



Property Insight

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PROPERTY NEWS

Firms face tight rules on home purchase

By Cao Qian

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SHANGHAI took a further step in its fight against housing speculation yesterday by stating that only qualified enterprises will be allowed to buy new homes in the city, following similar moves taken earlier in Xi'an, Changsha and Hangzhou.

Effective yesterday, to be eligible for new home purchase, companies must have been set up for at least five years, pay taxes of at least 1 million yuan (US\$150,475) in Shanghai, and employ at least 10 staff who have paid social security insurance and public housing provident funds within the company for at least five years, said a statement posted on the official website of the Shanghai Housing and Urban-Rural Development Commission.

Enterprises that have paid taxes above 5 million yuan in Shanghai are qualified to purchase new homes anyway.

Moreover, companies must wait for five years before they can sell their residential property, compared with the previous requirement of three years, the commission said.

The latest tightening policy probably came after complaints made by some individual home buyers who got frustrated in their failed purchase attempts.

Companies would often emerge as the final winners in the city's lottery-style system — in use since last August — to decide the order of purchasing rights at all new residential developments around the city.

Currently, there is no limit on the number of new homes a company can purchase in Shanghai, while individual buyers face very strict home-purchase restrictions.

Shanghai's pre-owned housing market stable

By Cao Qian

Time:2018-7-12

SALES of pre-occupied homes stayed above the 15,000-unit threshold in Shanghai for the second straight month, while the existing housing index continued to fall, according to recent market data.

The index, which monitors month-over-month price changes in 130 areas citywide, fell 0.35 percent, or 12 points, from May to 3,928 in June, extending weakness for the seventh straight month, Shanghai Existing House Index Office said in a report released yesterday.

Around the city, some 15,500 pre-used homes changed hands last month, down 3.5 percent from May and an increase of 30.7 percent from the same period a year earlier. By sales price, those costing below 3 million yuan (US\$447,961) took up 61.1 percent of the total, and pre-used homes costing over 5 million yuan made up about 14.6 percent.

"The city's existing housing market remained generally stable, backed by above-15,000 unit monthly transactions as well as a slower pace of decrease in the price index," the office said. "Looking forward, as the market has entered its traditional low season for property sales, we expect to see some fluctuation in sales but probably no big ups or downs in home prices."

Prices of pre-owned homes climbed in 33 areas, fell in 79 areas, and were flat in 18 areas, according to the office.

Citywide, the three most sought-after areas were Pujiang in Minhang District, Sanlin in the Pudong New Area, and Nanqiao New City in Fengxian District, where 433, 383 and 364 pre-owned homes were sold, respectively, last month.

On the inventory side, the city had 84,800 pre-occupied homes available for sale as of the end of June, a month-over-month drop of 2.3 percent and a year-on-year plunge of 50 percent, according to data compiled by the office.

Between January and June, transactions of pre-occupied homes totaled 81,100 units across the city, slightly higher than the 77,900 units sold during the first six months of 2017, according to a separate report released earlier by Shanghai Homelink Real Estate Agency Co.

That was a slowdown from April's 2.08 percent gain.

June housing prices remain stable

By AgenciesTime:2018-7-18

HOUSING prices in major Chinese cities remained stable in June as local governments continued to curb the property sector, official data showed yesterday.

On a year-on-year basis, new residential housing prices in China's four first-tier cities saw no change last month, the National Bureau of Statistics said in a statement.

But their average month-on-month growth of new home prices rose to 0.6 percent in June from 0.3 percent in May, according to the bureau's data based on a survey of 70 cities. Prices were unchanged in Beijing and Shanghai, but increased 1.9 percent in Guangzhou and 0.3 percent in Shenzhen.

New home prices declined year on year in seven of the 15 "hotspot" cities, where speculative home purchases are monitored, with the most significant price drop of 2.2 percent last month, while eight other cities posted growth. In month-on-month terms, prices rose in 10, one more than in May, fell in two, and remained steady in the other three.

"Local governments have been firm on achieving housing control goals and implemented control measures in June," the bureau's senior statistician Liu Jianwei said.

During previous years, rocketing housing prices, especially in major cities, fueled concerns about asset bubbles. To curb speculation, local governments rolled out restrictions on purchasing homes and increased the minimum down payment required for a mortgage.

"China's home prices are relatively stable given the figures of the 70 cities," said Mao Shengyong, spokesman for the statistics bureau. "But structural problems still exist in the housing market."

Mao said third and fourth-tier cities have experienced price spikes since the beginning of this year, and some "hotspot" cities face challenges to tame price surges of properties.

In the 31 second-tier cities, new home prices climbed an average 1.2 percent from May, and 0.7 percent in the 35 third-tier ones.

But year on year, prices jumped 6.3 percent in the second-tier cities, and rose 6 percent in the third-tier ones.

The government will continue to work on the property tax scheme and policies that allow tenants to enjoy the same rights as homeowners, Mao said. "A long-term mechanism will be developed to promote the steady and healthy development of the housing market."

Haikou in south China's Hainan Province witnessed the biggest month-on-month increase — 3.9 percent, compared with 2.1 percent in May. In Sanya, prices increased 3.2 percent in June, 0.8 percentage points faster than the monthly figure in May.

Jinan in Shandong Province and Dandong in Liaoning Province also saw strong month-on-month rises — 3.6 percent and 3.3 percent.

"Market momentum picked up in June, which is the traditional month for real estate developers to gear up for half-yearly performance," said Lu Wenxi, senior manager of research at Shanghai Centaline Property Consultants Co. "As a result, only four cities recorded a monthly decrease in new home prices, compared with two in May."

Prices of pre-occupied homes generally remained unchanged in the first-tier cities in June compared with May, climbed 0.7 percent in the second-tier cities and 0.6 percent in the third-tier cities, the statistics bureau said.

Data released on Monday by the bureau showed 5.66 trillion yuan (US\$845 billion) of new homes were sold in the first half of 2018, a year-on-year rise of 14.8 percent — up from 12.8 percent in the first five months.

ECONOMIC NEWS

China to focus on stable growth in second half

By Xinhua

Time:2018-7-31

CHINA will keep its economy on a stable and healthy development track with a proactive fiscal policy and prudent monetary policy in the second half of 2018, according to a meeting of the Political Bureau of the Communist Party of China Central Committee yesterday.

The meeting, presided over by Xi Jinping, general secretary of the CPC Central Committee, stressed that China will maintain the basic tone of “seeking progress while maintaining stability” for its economic work and allow the economy to continue to perform within a reasonable range.

Efforts should be made to push supply-side structural reform and win the “three tough battles,” according to a statement released after the meeting.

China’s economy has maintained steady growth with good momentum in the first half, according to the statement.

However, the economy still faces some new challenges and the external environment has changed notably. China should focus on the “principal contradiction” and take targeted measures to solve it, the statement said.

The country will continue to implement a proactive fiscal policy and prudent monetary policy while making policies more forward-looking, flexible and effective. Fiscal policy should play a bigger role in expanding domestic demand and structural adjustments. China will maintain control over the floodgates of monetary supply and keep liquidity at a reasonable and ample level.

Efforts should be made to keep employment, the financial sector, foreign trade, foreign and domestic investments, and expectations stable.

The legitimate rights of foreign-funded companies in China will be protected, according to the statement.

The country should take strengthening areas of weakness as an important task in deepening supply-side structural reform, with intensified efforts to be made in improving infrastructure.

Work should also be done to improve innovation capability, develop new engines of growth, eliminate institutional barriers for cutting excessive capacity, and lower the cost for companies.

The strategy of rural revitalization should be well implemented.

“China must better combine the task of forestalling and defusing financial risks with serving the real economy,” the statement said.

To that end, the country should stand firm on reducing the leverage ratio, ensure the proper policy intensity and tempo, and coordinate the timing of unveiling new policies.

“Through innovation of mechanisms, China must raise the capacity and willingness of financial institutions to serve the real economy,” the statement said.

The meeting called for pressing ahead with reform and opening-up and continuing to roll out major effective reform measures. Major policies of expanding opening-up and significantly relaxing market access should be implemented, and the joint construction of the Belt and Road should be advanced in depth. Efforts should be made to make China's first import expo, China International Import Expo, successful.

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