HOTEL STRATEGIES
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RESEARCH · CHINA RENTAL HOUSING

China Rental Housing Market

Five-Year Evolution and 16-City Review

2021–2025

National Market Review



HONG KONG RESEARCH EDITION

HOTEL STRATEGY (HK) MANAGEMENT & CONSULTING LIMITED

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National review of five-year evolution and 16-city comparisons

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Five-year evolution: supply institutions and market participants reshaped behind the growth

Between 2021 and 2025, China’s rental-housing market evolved from an early structure dominated by market-rate long-term apartments into a multi-layered market involving government-subsidised rental housing, local state-owned platforms, specialist operators and long-term capital.

01 Institutionalised supply

The 2021 framework for government-subsidised rental housing linked land, fiscal, tax, financing and approval tools, giving supply expansion a stable policy foundation.

02 More diverse participants

State-owned enterprises and local platforms took on subsidised supply and the reuse of existing assets, while market operators shifted towards branding, customer acquisition, revenue management and asset-light services.

03 Community-scale products

Young professional apartments remain the largest demand base, while rental communities have expanded rapidly in Shanghai, Beijing, Shenzhen and Xiamen.

04 Longer-term capital

After the first government-subsidised rental-housing REITs listed in 2022, operating metrics, compliance records and stable cash flow increasingly became the language of asset pricing.

Research perspective

The five-year record shows that the central question is no longer whether demand exists, but which demand can be converted into sustainable occupancy, at what price and in which location. Supply scale, product structure, operating efficiency and capital duration must be assessed in one framework.

City divergence: no single market leads on scale, growth and operations at the same time

At year-end 2025, the 16 monitored cities contained about 1.662 million units. Leading cities dominated by scale, but fast growth often reflected a low base or concentrated openings. high-rent cities did not necessarily achieve higher occupancy.

01 Scale concentration

Shanghai, Shenzhen, Hangzhou and Beijing form the principal stock base. Shanghai alone had about 438,200 monitored units in 2025.

02 Divergent growth

Chongqing, Xi’an, Chengdu and Qingdao recorded notable growth in 2025, but the source, project size and stabilisation period of new supply must be verified case by case.

03 Multi-dimensional demand

Citywide occupancy indicates absorption and rent per square metre indicates pricing power. Only when combined with incentives, renewals and costs do they approximate cash-flow reality.

04 Localised products

The same product line varies materially by city in rent, occupancy and scale. Product definitions cannot replace city- and location-specific analysis.

Research perspective

The five-year record shows that the central question is no longer whether demand exists, but which demand can be converted into sustainable occupancy, at what price and in which location. Supply scale, product structure, operating efficiency and capital duration must be assessed in one framework.

2021–2025: growth from 456,200 to 1.662 million units

456,200	1.662m	c.+264%
Units in 10 cities, 2021	Units in 16 cities, 2025	Change on published reporting bases

01 Scope changes

The 2021 sample covered 10 cities and expanded from 2022. Changes in totals include wider city coverage and sample updates and therefore are not like-for-like growth.

02 Expansion phase

Supply accelerated materially after 2023, driven by government-subsidised projects, large rental communities and conversions of existing assets.

03 Operating implications

Greater scale improved market visibility, but intensified submarket competition, lease-up challenges, rent pressure and execution demands on operating teams.

04 Research view

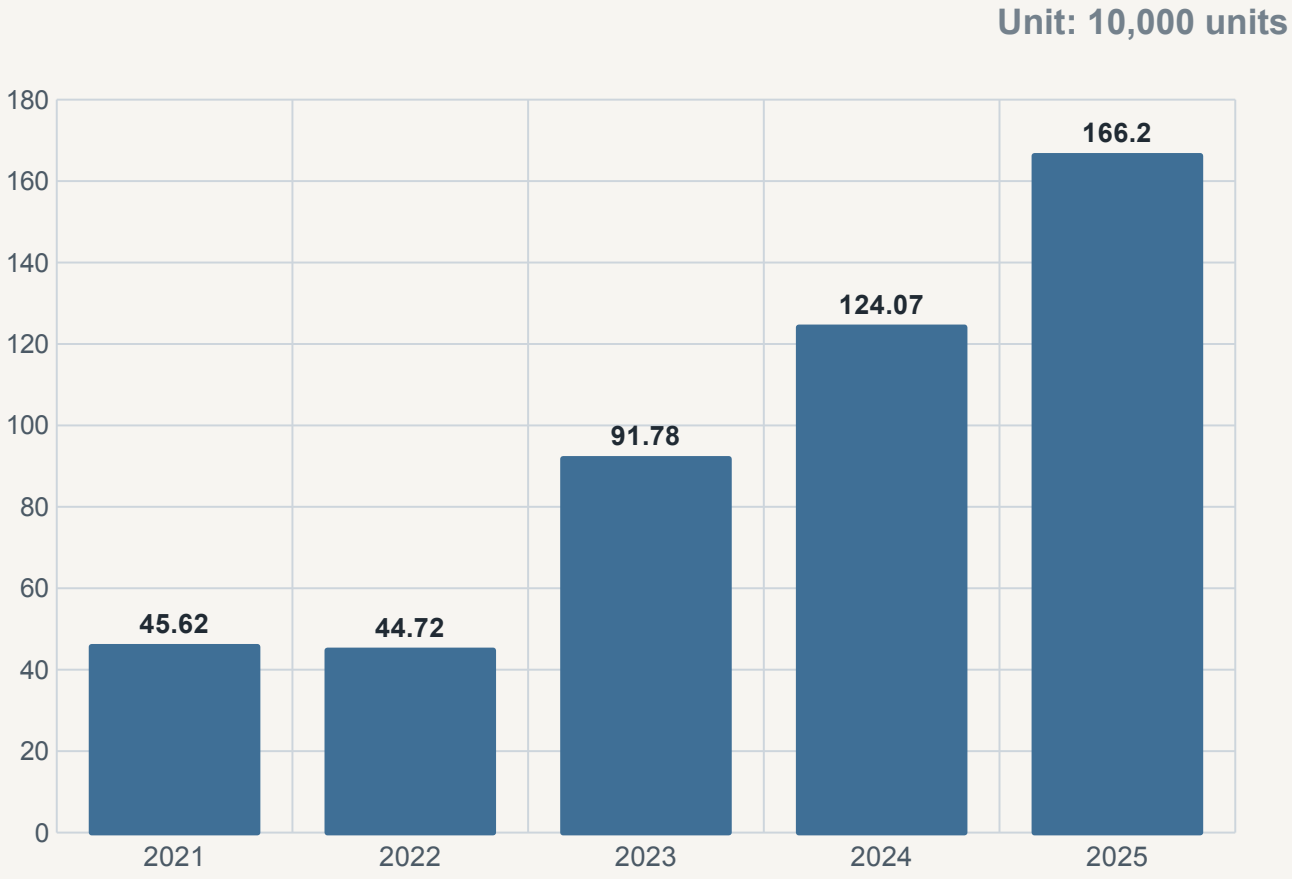
Industry analysis must move beyond “how many units” to where they are, what products they represent, who operates them and whether cash flow is stable.

Conclusion Expansion increased market visibility but also magnified city divergence and lease-up pressure. The following analysis disaggregates national trends across 16 cities, four product lines, rent efficiency, occupancy and capital markets.

FIVE-YEAR SCALE

Unit stock entered an accelerated expansion phase after 2023

Annual published totals (10,000 units)



01 Reading note

The 2021 total covered 10 cities and later years mainly 16. The chart shows each year’s published scale and is not a strict like-for-like growth series.

02 Key implication

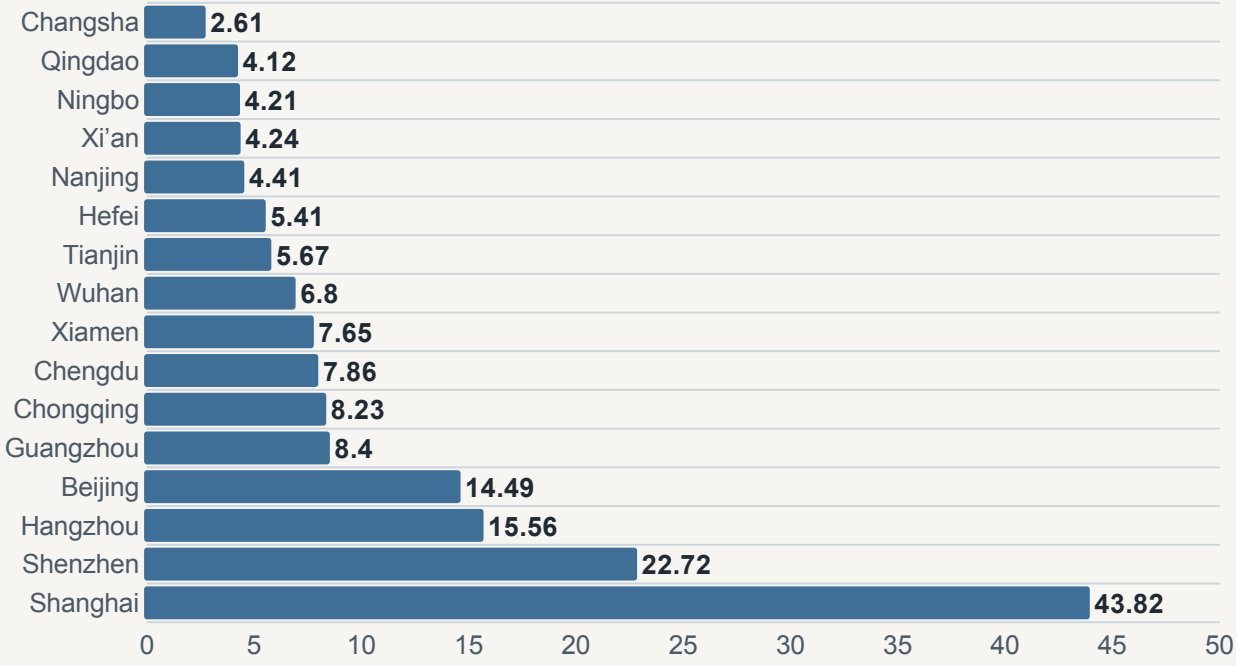
Three consecutive years of large-scale growth shifted market risk from project acquisition to absorption, costs and long-term cash flow.

Note: figures follow Hotel Strategy’s original reports and database definitions. Interpret cross-year and cross-city comparisons together with the stated statistical boundaries.

Supply across 16 cities formed clear tiers in 2025

Chart unit: 10,000 units. Shanghai led with about 438,200 units, followed by Shenzhen, Hangzhou and Beijing. Rapid growth in mid-sized markets was often driven by a few large projects, subsidised-rental sourcing or the timing of database inclusion.

Unit: 10,000 units











01

438,200 units

Shanghai leads | Scale comes from a layered mix of rental communities, young professional, premium and dormitory-style products.

02

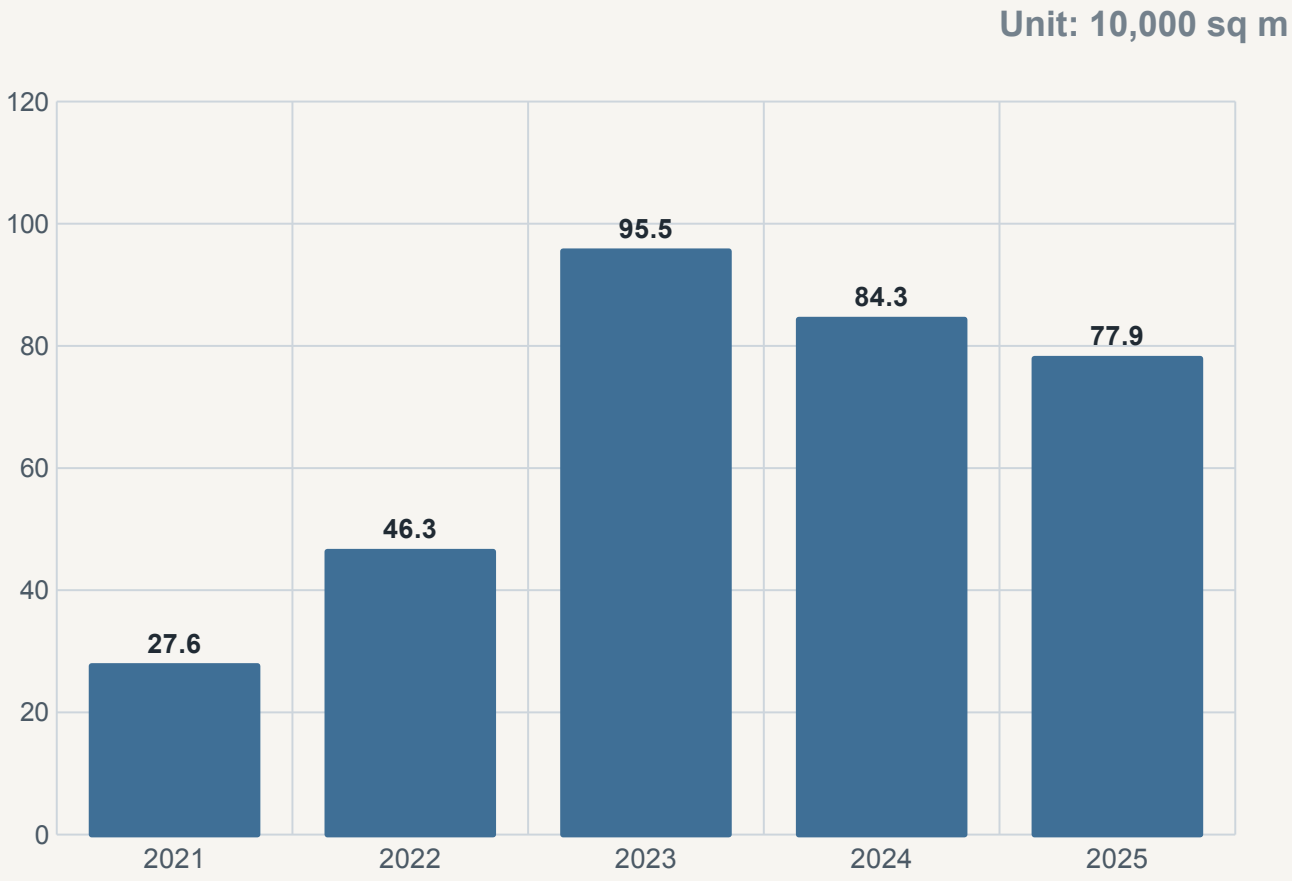
Four tiers

Rank alone is insufficient | Entry decisions still require district, EILT grade, product line, rent and competitive-project analysis.

Note: figures follow Hotel Strategy's original reports and database definitions. Interpret cross-year and cross-city comparisons together with the stated statistical boundaries.

Rental-housing transaction area expanded, then returned to selective deals in 2021–2025

Disclosed transacted GFA (10,000 sq m)



01 **Interim peak in 2023**

About 955,000 sq m, supported by existing-asset conversion, fund deployment and asset availability in core cities.

02 **High base maintained in 2024–2025**

Transacted area declined, but mature projects, state-capital acquisitions and pre-REIT positioning continued to support the market.

Note: figures follow Hotel Strategy's original reports and database definitions. Interpret cross-year and cross-city comparisons together with the stated statistical boundaries.