



Property Insight

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PROPERTY NEWS

New homes sold fall 16.3% in Shanghai

By Cao Qian

Time:2017-12-8

NEW home buying sentiment continued to decline in Shanghai last week despite a major rebound in supply, the latest market data suggested.

The area of new homes sold, excluding government-subsidized affordable housing, fell 16.3 percent to 71,000 square meters during the seven-day period ended Sunday, staying below the 100,000-square-meter threshold for the 10th consecutive week, Shanghai Centaline Property Consultants Co said in a report yesterday.

“Outlying Songjiang and Qingpu districts remained the two areas where weekly transactions reached 10,000 square meters though both of them suffered two-digit retreats from the previous week,” Lu Wenxi, senior manager of research at Shanghai Centaline said. “Notably, Yangpu District joined old Jing’an and old Luwan to become the latest victim with nil sales due to extremely insufficient supply in downtown areas.”

New housing sales in Qingpu dropped 26.7 percent week on week to 11,000 square meters, while in Songjiang, transactions fell 16.7 percent to around 10,000 square meters.

The average cost of new homes shed two percent to 48,761 yuan (US\$7,353) per square meter.

Two of the 10 best-selling projects sold for above 100,000 yuan per square meter and seven sold at between 30,000 yuan and 40,000 yuan per square meter.

A development in remote Fengxian District emerged as the most sought-after project after selling 50 units, or 4,805 square meters, at an average price of 37,159 yuan per square meter. A villa project in Changning District which sold just two units totaling 1,164 square meters was No. 9 on the top 10 list.

Some 72,000 square meters of new homes spanning two projects were released locally last week, the most so far in the fourth quarter.

“New home transaction volume would probably remain below the 100,000-square-meter threshold during the last three weeks of 2017 amid continuously sluggish sentiment,” Lu said. “Only 90 buyers showed up at the sales office of a project in Zhoukang, Pudong New Area, which recently launched 204 units into the market.”

Pre-owned home sales rise moderately

By Cao Qian

Time:2017-12-13

SALES of pre-occupied homes rose moderately in Shanghai last month but were still below the 20,000-unit level, while prices remained generally stable.

Around 11,600 pre-owned homes changed hands in November, a month-on-month gain of 7.7 percent, according to data released yesterday by Shanghai Centaline Property Consultants Co. But the gain represented a plunge of 42.4 percent year on year.

“The figure was still far below the 20,000-unit threshold that is often viewed as a normal monthly volume for the city,” said Lu Wenxi, senior manager of research at Shanghai Centaline. “As sentiment among home seekers continued to be sluggish, we are beginning to see larger price discounts, like a 10 percent cut offered by some owners of properties that cost more than 10 million yuan (US\$1.5 million) which was quite rare a few months ago.”

Meanwhile, the city’s existing housing index, which tracks month-over-month price changes in 130 areas, added 0.11 percent from October to 3,996 in November, Shanghai Existing House Index Office said in a separate report released yesterday.

Prices of pre-owned homes rose in 55 areas, fell in 43 areas and were flat in 32 areas.

Most notable price gains were recorded in centrally-located districts near to city center, with smaller rises in emerging areas, the report said. But it added that prices of pre-owned homes in remote areas fell on average. “Monthly transactions of existing homes have been staying above 10,000 units since March, probably an indication that the market has hit its bottom already,” the office said. “We expect ... transactions shall remain weak as there are no signs tightening policies will be eased.”

China’s 15 hottest housing markets stabilize

By Cao Qian

Time:2017-12-19

China’s 15 hottest housing markets continued to stabilize in November while signs of a pick-up began to emerge in the country’s second and third-tier cities, latest data released by the National Bureau of Statistics showed.

Seven of the 15 cities, comprising first-tier cities and key second-tier cities, saw new home prices fall from October. Prices in four cities were flat from a month earlier and the remaining four posted month-on-month growth, according to the bureau, which tracks property prices in 70 major cities.

In the four first-tier cities, new home prices in Beijing and Shanghai remained flat while those in Guangzhou shed 0.1 percent and Shenzhen’s dipped 0.2 percent.

On an annual basis, Guangzhou, Xiamen, Jinan and Wuhan were the only four cities where prices climbed while the remaining 11 cities all posted declines.

“New home prices in the majority of the country’s 15 hottest markets were lower than a year earlier, evidence that various policies implemented in different cities to quell speculation were effective in cooling these

markets,” Liu Jianwei, the bureau's statistician, said. “Particularly in first-tier cities, both new and existing home prices have recorded slower growth for the 14 consecutive months.”

New home markets in 10 out of the 70 cities saw month-on-month price drops, down from 14 in October. In the pre-owned housing market, 11 cities suffered price setbacks from a month ago, down from nine in October, according to the bureau.

On a monthly basis, new home prices in second-tier cities climbed 0.5 percent while those of pre-owned houses edged up 0.3 percent. In third-tier cities, they gained 0.4 percent and 0.3 percent respectively in new home and pre-owned home markets.

“On average, new home prices in the 70 cities expanded 0.42 percent in November from a month earlier,” Xia Dan, a senior researcher at the Bank of Communications, wrote in a report. “The larger increase compared to October was mainly boosted by a recovery in residential property sales in second and third-tier cities.” Sales of new homes in China continued to grow by single digit in the first 11 months of this year, while housing inventory fell again, according to data released earlier by the bureau.

Over 9.57 trillion yuan (US\$1.45 trillion) worth of new homes, excluding government-subsidized affordable housing, were sold between January and November, up 9.9 percent annually. In the first 10 months of the year the increase was 9.6 percent.

ECONOMIC NEWS

Shanghai's economy records steady expansion in November

By Huang Yixuan

Time:2017-12-21

SHANGHAI'S economic growth in November was steady, with increases in industrial output, consumer prices and transport activity, according to data from Shanghai Statistics Bureau.

The value of total output of industrial enterprises above a designated size grew 1.3 percent in November from the same month last year to 310.78 billion yuan (US\$47.16 billion).

November's industrial sales-output ratio edged up 0.8 percentage point from that of the same month in 2016 to 99 percent. But the value of exports of industrial companies in Shanghai dropped 4.7 percent to 67.21 billion yuan.

Shanghai's six key industrial sectors produced a total output of 214.97 billion yuan, up 1.1 percent from November last year.

The output of automobile manufacturing last month grew fastest by 11.8 percent to 67.33 billion yuan while the production of complete equipment manufacturing rose 2.8 percent. The output of petrochemical and fine chemicals sectors rose 2.5 percent year on year, while the other three sectors posted a fall in output.

The city's Consumer Price Index, a main gauge of inflation, rose 1.2 percent in November year on year, and grew 1.7 percent annually from January to November.

Transport of goods in November expanded 10.2 percent annually to 82.73 million tons.

Cargo throughput at Shanghai port grew 6.5 percent annually to nearly 64.2 million tons from November 2016. Container traffic jumped 11.8 percent to 3.6 million TEUs (twenty-foot equivalent units) last month.

Doubling 2010 GDP by 2020 doable

By Xinhua

Time:2017-12-26

CHINA needs annual growth of 6.3 percent in 2018-2020 to realize the target of doubling the 2010 GDP by 2020, an official has said.

“Judging from current economic performance, there will not be any huge barrier in meeting the goal,” Yang Weimin, deputy head of the office of the central leading group on financial and economic affairs, said at an economics forum.

Five years ago, China decided to double 2010 GDP and per capita income by 2020 as an important component of becoming a moderately prosperous society in all respects.

The country’s gross domestic product grew 6.9 percent year on year in the first three quarters of 2017, above the government’s target of around 6.5 percent for the whole year.

In a report delivered at the 19th National Congress of the Communist Party of China, a GDP-doubling target was not mentioned, showing an emphasis on development quality rather than fast expansion.

“High-quality development is the fundamental requirement for determining the development path, making economic policies and conducting macro-economic regulation,” said a statement following the central economic work conference on Wednesday.

Yang said: “The theme of economic development will become high-quality development, instead of rapid growth.”

The potential growth rate has changed due to upgraded consumption, financial risk and environmental constraints, he added.

“If China ignores these realities and continues to be obsessed with fast growth rates, the concomitant risks will outweigh the increase in GDP,” Yang said.

China must build and improve mechanisms for pushing forward high-quality development, including indicators, policies, standards, statistical and performance assessment systems, according to the Wednesday statement.

Realizing high-quality development is a must for sustaining healthy economic development and the people’s growing needs for a better life, it said.

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