

# 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  
00:05:54 --> 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,

00:09:07 --> 00:09:11: they

00:09:11 --> 00:09:14: have much higher number of people and the lowest number

00:09:15 --> 00:09:18: of people per household is found in Tokyo at below

00:09:18 --> 00:09:23: 2, followed by Osaka and so on. And in Singapore's

00:09:23 --> 00:09:27: population, household size is actually larger than three which

00:09:29 --> 00:09:33: is

00:09:33 --> 00:09:37: also again higher than Hong Kong's which is below 3.

00:09:37 --> 00:09:42: And this is for home ownership by city and country.

00:09:42 --> 00:09:46: Singapore has the highest at 89.3 thanks to HTP units

00:09:46 --> 00:09:49: and government policies that promote home ownership. And

00:09:49 --> 00:09:53: the lowest

00:09:53 --> 00:09:56: is found in Japan and lowest is actually Fukuoka, the

00:09:57 --> 00:09:58: city of Fukoka in Kushu. And it has lower than

00:09:58 --> 00:10:02: 40% home ownership. And it's it's probably because of the

00:10:02 --> 00:10:07: slower demand and also I could be because of the

00:10:07 --> 00:10:12: relatively good.

00:10:12 --> 00:10:16: A public rental housing program in in the in in

00:10:16 --> 00:10:20: Japan and for measuring home attainability. For home

00:10:20 --> 00:10:25: ownership, we

00:10:25 --> 00:10:26: look at median home price to median annual annual

00:10:26 --> 00:10:30: household

00:10:30 --> 00:10:34: income. Ideally you should be below 5X and then for

00:10:34 --> 00:10:38: rent we look at month median monthly rent to median

00:10:38 --> 00:10:42: monthly household income and ideally you should be below

00:10:42 --> 00:10:46: 25

00:10:46 --> 00:10:50: to 30% okay.

00:10:50 --> 00:10:54: And this shows the median home price and median average

00:10:54 --> 00:10:58: home size. As I mentioned before, Singapore private sector

00:10:58 --> 00:11:02: homes,

00:11:02 --> 00:11:06: I think the average about 112 square meters per unit,

00:11:06 --> 00:11:10: whereas Hong Kong is about about 50 square meters per

00:11:10 --> 00:11:14: unit. Whereas the the houses in Sydney, Melbourne and

00:11:14 --> 00:11:18: 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  
social and  
00:19:34 --> 00:19:39: affordable housing, housing. So ironically, even though we've  
got all  
00:19:39 --> 00:19:43: those measures heading in the wrong direction for an  
economy,  
00:19:43 --> 00:19:46: 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

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

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

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  
seems  
00:28:15 --> 00:28:17: to be in in fairly sweet spot right now.  
00:28:18 --> 00:28:22: While we are seeing that the developed countries and the  
00:28:22 --> 00:28:26: western worlds are facing issue of slow down, the economy  
00:28:26 --> 00:28:30: over here has fairly kind of out stabilized and then  
00:28:30 --> 00:28:33: we have seen a strong growth in both services and  
00:28:33 --> 00:28:37: manufacturing sector. One you know point that I see as  
00:28:37 --> 00:28:41: a concern is that private sector investment is still not  
00:28:41 --> 00:28:42: picking up.  
00:28:42 --> 00:28:47: But however that is being covered by huge government  
expenditure  
00:28:47 --> 00:28:51: in terms of interest structure spent that has a trickle  
00:28:51 --> 00:28:56: down effect on the overall real estate industry as well.  
00:28:56 --> 00:29:00: Now coming to the residential and then an overall real  
00:29:00 --> 00:29:03: estate part I think in last couple of years.  
00:29:04 --> 00:29:08: The Indian real estate has gone through a major  
transformation  
00:29:08 --> 00:29:11: in terms of introduction of era which was you know  
00:29:11 --> 00:29:14: missing. It's kind of a regulatory body which is real  
00:29:14 --> 00:29:18: estate regulatory authority which now holds the developers  
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  
sitting  
00:45:07 --> 00:45:09: at central level as well as state level so that  
00:45:09 --> 00:45:13: the approval process, the planning process is seamless and  
that  
00:45:13 --> 00:45:16: brings down the overall construction time that is required for  
00:45:16 --> 00:45:19: a project from announcement to completion.  
00:45:19 --> 00:45:23: The government is working in that direction also very closely  
00:45:23 --> 00:45:27: with the states, but that is still, you know, I  
00:45:27 --> 00:45:30: would say there's some certain open points which is still  
00:45:30 --> 00:45:34: kind of under consideration. But yes, the talks are in  
00:45:34 --> 00:45:38: the positive direction because if India has to achieve the  
00:45:38 --> 00:45:41: target of achieving 5 to becoming 5 to economy by  
00:45:41 --> 00:45:45: 2025, housing is going to play a very important role.  
00:45:45 --> 00:45:48: Currently the real estate sector contributes 7% of the GDP.  
00:45:49 --> 00:45:52: And it is expected that in another five years this  
00:45:53 --> 00:45:56: contribution will go to, you know, 30 to 14%. So  
00:45:56 --> 00:45:59: clearly the task is clearly set out and most of  
00:45:59 --> 00:46:03: the government agencies are focusing on on housing as as  
00:46:03 --> 00:46:07: you know, a major driver for economy and job creation.  
00:46:07 --> 00:46:10: And by the way, real estate is the second largest  
00:46:10 --> 00:46:14: employment generator in the economy for this country. So in  
00:46:14 --> 00:46:18: my opinion, things are moving in the right direction.  
00:46:18 --> 00:46:22: Consuming the scale of the and the population of the  
00:46:22 --> 00:46:24: country, it might look bit slow but yes we are  
00:46:25 --> 00:46:27: taking some positive steps in right direction.  
00:46:29 --> 00:46:32: All right. Thank you. Things moving in a good directions  
00:46:32 --> 00:46:35: in right direction in India, that's that's good. I'll turn  
00:46:35 --> 00:46:37: to Calvin. I think in Hong Kong we, we don't  
00:46:37 --> 00:46:40: really have storm. So we still have a lot of  
00:46:40 --> 00:46:43: 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  
00:46:46 --> 00:46:46: this?  
00:46:47 --> 00:46:50: Subdivided units issues and how are the impacts so far?  
00:46:50 --> 00:46:53: Are they effective or not having this?  
00:46:53 --> 00:46:57: Yes. So, so first of all, maybe to the benefits  
00:46:57 --> 00:47:00: of our audience, the subdivided units in Hong Kong means  
00:47:00 --> 00:47:04: they're very small units. So Hong Kong typical unit has  
00:47:04 --> 00:47:08: already very small, but a subdivided unit would typically be  
00:47:08 --> 00:47:11: you know around 10 square meter and they have.  
00:47:12 --> 00:47:15: They have you know water supply. They have electricity. But  
00:47:15 --> 00:47:18: there have been a lot of news you know about  
00:47:18 --> 00:47:21: you know, whether the landlord would overcharge the utilities  
00:47:21 --> 00:47:24: you  
00:47:24 --> 00:47:27: know to the 10:00 so that that would be the  
00:47:27 --> 00:47:30: kind of problems you know for subdivided units housing and  
00:47:30 --> 00:47:33: and so the government has been trying as Ryan US  
00:47:33 --> 00:47:36: has been trying to tackle the problem because the ranks  
00:47:36 --> 00:47:40: of this divided units have been relatively high including the  
00:47:40 --> 00:47:41: utility charges and and then the living environment is  
00:47:41 --> 00:47:44: relatively,  
00:47:42 --> 00:47:45: you know, not that good.  
00:47:45 --> 00:47:48: So in terms of government measures, so one thing the  
00:47:48 --> 00:47:51: government has tried to do is to implement some rent  
00:47:51 --> 00:47:54: controlled regulation. But as far as I can see, I  
00:47:54 --> 00:47:56: think the effect has yet to be seen. So because  
00:47:56 --> 00:47:59: you know there could be a lot of informality, you  
00:47:59 --> 00:48:02: know, like you know slums in other places, you know  
00:48:02 --> 00:48:05: it is very difficult for the government to step in  
00:48:05 --> 00:48:09: and control because even the tenants may not want to  
00:48:09 --> 00:48:11: report the landlord, right, because if they report the landlord  
00:48:11 --> 00:48:14: 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  
fundamental things  
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  
now  
00:50:10 --> 00:50:15: looking at improving brownfield and infield developments and  
so trying  
00:50:15 --> 00:50:20: to expedite some of those infrastructure developments, so  
retrofitting for  
00:50:20 --> 00:50:24: those, those brownfield and infield areas. And then certainly  
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  
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  
the  
00:57:05 --> 00:57:09: fact that just by constructing a new house, not everybody  
00:57:09 --> 00:57:12: would be, you know, in a position to buy. So  
00:57:12 --> 00:57:16: they have launched A scheme called Affordable Rental

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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