



LIVE WORK PLAY

ASIA PACIFIC MILLENNIALS: SHAPING THE FUTURE OF REAL ESTATE

ASIA PACIFIC

CBRE

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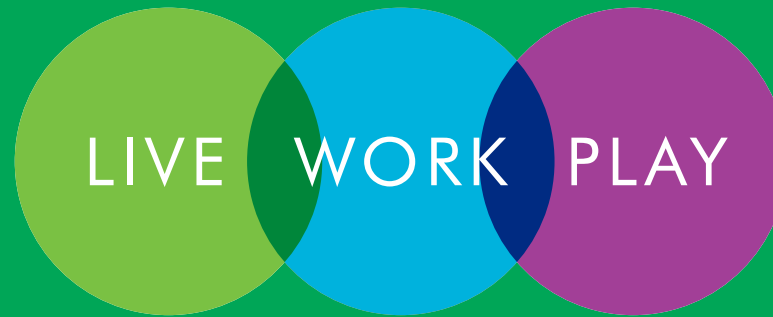
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INTRODUCTION

Millennials comprise one-fourth of the workforce in Asia Pacific and are a rapidly growing source of spending power. Their growing influence is already driving new trends in real estate markets across the region, making it essential for occupiers, retailers and developers to gain a thorough understanding of their behaviours, requirements and priorities.

Millennials are oft perceived as preferring informal employment, changing jobs regularly and avoiding financial responsibility. However, CBRE Research has found these observations to be superficial. As with previous generations, most millennials save money to buy a home, spend prudently and aspire to carve out a stable career. Our understanding of millennials, therefore, should not be based upon perceptions or stereotypes.

Survey methodology

In December 2015, CBRE Research conducted a global survey of 13,000 young adults aged between 22 and 29 to examine how they live, work and play, and what this means for real estate. The findings were used to produce the Asia Pacific Millennials Survey covering 5,000 respondents in Australia, China, Hong Kong, Japan and India (1,000 respondents in each market). The survey also explored differences between millennials of different gender, employment status, marital status, education and income. In order to benchmark how millennials deviate from previous generations, CBRE Research conducted the same survey internally to a total of 1,000 staff across all age groups in its main office locations in the region.

MILLENNIALS IN LIVE WORK PLAY ASIA PACIFIC

THE EAGLETS ARE NOT LEAVING THE NEST

63%

of Asia Pacific millennials are living with their parents



THEY ARE "GENERATION RENT"

2/3

of respondents not living with their parents choose to rent



JOB LOYALTY IS HIGHER THAN PERCEIVED



2/3

want to work for the same firm or a small number of companies

COMMUTING TIME AND OFFICE LOCATION



are among the top five concerns when taking a new job

OFFICE DESIGN MATTERS



71%

are willing to give up other benefits for a better office environment



FOCUS ON WELLNESS

The biggest expectation gap is in the provision of rest areas and wellness facilities



THEY SPEND, THEY SAVE



1/3

of their income is spent on leisure while 1/5 is saved

SOCIAL SHOPPING



1/4

shop offline as a way to spend time with friends and family

PASSION FOR GOING OUT



They spend 9.7 days per month on dining out and going to live entertainment

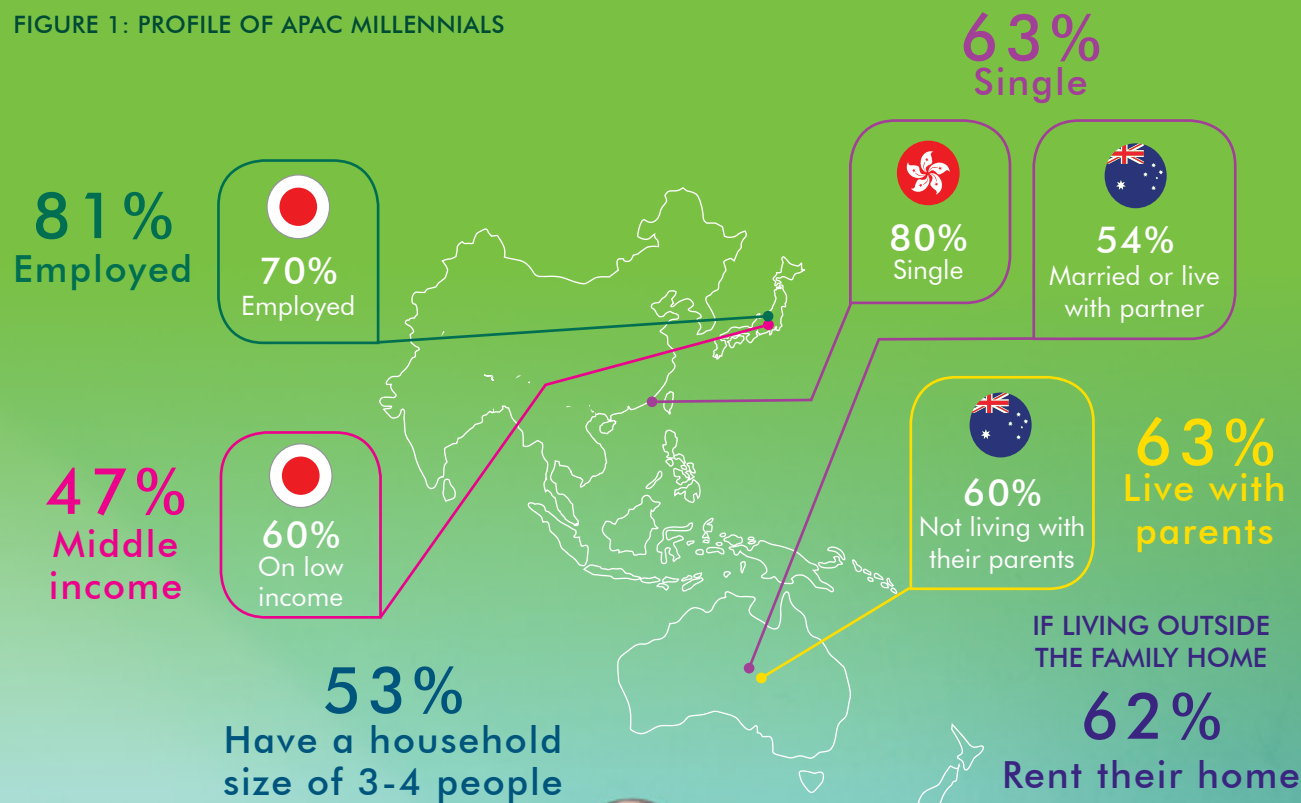


WHO ARE THEY? PROFILE OF APAC MILLENNIALS

Millennials are the demographic cohort following Generation X. The term is generally accepted to refer those born during the 1980s and mid-1990s. The respondents to CBRE Research's survey were aged 22-29.

There is great diversity among the millennial population in Asia Pacific, particularly between those raised in Asian culture, even in an international city such as Hong Kong, and the western culture prevalent in Australia. Millennials who grew up during the "lost decade" in Japan are considerably different from those who were raised during the recent economic booms in China and India. However, they still share some similar socio-economic characteristics. Most millennials are single, live with their parents in a household of 3-4 people, and are fully employed in a middle income job.

FIGURE 1: PROFILE OF APAC MILLENNIALS



Source: CBRE Research, October 2016.



LIVE

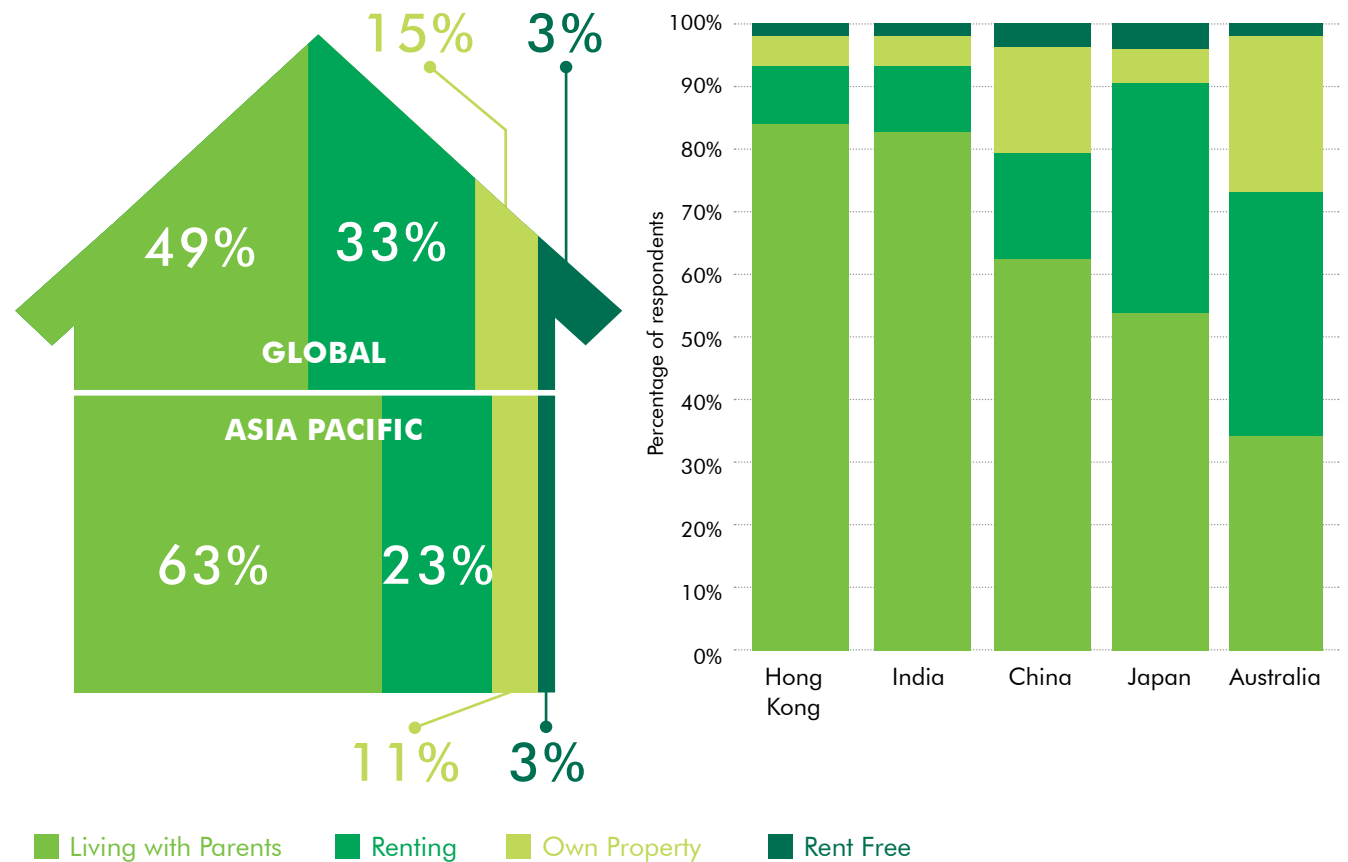
LIFESTYLE AND HOME



MORE MILLENNIALS THAN EVER BEFORE ARE STILL LIVING AT HOME

At a time in their lives when most young adults are striving for greater freedom and independence, around half of millennials globally still live in the family home. This phenomenon is even more prevalent in Asia Pacific, where almost two-thirds of the region's young adults are still living with their parents. This is largely due to cultural practices in Asia, where parents usually house their sons and daughters until they get married. The high cost of residential property in many markets is also a factor. Hong Kong and India have the highest proportion of millennials still living at home, while Australia registered the lowest.

FIGURE 2: MILLENNIALS' CURRENT LIVING STATUS

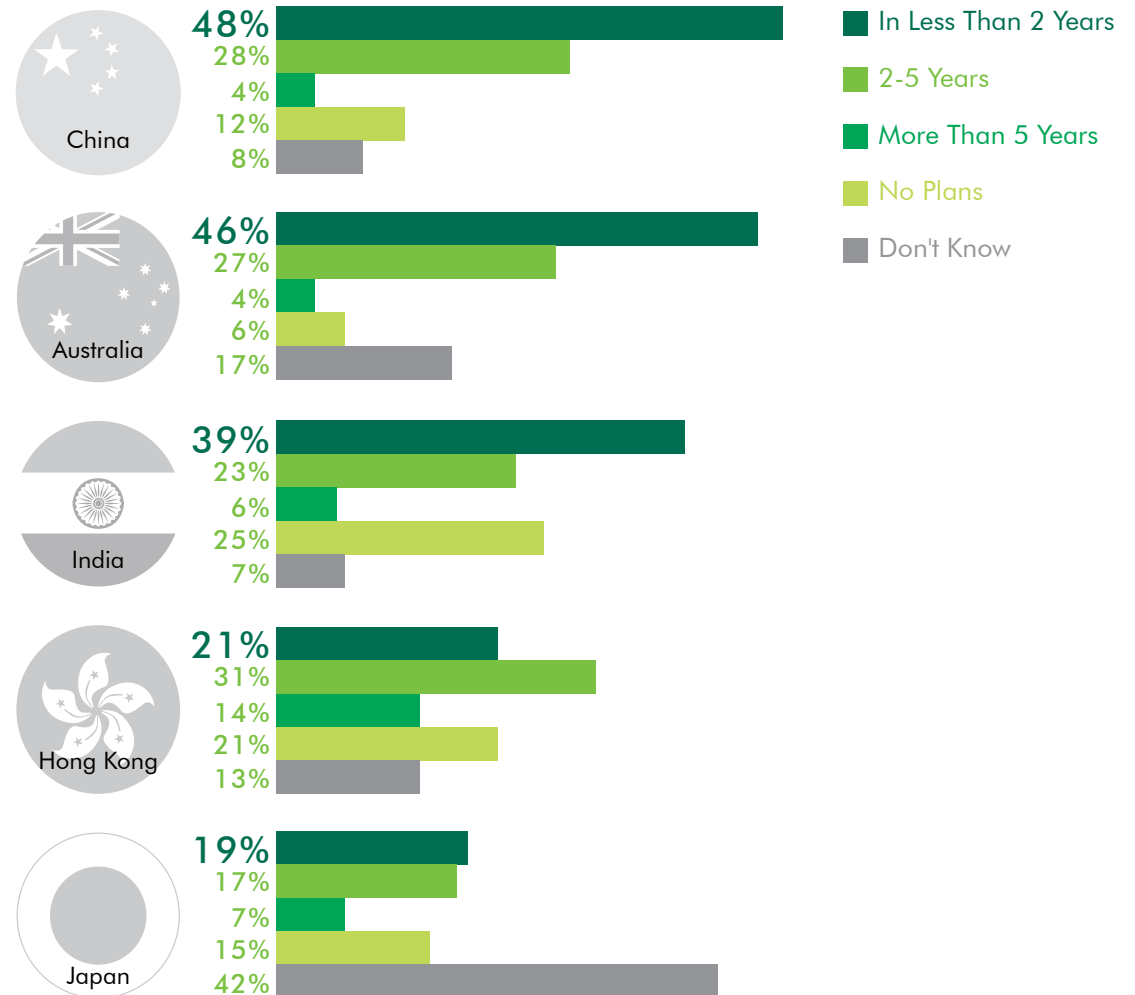
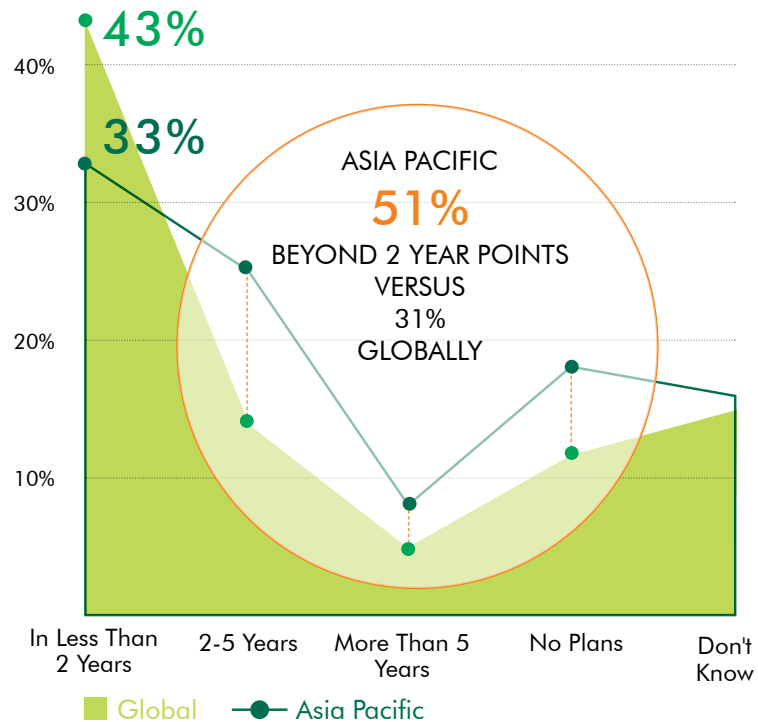


Source: CBRE Research, October 2016.

MOST WON'T BE LEAVING THE NEST ANYTIME SOON

The survey found Asia Pacific millennials intend to remain in the family home for longer, with just 33% planning to move out within the next two years. 18% of respondents have no plans to move out at all. In Hong Kong, housing affordability is a key factor preventing millennials from leaving home, while in Japan, many millennials born in the “lost decade” following the collapse of the asset price bubble in 1991 remain reluctant to leave the nest.

FIGURE 3: MILLENNIALS' HOME-LEAVING INTENTIONS



Source: CBRE Research, October 2016.

"GENERATION RENT" WOULD STILL LIKE TO BUY PROPERTY

There is a common perception that millennials prefer to rent property because they are reluctant to take on the responsibility and commitment of home ownership. While two out of three Asia Pacific millennials living on their own are renting a property, the survey found that many in fact aspire to own their own home, with 65% of respondents planning to buy property in the future. Those who are still living at home and plan to move out in the future also retain a strong desire to buy their own property.

Millennials in China and India displayed the strongest intentions to buy their own property in the near future, although motivations differed. In China, stability was cited as the main reason to buy a home, and usually involves two sets of parents funding the down payment on a home for a newly married couple. In India, around one-third of respondents identified investment as the key driver for buying a property.

Buying intentions were lowest among millennials in Japan, due mainly to low earnings and a preference for the convenience of renting. Despite current ultra-low mortgage rates, Japan was the only country in the survey where no respondents had purchased a property for investment.

FIGURE 4: MILLENNIALS' INTENTIONS TO PURCHASE PROPERTY



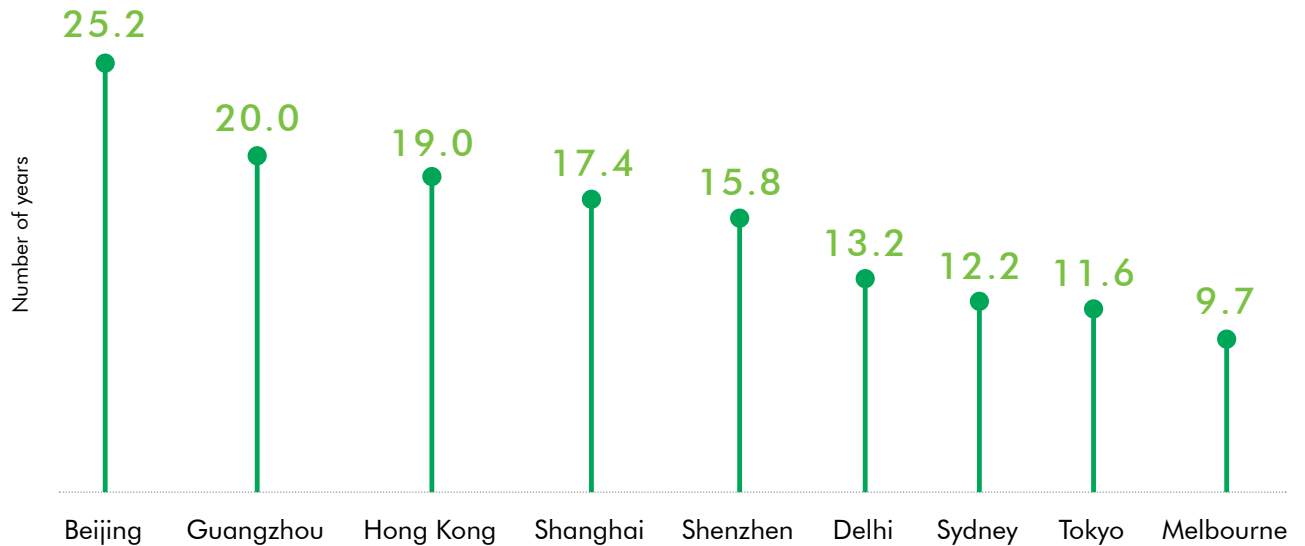
Source: CBRE Research, October 2016.

HIGH PROPERTY PRICES ARE PRECLUDING HOME OWNERSHIP

The financial burden of purchasing a property is the major reason behind the high percentage of Asia Pacific millennials still living with their parents. The rate of home ownership among millennials in the region is just 11%, compared to the global average of 15%. Rates of home ownership among millennials in Hong Kong, India and Japan are even lower, at around 5%.

The excess liquidity pumped into the market following the onset of the Global Financial Crisis (GFC) in 2008 substantially inflated property prices in most parts of the region and lifted housing prices out of the reach of most young adults. Median housing prices were more than 10 times greater than average household income in all tier I cities in markets covered by the survey. The higher the price multiple to income, the more likely it is for a millennial to continue living at home.

FIGURE 5: MEDIAN HOUSING PRICE TO ANNUAL HOUSEHOLD INCOME RATIO IN SELECTED APAC CITIES



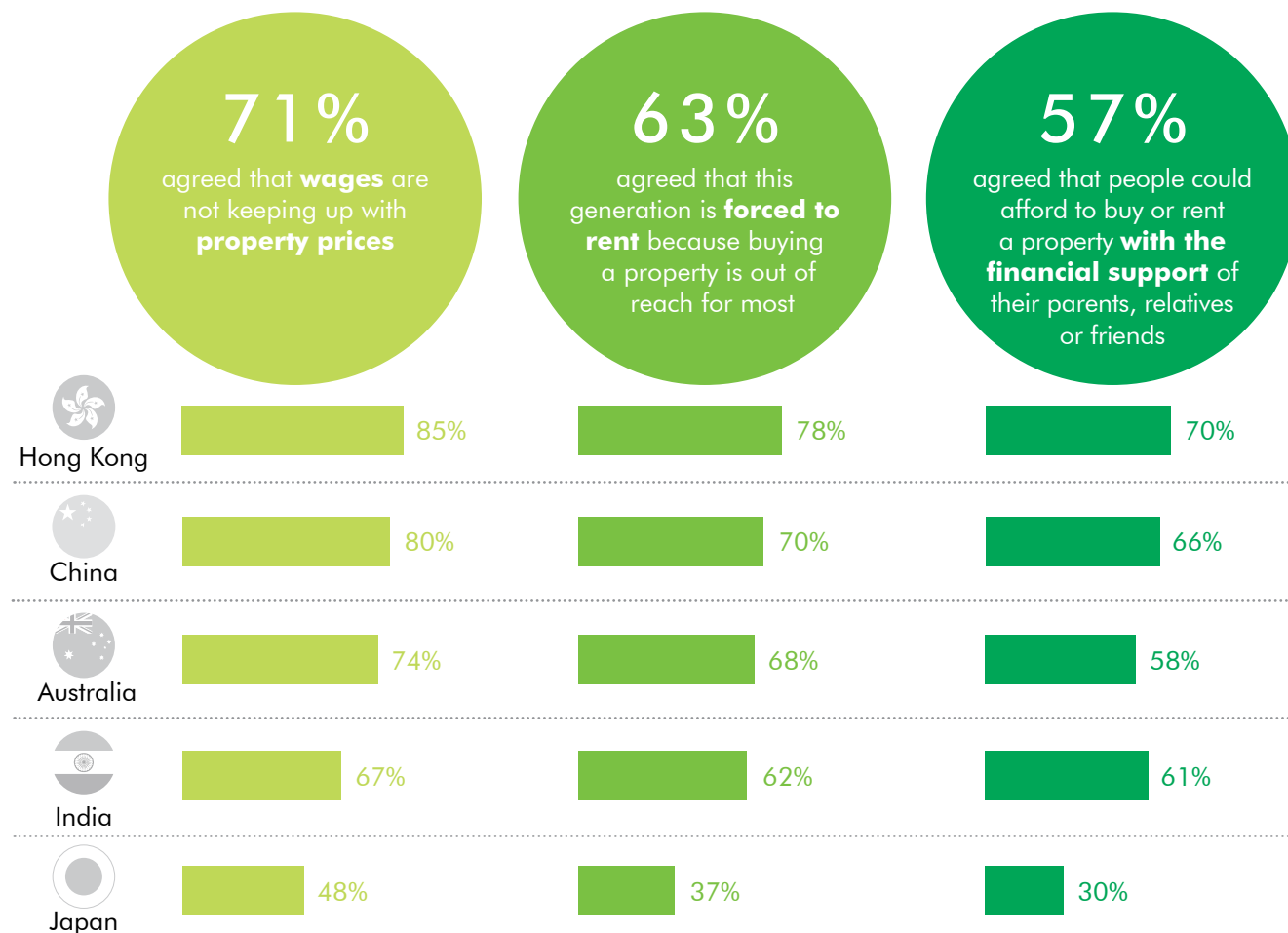
Source: Demographia (Q3 2015), MSCI (December 2015), CBRE Research, October 2016.

WEALTH ACCUMULATION IS A MAJOR CHALLENGE

Surging property prices are outstripping wage growth and making it extremely difficult for Asia Pacific millennials to accumulate the necessary capital to buy their own home. Most respondents said that they are forced into renting homes due to being unable to buy them.

Of the millennials intending to buy a home, 40% said they would require financial assistance from their parents or other relatives. This practice is most common in Hong Kong and China, where buying a home is viewed as a prerequisite for marriage and starting a new family. Millennials in Japan, who grew up after the property bubble burst in 1991, displayed the least concern over affordability issues, primarily because they see little room for asset appreciation.

FIGURE 6: MILLENNIALS' ATTITUDES TOWARDS RENTING PROPERTY



Source: CBRE Research, October 2016.

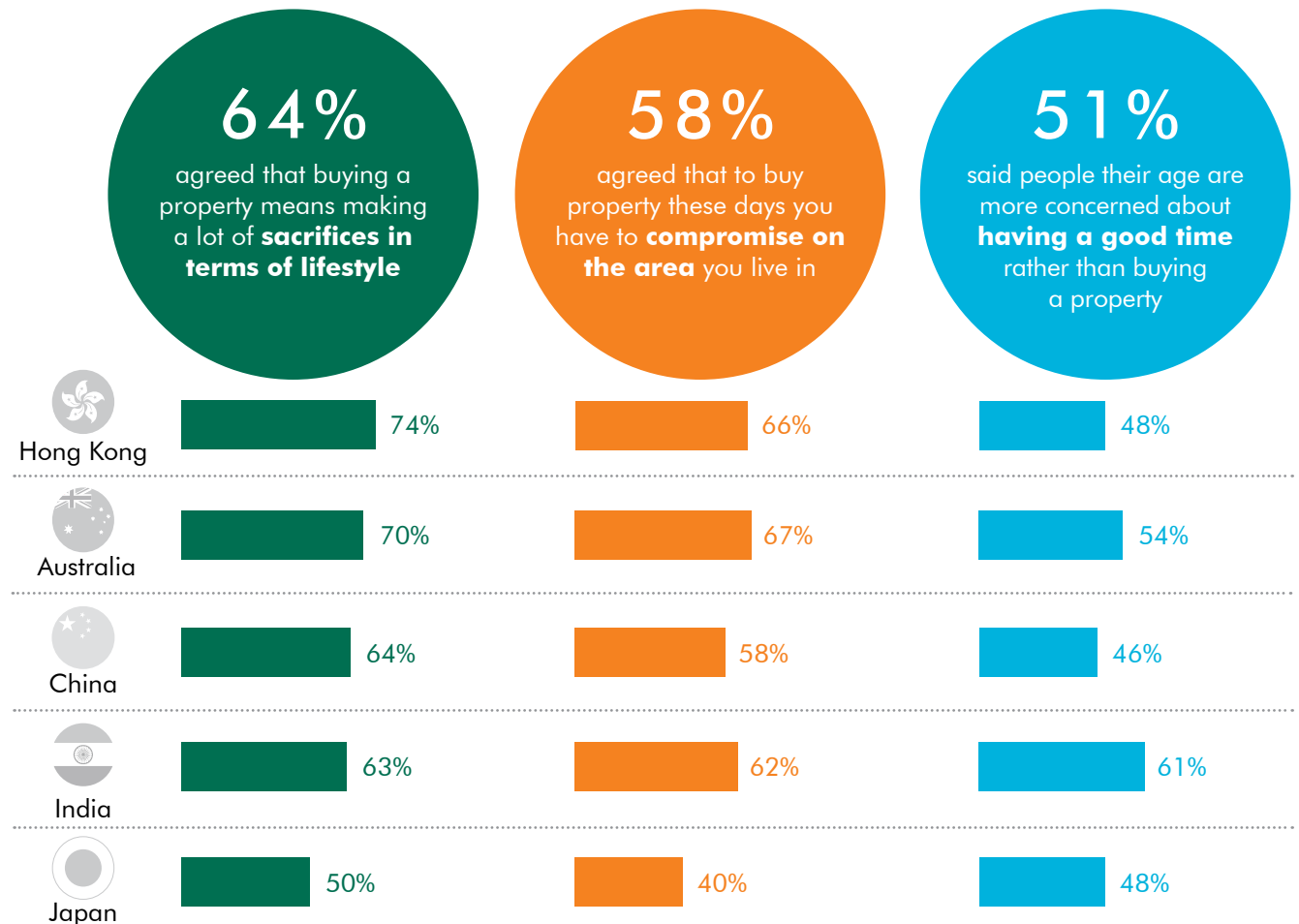
QUALITY OF LIFE IS KEY

The survey found that Asia Pacific millennials are unwilling to compromise their living standards when buying a property. Most won't purchase a home until they can find one that meets their standards in terms of quality, size and location. Until then, they will continue renting.

Two-thirds of Asia Pacific millennials agreed with the statement that buying a property means sacrificing elements of their lifestyle, although insights differed across markets. Melbourne, Adelaide and Perth are consistently ranked among the top 10 most livable cities in the world¹, and generally enable younger generation to enjoy a high quality of life regardless of whether they rent or buy. In Hong Kong, however, property prices are well beyond the reach of the young, meaning that millennials prefer to spend money on entertainment instead of climbing up the property ladder.

Half of respondents said their contemporaries would rather have a good time than buy a property, with only 16% disagreeing with this statement. However, most millennials still want to purchase their own property in the future, provided that doing so does not negatively impact their quality of life.

FIGURE 7: MILLENNIALS' ATTITUDES TOWARDS PROPERTY OWNERSHIP



¹ Economist Intelligence Unit (Aug 2016) – The world's most liveable cities
CBRE GLOBAL RESEARCH

Source: CBRE Research, October 2016.

LIVE – CONCLUSION

Millennials are happy to continue to LIVE in the family home until they have the financial means to live independently.

When they do leave home, most have to rent due to high property prices. Nevertheless, most would still like to buy a home, although they are not willing to compromise in terms of quality, size and location, and continue to place the highest importance on their quality of life. CBRE Research recommends developers and city administrators take heed of these trends by constructing more affordable housing for rent and sale. In response to the difficulty millennials encounter in accumulating capital for down payments, there needs to be innovation in structuring mortgages and home ownership schemes for young first-time homebuyers. Small, modern and practical units providing good amenities and accessibility would be ideal for millennials.



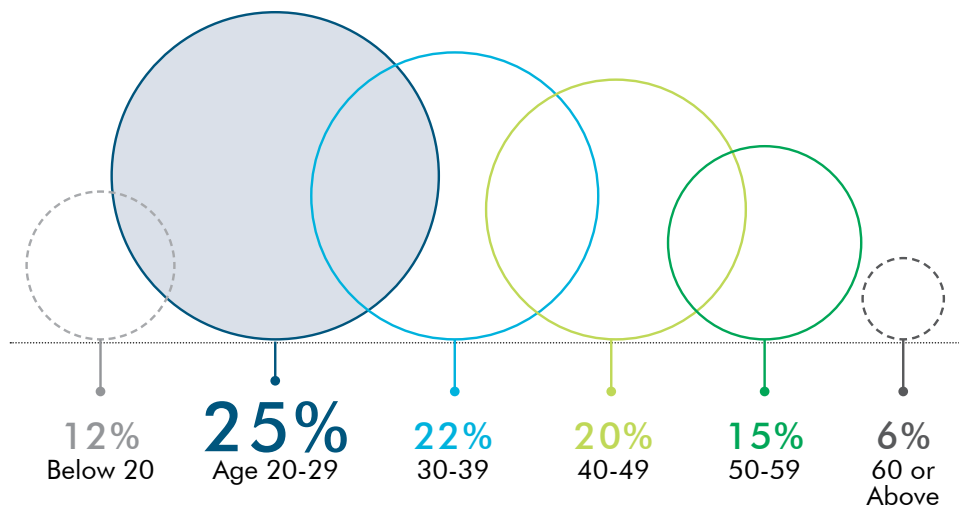
WORK

TALENT AND WORKPLACE

MILLENNIALS WILL SHAPE THE FUTURE WORKFORCE

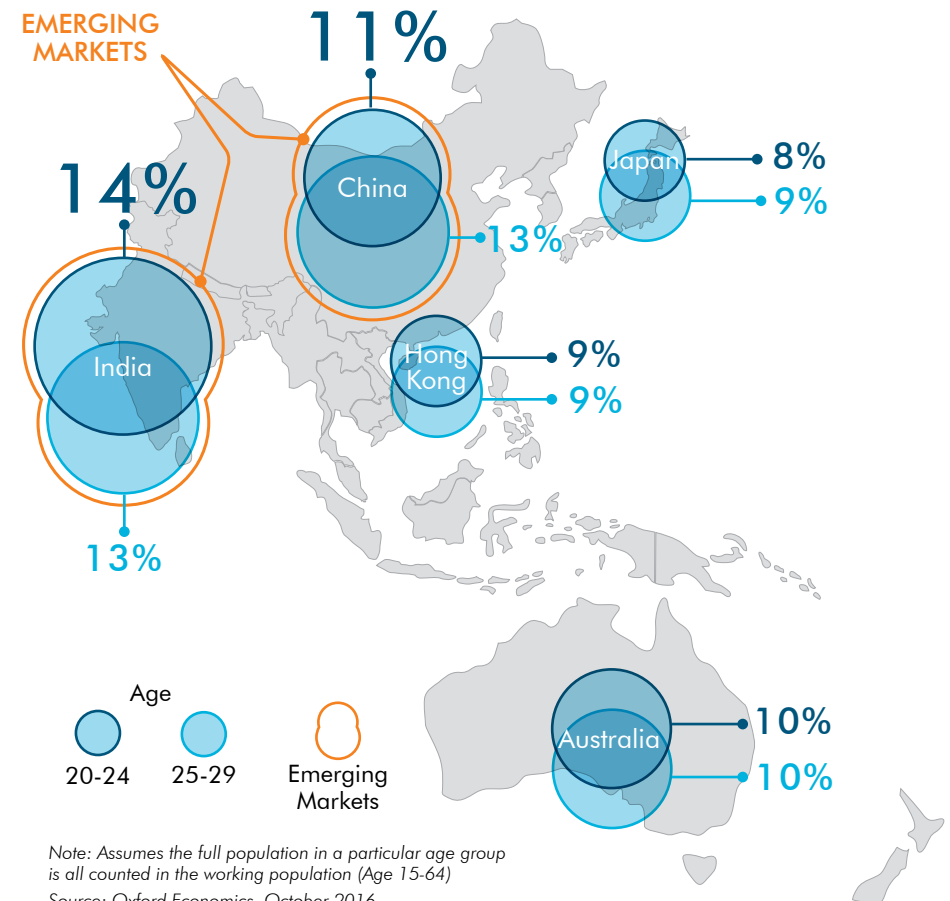
Millennials' presence in the workplace is steadily increasing. Millennials account for 25% of the working age population in the emerging economies of China and India, and 20% or less in the more advanced economies in Australia, Hong Kong and Japan, according to Oxford Economics. Due to the impending retirement of the baby boomer generation, the United Nations forecasts that millennials will account for 35% of the working population in Asia Pacific by 2020. As millennials move along the career path, they will become important decision makers in the business world.

FIGURE 8: MILLENNIALS AS A % OF THE TOTAL APAC WORKING POPULATION



Note: Assumes the full population in a particular age group is all counted in the working population (Age 15-64)
Source: Oxford Economics, October 2016.

FIGURE 9: MILLENNIALS AS A % OF THE WORKING POPULATION BY SELECTED COUNTRY



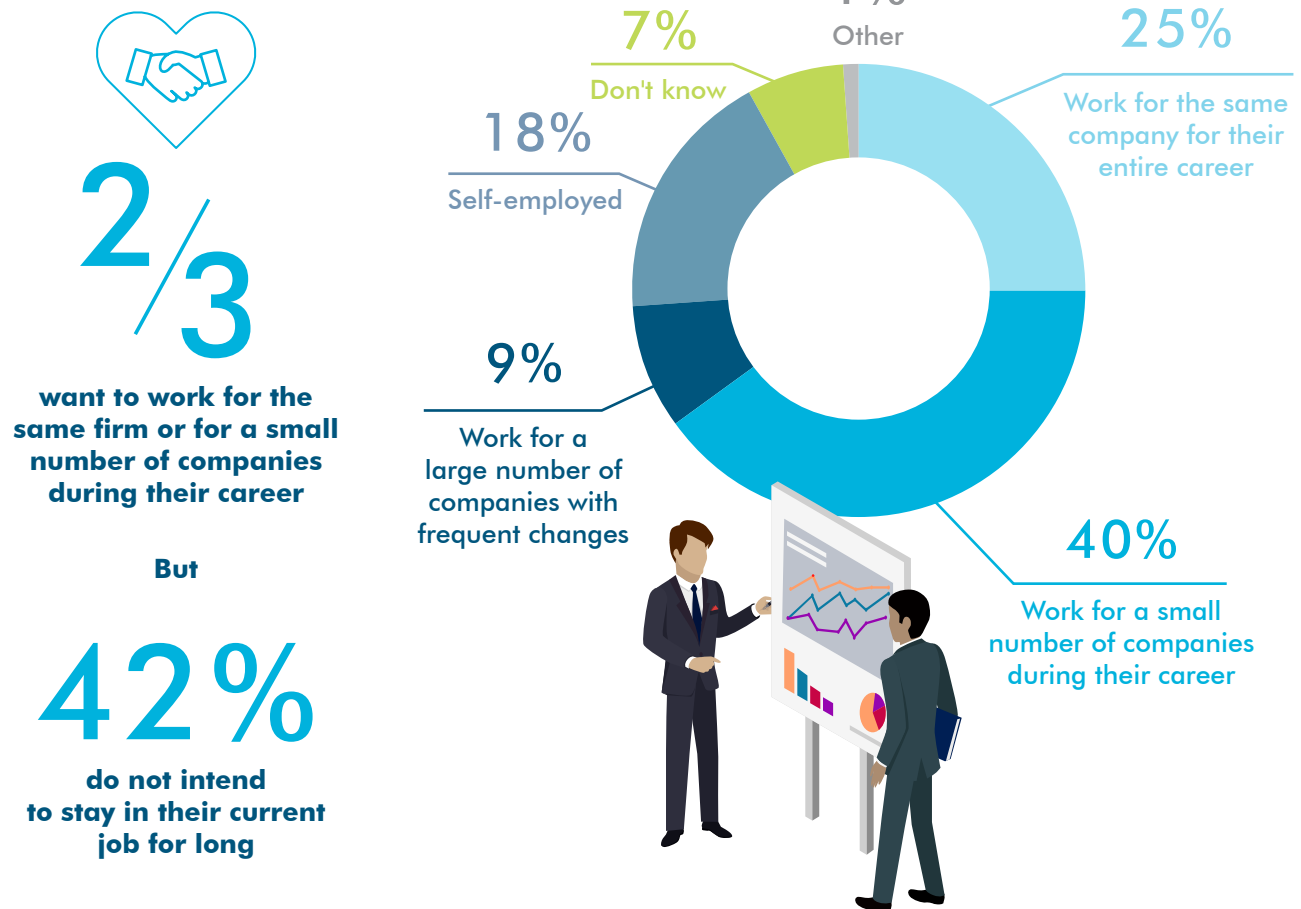
Note: Assumes the full population in a particular age group is all counted in the working population (Age 15-64)
Source: Oxford Economics, October 2016.

JOB LOYALTY IS STRONGER THAN PERCEIVED

There is a common perception that millennials have very little job loyalty and engage in job-hopping to a greater extent than other generations. However, the survey found that two-thirds of Asia Pacific millennials expect to work for the same or for a small number of companies throughout their career, a similar finding to the other two regions. Nevertheless, for millennials, this loyalty is based on the prerequisite that jobs provide them with inspiration, responsibility and career progression. Millennials also display a strong belief in regularly taking time off between jobs for travel or for personal development. Therefore, as many as 42% respondents do not intend to stay long in their current job.

Job stability is subject to the economic environment. In emerging markets such as India as well as cities with low unemployment like Hong Kong, the war for talent is providing millennials with more opportunities for job hopping. Employers must therefore examine ways in which to attract and retain young professionals, such as by providing an attractive workplace environment.

FIGURE 10: MILLENNIALS' IDEAL CAREER PATH



Source: CBRE Research, October 2016.

OFFICE LOCATION AND DESIGN CAN BE A MAJOR DRAW

Salary and benefits remain the key factors for all generations when they consider a job. However, older workers care more about a company's brand name and reputation, while millennials are more focused on the job itself and what experience and benefits it can bring them.

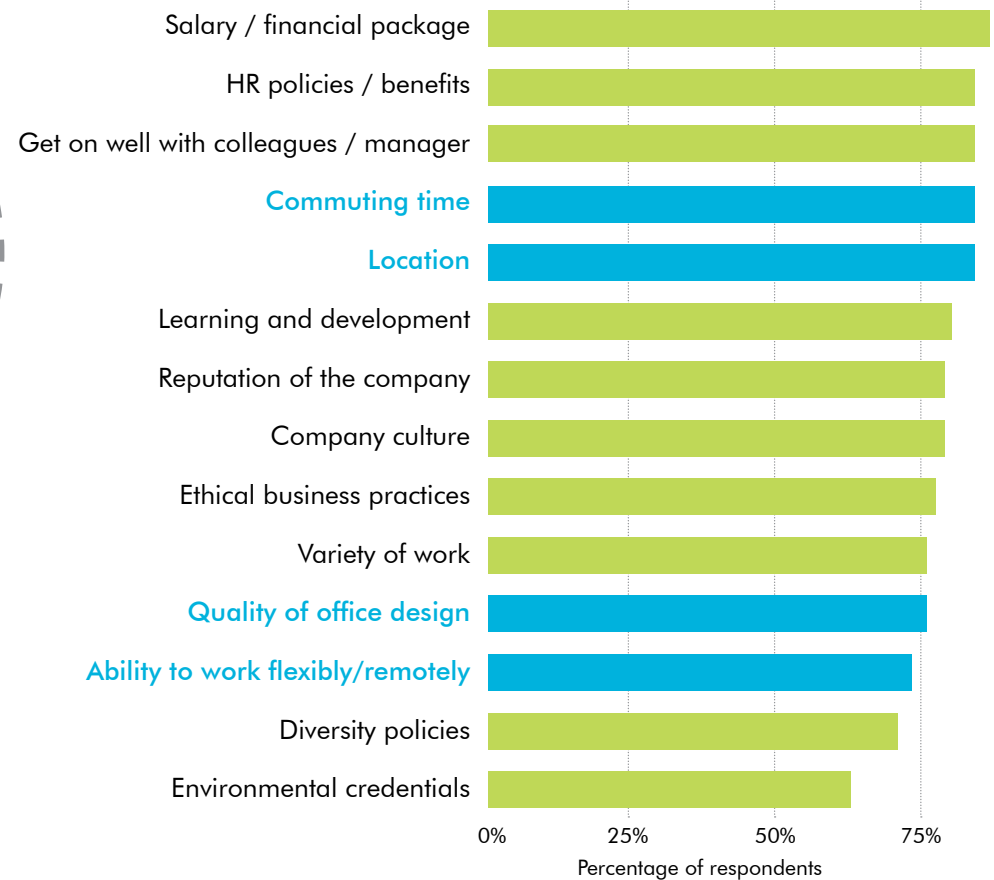
Generation X and baby boomers place a far stronger emphasis on corporate identity such as a company's reputation, culture and business practices. Globally, and in Asia Pacific, millennials are more focused on working conditions and lifestyle factors. Commuting time, location, office design and flexible working are the critical factors millennials consider when deciding on a new job. Companies with offices that score highly in these categories will put themselves at an advantage in the war for young talent.



THE WORKPLACE IS A MAJOR CONSIDERATION WHEN TAKING A JOB



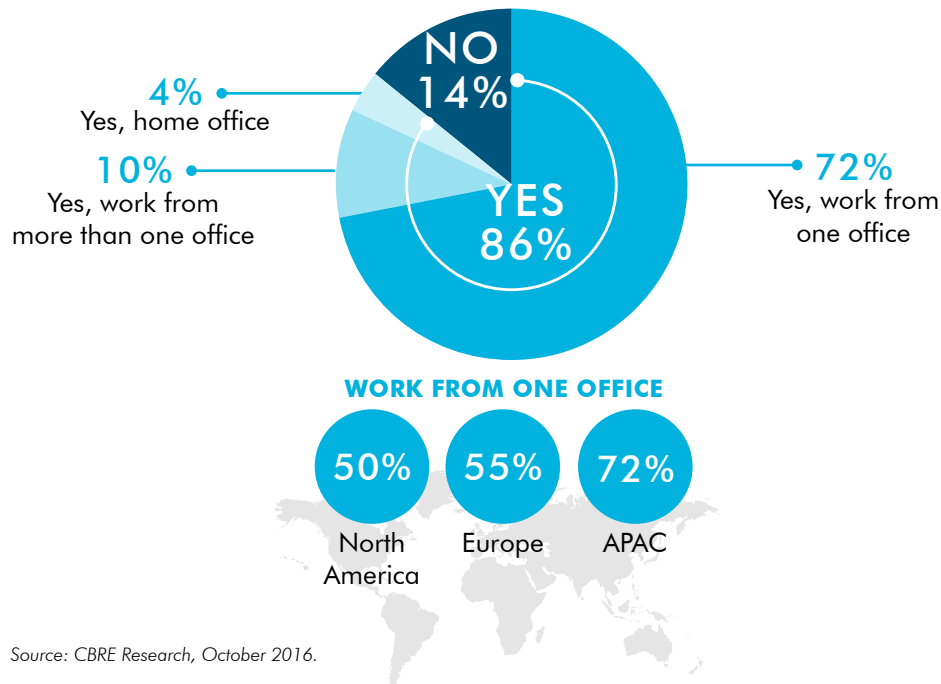
FIGURE 11: FACTORS INFLUENCING MILLENNIALS WHEN THEY CONSIDER A NEW JOB



Source: CBRE Research, October 2016.

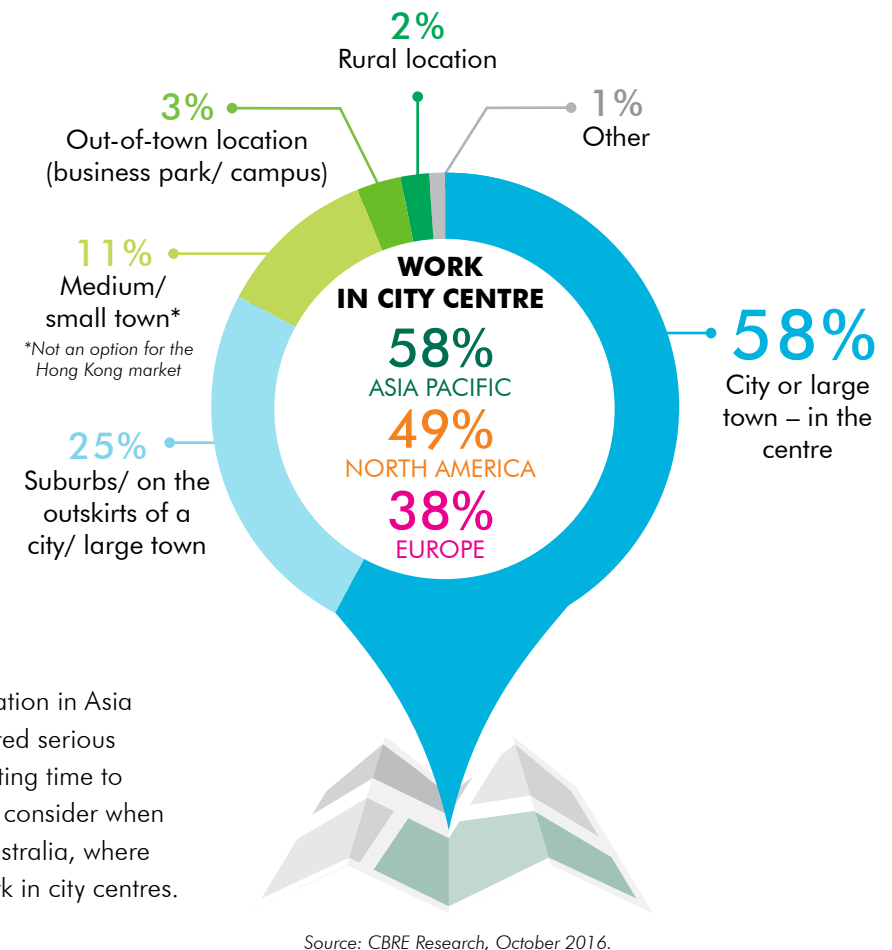
FLEXIBLE WORKING IS LESS PREVALENT IN THIS REGION

FIGURE 12: IS YOUR CURRENT JOB OFFICE-BASED OR NOT?



Around 72% of Asia Pacific millennials are employed in jobs which permit them to work from just one office, reflecting the region's low rate of flexible working compared to North America and Europe. Most Asia Pacific millennials, or 58% of respondents, work in city or town centres, but under half do so in the other two regions.

FIGURE 13: MILLENNIALS' CURRENT WORKING LOCATION



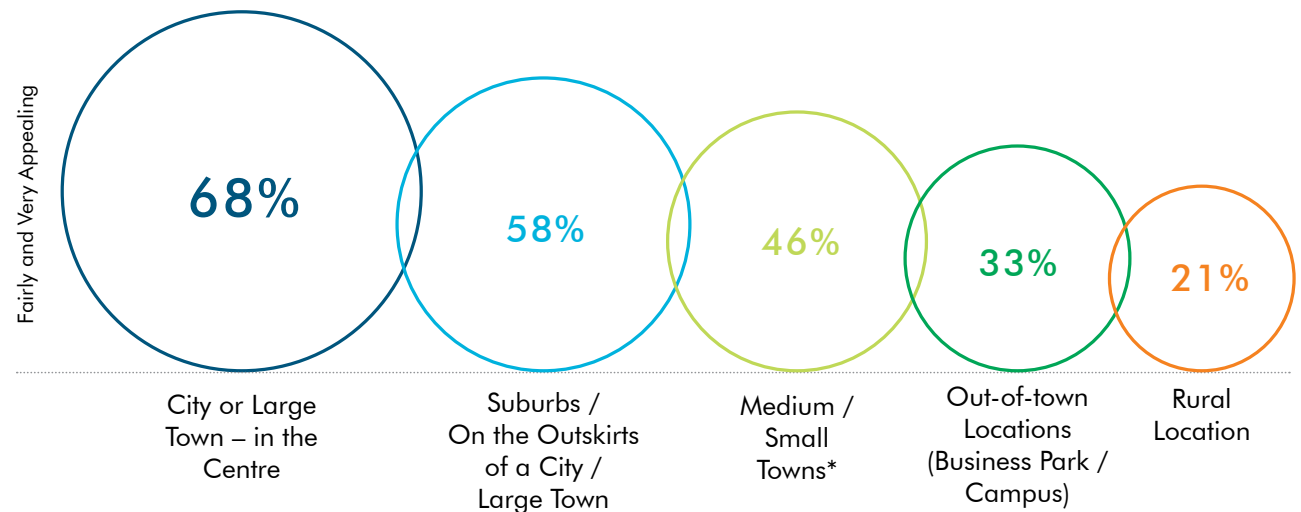
The high density of the working population in Asia Pacific's major office districts has created serious congestion issues and pushed commuting time to the top of the list of factors millennials consider when deciding on a job. The exception is Australia, where less than one-third of respondents work in city centres.

DECENTRALISED AREAS HOLD STRONGER APPEAL

Millennials are open-minded about their working location. The percentage of respondents displaying a preference for working in the city centre was slightly higher than the percentage of respondents which said they would rather work in the suburbs. Millennials in Australia and Japan displayed no distinct preference for either.

Millennials' resistance to working in decentralised areas is low, especially if buildings are easily accessible; provide an attractive working environment; and deliver a community experience and feel. This trend could provide opportunities for larger companies to split offices and locate some functions in non-core areas. Segregation would not need to be dictated by job function, but rather by the desire to enable employees to work in different locations according to their own requirements.

FIGURE 14: HOW WOULD YOU RATE THE APPEAL OF THE FOLLOWING LOCATIONS AS PLACES TO WORK?



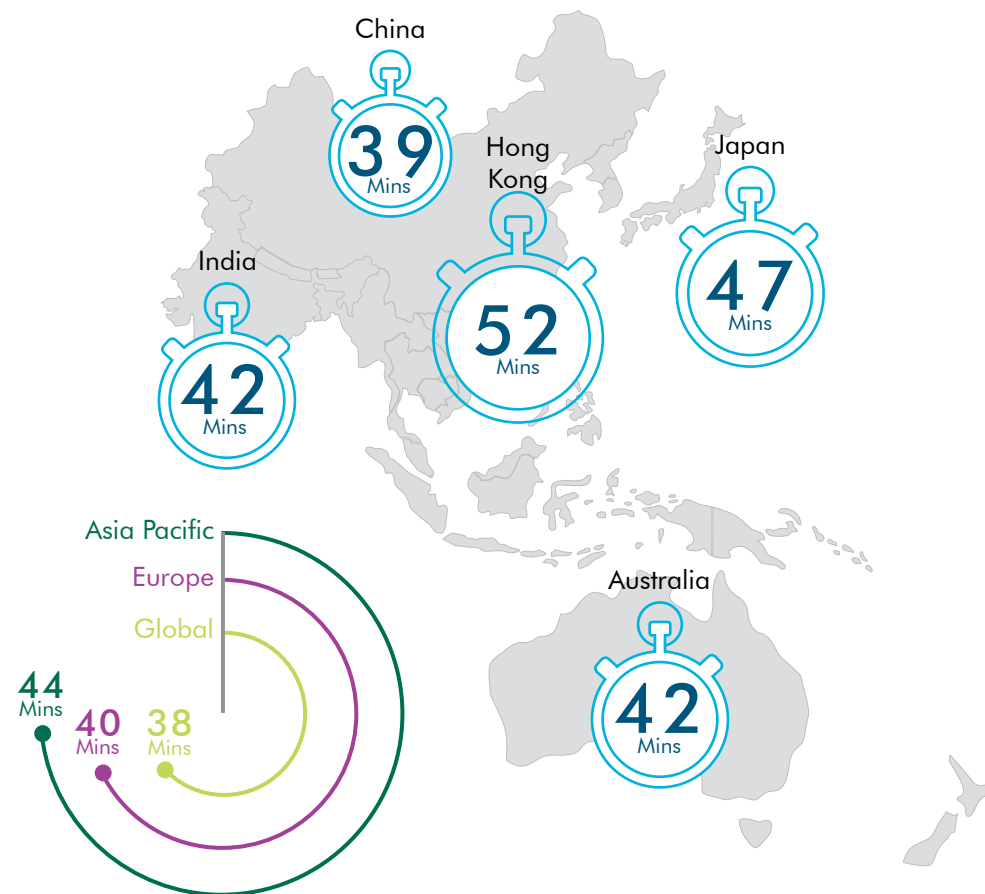
**Not an option for the Hong Kong market
Source: CBRE Research, October 2016.*

COMMUTING TIME IS KEY: THE SHORTER, THE BETTER

The survey found that around 90% of Asia Pacific millennials are willing to accept an office commute of up to one hour, while 50% would ideally want to limit their journey to no more than 30 minutes. On average, respondents would accept a commute of 44 minutes, slightly longer than in Europe and North America. These findings underline the importance of location planning for companies keen to attract millennial employees.

Respondents in locations with better transportation infrastructure, such as Hong Kong and Japan, showed a greater willingness to travel further to work. The preferred travelling time in China and India was significantly shorter than the actual time, in spite of both cities ranking in the top 30 globally for commuting time, as cited by the Traffic Index 2016 Mid-Year Indices. This suggests young workers in these markets prefer to limit the time they spend on transportation.

FIGURE 15: MILLENNIALS' PREFERRED COMMUTING TIME



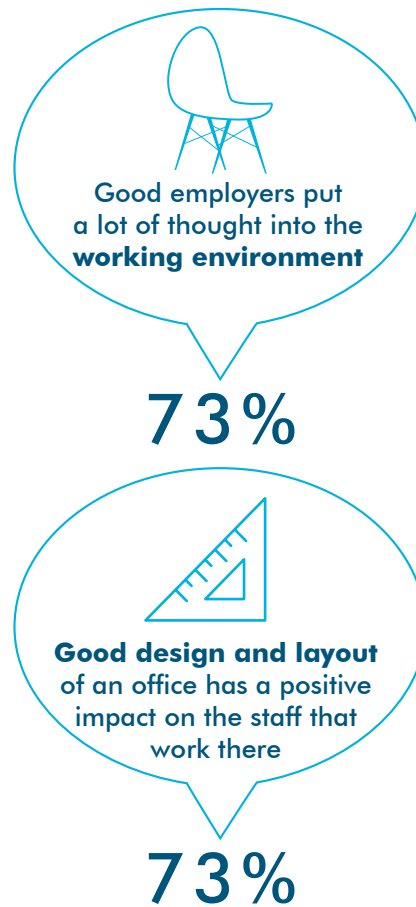
Source: CBRE Research, October 2016.

OFFICE DESIGN CAN ENHANCE JOB SATISFACTION

Compared to respondents in other regions, Asia Pacific millennials are less satisfied with their current office design. About 60% rated their office design and layout as 'good' which is significantly lower than other regions (83% in North America and 68% in Europe). Findings varied across individual markets, with 90% of millennials in India happy with their current office design, compared to just 40% in Japan. Exterior building design and features can also influence employees' experiences and satisfaction. The findings in India were mainly due to the recent completion of new office buildings, which are a major improvement on older properties. In Hong Kong and Japan, although building quality is generally good, millennial employees tend to aspire to work in the newest and highest grade buildings, which are beyond the financial capability of some companies.

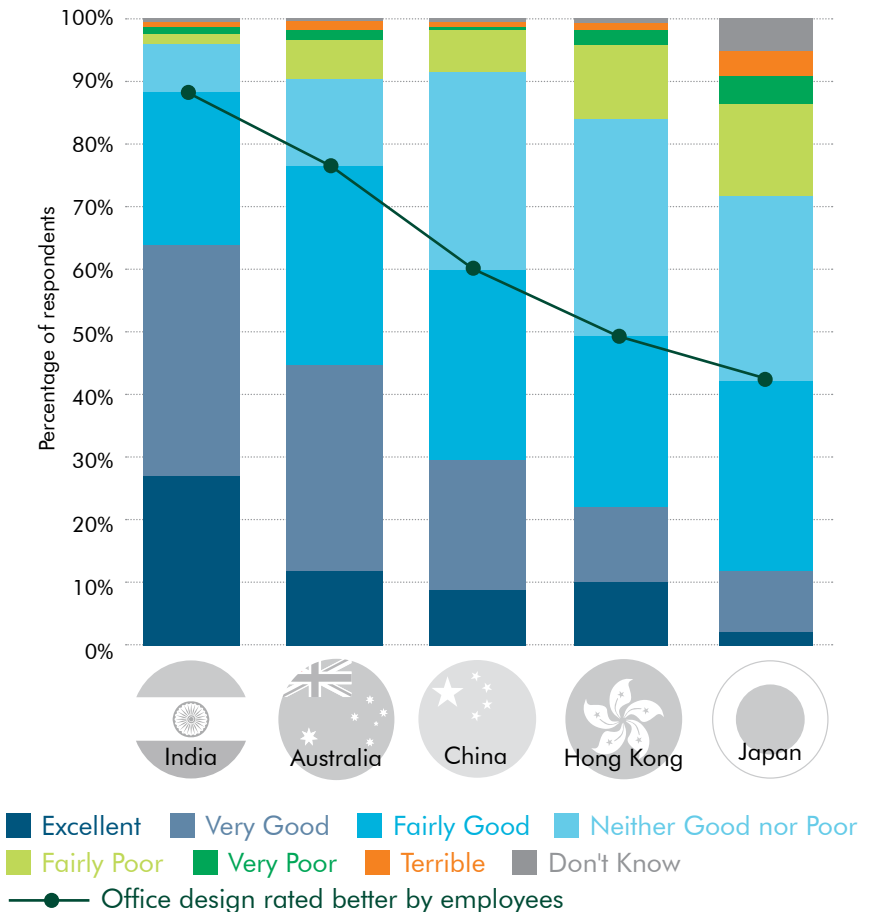
The survey findings underline the importance of a high quality office environment in attracting millennial employees. More than 70% of respondents said they believe that employers should put more thought into their working environment and that good office design can have a positive impact on staff.

FIGURE 16: THINKING ABOUT THE WORKPLACE AND YOUR CAREER...



Source: CBRE Research, October 2016.

FIGURE 17: MILLENNIALS' SATISFACTION WITH THEIR OFFICE DESIGN AND LAYOUT



Source: CBRE Research, October 2016.

COMPANIES SHOULD UTILISE THEIR OFFICES TO ATTRACT TALENT

The importance millennials place upon their office environment was reflected by the 71% of respondents who said they would be willing to make sacrifices such as moving to a less attractive location or travel further to work. This suggests that high quality offices in suburban locations can be viable options for companies seeking to attract millennial employees.

The survey findings also suggest that start-ups and other emerging companies can use their offices to attract talent, a strategy already widely employed by firms in the tech sector which have been very successful in leveraging on their office design and facilities to project a trendy and creative corporate image. About 21% of respondents would be willing to move jobs to a similar but less well-known company if its office is better. Around 10% of respondents said they would sacrifice some career progression and accept a modest pay cut in return for a better office environment.

Office design matters

71%

are willing to give up other benefits for a better office environment



22%
would move to
a less attractive
working location

21%
would
travel further

21%
would move to a
similar but less well
known company

10%
would give up
some progression
and promotion

9%
would accept a
modest pay cut

Source: CBRE Research, October 2016.

MILLENNIALS DEMAND A FLEXIBLE WORKING ENVIRONMENT

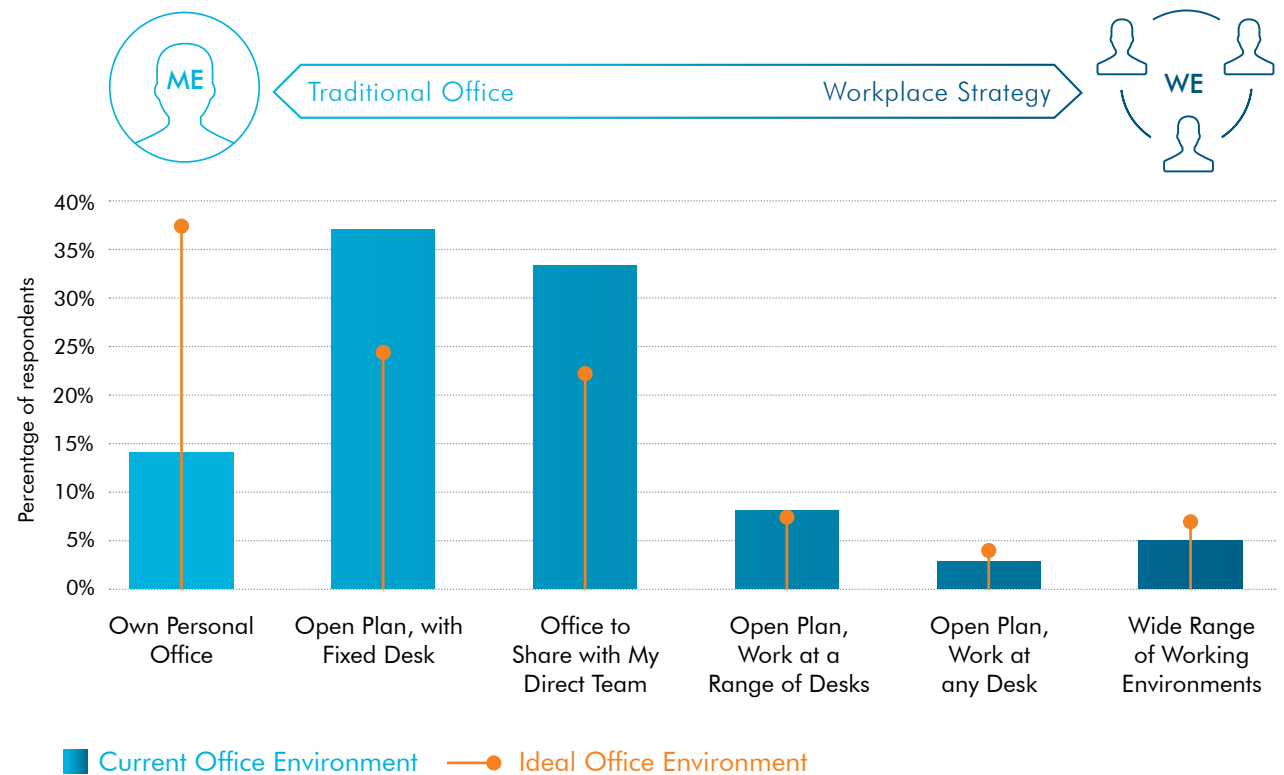
Thanks partly to the advent of mobile technology, millennials are increasingly demanding the freedom to work anywhere, anytime. More than 60% of Asia Pacific millennials said they desired flexibility at work, a proportion that rose to 73% among high income respondents. In reality, however, the majority of Asia Pacific millennials still work in traditional office settings with fixed offices and desks. Fewer than 20% can choose a place or desk to work to suit their needs.

Although the survey found that only a few respondents regard workplaces with flexible seating such as activity-based workplaces as their ideal office setting, this was mainly due to the lack of awareness of such an approach. Respondents already working in a flexible working environment that allows them to access a variety of different work settings demonstrated a strong preference for this type of office setting, as they have seen the benefits first-hand. CBRE Research has found that once employees have experienced activity-based working, they are reluctant to return to a traditional office environment.



Globally, there is a significant gap between the current and ideal environment for a traditional office setting. In particular, millennials display strong desire for having their own office. 35% of respondents would like their own office but only 14% actually have one. This finding shows that millennials perceive private offices as being synonymous with career progression, status and high earnings. This also suggests they want more private space such as focused touchdown areas. Although companies want to promote collaboration with more common space when they adopt activity-based workplace strategies, they still need to optimise their working environment by providing space for people to concentrate on their jobs. In the new workplace, companies have to clearly identify what space arrangement is optimal for task fulfilment, as opposed to status.

FIGURE 18: MILLENNIALS' CURRENT OFFICE ENVIRONMENT AND IDEAL OFFICE ENVIRONMENT



Source: CBRE Research, October 2016.

AMENITIES AND WELLNESS ARE TOP PRIORITIES

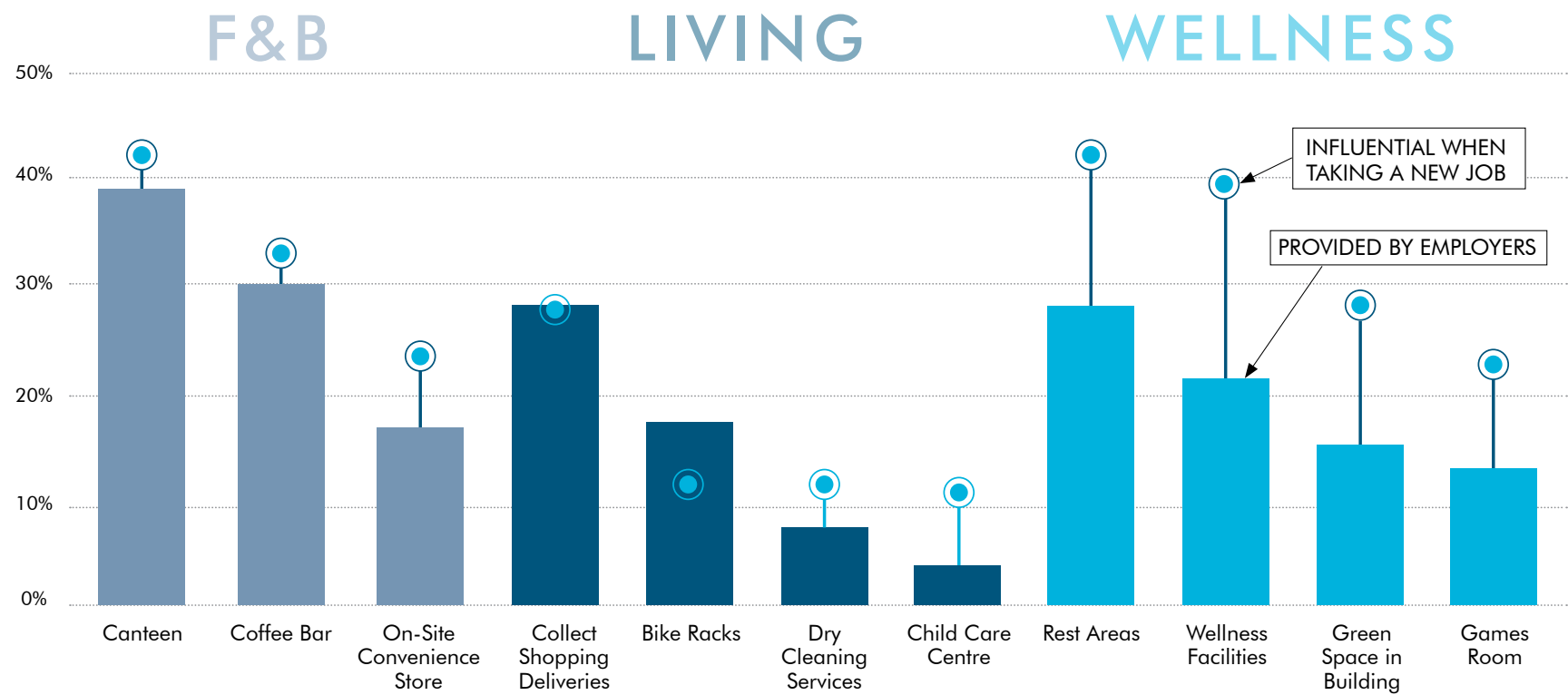


Millennials view their office and its immediate surroundings as more than just a place of work – it is a place where they can relax, socialise and engage in other activities, all of which can improve their job satisfaction. The onus is therefore on employers to provide a wide range of amenities to cater to their employees' needs.

The survey found that food and beverage facilities such as canteens and coffee bars are millennials' most wanted amenities. The biggest expectation gap is in the provision of rest areas and wellness facilities, which are currently provided by less than 30% of respondents' employers, well behind the actual number of respondents desiring them. Among individual markets, respondents in China and Hong Kong displayed the strongest demand for rest and relaxation areas, which enable them to take breaks during what are frequently long and arduous working days.

While there is a general focus on wellness among all generations, millennials are more health conscious and place higher importance upon exercising and a balanced diet. This is driving strong demand for gyms, other exercise facilities, games rooms and green spaces. If space for such amenities is unavailable in the office itself, subsidies for membership of fitness clubs, sports teams and events could serve the same purpose. CBRE Research has recorded numerous cases of office landlords leasing space to fitness clubs and spas specifically to cater to their tenants' employees. In some cases, occupiers and landlords have had their offices and buildings certified under the WELL Building Standard.

FIGURE 19: FACILITIES THAT ARE CURRENTLY PROVIDED BY EMPLOYERS AND FACILITIES THAT ARE INFLUENTIAL WHEN TAKING A NEW JOB



Source: CBRE Research, October 2016.

HEALTHIER BUILDINGS FOR BETTER PERFORMANCE

The WELL Building Standard was launched in October 2014 and is the first certification designed with a specific focus on how the built space impacts the health and wellbeing of its occupants.

The WELL Building Standard measures the attributes of buildings that impact occupant health in seven categories: Air, Water, Nourishment, Light, Fitness, Comfort and Mind.

As of September 2016, there were 212 office and retail real estate projects worldwide in the process of obtaining WELL certification. Over half are located in North America. In Asia Pacific, most of the regions' 53 projects are located in Australia (20), China (17) and Hong Kong (7). The WELL Building Standard is still a very new concept in other markets².

² International WELL Building Institute

Landlords and occupiers are major drivers of the WELL Building Standard. Certified buildings include Dexus' 480 Queen Street in Brisbane, Australia, which provides 600 bike spaces, 500 lockers and 45 showers for tenants. It also includes numerous food and beverage outlets and a rooftop tree garden. Around half of all WELL projects in Asia Pacific involve the interior design of corporate offices. Several financial institutions are in the process of obtaining the standard for their new offices in Hong Kong.

There is a general trend for employers in Asia Pacific to add more amenities to their workplaces. Examples include table football and exercise areas. Some will add elements that reinforce their corporate image or showcase their products. Others organise breakfast and supper clubs. Overall, there is a strong emphasis on the provision of healthier food.



WORK – CONCLUSION

Millennials seek WORK that provides them with inspiration, responsibility and career progression.

While salary and benefits are still the main draw, millennials also consider lifestyle elements such as office design, flexibility, location and commuting time. Millennials view their office and its immediate surroundings as not just a place of work, but as a community where they can relax, socialise and engage in other activities.

Companies should therefore strive to create a physical workplace environment that satisfies millennials' high expectations. They should put in place flexible working policies enabling staff to work from home or from different office locations. Millennials want the option to choose who they sit with, where they sit and how to get the job done in the best possible way. Amenities such as F&B, gyms, rest areas and games rooms are also key to attracting and retaining millennial talent. People-centric workplace strategies that embrace diversity, choice and community can keep talent happier, more engaged and more productive. Finally, companies need not confine themselves to locations in city centres – millennials are happy to work in decentralised areas, as long as transportation networks and supporting facilities are of a high standard.



PLAY

SOCIALISING AND SHOPPING



MILLENNIALS ARE SPENDERS AND SAVERS

Compared to their global counterparts, Asia Pacific millennials spend less on basic living expenses such as accommodation, transportation and utilities. This enables them to save 18% of their income, compared to 11% in Europe and North America. At the same time, they spend more on leisure activities such as eating out, sports and non-food shopping, compared to respondents in other regions. This is due to the more affordable living costs in Asia. Chinese millennials have the lowest basic living expenses at 28.3% of their overall income, with the cost of living in Beijing and Shanghai half that in New York³.

Spending patterns varied across different markets. Chinese (14%) and Indians (12%) spent a greater proportion of their incomes on non-food shopping, while respondents in Hong Kong and Japan opted to spend more on going out. Expenditure on sports activities was the same for all markets, at around 4% of respondents' income. However, higher income groups spent more on sports and associated events, a trend which is driving the expansion of athleisure and sportswear brands across the region.

FIGURE 20: HOW DO THEY SPEND?



³ UBS (2015) Prices and earnings

Source: CBRE Research, October 2016.

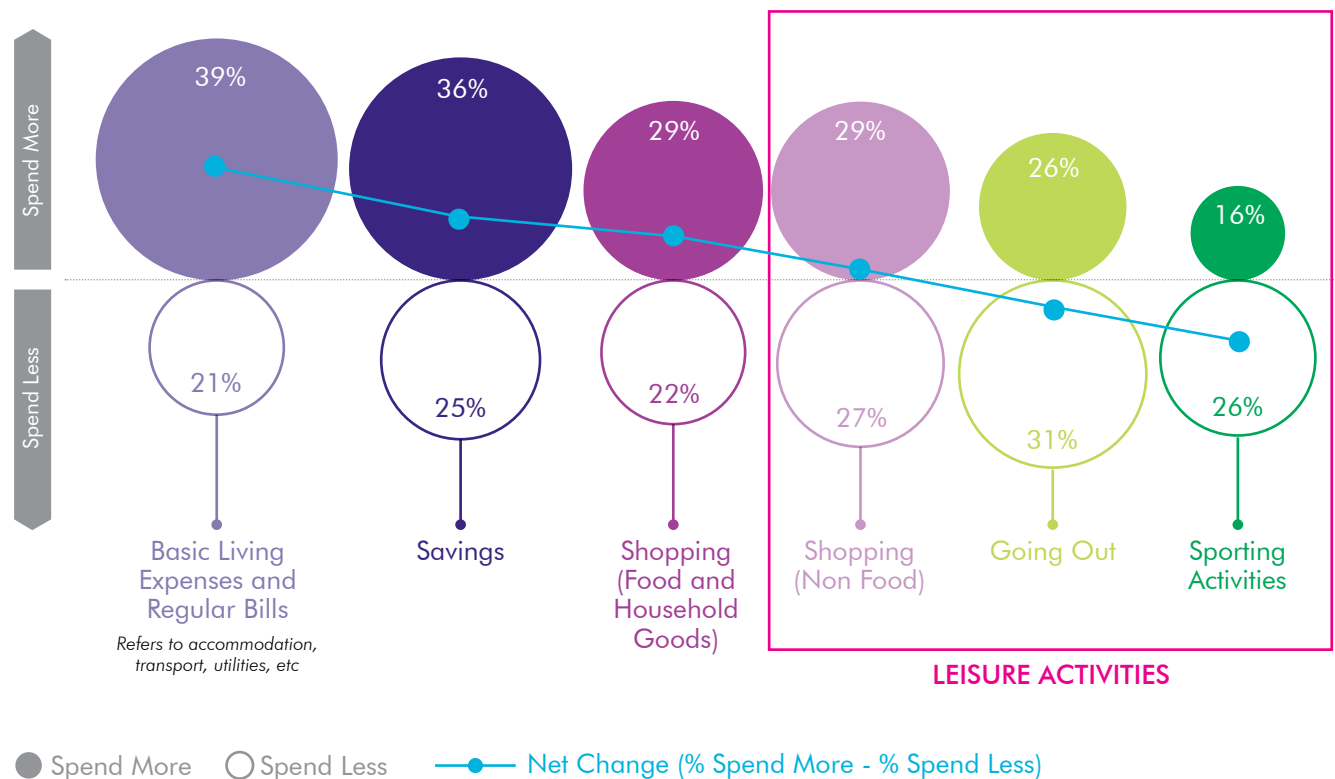
SAVINGS RATE EXPECTED TO INCREASE

The bumpy economic recovery, slower wage growth and uncertain employment market prompted 33% of respondents to indicate they intend to save more in the next three years. However, their intention to save is heavily influenced by their desire to own a property in the future, especially when wage growth is lagging behind the appreciation of property prices.

Millennials are willing to cut their discretionary spending, particularly for going out and sporting activities. Respondents in China, who grew up during the economic boom, are most optimistic towards their future spending, registering positive net intentions of spending more on non-food shopping (21%) and going out (11%).

Spending on sporting activities is expected to be hardest hit, with the survey finding a -10% net intention to spend more. However, this does not imply millennials are prepared to forgo an active lifestyle. Rather, the strong demand for health and wellness facilities in office buildings indicates that they intend to remain physically active.

FIGURE 21: AREAS WHERE MILLENNIALS ARE LIKELY TO SPEND MORE/LESS IN THREE YEARS TIME



Source: CBRE Research, October 2016.

EXPERIENCE IS EVERYTHING

Millennials selected online shopping as their most frequent method of purchasing goods, doing so an average of 4.7 days per month. However, the convenience afforded by e-commerce does not preclude millennials from shopping at bricks-and-mortar venues, which they do so at shopping centres 4.0 days per month and at high streets 2.7 days per month. The survey found millennials visit bricks-and-mortar venues, especially high street shops, more frequently than other generations⁴. The survey results point to the need for retailers to adopt an omni-channel strategy. E-commerce accounts for just a quarter of millennials' non-food purchases, with millennials demonstrating a strong preference for being able to experience goods first hand and collect their purchases in physical stores. Millennials also visit shopping centres for purposes other than buying products, such as to partake in dining, banking and exhibitions, at an average of three days per month.

CBRE Research believes that a successful shopping centre should provide an environment for visitors to socialise and relax⁵. Around one-third of respondents selected "shopping is a leisure activity" as one of the top three reasons for why they do not shop online more, while 23% said that they shopped as a way to spend time with friends and family. CBRE Research advises shopping centre landlords to carefully manage their tenant mix to attract millennials while also ensuring they still cater to other generations.

⁴ CBRE Internal Survey – APAC 30+

⁵ CBRE (2015) – How do We Like to Shop Online

FIGURE 22: NUMBER OF DAYS IN AN AVERAGE MONTH MILLENNIALS WOULD...



Source: CBRE Research, October 2016.

EATING OUT AND LIVE ENTERTAINMENT ARE KEY

Asia Pacific millennials go out more than their counterparts in other regions. On average they spend 9.7 days per month on dining out and going to the cinema, concerts or theatre, compared to the 7.4 days in North America and 5 days in Europe. Eating out was the most popular activity. Millennials in Hong Kong dine out more often each month (11.7 days) than any other market, a trend which is supporting the entry of new F&B operators to the city. The city has a well-established gourmet culture, while long working hours and its crowded living environment often make it unappealing to

cook at home⁶. Although most millennials live with their parents, they prefer to eat dinner with friends.

Going to the cinema remains popular among young adults, with two-thirds of respondents globally doing so on a monthly basis. Asia Pacific millennials are more enthusiastic about going out to see live entertainment, doing so 1.8 days per month, the highest frequency among the three regions. Indians are the biggest fans of going to the cinema, with 90% of respondents doing so at least once a month.

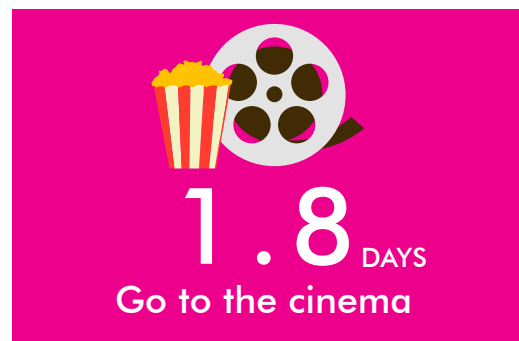
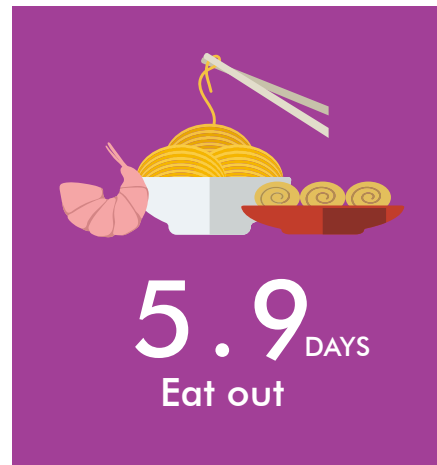
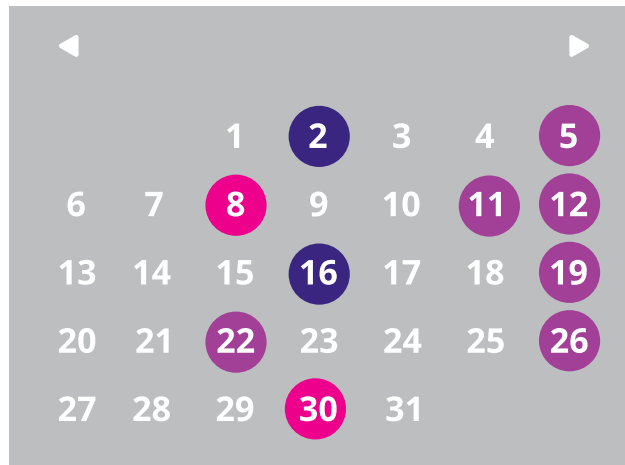
The higher cost of live events such as the theatre and concerts means millennials go to such events less frequently, at around 1.5 days per month. Indian (3.2 days) and Chinese (1.5 days) millennials attend such events most regularly. Japanese millennials displayed a stronger interest in attending live events (0.8 days) than going to the cinema (0.6 days), but Asia Pacific millennials overall prefer going to the cinema.

⁶ CBRE (Sept 2016) - *Hunger for Growth – Unlocking Opportunities in Hong Kong Food & Beverage Retail*



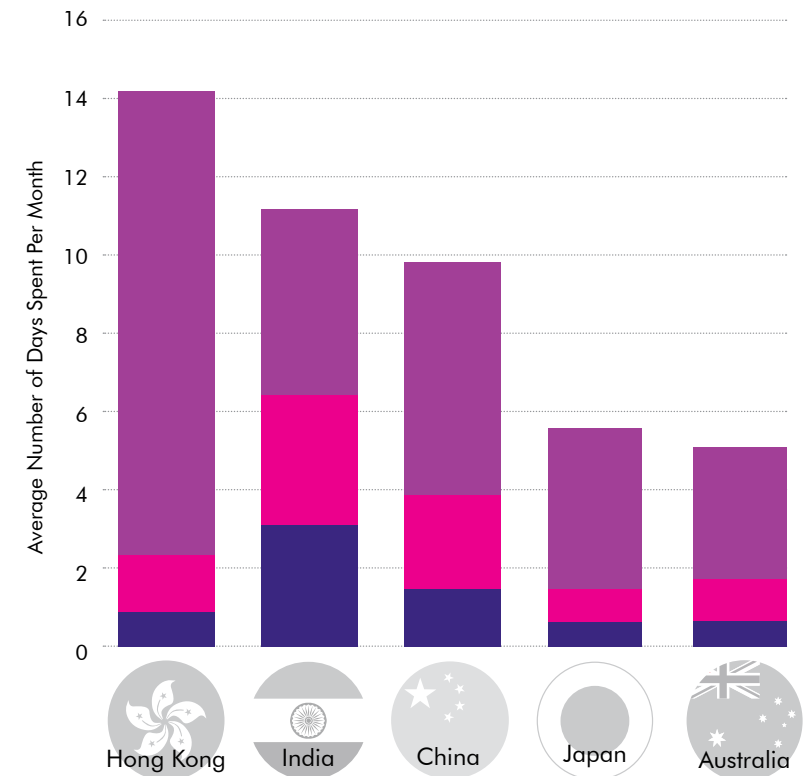
PASSION FOR GOING OUT

HOW MANY DAYS WOULD YOU DO EACH OF THE FOLLOWING IN AN AVERAGE MONTH?



■ Eat Out ■ Go to the Cinema ■ Go to a Live Event (Gig, Theatre, Concert)

Note: Activities are not mutually exclusive.
Source: CBRE Research, October 2016.



PLAY – CONCLUSION

When they PLAY, millennials like to spend their time and money on experiences such as travel, entertainment and dining.

As digital natives, they do like to shop online, but only physical retail, particularly shopping centres, can provide them with the experiences and social elements they require. However, slower economic growth and a desire to save money to purchase a home will inhibit future spending.

CBRE Research advises retailers to increase the experience-based element of their offering and focus on providing an environment for visitors to socialise and relax. In addition to increasing F&B, cinema and entertainment elements in their shopping malls, retail landlords should consider organising more live events to attract millennials.

CONCLUSION

Millennials' long term priorities and life goals, such as home ownership and a stable career, do not differ substantially from other generations'. However, they have a noticeably different attitude towards live, work and play.

CBRE Research's recommendations for occupiers and landlords are ultimately connected to one overarching theme – placemaking. Millennials view locations such as apartments, offices and shopping malls as more than just destinations to live, work and play. They see them as communities and places for interaction with neighbours, colleagues and friends.

Occupiers and landlords should therefore seek to provide more than just mere spaces – they should include amenities, events and experiences that enhance the everyday experiences of users. By ensuring millennials are more involved with the community, they are also more engaged with the place.

FIGURE 23: IMPLICATIONS FOR THE REAL ESTATE INDUSTRY



Source: CBRE Research, October 2016.

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