

REAL ESTATE

## Real estate poised to benefit from Chinese Golden Week travel

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*Chinese travelers are hunting for real estate during Golden Week. Image credit: Ferragamo*

By SARAH JONES

As legions of Chinese consumers venture overseas during Golden Week, searching for real estate is one of their top priorities.

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The Chinese National Tourism administration expects that the holiday this year will see about half of the nation's population, or 710 million individuals, on the move. According to a report from Juwai, 57 percent of Chinese tourists heading abroad on trips this year anticipate buying property in their destination, making this en masse migration a prime time for real estate investment.

"With more than 760 million workers in China getting a week off work during Golden Week, it provides the best window of opportunity for hungry Chinese investors to travel internationally and visit and invest in properties they're interested in but haven't had the chance to see first-hand," said Josh Cunningham, vice president of [Investorist](#), Miami. "Real estate sales to Chinese have historically and consistently increased during this Golden Week period, so we expect no less this time around."

"We know from a recent study we conducted last quarter in China with 120 agents advising Chinese clients on where to invest, that the top markets the Chinese are eyeing are Australia, U.S. and the U.K.," he said. "Education was determined to be the number one driver, so metros with elite university opportunities will heavily dictate where the Chinese park their money."

"Golden Week was also surveyed as the best time to buy property, and for developers and brokers, the most lucrative time to sell."

Tourism and real estate

Golden Week is an biannual national holiday in China, in which employees are given seven consecutive days off from work. One Golden Week follows the Lunar New Year in January or February, while a second occurs in October.

This year, the fall season's Golden Week is being observed from Oct. 1-8. Because this Golden Week aligns with China's Mid-Autumn Festival, consumers' time off has grown to eight consecutive days.

"With nearly half of China's population on the move during Golden Week, obviously business slows down," said James Trescothick, chief global strategist, [easyMarkets](#). "This gives business owners and the higher end Chinese property buyers the perfect opportunity to visit a number of countries and seek out that ideal property investment."

Due to the block of time off, Golden Week is a popular time for travel. Ctrip is expecting that more than 6 million Chinese consumers will head overseas during the week.

According to Juwai, Thailand tops the list of destinations for Golden Week, followed by Japan and the United States. Singapore, Australia and Canada are also popular places to visit this holiday.



*Chinese individuals will be traveling for Golden Week. Image credit: Marriott*

For the 92 percent of Chinese consumers who plan to make an overseas trip this year, tourism is the main priority, with 86 percent focused on experiencing a destination, according to Juwai's survey.

However, looking for real estate comes in second on respondents' priority lists, with 42 percent listing it as a planned activity during travel. A significant 58 percent are planning to emigrate to an international destination they are visiting.

The study also noted that 30 percent of real estate professionals had expected to see interest from Chinese buyers during the Lunar New Year Golden Week. Their estimate fell short of Chinese interest, as 41 percent of travelers from China were planning to meet with agents about property during the holiday.

"The introduction of the Golden Visa schemes in Portugal, Spain and Turkey have driven real interest from Chinese buyers," said Julian Walker, director of [Spot Blue International Property](#). "High net worths are particularly attracted to the offer of full residency in Western nations through these Golden Visas and we regularly receive a good number of enquiries for properties priced at 500,000 euros or more for just this reason.

"Golden Week has traditionally been a busy time for us fielding enquiries from potential 'fly and buy' Chinese buyers looking to view properties for sale whilst on their holiday travels," he said.

#### International interest

The Australian property market has typically been a prime target of Chinese investment, but new legislation changes may slow down interest from these buyers. Following moves from other similarly popular Chinese real estate destinations such as Vancouver and Singapore, cities on the country's east coast have instituted taxes on foreign investors.

In New South Wales, which includes Sydney, buyers from outside the country are hit with an 8 percent surcharge, bringing their total taxes on property purchases to 13 percent.

As these changes went into effect earlier this year, Australian real estate agents are hoping that this has not caused Chinese buyers to lose interest, per [Reuters](#). According to the report, agents in Sydney were prepping to court Chinese investors during Golden Week through lavish experiences such as driving them around in a Rolls-Royce or touring properties by helicopter.

Due to its proximity to Mainland China, Seattle has become a desired destination for relocation or second homes for Chinese buyers. The market has benefited from migrating interest due to Vancouver's 15 percent foreign buyer tax.

Around half of Realogics Sotheby's International Realty's top sales in Eastside neighborhoods in 2016 were to

Chinese buyers. The Seattle-based brokerage has been catering to increased interest from these clientele through a number of tactics, such as a WeChat account and a Chinese-language glossy magazine published by Tiger Oak Media.



*Realogics Sotheby's International Realty's WeChat app. Image credit: RSIR*

Available online and at airport lounges, hotels and retailers, *Seattle Luxury Living* speaks to both real estate and luxury lifestyle opportunities in the city.

The real estate brokerage is also running ads and editorial-form content in both English and Chinese to reach buyers ahead of Golden Week, using education and their native language to make an appeal.

Like retail, attracting interest from Chinese tourists is a process that begins before they leave home. It also hinges on understanding the culture and language.

"If you don't happen to speak the language or understand the culture and logistics, then you need to associate yourself with someone that does," said Dean Jones, president & CEO of **Realogics Sotheby's International Realty**, Seattle.

For his firm, this manifests in a dedicated Asian services group that speak Chinese and have familiarity with the culture who can be called on to help facilitate purchases for brokers who may not be fluent. These individuals can act as guides for Chinese buyers, providing them with assistance for logistics including capital flow and matters of immigration, such as connecting them with school admission officers.

"Knowing all the stress points and needs of that buyer makes you a more successful broker so that when you are visiting during Golden Week or for a limited travel time, we're more successful at being able to complete a transaction during their trip or shortly thereafter because we've anticipated and addressed most of their concerns," Mr. Jones said.

"What's a typical problem for a lot of brokers is if they don't anticipate the needs or they don't understand the culture or the language, they might miss an opportunity to sell to a visiting buyer, because once they get back on the plane, the likelihood of them moving forward with the transaction diminishes dramatically."