



Property Insight

November 2011

PROPERTY NEWS

Chinese property dip sparks bank fears

By Financial Times by Simon Rabinovitch

Time: 2011-11-22

Property transactions in China's largest cities have fallen to dangerously low levels, according to regulatory documents obtained by the Financial Times.

Sales have plummeted in the past 2 months, down 35% year on year in September and 39% in October in large [Chinese] cities....

Home cost declines for 2nd month

By Ciao Qian

Time: 2011-11-2

CHINA'S home prices fell for the second month in October, with more than half of the cities tracked posting declines, according to a monthly research released yesterday by the China Index Academy.

Home prices fell an average 0.23 percent from September to 8,856 yuan (US\$1,399) per square meter in 100 major cities across the country, extending their weakness as housing sales continued to drop amid the government's austerity measures to curb speculation.

In Shanghai, the sales of new homes, excluding affordable housing, dropped 19.6 percent monthly to 457,000 square meters in October, Shanghai Devolente Realty Co said yesterday. The average price fell 6 percent from September to 21,295 yuan per square meter, its data showed.

Housing policy to drive down prices, Wen says

By Cao Qian

Time: 2011-11-2

WEEKLY sales of new homes dropped below 100,000 square meters again in Shanghai last week as wait-and-see sentiment prevailed among home seekers.

Coastal Palace, a China Overseas Property (Group) Co development in Pudong, for instance, sold 104 apartments last week, the most in the city, according to Shanghai Uwin Real Estate Information Services Co. Average price for the project stood at 17,653 yuan per square meter, compared to the previous level of around 22,000 yuan.

Tightening To Go On, Wen Says

By Ciao Qian

Time: 2011-11-8

THE central government will resolutely carry out tightening measures in the property market to help prices return to "reasonable levels," Premier Wen Jiabao said.

Speaking to Chinese diplomats and business people during his visit to Russia on Sunday, Wen emphasized that curbing real estate prices is the Chinese government's firm policy.

"I will especially point out that there will not be the slightest wavering in the property-tightening moves, our target is for prices to return to reasonable levels," he said, adding that "in the past month we've started to see some shake-up in prices."

Home prices slide again in October

By Hu Yuanyuan

Time: 2011-11-2

BEIJING - Home prices in major Chinese cities fell for a second month in October, with more developers cutting prices as government property curbs crimped their cash flow.

According to SouFun Holdings Ltd, owner of the country's biggest real estate website, prices dropped in 58 of 100 sample cities, with the pace of decline quickening to 0.23 percent from 0.03 percent in September.

The number of cities experiencing month-on-month falls reached a record for this year in October, SouFun said in an e-mailed report on Tuesday.

Cooler Property Market Forces Closures

By Xin Hua

Time: 2011-11-9

REAL estate agencies in Beijing have shut down nearly 1,000 outlets so far this year, with 177 in October alone, as the property market cooled following a slew of government tightening measures, according to a survey by a real estate agency.

The survey, released by Home Link China on Monday, said the city has seen more than 100 outlets close for several months, 73 percent owned by small and medium-sized agencies.

The agencies are facing increasing pressure as trading volume continues to decline, said Zhang Yue, chief analyst at Home Link China.

She blamed the slump to the government's tightening measures, which include higher mortgage rates, a ban on third-home mortgages and buying curbs.

ECONOMIC NEWS



China's economic growth is 'healthy'

By Wang Yanlin

Time: 2011-11-18

CHINA'S economy is healthy enough to cope with the present global uncertainties, and the government may allow banks to set aside less capital as reserves in the next quarter, a senior JPMorgan executive said yesterday in Shanghai.

"Although exports haven't contributed positively to China's economy so far this year, a robust domestic demand can sustain growth at around 9 percent," said Jing Ulrich, JPMorgan's managing director and chairman of global markets for China.

Her remarks coincided with the views of other economists and followed the Chinese central bank's statement on Wednesday that it will fine-tune the monetary policies "at appropriate time and with appropriate strength."

She predicted the People's Bank of China may cut the reserve requirement ratio, or the amount of capital set aside by banks as reserves, in the first quarter of next year.

China has set the ratio for big commercial banks at a record high of 21.5 percent, effectively locking up 18 trillion yuan (US\$2.84 trillion), or 45 percent of China's gross domestic product.

Cut in bank reserves to boost China's economy

By Feng Jianmin

Time: 2011-12-1

The central bank announced a lowering of reserve requirements for banks by 0.5 percentage points yesterday, the first cut since December 2008, after data showed an outflow of foreign capital in October and easing inflation in three consecutive months from 6.5 percent in July to 5.5 percent in October.

China hasn't raised interest rates since July, the longest pause since increases began in October last year. The last interest-rate cut was also in December 2008, during the global financial crisis.

China has raised reserve requirements six times and interest rates three times this year to tame inflation, which has led to the country's slowest economic growth since 2009, with gross domestic product increasing 9.1 percent in the third quarter

Premier Wen Jiabao said in October that the government would fine-tune economic policies as needed to sustain growth while pledging to maintain curbs on real estate.

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