
# PROPERTY NEWS

## Housing market to be cleaned up

*By Cherry Cao* *Time:2017-5-18*

SHANGHAI has launched a citywide clean-up and rectification campaign on some commercial-title apartment projects in its latest bid to crack down on irregularities in the city's overheated property market.

Nearly 17 million square meters of such developments, which were built on land plots designated for commercial use but designed and constructed to cater to residential needs, are required to rectify the situation, the city government said yesterday.

Developers of such projects would often alter the architectural structure of the building, build independent toilets and install gas pipes to make the project more "livable" but such renovations are not allowed in commercial developments.

Real estate developers will be responsible for the rectification and different approaches will be taken in different cases, the government said.

About 12 million square meters of projects have yet to be delivered to buyers, and their developers should correct any violation of rules during the construction process. They will not be able to proceed with their construction and sales until they pass inspections conducted by local property authorities.

About 5 million square meters of projects already have residents, and their information will be registered in the city's official real estate trading system. If an owner is already using the apartment to live in, the developer of the project and the owner should be jointly responsible for the rectification. Those who fail to rectify as required by the government may not be able to sell their properties in the future.

The city government also said it will suspend approval for any new commercial-title apartment projects.

The rectification campaign on commercial-title apartment projects is a key step to regulate the city's real estate market, Mayor Ying Yong said.

## New home sales hit lowest in 5 years

*By Cherry Cao* *Time: 2017-5-3*

HOME buyers continued to wait and see in Shanghai's housing market last month as new home sales hit the lowest in five years, data showed yesterday.

The area of new homes sold, excluding government-subsidized affordable housing, fell 8.8 percent from March to about 677,000 square meters last month, a year-on-year plunge of 30.3 percent and the lowest April data since 2013, Shanghai Centaline Property Consultants Co said in a report.

"Buying momentum remained subdued following a weak performance in March which used to be a traditional month for a notable recovery in home sales," said Lu Wenxi, senior manager of research at Centaline. "Medium to low-end houses in remote areas remained the most popular among home seekers as strictly implemented tighter measures continued to remain."

The new homes were sold at an average of 46,949 yuan (US$6,810) per square meter, a monthly decline of 1.1 percent, according to Centaline data.

A residential project in outlying Fengxian District led other districts as 220 units, or 25,628 square meters, were sold last week for an average 18,015 yuan per square meter. Three of the 10 best-selling projects cost under 30,000 yuan per square meter.

"For developers, the best way to boost sales is to offer buyers price discounts, as they always work well in markets like Shanghai where demand from first-time buyers and upgraders remains strong," Lu said.

## Sales of existing homes in Shanghai back to drop in April

*By Cherry Cao* *Time: 2017-5-8*

MARCH'S rebound in pre-owned housing sales turned out to be a very brief one as subdued sentiment regained control of the market, latest industry data showed.

Across the city, some 15,500 units of existing homes changed hands in April, a one-fifth drop from 19,400 units sold a month earlier, Shanghai Homelink Real Estate Agency Co said in a report released today. Year-on-year, it represented a decrease of 9.4 percent.

"Individual owners seem not very keen to put their houses on the market while new residential developments in the same neighborhood tend to offer more attractive prices, both hindering the recovery of existing home sales," said Lu Wenxi, senior manager of research at Shanghai Centaline Property Consultants Co. "No major improvement should be expected this month unless more notable discounts could be provided to lure buyers."

A discount of between 3 and 5 percent still remains the mainstream offer that most home owners would make as a goodwill gesture, something rather unchanged from previous months.

All districts suffered declines in sales last month with downtown Huangpu and Yangpu registering the largest setbacks, down 27.5 percent and 25.2 percent, respectively, from March.

## China's property sector continues to slow down on stricter measures

*By Cherry Cao* *Time: 2017-5-15*

GROWTH in new home sales continued to slow down across the country in the first four months of this year as rein-in measures remained strictly in place.

Nationwide, more than 2.79 trillion yuan (US$403.4 billion) of new residential properties, excluding government-funded affordable housing, were sold between January and April, a year-on-year rise of 16.1 percent, the National Bureau of Statistics said in a statement today.

The gain slowed from the 20.2 percent increase in the first three months.

The area of new homes sold during the four-month period climbed 13 percent from a year earlier to 365.25 million square meters, compared to the 16.9 percent gain in the first quarter of 2016, the bureau's data showed.

"While additional tightening policies were introduced in first- and second-tier cities, many third- and fourth-tier cities still performed quite well, leading therefore to sales increase around the country despite a slower rate," said Lu Wenxi, senior manager of research at Shanghai Centaline Property Consultants Co. "And this trend is supposed to extend in the coming months."

Investment in residential development rose 10.6 percent from a year earlier to 1.867 trillion yuan between January and April, down 0.6 percentage points from the growth in the first quarter. It accounted for 67.3 percent of the nation's overall investment in property development, unchanged from the first quarter.

A batch of tightening measures, including stricter home purchase curbs, higher down payment requirement and mortgage rate as well as a lock-up period for home sale that often lasts a few years, have been implemented in major Chinese cities to rein in housing speculation and curb fast home price growth.

## Shanghai's property market cools further

*By Cherry Cao* *Time: 2017-5-22*

SHANGHAI'S new home sales market lost its strength for the third consecutive week with sluggish momentum continuing to prevail among home buyers as well as real estate developers.

The area of new residential properties sold, excluding government-funded affordable housing, fell 14 percent from the previous week to 128,800 square meters during the seven-day period ended Sunday, Shanghai Centaline Property Consultants Co said in a report released today.

Citywide, outlying Songjiang District registered weekly sales of around 17,000 square meters, the most among its counterparts.

Average cost of new homes, meanwhile, rose 8.5 percent to 52,805 yuan (US$7,649) per square meter, a result of structural shift, Centaline data showed.

"None of the residential projects managed to record transaction exceeding 100 units last week, evidence for extreme weakness of the market," said Lu Wenxi, senior manager of research at Shanghai Centaline.

"Looking ahead, the southward trend will probably extend as new home supply also plunged to a very low level."

About 66,000 square meters of new houses spanning two projects were launched to the local market, a week-over-week dive of 39 percent, according to Centaline data.

By project, a development in Dachang of northern Baoshan District unloaded 51 units at an average price of 55,489 yuan per square meter, making it the most sought-after project during the week. Out of the 10 most popular projects, three cost more than 50,000 yuan per square meter while the cheapest one, located in Tinglin of Jinshan, sold for about 18,244 yuan per square meter.

As of Sunday, sales of new residential properties totaled 443,900 square meters around the city, a dip of 0.65 percent from same period a month earlier, Centaline said.

## Rosy outlook for real estate investment

*By Cherry Cao* *Time: 2017-5-24*

THE outlook for China's real estate investment market is expected to be positive in 2017 despite a decline in transactions in the first quarter, Colliers International said in a report released yesterday.

Between January and March, en bloc property transactions across the country fell 25 percent year on year to US$5.3 billion because of scarce high-quality property assets available for sale rather than lack of demand, said the property services provider.

"We expect investment activity to pick up over the rest of 2017 and come close to last year's record, as China's economy continues to expand while concerns over international trade and politics are easing," said Andrew Haskins, executive director of research for Asia operation at Colliers.

He believed the first quarter's weakness to be temporary because of "strong interest in undeveloped land, firm cumulative investment demand over the past 12 months and the prevalence of large, high-profile deals in Shanghai."

In the first three months of this year, property transactions in Shanghai rose 7 percent from the same period a year ago to US$2.7 billion, ranking the city No. 2 in Asia-Pacific after Hong Kong where such deals plunged 32 percent year on year to US$3.38 billion, according to Colliers data.

Meanwhile, Chinese mainland investment in properties in Hong Kong soared 213 percent year on year to a record HK$36.1 billion (US$4.6 billion) during the quarter.

While offices remain the most popular property for Chinese mainland corporate investors, residential plots are also increasingly attractive to mainland developers, according to Colliers.

# ECONOMIC NEWS

## China’s trade moderates in April

*By Feng Jianmin* *Time: 2017-5-8*

CHINA’S foreign trade rose slower than expected in April on weaker demand and commodity prices.

Exports in yuan-denominated terms rose 14.3 percent year on year to 1.24 trillion yuan (US$180 billion), slower than the 22.3-percent increase in March, according to the General Administration of Customs.

Imports expanded 18.6 percent to 979.1 billion yuan, compared with March’s 26.3-percent increase.

In US dollar terms, exports rose 8 percent, missing market expectations for 11.3 percent, while imports rose 11.9 percent, compared with expectations for 18 percent.

Analysts attributed the slower growth in trade to slowdown of global economic growth and a correction in commodity prices.

“China’s export growth in April was half the pace in March, indicating a softening momentum in the second quarter,” the Australia and New Zealand Banking Group said in a note today. “The slowdown in imports growth in April mirrors the softening commodity price growth in the month.”

The bank said China’s import outlook is likely to be weighed by commodity prices, China’s iron ore inventory pile-up, and credit tightening.

Despite the slower growth, the customs said China’s foreign trade structure was improving with smaller proportion of processing trade and larger trading volume from private enterprises.

China’s trading with major partners also remained strong amid rising protectionism sentiment.

During the first four months, trade with the European Union, China’s largest trading partner, gained 15.5 percent year on year to 1.24 trillion yuan.

Trade with the United States expanded 20.3 percent to 1.18 trillion yuan, making it China's second largest trade partner.

Customs’ data showed that China’s total exports and imports value reached 8.42 trillion yuan, up 20.3 percent year-on-year.

The weaker-than-expected trade data along with slower expansion in manufacturing and services sectors raised concerns that China’s pace of economic growth may have peaked.

Released on April 30, China's official manufacturing PMI fell below market expectations to 51.2 in April and the official non-manufacturing PMI was 52.6 in April, 1.6 points lower than March.