


CHINA PROPERTY



Information from Cartus on the current residential leasing market in China.

SHANGHAI

With a population of approximately 24 million, Shanghai is the largest and one of the most developed cities in mainland China. Divided by the Huangpu River, there is the Puxi area to the west and Pudong in the east. Typically, Puxi is the older, central part of Shanghai, whereas Pudong has far more high-rise developments.

MARKET OVERVIEW

Due to COVID-19 pandemic and travel restrictions into China, there are limited number of expatriates moving to China which significantly impacted lease transactions. Despite impact on the expatriates' lease, rental lease transactions for locals are still very active. The biggest challenge that expatriates faces at the moment are competition from locals, because landlords favor locals as they are able to sign personal leases as opposed to corporate leases favored by organizations relocating their employees.

When renewing a lease, rental may increase between 3% and 10% (subject to negotiation). Some landlords are open to renew at the same rental terms or give some discounts depending the renewal terms and conditions.

Below are the typical monthly rental costs for good quality expatriate apartments in Shanghai:

	Low Range (RMB)	Middle Range (RMB)	High Range (RMB)
1 Bedroom	8,000 - 10,000	13,000 - 25,000	30,000 - 50,000
2 Bedrooms	12,000 - 15,000	15,000 - 30,000	35,000 - 70,000
3 Bedrooms	15,000 - 25,000	28,000 - 40,000	50,000 - 100,000

Note:

- All rentals quoted are for furnished units, including management fees
- Areas identified are expatriate communities in high rise apartment complexes

Exclusions:

- Utilities, club memberships, internet usage, housekeeping services and rental tax receipt (except in serviced apartments)
- Parking space

Market Trend

Destination services:

- The housing rental market rates are on an upward trend in the last quarter compared to previous quarters and remains a landlord market
- Higher demand for property rental from rich Chinese/oversea-returning Chinese with very attractive rental terms and conditions e.g. fixed lease term, quarterly, bi-yearly rent, fast payments, etc.
- Significant shift in tenant population from expatriate to locals e.g. some serviced apartments have higher number of locals compared to the expatriates
- Increase in supply of serviced apartments particularly in Shanghai e.g. Somerset Hongkou (in Puxi), 200+ units added in Aug 2021.
- Some serviced apartments favor long-stay customer with a minimum of 3 months rental over short-stay customer (daily or less than 3 months)

UTILITIES

	Utilities (RMB/Month)
Apartment	800 - 2,500
Villa	3,500 - 5,000

Assumptions:

- Based on utilities expense management analysis of Cartus clients

Note:

- Utilities expense is subject to the habits of the occupants
- The figures above are for the average yearly amount

INTERNATIONAL SCHOOLS

Assignees and their families should conduct school visits and applications as early as possible to secure a place. Below are the typical costs for international schools in Shanghai:

School Name	Syllabus/Curriculum	Application Fee (RMB)	Annual Tuition Fee (RMB)
Shanghai American School	IB, AP – IBDP in G11-12, AP courses start in G10, G9-12 SAS curriculum	2,800	232,000 - 288,300
Concordia International School Shanghai	AP Curriculum	2,500	201,000 - 278,000
Hong Qiao International School	IB curriculum for younger students up to grade 5, American Standards for middle school, MSA standards for high school	2,000	118,380 - 235,400
The British International School Shanghai (Nord Anglia)	English National Curriculum in Year 7-9, IGCSE in Year 10-11, IB in Year 12-13	2,500	117,370 - 304,095
Dulwich College Shanghai Pudong	IB, IGCSE Curriculum	3,500	120,200 - 340,100
Yew Chung International School of Shanghai	IGCSE and IB	2,500	154,200 - 328,500

Note:

- Based on 2021 costs quoted by international schools in Shanghai, China
- Based on child aged 2 to 18, of foreign citizenship, holding dependent visa

Exclusions:

- School bus transportation, lunch, books, uniforms, laboratory equipment, etc.

Market Trend

- Difficult to apply for bilingual schools such as Song Qing Lin and YK Pao.
- As Dependents Visa are currently not allowed, there are less enrollments into international schools.
- Most of the international schools have adequate openings for children.
- All schools are open for visiting now.

TRANSPORTATION COST ESTIMATE

Public Transportation (MTR, bus, taxi):	RMB 600 - 4,000 per month (Taxi is not included because the cost varies for different distances)
Car Lease (without driver):	RMB 8,000 - 16,000 per month, depending on car model
Car Lease (with driver):	RMB 12,000 - 20,000 per month, depending on car model

Note:

- Inclusive of driver's base salary but excluding overtime, extra mileage, toll fares, parking fees etc.
- Based on general information from the car rental market

BEIJING

The capital of the People's Republic of China, Beijing is the nation's political, cultural, and educational center. Located in northern China, the city has 16 urban, suburban, and rural districts.

MARKET OVERVIEW

Serviced apartments are in high demand due to very limited stock, and rates were not impacted by the COVID-19 pandemic. The biggest challenge that expatriates face are competition from locals, because landlords favor locals as they are able to sign personal leases as opposed to corporate leases favored by organizations relocating their employees.

Due to the limited availability of serviced apartment and in order to meet the demand for quality apartments in the leasing market, some real estate agencies or management companies have started to help the individual landlords rent apartments out by renovating and furnishing the apartment. It's gaining popularity amongst tenants as these apartments are in better condition than individually-owned apartments. Rates are typically lower than serviced apartments but still higher than individually owned apartments.

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Popular neighborhoods for expatriates across Beijing are the Central Business District; Worker's Stadium; Chaoyang Park; Dongzhimen and Shunyi areas.

When renewing a lease, rental may increase between 3% and 10% (subject to negotiation). Some landlords are open to renew at the same rental terms depending on the renewal terms & conditions.

Below are the typical monthly rental costs for good quality expatriate apartments in Beijing:

	Low Range (RMB)	Middle Range (RMB)	High Range (RMB)
1 Bedroom	8,000 - 16,000	17,000 - 26,000	26,000 - 45,000
2 Bedrooms	16,000 - 27,000	26,000 - 45,000	45,000 - 60,000
3 Bedrooms	25,000 - 38,000	38,000 - 55,000	55,000 - 100,000

Note:

- All rentals quoted are for furnished units, including management fees and public heating fees, if applicable
- Areas identified are expatriate communities in high rise apartment complexes

Exclusions:

- Utilities, club memberships, internet usage, housekeeping services and rental tax receipt (except in serviced apartments)
- Parking space

Market Trend
Permanent Housing:

- Due to COVID-19 pandemic and travel restrictions into China, the number of expatriates moving to China has significantly reduced, which impacted lease transactions. Comparatively, rental lease transactions for locals are still very active.
- Serviced apartments are currently in high demand. Due to limited availability, choices are limited and the rental price are increasing. Due to COVID-19, serviced apartments and other corporate owned apartment are becoming more popular.
- In the villa rental market, Beijing Riviera and Yosemite remains the most popular. The occupancy is still high due to its convenient location - close to downtown from Beijing Rivera; and walking distance to International School of Beijing (ISB) from Yosemite, as well as their matured management services.
- There is a drop in availability of rental houses as more new buyers are purchasing for own stay, resulting in an upward trend in rental rates.

Temp Housing:

- Minimum 1-month rental
- The options for 3 and 4 bedrooms are very limited

UTILITIES

	Utilities (RMB/Month)
Apartment	800 - 2,500
Villa	3,500 - 5,000

Assumptions:

- Some apartments/houses have government heating
- Based on utilities expense management analysis of Cartus clients

Note:

- Utilities expense is subject to the habits of the occupants
- The figures above are for the average yearly amount



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INTERNATIONAL SCHOOLS

Below are the typical costs for international schools in Beijing:

School Name	Syllabus/Curriculum	Application Fee (RMB)	Annual Tuition Fee (RMB)
ISB (International School of Beijing)	American common core and IB	2,000	198,900 - 279,520
WAB (Western Academy of Beijing)	IGCSE and IB	2,500	130,100 - 334,500
YCIS (Yew Chung International School of Beijing)	IGCSE and IB	2,500	109,000 - 303,000
BSB (British School of Beijing)	English National Curriculum and IB	2,000	137,109 - 309,430

Note:

- Based on 2021 costs quoted by international schools in Beijing, China
- Based on child aged 2 to 18, of foreign citizenship, holding dependent visa

Exclusions:

- School bus transportation, lunch, books, uniforms, laboratory equipment, etc.

Market Trend

- Due to COVID-19, most schools are not officially open for viewing.
- Many expatriates cannot enter China due to COVID-19 restrictions, thus schools have more available seats. However, popular schools (e.g.: International School of Beijing and Western Academy of Beijing) still do not have many availabilities and waiting list for some grades is common. So it is highly recommended for parents to submit online application as early as possible.
- Although schools had resumed to normal, physical school tour is not officially opened in Beijing. Some schools provide virtual tours and admission office is available to answer enquiry via email or phone; and accept school applications.

TRANSPORTATION COST ESTIMATE

Public Transportation (MTR, bus, taxi):	RMB 500 - 800 per month (Taxi is not included, because the cost varies for different distances)
Car Lease (without driver):	RMB 8,000 - 25,000 per month, depending on car model
Car Lease (with driver):	RMB 15,000 - 35,000 per month, depending on car model

Note:

- Inclusive of driver's base salary but excluding overtime, extra mileage, toll fares, parking fees etc.
- Based on general information from the car rental market

GUANGZHOU

Located in southern China, on the Pearl River, Guangzhou is one of China's three largest cities and is a major port and transportation hub. A prosperous city, it boasts many job opportunities especially in commerce, tourism, dining, finance and real estate.

MARKET OVERVIEW

The rental rate for lower budget apartments increased by 5%, as more international companies are cutting their housing budget. Rentals for medium and high budget apartments (including serviced apartments) remains the same as in Q4 2019 although the inflation rate is quite high in China, plus the effect of the COVID-19 pandemic.

Below are the typical monthly rental costs for good quality expatriate apartments in Guangzhou:

	Low Range (RMB)	Middle Range (RMB)	High Range (RMB)
1 Bedroom	7,000 - 12,000	18,500 - 24,500	25,500 - 33,500
2 Bedrooms	7,900 - 16,500	20,500 - 28,500	28,500 - 42,500
3 Bedrooms	12,000 - 18,500	20,500 - 32,500	42,500 - 55,500

Note:

- All quotations are net rental

Exclusions:

- Utilities, club memberships, internet usage, housekeeping services and rental tax receipt (except in serviced apartments)

Market Trend*Permanent Housing:*

- The leasing market remains almost the same as Q1 2021 with the reoccurrence of COVID-19 in Guangdong.
- But as the vaccination rate increase and situation normalised in China in the coming summer months, we are expecting expatriates/ assignees to come back to China for work and business; thus pushing up demand and rental is estimated to increase by 3-5% in second half of 2021.

In Q4 2020-Q1 2021, it was the tenants' market, but it is believed that it will be the landlords' market in the second half of 2021 as demand for leases heats up.

Temp housing:

- Minimum 1-month rental
- Options for 3 and 4 bedrooms are very limited

UTILITIES

	Utilities (RMB/Month)
1 Bedroom	500 - 800
2 Bedrooms	1,000 - 1,500
3 Bedrooms	1,500 - 2,500
Villa (3+1) & (4+1)	2,000 - 3,000
Villa (high range)	3,000 - 5,000

Note:

- Assignees will have air conditioning all year round because of Guangzhou's hot and humid weather
- Based on utilities expense management analysis
- Utilities expense is subject to the habit of the occupants



INTERNATIONAL SCHOOLS

Due to high competition, nearly all international schools in Guangzhou conduct interviews with parents before offering a place. We recommend that assignees determine their school choices as early in the relocation process as possible.

Below are the typical costs for international schools in Guangzhou:

School Name	Syllabus/Curriculum	Application Fee (RMB)	Annual Tuition Fee (RMB)
American International School of Guangzhou (AISG)	American curriculum, PYP, AERO, IB	2,000	175,000 – 247,300
The British School of Guangzhou (BISG)	British Curriculum, PYP, AERO, IB	2,500	48,200 - 261,000
The Utahloy International School of Guangzhou (UISG)	IB	2,000	123,840 - 219,840

Exclusions:

- Based on 2021 costs quoted by international schools in Guangzhou, China
- School Bus Transportation, Books, Uniforms, Extra-curricular events and trips, Laptop, School Lunch (Daily)

Market Trend

International Schools:

- There will be 1 to 2 international schools (which is name ISA) establishing in Guangzhou in 2021 to 2022. It will provide more seats for international students.
- Although the newly completed schools will provide good amount of the seats for the international students, it is also estimated that waiting list in AISG, BISG etc. will still existed because of their long established history and good quality.

TRANSPORTATION COST ESTIMATE

Public Transportation (MTR, bus, taxi):	RMB 500 - 1,200 per month (Taxi is not included because the cost varies for different distances)
Car Lease (without driver):	RMB 7,000 - 9,500 per month, depending on car model
Car Lease (with driver):	RMB 12,500 - 18,500 per month, depending on car model

Note:

- Inclusive of driver's base salary but excluding overtime, extra mileage, toll fares, parking fees etc.
- Based on general information from the car rental market

For further information on this, or any other aspect of your assignment program, please do not hesitate to contact your Cartus representative or email cartussolutionsapac@cartus.com.

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