



## 5 quick things to know about finding a home in Shanghai

One of the largest and most vibrant cities in Asia, Shanghai is a major destination for expatriates from across the world.

Like with moving to any major metropolitan area, expats should do their homework before moving to Shanghai. To help, we've put together a quick cheat sheet on things to know about moving to and finding a place to live in the "city on the sea."

### 1 Shanghai has two main regions

The Huangpu River passes through Shanghai, and the resulting areas on the east and west sides of the river have distinctly different flavors. On the west is the Puxi region, which is considered "old Shanghai" and is home to nearly 50% of the city's 24+ million inhabitants. Here, expats will find more traditional, densely packed housing. Puxi is also home to the former French Concession, which was a French settlement from 1849 to 1943. The area remains a popular hub for locals and expats.

The Pudong region on the east side of the river is more modern, with much of the development here coming since the 1980s. Before then, this area was primarily marsh and farm land. Now, Pudong offers more of a suburban lifestyle, which makes it popular among expats moving with a family.

Additional suburban districts outside of Puxi and Pudong make up the rest of Shanghai, though these two areas are the most popular among expats.

### 2 some DSPs might not paint a full picture

In China, it's common for destination service providers (DSPs) to receive commission from real estate agents. This can result in employees not being shown all available housing, as well as under-negotiated rents by the DSP.

This means that relocating employees and their companies should be selective when working with DSPs. Providers that don't receive a commission from a real estate agent are more likely to offer a full picture of the market. If working with a relocation management company (RMC), it's wise to find a partner that utilizes multiple DSPs and focuses on those that do not receive a commission from agents.





### 3 there are a lot of choices – but expect agency fees, deposits and fapiaos

Shanghai has a well-developed real estate market, and as mentioned previously, there are two distinct districts that provide different types of housing to meet the wants and needs of expats.

However, unless an expat speaks Mandarin, they will probably want

to work with a local real estate agent to find the right property. If a property is less than 15,000 RMB (about 2,180 USD) per month, a renter is generally subject to a 35% fee from the real estate agency.

Although one year leases can be negotiated, a typical expat long-term lease in Shanghai is two years, consisting of a one-year fixed term and a one-year optional term. A non-refundable holding deposit equal to one month's rent will often be due at the time of lease signing, and a security deposit equal to two to three months' rent is required on move-in day. More and more, some landlords are willing to accept a corporate bank guarantee letter as a security deposit instead of cash.

Only when the one-year fixed term has expired is there a break clause in leases, which allows early termination if written notice is given to the landlord two months in advance. An increasing number of individual landlords insist on the same right to early termination after the one-year fixed term.

When structuring the lease, an expat should collect for their employer a special tax receipt called a **fapiao**. Throughout China, a fapiao must be issued by Chinese tax authorities. It is either pre-paid and printed at the tax bureau, or printed by the payee on official fapiao paper using a system that's linked online to tax authorities. To comply with accounting rules, the expat's company will need a fapiao for all rent payments made.

### 4 you can share to cut costs

For expats moving on a tighter budget, house sharing is an option. This is particularly appealing to younger people who may be moving by themselves, with no additional family members.

A number of online portals allow expats to post and view rooms for rent. Another option would be for a group of expats to hire a local rental agent and jointly look for a house to rent together. This is often easier than finding a single room.

### 5 consider getting around when settling down

As is the case with most major metropolitan areas, transportation in Shanghai can be tricky. For expats not familiar with local roads and driving habits, driving might not be advisable initially.

China has an extensive railway network that covers the entire country, including high-speed trains for longer distances. Finding housing near a train station could be a big help for an expat looking to get around Shanghai and the rest of the country.

Another consideration for expats is to live within walking or cycling distance of work and other important destinations, such as schools and shopping centers. Many locals choose to walk and cycle, as they're inexpensive forms of transportation that avoid hectic traffic.

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Of course, finding a home in a new city is an individual process, and these five items are general considerations. Each expat's situation is unique.

Working with Plus Relocation, your employees will be paired with dedicated Relocation Counselors, who can help navigate the process of moving to Shanghai. Our award-winning Elo for Employees relocation portal also gives expats access to a wealth of educational resources, including destination guides, on Shanghai and other locations across the world.



Need insight about doing business in China? Check out our [Relo Tip Tuesday video](#) featuring Plus COO Joe Benevides for some useful tips.

