HOTEL STRATEGIES
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Shanghai Rental Housing Market

Market Evolution, 2021–2025, and In-Depth Review of 2025

SHANGHAI RENTAL HOUSING MARKET

2021–2025 Evolution and 2025 Review

City Research Series · English Edition

Hotel Strategy (HK) Management & Consulting Limited

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Six sections provide a structured view of Shanghai

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Six key findings on Shanghai

Shanghai has China's largest institutional rental-housing stock. Monitored supply reached 438,200 units in 2025, with rental communities becoming the largest product line. Average occupancy fell to 85.2%, as concentrated new supply reshaped pricing, absorption and operating schedules.

01

Continued expansion

Monitored supply reached about 438,200 units in 2025, up by roughly 115,700 from 2024. The increase includes openings, phased supply, newly monitored assets and database revisions.

02

Rental communities became the largest product

Rental communities accounted for about 203,300 units, or 46.4%. Young professional apartments contributed about 171,800 units, or 39.2%. Together they represented 85.6%.

03

Strong spatial segmentation

EILT Levels 2 and 3 contained about 330,800 units, or 75.5%. Product lines rely on different demand anchors.

04

Rent and absorption require joint analysis

Average rent was RMB 3.93 per sq m per day in 2025 and occupancy was 85.2%. Premium apartments led pricing, while dormitory-style apartments recorded the highest occupancy.

05

Multiple channels support supply

Dedicated rental-housing land, R4 sites and subsidised-housing programmes create a continuing pipeline of about 300,800 potential units.

06

Policy focus shifted to operating oversight

Policy expanded from subsidised supply to local legislation, design standards, leasing management, housing coordination and tiered provision.

Shanghai rental housing market indicators, 2025

438,200 units	+35.9%	3.93	85.2%
Monitored supply	Year-on-year supply change	Daily rent (RMB/sq m/day)	Average occupancy

01 Supply signal

Rental communities added about 59,400 units in one year, making them the largest structural source of Shanghai's 2025 supply growth.

02 Rent signal

Average rent per sq m was broadly unchanged from 2024. Pricing resilience coexisted with a changing product mix, while effective income still requires adjustment for incentives and vacancy.

03 Absorption signal

Average occupancy fell by about 6.2 percentage points from 2024. New openings and the lease-up of large communities materially affected the city average.

04 Investment signal

Shanghai combines large-scale supply, strong pricing power and a diverse product mix. Project decisions must therefore be tested at street, EILT level, product and stabilisation-stage levels.

RESEARCH BOUNDARY

Five-year analysis uses a baseline year and a comparable series

The 2021 and 2022 figures follow the data published in those years. The 2023–2025 figures use the latest database backcast. The report presents the five-year direction and a later comparable series while marking the boundaries between data vintages.

01

2021 baseline

Shanghai's 2021 city dataset recorded about 86,800 units across 440 projects, providing a baseline for district, product and operating analysis. Average rent was about RMB 5.77 per sq m per day and occupancy about 97.5%.

02

2022 transition

The 2022 published dataset covered 496 projects and 130,500 units, an increase of 43,700 units from 2021. It is used to show the published trend and should not be combined with later backcast figures to calculate a compound growth rate.

03

2023–2025 main series

Backcast figures from the 2025 Blue Book database are 250,300, 322,500 and 438,200 units. These values support internally consistent analysis of products, EILT levels, rents and occupancy.

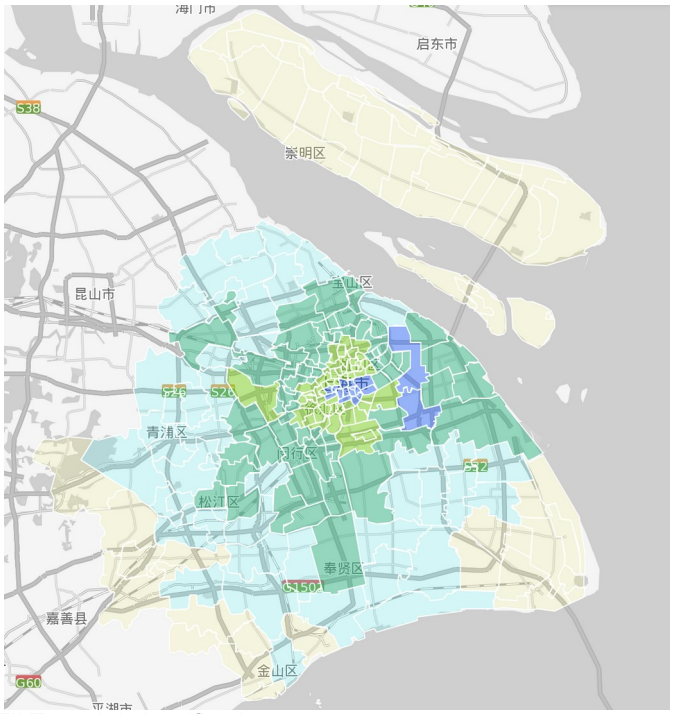
04

New openings versus net change

Annual database changes include openings, closures, acquisitions, rebranding, phased delivery and historical revisions. Actual openings are reported separately only when a project-level list is available.

Shanghai EILT model and spatial classification

Methodology, analytical dimensions and Level 1–5 spatial distribution



Shanghai EILT spatial classification map

EILT Dimensions

E — Employment
Employers and job density

I — Industry
Industry clusters and growth

L — Living
Population, amenities and affordability

T — Transport
Commute time and rail access

Standard EILT Legend

Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5

Shanghai's 245 subdistricts are classified into Levels 1–5 using a consistent colour scale. Levels 1–3 are demand anchors. The model identifies relative demand strength and submarket boundaries but does not replace project-level due diligence.

Applications

Submarket screening, city-level supply-demand comparison and preliminary project assessment.

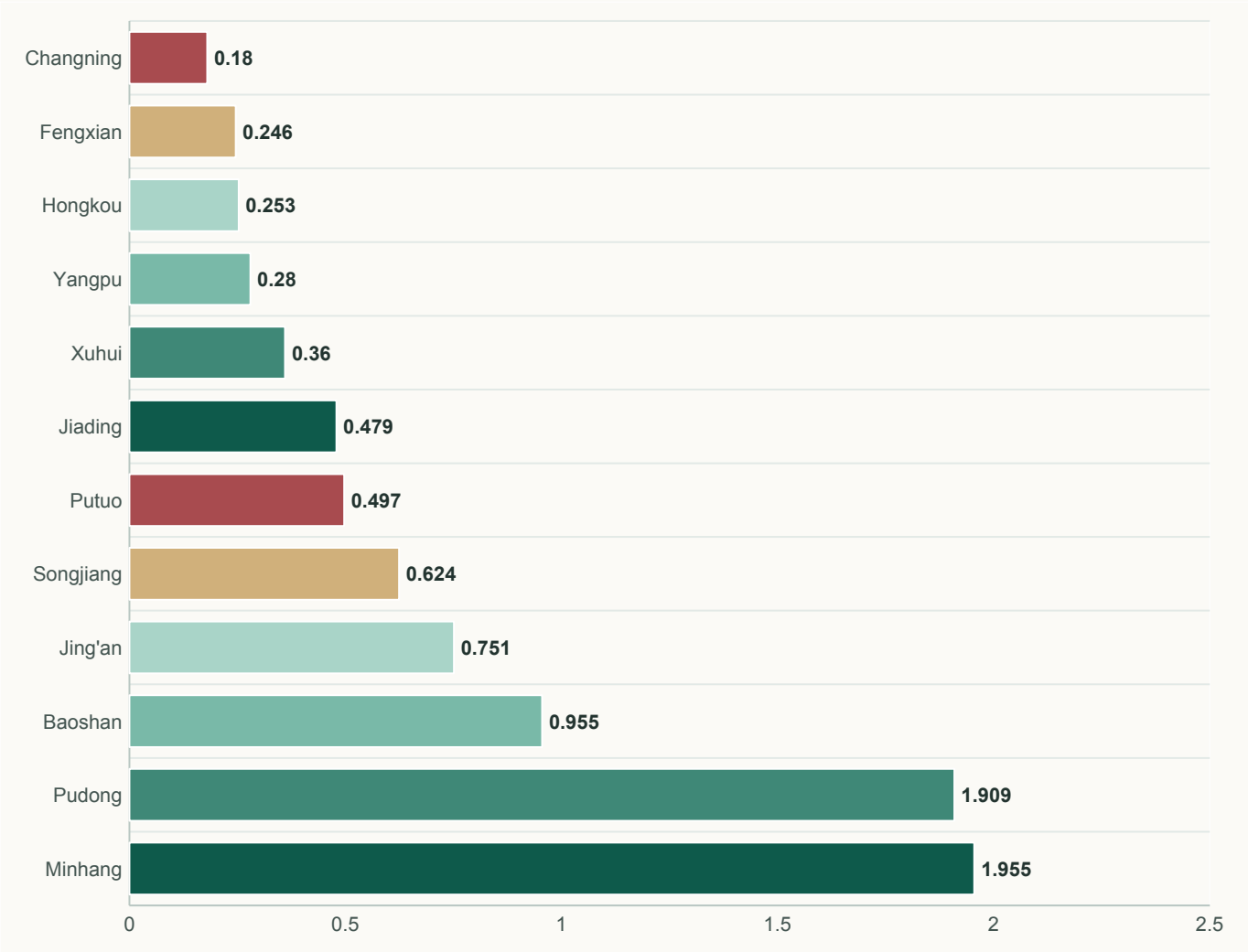
Limitations

Supports city and submarket assessment but does not replace project-level legal, technical or financial due diligence.

Source: HOTEL STRATEGY Shanghai EILT model. The legend follows HOTEL STRATEGY's standard colour scale.

2021 BASELINE

Shanghai institutional rental-housing supply by district, 2021



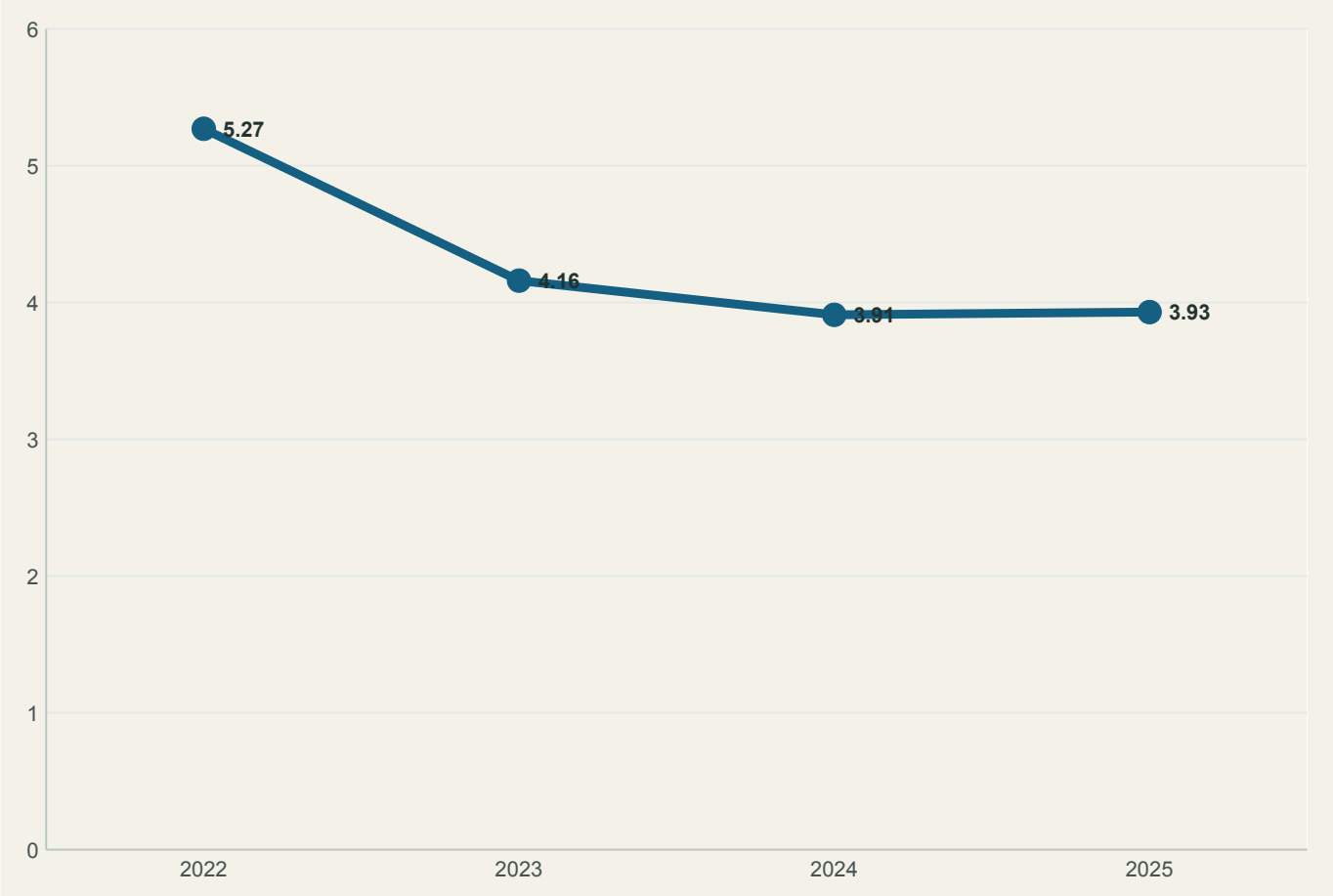
Minhang and Pudong each had close to 19,000 units and together represented about 44.5% of the 2021 city baseline. Baoshan, Jing'an and Songjiang formed the second tier, showing an emerging multi-cluster supply pattern.

This page uses aggregated values from the 2021 Shanghai city dataset to show the early district structure. Later database backcasts and product-classification changes prevent strict district-level comparison with 2025.

RENT TREND

Average rent per sq m declined and then stabilised, 2022–2025

Unit: RMB/sq m/day



Average rent fell from RMB 5.27 per sq m per day in 2022 to RMB 4.16 in 2023, then stabilised at around RMB 3.91–3.93 in 2024–2025.

Large subsidised projects and rental communities increased supply and lowered the city average. Project analysis should use effective rent after incentives and adjust for space efficiency, collections and vacant days.