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FEATURE STORY

China

From a Dynasty to a Modern Market Economy

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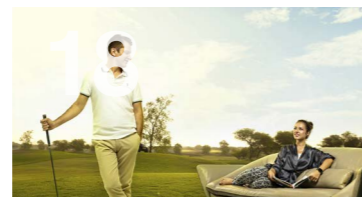


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FEATURED DEVELOPER
Jumeirah Luxury



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Eagle Hills



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2018 Emerging Real
Estate Trends: Asia

MESSAGE FROM THE CEO

The Realopedia eMagazine focus for the Nov/Dec issue is Asia. Our cover story this month features China, which has undergone a transformation in trade from its historic Silk Road during the Roman Empire to the modern day Belt and Road, China's global infrastructure investment set to improve interconnectivity and facilitate development across Eurasia, East Africa, and partner countries. Of particular note is the strengthening of China's economic and trade ties with the United Arab Emirates, with both countries set to boost sustainable trade and investment partnerships.

Also featured this month is our corporate affiliate, Eric Tran, COO of Universal Commercial Capital, a US-based brokerage firm that works with real estate investors in China, Europe, and Brazil.

The Knowledge Corner provides market data from Asian broker associations, as well as information about emerging trends in real estate in Asia and investment opportunities.

Happy New Year 2019 to our members worldwide.

Warm regards,

Laura Choueri
Founder & CEO, Realopedia



FEATURE STORY

China

From a Dynasty to a Modern Market Economy



Chongqing, Southwest China

From Dynastic China to a Modern Market Economy

China is a country that is rich in history with its ancient dynasties. During the Han Dynasty, considered the golden age of China history, the Silk Road was established. For 2,000 years, the Silk Road was an ancient network of trade routes of more than 6,400 kilometres linking the regions of the ancient world during the Roman Empire, connecting the West and East from China and India to the Mediterranean Sea, bringing commerce, Eastern cultures, religions, and inventions.

In the late 20th Century, China introduced a market economy. China has seen a huge increase in Chinese industrial output and a great improvement in Chinese standards of living, and it is predicted to become the world's largest economy by 2040.

China's Infrastructure Development and Investment

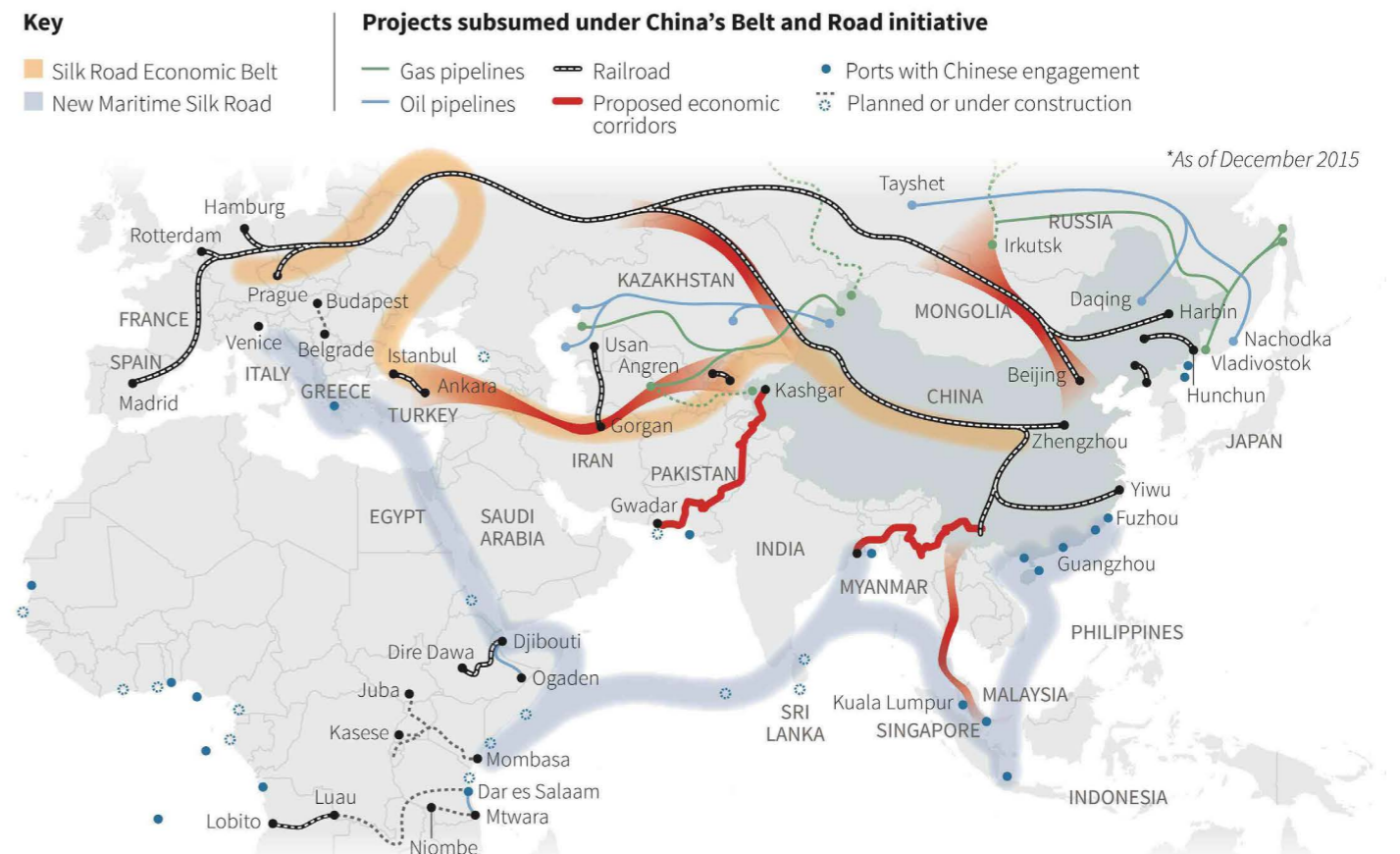
China is a global leader in infrastructure investment, which is a top priority for China's government, that is, to have a modern system of reliable roads and rail system, electricity, and telecommunications. From the late 1990s to 2005, 100 million Chinese benefited from power and telecommunications upgrades. Between 2001 and 2004, investment in rural roads grew 51 percent annually. In recent years, the government has used substantial infrastructure spending as a safeguard against declining economic growth. China's investment in infrastructure makes it an attractive destination for investment capital.

From the Silk Road to the Belt and Road

The core of China's global infrastructure investment is the China Belt and Road Initiative (BRI), which has replaced China's ancient Silk Road. The BRI is a global infrastructure investment valued at around US \$1.3 trillion, consisting of the overland Silk Road Economic Belt (SREB), and the sea-based Maritime Silk Road (MSR), forming the "belt" and "road". The BRI will create an infrastructure

Reviving the Silk Road

Announced by Chinese President Xi Jinping in 2013, the Silk Road initiative, also known as China's Belt and Road initiative, aims to invest in infrastructure projects including railways and power grids in central, west and southern Asia, as well as Africa and Europe.



Source: Mercator Institute for China Studies.

C. Inton, 24/03/2017

REUTERS

of roads, railways, telecommunications, energy pipelines and ports and will improve economic interconnectivity and facilitate development across Eurasia, East Africa and more than 60 partner countries. From South-east Asia to Eastern Europe and Africa, the BRI accounts for half of the world's population and a quarter of global GDP.

The Chinese government has recently forged economic and trade relations with the United Arab Emirates, which supports the Belt and Road Initiative and is keen on participating in related projects. Both countries have emphasised their desire to boost cooperation within the initiative and to establish sustainable trade and investment partnerships.

China Economic Indicators

	2013	2014	2015	2016	2017
Population (million)	1,361	1,368	1,375	1,383	1,390
GDP per capita (USD)	7,124	7,662	7,948	8,103	8,806
GDP (USD bn)	9,694	10,480	10,925	11,204	12,241
Economic Growth (GDP, annual variation in %)	7.8	7.3	6.9	6.7	6.9
Consumption (annual variation in %)	6.8	7.9	7.2	7.8	-
Investment (annual variation in %)	9.8	7.3	6.9	6.6	-
Industrial Production (annual variation in %)	9.7	8.3	6.1	6.0	6.6
Inflation Rate (CPI, annual variation in %, eop)	2.5	1.5	1.6	2.1	1.8
Inflation Rate (CPI, annual variation in %)	2.6	2.0	1.4	2.0	1.6
Exchange Rate (vs USD)	6.05	6.21	6.49	6.95	6.51
Trade Balance (USD billion)	259	383	594	510	419
Exports (USD billion)	2,209	2,342	2,273	2,098	2,263
Imports (USD billion)	1,950	1,959	1,680	1,588	1,844
External Debt (% of GDP)	8.9	17.0	12.7	12.7	14.0

Why Invest in China

China is a strong emerging market, slated to become the world's largest economy by 2040. China remains attractive as a destination for FDI, due to its world-class infrastructure and efficient and skilled manpower. China's low-cost, skilled employees have the necessary aptitudes, experience and proficiencies to create, manufacture, and provide goods and services that can compete in global markets. China's regulatory environment, stability, business climate and openness to regional and international trade all contribute to the country being an attractive destination for FDI. Foreign investment in China will stimulate development and enable it to compete in the global marketplace. The government is also gearing China to become a more consumer-focused economy with heavy investment in China's consumer tech sector, which is set to see a good deal of growth in the next five to ten years.



Real Estate Investment Climate

Nonetheless, investment in the Chinese real estate market is subject to multiple layers of government laws, regulations, and government control at the local, provincial and national levels. These change on almost a daily basis, with implementation thereof left at the discretion of government officials. Investment in real estate in China, like in most unknown markets, requires specialised knowledge and expertise, and successful foreign investors have advisors on the ground in China. Sectors of

interest to investors are urban redevelopment and rental housing. Over the next few years, the residential and logistic sectors are expected to yield the best returns.

Most of the growth in China's real estate market has come in Tier 1 markets, which are the greatest drivers of innovation and growth globally and are attracting investors from both China and overseas. According to a 2017 report by research institute China Index Academy, Shanghai, Beijing and Shenzhen are the most attractive destinations for investment in property development, with Chongqing ranking in the Top 10 as well. Prices in the commercial sector remain high, with Shenzhen prime office yielding under 4 percent. The 2017 Hurun Report ranks the Chinese cities of Wuxi, Hefei, Guangzhou, Xiamen, Zhengzhou, Nanjing and Huizhou in the world's top 10 cities with the fastest growing housing prices. In Shanghai, Beijing, Shenzhen, Guangzhou, and Chengdu, investment volumes rose 25 percent annually over the past three years, reaching a total of US\$35.4 billion in 2017. Shanghai is China's biggest market, accounting for 48 percent of investment volume.



China Cities Getting Bigger, Better And Faster

Want to invest in real estate but don't have a million dollars for a one bedroom in Hell's Kitchen or Marylebone? Then go to China. When it comes to the best up-and-coming cities, China is climbing the rankings faster than any other country.

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Hong Kong

Hong Kong, the real estate hub of Asia, has a booming real estate market. Chinese enterprises and individuals invested HK\$36.1 billion (about US\$4.6 billion) into Hong Kong's real estate market in 2017, a record high representing a 213% increase from the previous year. Factors that draw mainland Chinese investors to Hong Kong are geographical proximity, a stable legal and political environment, and the potential for property price growth. Gross rental yields in Hong Kong are at just above 2% due to the continuous rise in residential property prices.



Property Prices Continue To Surge In China Despite Government Cooling Measures — Here's Why

There have been many metaphors thrown up over the years on the state of China's real estate market. From warnings of a bubble about to burst to predictions of ghost cities haunting its future, the alarm bells have been ringing loudly.

Many observers have drawn parallels with the ...

[Read More](#)



Chinese millionaires 'lined up' to buy Montreal real estate: expert

Record-breaking sales numbers. Bidding wars. A growing number of buyers from China. As a lifelong Vancouverite who left for Montreal two years ago, it all leaves me with a feeling of déjà vu.

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FEATURED CORPORATE AFFILIATE

Universal Commercial Capital

Eric Tran serves Universal Commercial Capital as its Chief Operating Officer. Eric has served the real estate mortgage lending industry for nearly 30 years. As an entrepreneur and career mortgage professional, Eric has worked in both residential and commercial lending, developing highly sought after products and processes for consumers and fellow real estate entrepreneurs. Eric resides in California with his family, and holds a Bachelor's Degree in Political Science and Government from the University of California, San Diego. He is an active member of the National Association of Mortgage Brokers (NAMB) Eric is a strong advocate of diversity inclusion as is evident from his involvement in non-profit organizations including the Asian Real Estate Association of America (AREAA) and his dedication to helping immigrants and foreign nationals pursue homeownership and investment opportunities throughout the United States. Eric's expertise has lead him to be recognized in the Scotsman Guide, a leading resource for mortgage originators, as well as National Mortgage Professional's monthly magazine where he is regular contributor.



ERIC TRAN
Universal Commercial Capital
Chief Operating Officer

1. What is Universal Commercial Capital and how does it operates?

Universal Commercial Capital is a U.S. based, private money lender. A trusted resource in real estate mortgage lending, UCCI is known for its flexible, common sense underwriting and efficient, hassle-free loan programs. What sets UCC apart is its approach to investment opportunities and a steadfast commitment to helping its clients reach their full financing potential. UCC leadership team has decades of experience and prides itself on a 360 degree understanding of its exceptionally diverse client base and their unique financing needs. Experience and a wealth of knowledge has lead to the development of UCC widely-recognized, streamlined loan process, which aids customers in saving time and money. UCC prides itself on its position as the most reputable lender in the U.S. offering smart and accessible loan solutions to foreign nationals. The team at UCC is dedicated to continuing education and staying ahead of industry curves and ever-changing investment and finance developments. UCC belongs proudly to the American Association of Private Lenders and the National Association of Mortgage Brokers. When looking to finance your real estate investments in the United States, come to UCC first. We'll pick up where the banks left off.

2. Does UCC assist its customers internationally?

Not only assist but UCC is very active working with international real estate investors all over the world, namely Europe, Brazil, China.....

3. What are the requirements for acquiring a loan as a non citizen?

For foreigner, the main requirement is the source of the money that investor(s) plan to put into the property. Normally, 35% of the purchase price is the minimum and we will finance the remaining 65%. It has to come from a legitimate banking institution, excluding the countries that are on the government black list such as Iran, North Korea, Cuba. Absolutely no cash are allowed. Besides this, just an entry visa , a couple of local credit verification are enough for us to review and approve the loan.

4. Can a non citizen own a land?

When it comes to owning real estate in the USA, US citizen and foreigner are treated the same. The only thing that foreigner(s) needs to do is to apply for an ITIN number. This number is strictly for tax purpose.

5. Do foreigners pay property tax?

Once again, foreigner has the same obligation as US citizen to pay property tax. It is normally around 1% of the value of the property.

6. What is the minimum loan amount?

We don't have minimum loan amount but prefer to keep 150,000\$ US dollar as a minimum.

7. What type of properties can a foreign buyer purchase in USA?

Foreigner can buy any property anywhere in the USA. There are no limitation or restriction at all. However, we do not lend on raw land or agriculture related properties.

8. What makes UCC different from other companies in USA?

What makes us difference from other real estate financial companies in the USA is that we are truly specialized and have a deep knowledge, experience working with international investors. We also have local office in Europe, Brazil, China to better serve our clients. Our senior management team travel around the globe regularly to personally meet and talk with potential clients.

9. What is your forecast for the future?

With the USA economy getting stronger and stronger lately compared to the rest of the world, the demand for real estate investment is fundamentally robust and healthy. International investors can expect a good rental yield with around 5%-7% anual appreciation in value.

Universal Commercial Capital

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Become A Preferred Agent and Earn Commission



What is DPAP?

The Developers Preferred Agent Program (DPAP) is a program where developers can upload and showcase their projects to reach real estate professionals and their network of investors worldwide on a central platform.

How it works?

- Developers upload and showcase their projects.
- Developers reach agents globally through an automated & integrated tool.
- Approved agents can access the developer's marketing resource library.
- DPAP enables real estate professionals to represent developers globally.

How to Apply?

LOGIN / REGISTER

To access DPAP, you must have an account on Realopedia. Register and login to your dashboard and click DPAP.

1

BROWSE & APPLY

Browse and select a project. Click on 'Apply to DPAP' and complete the form.

2

APPLICATION APPROVAL

The Developer will review the application. Approved agents will gain access to the Marketing Resource Library (MRL).

3

APPROVED AGENTS

Approved agents will sign a commission agreement online and access marketing materials needed to send respective investors.

4

Featured Projects on DPAP

The Waves

Dubai, United Arab Emirates



Residential

Shamal Waves is a Community is conveniently located at Jumeirah Village Circle offers an affordable living in a flourishing residential Community.

Apply

Maryam Island

Dubai, United Arab Emirates



Residential

Maryam Island is the latest addition to Sharjah's burgeoning tourism sector. It is the first waterfront development destination of its kind in the Emirate.

Apply

[Click Here to View More Projects](#)

A powerful statement of style

All of humanity may be created equal, but not all possess the same level of ambition and dedication to excellence.



To those who dream big, embrace challenges and make the most of every opportunity, an extraordinary life awaits – a community that not only rewards success, but also inspires personal and professional progress.

Making its debut in this world-class city, Tonino Lamborghini Residences Dubai masterfully synthesizes provocative design, smart technology, and intelligently engineered comfort in urban living.

The unique and innovative 4.6 million square-foot iconic development of nearly 8,000 premium freehold apartments are being offered to residents, with over 1500 spacious apartments being delivered by 2020. Designed precisely to offer superior lifestyle choices set in calm and serene oasis-like surroundings, but within easy reach of the city's hotspots, Tonino

Lamborghini Residences Dubai is an upscale urban dweller's dream come true.

This iconic development is located in the premium Meydan district, and supports The Smart Dubai initiative and the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum to promote efficient and safe services for the community.

Nestled between the royal palace grounds and the private homes of the Dubai elites lies a tranquil, leafy enclave in Nad Al Sheba. This picturesque area a short drive from the centre of Dubai has garnered international attention as the home of the annual World Cup horse races. Just a five-minute trip from Meydan One and Mohammed Bin Rashid City – a flourishing precinct poised to become the city's new centre – it also positions residents within fifteen minutes of downtown Dubai and the airport.

Exceptional connectivity and an enviable location place a world of opportunities right within its residents' grasp. A sprawling palette of services and amenities, integrated with "smart" systems of technology, make exceptional efficiency a part of daily living. Its distinctive architecture, modern landscaping and bold interiors deliver a powerful statement of style



Tonino Lamborghini
RESIDENCES DUBAI

both at home in the residences as well as across the entire community.

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For more information contact
Choueri Real Estate at
management@chouerirealestate.com



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meydan

DEVELOPER

Jumeirah Luxury



Founded 2017 in Dubai - United Arab Emirates, Jumeirah Luxury Living is a semi-governmental development on the rise.

A joint venture between Luxury Living Investments LLC and Jumeirah Golf Estates, the company that carries an exceptional track record of successful project development, with the team behind the scenes serving as the firm's true backbone and most significant source of strength. From the initial planning and design phase to the more advanced construction and handover stages, the company's staff and management continue to gear every one of their resources and human capital towards the successful planning, development, and mastering of grand projects that serve to echo Dubai's grandeur and add to its diversity.

In its search of excellence, Jumeirah Luxury Living combines a financially-sound strategy with substantial investment capital to ensure that clients, partners, and collaborators always benefit from optimal services, privileging quality and timeliness over everything else.

With Jumeirah Luxury Living already proving a massive success in Jumeirah Golf Estates, the company is looking forward to creating new projects and further developments that cater to the masses and offer communities and generations of residents luxurious, affordable and elevated living opportunities.

Jumeirah Luxury has long filled several gaps in the Dubai Luxury Real Estate market, serving as an affordable and green luxury development in the heart of a thriving city.

Offering outstanding family-oriented facilities, professional golfing possibilities and customization options for houses, the development is adjacent to the Fire Golf Course in Jumeirah Golf Estates, allowing residents to enjoy the DP World Tour Championship from their rooftops or swing by the club for a golfing session on a championship course.

With beautiful landscaping and greenery from the four corners of the planet, as well as integrated smart home automation, security systems, easy access to schools, hospital and transport links, and many recreational facilities such as the Jumeirah Living Community Centre, the community is appealing to adults as well as children. Additionally, the development offers access to other facilities of Jumeirah Golf Estates and is a short drive away from Dubai Downtown and Dubai Marina.

Infused with a contemporary feel and modern architectural lines, Jumeirah Luxury's sustainability has helped establish the project as one of Dubai's top luxury destinations.



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Eagle Hills



Since its founding in 2014, Eagle Hills has realised an impressive growth plan, which has seen it enter into agreements to support the redevelopment and reinvigoration of a number of cities in Africa, Eastern Europe and the Middle East.

As an Abu Dhabi-based private real estate investment and development company, Eagle Hills has so far achieved a number of significant milestones, with more ambitious plans to be unveiled, including the debut of several ground-breaking new projects from its operations in Serbia, Bahrain, Jordan, Morocco, Oman, and the United Arab Emirates.

Mission

To be the global provider of quality lifestyle communities and leading iconic destinations in emerging countries, providing sustainable economic growth.

Vision

To become the world's most admired real estate company through developing integrated communities that provide smart innovation, high quality products and services.



جزيرة مريم
MARYAM ISLAND

SHARJAH BY THE SEA

Maryam Island is a premier mixed-use development home to luxurious residential, hospitality and retail properties in the heart of Sharjah.



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2018 Emerging Real Estate Trends: Asia



The real estate trend in Asia is going through an uptick after four years of wallowing at the bottom of the barrel. The emerging trends report by PricewaterhouseCoopers (PwC) and the Urban Land Institute shows that the Asian market has several emerging real estate trends, including the retail market, housing market and the market for developers.

Top 5 Markets for Investment and Development for 2018

Singapore, which was second to last in the top commercial markets in 2017, had two years of a sluggish economy with too much supply and not enough demand. It is now the top market for 2018. PwC is forecasting that rents are going to raise. Singapore is also sixth in development.

Shanghai is second in investment and development. The demand from domestic buyers has increased, thus Shanghai's real estate market trend is rising since those domestic buyers are not able to export capital and core funds have been flushed with new capital.

Ho Chi Minh City came in third in investment but second in development. Vietnam has the interest of large regional developers and more developers with private equity funds who are willing to invest in the country. Many believe that Vietnam will repeat China's performance when it comes to inflation on property prices.

Jakarta and Bangkok, respectively, have the next highest rents after Ho Chi Minh City and have moved above Hong Kong and Tokyo on the top five list for commercial development.

Property Outlook

Some types of properties have better emerging real estate trends for 2018 than others, depending on the country and its market.

The Commercial Market

Because more people are able to purchase what they need or want online, the retail property market is clouded, though shopping malls are still showing an increase in investment. The "cloud" over the retail market is slowing the trend, but not stopping it. Some investors look at what happened with the retail market in the United States – eCommerce ate away the market shares of shopping centers. However, many investors believe conventional retail will be able to fend off growing eCommerce because capital values and rents are continuing to trend upward, or at the least, stay flat, instead of showing a downward trend.

Furthermore, some market areas that are not doing as well, such as Singapore and Hong Kong, are showing a flat trend because of lower tourism. Since the retail market is growing and changing fast, there is the potential for some of the more experienced investors to create something different enough so that eCommerce doesn't affect growth.

Office Space

Much of Asia is over-supplied with office space, however, investors are optimistic that the trend for 2018 will continue to row, particularly in Southeast Asia. The area has rising urbanization and incomes, and strong economic growth, which allow for new capital inflows. Additionally, demand for office space has increased for the first time since 2013, especially in Singapore, which is the most affordable market second only to Tokyo.

Alternative Assets

An investor may boost returns by investing in unconventional assets because there is much less competition and the yields are higher. PwC shows more growth in niche investments for 2018. These assets include data centers, affordable housing, multifamily units, student housing and senior housing. The risk has declined in many of these unconventional assets due to the higher demand for them.

Alternative assets are particularly popular in Singapore and show an upward trend because of the change in risk vs. return and investors with changing expectations or returns. Locals with accumulated cash are also investing in these unconventional markets, which creates competition for these types of assets. That in itself creates a change for the better in investment patterns.

The Residential Market

Though governments throughout Asia have been trying to slow increasing property prices by requiring higher down payments on mortgages and more sales tax, the market continues to grow, due to demand. Most regions have a housing shortage, and with the continued high demand, the prices will continue to rise, regardless of what the governments do. In some cases, though property prices are high, they are still lower than other Asian markets. Even with shrinking apartment footprints – some were smaller than 200 square feet – the residential market continues to show an upward trend.

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