



Image Source: Taiwan Sotheby's International Realty

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^[1] United Nations Human Settlements Programme (UN-HABITAT) and National Academy of Economy Strategy of Chinese Academy of Social Sciences (CASS) jointly released the "Global Urban Competitiveness Report 2017-2018". The Report analyzed 1,007 global cities through comprehensive indexes in many respects, and further ranked the cities by their Economic Competitiveness Index and Sustainable Competitiveness Index, two indicators which stand for a city's present condition and future condition. In terms of ranking by Economic Competitiveness, Hong Kong was ranked 12th, Shanghai 14th, Beijing 20th, and Taipei 47th; in terms of ranking by Sustainable Competitiveness, Beijing was ranked 11th, Hong Kong 13th, Shanghai 27th, and Taipei 57th. All the cities introduced are Asian cities which were ranked the tops on the ranking list. Although those cities are different in terms of agglomeration and overall structure, the special part is that the Report gained several bench-marking conclusions by taking into consideration the cities' statistics respecting technology, finance, culture and housing price: (1) Scientific and technological progress is an important source of urban development; (2) Financial capital is the key power in the development of modern city; (3) Good climate and ecological environment is the precondition for urban development; (4) The culture and institution are the fundamental driving force of urban prosperity; (5) Housing price is an important force affecting the urban development and changing the urban layout.

Taipei - Fodor's, the world's largest publisher of travel and tourism information ^[2], stated that Taiwan was introducing herself to the World. Among the 52 must-visit destinations worldwide selected by Fodor's, Taipei was ranked 12th, second only to Mongolia among Asian travel destinations. Recently, Business Insider listed the global 25 high-tech cities, among which San Francisco, where Silicon Valley is located, was ranked 1st as expected, and Taipei topped Seoul, South Korea, and Singapore to be the 5th around the globe and 1st in Asia. The report was based on the analytical components used by 2thinknow, a research firm that specializes in analyzing innovative cities, to rank the most high-tech cities in the world, which ranking indicators took into consideration 10 factors, including the number of patents filed per capita, number of startups, level of smartphone use, and ranking in other innovation data sets. This means Taipei possesses a more innovative environment. Taipei also gained a place with respect to living safety and travel safety ^[3]. According to "Safe Cities Index 2017" released by the Economist Intelligence Unit covering 60 global cities, Taipei was ranked 22nd with its index of 80.70; Among other Asian cities, Hong Kong was ranked 9th, Beijing 32nd, and Shanghai 34th. The Index measured the city safety of various global cities on account of a series of indicators, including digital security, health security, infrastructure security, and personal security. With respect to personal security index, Taipei topped at the 6th with its index of 90.02, second only to Singapore, a rare and great honor for Taipei in terms of its tourism environment and overall living environment. In real estate market, according to the data contained in the latest report released by Department of Land Administration, Taipei City Government, housing transaction volume increased by 5.48%, and House Price Index (HPI) declined by 2.54%. One way to overview the volume-price dynamics of Taipei's real estate market is by examining the number of property

transaction and registration units in the 12 administrative districts. In terms of transaction volume in October, Zhongshan District topped the ranking, while Datong District, Songshan District, and Nankang District were at the bottom of the chart. The number of property transaction and registration units in October, compared to the previous month all featured a declined trend, except for Zhongshan District, Zhongzheng District, and Nankang District, which posed an upward trend. The housing market in sum showed a price decline with increased transaction volume.

Hong Kong - ^[4] According to The Global Competitiveness Report released annually by World Economic Forum, Hong Kong was ranked 6th, up 3 place than the previous year; and was the region which made the greatest leap among the top 10 competitive cities. The Report pointed out that Hong Kong had the best infrastructure around the globe, and a strong and stable financial market. After posing a real economic growth rate of 2% in 2016, Hong Kong had an YoY growth rate of 3.9% for the first three quarters of 2017. The government predicted its annual economic growth rate to be at 3.7% for 2017. Hong Kong may be listed as one of the most free economies worldwide, where the services sector dominated its economy, accounting for more than 90% of its GDP. The stock of FDI and investment of Hong Kong was ranked 2nd in the world, second only to the U.S.. Tourists to Hong Kong in 2016 totaled 56.7 million persons, roughly 8 times of its local population. Total consumption value related to inbound tourism amounted to HK\$296 billion in 2016, a decline of 10.1% YoY. As we know, the Four Pillar Industries, including trading and logistics, tourism, financial services, and professional services, support Hong Kong's economy, among which trading and logistics accounts for the largest portion of its GDP. Hong Kong also plays the role as a vital financial center in the Asia-Pacific region. As of the end of 2016, there were 195 authorized institutions and 54 local representative offices in Hong Kong. The authorized institutions provided US\$58.3 billion of loans for use of international trade financing, and US\$305.5 billion of "other loans for use outside Hong Kong". According to Bank for International Settlements, Hong Kong's foreign exchange market was the 2nd largest in Asia, and the 4th largest in the world, with its average daily turnover reached US\$437 billion. In terms of market value, as of the end of 2016, Hong Kong's security market was the 4th largest in Asia and the 8th largest in the world. There were 1,973 listed companies in HKEx, among which 260 companies were listed in the Second-Board Market. The total market value of Hong Kong stock markets amounted to US\$3.17 trillion. Hong Kong is an attractive market for foreign investment. According to the World Investment Report 2017 issued by United Nations Conference on Trade and Development (UNCTAD), Hong Kong's FDI in 2016 amounted to US\$108 billion, which was ranked 4th in the world, and the ranking was second only to China (US\$134 billion) in Asia. In terms of FDI net outflows, Hong Kong was ranked 3rd in Asia with the amount of US\$62 billion, second only to Japan (US\$145 billion). Hong Kong International Airport is the world's busiest transportation hub, and one of the world's top 10 busiest airports. According to Airport Authority Hong Kong (AAHK), Hong Kong International Airport (HKIA) needed to be expanded because its existing two-runway system was reaching its full capacity. The construction of HKIA three-runway system has commenced in 2016, and is expected to be completed by 2024. Hong Kong's real estate doubled in the recent decade. Despite the fact that demand for real estate was strictly regulated by the development requirement of the government, housing prices, propelled by low interest rates and stable money supply, steadily went up. Demands were increasing, and housing construction activities also increased steadily. According to RVD data ^[5], completed construction units reached 14,595 units in 2016, increased by 29.4% YOY. Housing starts increased by 80% YoY, reaching 25,500 units, a record high in 17 years. Recently, Hong Kong had set a record high price for luxury house transaction in Asia. A luxury house on Victoria Peak was sold for HK\$132,000 per square foot, roughly equal to NT\$17.7 million per ping. By looking at Hong Kong from different perspectives, many of us have witnessed the Hong Kong Miracle.

Beijing - Beijing is China's political, cultural, technological innovative, and international communication center; having great international influence. Encyclopaedia Britannica describes Beijing as one of the world's greatest cities, affirming that the city has been an integral part of China's history over the past eight centuries, that nearly every major building of any age in Beijing has at least some national historical significance, and that it has 7 UNESCO World Heritage Sites, a city that possessing the most numerous heritage sites around the world. Meanwhile, by casting large scale investment on infrastructure, Beijing provides impetus to its business development and innovation, turning the ancient city into a modern, fastest growing international city in the past few decades. According to the latest economic data released by Beijing Municipal Bureau of Statistics, the economic development of Beijing maintained steady with a good momentum, which further strengthened the favorable pattern of steady growth, improvement of people's well-being, structural optimization and quality enhancement. According to the preliminary statistics, the city's GDP in the first three quarters of 2017 totaled CNY1,956.98 billion, up by 6.8% YoY. In the first three quarters of 2017, the per capita disposable income of residents in the city was CNY42,641, up by 9.2% YoY, an increase contributing to market consumption growth. Besides, in the first three quarters of 2017, the added value of the city's hi-tech manufacturing industry above designated size and strategic emerging industries above designated size rose by 16.7% YoY and 14.4% YoY, respectively, which rise in turn contributed 52.7% and 52.1% to the overall industrial growth. Advantaged sectors, such as finance, science & technology services, information services, etc., grew steadily, contributing 53.2% to the city's economic growth. With respect to real estate, in the first three quarters of 2017, the construction area of residential buildings in Beijing amounted to 48.983 million square meters, down by 13.5%. The market believed that the glooming housing market in Beijing was a result of regulatory measures aiming to bring the real estate development back to rationality and to a residential nature. Accordingly, local real estate industries had posed a new development feature. As a national capital, Beijing has a position that is unmatched by other Chinese cities. Aside from being the premises to host diplomatic and international conference and events, Beijing is where many international organization and multinational enterprise locate, and where financial and economic decisions are made. However, Beijing is far way from the well-developed southeast coastal provinces, and lies within an economic region where state-owned economy dominates. It may not benefit from the export-oriented economic pattern as adopted by the southeast coastal provinces.

Shanghai - financial center, transportation hub, having the world's busiest port. Shanghai's main industries include commerce, trade, finance, information, and manufacturing industry. Shanghai is one of the world's largest city proper. As of 2016, its permanent residents reached 24.197 million, among which 60% (14.395 million persons) had local household registration. Shanghai's economic development started from the adoption of the Pudong development policy, which accelerated the growth pace. Along with the establishment of National Integrated Support Reform Support Pilot Areas, and approval of Shanghai Free-Trade Zone, its economy had expanded to date into a world grade metropolitan city, and served as a model for modern economic development. The latest statistics indicated that, in the first three quarters this year, its GDP grew by 7% YoY. Financial liberalization is Shanghai's advantage and vital component. Shanghai is accelerating the second phase of Cross-border Interbank Payment System (CIPS), which in turn further expands its financial liberalization, loosens the access limitation for offshore banking units, and establishes an RMB financial service center. Environmental renovation and improvement may boost a city in many respects. The data showed that, in the past two years, Shanghai has demolished over 150 million square meters of illegal structures, cleared 86 square kilometers of land in the nine suburbs, cleared 4.56 square kilometers of land in its seven central districts, and turned most of cleared area into urban greenways. Under the context of changes made to the investment environment, and to the city environment, Shanghai indeed earns her name as the world's Shanghai. In real estate, according to the statistical release of The People's Bank of China, as of the end of 2016, outstanding real estate loans amounted to CNY465.506 billion, down by 13.9%, while outstanding individual home

mortgage loans amounted to CNY1,141.219 billion, up by 43.5%. In 2016, housing market posed a volatile trend. Aided by the de-stocking policy, Shanghai's real estate market put up an upward trend in terms of price and transaction volume. By fully implementing ^[6] "variant policy for variant city" and the regulatory policy of Shanghai Nine Rules, Shanghai's housing market experienced a cool-down. Due to the fierce performance of the land market and spreading rumors of the housing market, the market posed an overheating trend, which in turn stimulated further strict regulatory policies, including Shanghai Six Rules and more credit regulatory measures. As it entered into the end of 2017, the policy had achieved its effects that the market became stable, and that the transaction volume experienced a cool-down.

If Economic Competitiveness and Sustainable Competitiveness as mentioned in the Global Urban Competitiveness Report, regardless of their present situation or future trend, are taken as indicators for measuring the strength of a city, the four Asian cities mentioned herein have their own city characters and master industries. However, it's worth paying attention to the wealth distribution structures of the four cities. According to 2017 ^[7] Hurun Wealth Report, the total wealth of households who own more than 6 million assets totaled 125 trillion, equals to 1.5 times of the GDP of Greater China region. Hong Kong was the most dense city for high net worth individuals, where 1 out of 34 was a multimillionaire, followed by Beijing, where 1 out of 83 was a multimillionaire. Taipei and Shanghai were also included in the top 5 cities with the densest high-net-worth population. We believed the indicators mentioned above represented the strength of a city, which worth our attention on those Asian cities.

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- [1] UN-Habitat: Abbreviation for United Nations Human Settlements Programme, which is an UN institution responsible for issues regarding human settlement. Its mission is to promote socially and environmentally sustainable human settlements development and the achievement of adequate shelter for all.
- [2] Fodor's: Fodor's is the world's largest publisher of English language travel and tourism information, and also a division of Random House.
- [3] The Economist Intelligence Unit: A division of The Economist Group, which is usually abbreviated as EIU. EIU is the research and analysis firm, providing analysis with respect to nations, industries, and management. It is also renowned for its country reports, monthly country reports, five-year country economic forecasts, country risk service reports, and industry reports. EIU also publishes annually the Global Liveability Report and Quality-of-life indices.
- [4] World Economic Forum: A non-profit organization established in the form of a foundation, set up in 1971, having its headquarter in Cologny, Geneva of Switzerland.
- [5] RVD: Rating and Valuation Department of Hong Kong
- [6] Variant Policy for Variant City: Cities are categorized into tier I, tier II, and other tiers of cities in accordance with their natures, for which different housing prices are adopted, and different real estate policies are formulated.
- [7] Hurun Wealth Report: the China rich list first produced in 1999 by Rupert Hoogewerf, a British journalist and a certified public accountant; also known as Hurun China Rich List, published by Hurun (Rupert Hoogewerf).