

Anglo Countries & Southeast Asia Dominate Top Destinations for Chinese Home Buyers Second Half 2023

Juwai IQI's report on the top destinations for Chinese cross-border home buyers. All comments may be attributed to Juwai IQI Co-Founder and Group CEO Kashif Ansari.

■ Top 10 Chinese Buyer Destinations by Year

2023 H1	2022	2021	2020
Australia	Australia	Thailand	Thailand
Canada	Canada	United States	United States
United Kingdom	United States	Australia	Australia
United States	Thailand	Canada	Canada
Thailand	United Kingdom	United Kingdom	Japan
Malaysia	Vietnam	Vietnam	United Kingdom
Japan	Malaysia	Japan	Malaysia
United Arab Emirates	Japan	Malaysia	Philippines
Vietnam	United Arab Emirates	Singapore	Greece
Singapore	Singapore	Germany	Germany

Ranked by number of buyer enquiries via Juwai IQI. Current year data through June 2023. Rankings may vary slightly from reports released earlier in the year due to three additional months of data and reclassifying of some data from earlier years.

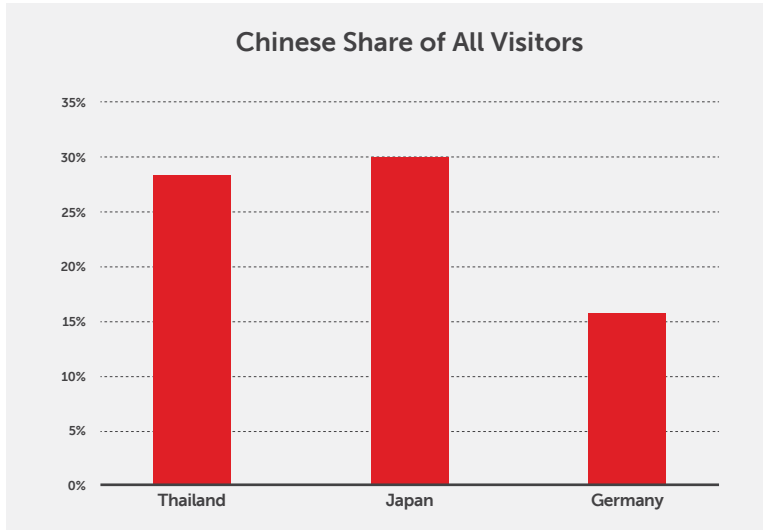
The most popular destinations are all the traditional, wealthy Anglo countries with world-leading educational sectors. Australia, Canada, the United Kingdom, and the United States occupy the top four spots on the list in the first half of the year.

Southeast Asia also dominates the list, with Thailand, Malaysia, Vietnam, and Singapore all in the top 10.

The only non-Anglo, non-Southeast Asian destinations in the top 10 are Japan and the United Arab Emirates. Japan is ranked seventh, roughly the same as in prior years. The UAE has moved up the list rapidly in recent years. After ranking 13th in 2021, the UAE entered the top 10 for the first time in 2022 at ninth and this year placed eighth.

■ The Ongoing Recovery in Chinese Travel

The pandemic had a devastating impact on outbound travel, but 2023 is a historic year of recovery. A long trend of rapid annual growth that had turned China into the world's most important source of tourists ended in early 2020. A similar era is beginning again in 2023.



Before the pandemic, Chinese tourists were the world's busiest travellers. Mainland Chinese made more trips and spent more in total than tourists from any other country. In 2019, Mainland Chinese tourists took 155 million outbound trips and spent a total of \$255 billion, which accounted for 17% of global outbound travel expenditure.

Chinese accounted for 30% of inbound travellers in Japan and 28% in Thailand, according to UN data. In Germany, Chinese tourists made up 16 percent of non-EU visitors.

Because of the pandemic, the number of scheduled international flights from China dropped from more than 40,000 in 2019 to well less than a thousand in 2020, 2021 and 2022. By June 2023, Cirium data shows, they had only recovered to an estimated 45% of pre-Covid levels.

Since the borders reopened, travel has been recovering rapidly, although not as fast as many first expected. The number of scheduled international flights from China surged from fewer than 1,000 to more than 15,000 by June 2023.

The biggest stumbling blocks to a faster recovery in international travel is airline seat capacity and, by extension, ticket prices. With capacity still at around 37 % of pre-pandemic levels, tickets are still shockingly expensive. The prices of tickets for Dragon Boat Festival holiday overseas travel were double what they were in 2019.

As China's most recent holiday, the Dragon Boat Festival tells us much about the recovery in the country's outbound travel:

- Cross-border travel recovered to 65% of 2019 levels. (National Immigration Administration)
- Costs are still high but falling. One-way air tickets cost 6% less than in May. (Ctrip)
- Bookings were 12 times higher than a year earlier. (Ctrip)
- After Hong Kong and Macau, the top destinations were Bangkok, Tokyo and Singapore. (Ctrip)
- Nearly half of international Airbnb searches by Chinese travellers were for stays of at least seven days, double the length in May. (Airbnb)
- Chinese demand for travel in the first half of July is nearly six-times higher than in May. (Skift)

Chinese overseas property buying fell by 30% to more than 50% during the pandemic, depending on the destination market. That demonstrates that about half of transactions are dependent on buyers being able to travel.

For this reason, we closely track the resumption of international travel. Where Chinese consumers step off the plane, increased property investment will follow.

■ Plenty to Spend

As Chinese international travel rebounds, consumers from the country have accumulated capital to invest in international real estate.

Even with China's slower economic growth in 2023, the country is adding more households to the uppermiddle and high-income classes than any other. The number of households in the income category (highincome) that can afford to purchase international real estate will increase by 50% by 2025, according to EY.

Logically, Chinese demand for international real estate will also increase proportionately.

The number of upper-middle and high-income urban households swelled by 39 million between 2019 and 2021. It should climb by another 71 million — to a total of 209 million — by 2025.

These households also have historically high levels of savings that can be invested.

The pandemic accentuated Chinese consumers' already world-leading rates of savings. In the first nine months of 2022 alone, Chinese savings deposits soared in value by RMB 26.3 trillion (US\$3.6 trillion), according to official statistics.

■ A Desire to Look Outward for Real Estate Investment

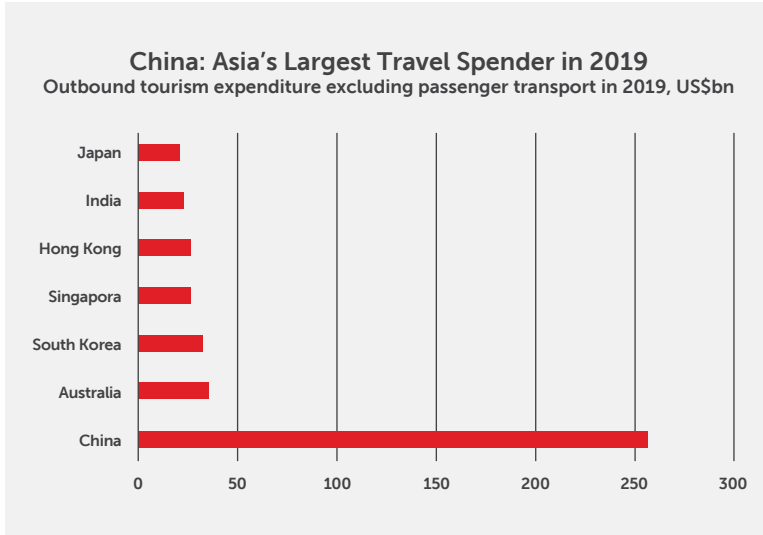
Chinese, then, have record savings. They are also looking overseas for opportunities to invest this money.

China's domestic market is not as strong as in previous years. Growth of contract sales at the top 100 developers was 57.2% lower in May and 46.9% lower in April than in the same months of 2019. Even in top-tier cities markets are slowing. Secondary home markets see a glut of eager sellers despite plummeting sales, reports Nomura. Beike research institute reports that existing home prices declined by 0.7% in April. They remain about 10% below their 2021 high and lower than in 2018.

Overseas, Chinese investors are drawn to real estate investment as an easily understood category that is expected to provide price appreciation and dependable long-term foreign currency income that is uncorrelated with the Chinese economic cycle. In this era of higher interest rates, Chinese investors with access to ready capital have an advantage over local buyers.

Post Covid Wanderlust

There is a post-covid “revenge travel phenomenon,” according to research published Journal of Travel & Tourism Marketing by academics Feng Wang and Lan Xia. While revenge travel is not limited to Chinese consumers, they are only now getting the opportunity to engage in it.



As travel industry capacity recovers, Chinese consumers will seek to reconnect, explore new destinations, or revisit reliable favourites – leading to a “new age of travel,” according to McKinsey.

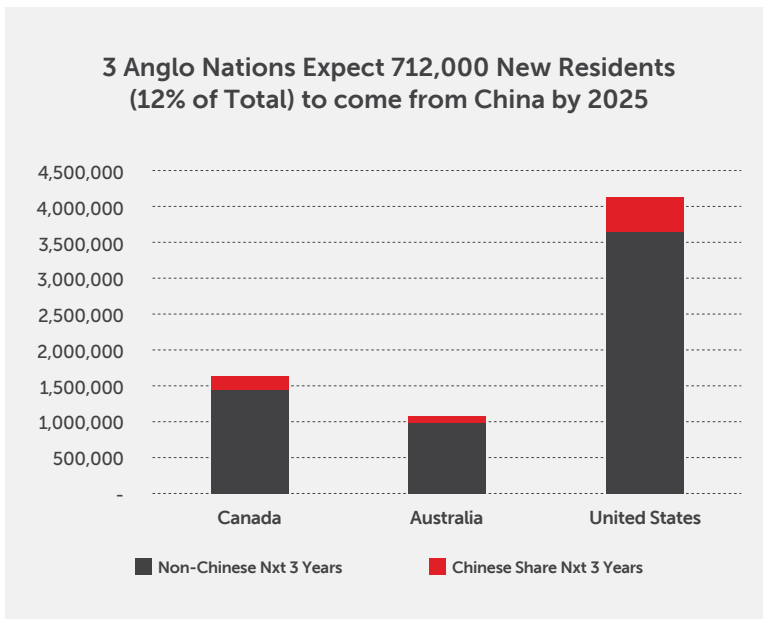
Countries that experienced their own travel boom earlier can be models for what to expect in China. In the USA, for example, outbound travel has rebounded strongly. In the first half of 2023 outbound trips were as much as 11% higher than in 2019, according to data from the International Trade Administration. The US outbound tourism market is expected to climb at a CAGR of 16% through 2032. Its total value will increase

more than four-fold from US\$102 billion to US\$459 billion in that time.

Australia is going through a similar boom, despite its weaker currency contributing to high airline tickets costs. Travel industry experts down under say Q1 2023 results are 30% higher than in the same period of 2023.

Global Migration Boom

Chinese nationals are also being drawn overseas by an unprecedented immigration boom in rich countries and a surplus of residency by investment programs in countries across Southeast Asia.



Nearly a quarter of a million (712,000) expats from China are expected to move to just three countries during 2023, 2024 and 2025. These countries are Australia, Canada, and the United States. China is the only country to appear among the five largest source countries of immigrants for each of them, according to a study from the Migration Policy Institute. In total, the three nations will attract 6.1 million migrants from all source countries.

The United States expects net migration of 3.7 million in 2023 through 2025. Since Chinese nationals have accounted for 14% of recent migration to the country, we can estimate that through 2025 an additional 513,000 Chinese will become permanent residents of the United States.

Australia expects nearly 1,000,000 new migrants by 2025, including 70,000 from China. And in Canada, of 1.45 million new migrants by 2025, 176,000 will be Chinese, based on China’s recent share of new immigrants.

Anglo countries are not the only ones seeking to attract retirees, remote workers and wealthy individuals from China and other countries. Indonesia, Thailand, Malaysia, and Cambodia have all announced new golden visa programs with criteria intended to compete for these residents.

Chinese citizens are the world's most numerous participants in golden visa programs. In 2021, Chinese made up 46% of approved applicants in two of the most popular programs: Greece and Australia. Portugal offers another of the top programs; there Chinese account for 31% of approved applicants.

■ 712,000 Chinese Will Move to Canada, Australia and USA by 2025

	2023	2024	2025	2023-2025
Canada	56,605	59,040	60,866	176,510
Australia	28,800	22,680	18,720	70,200
United States	176,022	153,924	135,636	465,582
Total	263,236	235,287	213,770	712,292

Sources: Juwai IQI, Migration Policy Institute, Department of Home Affairs (Au), Australian Parliament, Immigration, Refugees and Citizenship Canada, Congressional Budget Office (USA). Chinese share based on actual share of total migration in recent years.

■ Seeking Chinese Residents: Some Golden Visa Programs of Southeast Asia

	Min. Bank Deposit (Cheapest Option)	Maximum Visa Validity	Minimum Annual Income	Minimum Investment
Cambodia M2H	N/A	10 years (renewable)	N/A	\$100,000
Indonesia M2H	\$130,000	10 years	N/A	N/A
Malaysia M2H	\$235,000	5+5 years	\$100,000	N/A
Malaysia M2H - Sabah	\$47,000	5+5 years	TBD	N/A
Malaysia M2H - Sarawak	\$35,000	5+5 years	\$20,000	N/A
Malaysia PVIP	\$235,000	5+5 years	\$100,000	N/A
Philippines SIRV	N/A	N/A	N/A	\$75,000
Thailand Elite Visa	N/A	20 years	N/A	N/A
Thailand LTR Visa (Group 1)	N/A	5 years (renewable)	\$80,000	\$500,000
Thailand LTR Visa (Group 2, 3 & 4)	N/A	5 years (renewable)	\$40,000 - \$80,000	N/A

Source: Juwai IQI, IMIDAILY

ABOUT JUWAI IQI

It is our belief that business, values and results are inseparable. Values inspire trust, trust builds relationships and relationships drive growth.

Juwai IQI is Asia's global real estate technology group that powers property transactions and ownership locally and globally. Juwai IQI transacted nearly 50,000 properties in 2022 and advertises US\$4 trillion of property from 111 countries. We generate 10.2 million monthly consumer engagements.

The company offers real estate marketers an end-to-end marketing and sales solution that integrates its super-app, its IQI global network of more than 30,000 real estate agents, and its online property marketplaces, Juwai.com (global property portal available in Chinese) and Juwai.asia (Asia wide portal for global real estate). Follow Juwai IQI on Twitter, LinkedIn and Facebook and visit <https://www.juwaiiqi.com/>.

PLEASE NOTE

This report is for informational purposes only and not to be relied upon in any way. We make no representations as to the accuracy or completeness of the information presented here. We accept no liability for damages, losses, or injuries resulting from the use or display of the information in this report.

zMEDIA CONTACTS

Dave Platter

Global Director of Public Relations and Communications
+61 432 814 888 | dave@juwaiiqi.com

Debbie Pereira

Juwai IQI Malaysia PR Consultant
+60 16-233 4386 | debbie.pereira@juwaiiqi.com

Guangming Xu

Juwai IQI China Director of Public Relations
+86 139 1862 2682 | guangming@juwaiiqi.com