PROPERTY NEWS

Worst new home sales seen in 7 years

By Cao Qian *Time:2018-4-3*

SHANGHAI'S new home market suffered its worst-performing March in seven years as sentiment among buyers failed to rebound as quickly as expected.

The area of new homes sold, excluding government-funded affordable housing, totaled 489,000 square meters last month, a surge of 139.7 percent from February and a fall of 34.1 percent from the same month a year ago, Shanghai Centaline Property Consultants Co said in a report released yesterday.
"The first two weeks of March both recorded seven-day transactions of below 100,000 square meters, while it was not until the last week of the month that we began to see a major rebound," said Lu Wenxi, senior manager of research at Centaline. "Hopefully, buying momentum will continue to pick up this month with more homes in the medium to high-end category being purchased amid steadily climbing market supply."

During the seven-day period through Sunday, new home sales rose 47 percent to around 170,000 square meters in Shanghai, the second-highest weekly volume seen so far this year, boosted by strong sales in the outlying districts of Jiading, Qingpu and Songjiang, said a separate Centaline report.

By price, new homes were sold at an average of 45,634 yuan (US$7,279) per square meter in March, a month-on-month rise of 7.3 percent, according to Centaline data.

A COFCO project in Fengxian District emerged as the most sought-after development last month after selling 33,490 square meters, or 322 apartments, at an average 36,660 yuan per square meter. That was followed by a project in Minhang District, which sold 28,064 square meters, or 241 units, for an average 68,873 yuan per square meter.

Among the top 10 best-selling projects of March, three cost no more than 30,000 yuan per square meter, and one was listed at above 50,000 yuan per square meter, according to Centaline data.

About 394,000 square meters of new homes spanning 13 projects were released to the local market last month, a surge of 310 percent from February.

Home rental online platform goes on trial

By Cao Qian *Time:2018-4-2*

SHANGHAI is trialing an official online platform for home rental for three months to better regulate the city's home rental market and foster its steady development.

Launched at the weekend, the public service platform www.shzfzl.gov.cn, backed by the Shanghai Housing and Urban-Rural Development Administration and the Shanghai Housing Administration Bureau, will verify listings, register users' real names and allow for online contract signing.

To enhance the platform's operation, Shanghai has set up a city level residential leasing service center which will provide policy-related consultancy through its 962269 hotline. District-level service centers have also opened around the city to offer online contract signing service.

Residential leasing companies and real estate agencies should register with the platform while individual users such as the lessor, lessee and property agent should complete real-name registration with the platform which will adopt a number of verification methods, including face-recognition, to ensure proper identification.

Both institutional and individual lessors can list their houses for rent directly on the platform after their homes have been checked while individual lessors may also go to the district residential leasing service center to get their online listing verified.

A standardized leasing contract will be available on the platform for online signing.

New home sales grow by double-digits

By Cao Qian *Time:2018-4-8*

NEW home sales in China continued to grow by double digits, although at a slower rate, in the first quarter, data released yesterday by the National Bureau of Statistics showed.

About 2.16 trillion yuan (US$343.7 billion) worth of new homes, excluding government-subsidized affordable housing, were sold between January and March, a year-on-year increase of 11.4 percent, the bureau said in a statement posted on its website. The growth was below the 15.7 percent expansion in the first two months.

The area of new homes sold in the three-month period climbed 2.5 percent from the same quarter a year earlier to 261.1 million square meters, up from the 2.3 percent rise for the first two months, according to the bureau's data.

"As March is the traditional month when property sales start to recover as well as an important time to boost quarterly performance by real estate developers, buying sentiment continued to improve across the country," said Lu Wenxi, senior manager of research at Shanghai Centaline Property Consultants Co.

"In particular, third and fourth-tier cities generally outperformed their larger counterparts which continue implement tightening policies to curb speculation."

The inventory of new homes for sale as of the end of March fell 25.4 percent from the same month a year ago to 291.67 million square meters, the bureau said.

Investment in housing development, which took up 69.1 percent of total real estate investment in the first quarter, rose 13.5 percent year on year to 1.47 trillion yuan, up 1 percentage point from the first two months.

Stable month for China house prices

By Agencies *Time:2018-4-19*

HOUSING prices remained largely stable in major Chinese cities in March amid tough government purchase restrictions.

Data released yesterday by the National Bureau of Statistics showed that in the country's four first-tier cities, Shenzhen recorded a 0.1 percent decline in new home price from a month earlier. Beijing, Shanghai and Guangzhou prices climbed 0.1 percent, 0.2 percent and 0.2 percent respectively.

In February, all four first-tier cities recorded price falls between 0.2 percent and 0.6 percent from January.

On a year-on-year basis, new home prices in the first-tier cities declined 0.6 percent last month, while prices of pre-owned houses in these cities went down 0.1 percent.

"Housing prices were generally stable as market controls have continued to take effect," said Liu Jianwei, a senior statistician at the bureau, which tracks property prices in 70 Chinese cities.

"Nationwide, differentiated measures to regulate the residential property market continued to be implemented, showing consistency and continuity in government policies."

Seven of the 15 "hottest" cities with regard to the property market, including both first and second-tier cities, saw declines of 0.1 to 0.4 percent in new home prices from February. Prices in Tianjin and Hefei were flat, and the rest recorded minor increases of 0.1 to 0.2 percent.

On an annual basis, new home prices in nine of the 15 cities shed between 0.3 percent and 2.3 percent, and the remainder recorded rises of 0.1 to 1.2 percent.

Among the 70 cities, new home prices in 10 of them fell month on month, a decrease of six from February. In the pre-occupied housing market, seven cities posted price declines, a drop of eight from February.

"Notably more cities around the country witnessed monthly price growth in both new and existing housing markets in March," Shanghai Homelink Real Estate Agency wrote in a report.

"That was partially because of some seasonal factors as the domestic housing market finally started to pick up some strength amid improving momentum among buyers following the Spring Festival holiday in February."

The data came after the statistics bureau released on Tuesday that China's investment in property development expanded 10.4 percent year on year in the first quarter of 2018, accelerating from an increase of 7 percent registered in 2017. Total investment in the real estate sector stood at 2.13 trillion yuan (US$340 billion) in the first quarter.

"The double-digit growth beat market expectations," said Xia Dan, senior researcher of the Bank of Communications, noting that the construction of rental housing and affordable housing partly contributed to the growth.

During previous years, rocketing housing prices, especially in major cities, had fueled concerns about asset bubbles. To curb speculation, local governments passed or expanded their restrictions on house purchases and increased minimum down payments required for mortgages.

In addition, China is moving faster to implement a long-term mechanism for property regulation that ensures supply through multiple sources, provides housing support through multiple channels, and encourages both housing purchases and rentals.

This year’s government work report reiterated that “houses are for living in, not speculation.”

The report added: “We will support people in buying homes for personal use, and develop the housing rental market and shared ownership housing.”

So far, 51 state-owned home renting companies have been set up in 12 pilot cities, where government-led rental management and service platforms were established.

For 2018, the government pledged to maintain stability and consistency of property regulatory policies and accelerate establishing the long-term mechanism for real estate regulation.

“China will not waver in its efforts to implement property market regulation, and will maintain continuity and stability of policies in 2018,” said Wang Menghui, minister of housing and urban-rural development.

ECONOMIC NEWS

Steady GDP amid reform

By Wang Yanlin *Time:2018-4-11*

SHANGHAI’S economic growth is set to stabilize at 6.9 percent this year as the city continues to reform and open up, according to an annual report released by the Shanghai Academy of Social Sciences yesterday.

“Shanghai will see steady growth, and with better quality contributed by technology,” said Shen Kaiyan, the author of the report on Shanghai's economic development released by the SASS.

“The city’s science and technology is developing strongly, its innovation is improving and it is cooperating with nearby cities to integrate growth,” Shen said.

Shanghai should continue to open up its industries and drive reform, especially in the China (Shanghai) Pilot Free Trade Zone, that will be the key to power Shanghai’s growth, Shen said.

Shanghai’s economy grew 6.9 percent year on year to 3.01 trillion yuan (US$480 billion) in 2017, better than the 6.5-percent preliminary target set at the beginning of last year.

Economic growth set to hit 6.6% this year

By Xinhua　　　　　　　　　　*Time:2018-4-12*

CHINA'S economic growth is expected to reach 6.6 percent this year, the Asian Development Bank said in a report released yesterday.

In its annual publication Asian Development Outlook 2018, the Manila-based bank said China's growth accelerated on strong demand from home and abroad.

"Expansion in China should moderate to 6.6 percent in 2018 and 6.4 percent in 2019 as economic policy leans further toward financial stability and a more sustainable growth trajectory," the ADB said.

According to the Chinese government work report released in March, China has set its GDP growth target at around 6.5 percent for 2018.

The ADB said that the service sector is fueling China's continued growth, increasing by 8 percent in 2017. Strong demand at home and abroad together with economic reforms lay the foundation for continued growth and macroeconomic stability in China, it added.

"Further progress on reforms such as strengthening financial sector regulation and supervision and addressing debt issues would lay a foundation for solid macroeconomic stability," the ADB said.

Inflation dips

Meanwhile, the ADB said economic growth in East Asia picked up by 0.3 percentage points to 6.3 percent in 2017 "as strong external and internal demand lifted every economy in the sub-region."

The ADB said other economies in the East Asian sub-region will see lower growth as well, mainly on account of moderating export growth.

"These developments will tamp down East Asian economic expansion to 6 percent in 2018 and 5.8 percent in 2019," the ADB said.

The ADB said inflation dipped in East Asia last year, reflecting moderation in China, where food prices fell.

The ADB's economic publication provides a comprehensive analysis of macroeconomic issues in developing Asia, including growth projections for 45 economies, including China, India, and the Philippines.

The report also examines the prospects for developing Asia by Central Asia, East Asia, South Asia, Southeast Asia, and the Pacific.