

JUWAI CHINESE CONSUMER INTERNATIONAL TRAVEL SURVEY 2019

2019出国旅游调查



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Introduction

China is the world’s largest and fastest growing outbound tourism market.

In the first year of the new millennium, a modest 10.5 million overseas trips were made by mainland Chinese residents. Fast forward to 2018 and the figure was 149.7 million - an astounding increase of 1,326 per cent - according to data from Travel China Guide. This year, it is expected to reach 166 million¹

The rise of Chinese travellers heading offshore seems unstoppable. In less than two decades China has grown from travel minnows to the world’s most powerful outbound market. Clearly there is potential for further growth as China has a population of 1.42 billion. The China Outbound Tourism Research Institute (COTRI) forecast that overseas trips by the country’s residents will hit more than 400 million by 2030.²

Seeing as Chinese outbound travel is often interrelated with overseas property investments, we surveyed 678 Chinese consumers from 21 China provinces, 6 municipalities (including Hong Kong SAR and Macau SAR) and 7 overseas countries so as to better understand their mindset in regard to their aspirations and motivations - from preferred holiday destinations and planning process to categories of Chinese travellers who have intentions of purchasing foreign real estate. Through this survey, we aim to gain a better and clearer understanding of their travel and property investment plans over the upcoming Chinese New Year and the rest of 2020.



Report Highlights

- **99% plan to travel internationally between 2019 and 2020:** 49% intend to travel outbound during the school holidays in July-August, 42% during National Day Golden Week in October, 29% during Chinese New Year Golden Week in February and 46% plan to travel with no specified timing. Only 1% have no overseas travel plans.
- **25% pick Australia as their top travel destination,** followed by New Zealand (17%), the United States (13%), Canada (13%), Southeast Asia (11%), Europe (7%) and unspecified destinations (6%).
- **27% say they will include property hunting in their travel agenda besides sightseeing and 7% consider buying property in the countries they visit.** Australia is most desired destination for overseas home purchase amongst 29% of this group who cite living environment and education as key factors, followed by Canada (18%), the United States (14%), New Zealand (14%), the United Kingdom (9%), Southeast Asia (7%), Europe (4%) and unspecified countries (5%).
- **Out of 225 respondents, 68% discover real estate agents based overseas online** and 50% of them find their agents via Juwai.com
- **Out of 43% who plan to view properties during their travels abroad, 38% will make scheduled appointments before they travel.** 25% of 225 respondents plan to meet more than three agents during their trip.
- **Out of 129 respondents who intend to property hunt but have not set up appointments with real estate agents,** 46% say they will make a spontaneous appointment if they see a property they like while 18% will schedule an appointment after arrival in the country.
- **Out of the 43% who intend to view properties while travelling abroad, 33% indicate they spend a day researching overseas real estate** while 13% allocate three days or more.
- **Out of the 1% who DO NOT intend to travel abroad, 67% out of 51 respondents cite safety reasons,** such as political instability and terrorist attacks especially in Europe and the United States, while 20% are too busy to take vacations.
- **Regardless of whether they intend to travel abroad in 2019 and 2020, 69% of 303 respondents profess their intentions to purchase overseas property in two years' time** and 32% are willing to spend up to 2-3 million RMB (approximately USD283,000 – USD424,000) for an overseas home. Diversification of investment portfolio and spreading of wealth seem to be their main motivation. Other factors include education and better living conditions.

SURVEY RESULTS



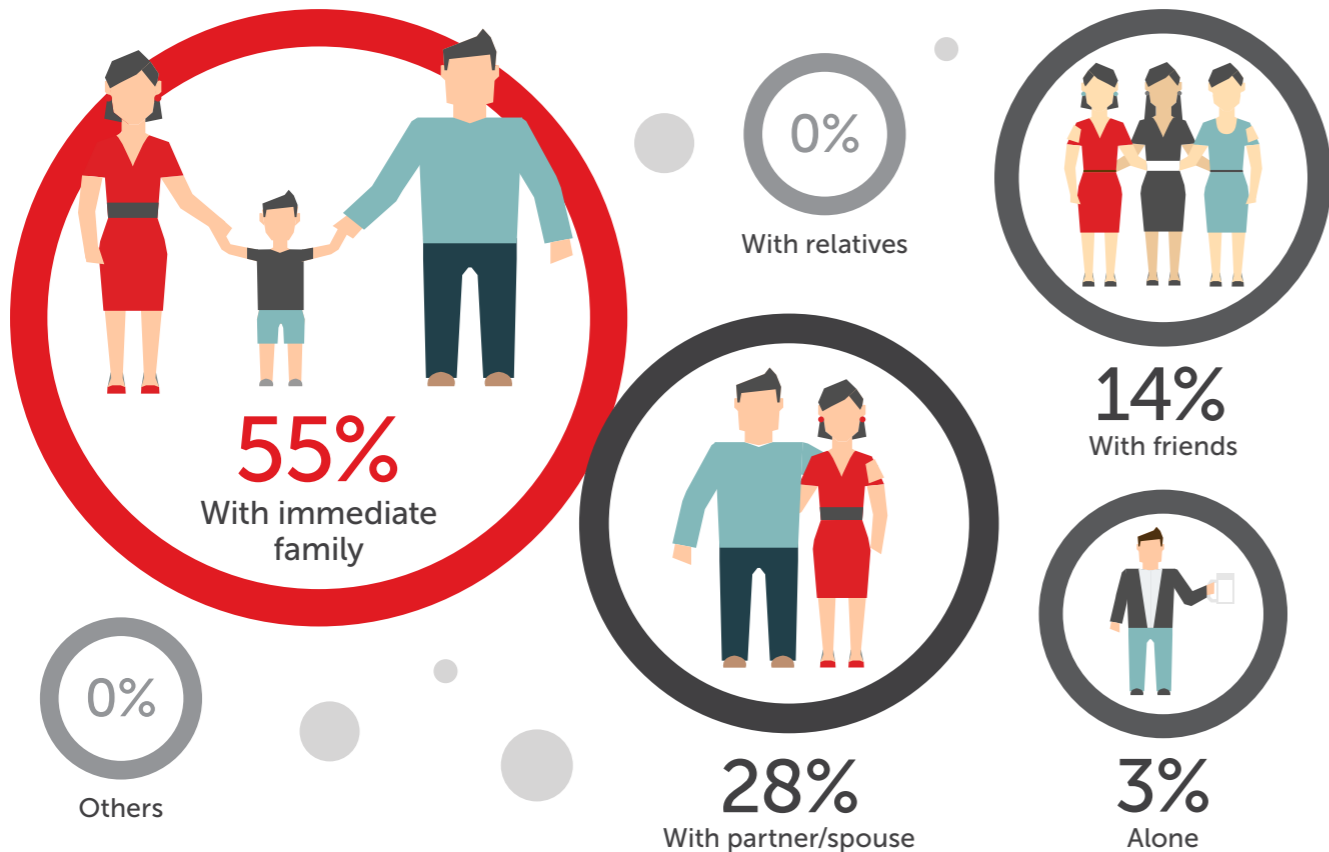
01 99% Chinese consumers plan to travel abroad between 2019 and 2020

Chinese outbound tourism has become the biggest tourist segment in the world. Where once tourists from China stayed close to home, they are now venturing farther afield thanks to more flexibility in international travel requirements (visas), an increasing interest in experiencing destinations outside of their comfort zones, and rising incomes.

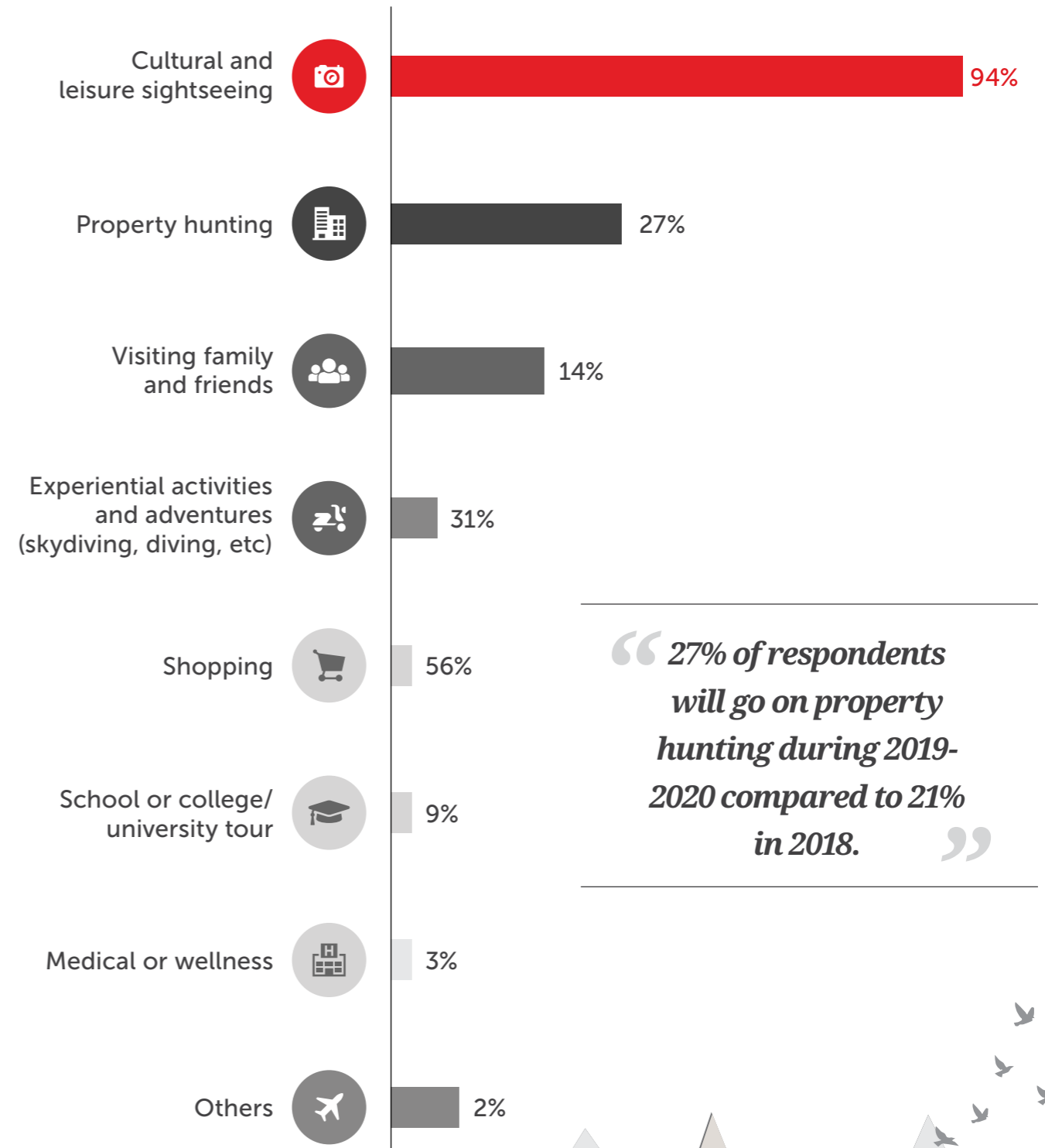
So, it's no surprise that 99% of our Chinese respondents say they intend to travel overseas between 2019 and 2020. In fact, 58% say they plan to take more than two to three overseas trips in 2019. More than half also prefer to travel with family – 55% plan to travel with immediate family, while another 28% say they are more inclined to travel with their spouse or partners.



Who do you intend to travel with overseas?



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



“ 27% of respondents will go on property hunting during 2019-2020 compared to 21% in 2018. ”

02

Summer School Holidays – most favoured time for outbound travel

In 2018, an estimated 149.7 million Chinese were travelling out of China, up 14.7% from the previous year, according to data from China's Ministry of Culture and Tourism. This means an increase of a million more Chinese who are planning or making overseas trips compared to 2017. No wonder tourist boards are falling over themselves to woo the country's expanding number of middle-class travellers.

This ties in with our survey findings from a

total of 354 respondents of whom 99% plan to holiday abroad. And their favourite time to travel? Summer school holidays during July and August. This is the best period for trips overseas, say 49% of them, illustrating that more and more parents are planning family holidays and would like to include their children.

Following that, 42% prefers to travel during National Day Golden Week in October and 29% during Chinese New Year or Lunar New Year.

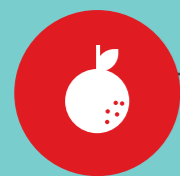
These two periods are traditionally considered Golden Weeks because of the long stretch of public holidays which can last from 8 to 10 days. National Day Golden Week starts from October 1 while Lunar New Year normally falls during January or February of each year.

Surprisingly, 46% indicated their intention to take random holidays without any specific dates. This reflects the growing number of Chinese tourists who can afford to travel as and when the time suits them rather than jostle with mass outbound crowds during peak seasons. These are the savvy Chinese tourists who are getting bolder and know where they want to go and what they want to experience at their destination and are not conforming to traditional calendar holiday seasons.

There are two Golden Weeks in China: one for Chinese New Year in January or February, and the other for National Day which starts around October 1. Both seasons are seen as lucrative periods by property agents who will ramp up their marketing activities – private viewings, red carpet, champagne soirees - to lure Chinese to destinations looking for foreign buyers of real estate.

While cultural and leisure sightseeing is still the priority on the travel agenda of 94% of survey respondents, 30% say they are now attracted to experiential activities and adventure holidays which involve skiing, diving and other sporty pursuits. Shopping, however, still remains a top draw as indicated by 55% of respondents.

Do you plan to travel internationally for vacation in 2019-2020?
(Select all that apply)



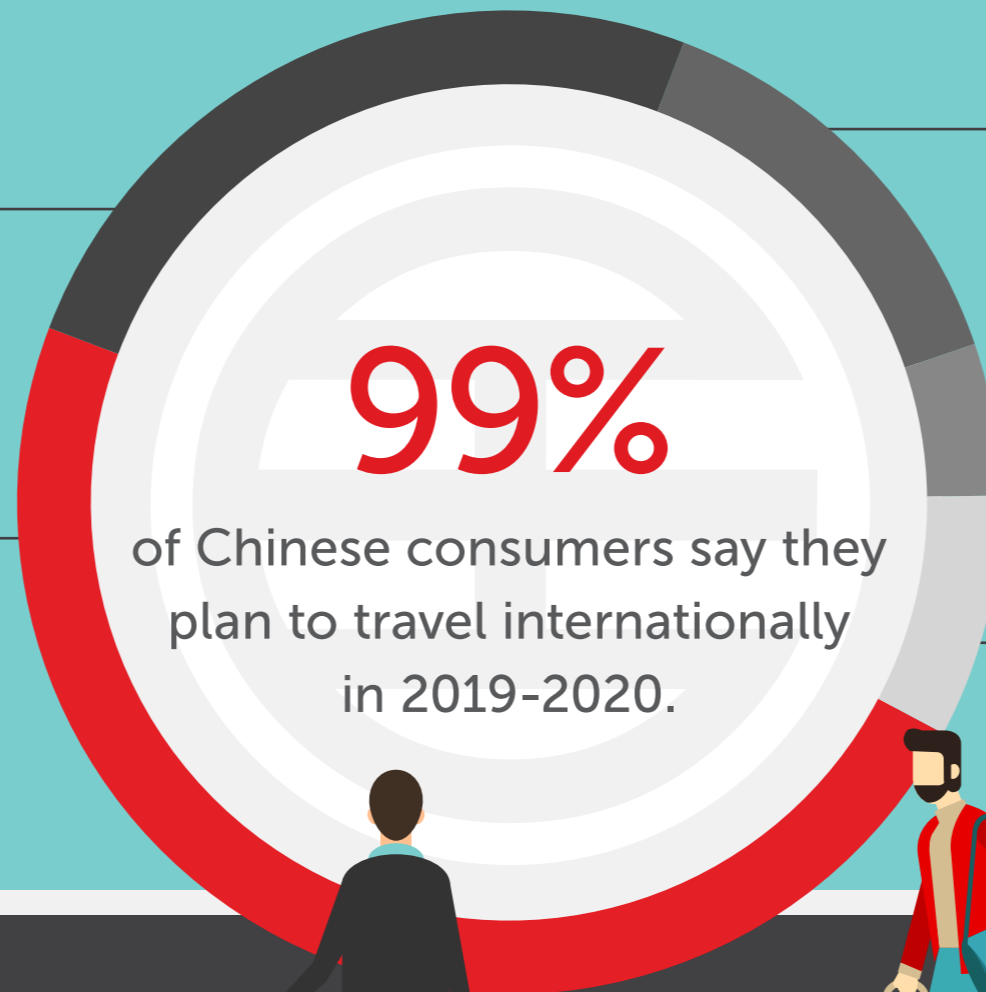
YES 49%

During summer school holidays in July-August



YES 42%

During National Day Golden Week in October



99%
of Chinese consumers say they plan to travel internationally in 2019-2020.

YES 29%

During CNY Golden Week in January 2020



YES 48%

During National Day Golden Week in October

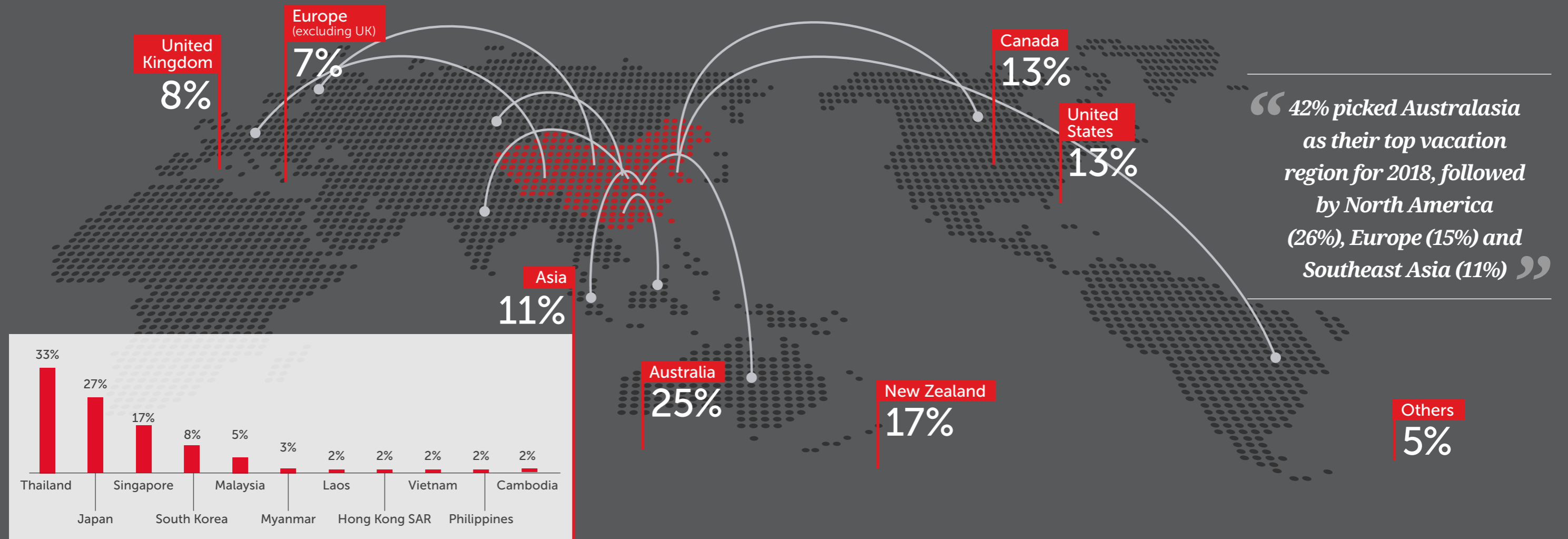


NO 1%

I currently have no plans to travel abroad in 2019- 2020



Where are you planning to travel to overseas?



03 AUSTRALIA – the most preferred holiday destination for Chinese travellers

This year, Australia has trumped the United States as the most popular holiday destination by Chinese travellers. Protracted Sino-US trade war, strong US dollar versus a weakening RMB and longer wait time to get a tourist visa have lessened the appetite of Chinese who wish to visit North America.

Our survey shows 25% of Chinese plan to travel

to Australia instead, compared to last year's survey when the United States topped the list. New Zealand gets the nod as the second most-preferred holiday destination from 16% of our survey respondents. The United States now ties with Canada at third place with 13% of respondents. Southeast Asia, meanwhile, is gaining traction with 11% of respondents while Europe is only favoured by 7%.

Responses from our survey respondents corresponds with Juwai.com's data which showed that Australia, Canada and Thailand have become top destinations for property investments for Chinese buyers in 2018. This proves that Chinese outbound travels often spill over to their overseas property investments.



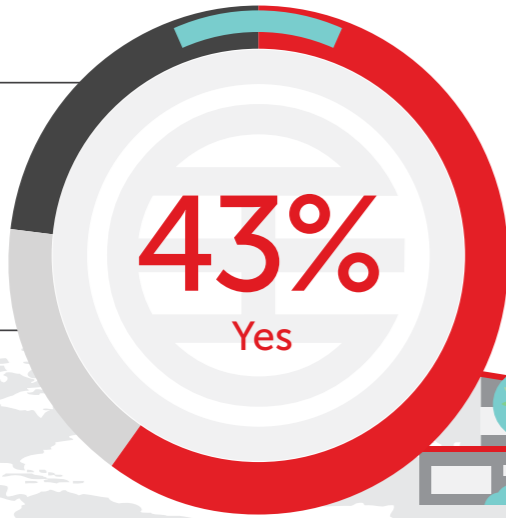
04 Scouting for properties on Chinese travellers' agenda

Do you plan to view properties during your travels abroad in 2019-2020?

“ 80% of Chinese consider viewing properties when they travel overseas ”

No
20%

Maybe
37%



The number of wealthy Chinese investing in overseas property markets rose sharply after 2008, a time when many countries were hit with a housing market crisis. Seeking a high return for their cash, these investors favour countries such as the United Kingdom, Canada, the United States, Australia and Singapore.

The investment has been more than satisfactory for them. The trend continues albeit at a slower pace this year after China's economy slowed down and Beijing imposed tighter regulations on capital outflow. Nevertheless, 43% of respondents say they will be viewing properties during their travels in 2019 as they see overseas real estate as an investment that will help them hedge their assets while 37% might consider it.

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

26% 1 country

55% 2-3 countries

19% 4 or more countries

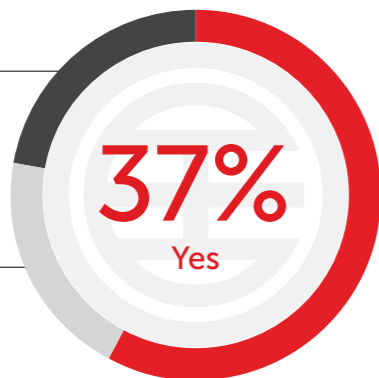
How long have you been researching properties for purchase in these countries?



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

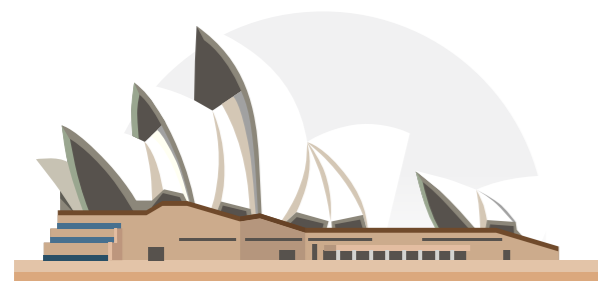
No
33%

Maybe
30%



“ 74% disclosed they have researched properties in 2 countries or more ”

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



Australia
29%

“29% say Australia is their ideal investment destination, while 18% prefer Canada and 14% favour the US and New Zealand”



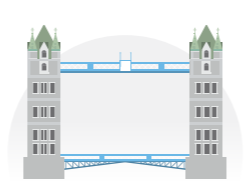
Canada
18%



United States
14%



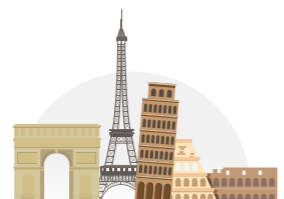
New Zealand
14%



United Kingdom
9%



Asia
7%

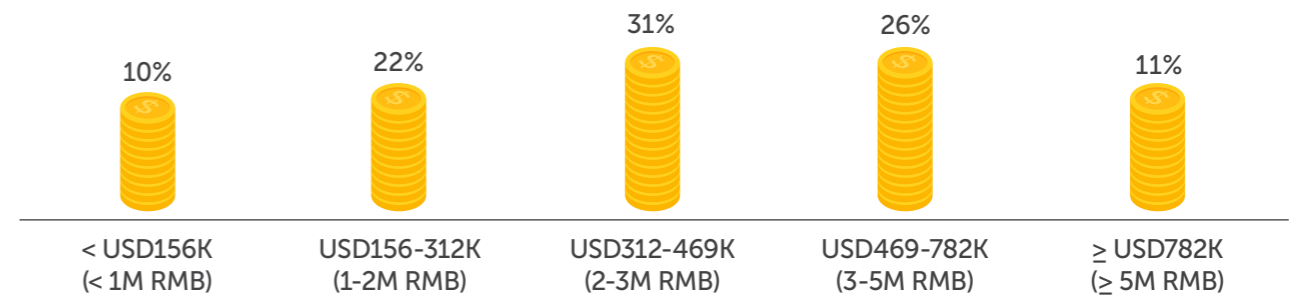


Europe (excluding UK)
5%

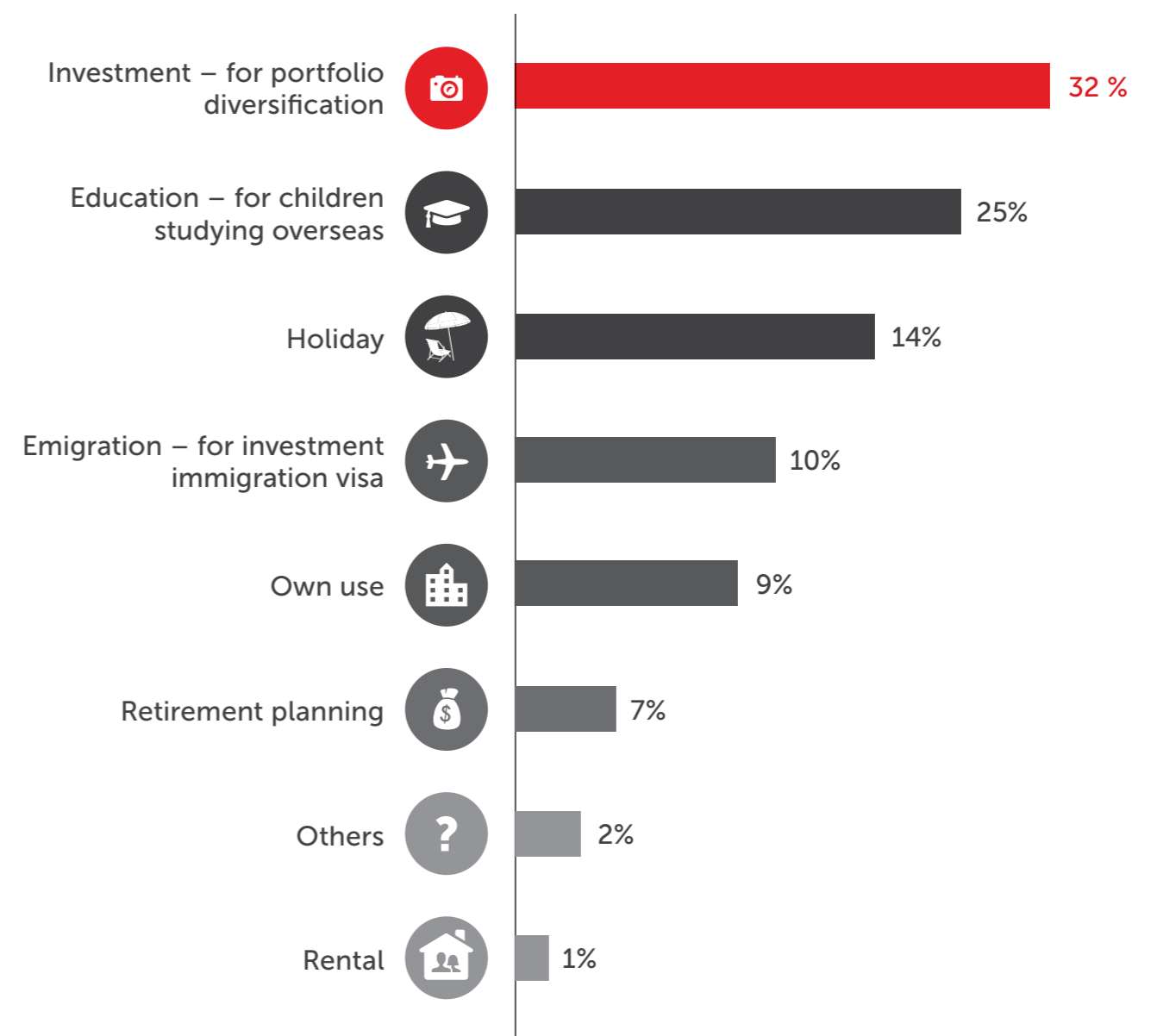


Others
5%

What is your budget?



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



05 Chinese always on lookout for property investments when travelling

There is no doubt tourism has a positive effect on the real estate industry, the latter often buoyed by the former.

Our survey shows that 76% of respondents are willing to participate in property tours that last from three days to a week. Five-day property tours are popular with 47% of the respondents. And out of 270 respondents, 52% expect to view five to ten properties during their tour.

This indicates that Chinese travellers are keen to include property hunting as part of their travel itinerary besides soaking in local sights and sounds. Travelling abroad is similar to a reconnaissance trip of what it's like to live outside of China for these travellers. Besides playing tourist, it is an opportunity to size up potential investments in countries they visit and learn as much as possible about new real estate developments outside of China. Chinese



investors also place great emphasis on being introduced to local customs and culture by tour organisers.

China is currently the world's largest social media market which also boasts an incredibly rich and diverse online landscape. After all, over 800 million Chinese internet users are looking for a place to share their opinions, ask for product recommendations, and connect with others. That's a lot of content.⁴

As such, it is not surprising that social media and digital platforms play a huge role to connect Chinese travellers interested in overseas properties with real estate agents. Out of 225 respondents in our survey, 67% say they use Juwai.com, WeChat, Weibo and other websites to seek out overseas

property agents. Interestingly, 51% of this group find property agents while browsing online through Juwai.com.

“51% of Chinese respondents who intend to buy properties while travelling abroad found their international property agents on Juwai.com”

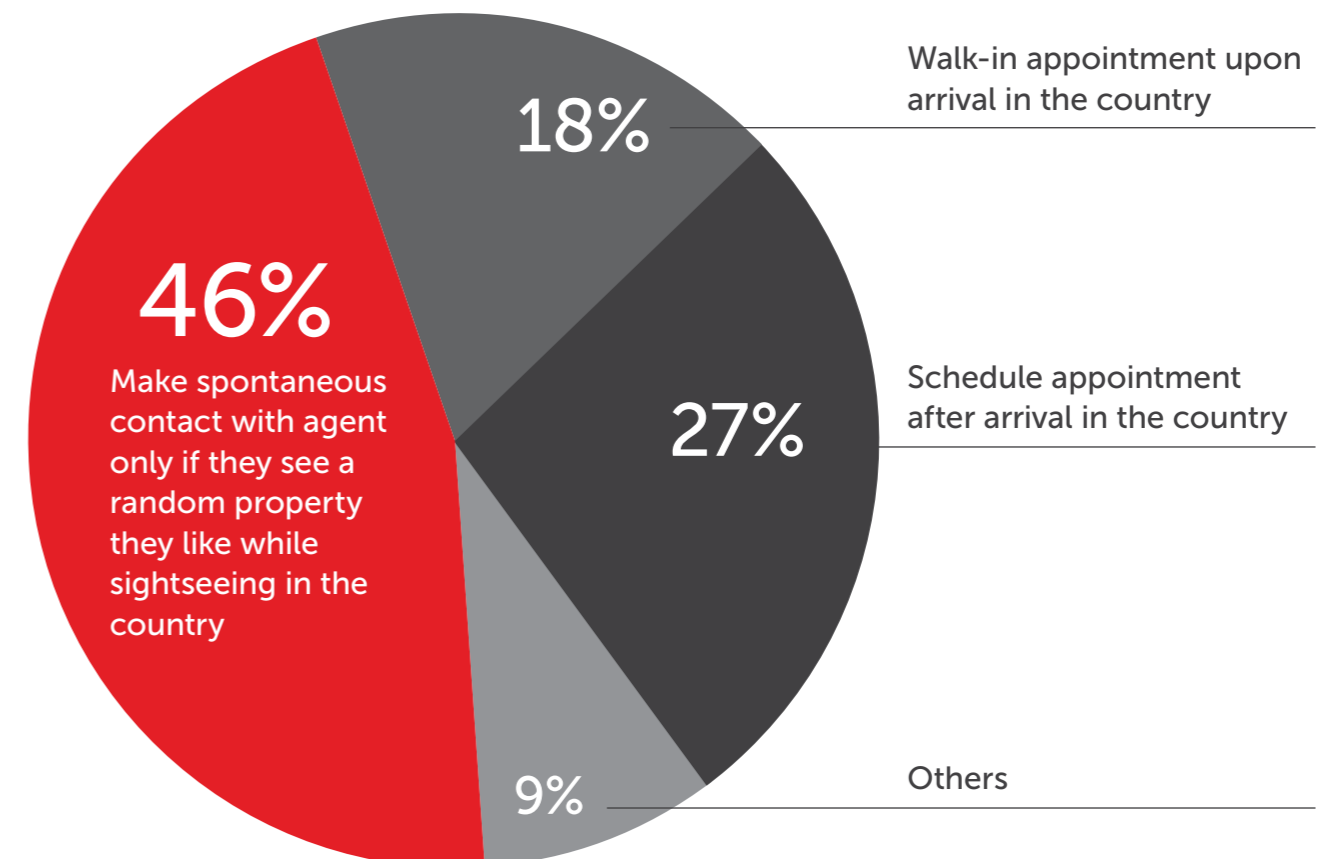
How many real estate agents do you intend to meet while travelling overseas?



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 considering buying right now intend to do so in two years' time

In our survey, out of those who intend to purchase foreign property while travelling, 5% of 303 respondents say they will buy this year while 10% say next year. The most significant response is that more than half (69%) say they have intentions to purchase overseas property in two years' time, with 31% willing to invest up to USD426,506 (3 million RMB) on buying a home abroad.

Australian real estate, according to 29% of all survey respondents, remains a top choice for those who would like to purchase overseas property, followed by Canada (18%) the United States (14%) and New Zealand (14%).

Though tighter capital controls by Beijing and higher taxes for foreigners in the two biggest real estate markets of Sydney and Melbourne in Australia have deterred some investors, Chinese are still the biggest buyers of Australian property and have been for several

years. They are also motivated by the South Australia's government's significant investor visa, which allows foreigners to live in Australia and apply for permanent residency after four years if they invest AUD5 million locally.⁴

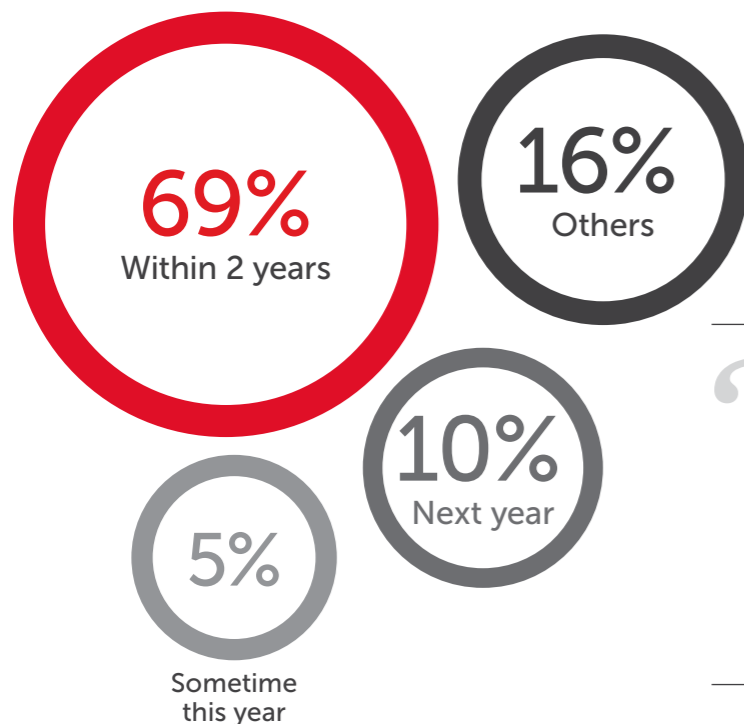
Are you considering to buy overseas property in the near future?

18% Yes

43% Maybe

40% No

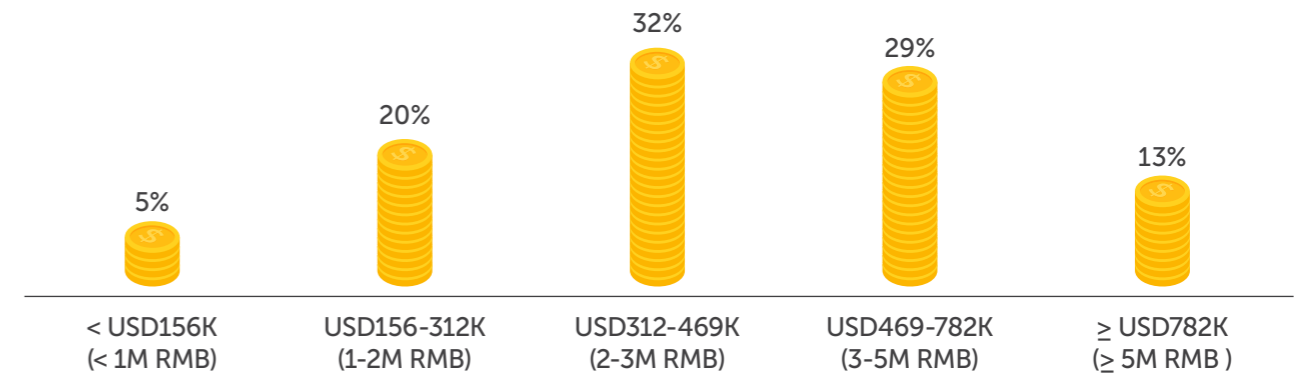
When do you intend to buy overseas property?



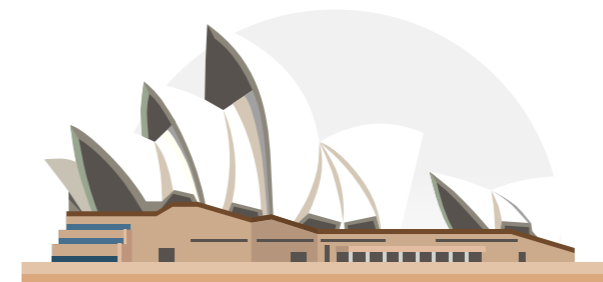
“ 61% say they will or may consider buying overseas property in the near future – of which 84% intend to buy within 2 years or earlier ”

What is your budget?

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



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



Australia 26%

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



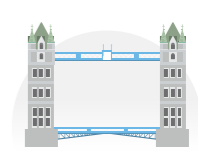
Canada 21%



Asia 18%



United States 16%



United Kingdom 10%



New Zealand 14%



Europe (excluding UK) 4%



Others 4%

07 Chinese who chose not to travel in 2019 are just too busy

Only a mere 1% have no intention to travel internationally this year. When asked why, 20% of 51 respondents cited lack of personal free time as their main reason.

However, out of the 99% who are or will be travelling, 33% say they will take at least one overseas trip during 2019 while 58% plan two to three outbound trips. Furthermore, 27% say property hunting is one of the activities that they will be engaging in while vacationing abroad.

Have you considered buying overseas property before?



Is there a reason why you do not plan to travel overseas in 2019-2020? (Select all that apply)

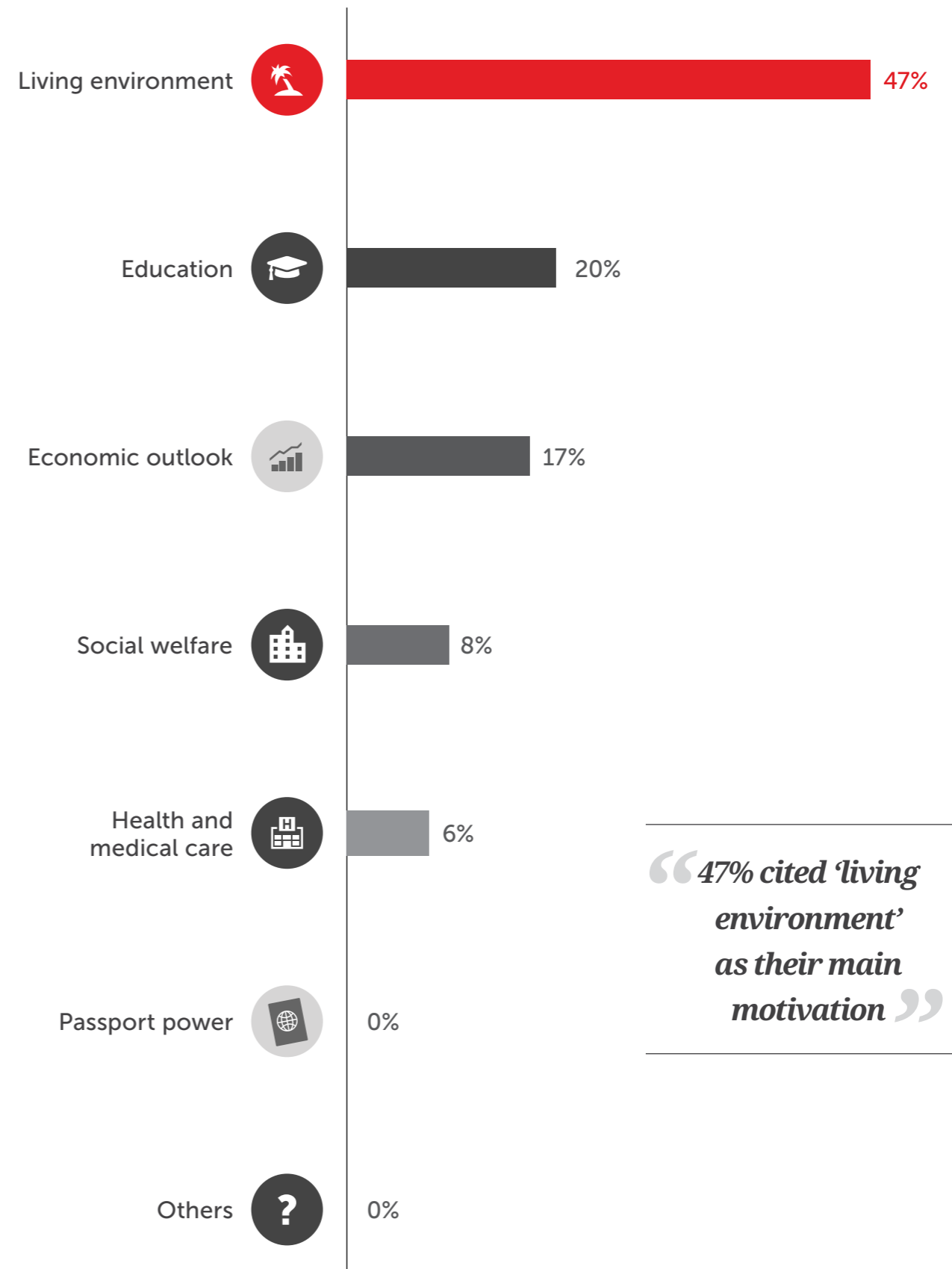


67%
Safety – too many terrorist attacks or too much instability overseas



- 20%** Lack of time – too busy to take personal vacations
- 6%** Language – too difficult to communicate while abroad
- 4%** Financial
- 3%** Others

For what reasons would you consider moving overseas? (Select all that apply)



“47% cited ‘living environment’ as their main motivation”

08

Aspiring Chinese homeowners look abroad for a chance to invest

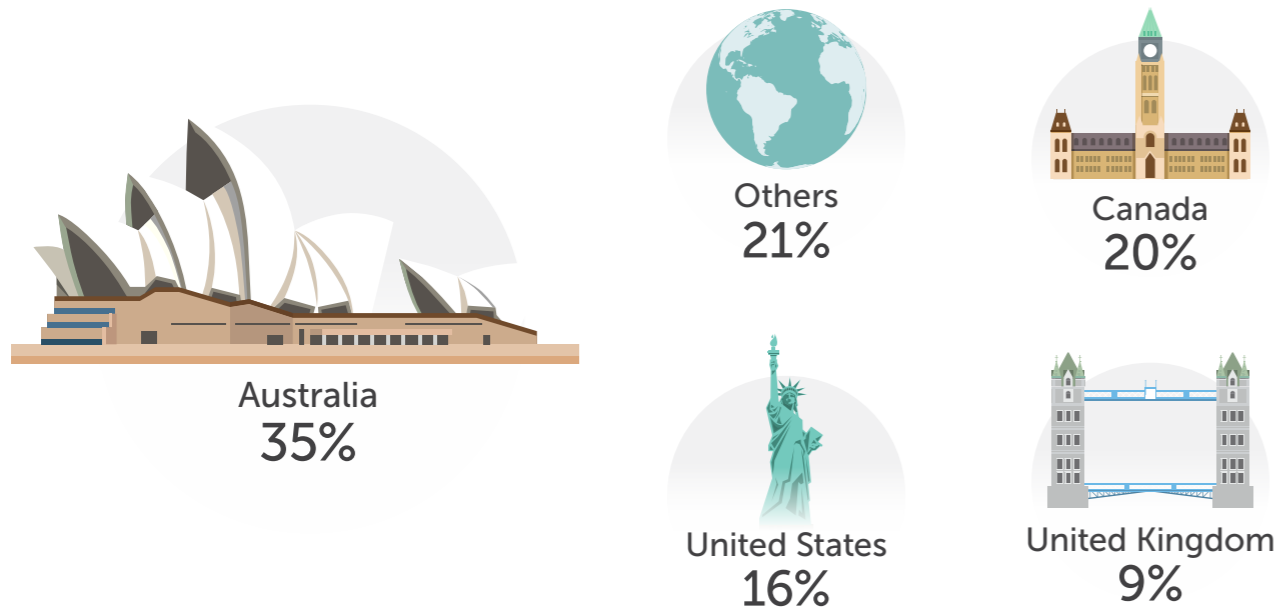
Whether they plan to travel abroad between 2019 and 2020, Chinese respondents see taking trips overseas as another opportunity to check out property investments in the countries they visit or plan to visit. They are not idle and are willing to spend time researching about overseas properties.

In fact, 55% of respondents say they have researched two to three countries for potential property investments and 26% say they have spent more than a year studying overseas properties. Furthermore, 25% are willing to spend three or more days during their travels to meet real estate agents based overseas whilst 7% claim that they would consider buying property in the countries they have visited.

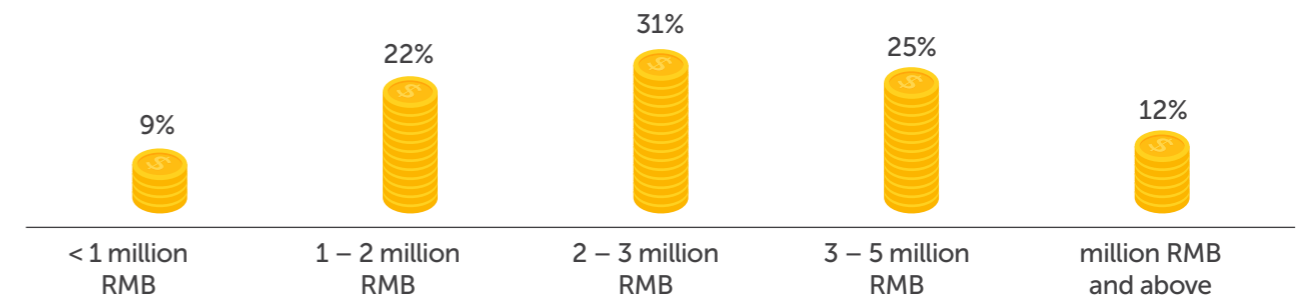
Our survey findings reveal that 32% see foreign properties as a way to diversify their assets portfolio while 25% are looking to accommodate their children who are studying overseas. Another 10% cite emigration as an objective. Living environment and better quality of life ranks highest with 47% of survey respondents who are considering moving overseas. Other factors include overseas education for their children, economic outlook, healthcare and social welfare.

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

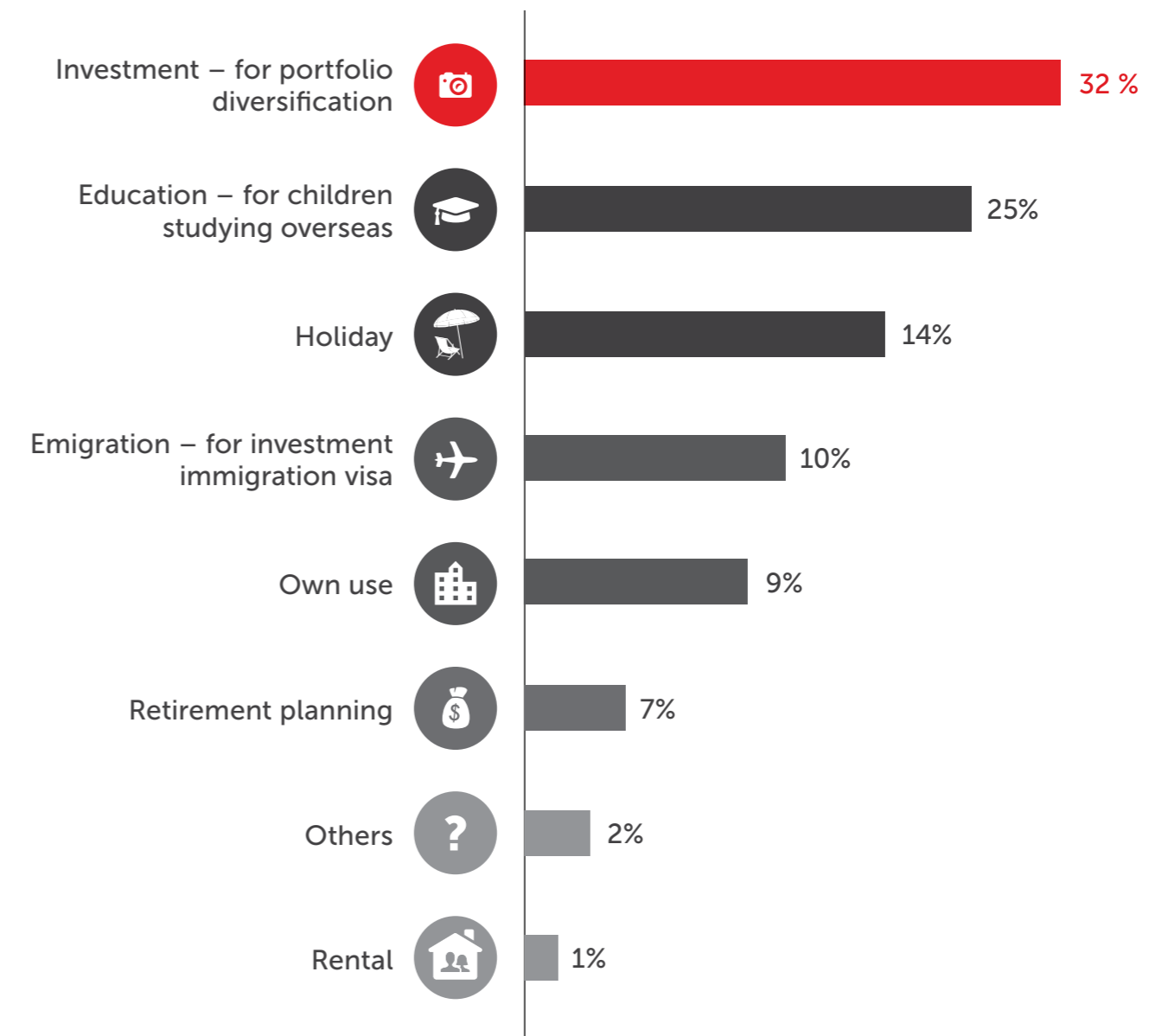
Where would you like to purchase an overseas home in? (Select all that apply)



What is your budget?



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

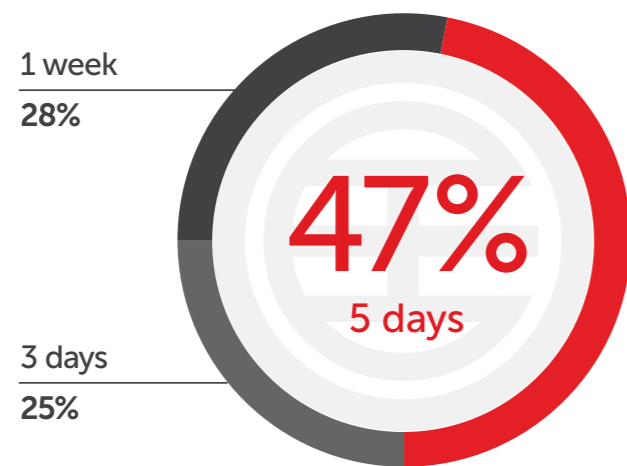


09

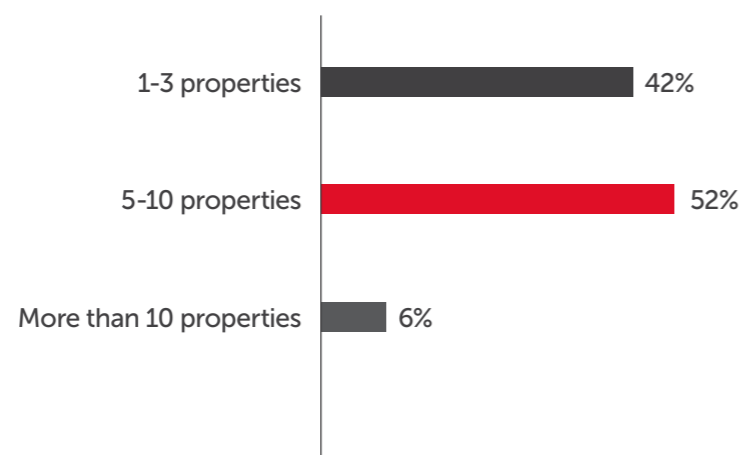
What's happening with international agents this Chinese New Year?

Our survey shows that a majority of Chinese (76%) are willing to participate in property tours and 59% would even buy a property on the spot if it turns out to be a dream home. Those interested in overseas property include 38% of respondents who would schedule appointments with real estate agents before their trip.

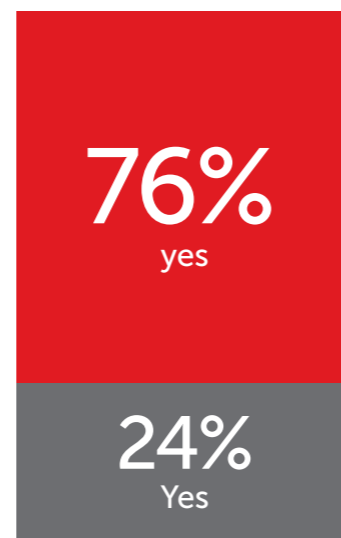
How many days should that property tour last?



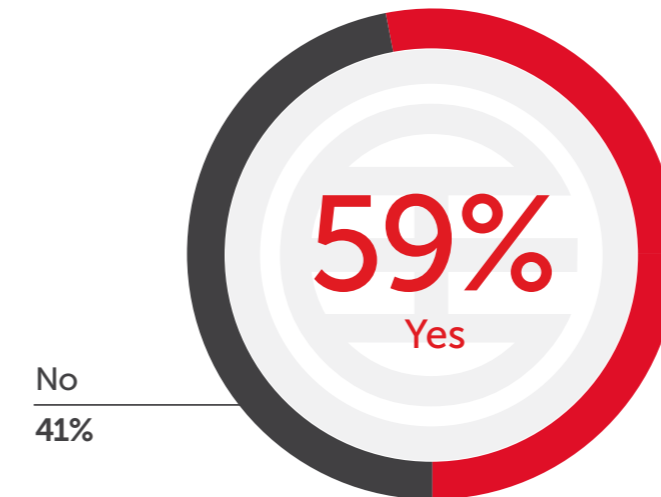
How many properties would you expect to see during the tour?



Would you participate in a tour to visit properties?



If you saw the property of your dream during the tour, would you buy it on the spot?



“59% of Chinese consumers would buy the property of their dream during a tour”

Except from properties, what should the tour include? (Select all that apply)



Conclusion

Apart from taking a vacation, Chinese fly to foreign countries for countless other reasons. One of them is to look at real estate that can give better yields than domestic properties. Other factors include looking for a better standard of living and accommodating children who are studying abroad.

So, it comes as no surprise to discover that the burgeoning Chinese outbound travel market often leads to a surge in real estate investments in those destinations. But increasingly, political issues and economic crisis are affecting where Chinese travellers vacation and invest. They are heading to countries that are safer and more welcoming.

China is currently facing a combination of a slowing economy and stricter government regulations regarding capital controls. However, the number of Chinese getting wealthier is still growing. According to the 2019 China Private Wealth Report released by global consultancy Bain & Company and China Merchants Bank, the number of China's high net worth individuals (HNWIs) with investable assets topping 10 million yuan (USD1.45 million) reached 1.97 million by end-2018.

As such, it is unlikely that the Chinese zeal for overseas travel and foreign real estate will slow down. But as the China outbound travel market grows and tourist expenditures increase, traveller preferences and behaviours are also evolving.

Overall, 2019 is expected to see the consolidation among Chinese travellers of emerging trends: experiential and sports tourism, 'multigenerational travel' as a result of demographic changes, and more responsible travel. Digitalisation, more affordable travel and societal changes are expected to continue shaping the Chinese travel and overseas property investment sectors, so both destinations and companies need to adapt if they want to remain competitive.

In the face of these fast-changing trends from a more global and savvy Chinese market, service providers need to be just as swift and effective when responding to the needs of Chinese consumers.

It is worth getting to know China's tourists better.

The archetypes defined through this survey will be of interest to businesses looking to tap the vast China market. Through the findings, we hope our customers - agents and developers alike - will have a better understanding of the Chinese mindset including their aspirations and motivations and aid them better when crafting business models which cater to Chinese buyers.



METHODOLOGY



2019 Chinese Consumer International Travel Survey methodology

The Juwai.com 2019 Chinese Consumer International Travel Survey was conducted with the aim to uncover new insights on mainland Chinese consumers' travel plans for 2019 and 2020 and the relationship to their overseas property purchasing intentions. The survey polled 678 Chinese respondents from 21 Chinese provinces, 6 municipalities and 7 overseas countries.



Out of the total 678 respondents, 51% were male and 49% were female. Age groups were categorised under 18-24, 25-34, 35-44 and 45-54. Singles made up 9%, married 24%, married with children (66%) while retirees consist of 0.9%.

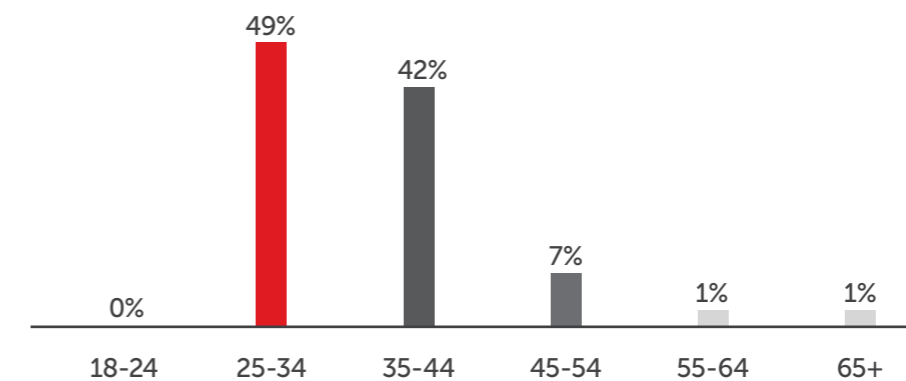
Survey respondents consisted of Chinese consumers through online channels. The data does not reflect any official opinion of Juwai Limited nor its employees.

(The survey was conducted from 1 June 2019 to 31 July 2019.)

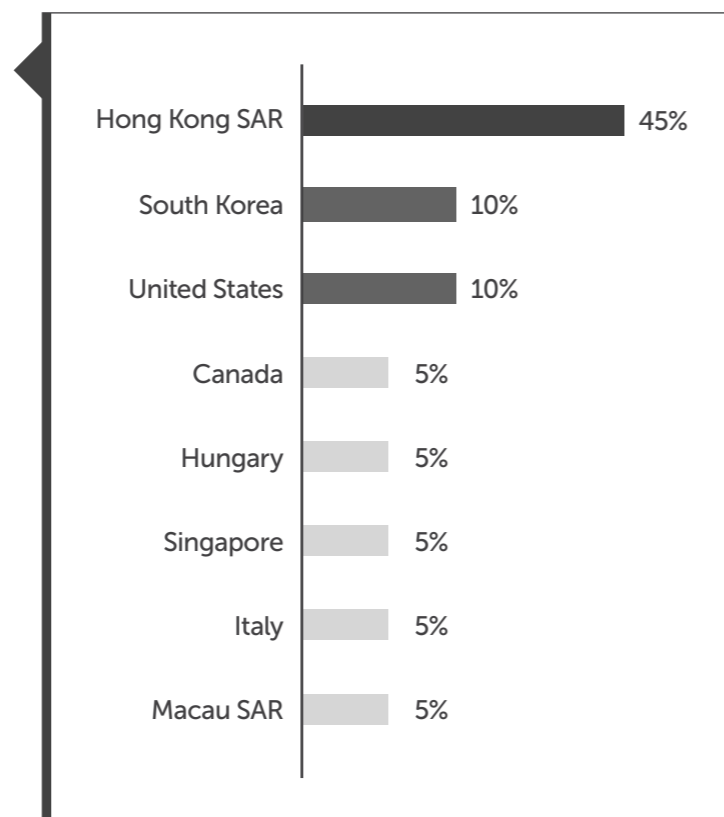
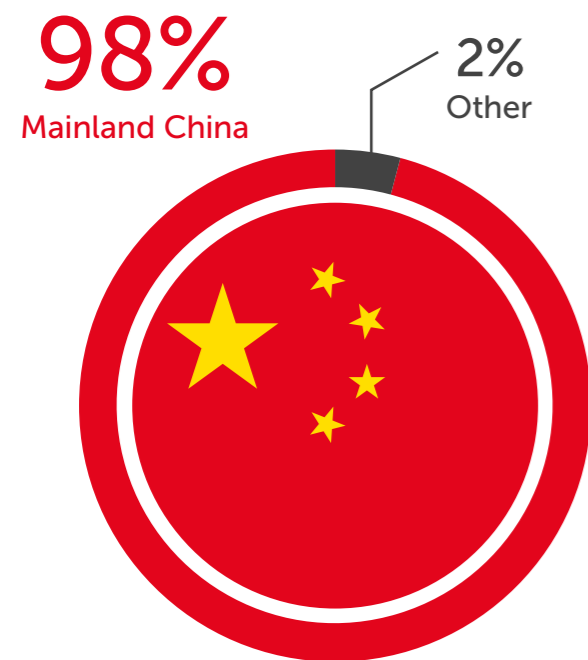
Gender



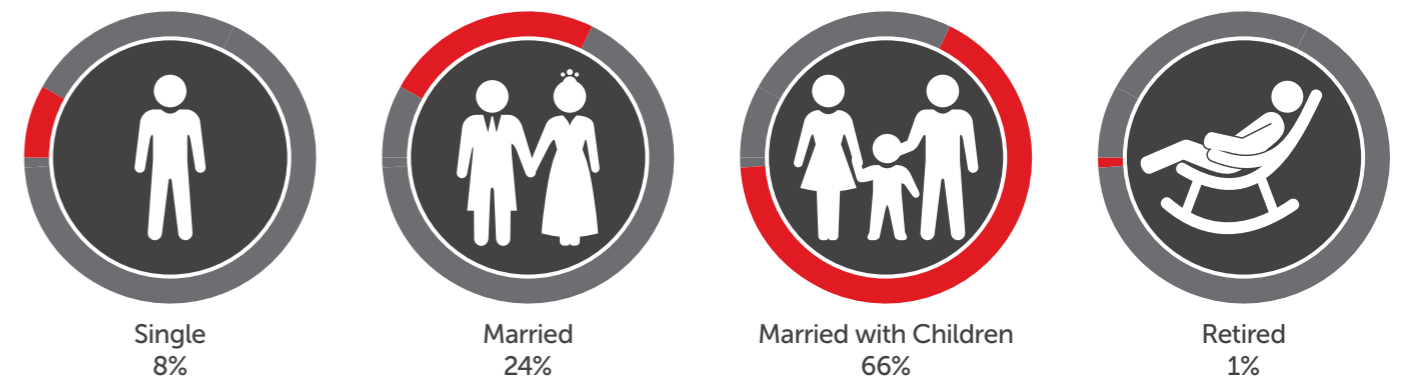
Age



Profile of consumer survey respondents



Status



Exact questions in survey

- Do you plan to travel internationally for vacation in 2019-2020? (Select all that apply)
- How many outbound holiday trips are you planning to take in 2019?
- 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 are visiting abroad?
- Have you purchased a home in Hong Kong, Macau or overseas?
- Are you considering buying property in any of these countries that you are visiting abroad?
- Do you plan to view properties during your travels abroad?
- How much time will you allocate to search for properties?
- 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?
- 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 are visiting?
 Choices:
 - Walk-in appointment upon arrival in the country
 - Schedule appointment after arrival in the country
 - Make spontaneous contact with agent only if they see a random property they like while sightseeing in the country
 - Others (Please specify)
- Are you considering to buy overseas property in the near future?
- When do you intend to buy overseas property?
- Which country would you like to purchase an overseas home in?

- What is your budget?
- Is there a reason why you do not plan to travel overseas in 2018? (Select all that apply)
 Choices:
 - Safety reasons - too many terrorist attacks on instability overseas e.g. in Europe and the United States
 - Language barrier – too difficult to communicate while abroad
 - Lack of time – too busy to take personal vacations
 - Others (Please specify)
- Have you considered emigrating overseas?
- For what reasons would you consider moving overseas?
 Choices:
 - Living environment
 - Education
 - Economic outlook
 - Health and medical care
 - Social welfare
 - Passport power
 - Other reasons (Please specify)
- Have you considered buying overseas properties before?
- Which country would you ideally like to purchase an overseas home in?
- What is your budget?
- What are your reasons for buying an overseas properties?
- Would you participate in a tour to visit property?
- How many days should that property tour lasts?
- How many properties would you expect to see during the tour?
- If you saw the property of your dream during the tour, would you buy it on the spot?
- Except from properties, what should the tour include?

Sources: 1. China Travel Guide: China Tourism Facts & Figures; 2. World Travel Online: COTRI Forecasts 400 Million Chinese Outbound Trips By 2030; 3. Statista: Number of social network users in selected countries in 2018 and 2023 (in millions); 4. Government of South Australia: Business Innovation and Investment