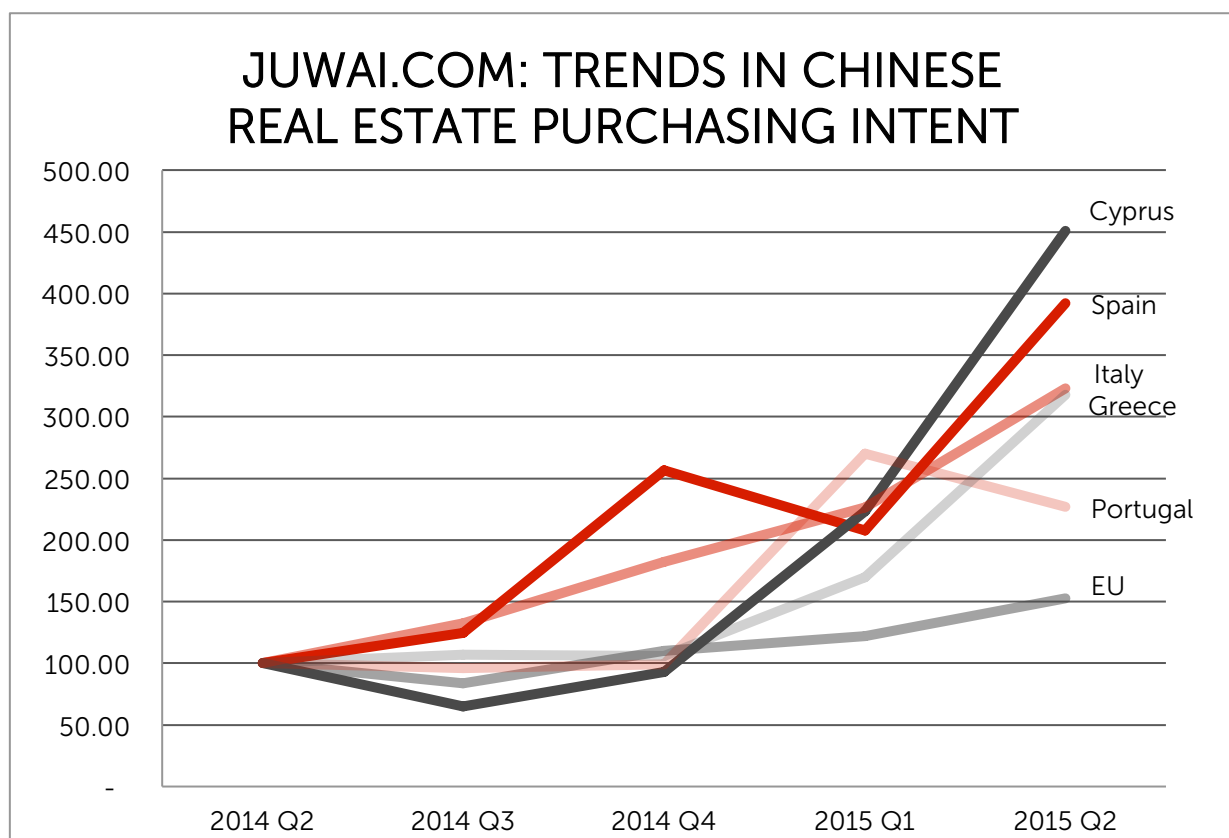


# Juwai.com Purchasing Intent Index: Mediterranean Countries - Q2 2015

## Overview

The Juwai.com Chinese Residential Purchasing Intent Index is up dramatically over a year earlier for the Mediterranean countries of Spain, Italy, Portugal, Greece and Cyprus. Portugal, with the smallest gain over this period, is up 227 percent, while the Index for Cyprus has climbed highest, by 451 percent for the period – albeit from a low starting point in absolute numbers. This trend points to growth in future property transactions by Chinese buyers, which will benefit these hard-hit economies.



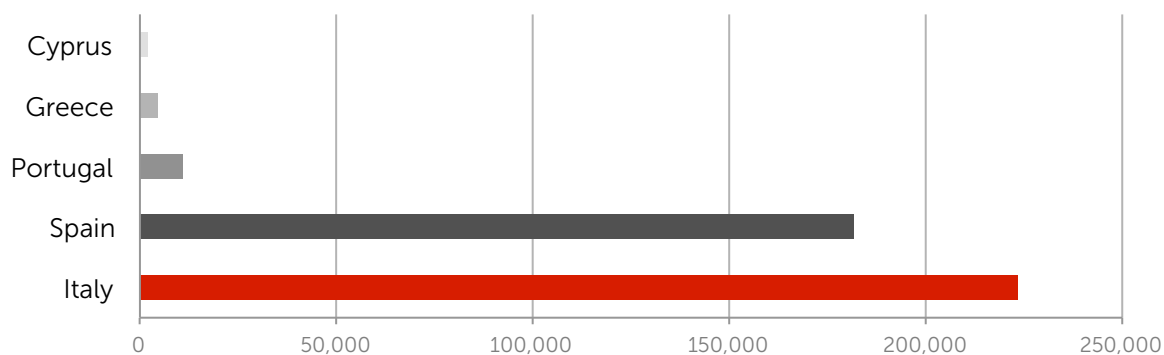
By comparison, the combined Juwai.com Purchasing Intent Index for the European Union rose by more than 50 percent during the same period. That represents a strong gain, but is relatively paltry relative to the performance of the Mediterranean countries. Globally, the five most popular countries with Chinese buyers in the second quarter are the United States, Australia, Canada, the United Kingdom and New Zealand.

The Juwai.com Purchasing Intent Index measures changes in Chinese buyer interest by tracking their online property hunting activity on Juwai.com over time. For more detail, see "About the Index," below.

What are the primary reasons for this demand growth in Europe's Mediterranean countries? An extended period of weak property prices in the region has combined with the growing wealth of Chinese buyers to create more opportunities for Chinese real estate purchase than in the past. Chinese buyers are becoming more comfortable in international markets, and looking beyond the destinations that have traditionally been most popular.

Attractive lifestyles, affordable luxury property pricing and competitive investor visa programs have added to the appeal. Property marketers have promoted the programs aggressively, implying that citizenship and a European Union passport will be relatively easy to obtain.

### CHINESE-BORN POPULATION (2013)



Source: Juwai.com, UN DESA, Financial Times

Some common push factors that bring Chinese buyers to the Mediterranean countries are lifestyle issues in China, the desire to diversify investments and seek greater returns and the search for international educational opportunities for their children.

Juwai.com Cyprus Residential Purchasing Intent Index			
	Index Level	Quarterly Change	Average Price
2014 Q2	100.00	N/A	US\$826,998
2014 Q3	65.00	-35.0%	US\$837,377
2014 Q4	92.95	43.0%	US\$914,890
2015 Q1	223.44	140.4%	US\$837,687
2015 Q2	451.01	101.8%	US\$815,166

#### Cyprus

Chinese interest in Cyprus starts from a particularly low base, given the island's small size and the difficulties that investors have face there – due to the banking crisis, the title deeds scandal and allegations of overpricing.

With that caveat, the Juwai.com Purchasing Intent Index for Cyprus has increased furthest in relative terms of all the countries discussed in this report. It is up 102 percent over the prior quarter and 351 percent over one year earlier.

The average price of Chinese property hunters in Cyprus was \$815,166 in the second quarter of 2015, down three percent from the prior quarter's average price of \$837,687. That's down one percent from the value of \$826,998 a year earlier.

The two top destinations for Chinese buyers in Cyprus are Paphos and Limassol. Paphos in 2011 was the first Cypriot location to see large-scale Chinese purchasing.

Juwai.com Greece Residential Quarterly Purchasing Intent Index			
	Index Level	Quarterly Change	Average Price
2014 Q2	100.00	N/A	US\$1,061,340
2014 Q3	106.74	6.7%	US\$1,336,717
2014 Q4	106.01	-0.7%	US\$1,114,886
2015 Q1	169.79	60.2%	US\$1,124,265
2015 Q2	317.75	87.1%	US\$1,094,933

## Greece

Of the countries discussed here, Greece is among those with the least Chinese buyer interest in absolute terms. The Juwai.com Chinese Residential Purchasing Intent Index, however, shows that interest is increasing at a rapid rate.

The Juwai.com Purchasing Intent Index is up 87 percent over the prior quarter and 218 percent over a year earlier. Today, the Index has reached a higher level than that of Portugal, but lower than those of Spain, Italy and Cyprus.

At \$1,094,933, the average price of Chinese likely purchasers has changed little beyond the expected quarterly fluctuations, being up 3 percent from a year earlier and down about the same from the prior quarter.

The top Greek destination for Chinese residential property buyers is Athens, which has a substantial lead over all other destinations in the country.

Greece's investment visa doesn't seem to be driving much demand, with the country's overall economic and financial situation undermining its attractiveness.

This may be a good time to buy in Greece. The country needs the investment, prices have been falling since 2009 and transaction volume is extremely low — all of which gives leverage to buyers.

Transaction time for Chinese buyers is long, as they hold back out of fear or in anticipation of better deals or reassuring economic news in the near future. This may change if the country reaches some turning point in its financial and economic crisis.

Juwai.com Italy Residential Quarterly Purchasing Intent Index			
	Index Level	Quarterly Change	Average Price
2014 Q2	100.00	N/A	US\$1,102,876
2014 Q3	132.27	32.3%	US\$873,856
2014 Q4	182.42	37.9%	N/A
2015 Q1	226.60	24.2%	US\$860,648
2015 Q2	322.90	42.5%	US\$893,296

### Italy

Italy has seen rapidly increasing Chinese purchasing intent over the past year. The Juwai.com Chinese Residential Purchasing Intent Index is up 223 percent over the prior year and 43 percent over the most recent quarter.

At \$893,926, the average price is just up by four percent over the prior quarter, but more significantly is down by 19 percent from the \$1,102,876 of a year earlier. This suggests the country is attracting an increasingly diverse group of investors, in addition to the primarily well-heeled second-home buyers of a year ago.

The top three destinations in Italy for Chinese investment, in the second quarter of 2015, are Milan, Rome and Venice.

According to the UN, Italy has the largest Chinese-born population of any of the countries discussed in this report. Unlike Spain, Portugal, Greece and Cyprus, Italy does not offer an investment visa program. The country does offer residency to those with the financial means to support themselves, but this is not usually an easy or direct path to employment or citizenship.

Italy also has increasingly strong commercial ties with China. Last year, the country benefitted from US\$3.84 billion of Chinese corporate investment.

Juwai.com Portugal Residential Quarterly Purchasing Intent Index			
	Index Level	Quarterly Change	Average Price
2014 Q2	100.00	N/A	US\$1,150,194
2014 Q3	96.0	-4.0%	US\$927,044
2014 Q4	99.39	3.5%	US\$2,548,378
2015 Q1	270.08	171.7%	US\$1,724,960
2015 Q2	226.79	-16.0%	US\$1,829,506

## Portugal

In Portugal, the Juwai.com Chinese Residential Purchasing Intent Index is down 16 percent from its peak in the prior quarter, but still 127 percent higher than a year ago.

At \$1,829,506, the average price is only six percent higher than the prior quarter, but 59 percent higher than the \$1,150,194 of a year earlier. The average price for the past three quarters has been significantly higher than the prior trend, suggesting that high-net-worth buyers are increasingly dominating the buyer mix.

The higher average price in part reflects the impact of Portugal's investment visa, which attracts many buyers to the country. The investment visa is forecast to bring in an aggregate of US\$2.19 billion by the end of 2015. Four out of five of the investment visas issued have gone to Chinese nationals.

The top destinations for Chinese buyers in Portugal are Lisbon, the nearby posh suburb of Cascais and the Algarve municipality of Faro, in the country's south.

Juwai.com Spain Residential Quarterly Purchasing Intent Index			
	Index Level	Quarterly Change	Average Price
2014 Q2	100.00	N/A	US\$948,840
2014 Q3	124.55	24.6%	US\$1,106,361
2014 Q4	256.70	106.1%	US\$944,355
2015 Q1	207.97	-19.0%	US\$819,440
2015 Q2	392.01	88.5%	US\$1,035,189

## Spain

Spain's Juwai.com Chinese Residential Purchasing Intent Index has the second fastest growth of the countries discussed here. This is even more significant given that Spain also attracts the greatest number of Chinese buyers in absolute terms, of all the countries discussed here.

The Purchasing Intent Index is up 88 percent over the prior quarter and 292 percent over a year earlier.

At \$1,035,189, the average price is showing signs of improvement. It is up 26 percent from the prior quarter, when it rested at \$819,440. A year earlier, it was 9 percent lower, at \$948,840.

Over the past year, Barcelona has been by far the most popular destination for Chinese property seekers, followed by regional capital Valencia, national capital Madrid and the southern beach resort of Marbella.

In the second quarter of 2015, for the first time, Valencia displaced Barcelona as the most popular destination for Chinese likely buyers. It remains to be seen how long this inversion will last.

The Chinese population in Spain has more than tripled in the past decade, to 181,701 in 2013, from 51,228 in 2003.

Commercial ties between the two countries also encourage residential purchases. During the past decade, 38 Spanish projects attracted upwards of \$1 billion of Chinese investment, including the \$291-million purchase of Madrid's Edificio España, a downtown skyscraper that buyer Wang Jianlin intends to convert to residential and hotel use.

Spain's investment visa also drives Chinese interest in real estate. Chinese are among the leading participants. The program captured US\$768 million in new investment in its first 15 months, creating some 12,000 jobs.

#### About the Index

The Juwai.com Purchasing Intent Index seeks to measure the change in Chinese buyer interest for a given location. It does this by tracking their online property hunting activity on Juwai.com, such as property searches, property detail page viewings, email inquiries, clicks to view agent phone numbers and more. Destinations with more activity rank higher, while those with less rank lower. The data is not based specifically on transaction activity, but on the property hunt activity that precedes and leads to transactions. Values are presented in US dollars unless otherwise indicated.

#### About Juwai.com

Juwai.com is the only entity capable of providing an accurate, global and current portrait of Chinese international property hunting behavior, because of our unique role as the intermediary between Chinese property buyers and international property marketers in so many countries. Juwai.com is the No. 1 Chinese international property portal, with 2.6 million monthly visits from consumers and 2.5 million real estate listings from 89 countries.