

Presentation Flow

GENERAL OVERVIEW

Data cleaning
Overview of market

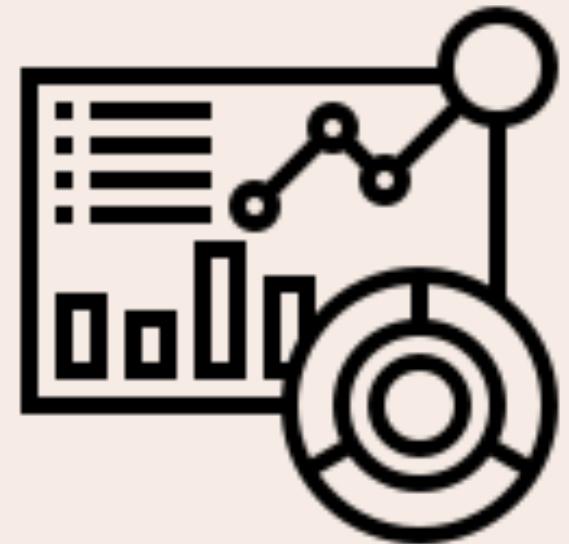
KEY INSIGHTS

Decade build
Location
Features of the building

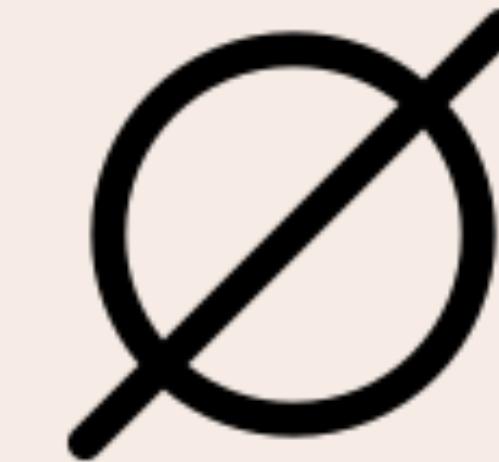
SUMMARY

Recommendation wrap up

DATA CLEANING



Different data
types



Null values

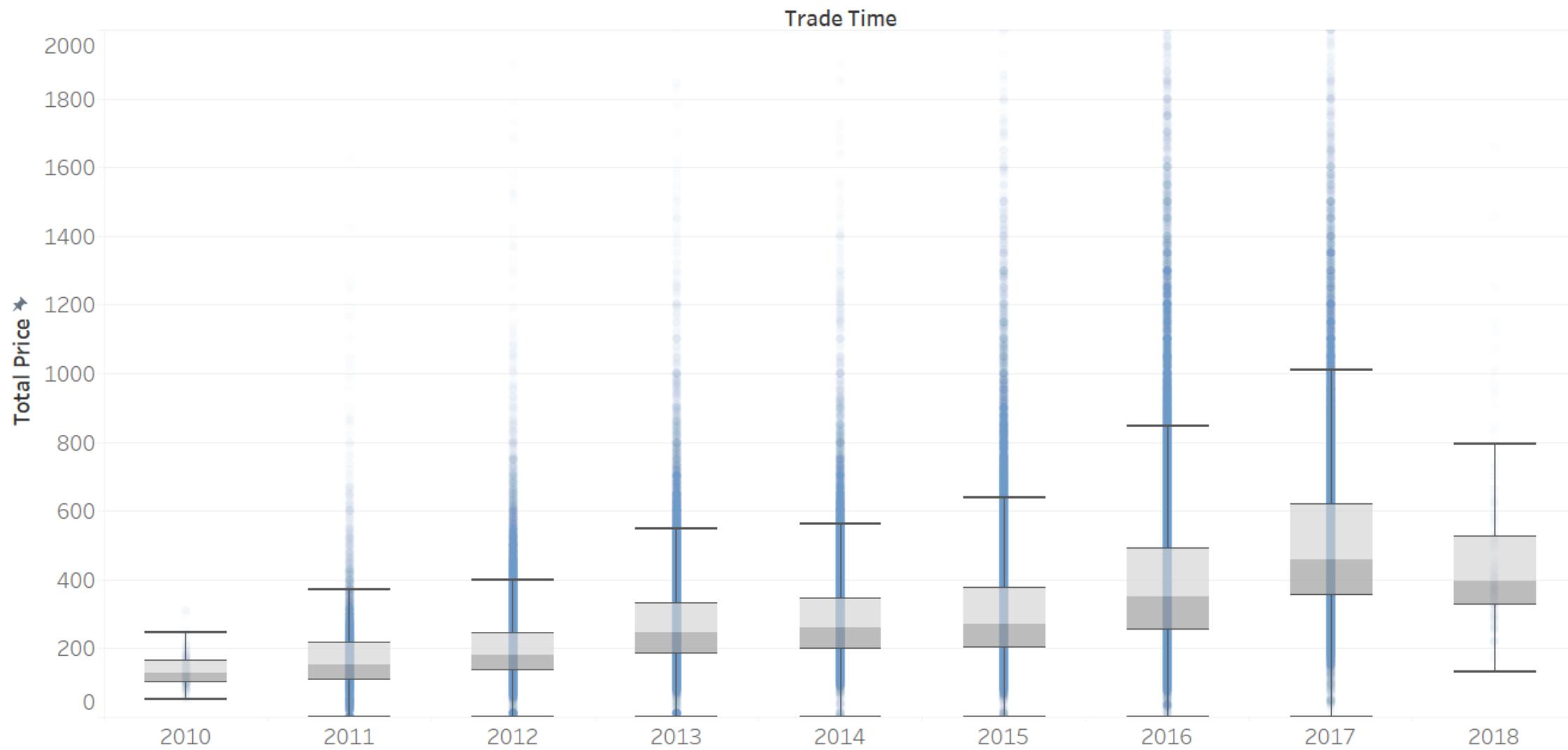


Irrelevant data



General Overview

Growth in housing prices



Upper Whisker: **248**
Upper Hinge: **163**
Median: **127**
Lower Hinge: **100**
Lower Whisker: **51**

2010 statistics

Upper Whisker: **1,012**
Upper Hinge: **617**
Median: **458**
Lower Hinge: **353**
Lower Whisker: **1**

2017 statistics

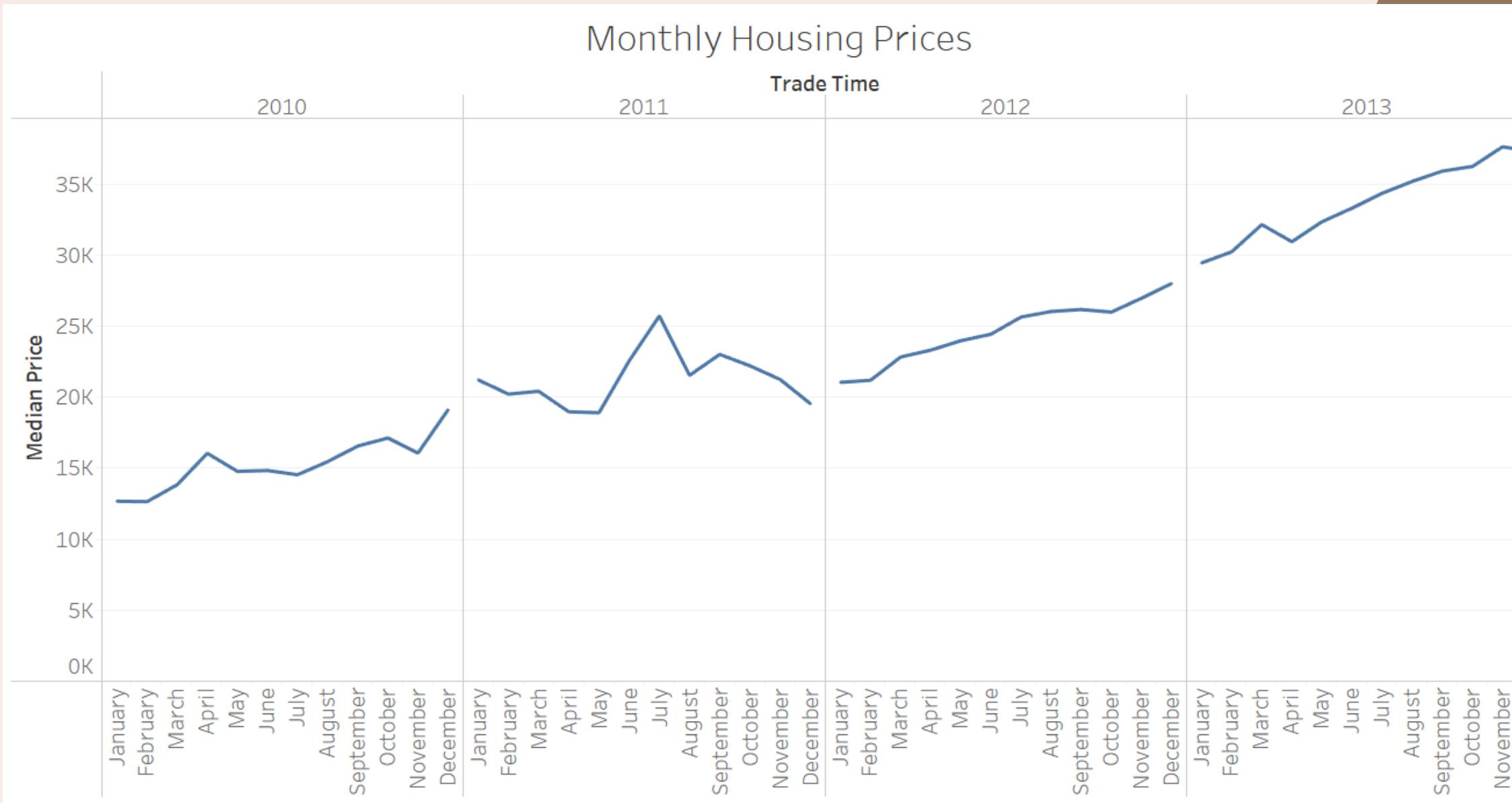
INCREASING PRICES

Sale Year



Market
SURGED after
2015
WHY?

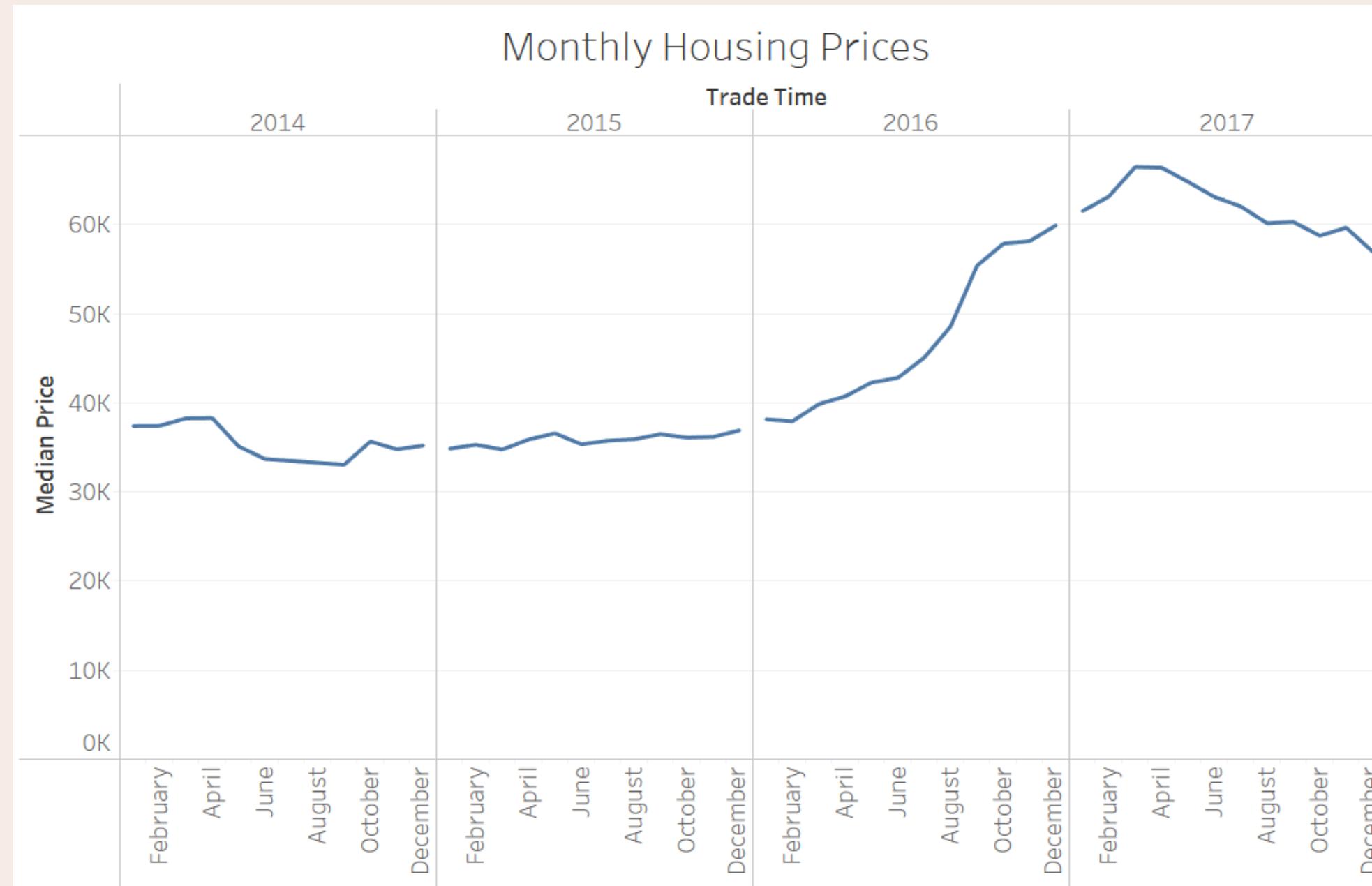
Key Reasons for rapid Price fluctuations



China's government spent **largest stimulus package**, USD\$552 billion in to **infrastructure, housing** and other projects.

Economic recovery after the global financial crisis in 2008

Key Reasons for rapid Price fluctuations



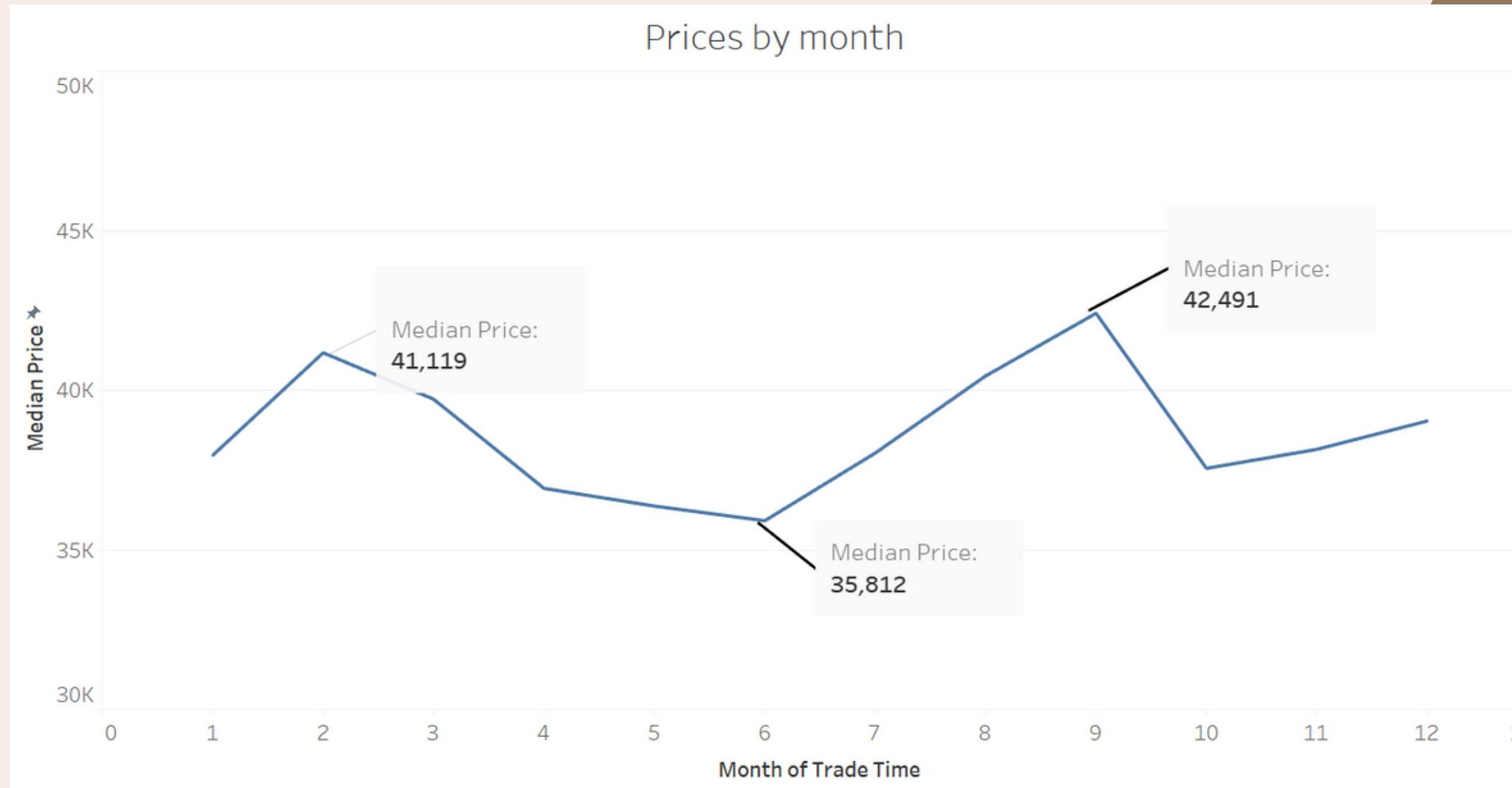
Economic **slow down** in 2014 and government clamp down on **speculative** property investment

Changes in **Government policy** in 2016

Ending of one-child policy and easing restrictions of foreign ownership

Government increased **down payment ratios** up to 70% for second property as an easing measure

Median monthly prices

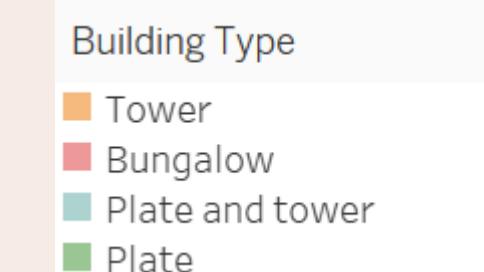
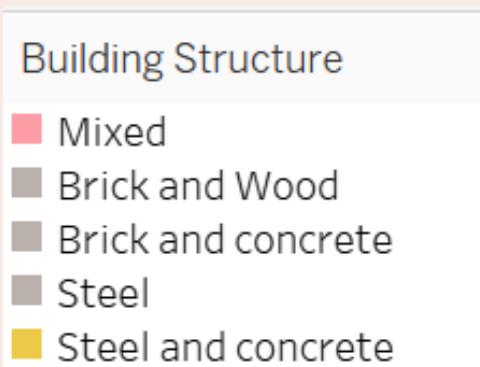
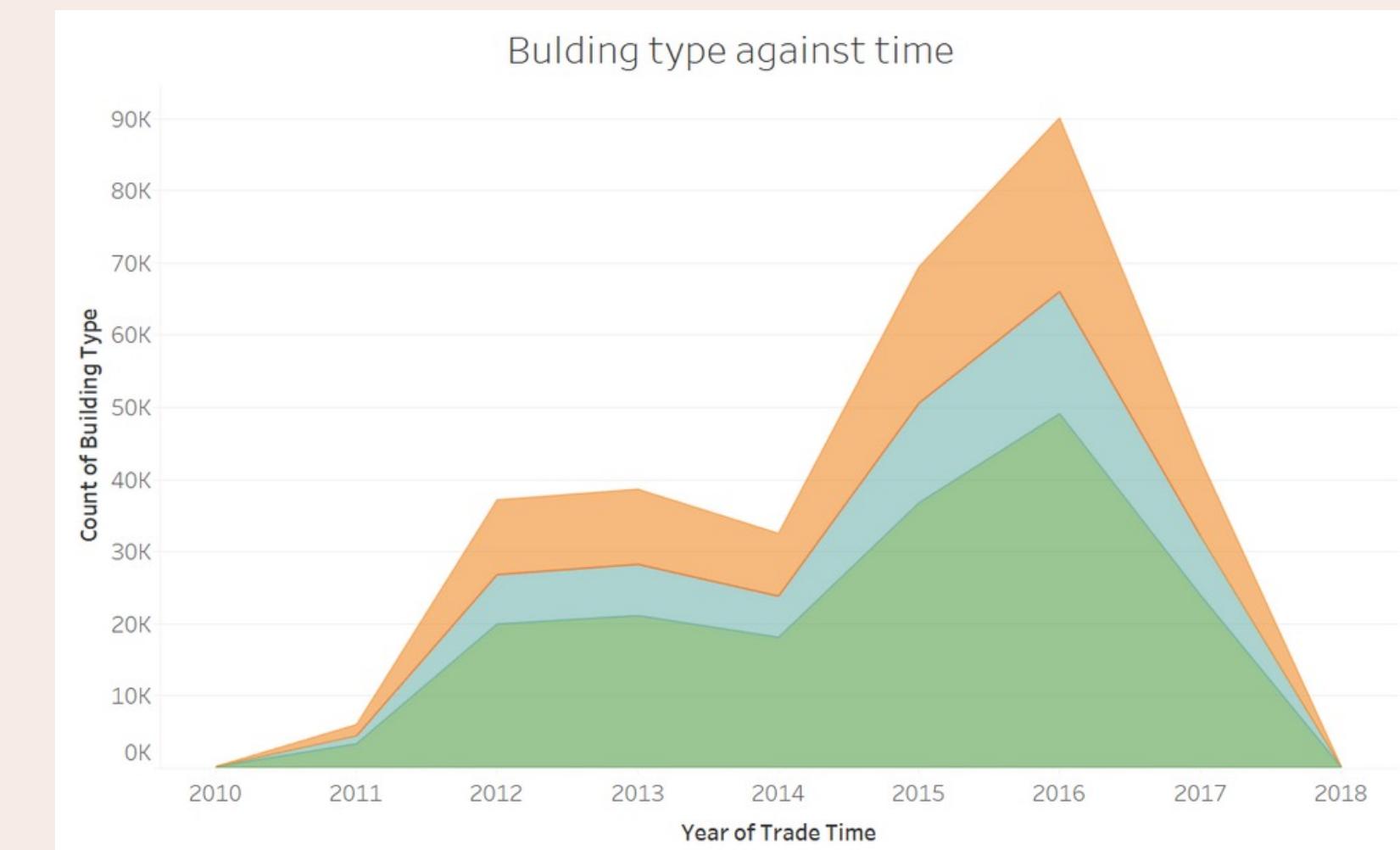
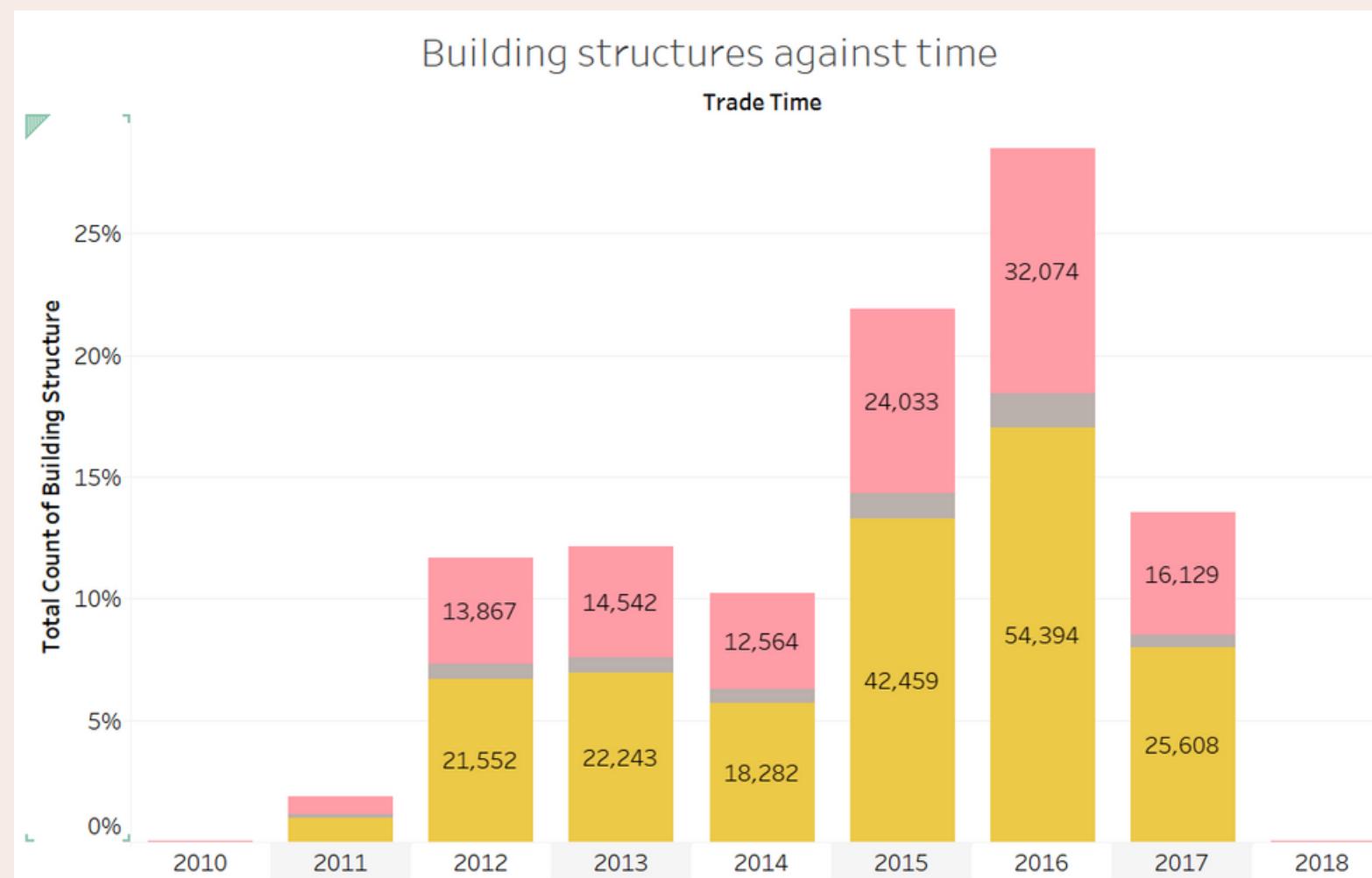


Prices rise at the start of the year due to Chinese New Year

Cools off from March till July with the lowest being in June

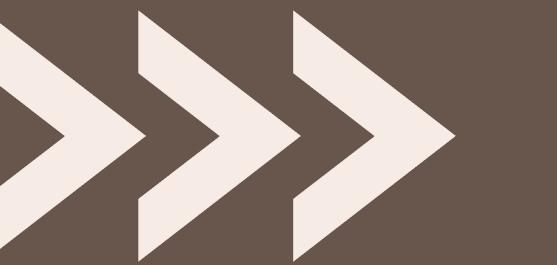
Prices began to rise again due to developers putting out more deals for China's national day

GROWING DEMAND OVER THE YEARS

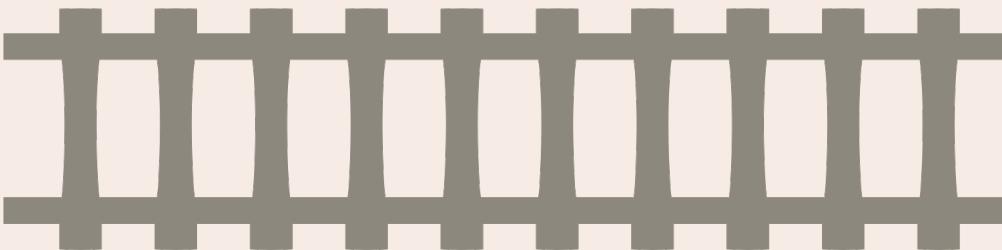


Key Insights

Insight #1



Beijing Subway Network



(Here's How the Beijing Subway Will Look in the Near Future, n.d.)

(Sina_Mobile, 2022)

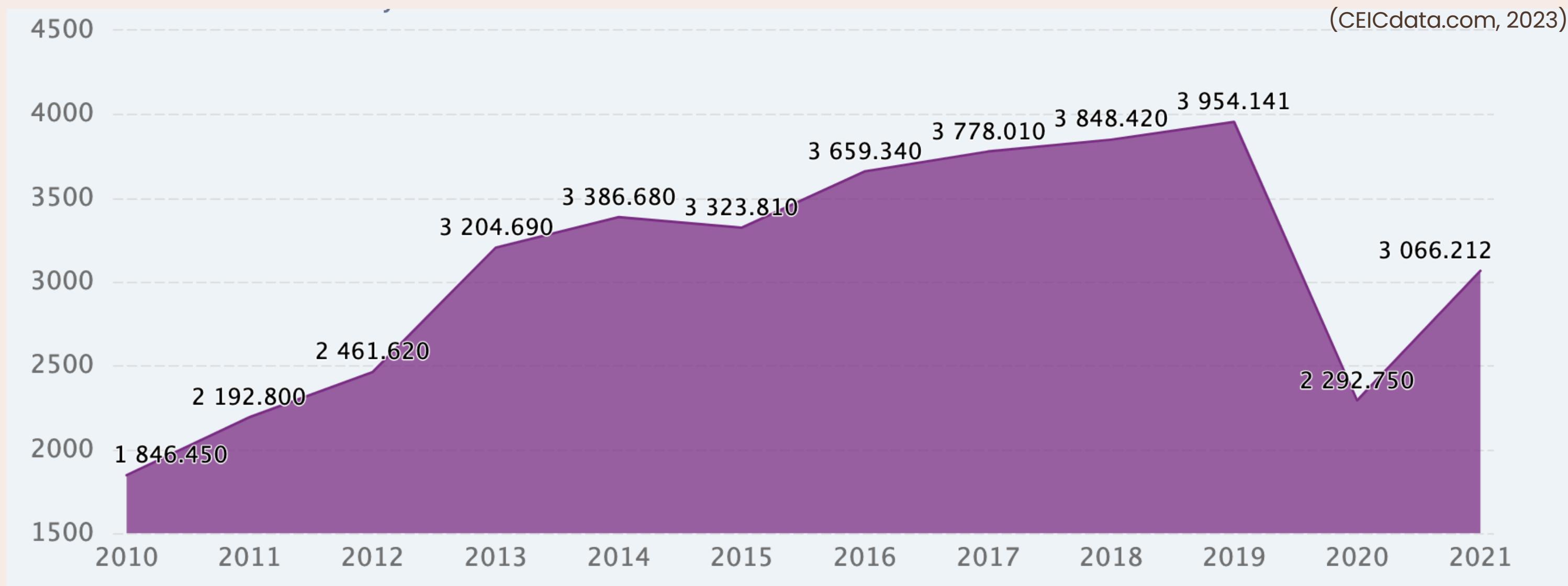
780 KM → **2063 KM**

Present

Future



PASSENGER NUMBERS BY YEAR (in millions)



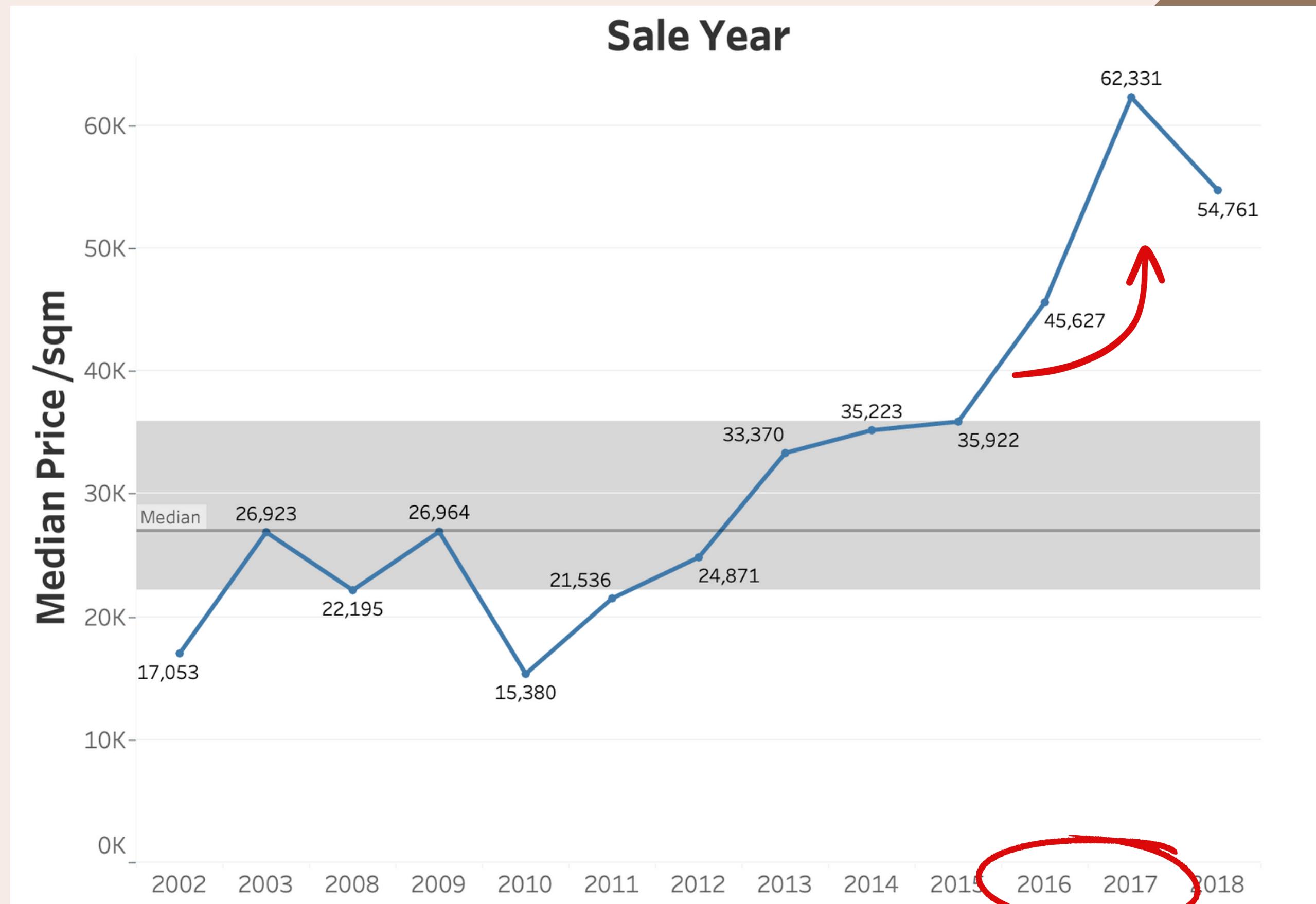
Public transport usage has
been **INCREASING**

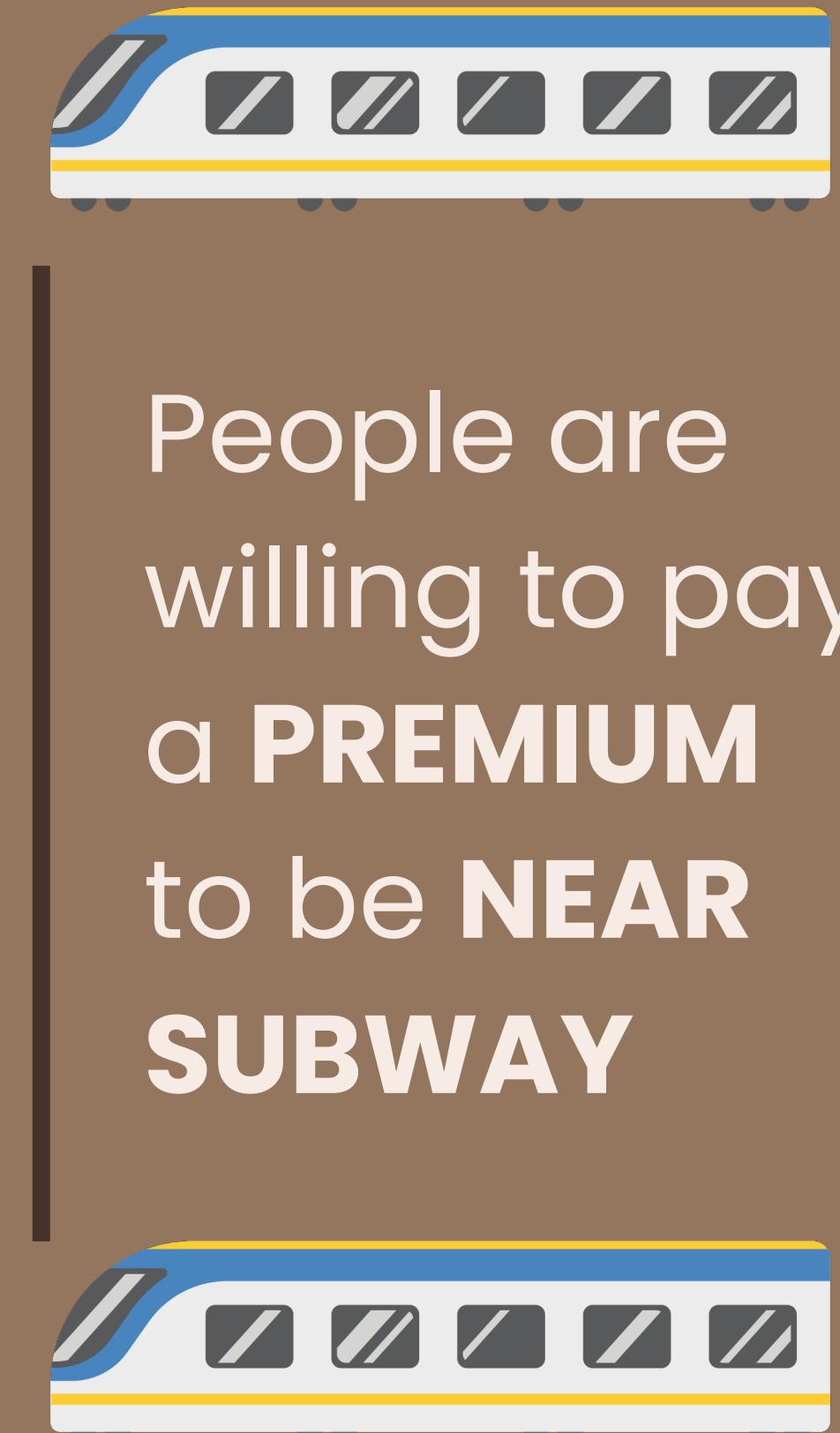
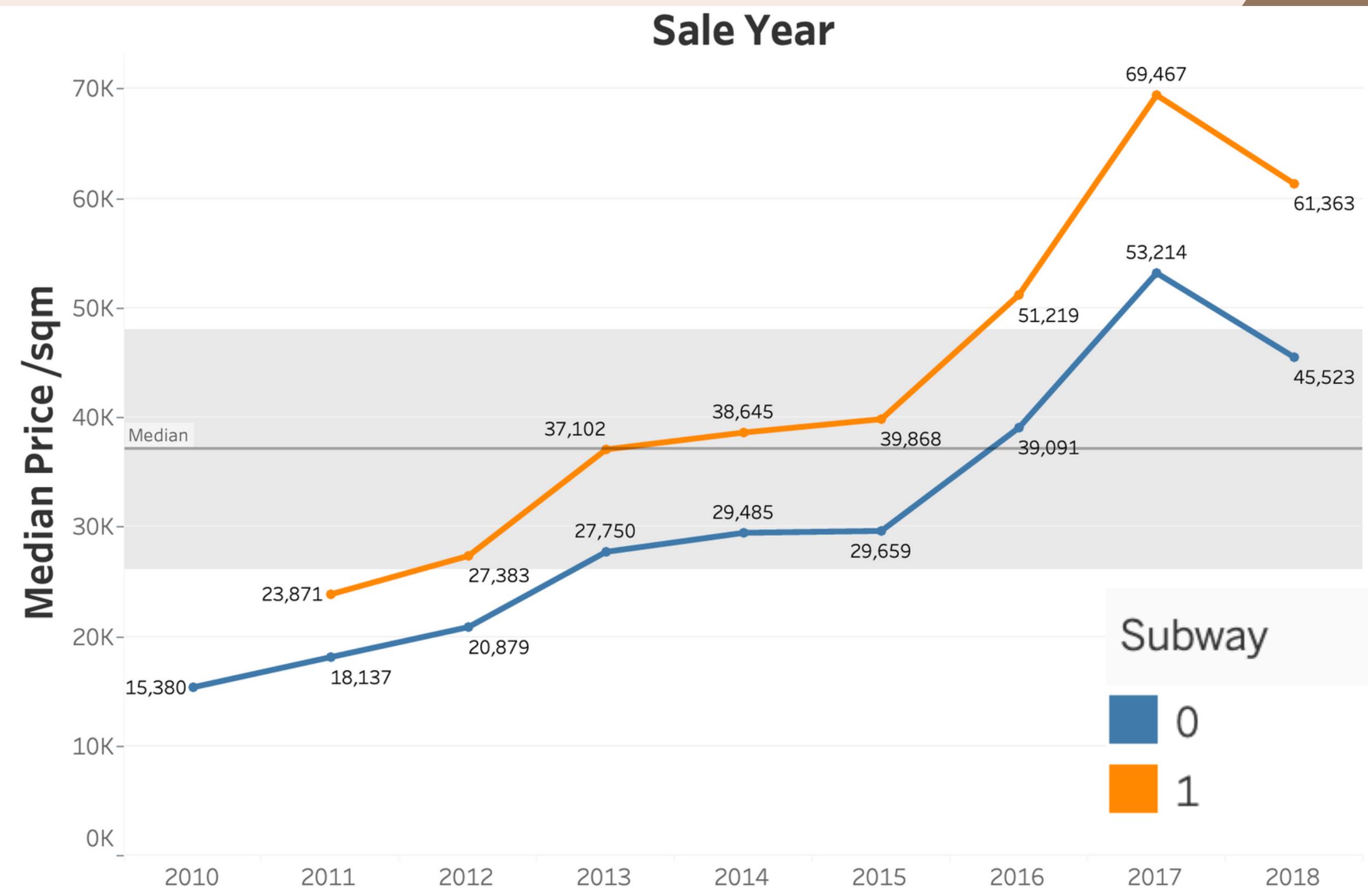
Market
SURGED from
2016

22.5%

Property sales
compared to
2015
(in floor area)

("China 2016 Property Investment Rises 6.9% in 2016,"
2017)

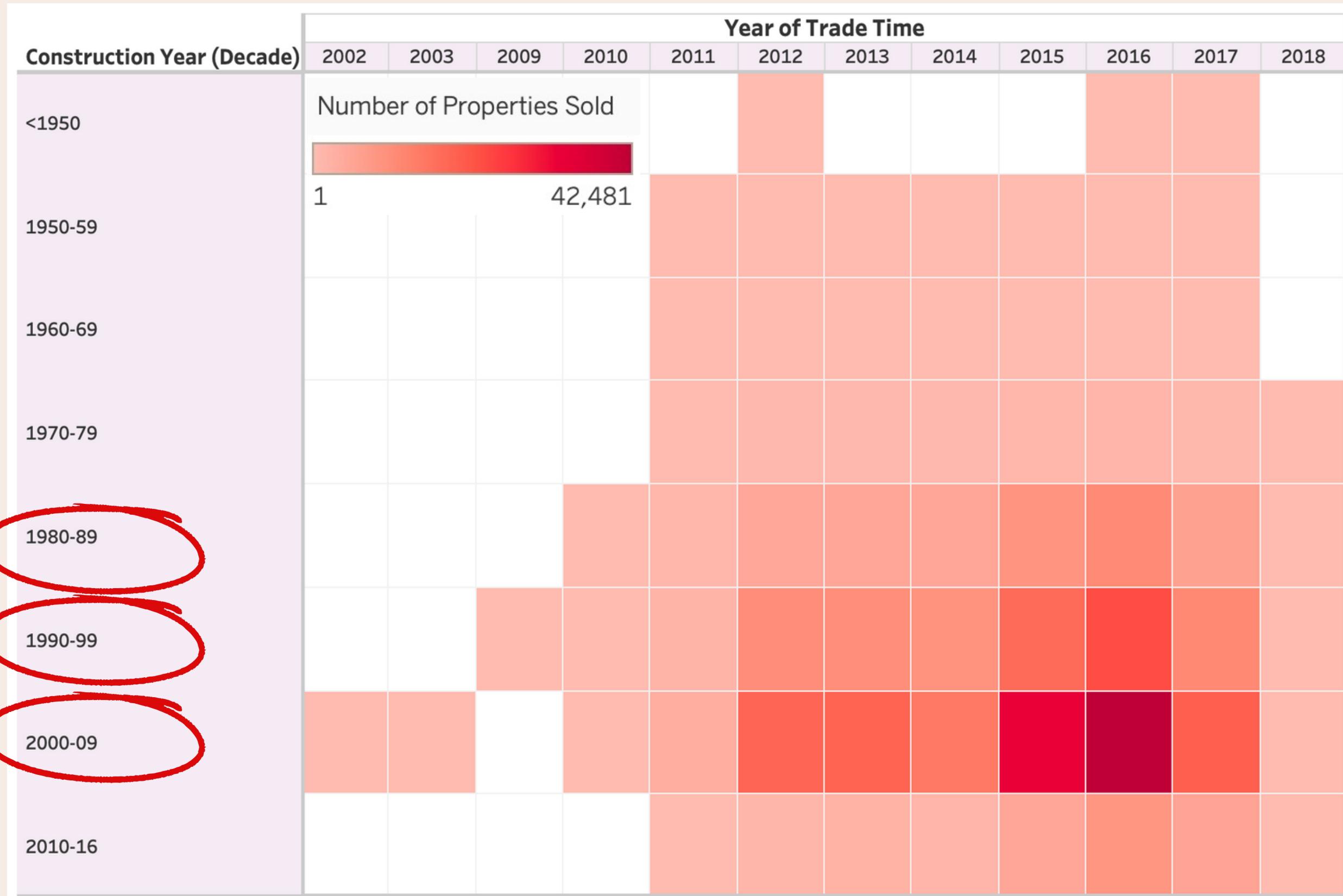




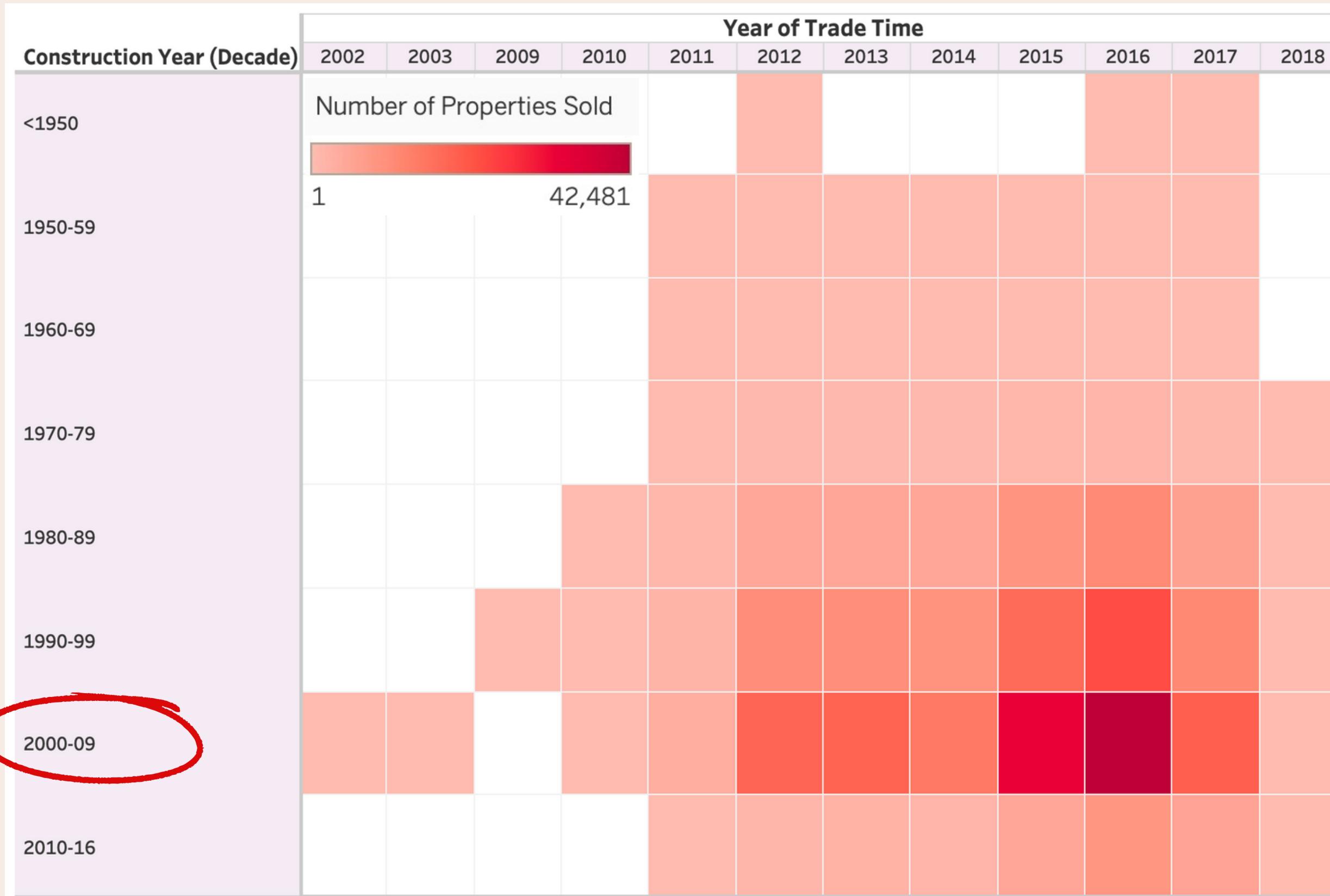


what about
age of
property?

How old are the properties being bought?

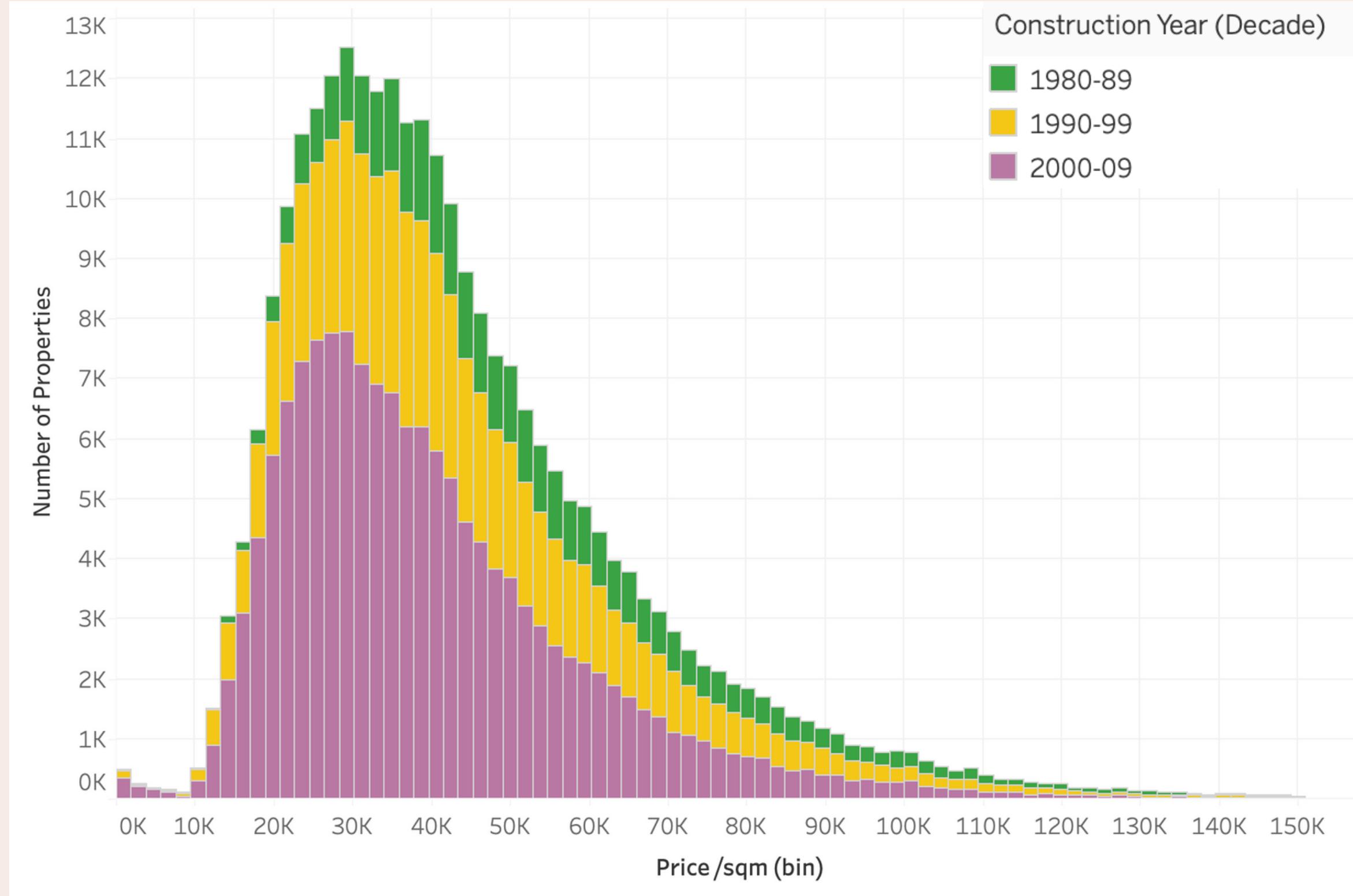


How old are the properties being bought?

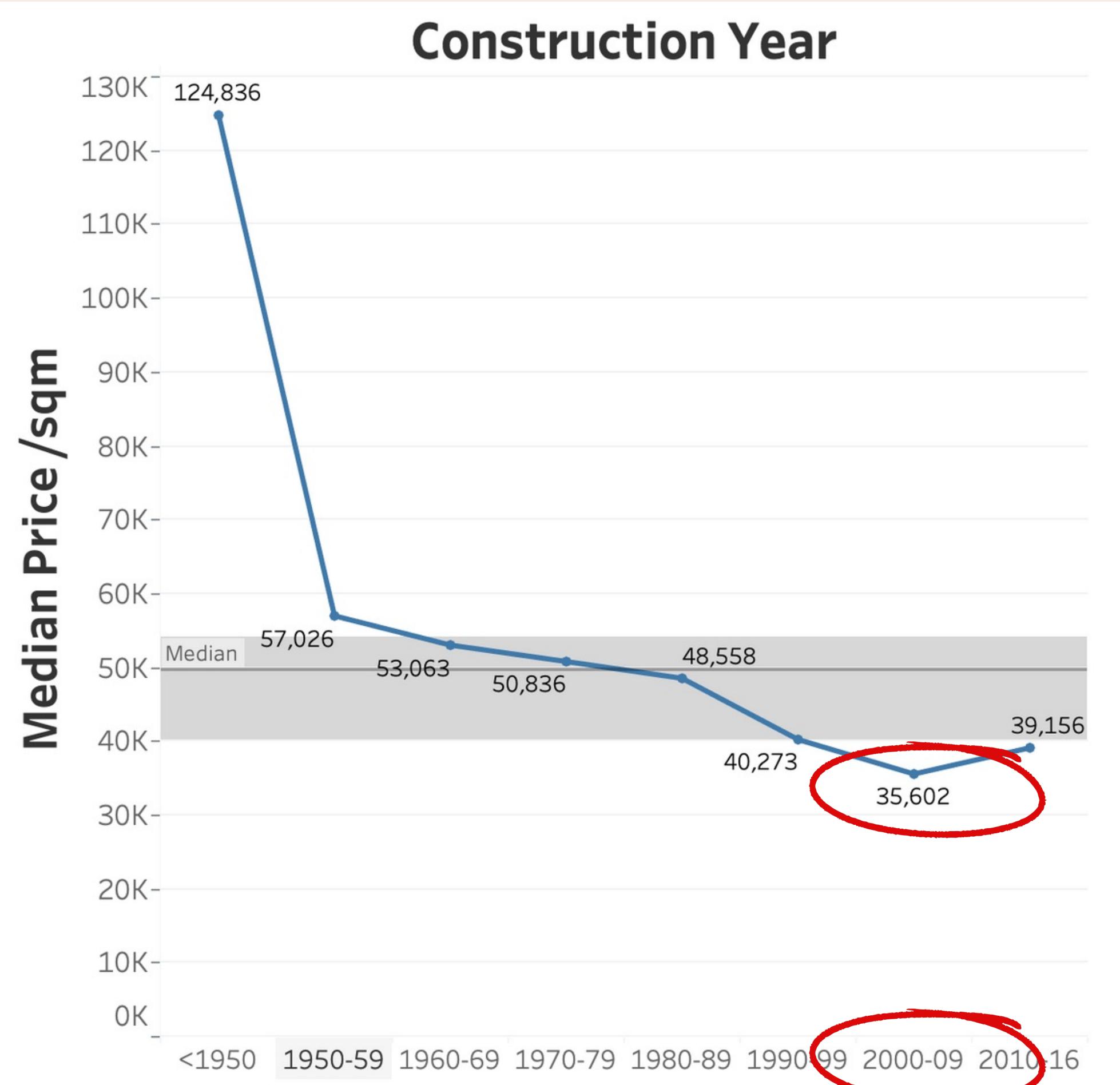


During the
**PROPERTY BOOM
OF 2016**, investors
chose to buy
properties built in
2000-09!

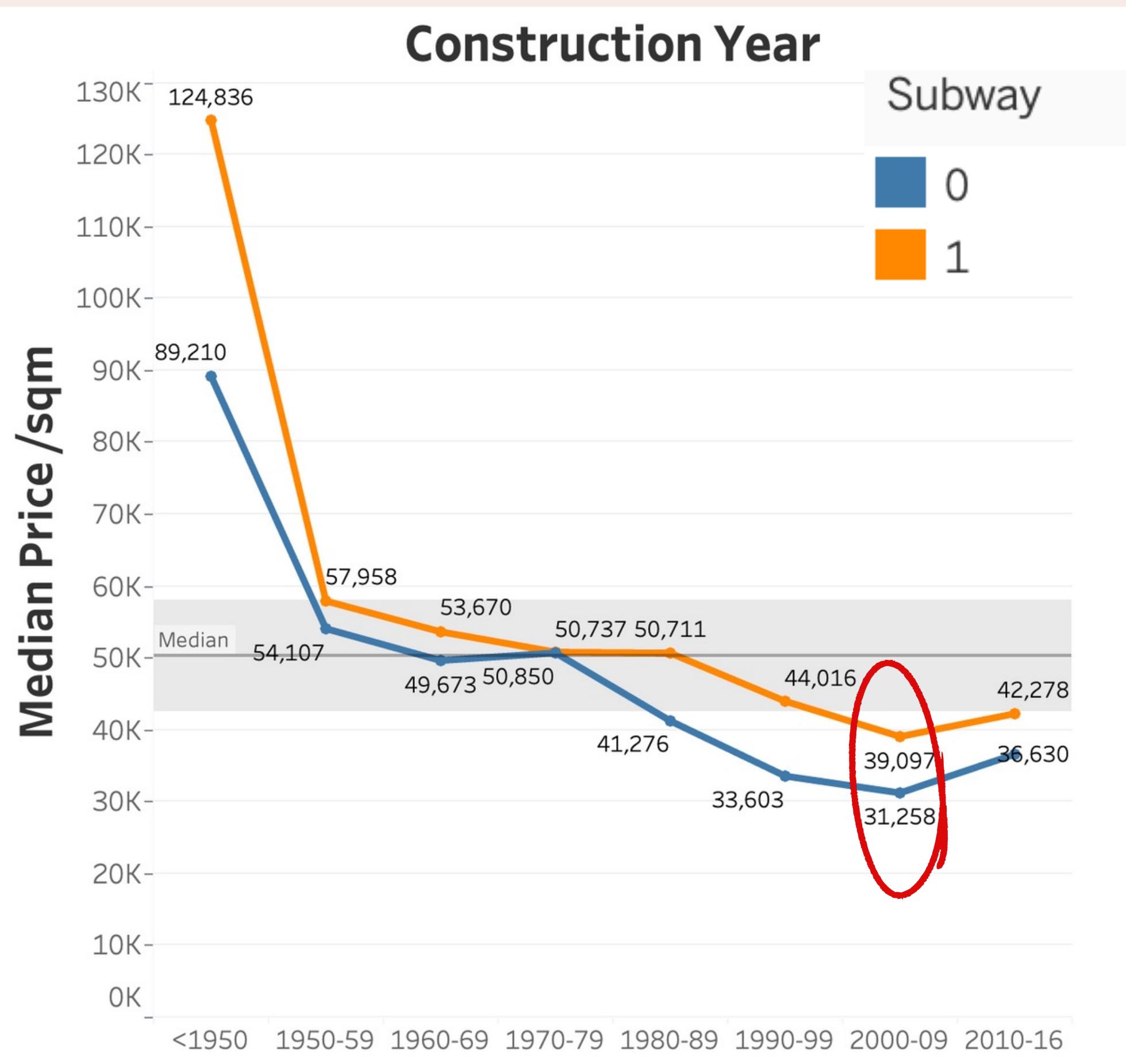
Looking at the most popular construction years (price distribution)



2000-09 is more
RIGHT-SKEWED

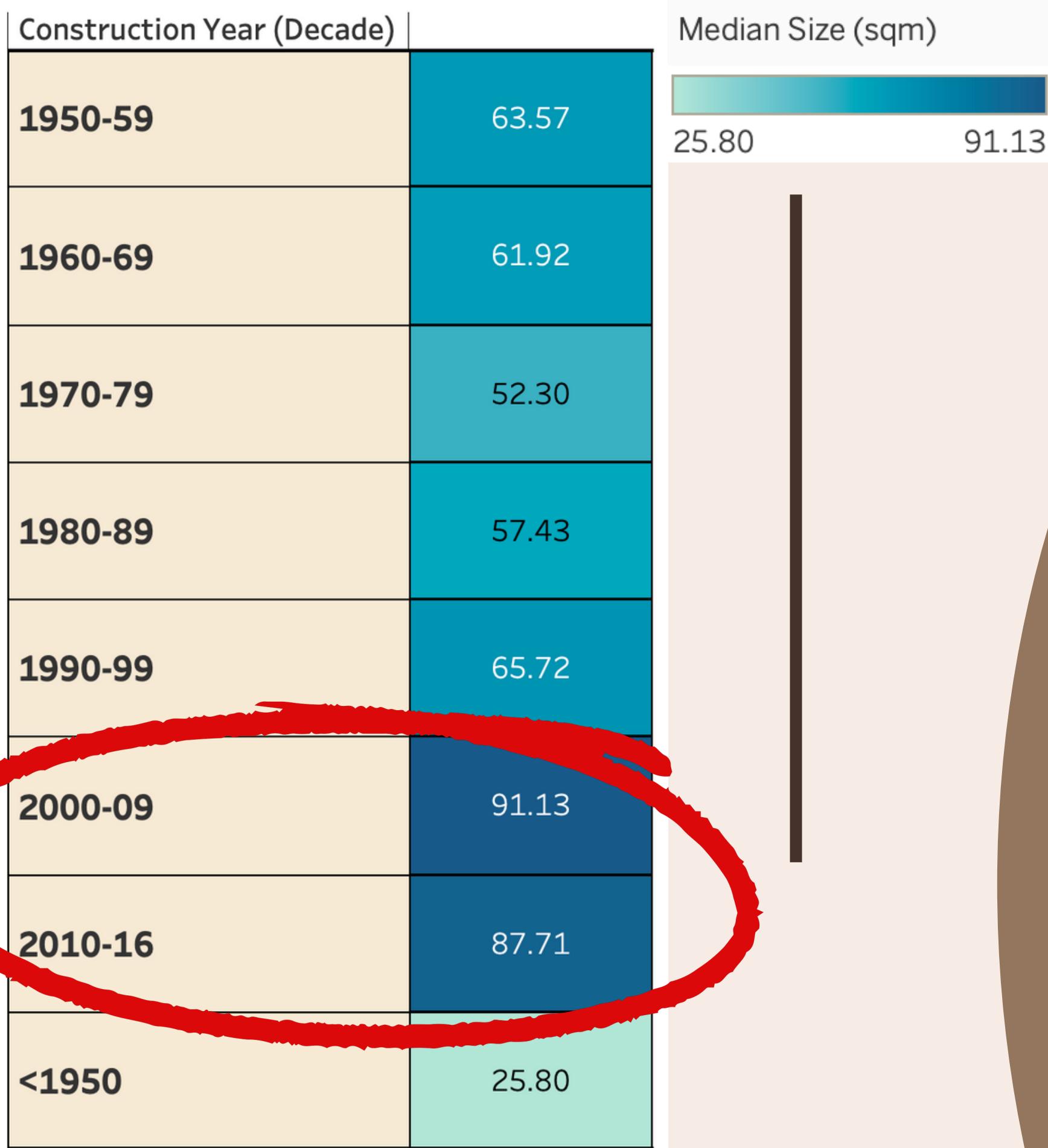


Median price
per sqm for
2000-09 is the
LOWEST



Again, LOWER
than median

Comparing total size (in sqm) of properties



Newer properties
are generally
BIGGER

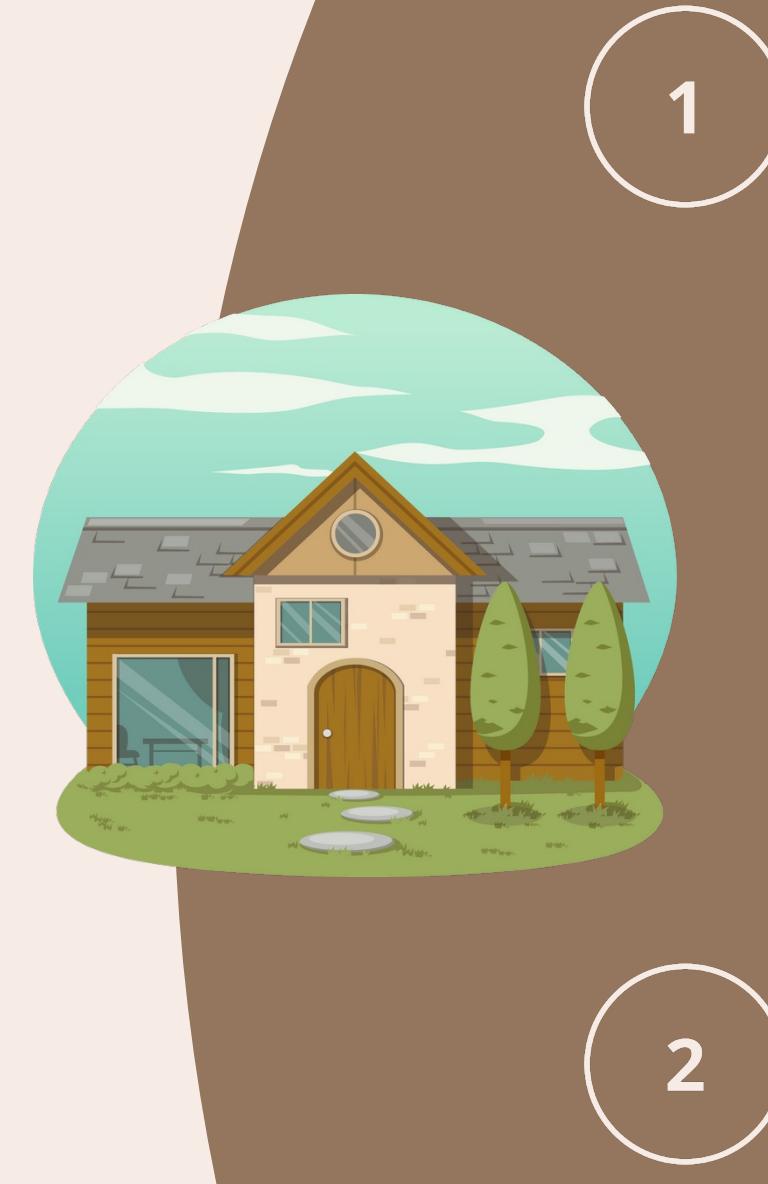
Compared to the
other popular
decades, the total
size of properties
built in 2000-09 is
the **LARGEST**



What can
we draw
from these
insights?

Recommendation

A good starting point would be properties built in **2000-09**, and **NEAR SUBWAYS**

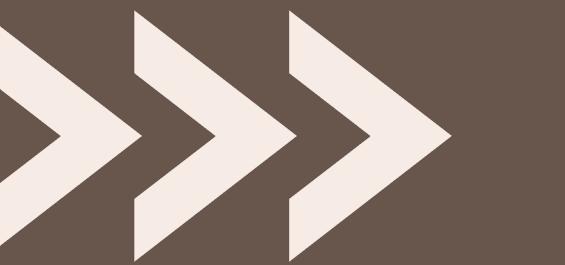


It is more **COST EFFICIENT** to invest in **NEWER PROPERTIES**,

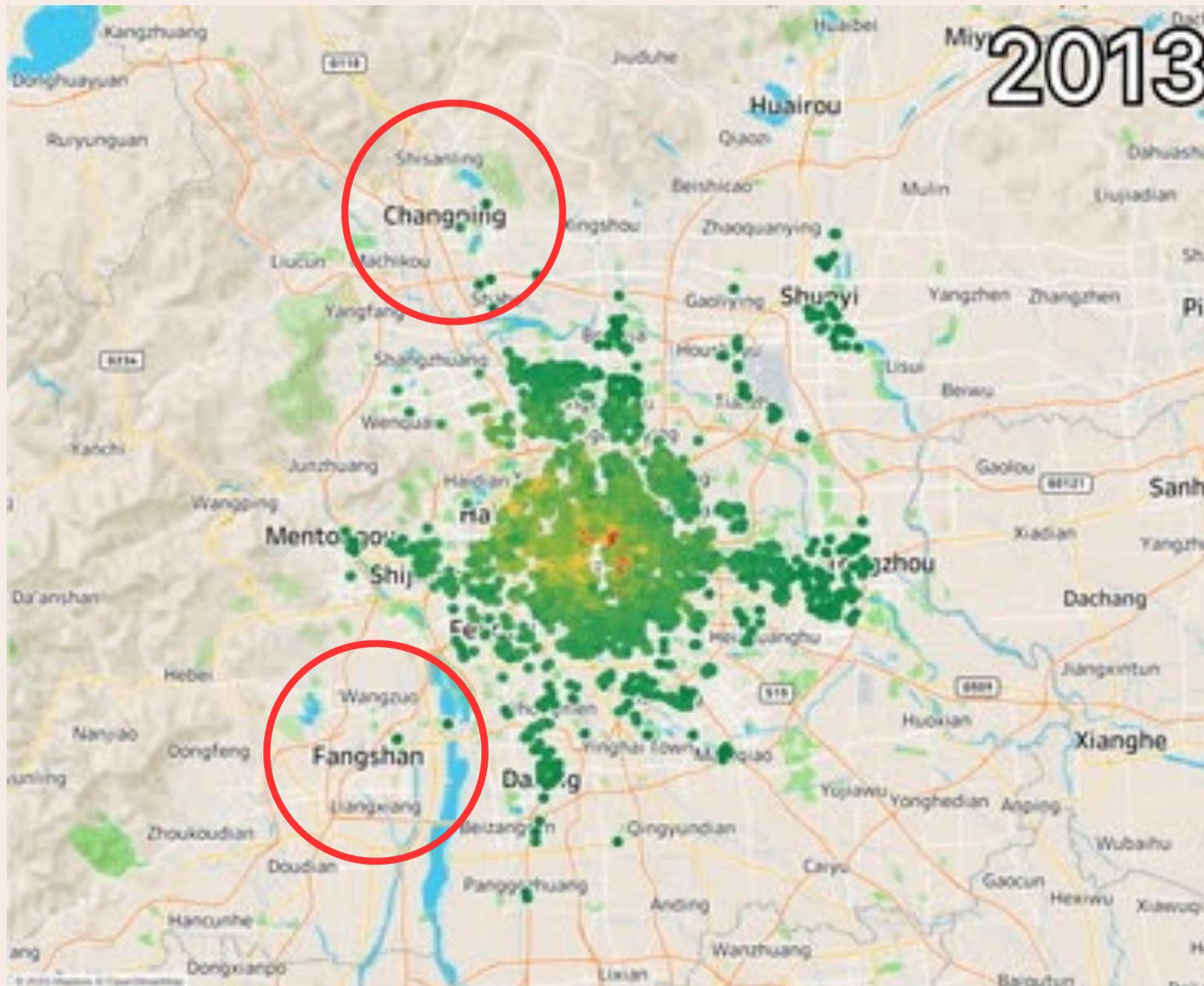
as demonstrated

Invest in properties **NEAR SUBWAYS**, given future transportation outlook

Insight #2



Average price per sqm by location and year

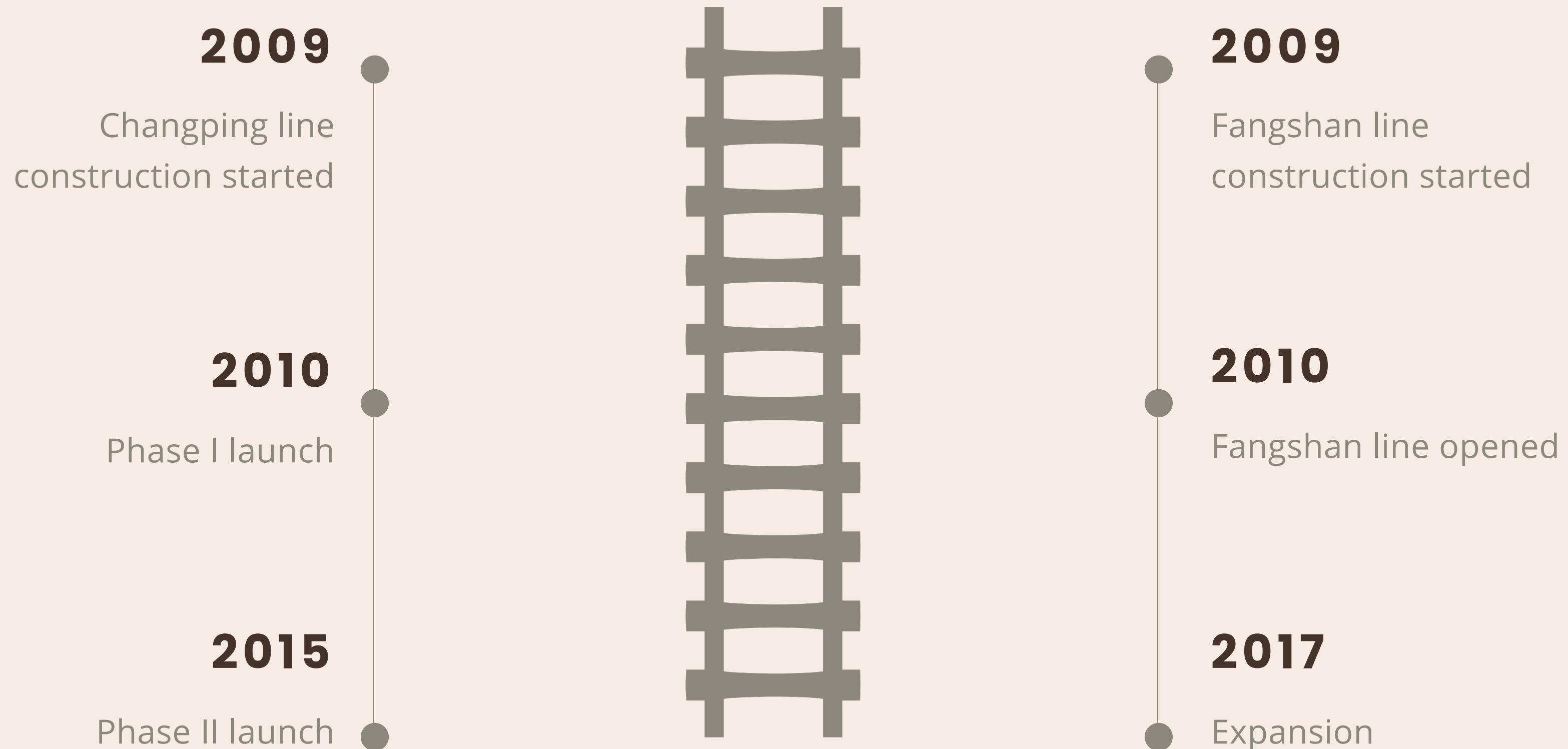


Average price of
housing **INCREASED**
over the years.

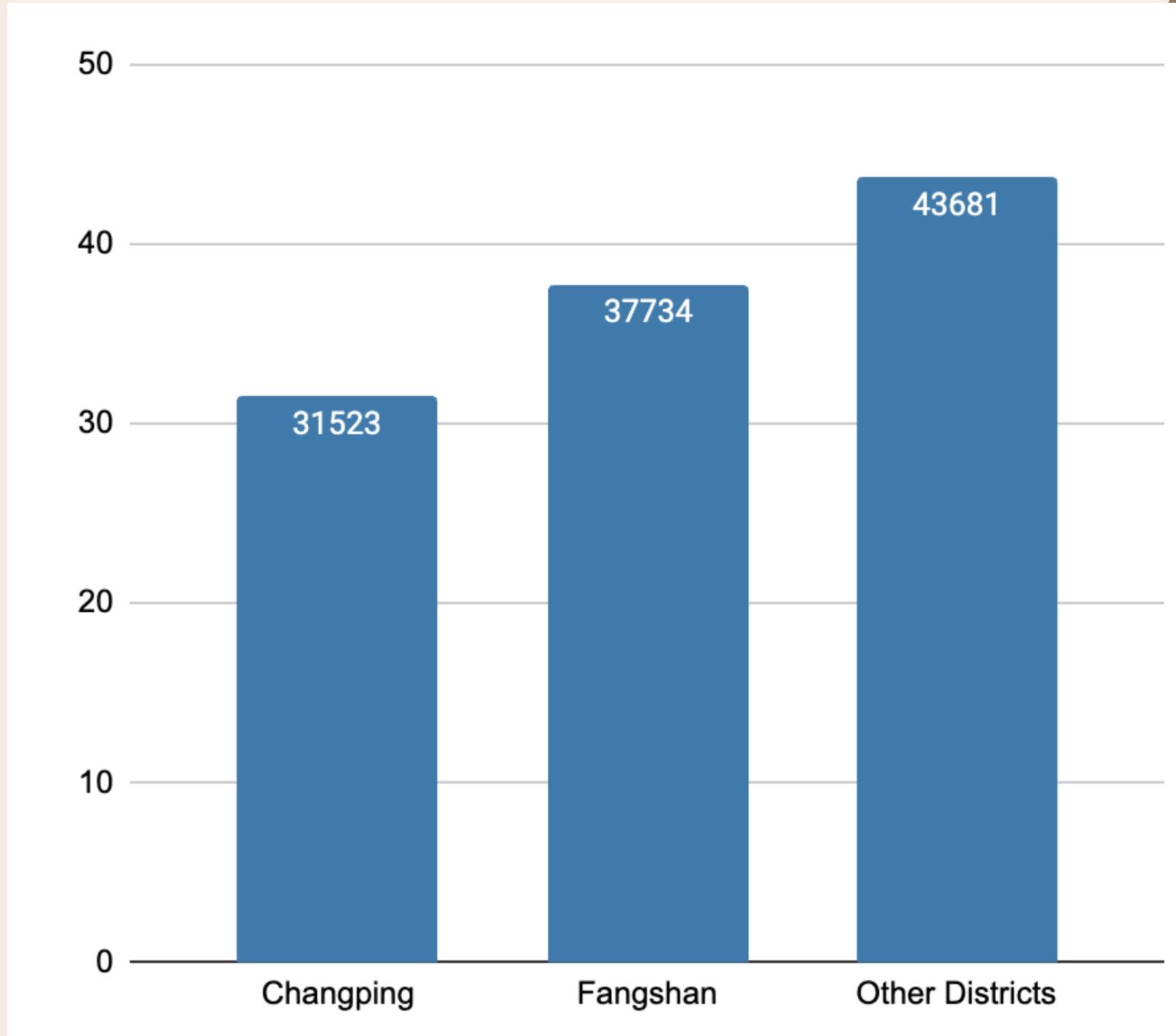
Housing near the **CITY
CENTRE** are affected
more.

More housing being
bought in the **SUBURBS**
in recent years,
especially **Changping**
and **Fangshan** district.

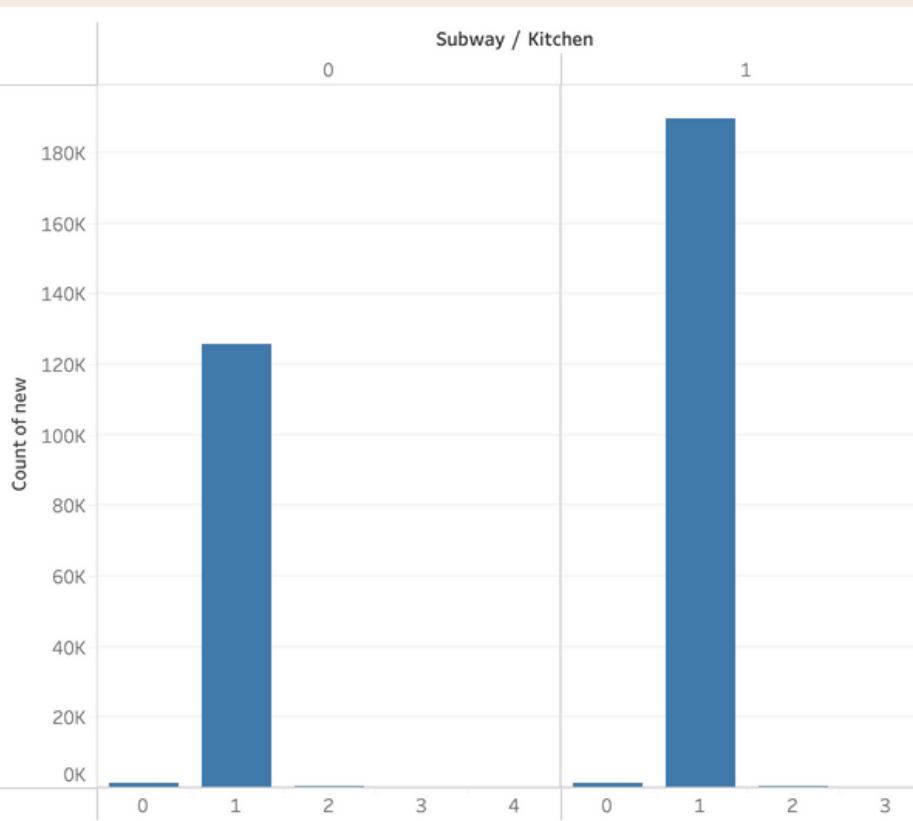
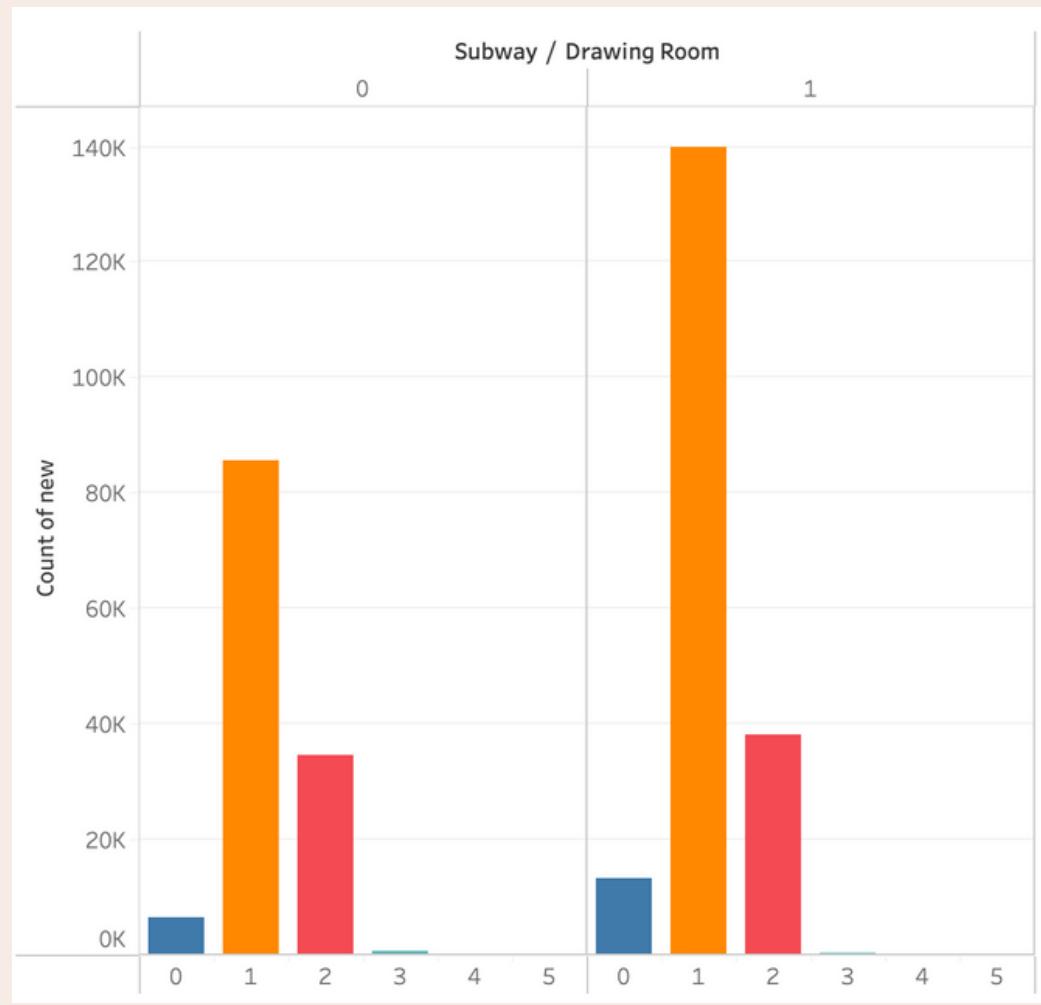
What happened?



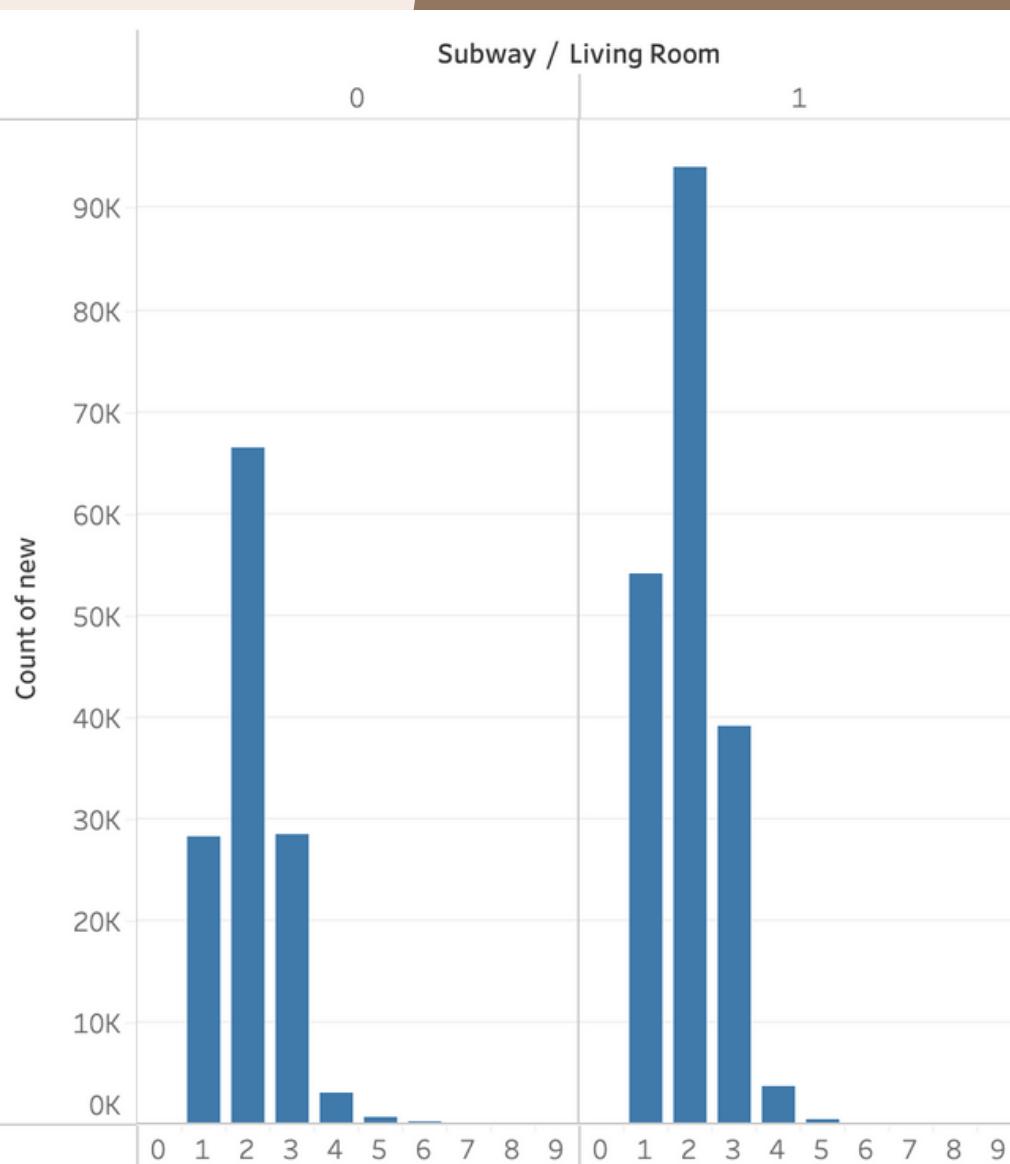
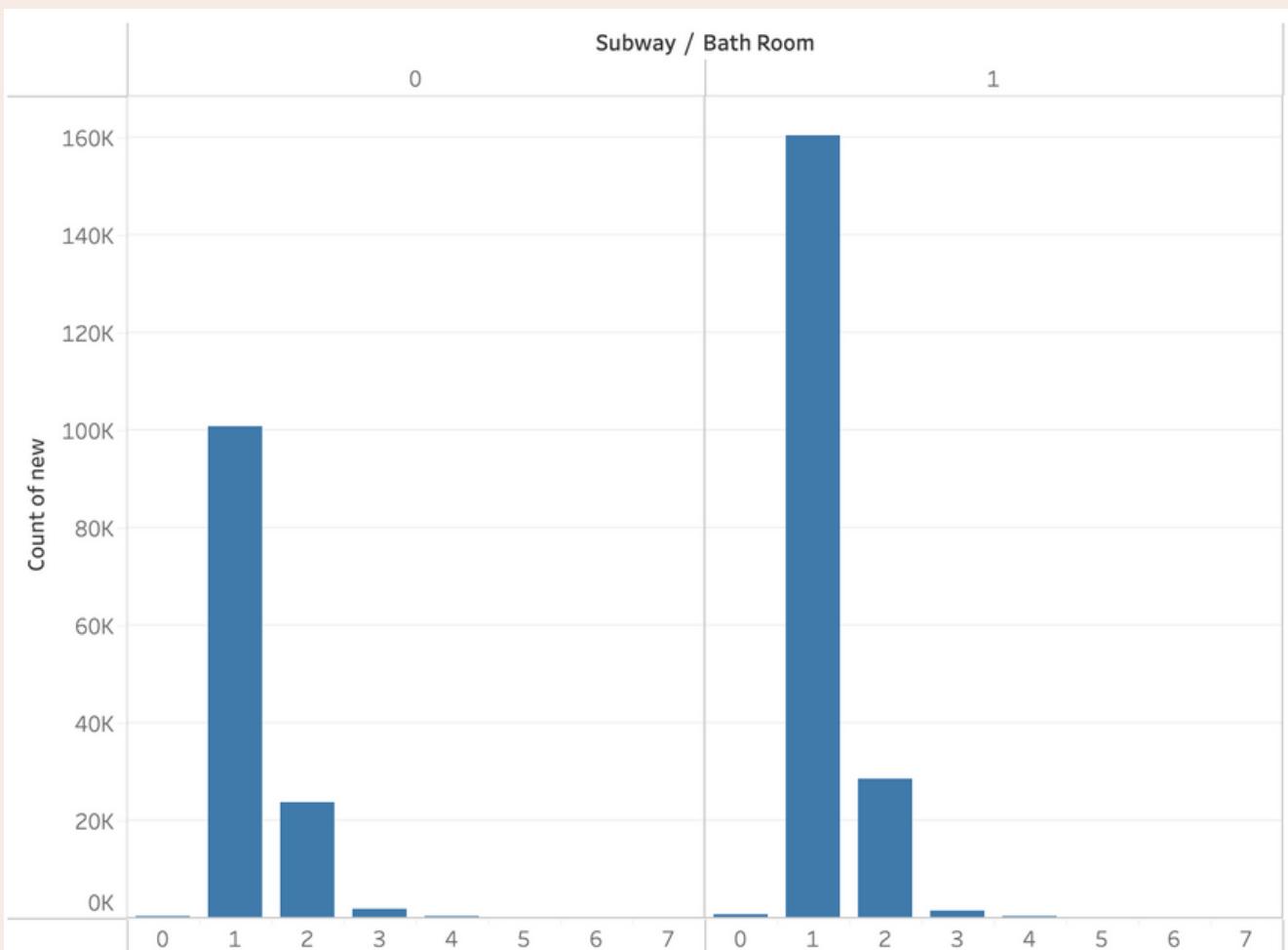
Average price per sqm by region (estimated)



The **average price** of a unit
in Changping and
Fangshan Districts are
lower than average.



Housing unit exhibits similar characteristics regardless of proximity to subway.



The most popular type of housing has **1-2 drawing rooms, 1-2 bathrooms, 1 kitchen, and 1-3 living rooms.**

After checking the dataset, it was found that units in Changping and Fangshan also have these characteristics.



What can
we draw
from these
insights?

Recommendation

Look for properties
in the suburbs,
such as
Changping and
Fangshan.



1

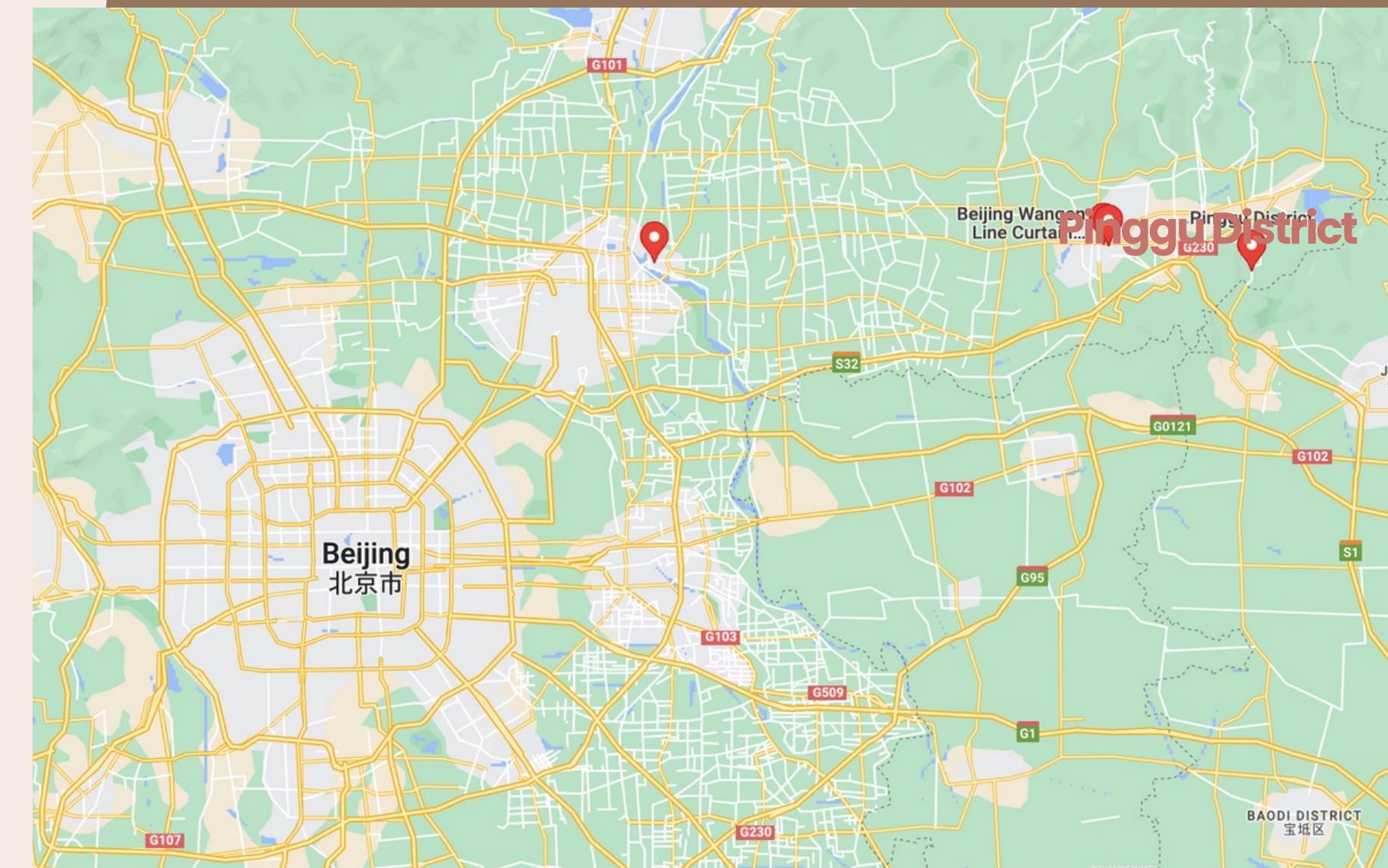
The properties are similar in build to those in the central district while having a lower price.

2

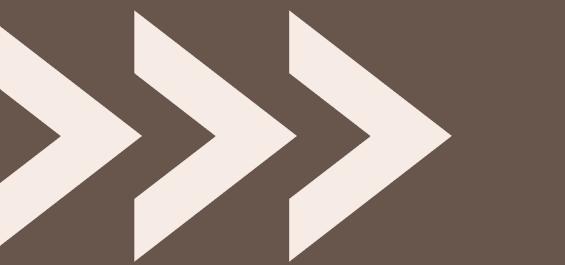
As these districts become more developed, their value will also increase.

Future Expansions

Line 22 (Pinggu Line) which aims to connect Pinggu District to the Beijing Subway system. Planned to open in 2025.

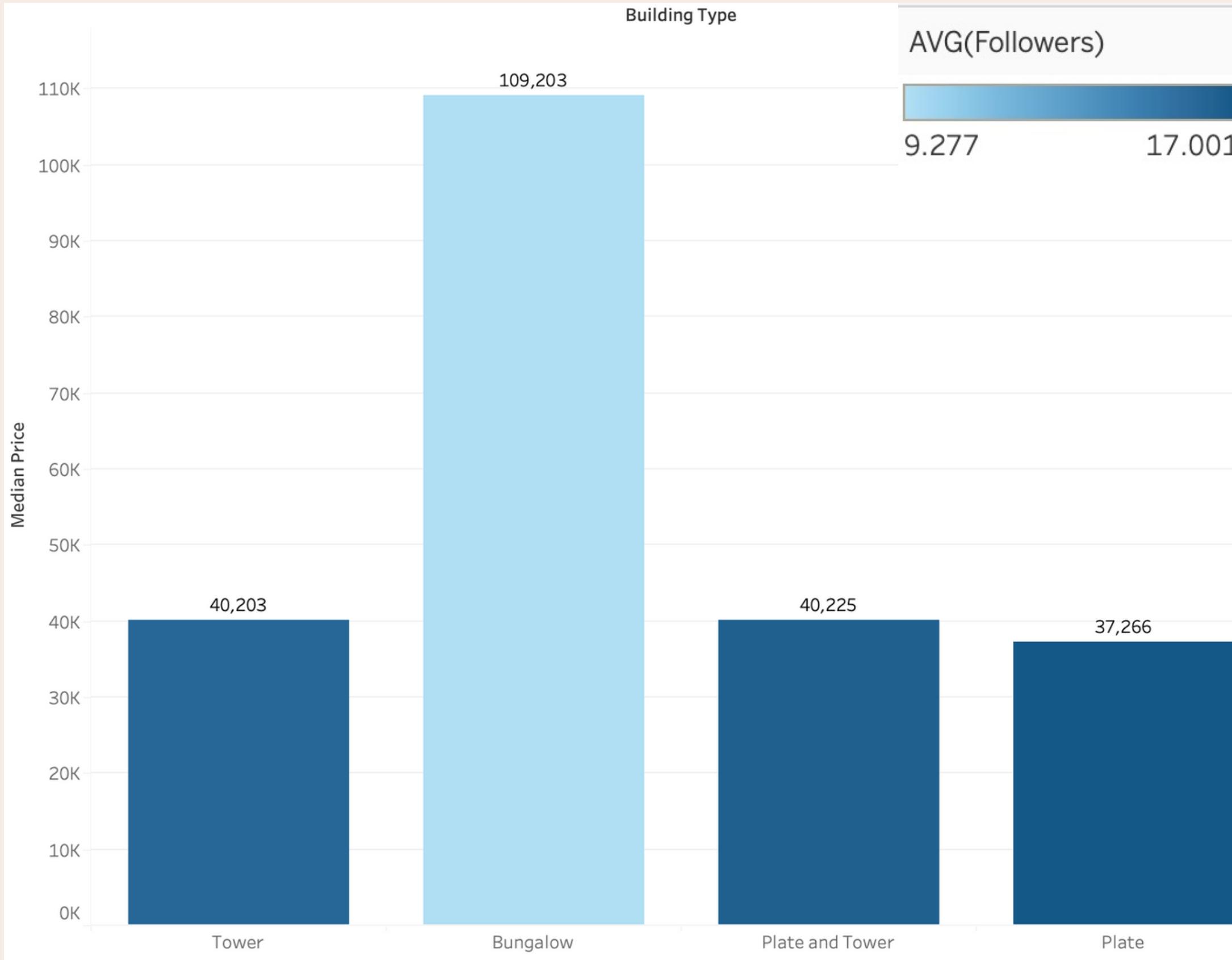


Insight #3



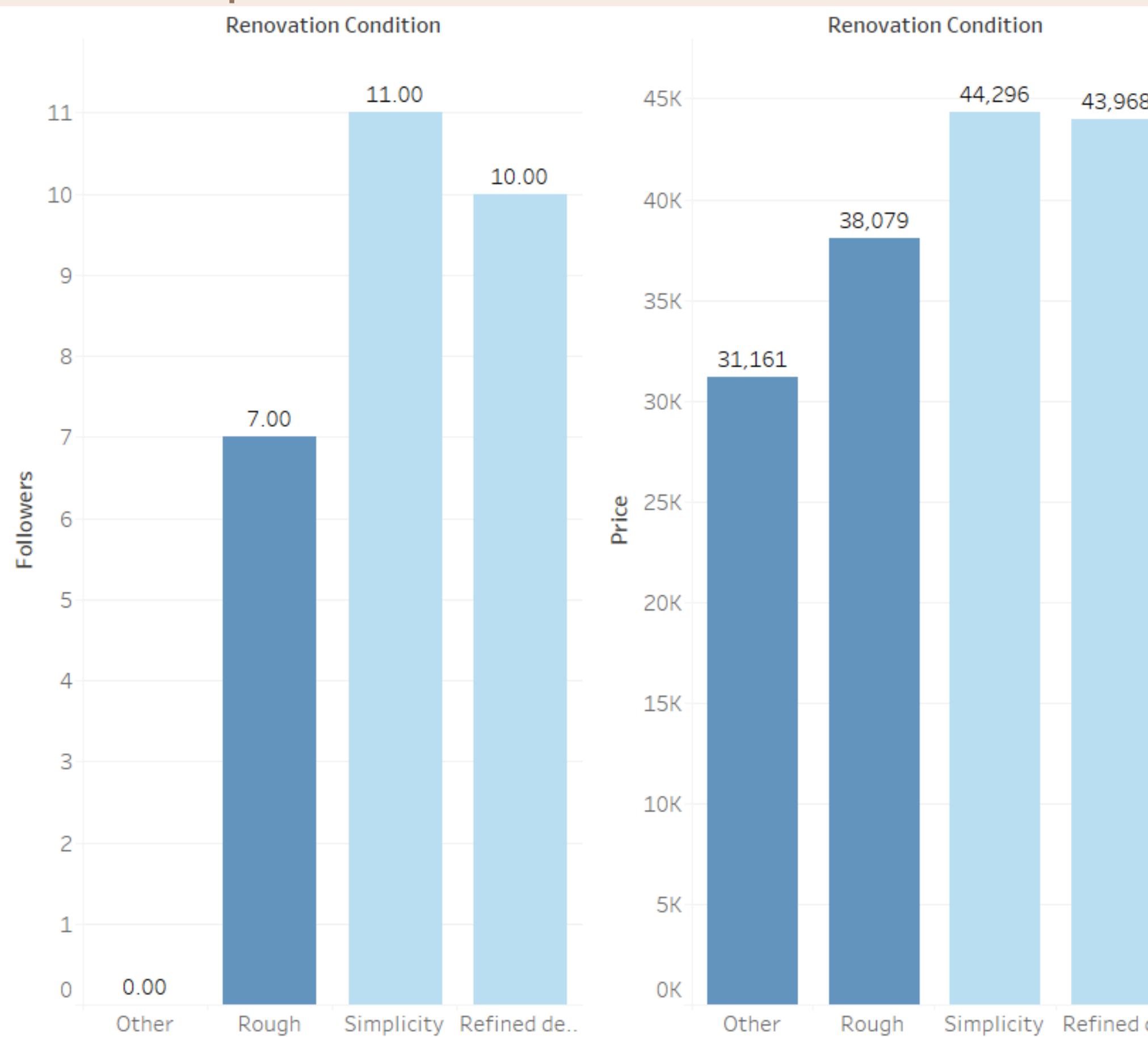
Looking at the most popular building types

(price and follower distribution)



The **average followers** of a bungalow unit is **low** despite its high price

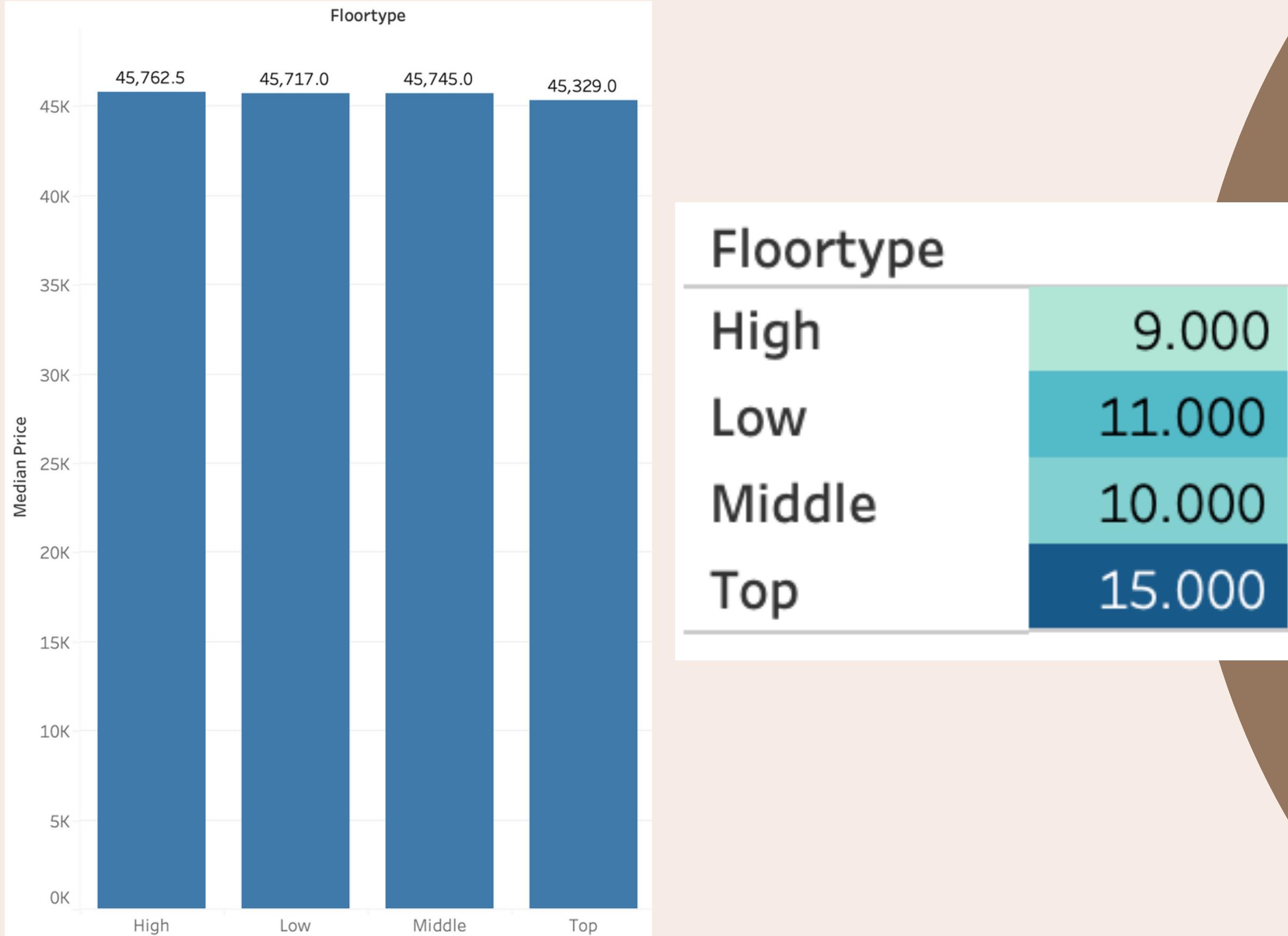
Looking at the most popular renovation condition (price and follower distribution)



Simplicity and
refined decoration
renovation conditions are
recommended

Looking at the most popular floor types

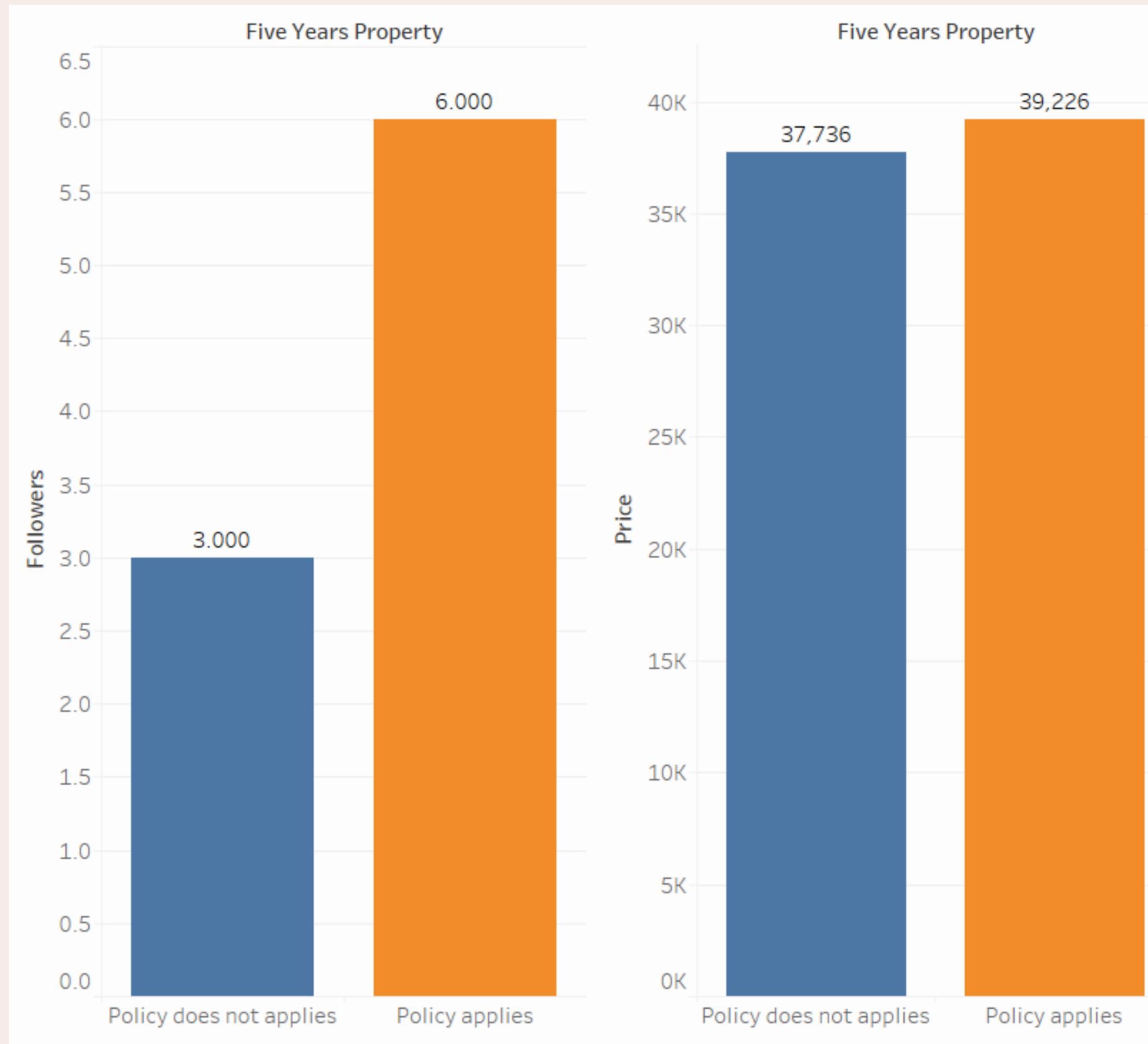
(price and follower distribution)



Top floor
units are the most popular

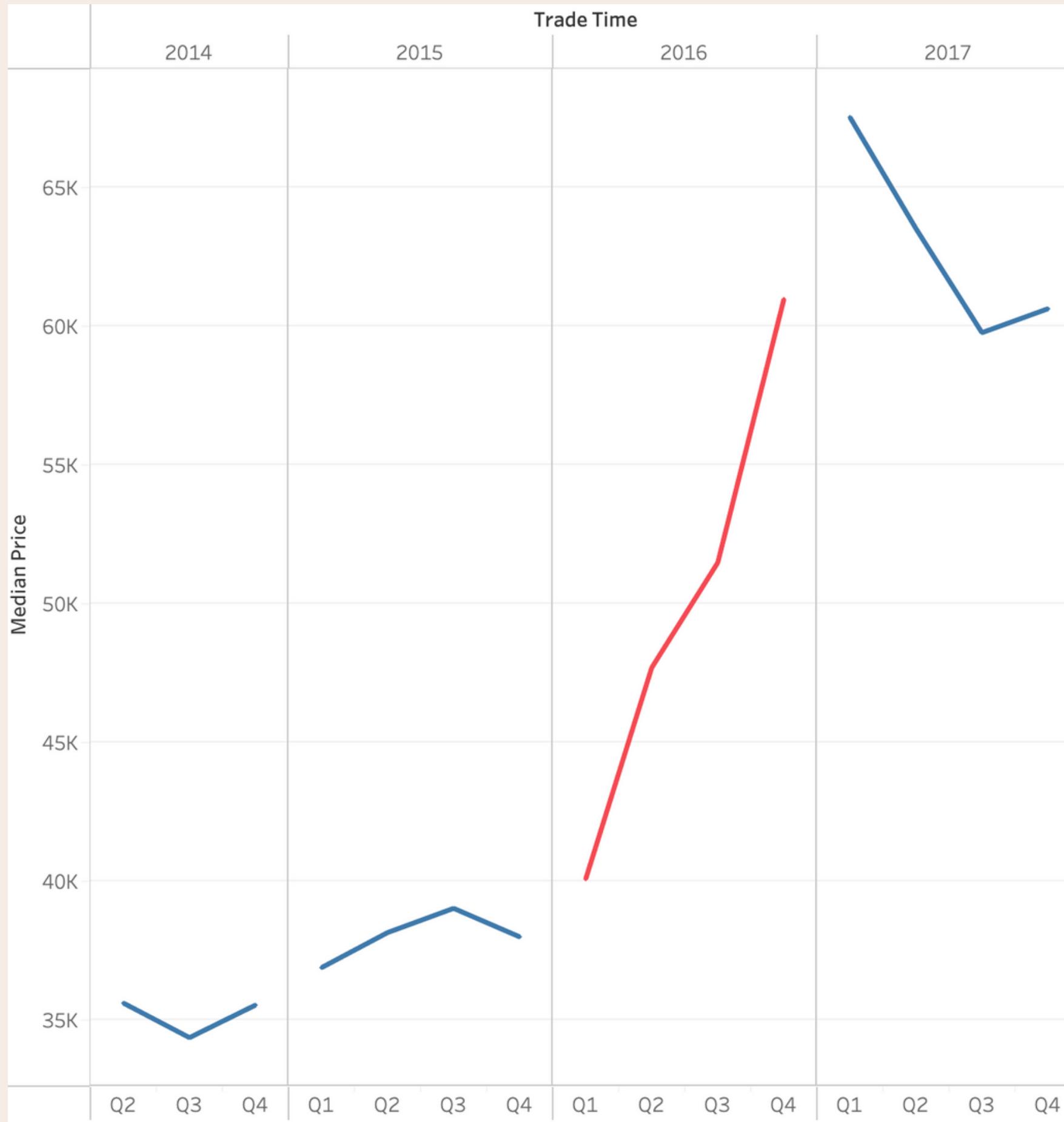
Five Year Property Policy

(price and follower distribution)



Higher followers and prices
for properties **with this
policy**

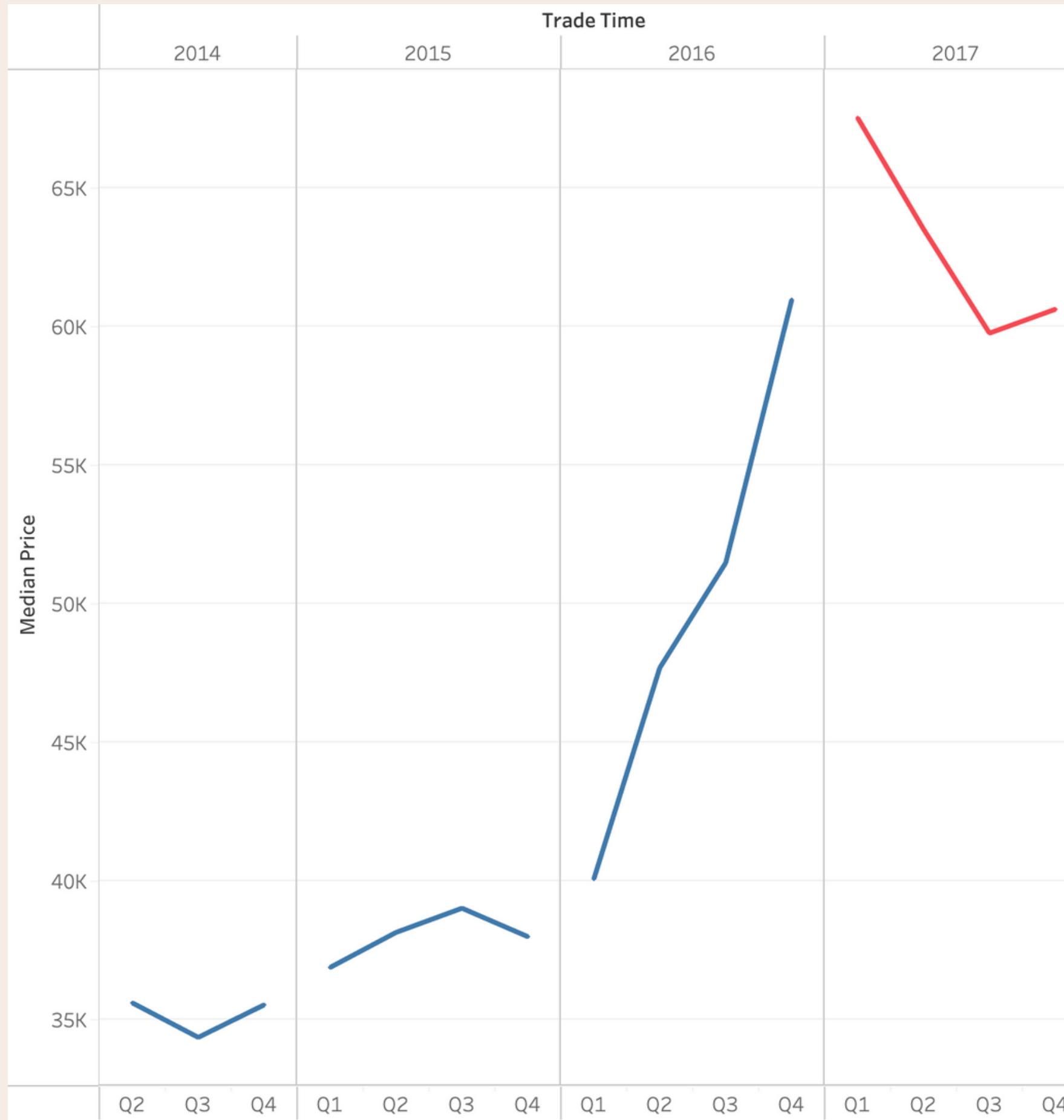
Looking at the median price over time



Median price of units
ROSE SHARPLY in 2016

- Since start of 2016,
government loosened
monetary policies
(Chen, 2017)

Looking at the median price over time



Median price of units
DROPPED in **2017 Q1 to Q3**

- Starting mid-March, authorities in Beijing have rolled out more than 20 policies to cool the property market

(Daily Sun, 2018)



What can
we draw
from these
insights?

Recommendation

Look for properties with:

- **Simplicity/refined decoration renovations**
- **Top floor**
- **5 year policy applies**

Avoid :

- Bungalows

1

The properties have
the features the
market is interested in

2

These features also
give high returns

Recommendation

Buy when:

- **1 quarter before** policies are **tightened** or **introduced**

Sell when:

- **1 quarter after** policies are **loosened**

1

Be alert to catch property price fluctuations in the market

2

Maximises profit returns

Summary

What should you consider?



Invest in properties built in
2000-2009 and **near subways**



Look for properties in the
suburbs, such as
Changping and Fangshan.

What should you consider?



Look for properties with:

- **Simplicity/refined decoration** renovations
- **Top** floor
- 5 year policy **applies**

Avoid: Bungalows

Buy when:

- 1 quarter **before** policies are **tightened** or **introduced**

Sell when:

- 1 quarter **after** policies are **loosened**



Thank You!

References

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