PROPERTY NEWS

City home market sinks in February

By Cao Qian *Time: 2021-3-11*

Shanghai's existing housing market posted a major retreat in February, as a series of administrative curbs coupled with the Spring Festival holiday dampened sentiment.

Citywide, about 19,000 pre-owned homes changed hands last month, a drop of 57 percent from January, Shanghai Homelink Real Estate Agency said in its monthly report.

In February, existing homes sold for an average of just over 40,000 yuan (US$6,147) per square meter, or 3.32 million yuan per unit, a decline of 8 percent from January.

By value, existing homes worth a total of 63.1 billion yuan were sold, a month-over-month plunge of 61 percent.

"Tightening measures introduced recently by both the central and local governments proved to be effective in cooling down the overheated residential market, which suffered notable withdrawals in almost all aspects," said Yang Yulei, a senior analyst with Homelink. "Wait-and-see sentiment seemed to prevail, and the average price of existing homes located beyond the Suburban Ring even fell on a year-on-year basis."

Physical viewings handled by Homelink, for instance, fell 44 percent in February from a month earlier, while the number of new clients also increased at a slower pace, Yang added.

Citywide, Nanqiao in Fengxian District, the core area of Jiading District and Zhoukang in the Pudong New Area were the most sought-after areas among pre-owned home seekers last month, with sales of 599, 475 and 456 homes respectively, according to Homelink.

Over the first two months of 2021, about 63,000 existing homes, with a total value of 224.1 billion yuan, were sold across the city. The average price of these homes was 3.53 million yuan, or 42,508 yuan per square meter.

Sales of existing homes in Shanghai rebounds 6%

By Cao Qian *Time:2021-6-9*

Sales of existing homes rebounded moderately in Shanghai last month, following a major setback in April.

Citywide, about 25,000 pre-owned homes changed hands in May, a month-over-month increase of 6 percent, Shanghai Homelink Real Estate Agency said in its regular monthly report released on Monday.

By value, existing homes worth a total of 83.8 billion yuan (US$13.1 billion) were sold, a rise of 9 percent from April. Existing homes sold for an average of 3.29 million yuan, or 39,259 yuan per square meter, up 3 percent and down 1 percent respectively from April.

“The market exhibited some signs of stability with rather mild changes in both transaction volume and prices,” said Yang Yulei, a senior analyst with Homelink. “The total inventory in the market is still stable, while home owners remain generally confident with few of them offering price cuts.”

Citywide, Nanqiao in Fengxian District, Huinan in the Pudong New Area and the core area of Jiading District were once again the most sought-after locations among pre-owned home seekers, with sales of 776, 660 and 513 homes respectively.

Over the first five months of 2021, about 152,000 existing homes, with a total value of 511.6 billion yuan, were sold across the city. The average price of these homes was 3.36 million yuan, or 40,706 yuan per square meter.

“Transaction volume continued to stay somewhat higher than the normal level, amid regulatory measures to curb speculation as well as continuing supply in the new housing market,” said Lu Wenxi, a researcher at Shanghai Centaline Property Consultants Co. “From the price perspective, we observed slower growth and expect that trend to extend through June.”

New home sales, excluding government-subsidized housing, fell 19.8 percent from April to 615,000 square meters, while some 378,000 square meters of new residential properties were rolled out into the market, a month-over-month decline of 57.8 percent.

ECONOMIC NEWS

IMF sees China growing by 8.4%

By Agencies *Time: 2021-4-7*

THE International Monetary Fund raised its 2021 growth forecast for China to 8.4 percent yesterday, as it projected a stronger global rebound from the pandemic but warned of “divergences in the speed of recovery.” The figure is 0.3 percentage points above the IMF’s January prediction and would mark the country’s strongest growth rate since 2011, after the world’s second largest economy became the only major one to expand last year.

The IMF said “effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong recovery.”

China’s GDP grew 2.3 percent in 2020 and although leaders set a modest target of more than 6 percent this year, analysts widely expect a much higher number.

“China had already returned to pre-COVID-19 GDP in 2020, whereas many others are not expected to do so until well into 2023,” said the IMF.

Its forecast for China is much higher than other major economies including the United States, Germany and France, although behind India, which is forecast to grow 12.5 percent.

The IMF expects growth to slow to 5.6 percent next year, a projection unchanged from January. Despite the strong showing, it also warned geopolitical tensions between China and the US could weigh on recovery.

Meanwhile, it expects mild fiscal tightening for China and monetary policy to remain supportive this year.

The IMF raised its outlook for global economic growth, forecasting worldwide output would rise 6 percent this year, a rate unseen since the 1970s, thanks largely to the unprecedented policy responses to the COVID-19 pandemic.

That upgrade, from 5.5 percent less than three months ago, largely reflects a rapidly brightening outlook for the US economy, which the IMF now sees growing by 6.4 percent in 2021, the fastest since the early 1980s. The outlooks for Germany, France and Japan hardly improved since January. Nonetheless, with the heft of the US outlook improvement as the main driver, the IMF marked up its advanced economy growth estimate to 5.1 percent from 4.3 percent.

China GDP up 18.3% on year in Q1

By Xinhua *Time: 2021-4-19*

CHINA’S economy grew 18.3 percent year on year in the first quarter of 2021, as strong domestic and foreign demands powered recovery from a low base in early 2020 when COVID-19 stalled the world’s second-largest economy.

The gross domestic product reached 24.93 trillion yuan (US$3.82 trillion) in Q1, up 0.6 percent from the fourth quarter of last year, data from the National Bureau of Statistics showed on Friday.

The double-digit year-on-year rebound puts average Q1 growth of 2020 and 2021 at 5 percent from the 2019 level.

The Chinese economy registered a 6.8 percent contraction in the Q1 of 2020 due to the novel coronavirus. Thanks to resolute and effective virus control, the global growth engine regained its footing with a “V-shaped” comeback to attain three consecutive quarters of a rebound last year (3.2 percent in Q2, 4.9 percent in Q3 and 6.5 percent in Q4).

Friday’s data sent encouraging signs across the board. In Q1, China’s value-added industrial output, retail sales and fixed-asset investment went up 24.5 percent, 33.9 percent and 25.6 percent, respectively.

Driven by the rising demand at home and abroad, total imports and exports of goods surged 29.2 percent year on year to 8.47 trillion yuan.

“Thanks to the effective measures that the government has taken to control the pandemic and stimulate the economy, we have observed resilient momentum in economic indicators coming from both the production and consumption side,” said Hoffman Cheong, EY China North managing partner.

In particular, catering sales had almost returned to the level at the beginning of 2019, suggesting strong sentiment of the populace to go out, meet people and spend money, said Cheong. “This is the underlying reason why we are confident in China’s outlook.”

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