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Hong Kong

TALENT HOUSING: A NEW NICHE SECTOR

June 2023



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IMPACT

Introduction

Hong Kong, a global gateway city, has long been known as a talent magnet, backed by its thriving economy and strong financial and professional services sectors, wherein annual entries of **total expats** and **non-local university students** have averaged **more than 50,500 and 17,000 per annum**, respectively, in the last decade (2013-2022).

To ensure continued success, the Chief Executive John Lee has announced various initiatives to attract and retain talent in his first, and the latest, policy address, to enhance the competitiveness of the city. The number of expats and non-local students are set to continue to grow in the coming years. Currently, the limited availability of on-campus housing, coupled with high living costs in the private residential market, has encouraged the emergence of new niche sectors such as student housing, co-living and multifamily assets in Hong Kong.

“Talent housing” is a term that encompasses types of housing solutions designed to accommodate the needs of different groups of people, such as students, young professionals, and expatriates. In this report, we will explore the talent housing demand-supply dynamics in Hong Kong, including the government policies implemented to attract talent and expats, an overview of the current public and private-led talent housing landscape in Hong Kong, and an assessment of the investment opportunities available within this emerging niche sector.



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01

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**HONG KONG'S
POLICIES ON
ATTRACTING
TALENT & YOUTH**

1.1 POLICIES FOR TALENT

Government-Announced Policies to Trawl for Talent

During his first Policy Address in 2022, Hong Kong Chief Executive John Lee emphasized the importance of strengthening the city's competitiveness and unveiled plans to “proactively trawl the world for talent.” According to government figures, Hong Kong’s labour force dropped 2.4% y-o-y in 2022 to 3.78 million¹, reflecting an outflow of talent from the city’s aging workforce. The loss of talent posed challenges to the city’s ability to compete with other global gateway cities, prompting the government to establish a new Talents Service Unit and introduce new strategies and policies to attract and retain talent.

Policy Updates of Talent Admission Schemes in the 2022 Policy Address²

1 NEW LAUNCH OF TOP TALENT PASS SCHEME (TTPS)

The TTPS aims to attract talent with **rich work experience** or **excellent academic qualifications**, who may be granted 24 months’ stay. Eligible talent:

- i) with an annual income of \geq HK\$2.5M
- ii) graduates of the world’s top 100 universities with \geq 3 years of work experience over the past five years
- iii) graduates of the world’s top 100 universities who cannot fulfill the work experience requirement; subject to an annual quota of 10,000

2 SUSPENDING ANNUAL QUOTA UNDER THE QUALITY MIGRANT ADMISSION SCHEME (QMAS)

The annual quota under the QMAS will be **suspended for a period of two years**, while the approval process will also be improved to facilitate the admission journey.

3 ENHANCING TECHNOLOGY TALENT ADMISSION SCHEME (TechTAS)

With an aim to speed up technology talent admission and support the city’s innovation and technology industry, it is suggested to **lift the requirement for technology companies to employ additional local employees** while admitting non-local talent.

Entry Permits Issued Under Different Talent Schemes

Talent schemes	2018	2019	2020	2021	2022
• General Employment Policy (GEP)	41,592	41,289	14,617	13,821	13,495
• Admission Scheme for Mainland Talents and Professionals (ASMTTP)	13,768	14,053	6,995	9,065	11,768
• Technology Talent Admission Scheme (TechTAS)	24	75	116	60	60
• Quality Migrant Admission Scheme (QMAS)	555	874	1,709	2,004	2,845
• Immigration Arrangements for Non-Local Graduates (IMAG)	10,150	10,799	7,154	7,259	10,391
• Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents	71	55	37	39	56
• Top Talent Pass Scheme (TTPS)					875
Total:	66,160	67,145	30,628	32,248	39,490

Note: ¹ Census & Statistics Department; ² 2022 Policy Address



4 RELAXING THE IMMIGRATION ARRANGEMENTS FOR NON-LOCAL GRADUATES (IANG)

To attract non-local graduates to stay in or come to Hong Kong for work, the government will extend the limit of stay from one year to **two years**. On a pilot basis, the scope of the arrangements will also be **expanded to cover graduates from Hong Kong universities' GBA campuses**.

% OF EXPATS FROM DIFFERENT TALENT SCHEMES



Source: Cushman & Wakefield Research; Immigration Department

5 STREAMLINING THE GENERAL EMPLOYMENT POLICY (GEP); AND

6 THE ADMISSION SCHEME FOR MAINLAND TALENTS & PROFESSIONALS (ASMTP)

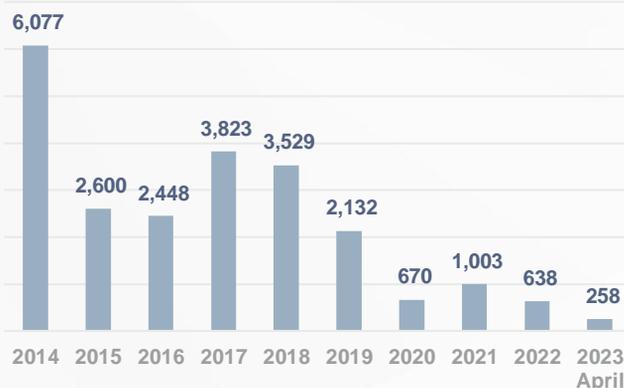
For vacancies from professions with local supply shortages as listed in the Talent List, or for vacancies with annual salaries of \geq HK\$2M, the government **will no longer require employers to provide proof of difficulties in local recruitment**.

STAMP DUTY REFUND FOR ELIGIBLE INCOMING TALENT

Announced in the 2022 Policy Address, the government will **refund the extra stamp duty paid*** by eligible incoming talent for their first residential property purchased, and still held, upon becoming Hong Kong permanent residents, to encourage them to stay in the city.

Note: Including Buyer's Stamp Duty (15%) and the New Residential ad valorem Stamp Duty (15%)

TOTAL BUYER STAMP DUTY CASES IN HONG KONG



Source: Cushman & Wakefield, Rating & Valuation Department

1.2 POLICIES FOR YOUTH

Increase the Supply of Youth Hostels

As featured in the 2022 Policy Address, the government has outlined strategies to address housing needs of young individuals, including expanding the Youth Hostel Scheme (YHS). Apart from supporting NGOs to provide youth hostels, the government will identify suitable land sale sites for encouraging developers to support the YHS, by requiring developers to reserve a number of flats as youth hostels, on a pilot basis.

Youth Hostel Scheme

First announced in the 2011/12 Policy Address, the YHS targets to meet working youths' need for their own living space. NGOs will be responsible for constructing hostels on under-utilized sites, which will be fully funded by the government, while operation of the hostels will be on a self-financing basis by the NGOs. Currently, there are at **least seven projects** currently in progress under the YHS, some with completion dates from 2025 onwards, covering **over 3,400 youth hostel places**³.

- 1** Tenancy period: 1st tenancy \geq 2 years; total stay **no more than five years**
- 2** Rents: **Not exceeding 60%** of the comparable market rents nearby
- 3** Applicants should be **working youths** who are HK permanent residents **aged 18 - 30**
- 4** Applicants **should not own any residential flats** in HK
- 5** Applicants shall be **subject to income and asset tests**

Completed Youth Hostel Projects by NGOs



The HKFYG⁴ Youth Hostel PH2

- The **1st completed project** under YHS scheme
- Redeveloped as a **20-storey** building in **Tai Po**
- Operated by **HKFYG**
- **80** hostel places



Po Leung Kuk Lee Shau Kee Youth Oasis

- A **27-storey** youth hostel in **Yuen Long**
- **Land donated** by The Lee Shau Kee Foundation Fund
- Operated by **Po Leung Kuk**
- **1,680** hostel places

Source: Home and Youth Affairs Bureau – List of completed projects

Note: ³ [GovHK](#); ⁴ HKFYG: "The Hong Kong Federation of Youth Groups"



Subsidy Scheme for Using Hotels / Guesthouses as Youth Hostels

Apart from the youth hostels constructed and run by NGOs, in the 2022 Policy Address the government also announced the **expansion of the YHS**, to **subsidize NGOs to rent suitable hotels and guesthouses** for use as youth hostels, with a target to provide an **extra of 3,000 hostel places within five years**. NGOs and hotel/ guesthouse operators/owners will discuss the terms of cooperation after identifying suitable partners.

Approved Hotels / Guesthouses as Youth Hostels



Believing Youth Hub

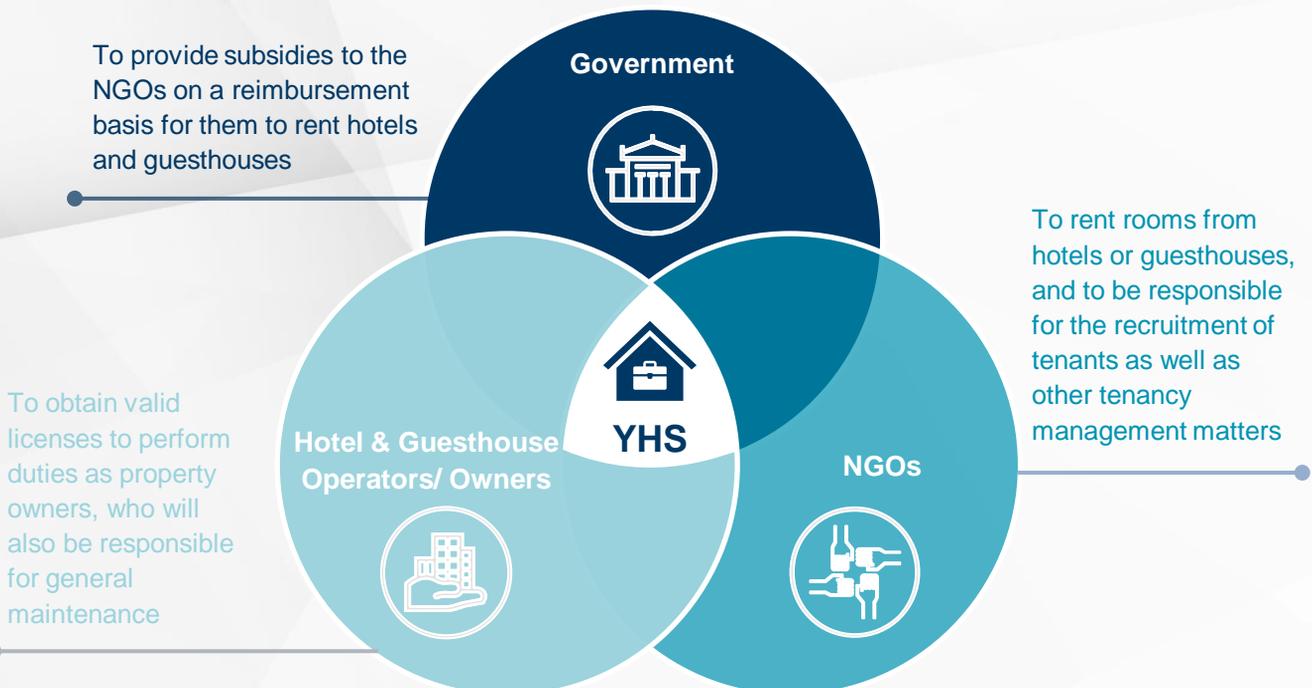
- 1st project approved under the Scheme
- En-bloc of **Butterfly on Morrison Boutique Hotel** in **Causeway Bay**
- Operated by **HKUYA**
- **97** rooms with **194** hostel places



Home² Youth Hostel

- **Second** project approved under the Scheme
- Turning a few floors of **Nina Hotel Tsuen Wan** into hostel places
- Operated by **Y.Elites Asso.**
- **100** rooms with **200** hostel places

Source: Home and Youth Affairs Bureau – List of approved projects



Source: Cushman & Wakefield; The Chief Executive's 2022 Policy Address; Home and Youth Affairs Bureau

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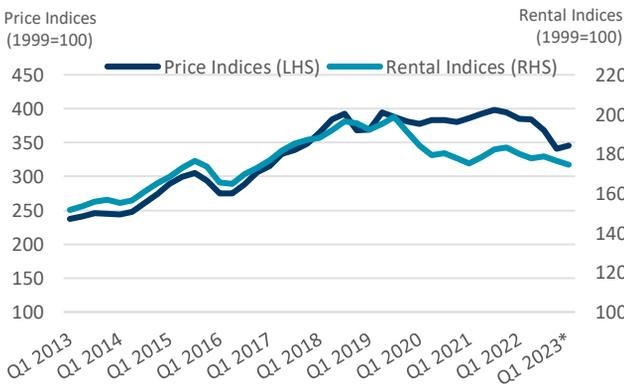
**CURRENT
MARKET
LANDSCAPE IN
HONG KONG**

Talent Inflows Rebound After the Pandemic

Despite experiencing a decline in talent inflows during the COVID period, Hong Kong's market has witnessed a recovery of incoming talent since 2020, with total expat professionals and university students showing a **9.6% CAGR⁵** between 2020-2022. This number also saw continuous growth before the pandemic, with a **6.3% CAGR** between **2013-2019**. Overall, the annual average of **incoming talent over the last decade** was around **67,500 per annum**, indicating an ongoing influx of demand for housing in the city.

At the same time, ranked as the world's most expensive housing market, Hong Kong's extraordinarily high housing prices escalate the living expense of non-local talent in the city. Although the government has implemented a stamp duty refund policy for talent, the relatively large lump sum of down payments for residential purchases may still have encouraged **more young expats to opt for rental housing options** that offer greater flexibility and a diversity of facilities with more affordable payments.

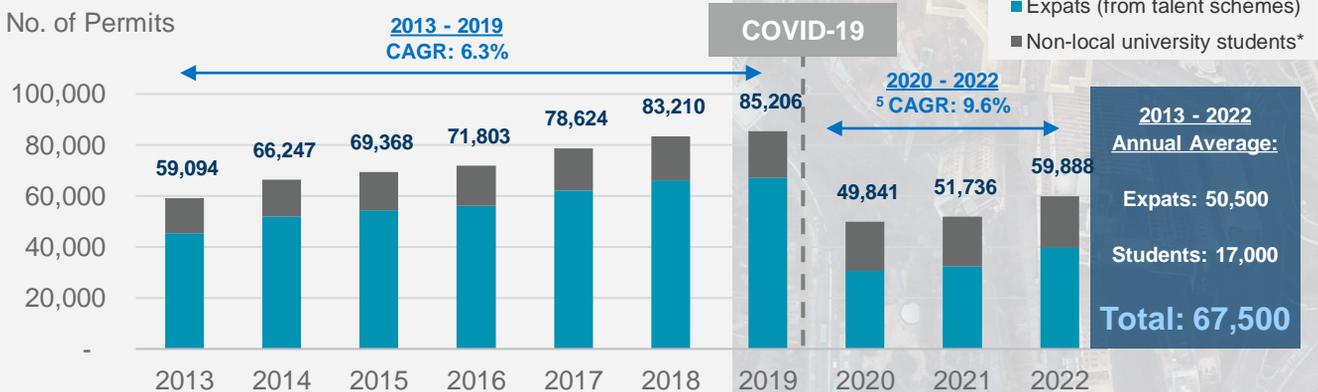
RESIDENTIAL PRICE & RENTS



Source: Rating and Valuation Department; * Preliminary figure



Total Number of Talent Entries



* Only includes students of UGC-funded programmes

Source: Cushman & Wakefield Research; Immigration Department; 2022 Policy Address; University Grant Committee

Note: ⁵ CAGR: Compound Annual Growth Rate

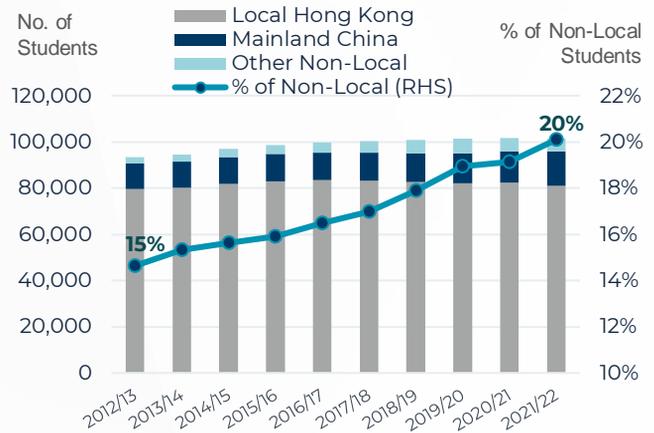
Do We Have Enough Student Housing in Hong Kong?

Data from the Hong Kong University Grants Committee (UGC) shows that, despite the pandemic over the last three years, the total number of students at UGC-funded universities has **grown by 9%** in the last decade, from 93,400 students in 2012/13 to **101,500** in **2021/22**. The vast majority (86%) were enrolled in undergraduate degree programs.

The **number of non-local students** has also seen **significant growth** of almost **50%**, from 13,700 students in 2012/13 to **20,400 non-local students** in 2021/22. This has increased the proportion of non-local students in tertiary education institutions from 15% to **20%** over the same period.

However, the current **student-to-bed ratio** at universities in Hong Kong shows that existing student hostel capacity is insufficient to meet accommodation needs. As shown from the chart below, the ratios of the City University of Hong Kong and The Hong Kong Polytechnic University stand at around six, meaning on average **six students compete for one bed** on university campuses. In fact, four out of the eight UGC-funded universities have a ratio higher than five. Given the limited supply of on-campus student hostels, some non-local and even local students will likely need **off-campus accommodation**, especially with the fully-restored in-person teaching.

GROWTH OF NON-LOCAL UNIVERSITY STUDENTS*

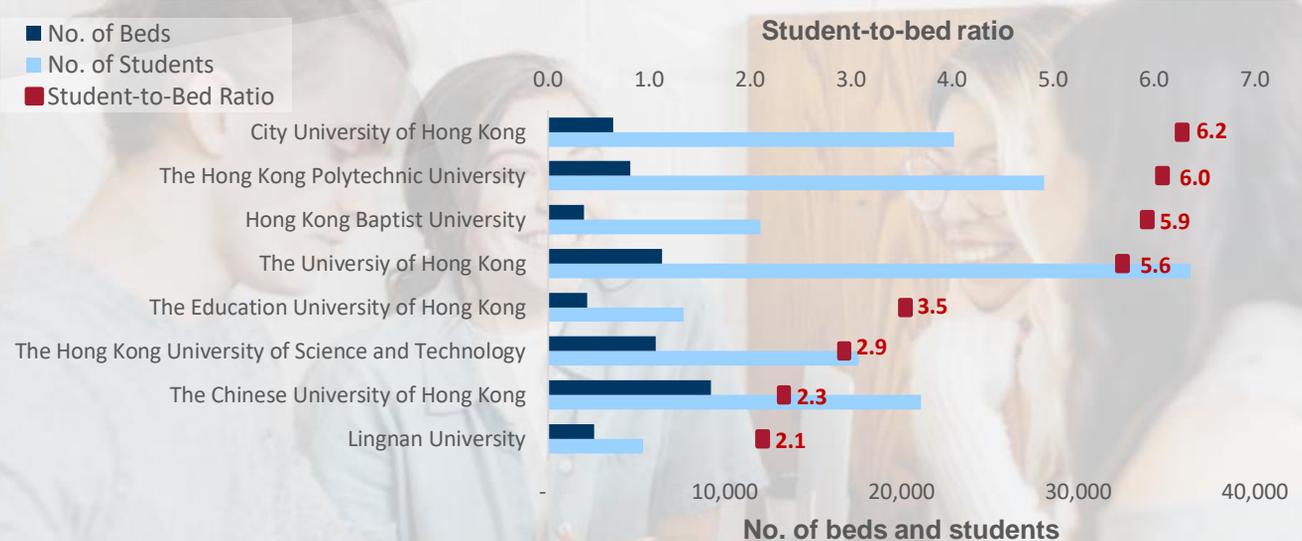


% OF STUDENTS* BY ORIGIN



* Only includes students of UGC-funded universities
 Source: Cushman & Wakefield Research; University Grants Committee

STUDENT-TO-BED RATIO IN HONG KONG'S UNIVERSITIES



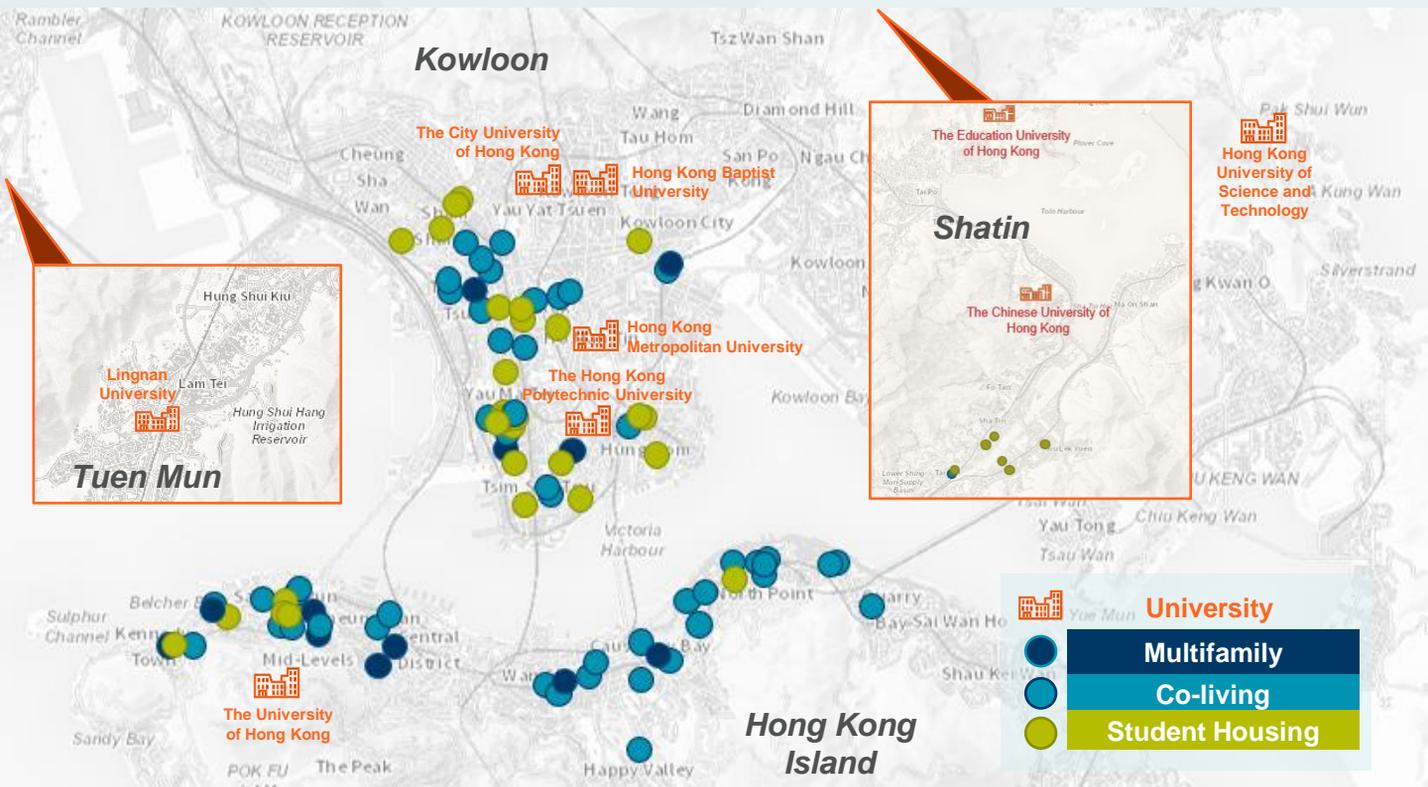
Source: Cushman & Wakefield Research; University websites



Housing Options for Young Professionals and Students in Hong Kong

Hong Kong is known for its high population density and limited living space. While the supply of affordable housing options in convenient locations in Hong Kong remains scarce, demand is growing for co-living and multifamily housing requirements in the city. Instead of renting traditional apartments, young professionals may opt for other flexible rental solutions and accommodation where residents can share living spaces, enjoy the community, and access different amenities with more affordable rents, fueling the growth of co-living and multifamily housing. At the same time, the shortage of on-campus student hostels has prompted off-campus student accommodation.

Major Operators of Co-Living/ Multifamily and Student Housing in Hong Kong



Note: This map only includes the projects with key operators shown as above, and not yet represent all the operators in Hong Kong.



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3.1 COMPARISON OF TALENT POLICIES

Talent and student housing have become increasingly popular in many countries worldwide. In mainland China, talent apartment schemes are mostly government-driven to help attract professionals in specific industries, often with incentives like rental subsidies or additional stipends. Meanwhile, private-led talent housing such as student accommodation and co-living are more common in Singapore or the UK.

Countries/ Cities	Talent Policy Examples	Talent Housing Examples
<p>Shenzhen</p> 	<ul style="list-style-type: none"> • <u>Subsidies for High-Level Foreign Talent:</u> Subsidies of up to RMB 6 million are offered in stages over five years, with one distribution per year • <u>Living Allowances for PhD Talent:</u> Eligible incoming PhD graduates under age 35 with full-time work can receive up to RMB100,000 	<p><u>Government-led Talent Housing:</u></p> <ul style="list-style-type: none"> • Rent subsidized with fixed terms and conditions • E.g., Qianhai Free Trade Zone <p><u>Private-led Talent Housing:</u></p> <ul style="list-style-type: none"> • Financed by companies • Some offer comprehensive facilities • E.g., Huawei Shenzhen Technology-talent Apartment.
<p>Shanghai</p> 	<ul style="list-style-type: none"> • <u>Leading Talent Program:</u> Funds for leading talent in research, application development, business, social sciences and art • <u>Overseas Chinese Talent:</u> Incentivize overseas Chinese talent to work and start businesses with subsidies for relocation, housing, and startups 	<p><u>Government-led Talent Housing:</u></p> <ul style="list-style-type: none"> • Rents subsidized with fixed terms and conditions • Targeting workers in specialized and high-demand industries <p><u>Housing for Overseas Returnees:</u></p> <ul style="list-style-type: none"> • For overseas students returning to Shanghai • Eligible to masters degree holders from top 100 universities, regardless of employment
<p>Singapore</p> 	<ul style="list-style-type: none"> • <u>Overseas Networks & Expertise Pass:</u> A 5-year pass for foreign talent earning a minimum of S\$30,000 annually, or with outstanding achievements • <u>Tech Pass Singapore:</u> A 2-year pass for foreign tech entrepreneurs, leaders or investors 	<p><u>Foreigners' Housing Options:</u></p> <ul style="list-style-type: none"> • Employers to carry out due diligence for foreign workers' stay • Allow foreign workers to lease a range of housing from private residential, purpose-built dorm, and public housing managed by the Housing and Development Board (HDB) <p><u>Private-Led Co-Living:</u></p> <ul style="list-style-type: none"> • Flexible lease terms aimed at young professionals with temporary housing needs

Source: Cushman & Wakefield; various government entities and websites with link embedded

3.2 OVERSEAS TALENT HOUSING EXAMPLES



Qianhai Longwan International Talent Apartment – Qianhai, Shenzhen, Mainland China

Developer: Shenzhen Qianhai Talent Leju Co., Ltd. (expected comp. date – 2024)

Description:

- A high-end talent rental apartment in Qianhai
- Twin-tower design to provide 1,036 apartments ranging from 65 sq m to 155 sq m.
- The talent apartment scheme will be available for rent to qualified individuals working for Qianhai-registered enterprises

Hongqiao Talent Apartments – Hongqiao, Shanghai, Mainland China

Developer: Shanghai New Chang Ning Group Co Ltd (expected comp. date- 2023 for 1st phase)

Description:



- Covers 27 main buildings, 5,300 condo units and 1,697 underground parking spaces
- Home type: mainly 20-30 sq m one-bedroom units (80% of the total condos), the rest are 2-bedroom and 3-bedroom units
- ~30,000 sq m of service-supporting facilities



Coliwoo Orchard Co-living, Singapore

Developer: Coliwoo by LHN Group, Singapore (Launched in Q1 2023)

Description:



- LHN renovated a residential property at 2 Mount Elizabeth Link into a 22-story co-living place that houses 411 keys across 135 units
- 5-minute walk to the Orchard MRT
- The Coliwoo portfolio of co-living space perform with high occupancy of 98% (as at Sep 2022)

Source: Cushman & Wakefield; various company and news websites with link embedded

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04

TALENT
HOUSING AS A
NEW PRODUCT
IN HONG KONG

4.1 STUDENT HOUSING

The **student housing sector** in Hong Kong is relatively small compared to markets such as the United States and Europe. However, it has been growing due to the increasing number of international students studying in Hong Kong, as discussed in section two of this report.

Whilst the shortage of student accommodation has been a challenge for universities in Hong Kong, the market is now starting to see the category emerging as a **new niche sector** in the city, usually through **conversions from hotels and residential assets**. Student housing operators and investors say that the **stable cashflow**, potential to use **master lease contracts**, and relatively **low maintenance costs** have also contributed to the rising popularity of this sector.



Source: Y83, AEW

INVESTMENT ANGLE :



Stable Cashflow – Typically stable rental returns given the longer lease term (half to one-year) compared to co-living

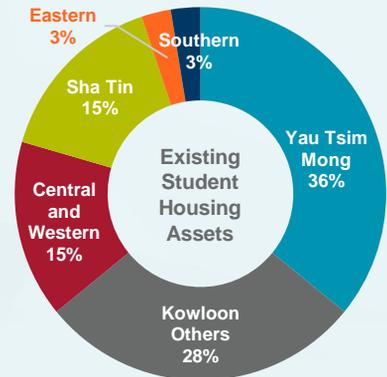


Master Lease – opportunity to collaborate with universities for master lease contracts to their students



Low Maintenance – relative simple fit-outs and furniture for students, hence the cost of maintenance are relatively low

LOCATION (BY PROPERTY COUNT*) :



* Only includes key operators' projects in our database, covering 39 properties
Source: Cushman & Wakefield Research

CASE STUDY – Y83, HUNG HOM



Acquisition Date: March, 2022

Nature: Hotel conversion to student apartments

Investor/ operator: AEW JV Crystal Investment

Project Description:

- **Uniqueness:** Y83 is the largest non-university operated **pure student housing** project in Hong Kong.
- **Location:** The building has close proximity to universities including the Polytechnic and the Metropolitan University
- **Income stream:** The short conversion period allowed the assets to generate revenue within a short time-frame

5 Months

from acquisition, conversion to completion

388

Student apartment rooms

Accommodate **~600** Students

4.2 CO-LIVING / MULTIFAMILY

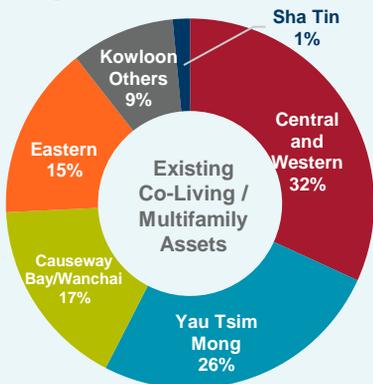
Over the last two years, the **co-living / multifamily** housing sector in Hong Kong has been gaining momentum. There have been some notable investment deals recorded, as show in the table, and most deals involved partnerships between operators and institutional funds.

The user groups of **co-living** include young professionals, students, and business travellers requiring flexible lease terms. As for **multifamily**, which involves multiple residential rental apartments within a building or complex with a single landlord, usually without services provided, is a rather new concept and underdeveloped in Hong Kong when compared to other major global cities.

TOP 5 TRANSACTIONS (2021-2022)

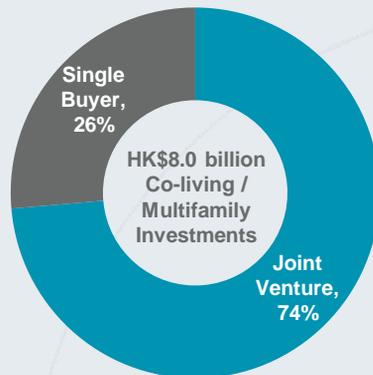
DATE	PROPERTY	LOCATION	PURCHASER	PRICE (HKD MN)
Q4 2022	Pentahotel (En-bloc)	San Po Kong	Wang On, Angelo Gordon	2,000
Q4 2022	83 Wuhu Street (En-bloc)	Hung Hom	AEW, Crystal	1,651
Q2 2022	Rosedale Hotel (En-bloc)	Tai Kok Tsui	Weave Living, PGIM	1,375
Q3 2021	21 Prat Avenue (En-bloc)	Tsim Sha Tsui	Hines, Mindworks Properties	980
Q2 2022	Grand City Hotel (En-bloc)	Sai Wan	Weave Living, Angelo Gordon	900

LOCATION (BY PROPERTY COUNT)* :



* Only includes key operators' projects in our database, covering 66 assets
Source: Cushman & Wakefield Research

2018 - 2022 INVESTMENT:



Source: Cushman & Wakefield Research, RCA

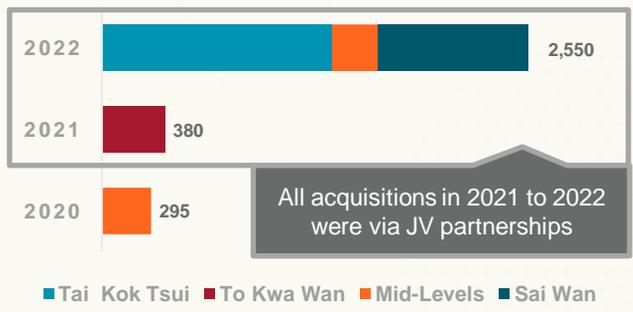
CASE STUDY – WEAVE LIVING

- Weave is one of the most active and leading rental accommodation providers, and focuses on acquisition and repositioning of hotel or residential building into co-living or multifamily assets
- Currently, the firm covers more than nine properties in Hong Kong
- Weave achieved a record year for acquisitions in 2022, reaching HK\$2.6 billion, with all deals involved joint ventures with institutional funds, indicating a strong demand in this segment.



Source: Weave Living, Cushman & Wakefield Research

Recent Acquisitions by Weave (HK\$ million)



4.3 GOVERNMENT-LED TALENT HOUSING

Compared to mainland China and other global cities, **government-led talent housing** is traditionally rare in Hong Kong, as land policies have mainly focused on public and private housing provision.

However, with the growing emphasis on innovation and technology (**I&T development**) under the Northern Metropolis (NM) plan, there is a rising need for the city to build and provide talent housing to accommodate the future I&T talent and workforce. As part of the NM development in the San Tin I&T sites, over 120,000 jobs are expected in the area, and the government has proposed developing **6,400 talent housing units** within the area⁶.

Currently, there is **only one government-led talent housing project in Hong Kong**, which is the **InnoCell** at Hong Kong Science and Technology Parks Corporation in Tai Po. However, we expect the number of government-led talent housing projects to grow as the government seeks to attract more incoming I&T talent.

San Tin Technopole (I&T area)



CASE STUDY – INNOCELL

Owner: Hong Kong Science and Technology Parks Corporation (HKSTP)

Size: 17-storey and ~500 beds

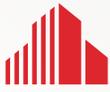
Project Description:

- InnoCell was developed as part of the HKSTP scheme to create a smart living space that attracts I&T talent to work in the park by offering co-creation activities such as incubation programs and events in the vicinity.

Unique features:

- Rents is set at ~60% of the market price
- Promotes co-working & co-living concepts
- Modular Integrated Construction (MiC)
- 30,000 sq ft of communal facilities
- Only for workers at the HKSTP
- Maximum lease period is one year

Note: ⁶ [LegCo document](#)



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05

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5.1 TALENT HOUSING – THE MISSING PIECE OF THE PUZZLE

Housing for students:

There are currently only a few pure student housing projects in Hong Kong. However, the number of non-local students is expected to expand and coupled with the scarcity of on-campus dorm facilities, this suggests solid growing demand in the **student housing** sector.

Housing for expats:

While Hong Kong offers numerous opportunities for professionals, the high cost of housing and limited choices of appropriate rental apartments remain the key challenges for young expats new to the city. **Co-living** and the newly emerged **multifamily housing** can offer alternative options.

Comparison of Student Housing / Co-Living / Multifamily

There are similarities among the types of talent housing options, but it can be difficult to clearly define them. Their differentiation depends mainly on the target occupants, and the best option depends upon individuals' needs and preferences. Student housing best suits those pursuing education. Co-living offers an affordable and flexible option for individuals and couples. Finally, multifamily housing options provide a more private living environment, typically suited for families seeking a stylish space with an institutional landlord.



Typical Features	Student Housing	Co-Living	Multifamily
Lease Term	<ul style="list-style-type: none"> 1-Year 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Monthly
Rental Range (HK\$ / month)	<ul style="list-style-type: none"> HK\$7k+ [twin room] HK\$13k+ [single room] (Y83 by Y.X) HK\$3.5k ~11.5k (Contented Living) 	<ul style="list-style-type: none"> HK\$9k ~26k (WEAVE Studios) HK\$21.5k+ (Dash Living on Argyle) HK\$9.5k+ (LINKo Residence @ Prince Edward) 	<ul style="list-style-type: none"> HK\$25k ~65k (TOWNPLACE by SHKP) HK\$17k ~36k (WEAVE Suites) HK\$27k ~ 55k (WEAVE Residences)
Location	<ul style="list-style-type: none"> Near university/ institutions campus 	<ul style="list-style-type: none"> Near MTR or other public transport 	<ul style="list-style-type: none"> Near residential neighborhood/ school
Target Occupants	<ul style="list-style-type: none"> Most operators target students only 	<ul style="list-style-type: none"> Local professionals Overseas expats Students 	<ul style="list-style-type: none"> Expat families Local professionals and their families
Shared Space	<ul style="list-style-type: none"> Shared bathroom per room Living room, kitchen, laundry facilities, etc. 	<ul style="list-style-type: none"> Living room, kitchen, laundry facilities, etc. Some projects also offer gym, restaurants, etc. 	<ul style="list-style-type: none"> Some projects offer amenities such as gyms and pools
Pros	<ul style="list-style-type: none"> Affordability Community Facilities tailored for students Good security 	<ul style="list-style-type: none"> Affordability Community Flexible lease term Stylish décor All-inclusive rents 	<ul style="list-style-type: none"> Suitable for families Optional add-on services available Better management than traditional housing
Cons	<ul style="list-style-type: none"> Limited privacy with shared bedroom 	<ul style="list-style-type: none"> Often smaller than traditional apartments 	<ul style="list-style-type: none"> Often at higher cost Less community-oriented

Roles for Investors to Consider



Owner-operator

A business model in which the asset owner is also the primary operator. This is common in the hotel and serviced apartment industry for investors with a long investment horizon.

In this model, the owner is responsible for all aspects of the building, including daily maintenance, hiring, and customer services.



- **Flexibility** to adapt operational policies quickly
- **Financial incentives** as it links directly to performance
- Branding and synergies with other portfolio assets

- Steady cash flow without the need to manage the facilities
- Leverage on operators' expertise
- More flexibility during exit



Pure investors (JV with operators)

Mainly involved in capital investment, suitable for institutional investors looking to gain exposure in this sector with a shorter investment horizon.

In this model, investors usually partner with operators who manage the daily operations of the assets.

WAYS TO ENTER THE MARKET: VALUE-ADD STRATEGY



Conversions From Hotel

- Conversion timeframes are typically shorter, since hotels have similar layouts
- Retains flexibility to convert back to hotel use, if hotel demand and room-rates are further boosted by tourism rebound



Conversions From Residential

- Provides exposure to Hong Kong's undersupplied residential sector
- Retains flexibility for investors to exit via strata sales of apartments
- Availability of suitable residential buildings with the right location and price for conversion is challenging



Built-to-Rent

- Suitable for developers and investors with a long-term investment horizon
- Some developers could consider to retain a portion of the residential projects for multifamily purposes while selling the majority of the housing units

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Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in approximately 400 offices and 60 countries. In Greater China, a network of 23 offices serves local markets across the region, earning recognition and winning multiple awards for industry-leading performance. In 2022, the firm reported revenue of \$10.1 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), Environmental, Social and Governance (ESG) and more. For additional information, visit www.cushmanwakefield.com.hk or follow us on LinkedIn (<https://www.linkedin.com/company/cushman-&-wakefield-greater-china>).