



Property Insight

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PROPERTY NEWS

Pre-owned home sales fall

By Cherry Cao

Time:2017-6-7

SALES of pre-owned homes in Shanghai fell for the second consecutive month in May as strictly enforced tightening measures continued to damp buyers' sentiment.

Around 14,600 units of pre-occupied houses changed hands last month, down 5.3 percent from April but a plunge of 23.9 percent from the same month a year ago, data released yesterday by Shanghai Homelink Real Estate Agency Co showed.

"The city's existing home market usually registers better performance in May than April," Homelink said in a report. "But as rein-in measures remain strictly enforced and there are no signs of a policy relaxation soon, market sentiment would remain subdued."

Shanghai's property market cools further

By Cherry Cao

Time:2017-6-12

NEW home purchases in Shanghai fell for the second straight week as rein-in measures continued to take a toll.

The area of new residential properties sold, excluding government-subsidized affordable housing, dropped 21 percent to 126,000 square meters during the seven-day period ended Sunday, Shanghai Centaline Property Consultants Co said in a report released today.

These new houses cost an average price of 48,265 yuan (US\$7,083) per square meter, a week-over-week increase of 14.1 percent.

By district, outlying Qingpu and Jiading registered most vibrant transaction last week -- around 20,000 square meters and 19,000 square meters, respectively -- outnumbering all other counterparts around the city, Centaline data showed.

"Again, weekly sales of the city's most popular housing project failed to reach 100 units, evidence for extremely sluggish market sentiment," said Lu Wenxi, senior manager of research at Centaline. "A structural shift led to the gain in average price with nine of the ten best-selling developments bearing a price of more than 30,000 yuan per square meter."

Around the city, a project in Lingang port area, whose price was set by the government and was built only for qualified buyers, unloaded 72 units last week, retaining its title for the most sought after project for the second week despite a notable plunge from 362 units sold a week earlier.

On the supply side, five projects totaling 155,000 square meters were launched last week into the local market, a week-over-week surge of 249.3 percent, according to Centaline data.

As of Sunday, new home sales totaled 214,100 square meters in June, a decrease of 9.6 percent from same period a month ago, a separate report released today by Shanghai Homelink Real Estate Agency Co said.

Demand in Pudong gives city's leasing market a boost

By Staff Reporters

Time:2017-6-19

STRONG demand for serviced apartments and villas in the Pudong New Area boosted the citywide leasing market in the first quarter, according to a report released by Savills China Research. It said the trend was likely to continue.

International hospitality chains are looking for ways to grab a larger slice of the market in the extended-stay segment.

In the first three months of this year, serviced apartment vacancy rate dropped by 1.6 percentage points quarter-on-quarter to 14.9 percent, according to Savills, a global real estate services provider. The monthly rent of service apartments fell by 0.2 percent quarter-on-quarter to 230 yuan (US\$34) per square meter.

Approximately 100 million people will move to urban areas over the next few years, according to a urbanization report issued by State Council last year. That will increase the size of the leasing market to over 1 billion yuan, and developers hope to capitalize on this trend by building on their leasing platforms, said Savills.

Stanford Residences, the high-end serviced apartment brand of K. Wah International Holdings Ltd, opened its second property in Xuhui District earlier this month, after satisfactory feedback from its first property in downtown Jing'an District.

Almost 90 percent of the units at the 113-key Stanford Residences Jing An had been leased out by the end of last year. More than 20 clients have signed contracts for the new 119-unit Stanford Xu Hui on the intersection of Jiashan and Jianguo roads.

With developers shifting their business models from purely sales to a combination of sales and management, competition in the residential leasing market is expected to intensify following the arrival of bigger players, said Savills.

"One of the key strengths about Stanford Residences is that we are both the property owner and operator, which means we usually get ourselves involved in the project from early stages of development including design and construction," said Leo Lee, associate director of K. Wah (China) Investment Co Ltd. "Designed with the philosophy of 'a home away from home,' Stanford Residences seeks to offer its residents a true living experience rather than just luxury accommodation."

It will launch its third property in Jinqiao in the second half of this year.

Increasing difficulty in finding suitable housing at affordable pricing, combined with the increasing emphasis home buyers place on livability, convenience and mobility, is expected to expand residential leasing demand as many singles and childless couples elect to lease apartments as against buying a home, according to Savills.

New home sales drop for 3rd week

By Cao Qian

Time:2017-6-20

NEW home sales fell for the third straight week last week, while medium to low-end projects were the most popular.

The area of new residential properties sold, excluding government-funded affordable housing, dropped 5.2 percent to 119,000 square meters in the seven days through Sunday, Shanghai Centaline Property Consultants Co said in a report yesterday.

“Weekly sales registered at any single housing project failed to reach the 100-unit threshold for the second consecutive week, a sign of extremely sluggish momentum,” said Lu Wenxi, senior manager of research at Shanghai Centaline. “Qingpu was the only district that managed to sell over 20,000 square meters of new houses.”

Outlying districts such as Jiading and Songjiang recorded weekly sales of about 14,000 square meters and 12,000 square meters, respectively — a drop of 20-30 percent.

New houses sold for about 47,114 yuan (US\$6,911) per square meter, a week-on-week decline of 2.4 percent.

A residential project in Fengxian District sold 70 apartments last week at an average price of 30,943 yuan per square meter, making it the week’s most sought-after development.

ECONOMIC NEWS

Shanghai to build ‘real’ economy’ via upgrade

By Song Yingge

Time:2017-6-1

SHANGHAI will develop the “real economy” by upgrading its manufacturing to transform the city into a global innovation hub, government officials said yesterday.

The city will “gather resources to boost innovation, upgrade industries led by advanced manufacturing,” said Chen Mingbo, director of Shanghai Commission of Economy and Information Technology.

The city will nurture 5-10 “innovative manufacturing centers” specializing in “industrial Internet” — digitizing machines for greater efficiency — which will bolster Shanghai’s leadership in China’s industrial upgrading, Chen said.

Shanghai will develop over 60 large-scale projects whose investment will be over 1 billion yuan (US\$147 million) from 2016 to 2020, Chen said.

These projects include advanced industries such as integrated circuit, smart transport and aircraft manufacturing, while Shanghai also encourages “setting up billion-yuan industry funds” from the private sector to commercialize research at small and medium companies.

The city will set aside 550 square kilometers for industrial use by 2020. It will reserve one third of land belonging to low-efficient firms, which will be shut down, to manufacturing enterprises every year.

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