



Property Insight

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PROPERTY NEWS

New home sales drop despite final week surge

By Cao Qian

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New home sales fell for the third consecutive month in Shanghai for November, despite a final week increase, amid sluggish sentiment among both real estate developers and home buyers.

The area of new residential properties sold, excluding government-subsidized affordable housing, fell 9.9 percent from October to around 484,000 square meters last month, Shanghai Centaline Property Consultants Co said in a report released yesterday.

“Despite a major rebound in the last week of November, overall transactions were very low as the market has been plagued by very slack buying momentum during the first three weeks,” said Lu Wenxi, a senior research manager at Centaline.

In the seven days to Sunday, however, the area of new residential properties sold, excluding government-subsidized affordable housing, jumped 74.4 percent from a week earlier to about 177,000 square meters, according to Shanghai Centaline.

“This was partly helped by the month-end effect, as many real estate developers choose to gear up to have a better looking performance,” Lu said.

“However, it remains hard to say whether the current strength might be maintained for another week, as it was mainly fueled by a single project which recorded extremely good sales of nearly 500 units.”

The average cost of a new home, meanwhile, dropped 7.7 percent from a month earlier to 58,529 yuan (US\$8,503) per square meter, according to the Centaline data.

Some 609,000 square meters of new residential properties were launched into the market for sale last month, a decrease of 34.3 percent from October, according to Centaline.

Lack of demand for new properties a home truth

By Cao Qian

Time: 2018-11-20

New home sales in Shanghai have stayed below the 100,000-square-meter threshold for the third straight week, latest market data shows.

The area of new residential properties sold, excluding government-subsidized affordable housing, dropped 11.8 percent to around 79,000 square meters during the seven days to Sunday, Shanghai Centaline Property Consultants Co said in a report released yesterday.

The average cost of a new home fell 18.6 percent from a week earlier to 53,098 yuan (US\$7,647) per square meter, according to Centaline data.

Citywide, only the Pudong New Area, where inventory remained rather ample, managed to register sales of more than 10,000 square meters. About 13,000 square meters of new houses were sold in Pudong last week, a week-over-week decline of 13.3 percent. That was followed by Qingpu and Jiading districts, which recorded seven-day transactions of some 9,000 square meters and 8,700 square meters, respectively.

“For the second consecutive week, we didn’t see a single unit of new housing released for sale, evidence of continuously sluggish momentum lingering the local market,” said Lu Wenxi, senior manager of research at Centaline.

“Consequently that will leave a negative impact on the performance of the market over the coming few weeks, which as we expect, would continue to hover around the low level of around 100,000 square meters with small chances for any major recovery.”

A residential project in outlying Jiading selling 4,425 square meters, or 37 apartments, in total for an average price of 45,450 yuan per square meter became the most popular development.

It was most closely trailed by one medium to high-end project in downtown Xuhui District, which recorded sales of 4,382 square meters, or 31 units, at an average cost of 86,181 yuan per square meter, Centaline data showed.

Half of last week’s top 10 best-selling projects sold for less than 50,000 yuan per square meter, with two of them asking for less than 30,000 yuan per square meter.

In a separate report released on Sunday, Fitch Ratings has switched the Chinese homebuilding sector outlook to negative from stable in 2018 citing slowing economic growth and deteriorating sentiment.

ECONOMIC NEWS

NBS: New home prices stable in October

By Cao Qian

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HOUSING prices in China were generally stable in October as the domestic residential market continued to cool down following tightening measures.

On a month-over-month basis, new residential housing prices in China's four first-tier cities stayed unchanged from September, according to the National Bureau of Statistics, which tracks home prices in 70 major cities.

New home prices rose in Beijing, Guangzhou and Shanghai, by 0.2 percent, 0.2 percent, and 0.1 percent, respectively, and fell 0.5 percent in Shenzhen.

In the pre-occupied home market, housing prices in the four gateway cities slipped 0.2 percent in September. They dipped in Beijing, Shanghai and Guangzhou, by 0.2 percent each, and dropped 0.6 percent in Shenzhen, the bureau's data showed.

In the 31 second-tier cities, home prices in new and existing markets climbed 1 percent and 0.3 percent, respectively, down 0.1 and 0.5 percentage point from a month earlier.

It was a mixed performance in 35 third-tier cities where new home prices rose at a faster pace of 1.1 percent, and existing housing prices climbed at a slower rate of 0.5 percent.

Nationwide, new home prices in Guiyang in Guizhou Province recorded the biggest month-on-month increase of 4.2 percent, the bureau's data showed.

On a year-on-year basis, prices of new and existing homes in the first-tier cities rose 1.2 percent and 1 percent, respectively, in October. In second-tier cities, they jumped 10.4 percent and 7.6 percent, respectively, while third-tier cities saw a 10 percent and 7.7 percent advance, respectively.

The bureau's data again showed a continuously cooling residential market.

New home sales by value, excluding government-subsidized affordable housing, rose 15 percent to 9.83 trillion yuan (US\$1.42 trillion) between January and October, compared with the 15.6 percent increase in the first nine months. By area, they increased 2.8 percent from the same period a year earlier to 1.15 billion square meters, down from the 3.3 percent growth recorded in the first three quarters.

Investment in residential property development, which took up 70.8 percent of total real estate investment in the first 10 months, rose 13.7 percent year on year to 7.03 trillion yuan, decelerating from the 14 percent growth recorded in the first nine months.

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