

Webinar

2023 ULI Asia Pacific Home Attainability Index Webinar

Date: July 11, 2023

00:00:00 --> 00:00:06: All right, So welcome everyone. Welcome to the UI Asia
 00:00:06 --> 00:00:11: Pacific Remina on the 2023 UI Home Attendability Index. I'm
 00:00:11 --> 00:00:16: Ryan. I'm going to be the host and also the
 00:00:16 --> 00:00:20: moderator for today. With me, we also have Ken.
 00:00:21 --> 00:00:25: Which is the executive director of ULI Mainland China. And
 00:00:25 --> 00:00:28: Ken is also the main author of the you know
 00:00:28 --> 00:00:32: Uli home attendability in designate Asia Pacific. And we also
 00:00:33 --> 00:00:36: have Connie who is the executive Director of the Kirk
 00:00:36 --> 00:00:40: Advisory in Australia. Here in Hong Kong we have Calvin
 00:00:40 --> 00:00:44: who is the head of the Department of Real Estate
 00:00:44 --> 00:00:48: and Constructions in the Hong Kong University and then we
 00:00:48 --> 00:00:49: also have present.
 00:00:50 --> 00:00:54: Who is the Regional Director and Head of Research at
 00:00:54 --> 00:00:58: in the Rock in Mumbai? Last but not the least,
 00:00:58 --> 00:01:01: we also have Mahdi who is the CEO of the
 00:01:01 --> 00:01:06: Habitat for Humanity in the Philippines and this year is
 00:01:06 --> 00:01:10: actually the second year where we have the Uli Home
 00:01:10 --> 00:01:15: Attainability Index in Asia Pacific. So we are very happy
 00:01:15 --> 00:01:18: for everyone to join this conference.
 00:01:19 --> 00:01:22: Here's going we're going to go through today. First of
 00:01:22 --> 00:01:25: all going to invite Ken for to give us a
 00:01:25 --> 00:01:29: you know 10 to 15 minutes presentations on the key
 00:01:29 --> 00:01:32: findings of this year's report and then it will be
 00:01:32 --> 00:01:36: followed by a panel discussions and for all for all
 00:01:36 --> 00:01:39: of you guys Are you also encouraged to you have
 00:01:39 --> 00:01:43: you any questions to our panelists? You are also encouraged
 00:01:43 --> 00:01:46: to put your questions in the Q&A chat box.
 00:01:47 --> 00:01:50: And we'll pick and choose your questions and then I'll
 00:01:50 --> 00:01:54: help you to, you know, ask the panelists. So without

00:01:54 --> 00:01:55: further ado that.

00:01:55 --> 00:01:58: Before I start, I'd like to thank the sponsors of

00:01:58 --> 00:02:02: this year's report, namely Grosvenor and James and Lisa Wong

00:02:02 --> 00:02:06: Foundation and UI Tour Liquor Center for Housing. And also

00:02:06 --> 00:02:09: this report is based on not only the data that

00:02:10 --> 00:02:13: we got from the public sources and private sources, but

00:02:13 --> 00:02:14: also with.

00:02:15 --> 00:02:18: Is based on interviews that we conducted and I like

00:02:18 --> 00:02:23: to acknowledge those interviewees were valuable for the overall study.

00:02:23 --> 00:02:27: So that's that they are. Ryan Yid from Hong Kong.

00:02:27 --> 00:02:30: Koyu are you from Japan, Adam Fowler from Vietnam and

00:02:30 --> 00:02:35: then Professor Go from Beijing, Wendy Harianto from Jakarta and

00:02:35 --> 00:02:39: Connie Kerr from Australia and Professor Pano V from NUS,

00:02:39 --> 00:02:39: Singapore.

00:02:40 --> 00:02:44: And and Mari Mapa's Plito from the Philippines, Sudeshna Mitra,

00:02:44 --> 00:02:49: Professor Mitra from Bengaluru, India and Rohan Sharma from JLL

00:02:49 --> 00:02:53: Mumbai. And lastly, Prashant Thakur from Anarak, Mumbai. So again,

00:02:53 --> 00:02:57: I'd like to thank the interviewees for this year's report.

00:02:57 --> 00:03:01: A lot of their comments are incorporated in the report.

00:03:01 --> 00:03:04: And also I'd like to thank the members of the

00:03:04 --> 00:03:08: advisory committee for last year's report. So we had a

00:03:08 --> 00:03:09: committee of.

00:03:10 --> 00:03:15: Academics specializing housing last year. And so their assistance and

00:03:15 --> 00:03:19: their guidance was was very much needed for the success

00:03:20 --> 00:03:23: of last year's report. And so I'd like to thank

00:03:23 --> 00:03:28: those advisory committee members. Now in this year's report, we

00:03:28 --> 00:03:34: added four new countries, namely India, Indonesia, the Philippines and

00:03:34 --> 00:03:38: Vietnam. And as you can tell those are all developing

00:03:38 --> 00:03:39: countries.

00:03:39 --> 00:03:44: And one key variance or key difference with the developed

00:03:44 --> 00:03:48: countries is that there were inherently less available data from

00:03:48 --> 00:03:52: public sources. So as a result, we ended up for

00:03:52 --> 00:03:56: pricing data, home price data and rental data. We actually

00:03:56 --> 00:04:01: used online listing agencies data, right. So we used Internet

00:04:01 --> 00:04:05: crawler to go through the data, collect the data and
00:04:05 --> 00:04:06: analyze the data.
00:04:06 --> 00:04:10: And so there is a possibility that good possibility that
00:04:10 --> 00:04:13: the data that we collected may not represent the overall
00:04:13 --> 00:04:16: housing stock in those cities. Now, I think a lot
00:04:16 --> 00:04:19: of you have seen the the, the, the, the cartoon
00:04:19 --> 00:04:22: on the lefthand side, the blind and the elephant, right?
00:04:22 --> 00:04:26: So you touch different parts of the elephant while blindfolded
00:04:26 --> 00:04:29: and you get different impression of what the object is,
00:04:29 --> 00:04:31: right? So is it a rope, is it a wall
00:04:31 --> 00:04:32: or is it a snake?
00:04:33 --> 00:04:37: And when it comes to, I guess, determining home attainability
00:04:37 --> 00:04:41: of various countries, you may actually come up with a
00:04:41 --> 00:04:45: misguided or or or limited or I say misguided ill
00:04:45 --> 00:04:50: informed conclusions, right. So I want to caution against
00:04:50 --> 00:04:55: making
00:04:55 --> 00:05:00: definitive conclusions about the housing stock or housing
00:05:00 --> 00:05:01: situation in
00:05:01 --> 00:05:04: these countries. The report is to provide the data, relevant
00:05:05 --> 00:05:07: data for you.
00:05:07 --> 00:05:11: And and for you to consider those data those data
00:05:11 --> 00:05:14: is not to rank the city's is to give you
00:05:14 --> 00:05:17: a better understanding of the housing situation. Right. So on
00:05:17 --> 00:05:20: the right hand side it's a it's a photo of
00:05:20 --> 00:05:24: a article that was released on May 30th that was
00:05:24 --> 00:05:25: the day after we released this year's report in the
00:05:26 --> 00:05:30: title set Singapore private homes the most expensive to own
00:05:30 --> 00:05:34: and rent in Asia Pacific.
00:05:34 --> 00:05:37: Report and that report is reporting to our 2023 ULI
00:05:38 --> 00:05:42: home attendability report and and and if you read the
00:05:42 --> 00:05:46: the the line below it says still including HTB flats,
00:05:46 --> 00:05:51: Singapore housings is ranked most attainable in the in the
00:05:51 --> 00:05:53: report. So of course considering that HTB flats represent
00:05:53 --> 00:05:58: 90%
00:05:58 --> 00:06:02: of the overall housing stock whereas private sector homes
00:06:02 --> 00:06:06: represent
00:06:06 --> 00:06:09: 10% of the housing stock in.
00:06:09 --> 00:06:12: Singapore I guess the main news should be Singapore's H2B
units are ranked among the most attainable and followed by
how the private sector homes have become the most
expensive.
But again, that's only for 10%. So I would like
to just caution you to take the Take the Reader

00:06:12 --> 00:06:16: report or the read the rankings and index ratios and
00:06:16 --> 00:06:18: so on with grain of salt. Now this is this
00:06:18 --> 00:06:23: shows the population, median age and urbanization rate by country.

00:06:24 --> 00:06:28: So in the upper right hand corner you see Japan
00:06:28 --> 00:06:32: which has the oldest population at 40. Think about 48
00:06:32 --> 00:06:35: and then and at the low end you have At
00:06:35 --> 00:06:40: the left bottom you have the Philippines with median age
00:06:40 --> 00:06:42: of 24, India with 28.

00:06:43 --> 00:06:46: And even between Singapore and Hong Kong, there is a
00:06:46 --> 00:06:49: 10 year gap in median age. So Hong Kong has
00:06:49 --> 00:06:53: 45 years of median age, while Singapore is is 35,
00:06:53 --> 00:06:57: right. So in Australia has a relatively young population, even
00:06:57 --> 00:07:01: actually younger than China, right? So and Japan has again
00:07:01 --> 00:07:06: those oldest population. And also in terms of urbanization rate,
00:07:06 --> 00:07:10: Vietnam has the lowest urbanization rate followed by India and
00:07:10 --> 00:07:12: the Philippines and so on.

00:07:13 --> 00:07:17: And this shows the population trajectory for the countries. Among
00:07:17 --> 00:07:21: the most populous countries, India has the largest or the
00:07:21 --> 00:07:26: fastest population increase, and its population may be actually larger
00:07:26 --> 00:07:29: than China's. And then for the countries in the middle,
00:07:29 --> 00:07:34: you see the Philippines population increasing at the highest rate,
00:07:34 --> 00:07:37: the fastest rate, followed by Vietnam. And on the right
00:07:37 --> 00:07:41: hand side, that's the population trajectory for Hong Kong and
00:07:41 --> 00:07:42: Singapore.

00:07:42 --> 00:07:45: And you see, while Hong Kong has dipped in the
00:07:45 --> 00:07:49: last year or so, a couple years, Singapore has actually
00:07:49 --> 00:07:53: bounced back. And that actually helps explain partly explain why
00:07:53 --> 00:07:57: the Hong Kong home price has been declining whereas Singapore
00:07:57 --> 00:08:01: home price has been increasing. And this is for the
00:08:01 --> 00:08:05: media median or average home price, U.S. dollar per square
00:08:05 --> 00:08:07: meter and also media a median.

00:08:07 --> 00:08:11: I apologize for the spelling error. Is median average home
00:08:11 --> 00:08:15: price right? So Hong Kong has the highest price per
00:08:15 --> 00:08:19: square meter at around 20,000 US per square meter, and
00:08:19 --> 00:08:23: Singapore private sector home is is only about half right.
00:08:23 --> 00:08:26: So if you look at the home price per unit

00:08:26 --> 00:08:30: on the left hand side, Singapore is the most expensive
00:08:30 --> 00:08:33: at 1.2, followed by Hong Kong at 1.16 million million
00:08:33 --> 00:08:35: dollars per per unit.
00:08:35 --> 00:08:39: On a per square meter basis, Singapore is about half
00:08:39 --> 00:08:43: that of Hong Kong, right? And then also Shenzhen is
00:08:43 --> 00:08:46: it's the second most expensive in terms of price per
00:08:47 --> 00:08:50: square meter. And and then at the bottom lower left
00:08:50 --> 00:08:54: hand corner you see countries, the cities in India, the
00:08:54 --> 00:08:58: Philippines and so on Okay. And this is the household
00:08:58 --> 00:09:01: size, right, the number of people per household.
00:09:02 --> 00:09:07: Again, the Indian Indian families and the Filipino families,
they
00:09:07 --> 00:09:11: have much higher number of people and the lowest number
00:09:11 --> 00:09:14: of people per household is found in Tokyo at below
00:09:15 --> 00:09:18: 2, followed by Osaka and so on. And in Singapore's
00:09:18 --> 00:09:23: population, household size is actually larger than three which
is
00:09:23 --> 00:09:27: also again higher than Hong Kong's which is below 3.
00:09:29 --> 00:09:33: And this is for home ownership by city and country.
00:09:33 --> 00:09:37: Singapore has the highest at 89.3 thanks to HTP units
00:09:37 --> 00:09:42: and government policies that promote home ownership. And
the lowest
00:09:42 --> 00:09:46: is found in Japan and lowest is actually Fukuoka, the
00:09:46 --> 00:09:49: city of Fukuoka in Koshu. And it has lower than
00:09:49 --> 00:09:53: 40% home ownership. And it's it's probably because of the
00:09:53 --> 00:09:56: slower demand and also I could be because of the
00:09:57 --> 00:09:58: relatively good.
00:09:58 --> 00:10:02: A public rental housing program in in the in in
00:10:02 --> 00:10:07: Japan and for measuring home attainability. For home
ownership, we
00:10:07 --> 00:10:12: look at median home price to median annual annual
household
00:10:12 --> 00:10:16: income. Ideally you should be below 5X and then for
00:10:16 --> 00:10:20: rent we look at month median monthly rent to median
00:10:20 --> 00:10:25: monthly household income and ideally you should be below
25
00:10:25 --> 00:10:26: to 30% okay.
00:10:26 --> 00:10:30: And this shows the median home price and median average
00:10:30 --> 00:10:34: home size. As I mentioned before, Singapore private sector
homes,
00:10:34 --> 00:10:38: I think the average about 112 square meters per unit,
00:10:38 --> 00:10:42: whereas Hong Kong is about about 50 square meters per
00:10:42 --> 00:10:46: unit. Whereas the the houses in Sydney, Melbourne and
Brisbane

00:10:46 --> 00:10:50: range between 170 and 190. And the units apartment units
00:10:50 --> 00:10:54: in those cities are about roughly half the size of
00:10:54 --> 00:10:54: the houses.
00:10:55 --> 00:11:01: And then for HTB units, they're still in Singapore. They're
00:11:01 --> 00:11:06: still very large at close to 100 square meters per
00:11:06 --> 00:11:10: per unit. OK, now this is for price to income
00:11:10 --> 00:11:14: and rent to income. And on the left hand side
00:11:14 --> 00:11:19: you see the median home price to median household
income.
00:11:19 --> 00:11:24: And the highest ratio is found in Shenzhen AT35X.
00:11:25 --> 00:11:29: Followed by Ho Chi Minh City and Beijing, Hong Kong
00:11:29 --> 00:11:33: and so on. In terms of median rent to median
00:11:33 --> 00:11:38: monthly household income, the highest is in Ho Chi Minh
00:11:38 --> 00:11:42: City and nearly 80% are followed by Hanoi, Mumbai.
00:11:43 --> 00:11:47: And and Jakarta single family homes, again Jakarta single
family
00:11:47 --> 00:11:51: homes are very large units that I think mainly cater
00:11:51 --> 00:11:54: to expats and and affluent local family. So that may
00:11:54 --> 00:11:58: not representative of the overall rental housing stock. Now for
00:11:59 --> 00:12:01: Australia, I have like a one or two page for
00:12:02 --> 00:12:05: each of the countries that are represented in in in
00:12:05 --> 00:12:08: the panel. So for Australia I think the main trend
00:12:09 --> 00:12:12: is that the number of apartment units has actually.
00:12:13 --> 00:12:18: Actually tripled and then it came down until 2015 and
00:12:18 --> 00:12:22: then it came down. And so the number of apartment
00:12:22 --> 00:12:25: units and number of houses per year in terms of
00:12:26 --> 00:12:30: new units approved is similar, but the huge influx, huge
00:12:30 --> 00:12:36: increase in apartment units actually should have have
contributed contributed
00:12:36 --> 00:12:40: to increasing the affordable housing stock.
00:12:41 --> 00:12:45: And this shows the price trends for homes and apartment
00:12:45 --> 00:12:49: units and also rents. So you see a huge increase
00:12:49 --> 00:12:53: in rents overall. And this is for Chinese cities, right,
00:12:53 --> 00:12:57: in tier one cities. And as I mentioned, Shenzhen has
00:12:57 --> 00:13:02: the highest price per square meter, highest unit price and
00:13:02 --> 00:13:06: also highest price to income ratio at 35. And this,
00:13:06 --> 00:13:07: I think explains why.
00:13:08 --> 00:13:14: Shenzhen actually experienced highest population increase
from 2010 to 2022,
00:13:14 --> 00:13:19: yet they had the lowest increase in new construction
completed
00:13:19 --> 00:13:22: during those years. But at the same time, I want
00:13:22 --> 00:13:26: to cost. I want to add that Shenzhen has a

00:13:26 --> 00:13:30: large stock of informal housing known as Urban Villages that
00:13:30 --> 00:13:33: are that do not own that they did not have
00:13:33 --> 00:13:36: property titles yet, but they are.
00:13:36 --> 00:13:40: They are used by people, they are traded. So the
00:13:40 --> 00:13:44: home prices of those informal housing units and rents for
00:13:44 --> 00:13:48: those informal housing units can be very, very inexpensive.
So
00:13:48 --> 00:13:52: and and they represent maybe roughly half of the housing
00:13:52 --> 00:13:55: stock in the city. And this is for the average
00:13:55 --> 00:13:59: selling price for resale and also primary home sales in
00:13:59 --> 00:14:02: tier one cities and this is for Hong Kong. So
00:14:02 --> 00:14:03: you see.
00:14:04 --> 00:14:08: Hong Kong home price has increased since 20 or 9
00:14:08 --> 00:14:12: by about 250%, whereas the rent increased only by about
00:14:12 --> 00:14:16: 75%. So home price has a home price increase has
00:14:16 --> 00:14:21: significantly outpaced the increase in rent and in terms of
00:14:21 --> 00:14:25: land use in Hong Kong, only about 7% of the
00:14:25 --> 00:14:29: the land in Hong Kong is used for residential use.
00:14:29 --> 00:14:33: So I think that helps explain why home price in
00:14:33 --> 00:14:37: Singapore in Hong Kong has been high historically and this
00:14:37 --> 00:14:41: is a home price trajectory for key cities in India,
00:14:41 --> 00:14:45: pretty much flat and this shows the key statistics for
00:14:45 --> 00:14:49: homes in in the key cities. So if you look
00:14:49 --> 00:14:52: at Mumbai which is a top line, the average price
00:14:52 --> 00:14:56: is about 117,000 U.S. dollars and median flat size is
00:14:56 --> 00:14:58: about 59 square meters.
00:14:59 --> 00:15:04: And considering that median annual household income is a
little
00:15:04 --> 00:15:08: over \$10,000, home price to median household income ratio
is
00:15:08 --> 00:15:11: 11.3. It's still high, but it's not as high as
00:15:11 --> 00:15:14: the other developing countries.
00:15:15 --> 00:15:19: Right. And then I think it's interesting that the flat
00:15:19 --> 00:15:24: sizes for the other cities are significantly higher than larger
00:15:24 --> 00:15:27: than Mumbai. So if you look at Delhi is about
00:15:27 --> 00:15:31: 98 square meters per unit and Bengaluru is about 107
00:15:31 --> 00:15:35: square meters per unit. And lastly for the Philippines, this
00:15:35 --> 00:15:38: table shows that there is a need for about 5.7
00:15:38 --> 00:15:41: housing units in the Philippines.
00:15:41 --> 00:15:46: And the government has an ambitions plan to to develop
00:15:46 --> 00:15:51: 1,000,000 new units per year for the next five years,
00:15:52 --> 00:15:56: right. So it looks like the the the shortage housing
00:15:57 --> 00:16:01: shortage is mainly for the low to yeah, low income

00:16:01 --> 00:16:07: households Okay. So that concludes my presentation. Okay Ryan.

00:16:10 --> 00:16:12: All right. Thanks, Ken. I think there are few a

00:16:12 --> 00:16:15: key take always for me, one is the Hong Kong

00:16:15 --> 00:16:18: is no longer the most expensive city in Asia Pacific

00:16:18 --> 00:16:21: in terms of average home price over taking by Singapore,

00:16:21 --> 00:16:23: you know, for good or bad, but it is still

00:16:23 --> 00:16:26: the most expensive in terms of per square meter price,

00:16:26 --> 00:16:29: right. Second is, you know, despite being the most expensive,

00:16:30 --> 00:16:33: Singapore is still the most attainable city in the report.

00:16:33 --> 00:16:36: I think that's attributable to, you know, 80% of the

00:16:36 --> 00:16:39: people in Singapore living HDB, which is heavily subsidized.

00:16:39 --> 00:16:43: By the government. The third one is actually there is

00:16:43 --> 00:16:47: a divergent you know trajectory for population growth within the

00:16:47 --> 00:16:51: region. You have a country like China, Japan where the

00:16:51 --> 00:16:54: population has sat out and you also have countries like

00:16:54 --> 00:16:58: the Philippines, India and Vietnam, you know for instance where

00:16:59 --> 00:17:03: you expect, you know the population to keep growing increasingly

00:17:03 --> 00:17:06: and relatively quickly and and that going to have a

00:17:06 --> 00:17:06: quite.

00:17:07 --> 00:17:13: Significant effect on housing demand, also potentially attainability in the

00:17:13 --> 00:17:17: respective country and in the future. And before I go

00:17:17 --> 00:17:22: into the panel section, there are actually two more housekeeping

00:17:22 --> 00:17:26: things to talk about. One is the whole webinar is

00:17:26 --> 00:17:30: going to be recorded and will be available on the

00:17:30 --> 00:17:34: Knowledge Finder later. Second one is again I and you

00:17:34 --> 00:17:35: feel free to ask.

00:17:36 --> 00:17:39: Any questions that you want to ask and type it,

00:17:39 --> 00:17:42: type it in the chat box and then I'll I'll

00:17:42 --> 00:17:46: help you ask the panelists later. And so let's begin

00:17:46 --> 00:17:49: the panel discussion. I as mentioned, first of all I

00:17:49 --> 00:17:53: would like to you know invite each of the panelists

00:17:53 --> 00:17:57: to give like a 3 minutes general descriptions on the

00:17:57 --> 00:18:00: situations in in in the respective country and also if

00:18:00 --> 00:18:04: there's anything you want to reply on what is mentioned

00:18:04 --> 00:18:05: by Ken in.

00:18:05 --> 00:18:09: His presentation, So I I think I will first start

00:18:09 --> 00:18:13: with Connie, please your three minute section for you.

00:18:13 --> 00:18:18: Thank you and welcome everyone. Now last year I thought
 00:18:18 --> 00:18:21: I we Australia had broken all the records and I
 00:18:21 --> 00:18:26: did state that in terms of housing attainability that Australia
 00:18:26 --> 00:18:30: had worsened by every measure since the pandemic, but we've
 00:18:30 --> 00:18:33: actually exceeded that again this year.
 00:18:34 --> 00:18:37: So in some ways we've got the same six factors
 00:18:37 --> 00:18:41: that are impacting on the housing affordability in Australia. So
 00:18:41 --> 00:18:45: we've got the worst affordability on record, the highest rents
 00:18:45 --> 00:18:48: and and the lowest vacancy rates and the lowest affordability
 00:18:49 --> 00:18:52: on records for rentals. We've got the highest purchase and
 00:18:52 --> 00:18:56: building prices on record for the cities and regions and
 00:18:56 --> 00:18:59: the fastest rise in interest rate on record. So we've
 00:18:59 --> 00:19:02: gone up 14 interest rate rises the the lowest was
 00:19:02 --> 00:19:02: in.
 00:19:03 --> 00:19:06: So we're now 4.1% and the lowest we had been
 00:19:06 --> 00:19:10: in 20/20 was .85 and prior to that it would
 00:19:10 --> 00:19:13: we'd have to go back to November 2010 to be
 00:19:13 --> 00:19:17: that low. So there's a whole generation of people that
 00:19:17 --> 00:19:22: just have never seen interest rate rises. So that's going
 00:19:22 --> 00:19:25: to have a huge impact in the next 12 to
 00:19:25 --> 00:19:25: 18 months.
 00:19:26 --> 00:19:30: And we've also got the highest record of homelessness on
 00:19:30 --> 00:19:34: record and the lowest percentage of government delivered
 00:19:34 --> 00:19:39: affordable housing, housing. So ironically, even though we've
 00:19:39 --> 00:19:43: got all those measures heading in the wrong direction for an
 00:19:43 --> 00:19:46: economy, the economy is still fairly robust and we've been driving
 00:19:46 --> 00:19:50: this very narrow path between interest rate rises to try
 00:19:50 --> 00:19:52: and get inflation down, which has.
 00:19:52 --> 00:19:56: Started to traject down and it's now at 6.8% with
 00:19:56 --> 00:20:00: the governor wanting it to to plateau out at about
 00:20:00 --> 00:20:04: that 3% which they're predicting at the second-half of next
 00:20:04 --> 00:20:04: year.
 00:20:06 --> 00:20:10: So we are technically in a in a consumer recession
 00:20:10 --> 00:20:14: but not an economic recession at the moment. So we've
 00:20:14 --> 00:20:18: seen a great falloff in in consumption of purchasing of
 00:20:18 --> 00:20:22: of retail products, but we're still not in an economic
 00:20:22 --> 00:20:26: recession. But the but what is interesting is during COVID
 00:20:26 --> 00:20:30: there was a, there was a a flurry into the
 00:20:30 --> 00:20:33: into the regions a tree change that is now reversed

00:20:33 --> 00:20:36: and that's largely reversed.

00:20:36 --> 00:20:40: Because there were people who thought that the tree change

00:20:40 --> 00:20:43: lifestyle would be great for them and realized that they

00:20:43 --> 00:20:48: hadn't been the forge injection in catalytic infrastructure that people

00:20:48 --> 00:20:52: need in those regions. So access to medical services, great

00:20:52 --> 00:20:56: schooling for example. Some people have chosen to still work

00:20:56 --> 00:20:59: remotely, but a lot of people are coming back to

00:20:59 --> 00:21:03: the cities and and we opened the borders at the

00:21:03 --> 00:21:04: same time and we'd had.

00:21:05 --> 00:21:08: Two years of of reduced housing delivery and as a

00:21:08 --> 00:21:12: result we've now had a huge spike in demand for

00:21:12 --> 00:21:17: houses. So ironically, whilst housing prices are increasing, people's domestic

00:21:17 --> 00:21:22: affordability is going down. We're also having pent up demand

00:21:22 --> 00:21:26: still for housing, so housing prices are continuing to escalate.

00:21:27 --> 00:21:30: And so we've got this almost 2 speed economy when

00:21:30 --> 00:21:35: it comes to housing purchasing and affordability. So anyone over

00:21:35 --> 00:21:38: 50 and and closer to 60 +, a lot of

00:21:38 --> 00:21:42: downsizing, a lot of investment activity in that market and

00:21:42 --> 00:21:45: they seem to be the only market that's are also

00:21:45 --> 00:21:49: consuming in the retail space. And then a lot of

00:21:49 --> 00:21:53: offshore inward investment into into Australia soaking up the the

00:21:54 --> 00:21:55: demand for the houses.

00:21:56 --> 00:21:59: All of that and domestically we had the highest number

00:21:59 --> 00:22:03: of houses, housing loans written during the pandemic and what's

00:22:04 --> 00:22:07: happened is a lot of people, whilst they had their

00:22:07 --> 00:22:10: 30 year housing loans, a lot of those were on

00:22:10 --> 00:22:13: fixed interest rates and all of those are coming to

00:22:13 --> 00:22:15: an end in the next.

00:22:16 --> 00:22:19: 12 to 18 months. So we've got 800,000 loans about

00:22:19 --> 00:22:22: to be realized and come off fixed interest rates in

00:22:23 --> 00:22:26: the next two to three months, another 590,000 by December

00:22:27 --> 00:22:30: and then we've got another 400,000 or so next year.

00:22:30 --> 00:22:33: So whilst a lot of people are ahead with their

00:22:33 --> 00:22:37: payments, they've they've eroded most of their buffer zones.

00:22:38 --> 00:22:43: So that should adds existing supply to the market which

00:22:43 --> 00:22:49: will then also fuel I think another housing price boom

00:22:49 --> 00:22:54: because on the new supply side we're still tracking as

00:22:54 --> 00:22:58: a shortfall of about 100 to 150,000 per year and

00:22:59 --> 00:23:04: we've just had the lowest number of approvals and completions

00:23:04 --> 00:23:06: in 25 years.

00:23:06 --> 00:23:09: And that's a result of a a number of different

00:23:10 --> 00:23:13: issues. Those issues are largely a result of the fact

00:23:13 --> 00:23:17: that most of the developers in Australia are working on

00:23:17 --> 00:23:21: about 15% margins. And so we've had some tinkering with

00:23:21 --> 00:23:25: the with the tax settings. But also it's it's driven

00:23:25 --> 00:23:29: by the cost constraints. We've got labour increases and we've

00:23:29 --> 00:23:33: got material supply increases in in all those essential materials

00:23:33 --> 00:23:36: which will increase between 20 to 40%.

00:23:37 --> 00:23:41: So in the last 12 months we've also had the

00:23:41 --> 00:23:47: largest number of developers that have folded because they all

00:23:47 --> 00:23:54: negotiated fixed term housing developments during the pandemic and.

00:23:54 --> 00:23:58: Cost escalations of of of increases of 20 to 40%

00:23:58 --> 00:24:01: means most of their margins have been eroded. So we've

00:24:01 --> 00:24:05: got a very unusual situation happening in Australia at the

00:24:05 --> 00:24:09: moment which all seems to contradict to each other. So

00:24:09 --> 00:24:12: there's a, there's a lot of pain being felt, but

00:24:12 --> 00:24:15: quite quite a number of people in that housing market.

00:24:15 --> 00:24:19: And it's interesting, Ryan that you were mentioning I think

00:24:19 --> 00:24:22: that you were talking about Singapore being.

00:24:24 --> 00:24:27: Whilst one of the most expensive is still one of

00:24:27 --> 00:24:31: the highest in terms of housing attainability with ownership, Australia

00:24:31 --> 00:24:34: almost has the the largest number of sizes in terms

00:24:35 --> 00:24:38: of houses and and looks like it's quite attractive. But

00:24:38 --> 00:24:41: at the same time we've got one of the lowest

00:24:41 --> 00:24:45: affordability. So there there's some really interesting dynamics there in

00:24:45 --> 00:24:46: the market.

00:24:47 --> 00:24:51: All right. Thank you. Connie is really interesting. You know

00:24:51 --> 00:24:54: a lot of you know contraction setting the reversal of

00:24:54 --> 00:24:57: the people moving to moving back from countryside and also

00:24:57 --> 00:25:00: back to the capo cities and also A2 speak economy

00:25:00 --> 00:25:03: in terms of in the housing attainability. I think we

00:25:03 --> 00:25:06: can come back to that later. But now let's move

00:25:06 --> 00:25:09: move to Kelvin. This your, you know, your time for

00:25:09 --> 00:25:12: your you know, 3 minutes situation brief for your Hong

00:25:12 --> 00:25:15: Kong and Meso Mainland China. Kevin, please.

00:25:16 --> 00:25:19: Thank you, Ryan. So actually Ryan is the expert in

00:25:19 --> 00:25:21: Hong Kong, so I also learned from him a lot

00:25:21 --> 00:25:24: And also Ken has a great report I have to

00:25:24 --> 00:25:27: recommend to my students to read the report very carefully.

00:25:28 --> 00:25:30: So what I am going to do is a very

00:25:30 --> 00:25:33: brief supplement to what Ken has just mentioned. Actually I

00:25:33 --> 00:25:37: was comparing the two reports, the 202 free report with

00:25:37 --> 00:25:37: the 202.

00:25:38 --> 00:25:41: And actually I see that you know the the, the

00:25:41 --> 00:25:45: affordability in Hong Kong has improved. So that would mean

00:25:45 --> 00:25:48: that the price to income ratio and the rents to

00:25:48 --> 00:25:52: income ratio has actually dropped. You know, so that means

00:25:52 --> 00:25:55: you know we are now relatively more affordable than last

00:25:55 --> 00:25:59: year. And I guess you know the main reason you

00:25:59 --> 00:26:02: know maybe as you know covered by 10 before is

00:26:02 --> 00:26:05: that first of all the house price and rent has

00:26:05 --> 00:26:07: dropped by around 10% from the peak.

00:26:08 --> 00:26:11: And at the same time our household income has increased

00:26:11 --> 00:26:14: a bit by like 3% in line with inflation. So

00:26:14 --> 00:26:18: that would you know, contribute to you know, improving

00:26:18 --> 00:26:21: housing

00:26:18 --> 00:26:21: affordability in Hong Kong and in terms of OK, why

00:26:21 --> 00:26:24: we have a falling housing price and rents and then

00:26:24 --> 00:26:28: I think we can actually look at housing demand. Supply

00:26:28 --> 00:26:31: didn't quite change much, you know over one year, so

00:26:31 --> 00:26:32: that may not.

00:26:33 --> 00:26:36: Matter a lot. But in terms of demand, we can

00:26:36 --> 00:26:40: look at first of all the demographic in Hong Kong.

00:26:40 --> 00:26:43: We actually see that you know at the population has

00:26:43 --> 00:26:47: dropped by 2.5% since 2019, partly due to migration of

00:26:47 --> 00:26:51: some Hong Kong people to other countries. And then the

00:26:51 --> 00:26:55: second demand driver which I think is quite important is

00:26:55 --> 00:26:56: the mortgage rate.

00:26:57 --> 00:27:00: So Hong Kong is following a pack exchange rate system

00:27:00 --> 00:27:02: with the US So that means, you know, as the

00:27:02 --> 00:27:05: US interest rate increases, you know, Hong Kong somehow

00:27:05 --> 00:27:08: has

00:27:05 --> 00:27:08: to follow. And so that would actually mean, you know,

00:27:08 --> 00:27:11: a higher borrowing cost, you know, for many homeowners

00:27:11 --> 00:27:14: and

00:27:11 --> 00:27:14: that would also contribute to a falling housing price. So

00:27:14 --> 00:27:17: yeah, I think that would be a very brief, you

00:27:17 --> 00:27:19: know, kind of a supplement to what Ken has mentioned

00:27:19 --> 00:27:21: in his report. Thank you.

00:27:22 --> 00:27:25: Thank you, Kelvin. Key, key insight. You know falling price

00:27:25 --> 00:27:27: in Hong Kong is not driven by supplies, driven by

00:27:27 --> 00:27:30: demand, right. And there's two factors. One is I think

00:27:30 --> 00:27:32: one is actually quite unity Hong Kong, which is the

00:27:32 --> 00:27:35: demographic a lot of a lot of Hong Kong people

00:27:35 --> 00:27:37: have left in the past two years. Another one mortgage

00:27:37 --> 00:27:41: rate increase actually I think it's more a general phenomenon

00:27:41 --> 00:27:43: which affect, you know the most of the region. OK.

00:27:43 --> 00:27:45: Thank you, Kelvin. All right. So now I will, I

00:27:45 --> 00:27:48: will, I will turn to a present to talk about

00:27:48 --> 00:27:50: in situation in Mumbai and also in India.

00:27:50 --> 00:27:53: As a whole. Thank you Prasan. It's all yours.

00:27:53 --> 00:27:58: Thank you Ran. So India currently I think is is

00:27:58 --> 00:27:58: in a.

00:27:59 --> 00:28:01: Person, I think you have to increase your volume a

00:28:01 --> 00:28:01: little bit.

00:28:03 --> 00:28:04: Is it better now?

00:28:06 --> 00:28:06: That is bad, yeah.

00:28:07 --> 00:28:10: Yeah. So you know what I was saying that India

00:28:10 --> 00:28:15: both from economy as well as overall housing industry

00:28:15 --> 00:28:17: seems

00:28:18 --> 00:28:22: to be in in fairly sweet spot right now.

00:28:22 --> 00:28:26: While we are seeing that the developed countries and the

00:28:26 --> 00:28:30: western worlds are facing issue of slow down, the economy

00:28:30 --> 00:28:33: over here has fairly kind of out stabilized and then

00:28:33 --> 00:28:37: we have seen a strong growth in both services and

00:28:37 --> 00:28:41: manufacturing sector. One you know point that I see as

00:28:41 --> 00:28:42: a concern is that private sector investment is still not

00:28:42 --> 00:28:47: picking up.

00:28:47 --> 00:28:51: But however that is being covered by huge government

00:28:51 --> 00:28:56: expenditure

00:28:56 --> 00:29:00: in terms of interest structure spent that has a trickle

00:29:00 --> 00:29:03: down effect on the overall real estate industry as well.

00:29:04 --> 00:29:08: Now coming to the residential and then an overall real

00:29:08 --> 00:29:11: estate part I think in last couple of years.

00:29:11 --> 00:29:14: The Indian real estate has gone through a major

00:29:14 --> 00:29:18: transformation

00:29:18 --> 00:29:21: in terms of introduction of era which was you know

00:29:21 --> 00:29:24: missing. It's kind of a regulatory body which is real

00:29:24 --> 00:29:27: estate regulatory authority which now holds the developers

00:29:27 --> 00:29:30: accountable for

00:29:18 --> 00:29:21: quality issues, time to delivery and then you know whatever

00:29:21 --> 00:29:25: they have fulfilled promised needs to be delivered. So it's

00:29:25 --> 00:29:28: kind of has brought some kind of accountability and transparency

00:29:28 --> 00:29:29: in the industry.

00:29:30 --> 00:29:34: Which has attracted good amount of foreign capital in the

00:29:34 --> 00:29:37: country as well. And as you all know that India

00:29:37 --> 00:29:40: is still, you know in terms of housing is that

00:29:40 --> 00:29:43: there's a huge potential. So you know if I have

00:29:43 --> 00:29:47: to talk about the housing deficiency in the country, it's

00:29:47 --> 00:29:50: close to 20 million in just top 7 tier one

00:29:50 --> 00:29:53: cities. And the second point that I would like to

00:29:53 --> 00:29:56: highlight is that for a country of with a population

00:29:56 --> 00:29:57: of 135 billions.

00:29:58 --> 00:30:02: Million only six to seven cities are acting as employment

00:30:02 --> 00:30:06: center, growth center and that's the reason where we are

00:30:06 --> 00:30:10: seeing a lot of infrastructure issues be you know in

00:30:10 --> 00:30:14: the civic domain as well as you know the living

00:30:14 --> 00:30:19: condition in these seven cities have deteriorated and that's the

00:30:19 --> 00:30:23: reason we see spillage of slums. However, things are set

00:30:23 --> 00:30:26: to improve because now government has.

00:30:27 --> 00:30:30: Decided to build couple of other cities as growth centers

00:30:30 --> 00:30:33: because of which the growth would be decentralized and I

00:30:33 --> 00:30:36: hope that would lead to a better living condition. The

00:30:36 --> 00:30:39: the home prices would improve because now we'll instead of

00:30:39 --> 00:30:42: only seven or eight cities driving the growth will have

00:30:42 --> 00:30:46: at least 2025 cities, which I think justifies the population

00:30:46 --> 00:30:46: that we have.

00:30:48 --> 00:30:51: Another you know good point that we have noticed is

00:30:52 --> 00:30:55: that retail as as I would say the ball leasing

00:30:55 --> 00:30:58: part has really picked up because India is a consumption

00:30:58 --> 00:31:02: driven economy and as as Ken mentioned in his report

00:31:02 --> 00:31:05: that we are fairly one of the youngest population. So

00:31:05 --> 00:31:09: that's where consumption is a strictly down in every aspect

00:31:09 --> 00:31:12: of the economy and we have seen a good amount

00:31:12 --> 00:31:15: of leasing activity in the retail mall space.

00:31:17 --> 00:31:20: I think office as a sector is is facing some

00:31:20 --> 00:31:24: kind of issue and it's a global phenomenon because of

00:31:24 --> 00:31:27: the talks are slow down. And in India 45% of

00:31:27 --> 00:31:30: the occupiers are you know Mnc's company who have the

00:31:30 --> 00:31:34: headquarters in the US that and then since they have

00:31:34 --> 00:31:38: decided to hold on their expansion plans, we are seeing
00:31:38 --> 00:31:41: some kind of pressure on office leasing and because of
00:31:41 --> 00:31:45: which the vacancy rates are expected to inch up slowly.
00:31:46 --> 00:31:49: But, but in a nutshell, if I have to summarize,
00:31:49 --> 00:31:52: I think we have seen a fair amount of stabilization
00:31:52 --> 00:31:55: in the inflation side because of which the Reserve Bank
00:31:56 --> 00:31:58: of India has decided to take a pause on interest
00:31:58 --> 00:32:01: rate hike which has kind of resulted in a positive
00:32:02 --> 00:32:05: momentum in the residential sector because of which we
have
00:32:05 --> 00:32:08: seen a very strong enquiries coming in, good amount of
00:32:08 --> 00:32:12: sales happening and because of which the developers cash
flow
00:32:12 --> 00:32:16: has improved and thus the balance sheet has also improved.
00:32:16 --> 00:32:20: Another important aspect that we are witnessing in in the
00:32:20 --> 00:32:24: residential domain is that earlier it was unorganized. So let's
00:32:24 --> 00:32:27: say 60 to 65% of the developers belong to unorganized
00:32:27 --> 00:32:31: category and then you know there was hardly any recognized
00:32:31 --> 00:32:35: or developer Pan Pan India presence listed and Grady whom
00:32:35 --> 00:32:38: we can call today we are seeing a fair amount
00:32:38 --> 00:32:42: of consolidation that has happened and now grade A
developers
00:32:42 --> 00:32:43: are leading.
00:32:43 --> 00:32:47: The recovery, which I think is good for overall sector.
00:32:47 --> 00:32:50: So with this, you know, I would like to hand
00:32:50 --> 00:32:53: it over back to RAN. Thank you all.
00:32:53 --> 00:32:57: Right. Thank you Prasan. Simsa, you know the government
expenditure
00:32:57 --> 00:33:01: is actually driving the real estate market in India and
00:33:01 --> 00:33:05: also increased accountability has attract foreign investment.
And also the
00:33:05 --> 00:33:08: the Third Point that I take away is actually there
00:33:08 --> 00:33:10: are a lot of potential in India given its.
00:33:11 --> 00:33:14: Sheer size of population and and as compared to the
00:33:14 --> 00:33:17: relatively small number of you know, you know, you know
00:33:17 --> 00:33:21: employment center right now, but there are also some
challenges
00:33:21 --> 00:33:24: to be overcome, for instance, Islams etcetera. So I think
00:33:24 --> 00:33:27: we'll come back to that later. All right. So now
00:33:27 --> 00:33:30: let's invite Marty for your, you know, 3 minutes presentations
00:33:30 --> 00:33:33: on on this situation in Philippines. Marty, please.
00:33:34 --> 00:33:37: Yes, thank you, Ryan. Big thanks to Ken for helping
00:33:37 --> 00:33:40: us see you know through this study the other parts

00:33:40 --> 00:33:42: of the elephant which here would not just be a
00:33:42 --> 00:33:46: broader comparative view of the housing markets in the Asia
00:33:46 --> 00:33:50: Pacific region, but also providing us with interesting context
and
00:33:50 --> 00:33:52: factors influencing attainability.
00:33:52 --> 00:33:57: Economists would usually say that affordability is mainly
determined by
00:33:57 --> 00:34:00: supply and demand of houses. I like how Ken presents
00:34:01 --> 00:34:05: his insights on housing attainability challenges in our
countries, measured
00:34:06 --> 00:34:09: by the purchase or rental price, a family's monthly income,
00:34:09 --> 00:34:13: and the median age of people in that country. Very
00:34:13 --> 00:34:15: interesting, as presented by Ken, sadly.
00:34:16 --> 00:34:19: Yeah, the Philippines has a much lower GDP per capita
00:34:19 --> 00:34:23: compared to our other Asian neighbors. We also have lower
00:34:23 --> 00:34:26: organization and I don't know if I should be happy
00:34:26 --> 00:34:29: or not, the youngest median age of 24 years old,
00:34:29 --> 00:34:33: right, in the whole region. Or maybe I said maybe
00:34:33 --> 00:34:36: we just all look young, skinny. So I don't know
00:34:36 --> 00:34:39: how to look at that, right? But the study also
00:34:39 --> 00:34:39: showed.
00:34:40 --> 00:34:44: How the average house or condominium purchase and rental
rates
00:34:44 --> 00:34:48: are extremely high. That's how it's said, no versus the
00:34:48 --> 00:34:52: monthly household income here. No, sadly, it's the highest in
00:34:52 --> 00:34:55: Asia and I don't think it's simply because of a
00:34:55 --> 00:34:59: limited housing stock or demand versus demand, no. So from
00:34:59 --> 00:35:03: the seven critical factors mentioned by Ken in the report,
00:35:03 --> 00:35:06: I would put as our top three reasons #1.
00:35:07 --> 00:35:11: The lack of government involvement in housing provision, the
Department
00:35:12 --> 00:35:16: of Housing Settlements and Urban Development or these
should declare
00:35:16 --> 00:35:20: this year know that our housing backlog is at 6.5
00:35:20 --> 00:35:24: million units, half of whom are needed by the informal
00:35:24 --> 00:35:28: settler families. So it's really the poorest that needed. And
00:35:28 --> 00:35:31: to respond to that cap, the government has set a
00:35:31 --> 00:35:35: target of building 1,000,000 units per year very.
00:35:36 --> 00:35:39: You know, I don't know if they're dreaming because if
00:35:39 --> 00:35:43: you look at the performance of the private sector the
00:35:43 --> 00:35:47: past five years, it's only been able to build 300,000
00:35:47 --> 00:35:52: houses every year. No. And it's depending. The government
is
00:35:52 --> 00:35:56: depending on the private sector. But what's worse is this

00:35:56 --> 00:35:58: government plans to.

00:35:58 --> 00:36:03: Our prior is prioritizing vertical building versus the horizontal. In

00:36:03 --> 00:36:08: a country where we have many mountain and coastal communities,

00:36:08 --> 00:36:12: the government has this very nice balanced Housing Act requiring

00:36:12 --> 00:36:17: private developers to spend around 5 to 15% for socialized

00:36:17 --> 00:36:20: housing. And yet the government has set too low a

00:36:20 --> 00:36:24: price ceiling of around 10,000 U.S. dollars.

00:36:24 --> 00:36:27: For a 25 square meter floor area, so many of

00:36:27 --> 00:36:31: the private developer, all the private developers are, you know,

00:36:31 --> 00:36:35: cannot actually go into that socialized housing with that low

00:36:35 --> 00:36:39: ceiling and the parameters that this government is putting. This

00:36:39 --> 00:36:43: is so really not economically feasible, especially in urban areas

00:36:44 --> 00:36:47: where land and other costs are significantly higher.

00:36:48 --> 00:36:51: The housing sector also has raised a lot of issues

00:36:51 --> 00:36:56: about the tedious permitting and licensing processes, the poor housing

00:36:56 --> 00:37:01: governance between the different housing related offices and a lack

00:37:01 --> 00:37:05: of or in effect the ineffective urban and planning management.

00:37:05 --> 00:37:09: The second reason is you know can for me correctly

00:37:09 --> 00:37:13: know that how it is because of our inefficient urban

00:37:13 --> 00:37:16: transportation infrastructure or traffic.

00:37:16 --> 00:37:19: Right. And that's been there for the past 20 years.

00:37:19 --> 00:37:23: We have so many Filipino workers whose residences are just

00:37:23 --> 00:37:26: around 20 to 30 kilometers away, but they're all forced

00:37:27 --> 00:37:30: to rent closer to work, as it would usually take

00:37:30 --> 00:37:33: them more than three hours each way from their home.

00:37:33 --> 00:37:36: No? So it shows that half of the renters in

00:37:36 --> 00:37:39: Metro Manila are, sadly, from those nearby areas.

00:37:39 --> 00:37:42: And so by renting, they cut their travel to to

00:37:42 --> 00:37:46: are still long, still bad though, but you know it's

00:37:46 --> 00:37:49: shorter And because the rental fees are so high, it's

00:37:49 --> 00:37:53: common for these millennials or your or workers to to

00:37:53 --> 00:37:56: share their rental with about four or eight other workers.

00:37:56 --> 00:38:00: They stay together like in a dorm, like housing near

00:38:00 --> 00:38:03: their workplace and then they go home at the weekend.

00:38:03 --> 00:38:07: So I think this raises the demand and the cost.

00:38:07 --> 00:38:12: Worsening home attainability plus of course even the inadequate government

00:38:12 --> 00:38:17: resettlement sites are contributing to that sad situation. And then

00:38:17 --> 00:38:20: third and last is of course the lack of available

00:38:20 --> 00:38:25: financing for home purchasing. We know that poverty incident is

00:38:25 --> 00:38:29: high in the Philippines. About 26 million people are below

00:38:29 --> 00:38:32: the poverty line and yet with the lack of financing

00:38:32 --> 00:38:35: this were since the situation A plus.

00:38:35 --> 00:38:38: The fact, and I will add that is that the

00:38:38 --> 00:38:42: Philippines is also the top disaster risk country in the

00:38:42 --> 00:38:46: whole world. Like we get hit by everything, earthquakes, typhoons

00:38:46 --> 00:38:49: and we say, I don't know why we're still living

00:38:49 --> 00:38:51: here, but we are. And so because of all that

00:38:51 --> 00:38:55: damage that continues to destroy the houses, the lack of

00:38:55 --> 00:38:59: financing for house repairs, incremental repairs and resilient bills are

00:39:00 --> 00:39:02: lacking. So we think that's, yeah, that's.

00:39:03 --> 00:39:05: What is correctly presented in the report?

00:39:07 --> 00:39:10: All right. Thank you, Marty. So you know, Philippines have

00:39:10 --> 00:39:14: the youngest population within the region. And also you also

00:39:14 --> 00:39:18: mentioned that the relatively low attainability in Philippines attributable by

00:39:19 --> 00:39:22: three sector 3 reasons. One is lack of government involvement,

00:39:22 --> 00:39:26: second is insufficient urban transportation and the third one is

00:39:26 --> 00:39:29: the lack of available financing. So I think I will

00:39:29 --> 00:39:32: direct my first question to you is actually.

00:39:32 --> 00:39:36: On the whole model of you know, Philippine, Philippines using

00:39:37 --> 00:39:41: in providing social housing as you mentioned it, the government

00:39:41 --> 00:39:44: is solely or or majorly or actually solely relying on

00:39:44 --> 00:39:48: the private sector in terms of providing you know social.

00:39:48 --> 00:39:52: So, so, so any challenges facing that model and and

00:39:52 --> 00:39:56: you know any key takeaways from policymakers in other parts

00:39:56 --> 00:39:59: of the regions, should we use that model or or

00:39:59 --> 00:40:01: or you warn them out?

00:40:01 --> 00:40:04: Of using that model of relying the solely the private

00:40:04 --> 00:40:04: sector.

00:40:07 --> 00:40:10: In theory or in principle, it's very good. Now there's
00:40:10 --> 00:40:14: that law that says all private developers have to give
00:40:14 --> 00:40:18: around 10% of whatever they're spending on condominium
or a
00:40:18 --> 00:40:22: high end subdivision for socialized housing. But they, you
know,
00:40:22 --> 00:40:26: they haven't been able to implement this effectively, as I
00:40:26 --> 00:40:27: said, because of.
00:40:28 --> 00:40:32: #1 the permitting itself. So private developers are having a
00:40:32 --> 00:40:35: hard time getting their permits or you know, condition to
00:40:35 --> 00:40:39: certificate to sell because it takes around 2:00 to three
00:40:39 --> 00:40:44: years to process the socialized housing project permits or
accreditation.
00:40:44 --> 00:40:47: So not only is it the permitting, but it's also
00:40:47 --> 00:40:50: the ceiling. So if you ask a private developer, they
00:40:50 --> 00:40:53: would say for that size they will do for them
00:40:53 --> 00:40:57: to make even just a small profit. It's 1.2 million
00:40:57 --> 00:40:57: pesos.
00:40:57 --> 00:41:02: For the 25 square meter, but the ceiling the government
00:41:02 --> 00:41:06: is giving is is 540,000. So about half of that.
00:41:06 --> 00:41:11: And then of course now the government is prioritizing that
00:41:11 --> 00:41:16: fund for vertical when in fact the acceptability of vertical
00:41:16 --> 00:41:21: is very low here. People prefer the horizontal homes, yeah.
00:41:21 --> 00:41:25: I see. So theoretically good, but executionally not that good.
00:41:25 --> 00:41:27: All right. So I, I, I, I will, I will
00:41:27 --> 00:41:31: come to Prasad. You mentioned slums, they're actually one
of
00:41:31 --> 00:41:34: the challenges that you know India has to face in
00:41:34 --> 00:41:37: terms of you know is improving its housing market. So
00:41:37 --> 00:41:40: can you share to us, you know what what what
00:41:40 --> 00:41:43: are the ways the the Indian government is is using
00:41:43 --> 00:41:46: in terms of you know improving the slums and also
00:41:46 --> 00:41:49: any challenges that you know is is facing the government
00:41:50 --> 00:41:51: in terms of doing so.
00:41:53 --> 00:41:57: You know, so government is trying to, you know, address
00:41:57 --> 00:42:03: the issue of home ownership through private public
partnership because
00:42:03 --> 00:42:07: what government has realized that achieving this target of
housing
00:42:08 --> 00:42:11: for all is is such, a, you know, humongous task
00:42:11 --> 00:42:14: that it cannot be done by government alone.
00:42:15 --> 00:42:19: So though the government, the central government has its
ambitious
00:42:20 --> 00:42:24: scheme called Pradhan Mantri Awasi which you know in

English

00:42:24 --> 00:42:27: would be Prime Minister housing scheme which has the aim
00:42:27 --> 00:42:31: of providing housing to all and through that it has
00:42:31 --> 00:42:34: launched a lot of schemes and and then it's trying
00:42:34 --> 00:42:38: to encourage private developers by giving them some kind of
00:42:38 --> 00:42:42: incentives to take up affordable housing projects in the.
00:42:43 --> 00:42:48: Mumbai Metropolitan region and then similar cities where
housing for
00:42:48 --> 00:42:52: for urban, you know population has become a challenge. And
00:42:52 --> 00:42:56: I just to give you a brief stats, you know
00:42:56 --> 00:43:00: at national level through this Prime Minister housing scheme,
12
00:43:00 --> 00:43:05: million houses have been sanctioned out of which 8 millions
00:43:05 --> 00:43:06: are completed.
00:43:07 --> 00:43:10: And and to specifically address the problem of slum in
00:43:10 --> 00:43:15: in Mumbai, Maharashtra government has also planned to
develop, you
00:43:15 --> 00:43:20: know 800,000 million units of houses for economically
weaker section.
00:43:20 --> 00:43:25: And similarly government is providing some financial
incentives to the
00:43:25 --> 00:43:30: developers and also encouraging the developers by giving
them some
00:43:30 --> 00:43:33: incentive in the terms of extra FSI if they take
00:43:33 --> 00:43:36: housing dedicated for urban slums.
00:43:37 --> 00:43:40: And on the second hand, as I mentioned earlier that
00:43:40 --> 00:43:44: only six or seven cities cannot sustain the population and
00:43:44 --> 00:43:47: you know the migration that happens to these cities, so
00:43:47 --> 00:43:51: government to build other cities which are capable of
generating
00:43:51 --> 00:43:55: employment so that the entire population gets distributed
evenly, has
00:43:56 --> 00:43:59: taken up an ambitious program called Smart Cities where
they
00:43:59 --> 00:44:02: have identified 100 cities across the country.
00:44:03 --> 00:44:06: And they're trying to rejuvenate it both in terms of
00:44:06 --> 00:44:11: infrastructure, technology, creating job employment
opportunities, providing some kind of
00:44:11 --> 00:44:15: incentives to companies to relocate their offices to these
cities.
00:44:15 --> 00:44:17: So in a nutshell, as I you know keep on
00:44:17 --> 00:44:20: saying that India is still under, I would say work
00:44:20 --> 00:44:23: in progress where you know 80% of the country is
00:44:23 --> 00:44:27: still under construction beat in terms of infrastructure or

housing.

00:44:27 --> 00:44:30: But one good thing we have seen is that due

00:44:30 --> 00:44:31: to governments incentive.

00:44:32 --> 00:44:37: And an encouragement, there's a lot of participation that is

00:44:37 --> 00:44:41: happening in the by the private players which has expedited

00:44:42 --> 00:44:45: the progress. So in my opinion there has to be

00:44:45 --> 00:44:50: a good mix of both government and private players and

00:44:50 --> 00:44:51: another thing that.

00:44:51 --> 00:44:54: Is is you know a challenge in India is that

00:44:54 --> 00:44:57: real estate is subject of state. So the center might

00:44:57 --> 00:45:00: have a different rule when it comes to approval. The

00:45:00 --> 00:45:03: states might have a different rule. So there needs to

00:45:03 --> 00:45:07: be a better coordination amongst the planning agencies both

00:45:07 --> 00:45:09: sitting

00:45:09 --> 00:45:13: at central level as well as state level so that

00:45:13 --> 00:45:16: the approval process, the planning process is seamless and

00:45:16 --> 00:45:19: that

00:45:19 --> 00:45:23: brings down the overall construction time that is required for

00:45:23 --> 00:45:27: a project from announcement to completion.

00:45:27 --> 00:45:30: The government is working in that direction also very closely

00:45:30 --> 00:45:34: with the states, but that is still, you know, I

00:45:34 --> 00:45:38: would say there's some certain open points which is still

00:45:38 --> 00:45:41: kind of under consideration. But yes, the talks are in

00:45:41 --> 00:45:45: the positive direction because if India has to achieve the

00:45:45 --> 00:45:48: target of achieving 5 to becoming 5 to economy by

00:45:48 --> 00:45:52: 2025, housing is going to play a very important role.

00:45:52 --> 00:45:56: Currently the real estate sector contributes 7% of the GDP.

00:45:56 --> 00:45:59: And it is expected that in another five years this

00:45:59 --> 00:46:03: contribution will go to, you know, 30 to 14%. So

00:46:03 --> 00:46:07: clearly the task is clearly set out and most of

00:46:07 --> 00:46:10: the government agencies are focusing on on housing as as

00:46:10 --> 00:46:14: you know, a major driver for economy and job creation.

00:46:14 --> 00:46:18: And by the way, real estate is the second largest

00:46:18 --> 00:46:22: employment generator in the economy for this country. So in

00:46:22 --> 00:46:24: my opinion, things are moving in the right direction.

00:46:24 --> 00:46:27: Consuming the scale of the and the population of the

00:46:27 --> 00:46:32: country, it might look bit slow but yes we are

00:46:32 --> 00:46:35: taking some positive steps in right direction.

00:46:35 --> 00:46:37: All right. Thank you. Things moving in a good directions

00:46:37 --> 00:46:40: in right direction in India, that's that's good. I'll turn

00:46:40 --> 00:46:43: to Calvin. I think in Hong Kong we, we don't

00:46:43 --> 00:46:46: really have storm. So we still have a lot of

00:46:46 --> 00:46:49: people living in subdivided units, Tong, Fong, right. So what

00:46:43 --> 00:46:46: are the measures that the government has taken in solving this?

00:46:46 --> 00:46:46: Subdivided units issues and how are the impacts so far?

00:46:47 --> 00:46:50: Are they effective or not having this?

00:46:50 --> 00:46:53: Yes. So, so first of all, maybe to the benefits

00:46:53 --> 00:46:57: of our audience, the subdivided units in Hong Kong means

00:46:57 --> 00:47:00: they're very small units. So Hong Kong typical unit has

00:47:00 --> 00:47:04: already very small, but a subdivided unit would typically be

00:47:04 --> 00:47:08: you know around 10 square meter and they have.

00:47:08 --> 00:47:11: They have you know water supply. They have electricity. But

00:47:12 --> 00:47:15: there have been a lot of news you know about

00:47:15 --> 00:47:18: you know, whether the landlord would overcharge the utilities

00:47:18 --> 00:47:21: you

00:47:21 --> 00:47:24: know to the 10:00 so that that would be the

00:47:24 --> 00:47:27: kind of problems you know for subdivided units housing and

00:47:27 --> 00:47:30: and so the government has been trying as Ryan US

00:47:30 --> 00:47:33: has been trying to tackle the problem because the ranks

00:47:33 --> 00:47:36: of this divided units have been relatively high including the

00:47:36 --> 00:47:40: utility charges and and then the living environment is relatively,

00:47:40 --> 00:47:41: you know, not that good.

00:47:42 --> 00:47:45: So in terms of government measures, so one thing the

00:47:45 --> 00:47:48: government has tried to do is to implement some rent

00:47:48 --> 00:47:51: controlled regulation. But as far as I can see, I

00:47:51 --> 00:47:54: think the effect has yet to be seen. So because

00:47:54 --> 00:47:56: you know there could be a lot of informality, you

00:47:56 --> 00:47:59: know, like you know slums in other places, you know

00:47:59 --> 00:48:02: it is very difficult for the government to step in

00:48:02 --> 00:48:05: and control because even the tenants may not want to

00:48:05 --> 00:48:09: report the landlord, right, because if they report the landlord

00:48:09 --> 00:48:11: then they may lose the the place they are living.

00:48:12 --> 00:48:14: So there's a lot of issues and regulation may not

00:48:14 --> 00:48:17: be the best in the solution to these kind of

00:48:17 --> 00:48:20: problems. And then now the government is trying to do

00:48:20 --> 00:48:23: another thing, is to implement a lot of temporary housing

00:48:23 --> 00:48:26: and the one under spotlight is called like public housing.

00:48:26 --> 00:48:29: That means, you know, the the government will just, you

00:48:29 --> 00:48:32: know, find some weaker land typically in the urban areas

00:48:32 --> 00:48:35: and they will, you know, put some like, you know,

00:48:35 --> 00:48:38: container boxes, you know, which we call it, you know,

00:48:38 --> 00:48:40: MIC, you know, modular construction units.

00:48:41 --> 00:48:44: And and then, you know, this kind of a temporary

00:48:44 --> 00:48:47: housing unit could be rented out to low income people
00:48:47 --> 00:48:49: for a few years. So now this is, you know,
00:48:49 --> 00:48:52: under the spotlight and partly because you know, the location
00:48:53 --> 00:48:53: choice.
00:48:53 --> 00:48:56: Yes. People are not happy that you know that the
00:48:56 --> 00:48:58: temporary housing would be next to them and so that
00:48:58 --> 00:49:01: create you know a lot of disputes, you know, you
00:49:01 --> 00:49:03: know controversy in Hong Kong as well. So these are
00:49:03 --> 00:49:06: the the two I think that the main government message.
00:49:06 --> 00:49:08: So one is the rent control and then the other
00:49:08 --> 00:49:11: one would be you know more temporary housing supply in
00:49:11 --> 00:49:12: the short run.
00:49:12 --> 00:49:16: Alright, thank you. Thanks Cameron. Seems the the
00:49:16 --> 00:49:18: of solving this is actually by you know.
00:49:19 --> 00:49:23: Providing more supply, right, It's actually how we can solve
00:49:23 --> 00:49:26: this fundamentally Okay. So I'll turn to Connie, you you
00:49:26 --> 00:49:30: have mentioned in your speech that there is a trend
00:49:30 --> 00:49:33: of you know people moving back to the capital cities
00:49:33 --> 00:49:36: as reversal to the to the trend in in the
00:49:36 --> 00:49:39: COVID. So, So what are the impact of this on
00:49:39 --> 00:49:42: the housing market on in both the capital cities and
00:49:42 --> 00:49:45: also the urban size and and and what are the
00:49:45 --> 00:49:46: impacts on that? Thank you.
00:49:50 --> 00:49:51: Connie, you have to You have to unbuild yourself.
00:49:52 --> 00:49:55: In addition to the to the tree changes returning to
00:49:55 --> 00:49:59: the cities for housing, you've also got of course the
00:49:59 --> 00:50:02: borders open. So what that's meant is that there's just
00:50:02 --> 00:50:05: been such a pent up demand for the rental market.
00:50:06 --> 00:50:10: And for Green Hill, Greenfield builds, so the government's
00:50:10 --> 00:50:15: looking at improving brownfield and infield developments and
00:50:15 --> 00:50:20: so trying
00:50:15 --> 00:50:20: to expedite some of those infrastructure developments, so
00:50:20 --> 00:50:24: retrofitting for
00:50:20 --> 00:50:24: those, those brownfield and infield areas. And then certainly
00:50:24 --> 00:50:28: in
00:50:24 --> 00:50:28: Sydney reversing some of that trend, which was about really
00:50:29 --> 00:50:34: expanding Sydney's footprint, also looking at more effectively
00:50:34 --> 00:50:34: utilizing the
00:50:34 --> 00:50:34: existing.
00:50:35 --> 00:50:39: Infrastructure and spaces, So that's also about higher density
and

00:50:39 --> 00:50:44: medium density properties versus freestanding dwellings. So that's been one

00:50:44 --> 00:50:47: of the impacts in terms of the long term supply

00:50:47 --> 00:50:51: changes and and expediting a lot of those developments through

00:50:51 --> 00:50:54: the various departments of planning.

00:50:55 --> 00:50:59: But the other impact of course is apart from affordability

00:50:59 --> 00:51:02: is that you've got a situation where in in the

00:51:02 --> 00:51:05: regions and one of the reasons or triggers for people

00:51:05 --> 00:51:09: returning to the to the urban environments is that in

00:51:09 --> 00:51:12: the regions there's been a a spike in Airbnb's. So

00:51:12 --> 00:51:16: what's happened in some of those regions is that a

00:51:16 --> 00:51:19: lot of the existing stock has been taken up with.

00:51:20 --> 00:51:23: Airbnb. So some of the local governments now are working

00:51:24 --> 00:51:27: with both the state and federal government to look at

00:51:27 --> 00:51:31: putting restrictions and quotas on that. There's actually in Byron

00:51:32 --> 00:51:35: Bay now a restriction on removing the ability to Airbnb

00:51:35 --> 00:51:38: a property from six months down to three.

00:51:39 --> 00:51:42: So there's initiatives like that to try and get housing

00:51:42 --> 00:51:46: stock back into the into the regional market to help

00:51:46 --> 00:51:48: some of the people stay in those regions, in the

00:51:49 --> 00:51:52: city. It's really about supply, supply, supply at a time

00:51:52 --> 00:51:55: when you know the building fraternity can't afford to do

00:51:55 --> 00:51:59: that. So it's about incentivizing bill to rent now which

00:51:59 --> 00:52:02: we've been all wanting to see happen in Australia. So

00:52:02 --> 00:52:05: bill to rent now is being seen as a viable

00:52:05 --> 00:52:08: alternative. So I think in terms of housing stock, it's

00:52:08 --> 00:52:09: really about.

00:52:09 --> 00:52:14: Moving into that medium density, high density space, retrofitting in

00:52:14 --> 00:52:20: some of those regions, certainly looking at master plan communities

00:52:20 --> 00:52:24: in Sydney which is is negligible compared to the other

00:52:24 --> 00:52:29: capitals where they've they've got up to 2025% master plan

00:52:29 --> 00:52:33: communities in in in play and in Perth for example,

00:52:33 --> 00:52:36: it's roughly 4040 between.

00:52:37 --> 00:52:41: Freestanding and highest density and master plan. So it's really

00:52:41 --> 00:52:45: moving into that that new space that we've all been

00:52:45 --> 00:52:49: encouraging everyone to move into against the backdrop of escalating,

00:52:50 --> 00:52:54: you know, borrowing capacities. So that's the main things. And

00:52:54 --> 00:52:58: in terms of homelessness, it's really about a whole lot
00:52:58 --> 00:53:02: of social initiatives and policy initiatives to help people.
There's
00:53:03 --> 00:53:06: been calls for rent caps, but that is unlikely.
00:53:06 --> 00:53:09: To occur but what it has done is made people
00:53:09 --> 00:53:13: think twice they have they have passed legislation in NSW
00:53:13 --> 00:53:17: with the other state governments to follow now which is
00:53:17 --> 00:53:22: about outlawing rent bidding which has certainly escalated
the the
00:53:22 --> 00:53:27: rental affordability paradigm. So a number of initiatives but
really
00:53:27 --> 00:53:31: it's about government stepping into into the frame which has
00:53:31 --> 00:53:35: been absent from that policy making setting for a long
00:53:35 --> 00:53:36: time and.
00:53:36 --> 00:53:40: Really trying to work with the private sector to accelerate
00:53:40 --> 00:53:40: supply.
00:53:41 --> 00:53:45: I think, thanks Connelly is also related to one of
00:53:45 --> 00:53:49: the questions that our audience has asked, which is by
00:53:49 --> 00:53:54: Jonathan from Collies. The questions that he asked is, are
00:53:54 --> 00:53:59: there any new alternative affordable housing models such as
you
00:53:59 --> 00:54:03: know, called living rent to buy, you know, Bill to
00:54:03 --> 00:54:05: rent like Connie just mentioned?
00:54:06 --> 00:54:11: Which is being considered or implemented in your respective
markets?
00:54:11 --> 00:54:14: And if so, what are some of the implications of
00:54:14 --> 00:54:19: these new housing models on housing tenability? Any of the
00:54:19 --> 00:54:23: panelists would want to answer this question. Maybe my
idea,
00:54:23 --> 00:54:26: I saw you type something on the Q&A box. We
00:54:26 --> 00:54:30: want to, you know, elaborate a little bit more on
00:54:30 --> 00:54:30: that.
00:54:31 --> 00:54:35: Yeah, I mean it's an alternative model by.
00:54:35 --> 00:54:39: Co living right in the Philippines where they're just simply
00:54:39 --> 00:54:41: coping when you have 4 to 8 renters in one
00:54:41 --> 00:54:43: unit. But I think this is not going to help
00:54:43 --> 00:54:46: the longterm housing attainability in the Philippines.
00:54:47 --> 00:54:50: I see. Oh, and and Kelvin, you want, you want
00:54:50 --> 00:54:50: to add on that?
00:54:51 --> 00:54:53: So you also type something on the Q&A as well.
00:54:54 --> 00:54:56: Yes, I I I just said you know the sub
00:54:56 --> 00:54:59: divided unit in Hong Kong is mentioned by Ryan is
00:54:59 --> 00:55:01: you know kind of Co living but not in that

00:55:01 --> 00:55:04: good environment and another model rents to buy I think
00:55:04 --> 00:55:06: in Hong Kong the government is also trying to do
00:55:06 --> 00:55:09: that. So in Hong Kong we have a public housing
00:55:09 --> 00:55:12: for rental purpose. So now the government allow the sitting
00:55:12 --> 00:55:15: tenants there to buy the homes you know they are
00:55:15 --> 00:55:17: now living in. So this is you know maybe one
00:55:17 --> 00:55:19: of the rent to buy alternative.
00:55:20 --> 00:55:22: I see Connie, so you just met are you also
00:55:22 --> 00:55:25: mentioned you know Bill to rent in your answers just
00:55:26 --> 00:55:28: now. Do you want to elaborate a little bit more
00:55:28 --> 00:55:32: on that how how the Australian government implement this or
00:55:32 --> 00:55:35: you know any challenges that they face or or what
00:55:35 --> 00:55:36: are the effective so?
00:55:36 --> 00:55:39: Far, yeah. Yeah. So, so there's there's incentives that play
00:55:39 --> 00:55:42: now to try and bring in some of the larger
00:55:42 --> 00:55:45: overseas developers and superannuation funds to build in
this space
00:55:45 --> 00:55:48: as well as some domestic superannuation funds.
00:55:49 --> 00:55:52: The, the challenge has previously been about the the
planning
00:55:53 --> 00:55:56: rules and regulations around bill to rent and then of
00:55:56 --> 00:55:59: course really the cost of being able to build that.
00:55:59 --> 00:56:03: But I think given that that the affordability has deteriorated
00:56:03 --> 00:56:07: so much, people are now accepting that bill to rent
00:56:07 --> 00:56:10: is the way forward for the future. And so I
00:56:10 --> 00:56:13: think that will give a lot more certainty to people
00:56:13 --> 00:56:16: who will be lifetime renters or at least half of
00:56:16 --> 00:56:18: their working life renters.
00:56:18 --> 00:56:22: And that means also you know extending leases beyond the
00:56:22 --> 00:56:26: typical sort of 6 to 12 month lease that that
00:56:26 --> 00:56:29: a typical renter in Australia has to abide by. So
00:56:29 --> 00:56:33: I think it's I've been a very positive advocate and
00:56:33 --> 00:56:36: supporter for bill to rent and I think it will
00:56:36 --> 00:56:40: certainly help with a lot of the the affordability and
00:56:40 --> 00:56:44: attainability issues that we actually have in Australia.
00:56:46 --> 00:56:48: So is there any?
00:56:48 --> 00:56:54: Similar models in Mumbai, also in in India as well.
00:56:54 --> 00:57:00: You have unbuilt, you have to unbuilt yourself. Thank you.
00:57:01 --> 00:57:05: Yeah. So actually the government has, you know, recognized the
fact that just by constructing a new house, not everybody
00:57:05 --> 00:57:09: would be, you know, in a position to buy. So
00:57:09 --> 00:57:12: they have launched A scheme called Affordable Rental
00:57:12 --> 00:57:16:

Housing Complexes
for Urban Migrants.

00:57:16 --> 00:57:18: So it it kind of you know is is a
00:57:18 --> 00:57:21: subsidized rental program which is in in lines of built
00:57:21 --> 00:57:25: to rent kind of model which focuses on the migratory
00:57:25 --> 00:57:28: population which belongs to economically weaker classes.
00:57:28 --> 00:57:33: So in my
00:57:33 --> 00:57:37: opinion this this is is something which should bridge the
00:57:37 --> 00:57:42: gap because home ownership is still a challenge because of
00:57:42 --> 00:57:43: high prices so.
00:57:43 --> 00:57:46: This I think is an equivalent model of you know,
00:57:46 --> 00:57:49: built to rent kind of thing which is slowly taking
00:57:49 --> 00:57:52: shape in India. We still have various loopholes when it
00:57:52 --> 00:57:56: comes to rental loss which the government is working
towards
00:57:56 --> 00:57:56: it.
00:57:57 --> 00:58:00: I see. Thank you. We still have two moments, maybe
00:58:00 --> 00:58:02: 10. Do you want to share a little bit on
00:58:02 --> 00:58:05: what's happening in the Mainland China as well?
00:58:06 --> 00:58:07: Yeah, on this.
00:58:09 --> 00:58:13: Built to rent or Co living. The Chinese central government
00:58:13 --> 00:58:17: has been promoting this idea that homes are for living
00:58:17 --> 00:58:21: enough for investing, right? So they've been selling or they've
00:58:21 --> 00:58:26: been encouraging local governments to sell lots specifically
for the
00:58:26 --> 00:58:30: purpose of developing rental housing, right. So we haven't
really
00:58:30 --> 00:58:32: seen the new increase in supply.
00:58:33 --> 00:58:36: From from that kind of effort yet but and also
00:58:36 --> 00:58:39: there's a complaint that a lot of the lots are
00:58:39 --> 00:58:43: not too convenient community located right But we are also
00:58:43 --> 00:58:49: seeing industrial projects properties namely dormitory
buildings for workers as
00:58:49 --> 00:58:54: part of factories, manufacturing facilities being converted to
what they
00:58:54 --> 00:58:57: call youth departments mainly catering to.
00:58:58 --> 00:59:01: Young young people, young migrant workers, right. And it's
not
00:59:02 --> 00:59:05: for a family, because if you have family families, then
00:59:05 --> 00:59:09: it violates the original intention of providing dormitory
housing. So
00:59:10 --> 00:59:12: it's only for singles. But I think it is, At
00:59:12 --> 00:59:15: least in Shanghai, we saw a huge project that is
00:59:15 --> 00:59:18: actually providing a really nice price point.

00:59:19 --> 00:59:22: For young migrant workers, and I think, I think it
00:59:23 --> 00:59:25: was my friend call you or you told me that
00:59:25 --> 00:59:29: in the case of rental housing units in Japan, the
00:59:29 --> 00:59:32: the renters are able to send their kids to schools
00:59:32 --> 00:59:36: nearby. And that is not necessarily the case in tier
00:59:36 --> 00:59:40: one cities in China, which actually drives up the demand
00:59:40 --> 00:59:44: for owning a house again. Whereas in Japan you could
00:59:44 --> 00:59:47: send your kids to schools nearby even if you are
00:59:47 --> 00:59:48: not owning.
00:59:48 --> 00:59:51: A house, right. So even if you're living in an
00:59:51 --> 00:59:55: apartment unit, so, so to the extent that you increase
00:59:55 --> 00:59:58: the benefits, you make it easier for people to access,
00:59:59 --> 01:00:02: you know, public amenities like school and and and and
01:00:02 --> 01:00:06: then also even like Social Security benefits while being a
01:00:06 --> 01:00:10: renter. I I think that'll also help alleviate the housing
01:00:10 --> 01:00:13: shortage and also make it easier for people just have
01:00:13 --> 01:00:16: good life while staying as a renter.
01:00:17 --> 01:00:20: All right. Thank you, Ken. I'm closest about the time.
01:00:20 --> 01:00:23: So once again thank you all for joining us. Hope
01:00:24 --> 01:00:27: you guys all have a, you know, wonderful and you
01:00:27 --> 01:00:30: know useful sections for you guys and also thanks to
01:00:30 --> 01:00:34: all our speakers and panelists. Thanks Ken Corny, Marty,
Calvin
01:00:34 --> 01:00:37: for as well. So I think that's all for today.
01:00:37 --> 01:00:38: Thank you guys.

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