

China as a Destination: Trends to Date

September 2016



Introduction

Student.com started in Shanghai, China in 2011. Today, our team is spread across ten cities in China and 18 locations globally.

Over the past five years, we have had the privilege of witnessing the increasing pace of interest and growth in China as a destination. More people than ever are learning Chinese, visiting China for tourism or business, and studying in China. The Chinese government has been making concentrated efforts to improve the quality of education in the country and provide financial support to foreign students.

Whilst Student.com does not currently list accommodation in mainland China, this is a student corridor we predict will increase in importance as student mobility patterns change, grow and adapt. We are excited about the increasing lure of China as a destination for international students.

Currently, most Chinese student accommodation is on campus; however, opportunities exist for more purpose-built student accommodation in China, as GSA's recent entry into the market demonstrates.

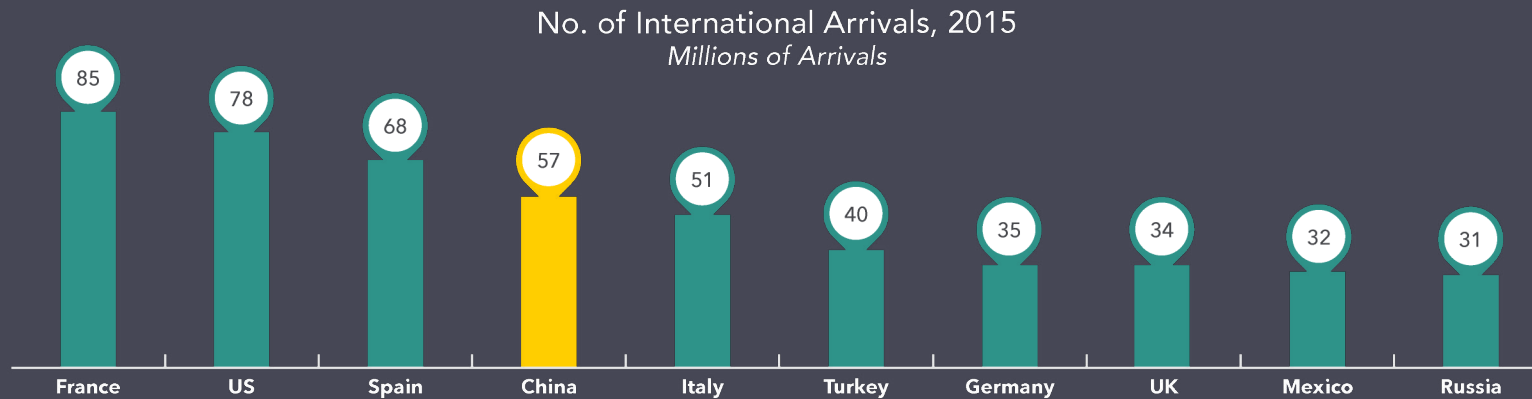
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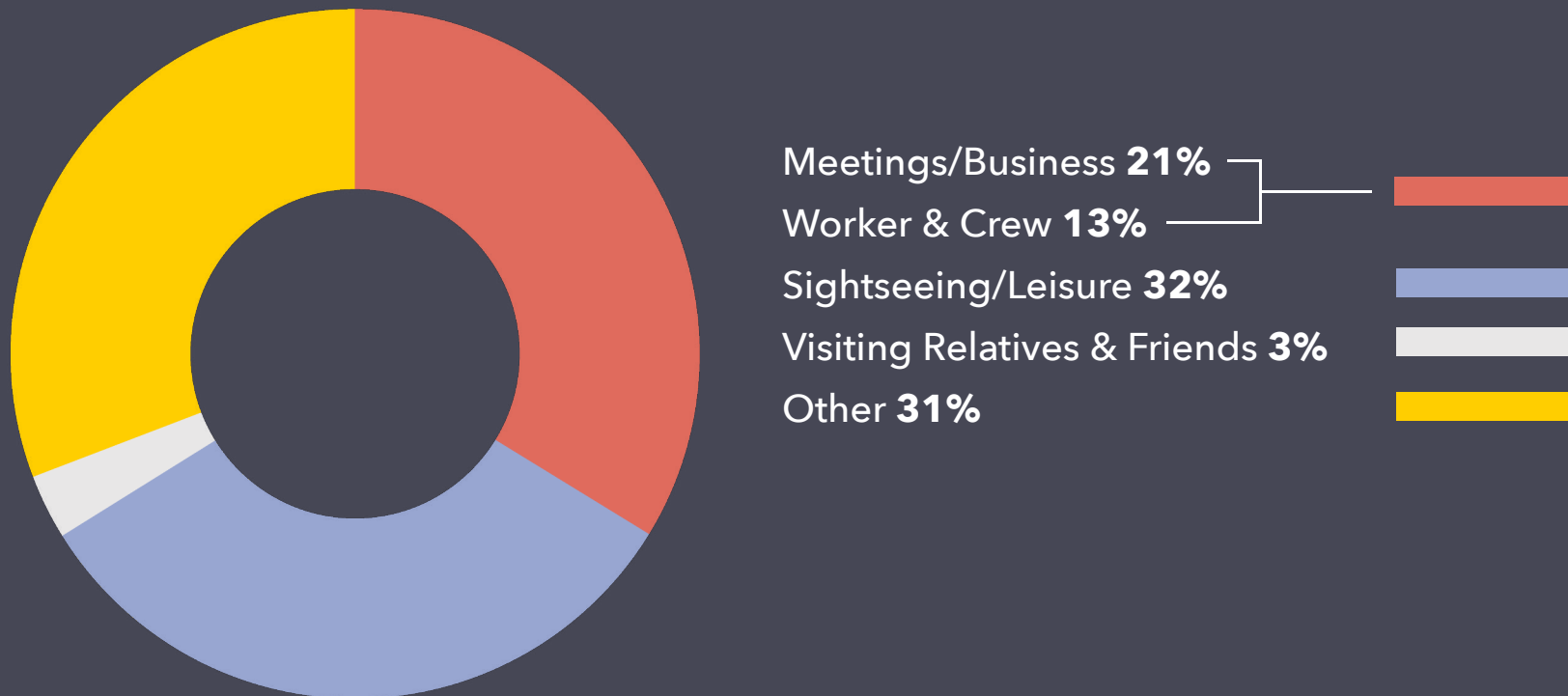
China's Travel Trends

Mainland China is the World's 4th Most Popular Destination for Global Travel

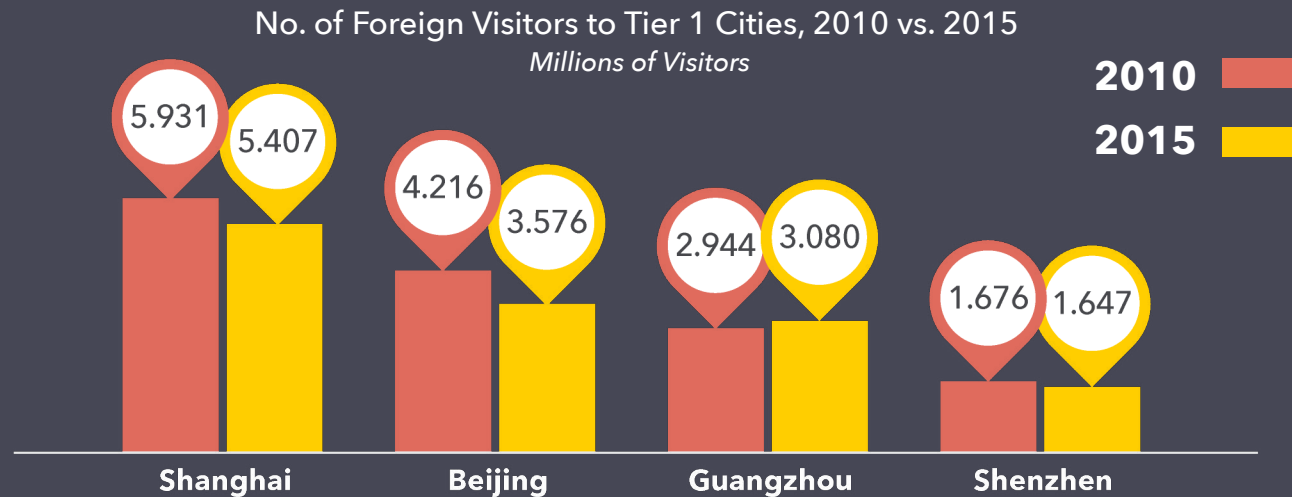


More International Travellers go to China for Business or Work than Sightseeing

China Arrivals: Reasons for Travel, 2015¹



International Travellers Going Deeper into China



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China's Language Trends

The Number of Confucius Institutes Worldwide is Expected to Double between 2015 and 2020

Figures to Date:

134 Countries

500 Confucius Institutes

1,000 Confucius Classrooms

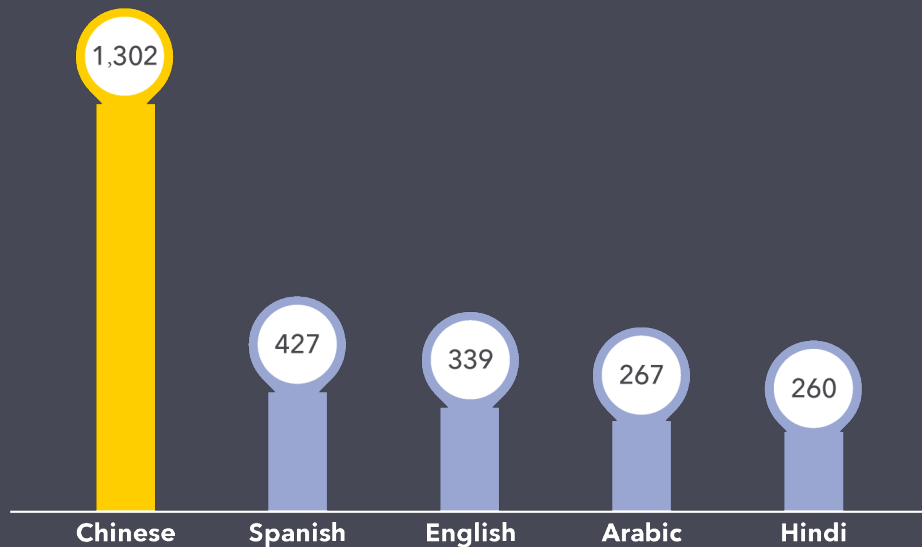
200,000 Trained Teachers

1,500,000 Students

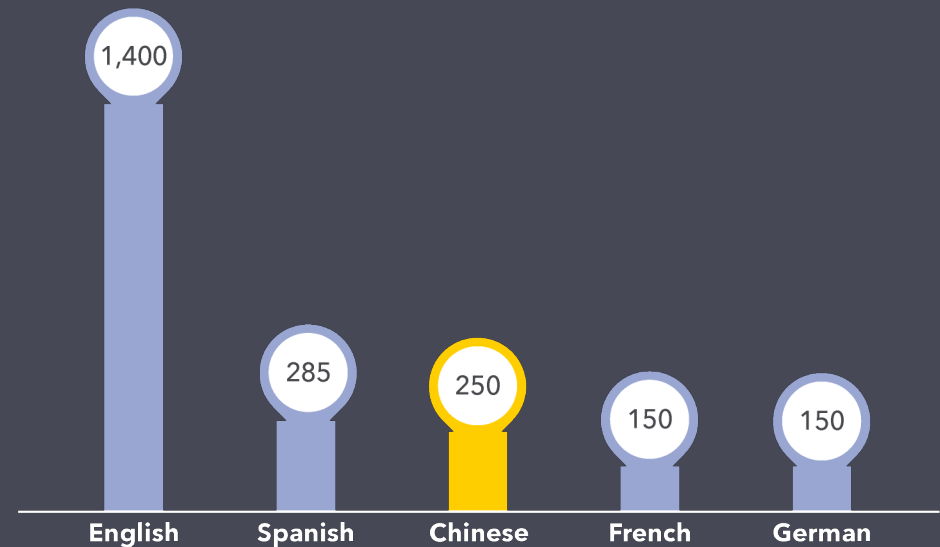
Confucius Institutes are international public educational organisations that are affiliated with the Ministry of Education of the People's Republic of China. Their aim is to promote Chinese language and culture, support local Chinese teaching internationally, and facilitate cultural exchanges.

Chinese is the 3rd Most Popular Language to Learn in the World

Language by No. of Native Speakers¹, 2016
Millions of Speakers

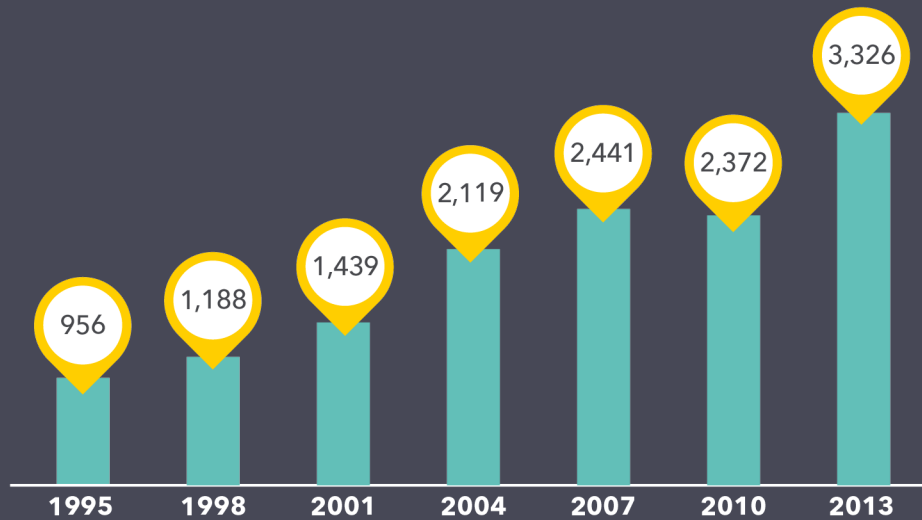


Language by No. of Learners Abroad, 2016
Thousands of Learners

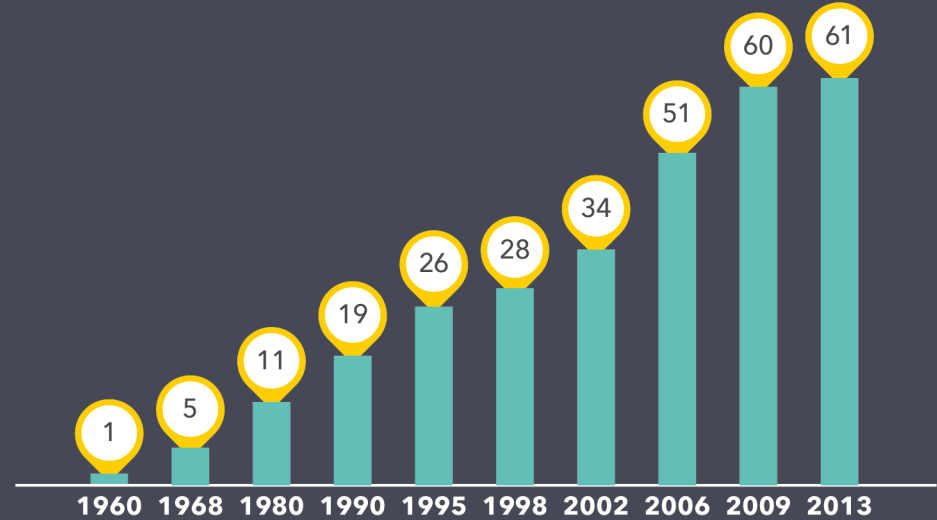


Strong Interest in Chinese in the UK and USA

A-Level Entries for Chinese in UK, 1995 - 2013



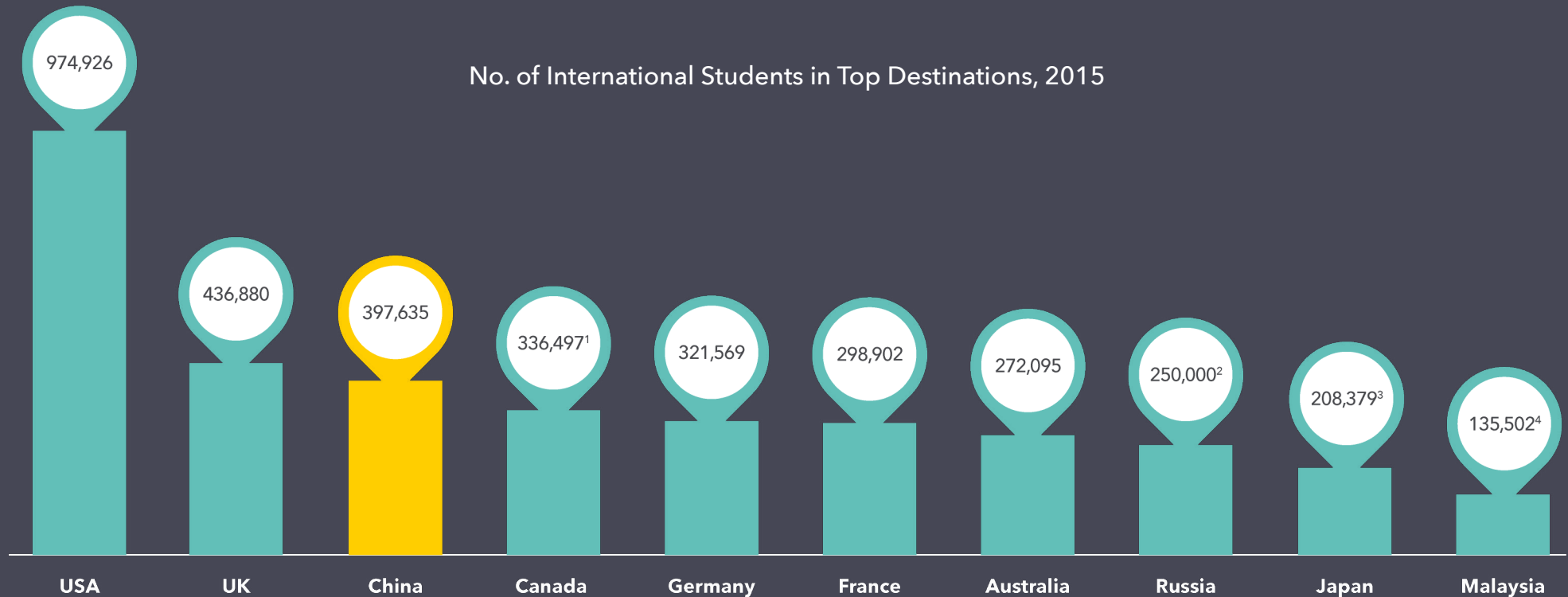
Enrollments in Chinese Language in U.S. Higher Education Institutions, 1960-2013
Thousands of students



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China's Education Trends

China is the 3rd Largest Destination for International Students Worldwide

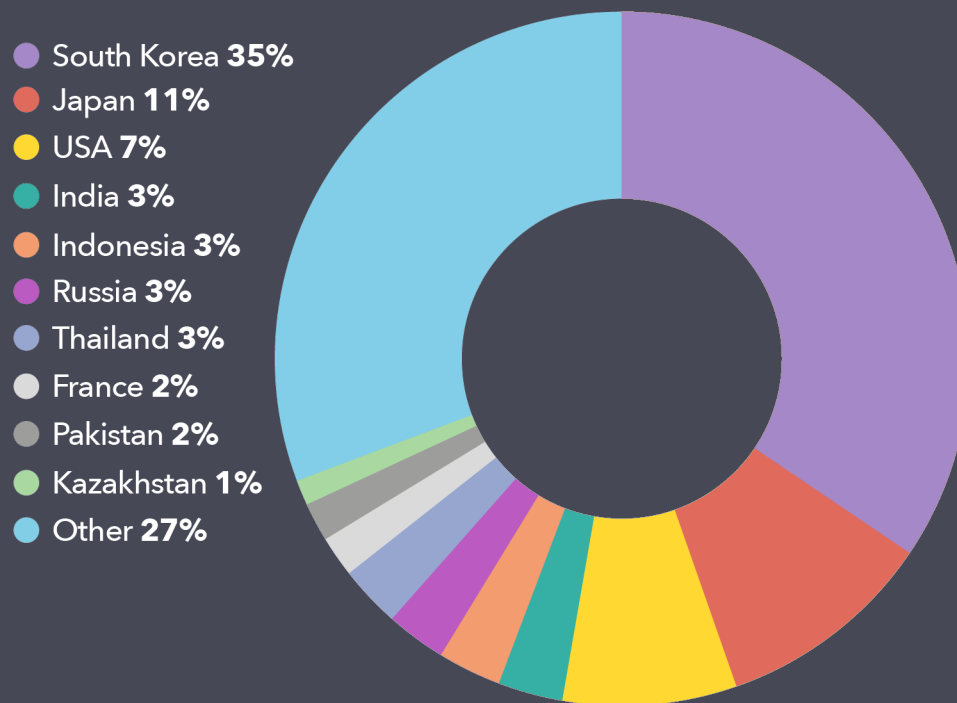


International Student Numbers in China Have Been Growing on Average 10% a Year Since 2006

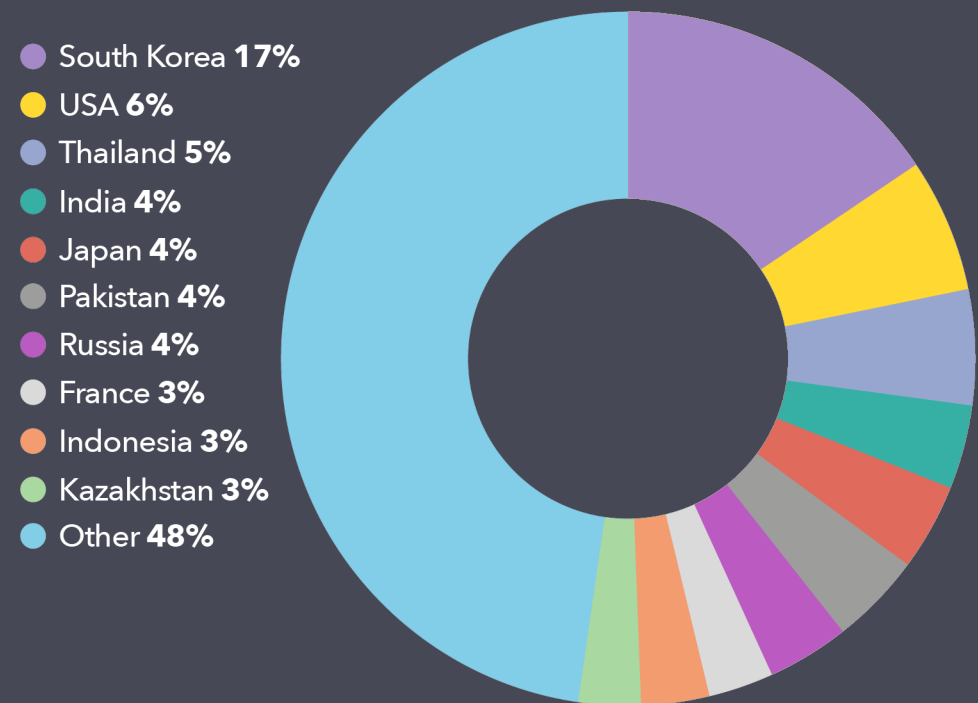


China's International Student Population is Becoming More Diverse

China's International Students by Origin, 2006

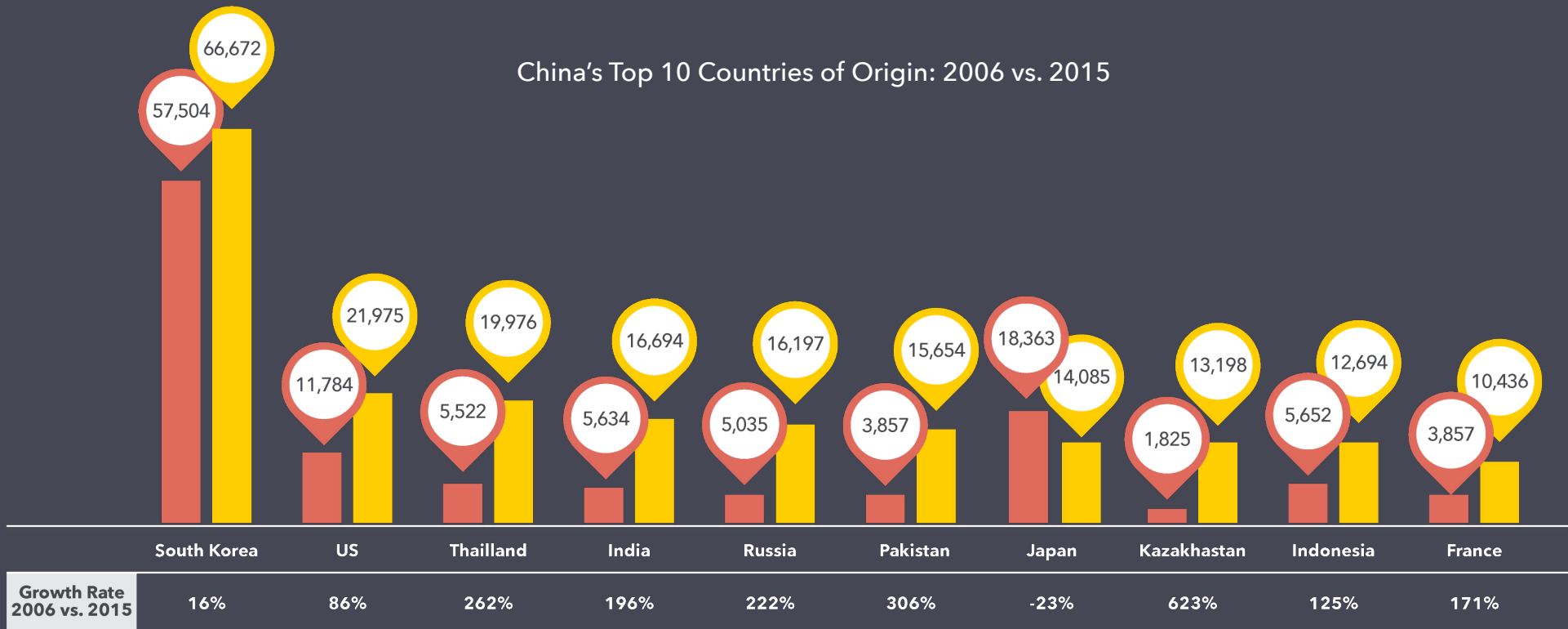


China's International Students by Origin, 2015



China's International Student Population is Becoming More Diverse

China's Top 10 Countries of Origin: 2006 vs. 2015



Cities Outside of Beijing and Shanghai are Becoming Increasingly Popular Choices for International Students

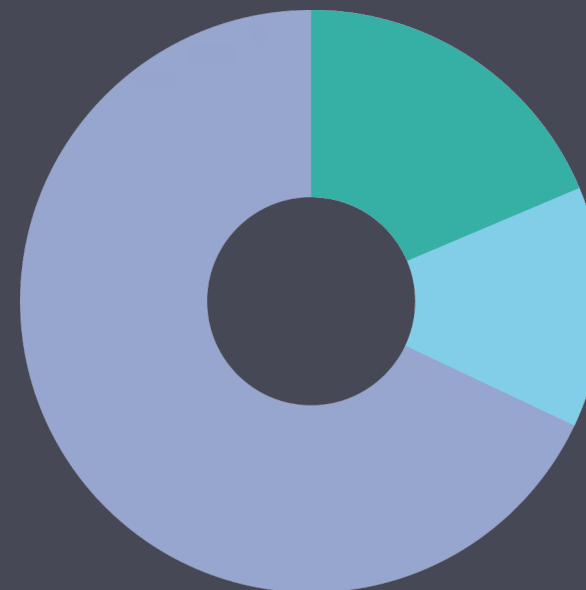
Only 32% of international students studied in Beijing or Shanghai in 2015, compared with nearly 50% in 2006.

● Beijing **29%**
● Shanghai **19%**
● Other **52%**



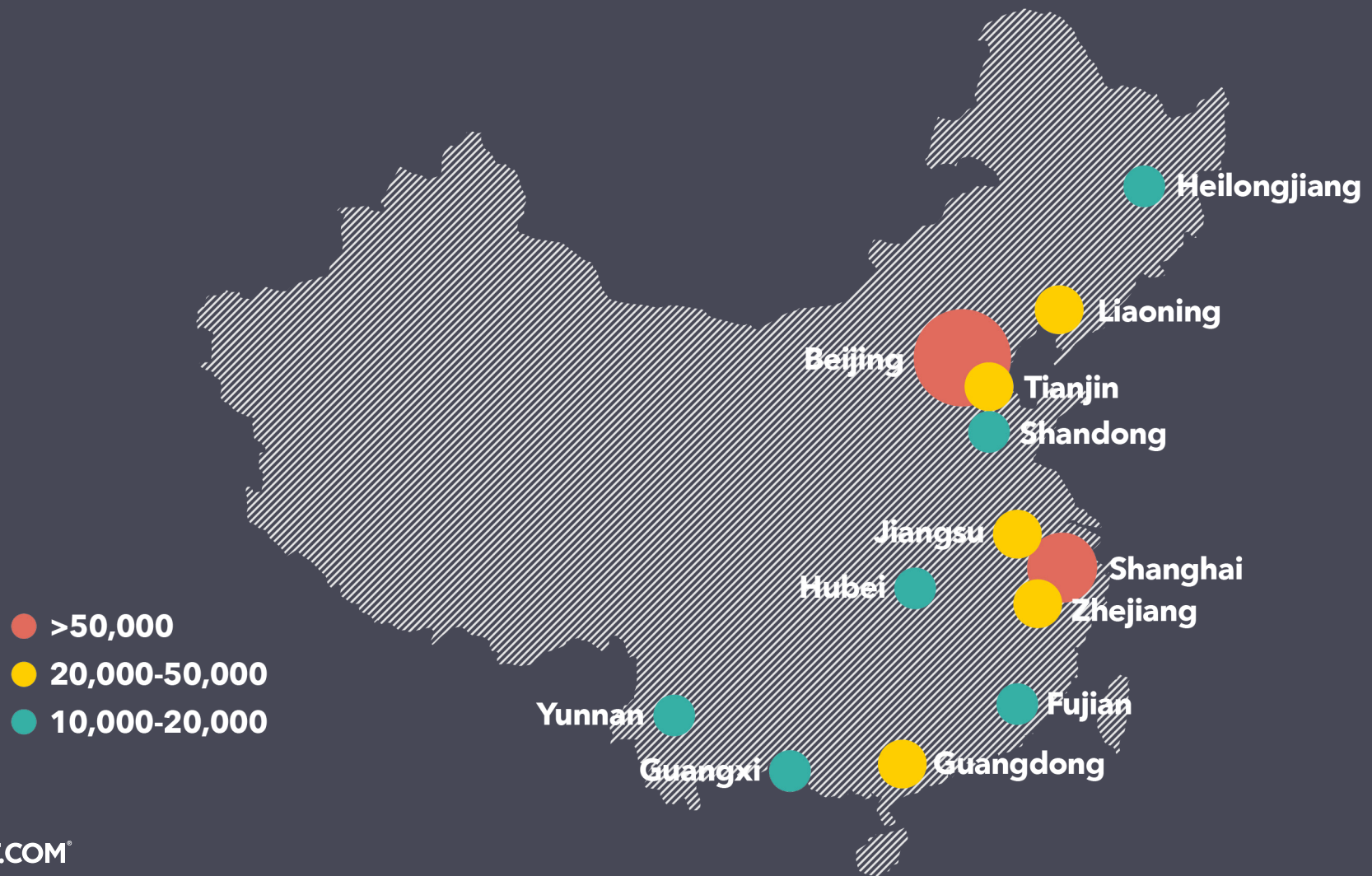
Study Destination in
China, 2006

● Beijing **18%**
● Shanghai **14%**
● Other **68%**



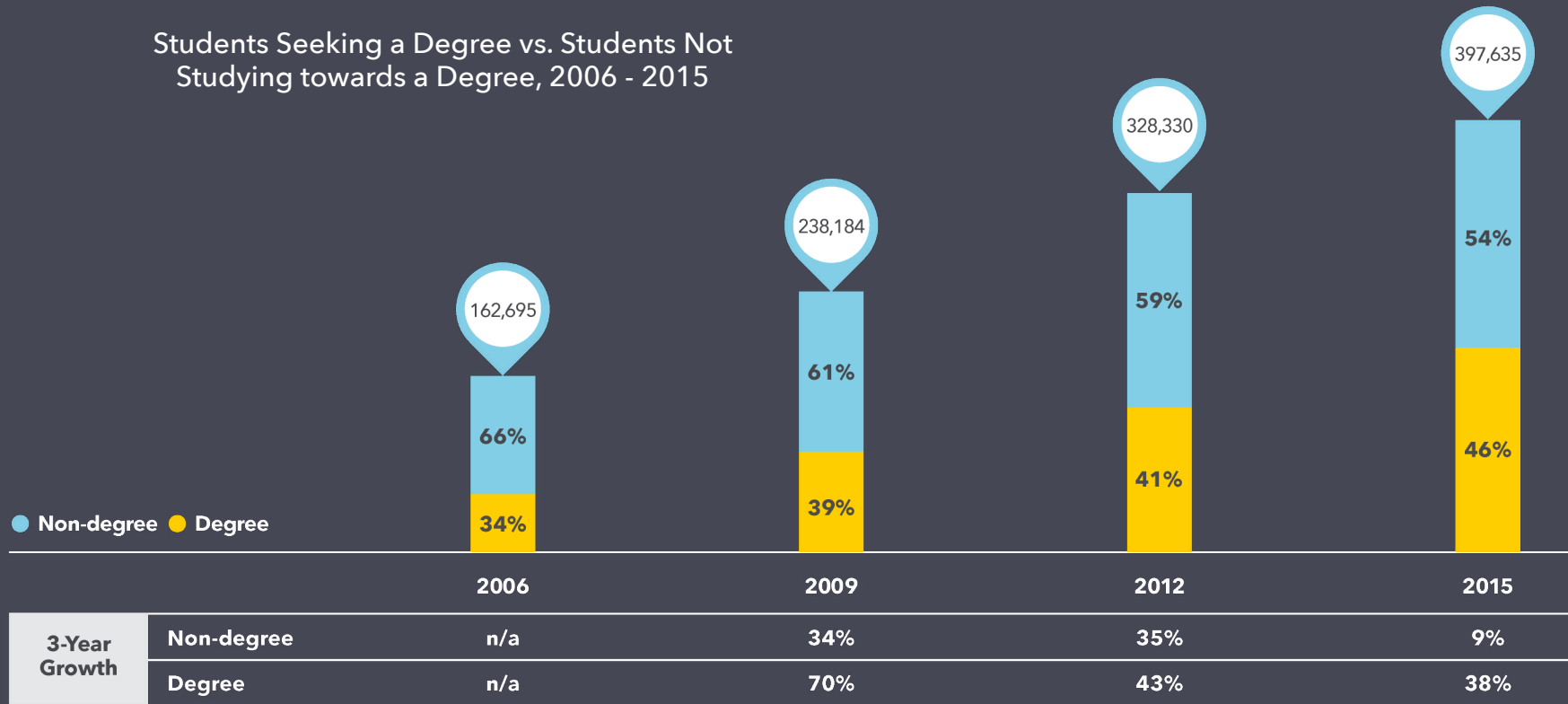
Study Destination in
China, 2015

As of 2015, 13 Cities and Provinces in China Hosted Over 10,000 International Students



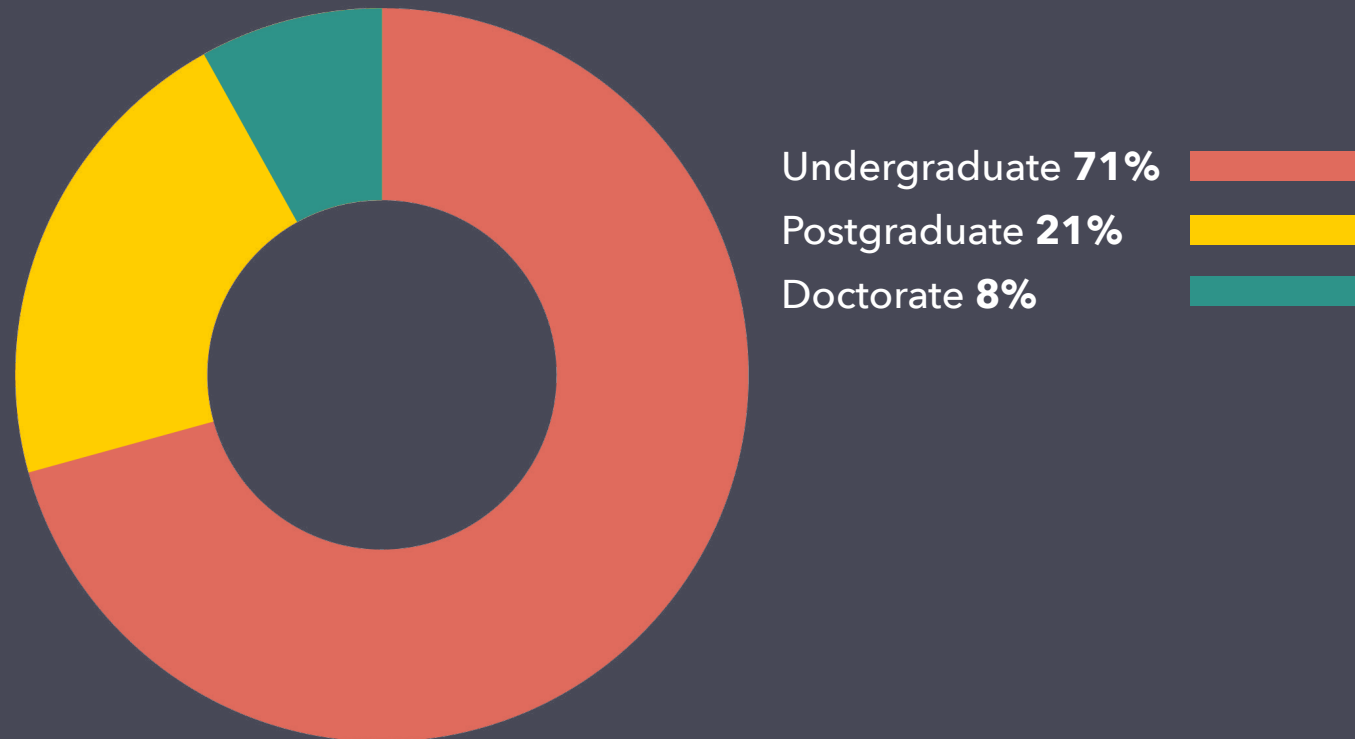
Steady Rise in International Student Numbers, with Stronger Overall Growth from Degree Seekers

Students Seeking a Degree vs. Students Not Studying towards a Degree, 2006 - 2015



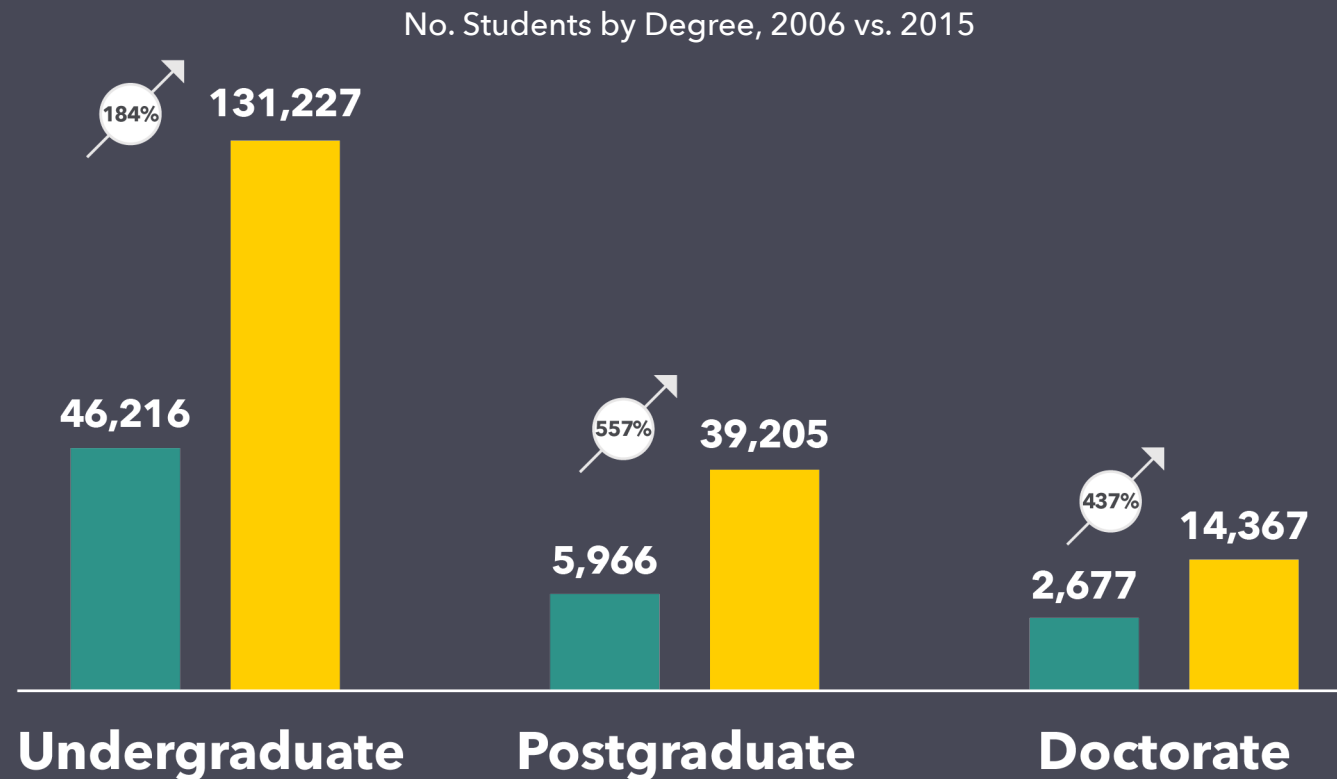
Most International Students are at the Undergraduate Level


Students by Type of Degree, 2015



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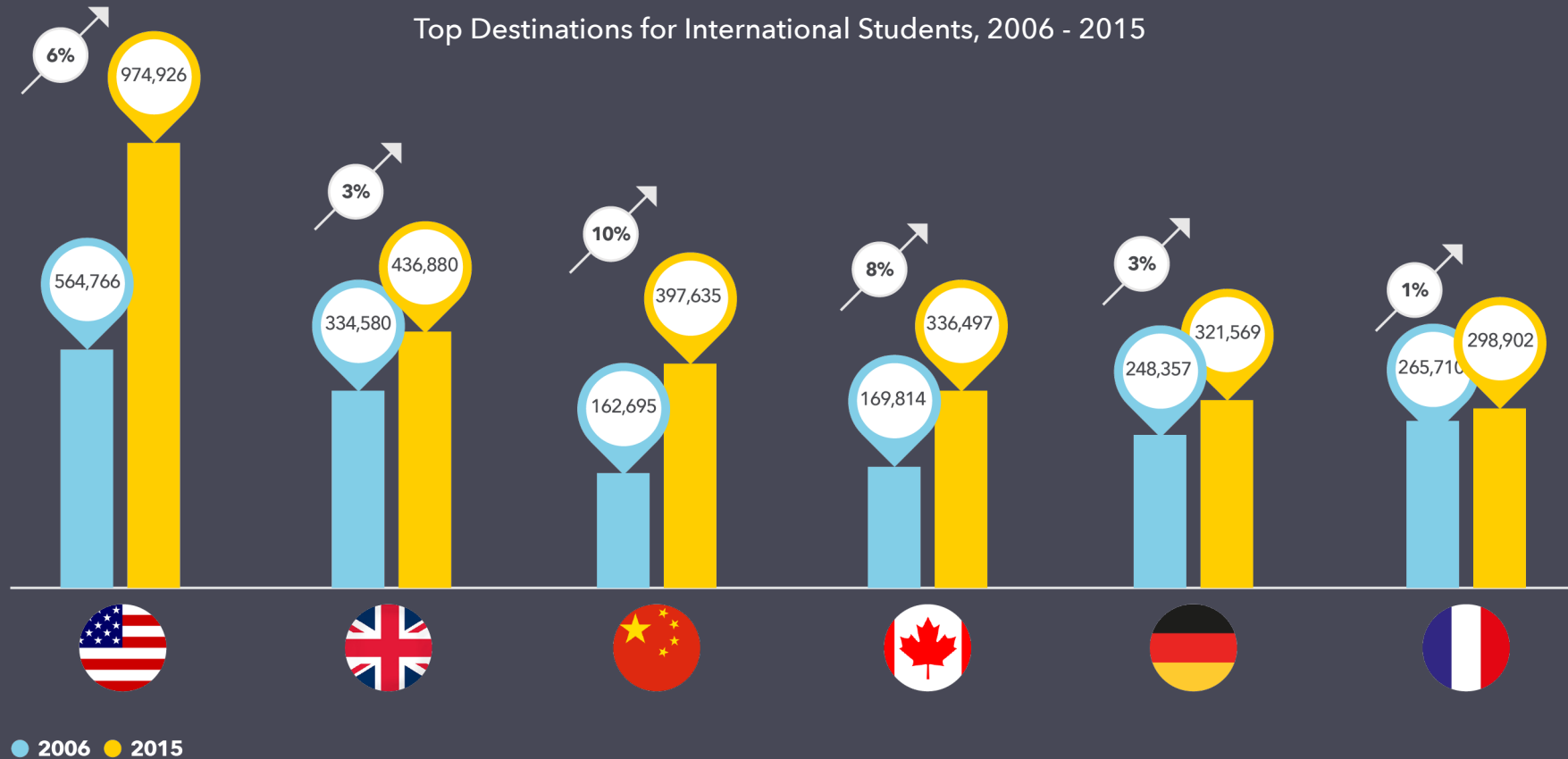
Strongest Enrollment Growth Seen at Postgraduate and Doctorate Level



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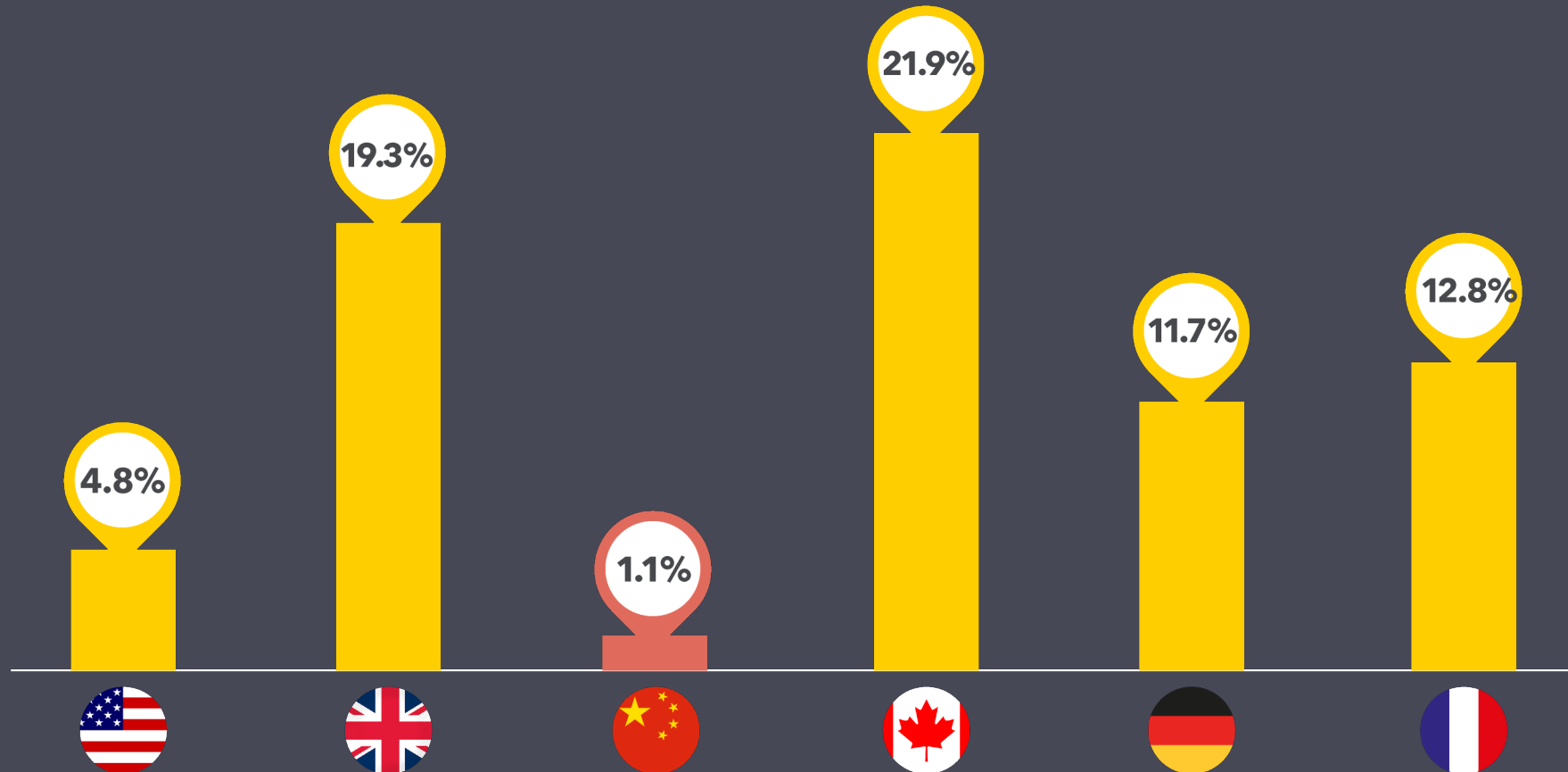
China vs. Other Destinations: A Growing Power

China Enjoys a 10% Average Year on Year Growth Rate



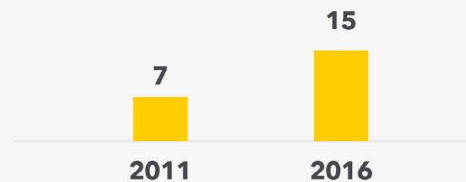
China has the Lowest Percentage of International Students within its Higher Education Institutions Compared with Other Top Destinations

International Students as a Percentage of Total Enrolments, 2015

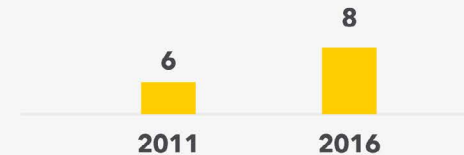


The Number of Chinese Universities in Major Global Rankings has been Rising

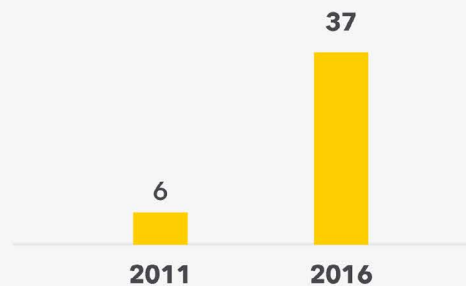
QS World University Rankings
Top 400, 2011 vs. 2016



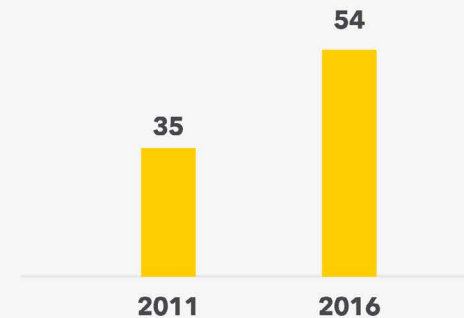
US News & World Report University
Rankings Top 200, 2011 vs. 2016



THE World University Rankings
Top 800, 2011 vs. 2016

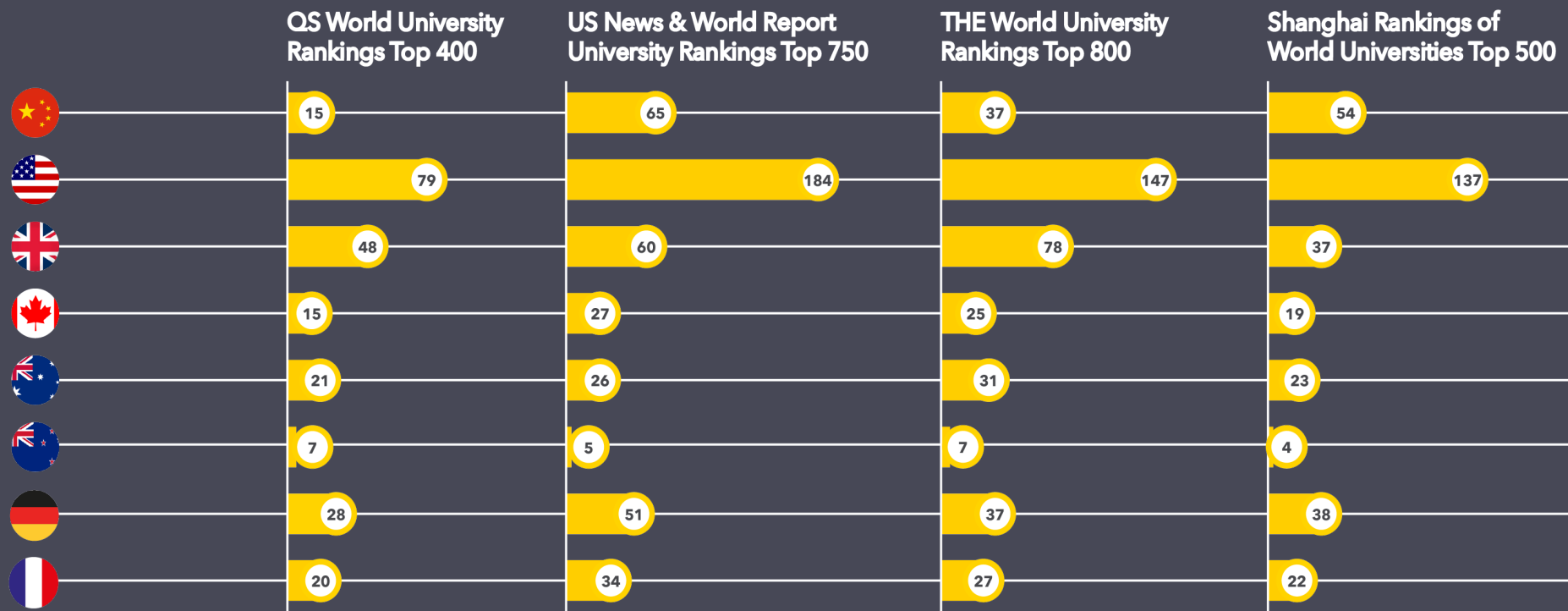


Shanghai Rankings of World
Universities Top 500, 2011 vs. 2016



China's Universities Compete with Other Top Destinations in the Rankings

Global University Rankings: China vs. Other Destinations, 2015



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China's Government Support

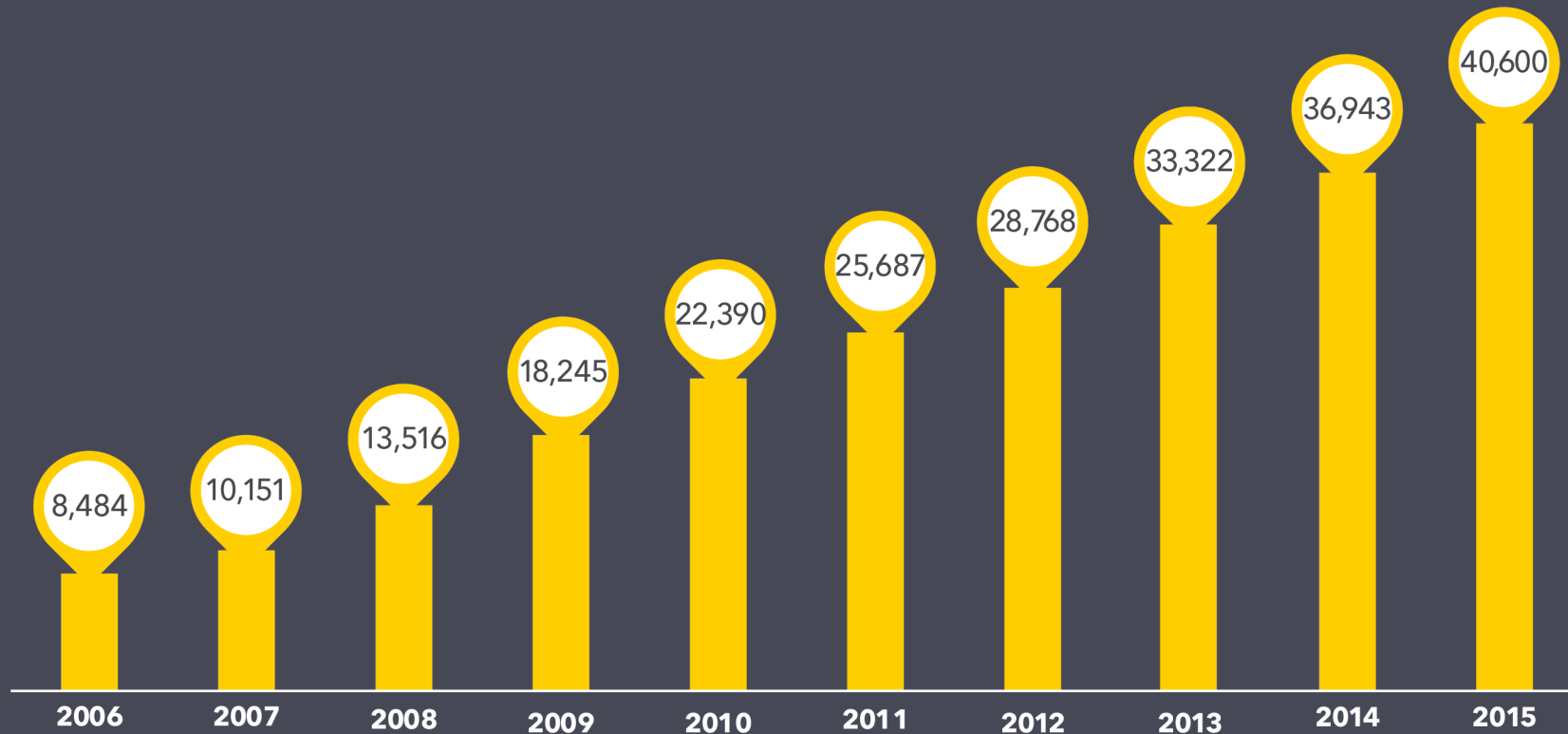
China Offers a Wide Range of Financial Support for International Students

40,600 Scholarships in 2015
Up to 7 Years Coverage from
part-time courses to PhD
277 Institutions
30 Cities and Provinces

**Scholarships
Offered By:**
Confucius Institutes
Local Governments
Foreign Governments
Universities
Enterprise

Chinese Government Grants 40,600 Scholarships to International Students in 2015

Nearly a Fivefold Increase in Scholarships Over the Last Ten Years



Approximately 40% of International Degree-Seeking Students¹ in China Received Financial Support



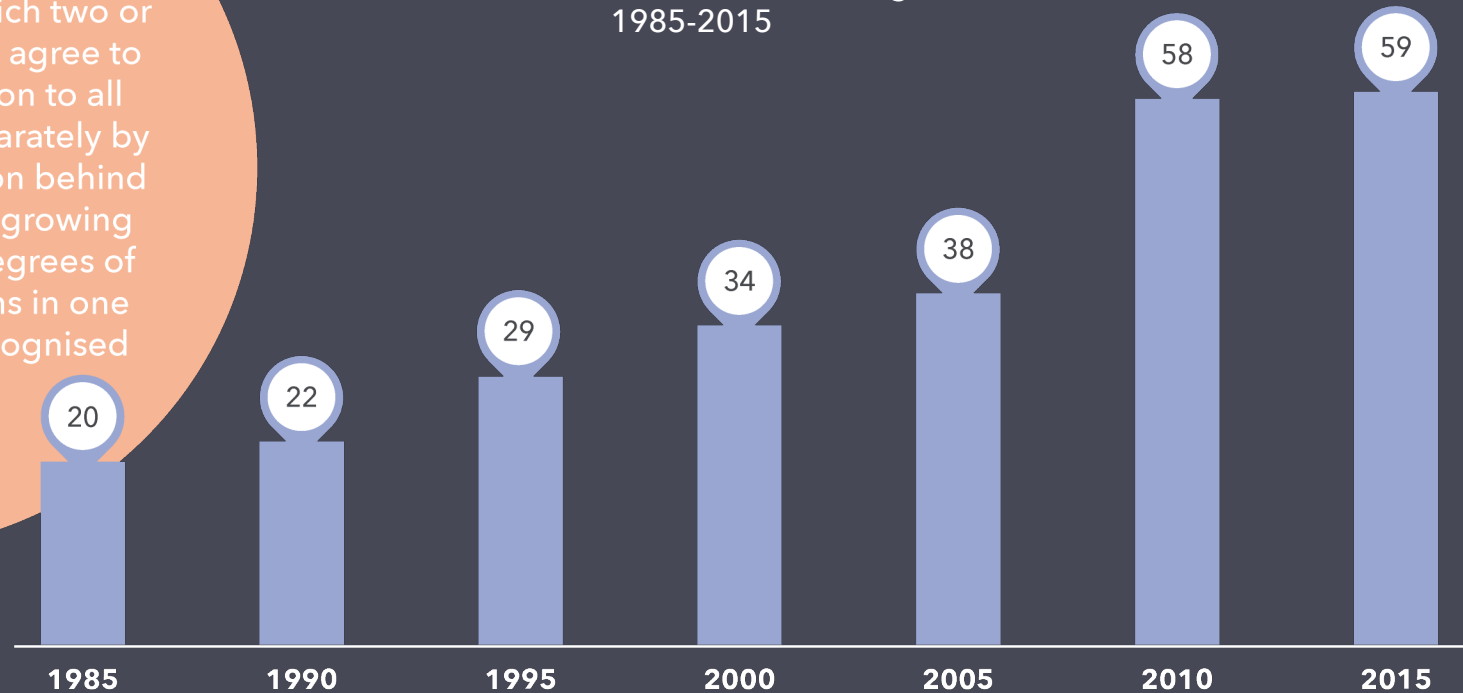
"The vast majority of Chinese Government Scholarships are granted to students studying for a degree, which is approximately half of the 397,635 international students in 2015. We estimate around 100,000 of those students arrived in China in 2015 for degree studies for the first time. That is to say, around 40% of all international students new to China in 2015 received sponsorship from the Chinese government."

- Mr. Dong Zhou, CEO of CUCAS (China's University and College Admission System)

As of 2015, China Has Signed Mutual Agreements on Degree Recognition with 59 Countries

A mutual recognition agreement (MRA) is an accord by which two or more accrediting entities agree to provide equal recognition to all programs accredited separately by each entity. The motivation behind these agreements is the growing need to ascertain that degrees of graduates from programs in one country or region be recognised in another.

Number of Countries with which China Signed an MRA, 1985-2015



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China's Accommodation Trends

33,855,900 Total Enrollments in Chinese Higher Education

Out of the 33.86 million higher education students in China, it is estimated that over half of them need accommodation. Most of that is currently provided on-campus, which offers room for opportunity in the private sector.

Due to the burgeoning middle class, as well as the rise in Chinese students experiencing high levels of quality when travelling and studying overseas, the expectations of students and their families are rising.

Moreover, with the rise of Sino-Foreign university partnerships, it is increasingly important for education brands to ensure that the quality standards in China match those of the home institution - both in terms of the education itself and the student experience, of which accommodation plays a key role.

Projected 10-20 Million Students in China Need Accommodation



GSA¹
SPACE TO GROW

"Over the next five to ten years, we will see the accommodation sector develop and grow in China. Both domestic and foreign Universities will demand better quality standards, together with partners like GSA.

This is a multi-billion dollar industry, and we project that over 10million students in China study away from home. We will likely continue to see accommodation expectations and standards rise, particularly in Tier 1 cities and locations with a concentration of international students.

Perhaps as a sign of what is to come, Tsinghua University's Beijing campus has just opened a brand new 200,000 square foot residential college under a US\$450 million project which is part of the Schwarzman Scholars program. GSA has partnered with the Schwarzman Education Foundation to deliver a world class cohesive living and learning environment for global leaders of the future."

- Simon Loveridge, Managing Director, Asia Pacific, GSA
GSA-gp.com

Report Highlights

- Mainland China is the world's fourth most popular destination for global travel.
- Both foreign travellers and international students are going deeper into China, increasingly exploring beyond Beijing and Shanghai.
- Chinese is the third most popular language to learn in the world.
- Currently, there are 500 Confucius Institutes in 134 countries, and the government aims to increase this to approximately 1,000 institutes by 2020.
- As of 2015, China is host to 397,635 international students.
- The majority of foreign students are participating in short-term study abroad programs; however, the growth rate for degree-seeking students is steadily climbing.
- Of the international students seeking a degree in China, 71% are undergraduates; however, the strongest enrollment growth can be seen at the postgraduate and doctorate level.
- With international students comprising only 1.1% of the total student body, China has ample room for growth as a host nation.
- China offers a wide range of financial support for international students, including 40,600 scholarships at 277 institutions.
- China has signed mutual agreements on degree recognition with 59 countries.
- Out of the 33.86 million higher education students in China, it is estimated that over half of them need accommodation.
- With China's rise as a destination, both the quality of its education system and the services offered to students will continue to strengthen.

Conclusion

As the third largest destination for international students worldwide, China has become a powerful force in the international education landscape. Compared to other top host countries, China has enjoyed the highest (10%) compound annual growth rate from 2006 to 2015.

As its government continues to invest in improving the quality of the education system and its universities maintain their rise in global rankings, we expect China to attract students in greater numbers and diversity. With this ongoing rise in international students, China's accommodation industry is rife with opportunity for growth in both capacity and quality standards.

About Student.com

Student.com is the world's leading marketplace for international student accommodation. The company seeks to simplify booking accommodation for international students through a free-to-use global marketplace which puts security and ease-of-use first. Every landlord listed has a contractual relationship with Student.com, ensuring additional security and peace of mind, and students have access to local knowledge of destination countries, as well as a team of multilingual booking experts. Student.com lists properties in over 400 cities across 29 countries. To date, the company has raised \$60 million from investors including VY Capital, Li Ka-Shing's Horizons Ventures, Expa, Spotify founders Daniel Ek and Martin Lorentzon, Hugo Barra of Xiaomi and Jim Breyer of Breyer Capital.

Website: <http://student.com>

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LinkedIn: <https://www.linkedin.com/company/student-com>

With Thanks

Special thanks to the following individuals for their valuable contribution to this report:

Ms Jacqueline Kassteen, Owner and Managing Director of Jackfruit Marketing

Mr Tao Li, Former Buy-side analyst & current MBA student at INSEAD

Mr Simon Loveridge, Managing Director, Asia Pacific, GSA

Mr Dong Zhou, CEO, China's University and College Admission System

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