

# Zeppelin's Real Estate Tech

1Q 2021: A Real Estate Newsletter by Zeppelin Partners Limited

Phone (852) 37576388 Fax (852) 37576399 E-mail [stephenchung@zeppelin.com.hk](mailto:stephenchung@zeppelin.com.hk) Web: [www.Real-Estate-Tech.com](http://www.Real-Estate-Tech.com)

Biden. COVID variants. Vaccines. Stock market volatilities. Home prices holding up so far. And ongoing and unfolding geopolitics...

In this issue:

- **Metro Toronto residential real estate: where, which, and what**
- **Greater Toronto Area residential real estate: not too risky in the short term yet...**
- **Canada's work visas for prospective Hong Kong applicants: intuition**

**"A real estate ad containing market data is still an ad, not an analysis."**

We also like to hear from readers wishing to share their real estate experience with us.

**This quarterly (generally published in spring, summer, fall, and winter) newsletter** is circulated freely via email to readers comprising real estate developers, investors, fund managers, financiers, owners, users, top executives, senior managers, prominent academics and related professionals from Hong Kong and abroad. Our content is / has also been published in newspapers and web portals such as the [South China Morning Post](#), [China Daily](#), [Hong Kong Economic Journal](#), [21<sup>st</sup> Century Business Herald](#), [Apple Daily](#), [Sing Tao](#), [Quamnet Magazine](#), [The Standard](#), [MITCRE Alumni Newsletter](#), [Surveying Newsletter](#), [Reidin.com](#), [Centanet.com](#), [Netvigator.com](#), [Hongkong.com](#), [E-finnet.com](#), [Red-dots.com](#), [PacificProperties.net](#), [Soufun.com](#) and [House18.com](#). We had also been quoted in the [Asian Wall Street Journal](#) and interviewed by [USA Today](#), [i-Money](#), [Ming Pao](#), [Radio Hong Kong](#), [Cable TV \(Money Café\)](#), [DBC Radio](#), and [Commercial Radio](#). We also publish monthly articles and analyses in the months in between. This newsletter is now into its [25<sup>th</sup>](#) year and [98<sup>th</sup>](#) issue.

**We also operate a website [www.real-estate-tech.com](http://www.real-estate-tech.com)** through which we intend to share some of our real estate knowledge and ideas with interested parties. There are close to 1,000 content items, in English or Chinese, including analyses, articles, charts, and tables, plus spreadsheets, tutorials, e-books, and the like, the majority of which is free with some requiring a token fee. The website has been visited by tens of thousands from all over the world.

**Zeppelin Partners Limited** is involved in real estate development, investment, and management and offers services related to [real estate asset management](#) [analysis, investment strategy, and portfolio allocation], [project management](#) [architectural design, cost control, and contract administration], and [facility management](#) [facility utility assessment, property management strategy, and building maintenance]. We are based in Hong Kong with access to regional and global professional networks.

**Stephen Chung**, who created and writes this newsletter, is now Honorary Advisor to Zeppelin Partners Limited. He will continue to write this newsletter.

Readers are to seek professional consultation where required and Zeppelin including its associates and consultants do not accept any responsibility for losses arising out of the usage of the newsletter. Copyrights rest with Zeppelin and/or the author(s). Opinions expressed by invited guest writer(s) do not necessarily imply consensus or agreement on our part.

# Who? Me?

## **Stephen Chung**

Honorary Advisor, Zeppelin Partners Limited  
Founder and Writer, Real Estate Tech Quarterly Newsletter  
Real Estate Website Developer, [www.Real-Estate-Tech.com](http://www.Real-Estate-Tech.com)

**Stephen is an independent real estate analyst – number cruncher and chartered surveyor** and has been involved in real estate development, investment, and management in Hong Kong / China / Asia and North America.

**Stephen provides relevant real estate market insights and macro-micro assessments** to real estate developers, investors, owners, financiers, funds, and civic organizations, and possesses many years of experience in building economics, project management, facility strategy, marketing, and research.

**Stephen is also a regular real estate writer - columnist** and his articles have been published in both English and Chinese media including the following:

- China Daily
- Hong Kong Economic Journal
- South China Morning Post
- Apple Daily, Sing Tao Daily
- Quamnet Magazine
- Real estate and finance websites such as Soufun.com, Finet.com etc
- Journals of professional institutes such as the Hong Kong Institute of Surveyors

**Stephen is an honorary adjunct professor** of the University of Hong Kong and has been invited to speak to audiences from:

- Universities: such as the University of Hong Kong, City University of Hong Kong, York University
- Professional Institutes: such as the Hong Kong Institute of Surveyors, Canadian Institute of Quantity Surveyors, Royal Institute of Chartered Surveyors
- Business Associations: such as the Rotary Clubs

**Stephen has written 4 real estate books in Chinese to date as follows:**

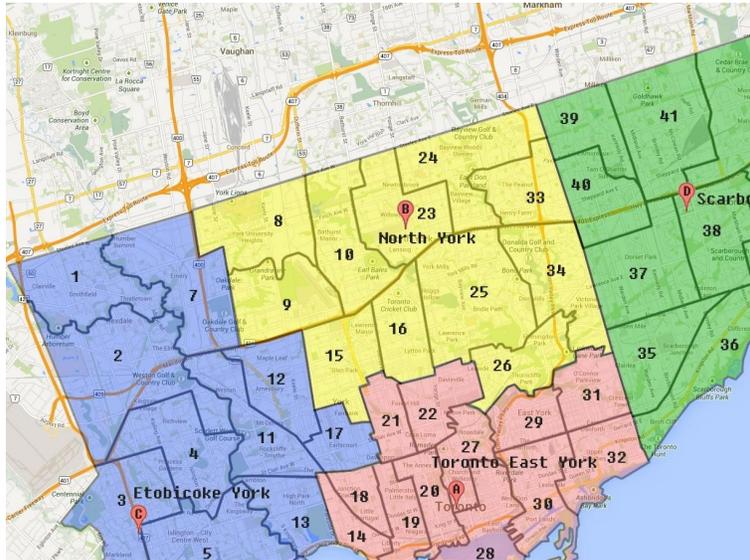
Online book = Easy Real Estate Lectures  
Hard copy = Real Estate Investment Know-How above 101  
Hard copy = The Real Estate Market Turning Point  
E-Report = USA Residential Real Estate Analysis

**We welcome enquiries from interested parties** and could be reached as follows:

Email: [StephenChung@zeppelin.com.hk](mailto:StephenChung@zeppelin.com.hk)  
Office Phone: 852-37576388  
Office Fax: 825-37576399  
Office Address: Unit 07, 10/F CCT Telecom Building, 11 Wo Shing Street, Fo Tan, Hong Kong  
Website: [www.zeppelin.com.hk](http://www.zeppelin.com.hk) and [www.Real-Estate-Tech.com](http://www.Real-Estate-Tech.com)

## Metro Toronto residential real estate: where, which, and what Real Estate Tech, 1Q 2021

Stephen Chung BS BBLdg (HKU) MS in Real Estate Development (MIT) MRICS MHKIS FPFM PQS  
Zeppelin Partners Limited - Phone (852) 37576388 / Fax (852) 37576399 [stephenchung@zeppelin.com.hk](mailto:stephenchung@zeppelin.com.hk)



East and West and a \$800K townhouse (Courtesy of <https://japaneseclass.jp>)

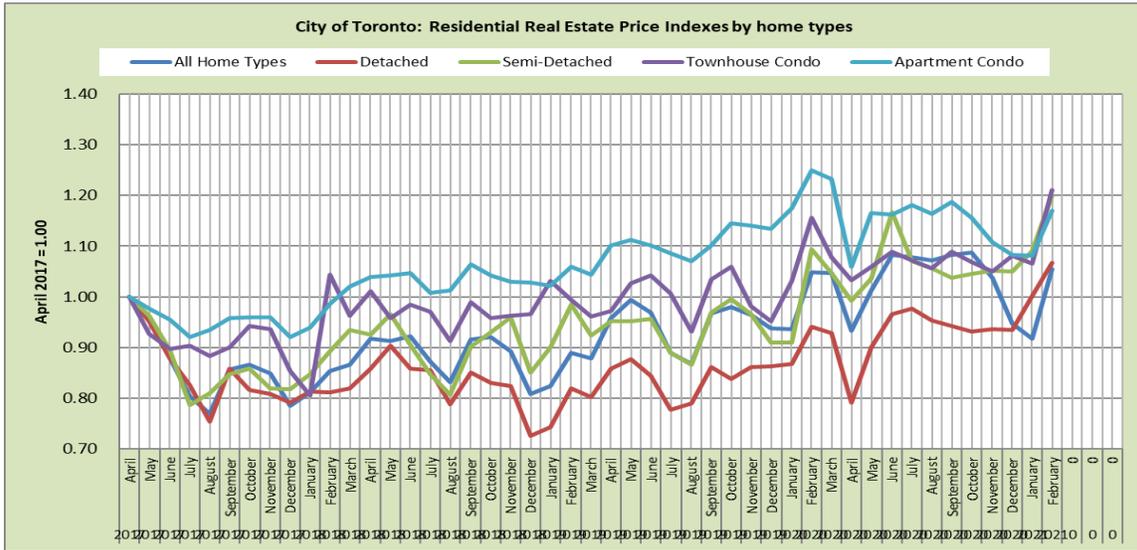
Based on the February 2021 residential real estate statistics published by the Toronto Regional Real Estate Board ([trreb.ca](http://trreb.ca)), both prices and transaction volumes in Toronto have gained grounds when compared to the same month last year.

Here we focus on the City of Toronto (refer to the map above) and will share with the readers the following broad phenomena observed to date (February 2021) since April 2017 (the last market peak):

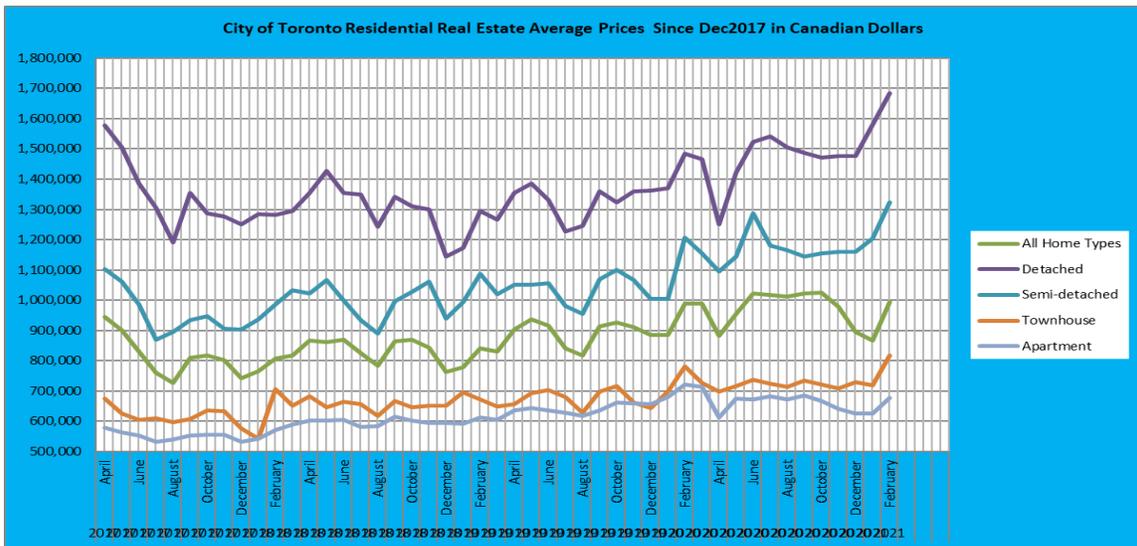
1) Where: The average residential real estate prices of both the western (Etobicoke) and eastern (Scarborough) portions of the city have done better than the center portions



2) Which: In terms of house type, the condominium townhouse sector has fared better than the other three major styles, namely detached, semi-detached, and condominium apartments



3) What price levels: as expected, the hierarchy of average prices by house type in descending average prices are detached, semi-detached, townhouse, and apartment



Roughly, you need on average a budget of around \$1.70M for a detached, \$1.30M for a semi, \$800K for a townhouse, and \$700K for an apartment. The average for an “all home types” is \$1M but this is theoretical, there is no “all home types” home.

**Notes:** The article and/or content contained herein are for general reference only and are not meant to substitute for proper professional advice and/or due diligence. The author(s) and Zeppelin, including its staff, associates, consultants, executives and the like do not accept any responsibility or liability for losses, damages, claims and the like arising out of the use or reference to the content contained herein. It is also possible, but not a must or always, that the author(s) and / or Zeppelin would have a stake in the market(s) and / or property(ies) analyzed and described.

# Greater Toronto Area residential real estate: not too risky in the short term yet... Real Estate Tech, 1Q 2021

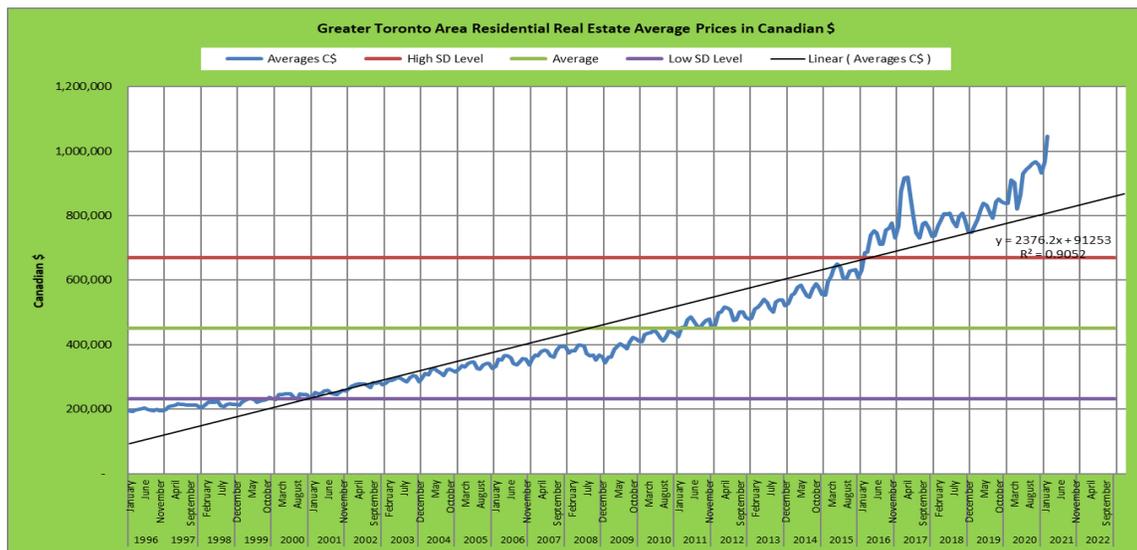
Stephen Chung BS BBuildg (HKU) MS in Real Estate Development (MIT) MRICS MHKIS FPFM PQS  
Zeppelin Partners Limited - Phone (852) 37576388 / Fax (852) 37576399 [stephenchung@zeppelin.com.hk](mailto:stephenchung@zeppelin.com.hk)



According to the February 2021 residential real estate statistics published by the Toronto Regional Real Estate Board (trreba.ca), the average residential real estate price in Greater Toronto Area (GTA) has gone up around 15% from \$910K to near \$1.05M while transactions have surged 53% when compared to the same month last year.

And these when COVID19 is still causing all sorts of lock downs and slowed business, let alone routine inconveniences. Amazing. Perhaps this also reflects the effects from various financial assistance and monetary easing being undertaken.

Here is a rough chart on the GTA average residential real estate price trend since 1996:



How to read the chart? Here's an elaboration:

- a) The blue curve with ups and downs trending upwards represents the average prices since 1996
- b) The thinner line in black and straight up shows the gradient or steepness of the trend
- c) The three horizontal lines respectively in red (top line), green (middle), and purple (bottom) reflect the standard deviation within the period observed; they offer a sense of whether the current prices are high or low compared to the standard deviation, and if so, whether the probable level of market price risk there may be

Currently, the average price is above the top red line of the standard deviation range (\$1.05M in February 2021 versus the top red line of around \$670K). There is some market price risk concern. Nonetheless, given the prices have been trending up since 1996 with little fallbacks along the way, any standard deviation calculations would show the current price being above the top of the range anyway. Still, cautious investors and home buyers are urged to take notice of this.

Residential real estate prices have not only been strong in Toronto, as they have performed rather robustly in other Canadian cities and cities around the world as well, COVID notwithstanding. An intuitive guess would be the additional money easing policies implemented since last year in response to COVID in many parts of the globe have had some stabilizing effects on markets and assets, real estate included.

Will asset prices be fine? Probably they will be OK in the short term, given market participants seem largely confident that governments and institutions won't raise interest rates anytime soon, not to mention the additional monetary easing as mentioned. Yet note market confidence can disappear, sometimes rather quickly and immensely, when the market narrative changes, and there is nothing of 'substance' to counter the about-turn.

And your humble author hasn't even started to take into account the shifts in global business, technologies, and geopolitics.

**Notes:** The article and/or content contained herein are for general reference only and are not meant to substitute for proper professional advice and/or due diligence. The author(s) and Zeppelin, including its staff, associates, consultants, executives and the like do not accept any responsibility or liability for losses, damages, claims and the like arising out of the use or reference to the content contained herein. It is also possible, but not a must or always, that the author(s) and / or Zeppelin would have a stake in the market(s) and / or property(ies) analyzed and described.

## Canada's work visas for prospective Hong Kong applicants: intuition

Real Estate Tech, 1Q 2021

Stephen Chung BS BBA (HKU) MS in Real Estate Development (MIT) MRICS MHKIS FPFM PQS

Zeppelin Partners Limited - Phone (852) 37576388 / Fax (852) 37576399 [stephenchung@zeppelin.com.hk](mailto:stephenchung@zeppelin.com.hk)

---



(Courtesy of <https://www.peakpx.com>)

Recently the Canadian government has implemented a work visa program for applicants from Hong Kong and refer to the link below for details. Your humble author as a Canadian himself would just say one word: Welcome!

Moving to another place and country may cause concern and stress among some, which is understandable. Nonetheless, with proper planning and a, say, venturesome heart, settling in Canada shouldn't be immensely hectic or difficult. Nor is finding a job too worrisome assuming one has the proper credentials (and once you have your first job and work at it for a year or more accumulating sufficient 'Canadian' experience, employers don't have further reason to not give you your dues).

As to who may better assimilate in Canada making a good life for themselves, your humble author can only base his suggestions on his own subjective experience. Here we go:

1) Freedom-loving people have a better chance at it = because freedom-loving people tend to be more independent and perhaps even entrepreneurial. And freedom doesn't just refer to work, play, travel, eat, sleep, entertain etc. But more importantly to speak, and to think.

2) People with second-class citizen mindset had better not come = not that your humble author is saying there is no racial discrimination at all, just that it isn't as commonplace and as severe as say back in the 1950s. Besides, don't just think such skin color discrimination goes one way only from white to colored, it can go in any direction including between colored.

What to do when someone despise you based on skin color? Just ignore such imbecile.

3) Political correctness = Canada shouldn't be expected to be some kind of fairyland or heaven; there is none on Earth. But it is overall a good country though not without challenges. For instance, your humble author sometimes feels political correctness (PC) might have in part become excessive at times, causing rather unnecessary tension between people. Note there are various subheadings under the PC umbrella. Reasoning and logic would help one diagnose such topics and trends.

As for how many from Hong Kong will make use of the work visa scheme? No idea. Yet probably quite a few, maybe eventually in the tens of thousands. And assuming most would end up in the more popular metros such as Vancouver, Toronto, Calgary and the like, demand for residential units in them could go up, particularly in the smaller housing units such as studio, 1Bedroom, or 1Bed plus den apartment units. Still, no more than a hunch for now.

Nonetheless, the more adventurous and nature loving folks can consider relocating to the less popular / populous towns and provinces. Some of these places are just beautiful.

Best of luck!

Work visa program (enter page)

<https://www.canada.ca/en/immigration-refugees-citizenship/corporate/mandate/policies-operational-instructions-agreements/public-policies/hong-kong-residents-open-work-permit.html>

Canada made simple in six minutes

<https://www.youtube.com/watch?v=jEq5YxSO9iU>

**Notes:** The article and/or content contained herein are for general reference only and are not meant to substitute for proper professional advice and/or due diligence. The author(s) and Zeppelin, including its staff, associates, consultants, executives and the like do not accept any responsibility or liability for losses, damages, claims and the like arising out of the use or reference to the content contained herein. It is also possible, but not a must or always, that the author(s) and / or Zeppelin would have a stake in the market(s) and / or property(ies) analyzed and described.

## Do you need our services? You DO when...

- **In Real Estate Development:** you encounter overestimated proceeds, cost overruns, underestimated time schedules, design and quality issues, construction contractual disputes, joint venture conflicts, or the like...**you need an experienced project manager like us**
- **In Real Estate Investment:** you encounter challenges in 1) Selecting which markets (cities), sectors (residential, office, retail etc), and properties-projects to invest; 2) Striving for the best possible risk-adjusted portfolio return; or 3) Sensing the volatility of a market or sector; 4) Deciding which corporate strategies, tactics, priorities, properties, and projects to pursue; 5) Getting a **INDEPENDENT SECOND OPINION** on which you can trust...**you need an independent real estate analyst like us**
- **In Real Estate Management:** you encounter questions on 1) if it is more economical to buy or rent the real estate facilities and assets, and if so where and what; 2) how best to manage and maintain such facilities and assets; 3) what level of human resources are required, all with a view to maximize their utility to help achieve the corporate objectives... **you need a seasoned facility strategist like us**

Contact us:

**Mr. K. K. Wong** [kkwong@zeppelin.com.hk](mailto:kkwong@zeppelin.com.hk)

**Mr. Stephen Chung** [stephenchung@zeppelin.com.hk](mailto:stephenchung@zeppelin.com.hk)

Address: Unit 1007, CCT Telecom Building, 11 Wo Shing Street, Shatin, Hong Kong

Phone: 852-37576388

Fax: 852-37576399

Web: [www.Real-Estate-Tech.com](http://www.Real-Estate-Tech.com) and [www.zeppelin.com.hk](http://www.zeppelin.com.hk)

## ***Zeppelin*** Partners Limited

Real estate development, investment, and management  
Access to regional and global professional networks