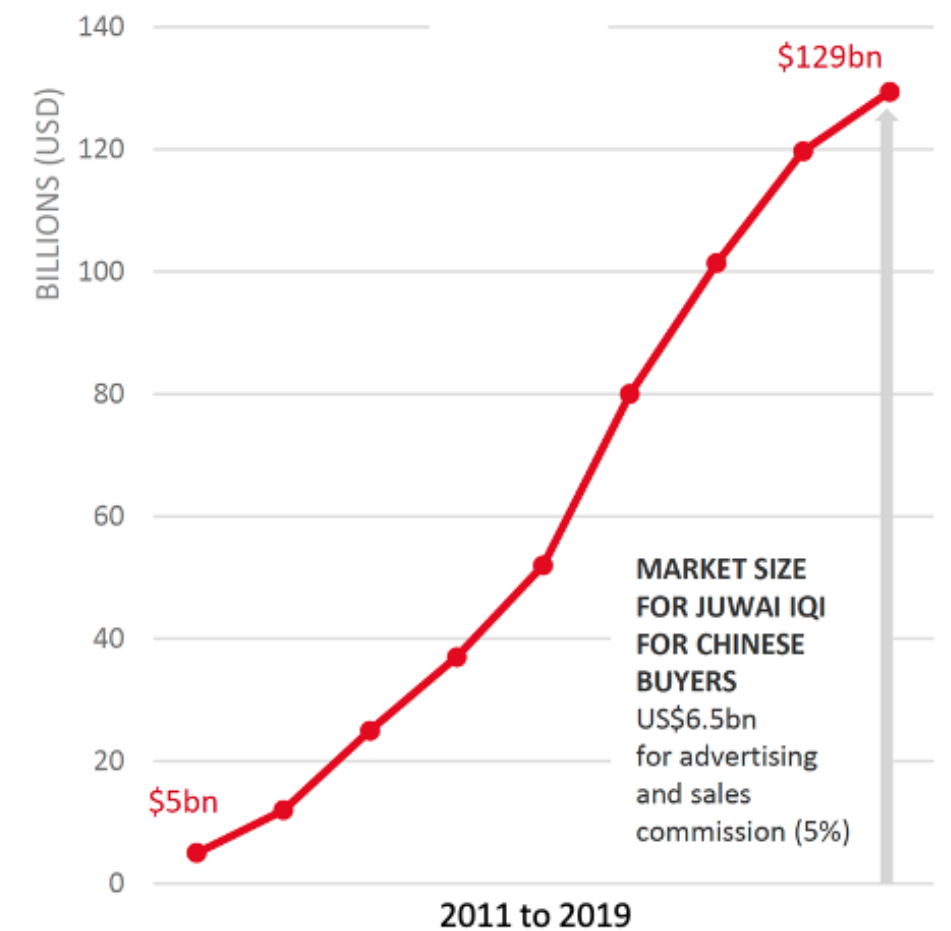
## Rapid Asian Wealth Creation Fuels Growth in Chinese Outbound Real Estate Investments

### 2021 REAL GDP FORECAST



Source: Juwai IQI; Asian Development Outlook Update, September 2020; OECD Economic Outlook, December 2020

### Chinese Outbound Real Estate Investments



Source: CORELogic and other sources, Juwai IQI analysis

China is leading demand for global real estate – South Asian and ASEAN buyers will follow

# H1 2021 Top Countries For Chinese Buyers Based On Enquiries



Top 10 Countries for Chinese Buyers

#	2021 H1	2019
1	Thailand	Thailand
2	United States	Australia
3	Australia	Japan
4	Canada	United States
5	UK	Canada
6	Japan	Malaysia
7	Malaysia	UK
8	Vietnam	UAE
9	Germany	Vietnam
10	Greece	Philippines

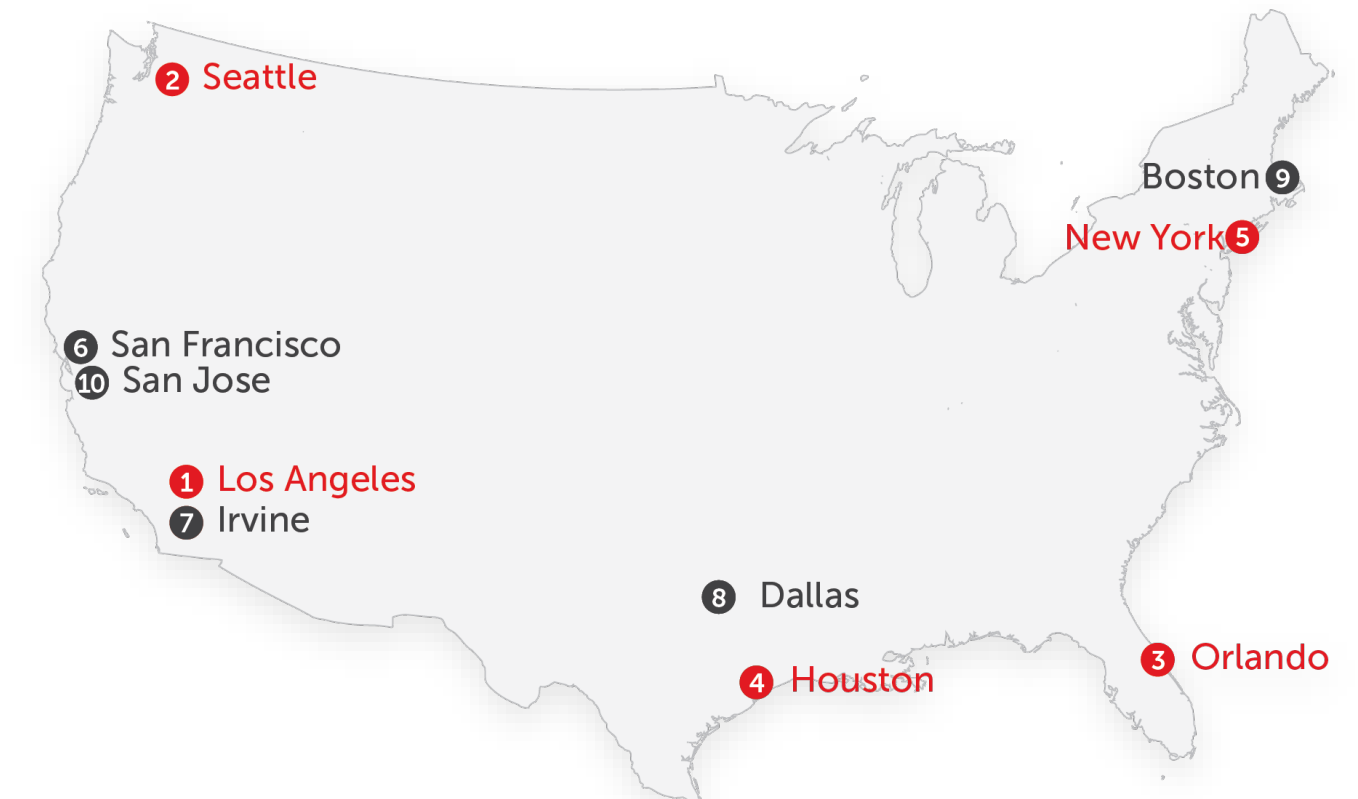
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Source: Juwai IQI Data 2021 H1

# Market Deep Dive: United States (I)

The US was the **second most popular destination** for Chinese cross-border buyers in 2020

- Chinese buyers acquired close to \$200 billion of American residential real estate over the past 10 years – 62% more than Canadians.
- Many are HNW individuals purchasing secondary homes for part-time residence and investment purposes.
  - For these buyers, the traditional American gateway cities remain the most popular destinations.
  - In NYC alone, 23.8% of HNW secondary homeowners are from Greater China.
- However, non-HNW buyers are increasingly looking to smaller, less expensive and less congested cities as a source of price appreciation – it is these cities that are expected to lead price growth in coming years.

Top US Cities for Chinese Buyers in 2020



## US Residential Real Estate Sales to Foreign Buyers (US\$ Billion)

Source: Juwai IQI, National Association of Realtors.

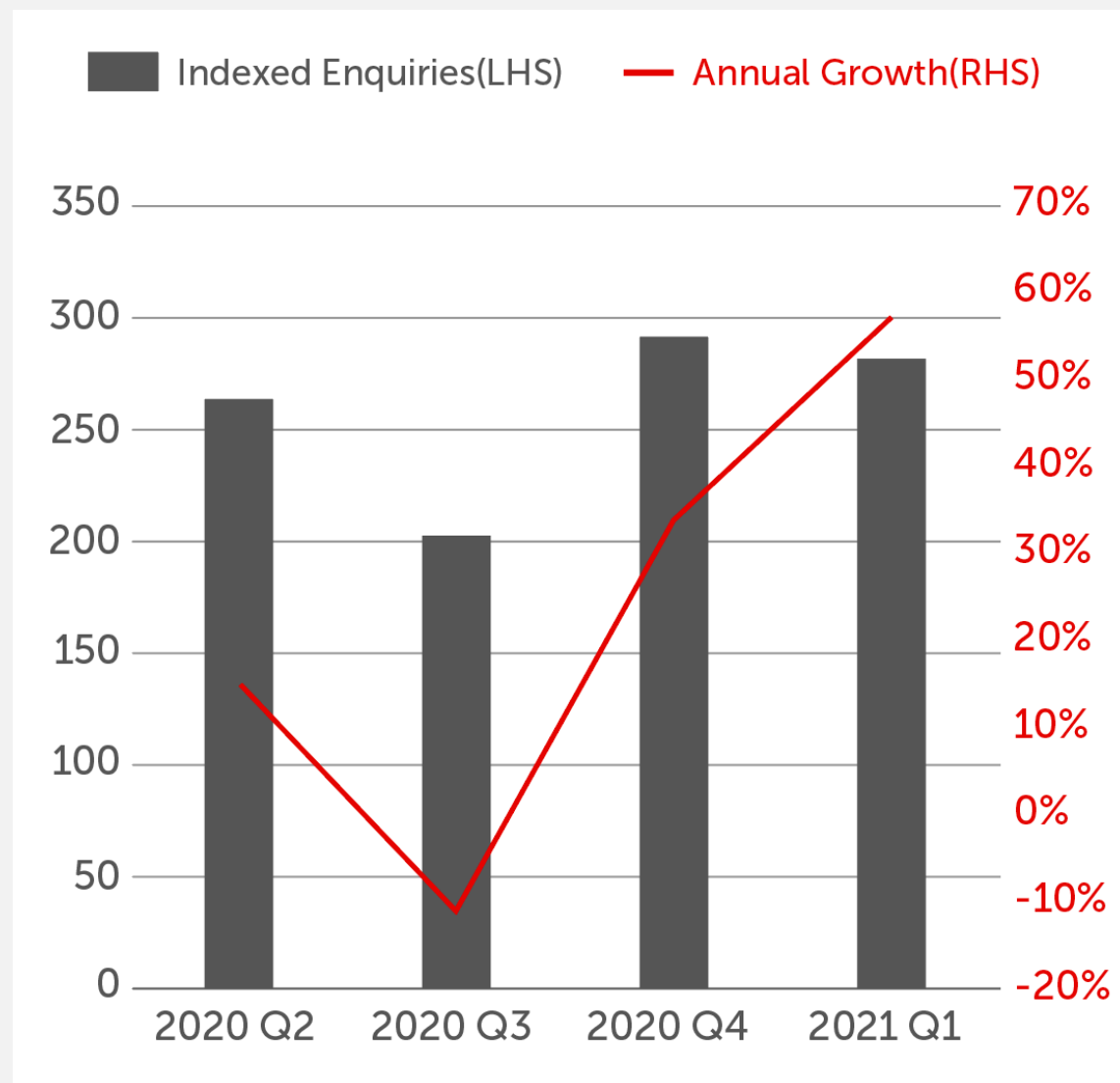
	2020	10 Years
China	11.5	196.7
Canada	9.5	121.6
India	5.4	61.3
Mexico	5.8	50.1
United Kingdom	N/A	50.8
All others	45.7	464.9
<b>Total Int'l Sales</b>	<b>74.0</b>	<b>941.7</b>
<b>Chinese Share by Value</b>	<b>15.5%</b>	<b>20.9%</b>

# Market Deep Dive: United States (II)

Strong Chinese demand for US overseas property expected to continue

## Evidence of promising Covid-19 recovery

*United States: Chinese Real Estate Buying Enquiries Index*



## Biden Boost:

- New administration seems friendlier and more rationale
- Student visas are easier to obtain
- The No. of **HNW Asians seeking US 2nd homes** has **climbed strongly**.  
In New York alone, Greater Chinese own 1 of every 4 high-net-worth 2nd homes.



## Impact of Florida Condo Collapse:



- Expect no hit to demand for new high rise South Florida condos
- Asian buyer demand for older buildings has never been great, but is likely to be even lower going forward
- Owners of units in these older buildings could have to pay as much as 50% of their unit's resale value to fund necessary repairs

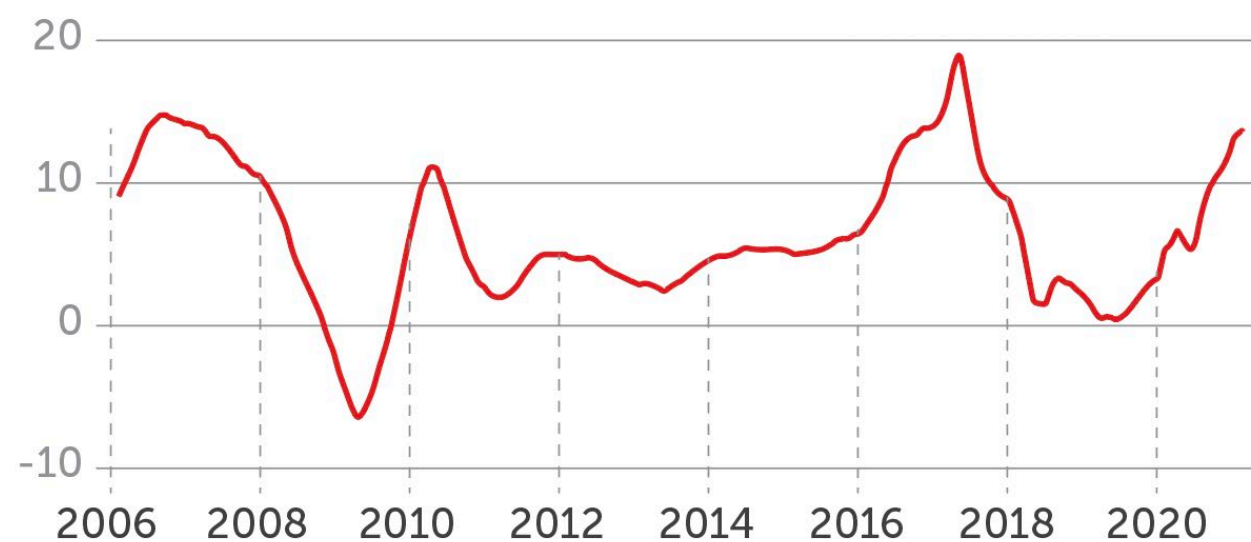
# Market Deep Dive: Canada

Canada was the **fourth most popular destination** for Chinese cross-border buyers in 2020

- During 2020, some purchasers who would have considered the US **shifted their focus to Canada**
- Foreign buyers have recently been drawn by **strong recent price appreciation in Canada's domestic market** and fear they will have to pay more if they postpone their purchase
- Smaller markets have seen the greatest price appreciation, but **Chinese buyer interest is still concentrated in Toronto, Vancouver and – to a lesser extent – Montreal**

## MLS Home price Index – Canada

Year-over-year % change in the composite index



Source: RBC, CREA, RBC Economics

## Top Canadian Cities for Chinese Buyers in 2020



# Selling Property to Chinese Foreign Buyers

Chinese buyers represent a **tremendous new market opportunity** for property sellers around the world. However, this opportunity brings new challenges in reaching, communicating and engaging with this new market.

## Understanding the Chinese Foreign Buyer Journey



### The Internet is a primary research channel

91% of affluent Chinese access the internet every day, with the internet serving as their primary research channel



### Access to foreign websites is limited by the Great Firewall

Many buyers rely on Chinese websites, friends & family and social media for information



### Language barriers are a widespread challenge

Many Chinese buyers do not speak English fluently and prefer to conduct research and negotiations in Mandarin



### The purchase process may be long and protracted

Due to additional challenges around communication, restrictions on foreign funds transfers from China, restrictions on property sales to foreigners in certain countries, reduced access to information of Chinese buyers, and so on

## 5 Tips for Selling Property to Chinese Foreign Buyers

1

### Create a presence on Chinese social media

To connect with buyers in mainland China, create an official WeChat account and use it to maintain regular engagement with potential buyers

2

### Market property through Chinese-accessible platforms

To effectively market foreign property to Chinese buyers, partner with a Chinese-hosted specialist advertising platform that can provide additional services such as Chinese language content translation and customer support

3

### Embrace virtual events and technology enabling remote sales

Particularly in the wake of the Covid-19 pandemic, Chinese consumers are increasingly embracing online purchasing in large ticket verticals and are active participants in virtual promotional events, viewings and trade shows

4

### Develop an understanding of Chinese culture and beliefs

For many Chinese, considerations around Feng Shui and numerology play a key role in decision making when purchasing a home. Developing an understanding of these beliefs can go far in helping you effectively market to Chinese buyers.

5

### Offer value-added services for the cross-border buyer

Offering additional services, such as around visas, immigration or cross-border property financing, can help increase your value proposition to foreign buyers.



# Connect with Us

Reach out to us for more information about our products, research, partnerships or any other enquiries



*Leading cross-border real estate marketplaces for Chinese and Asian buyers*

- *Listings packages*
  - *Hosting on both sides of the Great Firewall*
  - *Professional content translation*
  - *Local customer support services*
  - *International account management services, and more*
- *Developer solutions*
- *Commercial property solutions*
- *Events services*

## Juwai IQI Research

*Our latest data and insights on Chinese and Asian foreign property demand*



*For more information, visit [list.juwai.com](http://list.juwai.com)  
Or contact Jimmy at [jimmy@juwaiiqi.com](mailto:jimmy@juwaiiqi.com)*