

JUWAI CHINESE CONSUMER INTERNATIONAL TRAVEL SURVEY 2018

2018出国旅游调查



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Introduction

China is the world’s largest and fastest-growing outbound tourism market, and already, China Outbound Tourism Research Institute (COTRI) is predicting China’s outbound travellers will grow from over 122 million in 2016 to hit 154 million in 2018.¹

By 2020, Chinese international travellers are projected to reach 200 million, says China Tourism Academy (CTA).²

Seeing as Chinese outbound tourism is often linked with their overseas property purchasing intentions, we surveyed 256 Chinese consumers from 28 China provinces and 11 overseas countries to gain a deeper understanding of their travel and property investment plans over the upcoming Chinese New Year and the rest of 2018.



Report Highlights

- **92% plan to travel internationally in 2018:** 25% intend to travel outbound during the Chinese New Year Golden Week, while 48% plan to travel overseas during off-peak months throughout the year. 29% picked North America as their top vacation region for 2018, followed by Asia (23%), Australasia (20%), and Europe (19%).
- **77% have property purchase intentions in mind when travelling overseas:** 60% intend to purchase property in their holiday destination, while 17% say they may consider doing so. 58% are also considering emigrating to the destination they're visiting abroad, while another 20% say they might consider doing so. 26% say the US is their ideal investment destination, while 19% and 18% prefer Australia and Asia, respectively.
- **Of the 77% considering to purchase property in the countries they're travelling to in 2018:** 49% will or may schedule appointments to meet international real estate agents during their travels abroad, of which 74% plan to meet with 2 or more real estate agents, and 54% say they found their agents on Juwai.com.
- **Of the 51% who do NOT plan to schedule appointments with agents beforehand:** 30% intend to make contact upon arrival, while 65% say they will only make spontaneous contact with agents if they see a random property they like while travelling.
- **Of the 23% NOT considering to buy property in countries they're travelling to:** 20% say they will or may consider buying overseas property in the near future – of

which 55% intend to buy within 2 years' time or earlier.

- **Of the 8% who do NOT intend to travel abroad in 2018:** 70% cite a lack of personal free time as their main reason for not travelling in 2018. 25% further say they will or may consider buying property overseas, with 50% citing living environment as their main motivation.
- **Regardless of whether they intend to travel abroad in 2018, 77% of ALL 256 Chinese respondents say they have considered buying overseas property:** 76% say they are willing to invest up to

USD469,000 (3 million RMB) on buying a home abroad, and 28% cited investment purposes as their main motivation to buy properties abroad, compared to 24% for own use, and 17% for emigration.

- **International agents are gearing up for Chinese buyers in 2018:** 42% say they expect Chinese buyers to approach them in the lead up to and during the Chinese New Year Golden Week, which more than half (54%) consider to be a more active period for them with Chinese buyers. Apart from Chinese New Year, 89% profess they do expect to receive Chinese buyers throughout the rest of 2018.

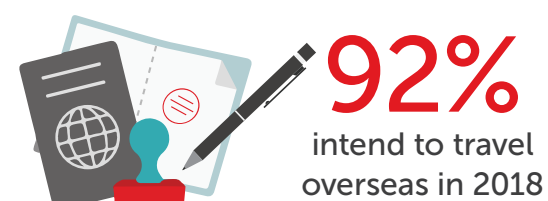
SURVEY RESULTS

01 92% of Chinese consumers plan to travel internationally in 2018

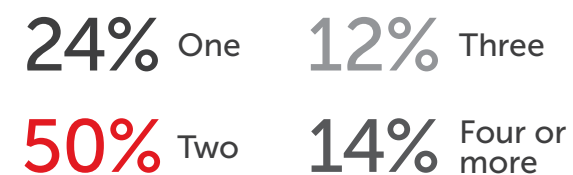
China's middle-class and upper-middle-class is on the rise, thanks to an increase of average income. This, paired with less restrictive tourism policies around the world, has led to a Chinese outbound travel boom that has gone from strength to strength.

So, it's no surprise that 92% of our Chinese respondents say they intend to travel overseas this year. In fact, 76% say they intend to travel more than once in 2018.

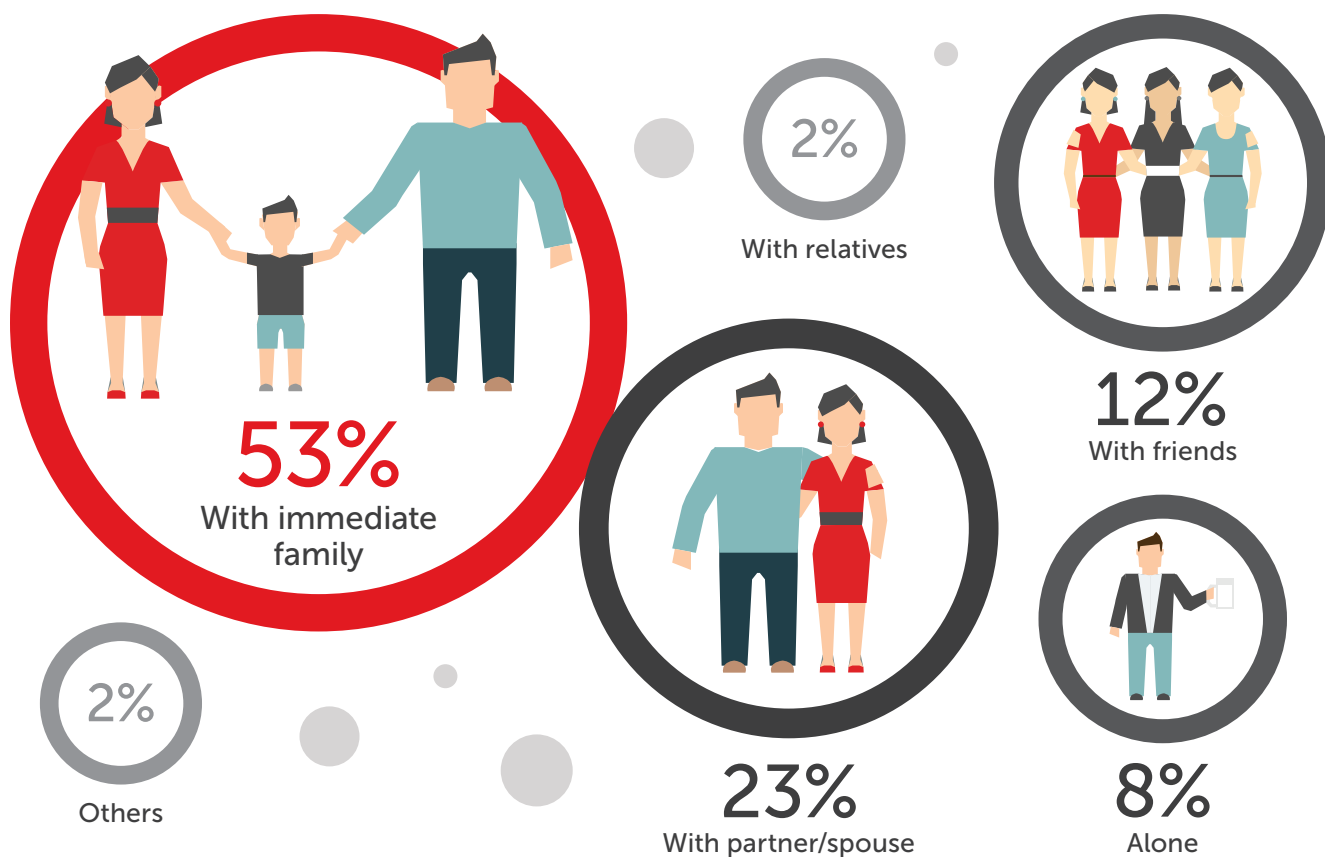
Interestingly, more than half prefer to travel with family – 53% plan to travel with immediate family, while another 2% say they are more inclined to travel with relatives.



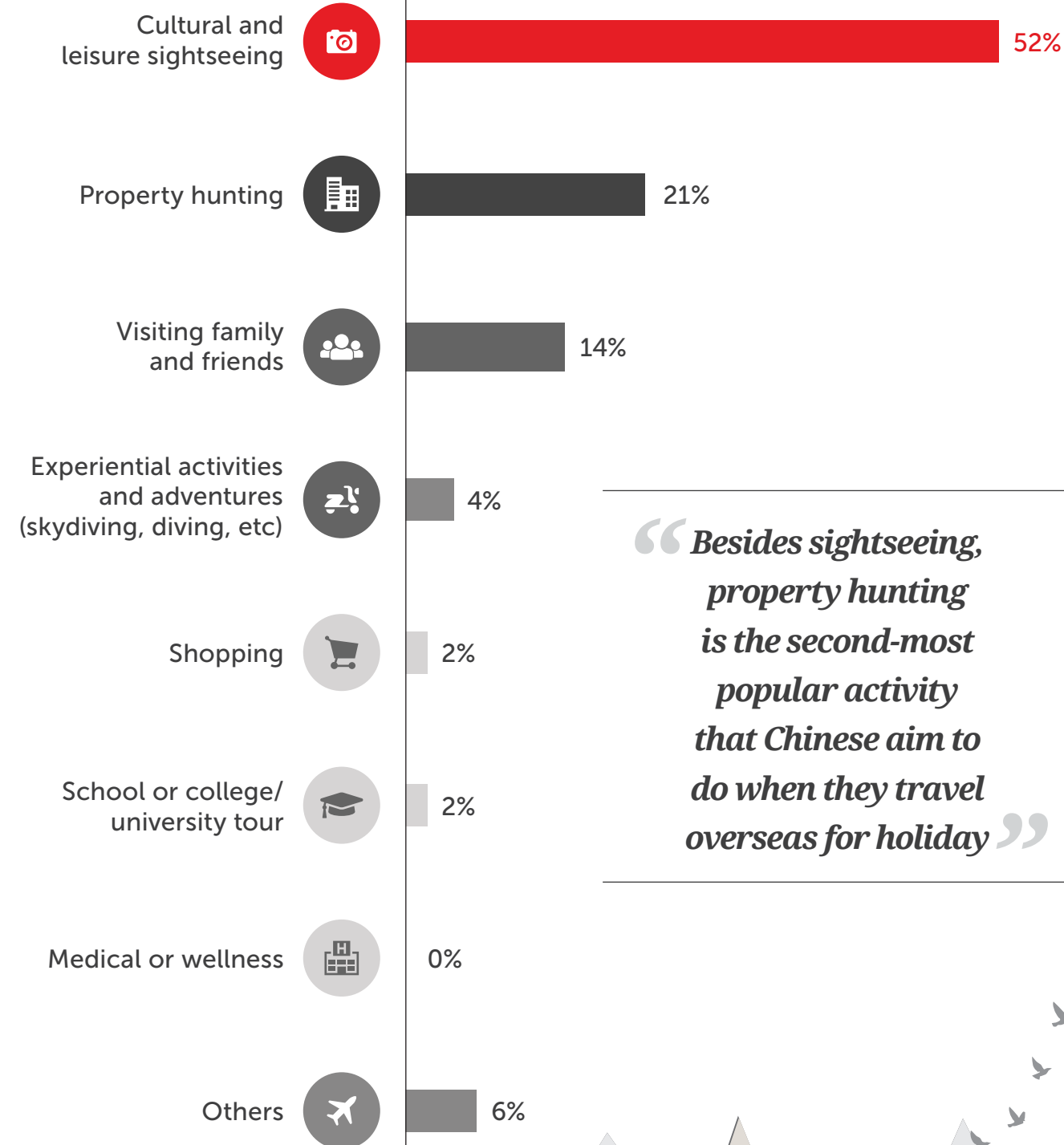
How many outbound holiday trips are you planning to take in 2018?



Who do you intend to travel with overseas?



What activities will you engage in while on vacation overseas? (Select all that apply)



“ Besides sightseeing, property hunting is the second-most popular activity that Chinese aim to do when they travel overseas for holiday ”

02 Chinese New Year – most favoured time for outbound travel in 2018

Considering 2017 saw an estimated 145 million Chinese travelling out of China¹, this is one market that well deserves to be leveraged and capitalised on.

Which time of the year are they planning to go globe-trotting, though? According to our survey findings, of the 92% of Chinese respondents who plan to holiday abroad,

China's Spring Festival – also known as Chinese New Year or Lunar New Year – is their most-preferred time to travel overseas.

25% intend to travel outbound during the Chinese New Year Golden Week, compared to 14% who picked the July-August summer school holidays and 5% who voted for the October National Day Golden Week.

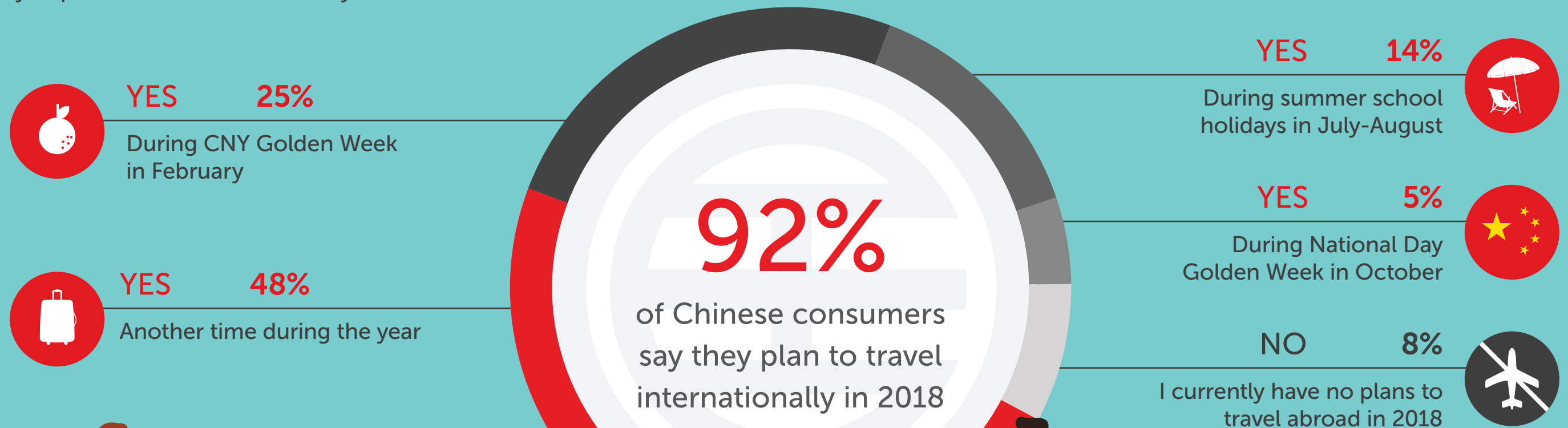
This marks Lunar New Year as a lucrative period for agents and developers to leverage, such as by ramping up their marketing activities and China strategy for better success with the Chinese market within these 7 days.

However, 48% also indicated their intention to travel overseas during the remaining off-peak months staggered throughout the year, which

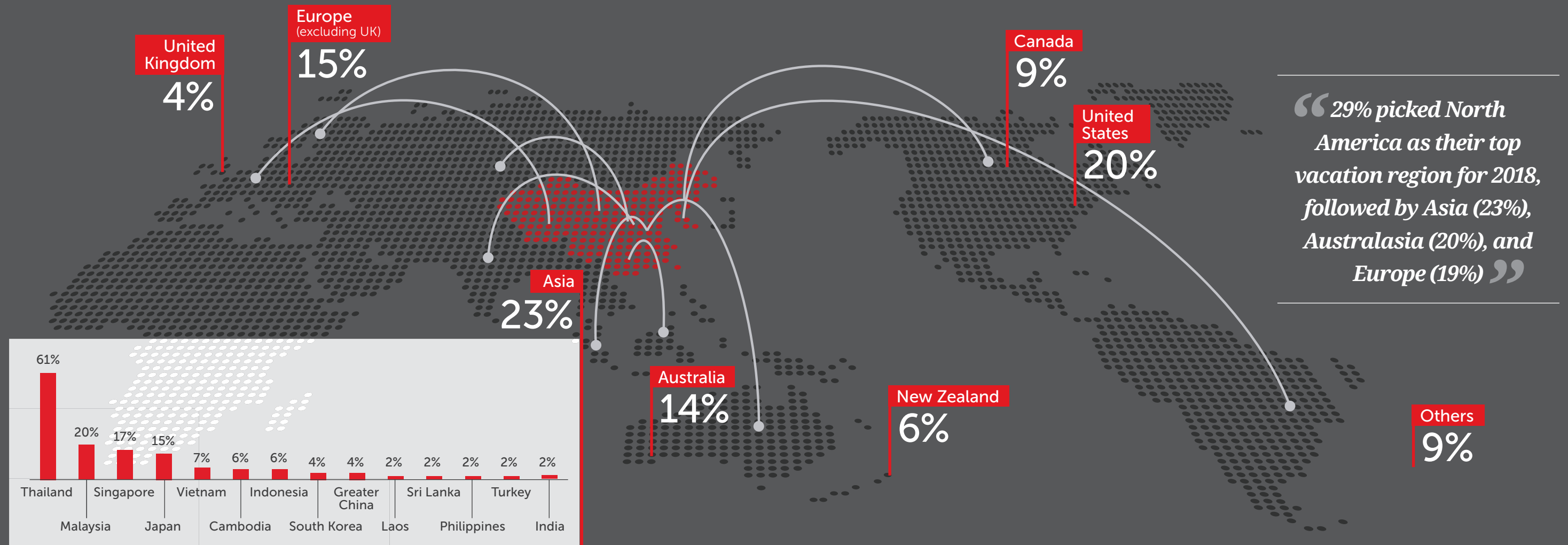
is possibly due to a growing group of wealthy Chinese travellers who increasingly prefer to avoid outbound travels during peak holiday seasons.

According to Hurun's "2017 Chinese Luxury Traveller" report, 59% of Chinese luxury travellers would purposely opt to skip travelling over national holidays.

Do you plan to travel internationally in 2018?



Where are you planning to travel to overseas?



03 North America – the most preferred holiday region for Chinese

On a regional level, 29% of our Chinese survey respondents picked North America as their top vacation region for 2018, followed by Asia (23%), Australasia (20%), and Europe (19%).

If we delve in deeper to a country level, the US – voted by 20% of our Chinese consumers –

reigns as their most-favoured holiday hotspot, while Australia and Thailand – both with a 14% vote, respectively – came in tied as the next hottest travel destination for Chinese in 2018.

What's striking to note is that this finding correlates with Juwai data, which showed

the US, Australia, and Thailand as the top 3 property investment locations for Chinese buyers on Juwai.com in 2017.

This substantiates our surmise that Chinese outbound travels often spills over to their overseas property investments as well.



04 Chinese have strong aspirations to buy homes when they travel

Are you considering to buy property in any of these countries that you're visiting abroad?

“77% of Chinese have property purchase intentions in mind when they travel overseas”

No
23%

Maybe
17%

60%
Yes

Are you considering to emigrate to any of these countries that you're visiting abroad?

No
22%

Maybe
20%

58%
Yes

Owning a home of their own is an unspoken but well-known aspiration of most Chinese, and our survey findings echo this aspiration – 77% of our Chinese respondents have property purchase intentions in mind when they travel overseas.

In fact, 60% say they intend to purchase property in their holiday destination, while 17% say they may consider doing so.

Furthermore, 58% also say they are considering emigrating to the destination they're visiting abroad, while another 20% say they might consider doing so.

That said, it would seem that Chinese buyers like to keep their options open when it comes to determining where they intend to invest – 81% disclosed they have researched in 2 countries or more, with 56% professing having spent more than a year on researching properties in the countries.

Clearly, the Chinese are an astute and well-informed group of buyers who are not only meticulous, but also discerning enough to do their homework well in advance before finalising on a final investment destination.

How many countries have you been researching so far, in terms of their property market?

19% 1 country

57% 2-3 countries

24% 4 or more countries

How long have you been researching properties for purchase in these countries?

7%

8%

18%

11%

56%

< 1 month

1-4 months

5-8 months

9-12 months

More than 1 year

“81% disclosed they have researched property in 2 countries or more”

With such thorough preparations in advance, where are these 'Fly n' Buy' Chinese looking to buy real estate in 2018?

Once again, the US trumps over other locations – with 26% of Chinese respondents voting it as their choice investment destination, followed by Australia (19%) and Asia (18%).

Canada, perhaps due to the implementation of the foreign buyer tax, came in fourth with 13%, trailed closely by Europe (sans UK), which garnered 12% of votes.

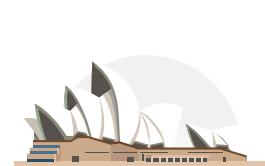
In terms of investment motivation, 28% cited portfolio diversification as their main driver to buy properties abroad.

Where would you like to purchase an overseas home in? (Select all that apply)



United States
26%

“26% say the US is their ideal investment destination, while 19% and 18% prefer Australia and Asia, respectively”



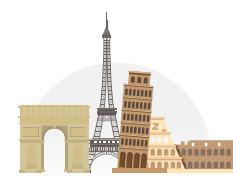
Australia
19%



Asia
18%



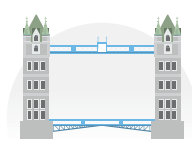
Canada
13%



Europe (excluding UK)
12%



New Zealand
4%

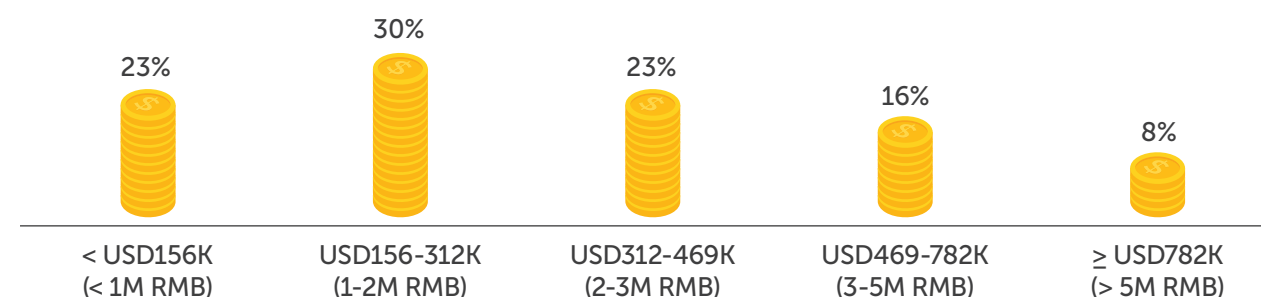


United Kingdom
3%

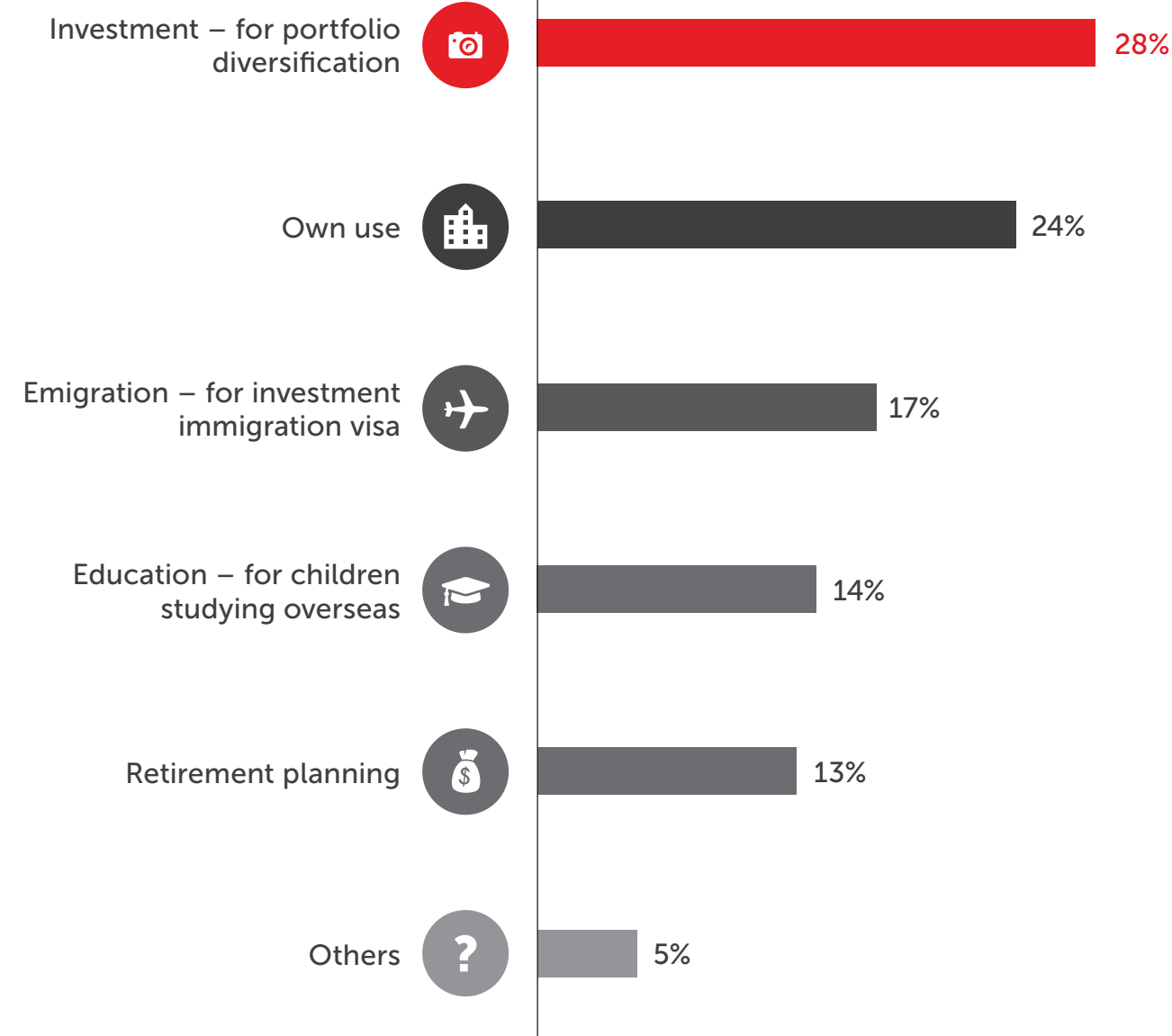


Others
4%

What is your budget?



What are your reasons for buying an overseas property? (Select all that apply)

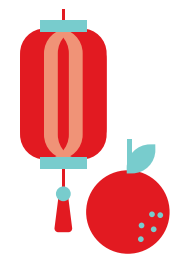


05 Chinese are always on the lookout to invest, wherever they go

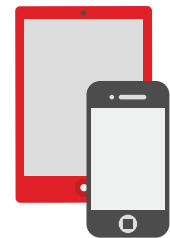
Of the 77% considering to purchase property in the countries they're travelling to in 2018, merely 49% say they will or may schedule appointments to meet international real estate agents during their travels abroad.

As for this 49% who intend to contact agents prior to their trip, 74% plan to meet with 2 or more real estate agents, which indicates that Chinese buyers often like to explore and keep their options open.

More importantly, 54% of this 49% found their international real estate agents on Juwai.com, compared to word-of-mouth from family and friends (26%), as well as social media (20%) – a testament to Juwai's market leadership in the Chinese market.



46%
will or may view properties during their travels over Chinese New Year Golden Week



49%
will or may schedule appointments with international real estate agents before their trip

Of the 51% who do not plan to schedule appointments with agents beforehand, 30% intend to make contact upon arrival, while 65% say they will make spontaneous contact with agents only if they see a random property that they like while travelling.

For agents and developers, this means you should always be prepared for unexpected Chinese buyers who may just show up at your office or showroom for an impromptu visit, seeing as this finding suggests that Chinese homebuyers – who are known to be constantly on the lookout for a good property investment opportunity – are inclined to make spur-of-the-moment decisions as well.

“ 54% of Chinese respondents who intend to buy properties while travelling abroad found their international property agents on Juwai.com ”

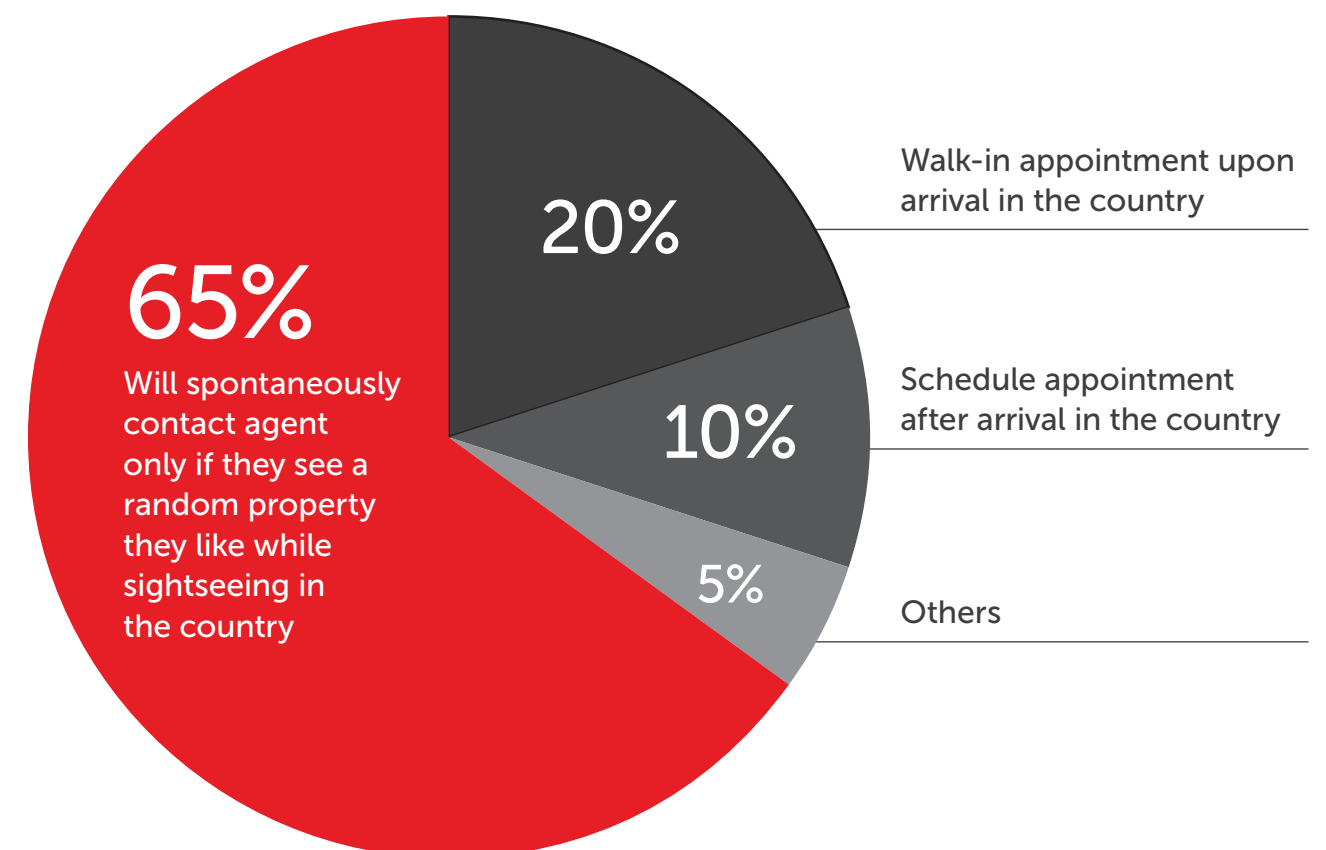
How many real estate agents do you intend to meet while travelling overseas?



How did you find out about these real estate agents based overseas?



How do you intend to property hunt, if you have no set appointments with real estate agents based in the country you're visiting?



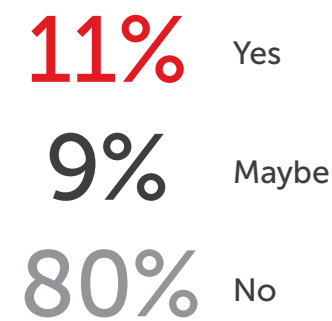
06 Chinese not planning to buy in 2018 intend to do so within 2 years' time

As for the 23% of Chinese consumers not considering to buy property in the countries that they're travelling to, 20% say they will or may consider buying overseas property in the near future.

Of this 20% who have considered investing in overseas home, 55% say they intend to buy within 2 years' time or earlier, with 91% willing to invest up to USD469,000 (3 million RMB) on buying a home abroad.

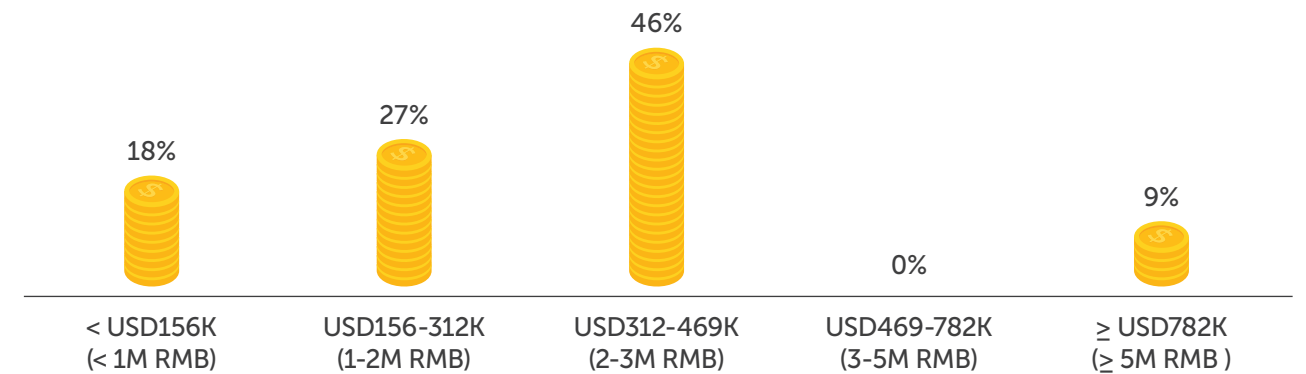
Surprisingly, 28% picked Australia as their ideal investment destination of choice, while Canada, New Zealand, and Thailand tie as their next pick with 18% of votes, each.

Are you considering to buy overseas property in the near future?

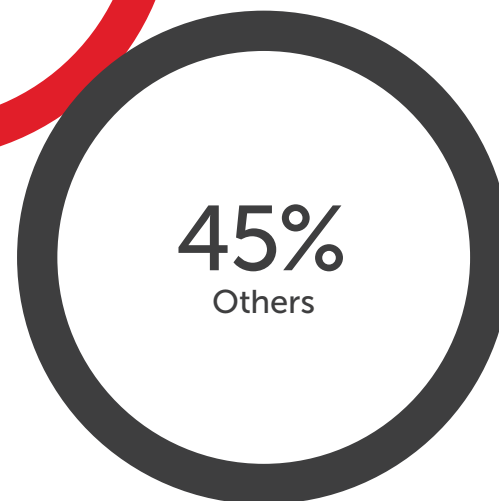
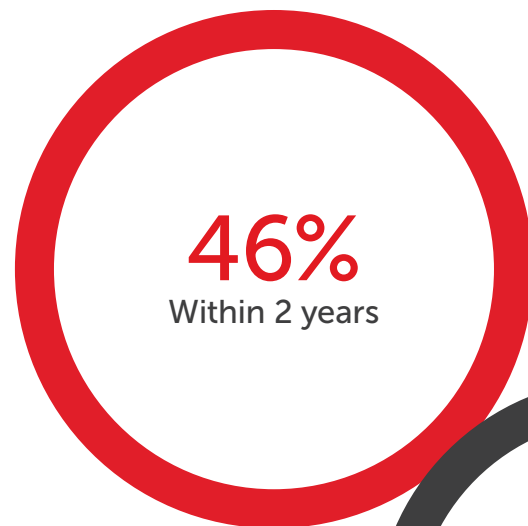


What is your budget?

“91% say they are willing to invest up to USD469,000 (3 million RMB) on buying a home abroad”

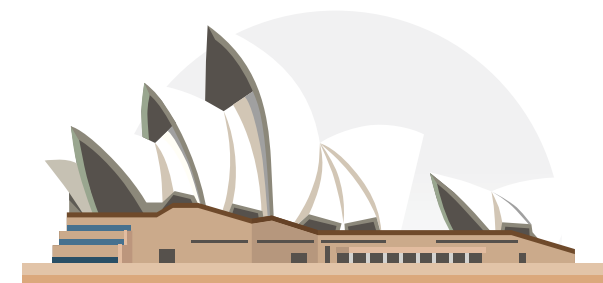


When do you intend to buy overseas property?



“20% say they will or may consider buying overseas property in the near future – of which 55% intend to buy within 2 years or earlier”

Where would you like to purchase an overseas home in?
(Select all that apply)

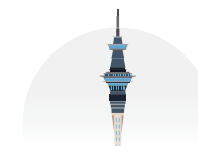


Australia
28%

“Australia is their preferred investment destination, followed by Canada, Thailand, and New Zealand”



Canada
18%



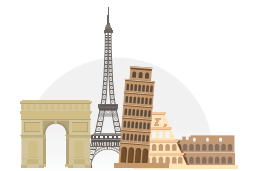
New Zealand
18%



Thailand
18%



United States
9%



Europe (excluding UK)
9%

07 Chinese not travelling abroad in 2018 is because they are too busy

Only a mere 8% have no intention to travel internationally this year. When asked why, 70% cited no personal free time as their main reason for their lack of desire to travel internationally.

However, a large majority of this 8% are no greenhorns when it comes to overseas travel – 70% have travelled abroad before. Furthermore, although they do not plan to jet abroad for a vacation, 25% say they will or may consider buying property overseas, while another 35% divulge they have considered emigrating abroad before.

And while living environment was cited as their primary motivation to consider a home overseas, it would seem that education, health and medical care, and social welfare rank high on their list of investment motivations as well.

Is there a reason why you do not plan to travel overseas? (Select all that apply)



70%

Lack of time – too busy to take personal vacations



10%

Language – too difficult to communicate while abroad



10%

Safety – too many terrorist attacks or too much instability overseas



10%

Others

Have you travelled overseas in the past before?

70%

Yes

30%

No



35%

have considered emigrating overseas



25%

have considered buying overseas properties before

What are your reasons for buying an overseas property?
(Select all that apply)

Living environment



50%

Education



33%

Health and medical care



33%

Social welfare



33%

Economic outlook



17%

Passport power



0%

Others



33%

“ 50% cited ‘living environment’ as their main motivation ”

08

Aspiring Chinese homeowners look abroad for a chance to invest

Nevertheless, regardless of whether they plan to travel internationally in 2018 or not, 77% of ALL 256 Chinese respondents profess they have or may contemplate investing in overseas property, with the US (26%), Australia (19%), and Asia (18%) being their most preferred investment locations.




In terms of budget, 76% of respondents say they are willing to invest up to USD469,000 (3 million RMB) on buying a home abroad.

Survey findings also revealed that 28% of all 256 respondents cited investment purposes

as their main motivation to buy properties abroad, compared to 24% for own use, and 17% for emigration.

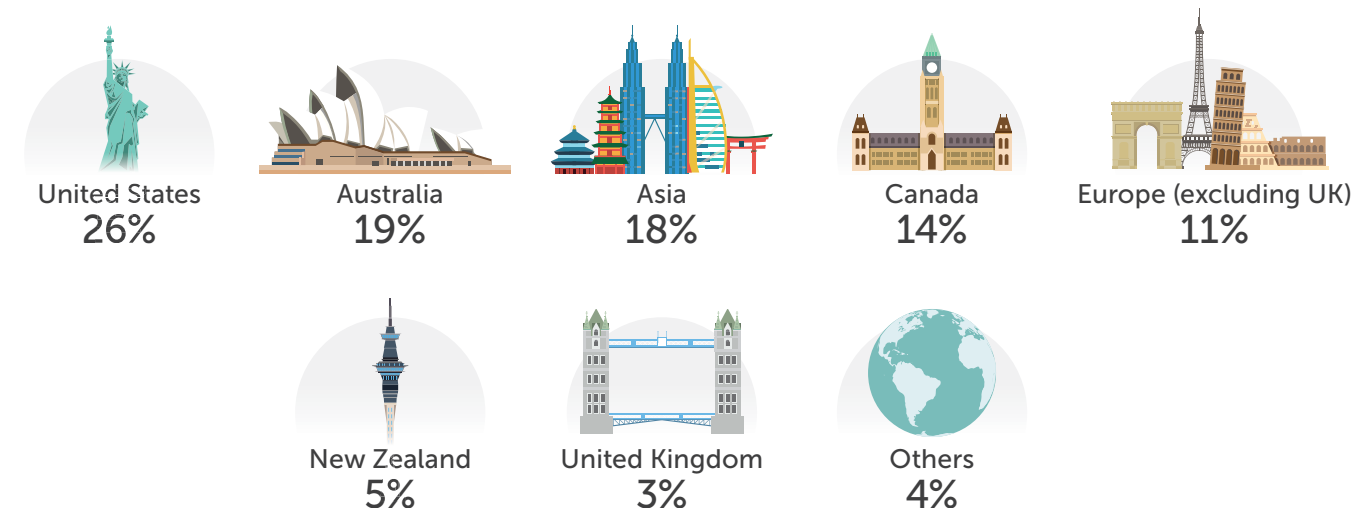
“77% of ALL respondents have considered buying overseas property”

Have you considered buying overseas properties before?

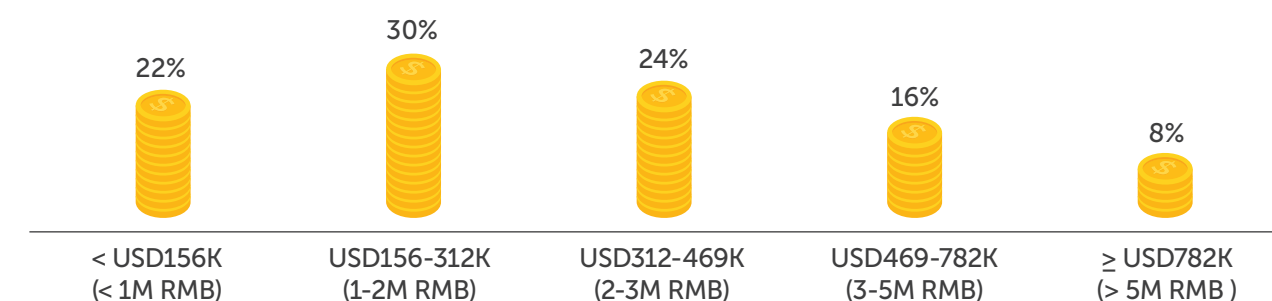
 Yes 59%  Maybe 18%  No 23%



Where would you like to purchase an overseas home in? (Select all that apply)



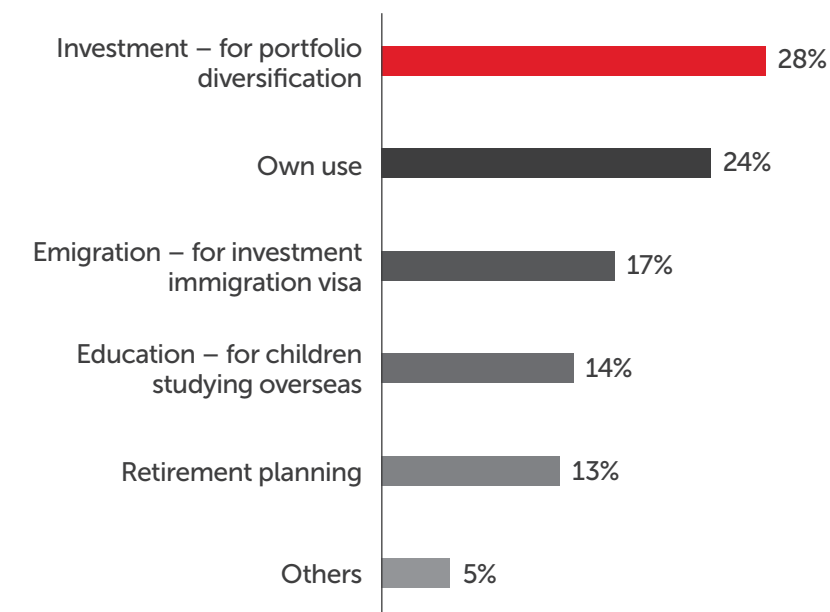
What is your budget?



This is unsurprising as real estate is viewed as a safe and resilient asset, and is the most preferred investment choice for most Chinese, especially international property that offers better options and value for money against the current backdrop of sky high prices and stringent property restrictions in China's domestic housing market.

Such is the allure of property ownership that according to a 2017 survey by HSBC, 94% of Chinese millennials plan to buy property in the next five years, compared to 69% in France, 74% in the UK, 80% in the US, and 82% in Canada.³

What are your reasons for buying an overseas property? (Select all that apply)



09

What's happening with international agents this Chinese New Year?

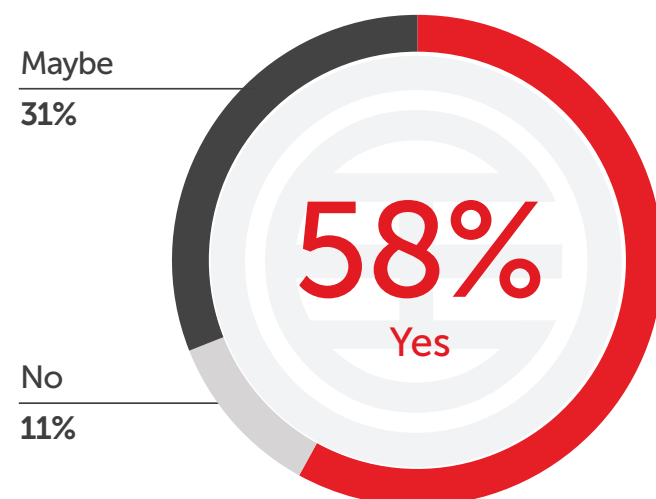
With such fervent Chinese passion for overseas property, how ready are international agents and developers for Chinese buyers this 2018?

We asked 503 international agents from 45 countries (as of 7 February 2018) in our 2018 Chinese New Year International Agent Quiz & Survey, and this was what we found.

Overall, international agents are already wising up to the lucrative potential posed by the China market – 42% say they expect Chinese buyers to approach them in the lead up to and during the Chinese New Year Golden Week, while 31% say maybe.

In fact, 19% revealed they have already been contacted by Chinese buyers planning to travel during Chinese New Year break.

If you don't expect any Chinese buyers this Chinese New Year, do you expect any for the rest of 2018?



42%

expect Chinese buyers to approach them before and during Chinese New Year



19%

say they have been contacted by Chinese buyers to meet over Chinese New Year



54%

say Chinese New Year is a more active period with Chinese buyers



61%

expect the 2018 Chinese New Year to be busier than 2017

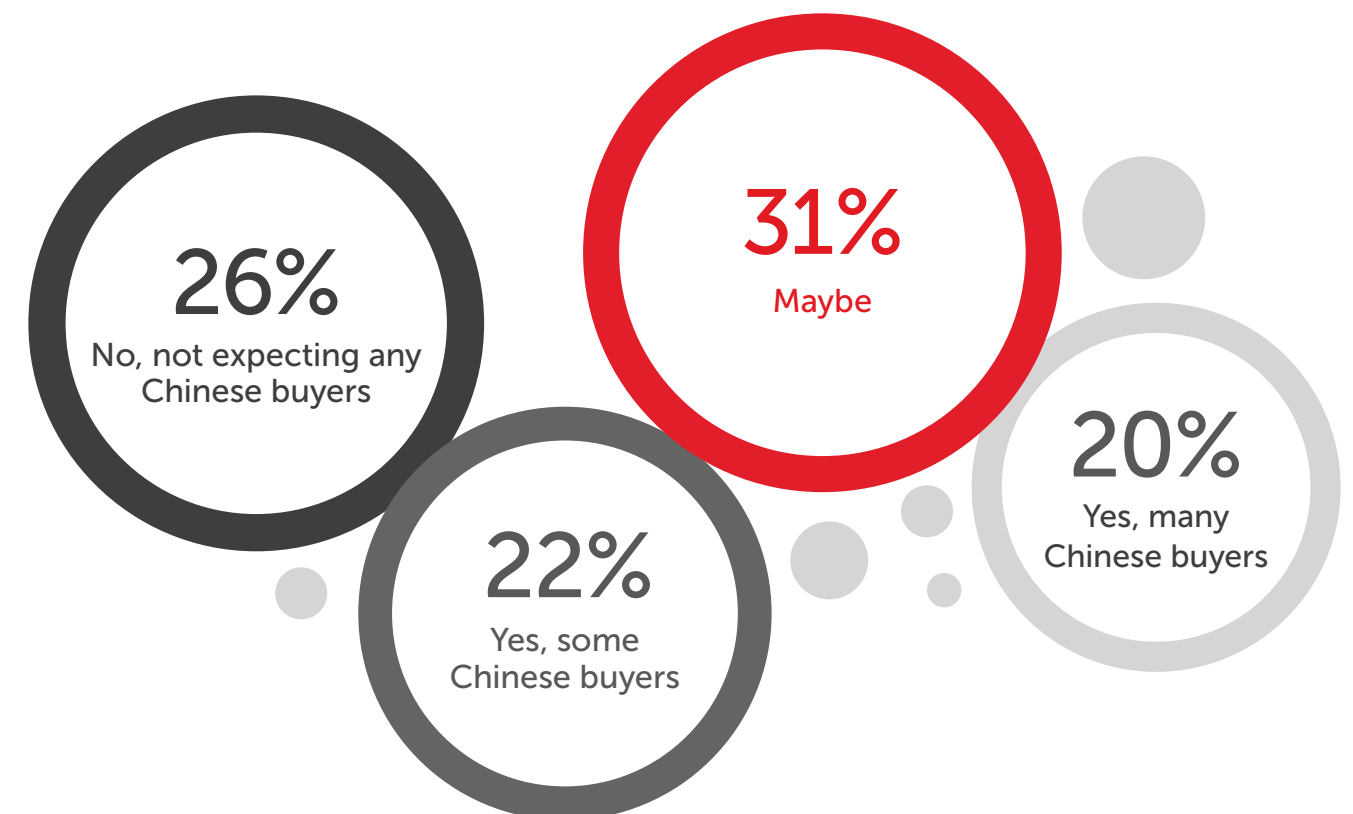
In general, more than half (54%) of international agents consider Chinese New Year to be a more active period for them with Chinese buyers, while 37% say they find it no different from usual.

61% of international agents also expect the 2018 Chinese New Year holiday to be a more productive and busier season for them, compared to 2017, while 28% say they expect it to remain the same as usual.

Apart from Chinese New Year, 89% profess they do anticipate Chinese buyers throughout the rest of 2018 – 58% say they definitely expect them, while 31% say maybe.

“89% of international agents say they do expect Chinese buyers throughout the rest of 2018”

Are you expecting Chinese buyers to approach you in the lead up to (and during) the 2018 Chinese New Year Golden Week?



Conclusion

There is no crystal ball when it comes to the ever-fluid and fast-changing Chinese market, especially when faced with emerging trends, shifting values, and rising demands from the increasingly global Chinese market.

Still, we seek for better clarity by tapping into their minds with this timely survey to glean deeper insights into their travel and investment patterns in 2018.

After all, with Bain & Company estimating China's private wealth last year to have hit 188 trillion yuan (\$27.6 trillion)⁴ – and with 94% of Chinese millennials intending to purchase property in the following five years³ – we foresee that the Chinese zeal for overseas real estate investment is likely to stay strong.

Looking ahead, we hope these consumer insights would offer our customers – agents and developers alike – a more accurate grasp of the Chinese mindset, as well as aid them in better adapting to Chinese consumer expectations, so they can reap better success with Chinese in the years to come.

METHODOLOGY



2018 Chinese Consumer International Travel Survey methodology

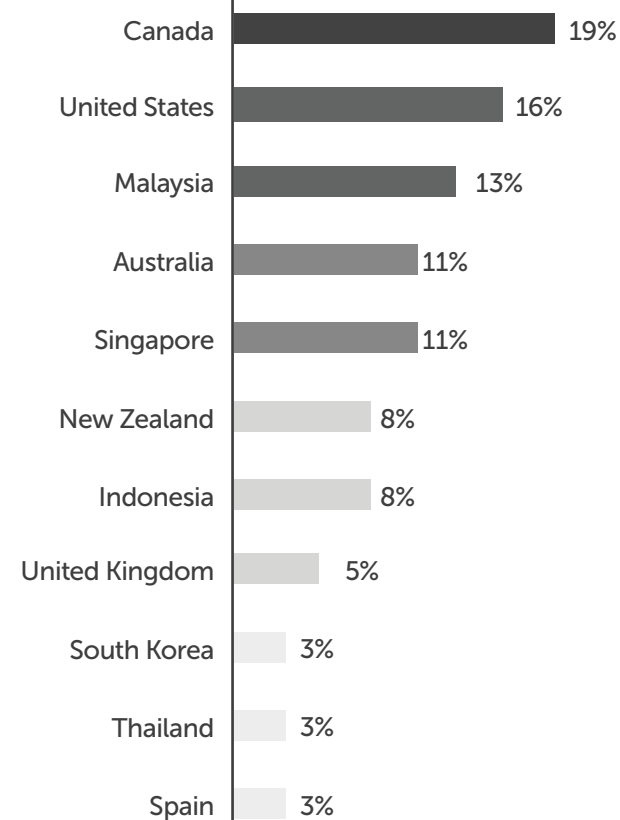
The Juwai.com 2018 Chinese Consumer International Travel Survey was conducted with 256 Chinese respondents from 28 Chinese provinces and 11 overseas countries to understand the travel plans of Chinese buyers in 2018, as it relates to their overseas property purchasing intentions.

Survey respondents consisted of Chinese consumers through online channels. The data does not reflect any official opinion of Juwai Limited nor its employees.

(The survey was conducted from 27 December 2017–19 January 2018.)



Profile of consumer survey respondents



Exact questions in survey

- Do you plan to travel internationally for vacation in 2018? (Select all that apply)
- How many outbound holiday trips are you planning to take in 2018?
- Where are you planning to travel to overseas?
- Who do you intend to travel with overseas?
- What activities will you engage in while on vacation overseas? (Select all that apply)
- Are you considering to emigrate to any of these countries that you're visiting abroad?
- Are you considering to buy property in any of these countries that you're visiting abroad?
- Do you plan to view properties during your travels abroad over the Chinese New Year Golden Week?
- How many countries have you been researching so far, in terms of their property market?
- How long have you been researching properties for purchase in these countries?
- Which country would you like to purchase an overseas home in? (Select all that apply)
- What is your budget?
- What are your reasons for buying an overseas property? (Select all that apply)
- Do you plan to schedule any appointments to meet with international real estate agents before your trip?
- How many real estate agents do you intend to meet while travelling overseas?
- How did you find out about these real estate agents based overseas?
- How do you intend to property hunt, if you have no set appointments with real estate agents based in the country you're visiting?
- Are you considering to buy overseas property in the near future?
- When do you intend to buy overseas property?
- Have you travelled overseas in the past before?
- Is there a reason why you do not plan to travel overseas in 2018? (Select all that apply)
- For what reasons would you consider moving overseas?
- Which country would you ideally like to purchase an overseas home in? (Select all that apply)

2018 Chinese New Year International Agent Quiz & Survey methodology

The Juwai.com 2018 Chinese New Year International Agent Quiz & Survey was conducted with 503 international agent respondents from 45 countries to gauge how well international agents know about the Chinese New Year holidays, as well as how prepared they are to welcome Chinese buyers during this festive period.

Survey respondents consisted of international agents through online channels. The data does not reflect any official opinion of Juwai Limited nor its employees.

(The survey was conducted from 31 January 2018–7 February 2018.)

Profile of consumer survey respondents

Others

22%

Portugal

2%

New Zealand

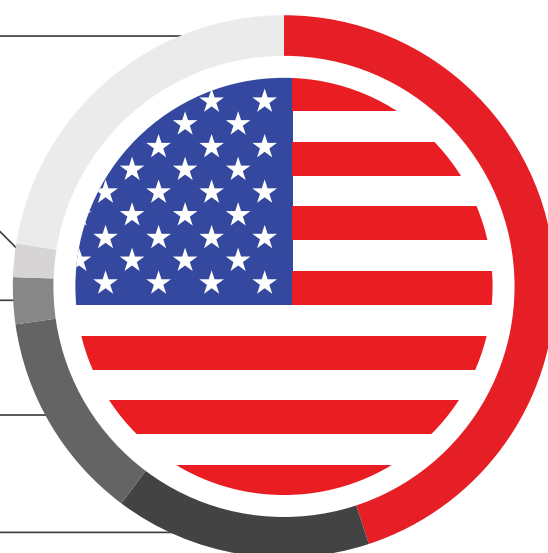
3%

Australia

13%

Canada

15%



45%
United States

Exact questions in survey

- Are you expecting Chinese buyers to approach you in the lead up to (and during) the Chinese New Year Golden Week?
- Have you already been contacted by any Chinese buyers planning to travel overseas during Chinese New Year?
- Do you expect this 2018 Chinese New Year holiday to be a more productive and busier season for you, compared to 2017?
- In general, do you consider Chinese New Year to be a more active and busier period for you with Chinese buyers?
- If you don't expect any Chinese buyers this Chinese New Year, do you expect any for the rest of 2018?

Sources: 1. China Outbound Tourism Research Institute (COTRI); 2. China Tourism Academy (CTA); 3. HSBC "Beyond the Bricks: The meaning of home" Report (February 2017); 4. Bain & Company/China Merchants Bank: China Private Wealth Report 2017