PROPERTY NEWS

China home prices rise fastest in the world

By Cao Qian *Time: 2017-9-1*

HOUSING prices in China grew the fastest in the world over the past year while Toronto in Canada saw the biggest rise in housing prices globally, a latest research released by Hurun Research Institute has found.

Six of the 10 cities that recorded the highest house price changes around the globe in the 12 months through June were located in China, with Wuxi in Jiangsu Province leading with a year-on-year growth of 22.9 percent, according to the Hurun Global House Price Index 2017 Half-Year released yesterday.

Wuxi followed the 26.1 percent annual gain in Toronto and the 23 percent increase in Reykjavik in Iceland, the Hurun report revealed.

Hong Kong, where housing prices rose 20.8 percent year on year, trailed Wuxi in No. 4 and Zhengzhou, Changsha, Guangzhou and Shijiazhuang also made it into the Top 10 list.

Of the top 50 cities spread over 12 countries, China has the most with 21 cities, followed by seven from the US, six from Germany, four from Canada and three from Australia.

Shanghai ranked No. 42 with an annual house price rise of 10 percent, the smallest gain among the 21 Chinese cities in the Top 50 list.

Toronto, with an annual return of 32.4 percent, also ranked the highest in a separate Hurun China HNWI Global Property ROI 2017 Half-Year, which takes into account the annual house price changes, rental yields as well as the local currency against the yuan.

Sixteen of the top 50 cities in the Hurun China HNWI Global Property ROI 2017 Half-Year saw returns of over 20 percent.

“Global asset allocation is one of the biggest trends now for China’s high net worth individuals, led by real estate,” said Rupert Hoogewerf, chairman and chief researcher of Hurun Report.

Shanghai's housing market stays weak in August

By Shanghai Daily *Time: 2017-9-12*

THE Shanghai housing market remains weak in August, with a moderate retreat in volume and prices.

The index for occupied homes, which monitors month-over-month prices in 130 areas, dipped 0.23 percent to 3,988 in August from July, the Shanghai Existing House Index Office said yesterday. The average cost of pre-occupied homes rose in 58 areas, fell in 52 areas and remained flat in 20 .

That compared to gains in 60 areas, declines in 53 areas and no change in 17 areas in July.

"The index lost its strength for the third consecutive month at a continuously mild pace along with slightly shedding momentum among home buyers," the office said, "The fact that monthly transaction volume of existing homes stayed above the 10,000 unit threshold despite tightening measures also suggests rather strong demand."

Sales of pre-owned homes fell for the fifth straight month in August to about 11,600 units, a month-on-month fall of 3.6 percent and a year-on-year plunge of 77.1 percent, Shanghai Homelink Real Estate Agency Co said in a report released earlier. Citywide, Sanlin in Pudong New Area remained the best-performing area by sales with monthly transactions rising to 480 units from 315 in July.

Cooldown in the hottest property markets

By Agencies *Time: 2017-9-19*

CHINA'S property market continued to show signs of cooling last month as home prices fell or posted slower growth in major cities amid tough control policies.

It was the first time in three years that prices in the 15 hottest markets singled out by the National Bureau of Statistics — four first-tier cities and key second-tier ones — have all stopped rising on a monthly basis after nearly six months of intensified controls.

Shanghai, Beijing and Xiamen in southeast China's Fujian Province were the cities where new residential property prices were unchanged from July while the other 12 all registered month-on-month decreases ranging from 0.1 percent to 0.7 percent, according to the bureau.

Prices in Shanghai and Beijing rose 2.8 percent and 5.2 percent, respectively, from a year earlier.

On a year-on-year basis, increases in the cost of new homes in the 15 cities decelerated by 1.3 to 6.6 percentage points from a month earlier, according to the bureau, which monitors prices in new and pre-owned markets across 70 major cities.

"In first-tier and major second-tier cities, the real estate market continued to stabilize in August, driven by targeted regulation policies," said Liu Jianwei, a senior statistician at the bureau.

Shenzhen saw prices fall 1.9 percent from a year earlier, the first annual fall since March 2015, while its monthly decline further deepened to 0.4 percent from July's 0.2 percent.

"In general, the domestic housing market posted rather stable performance last month mainly because of the rein-in policies and the traditional low-season effect," Shanghai Centaline Property Consultants Co said in a report.

"New home transactions continued to shrink in August with first-tier cities suffering the largest setbacks."

However, the latest figures showed that speculators are continuing to move into smaller cities where there are fewer controls.

New home prices in third-tier cities rose a faster-than-average 0.4 percent in August, but slowed from their 0.6 percent gain in July, the bureau said.

Guilin, a smaller third-tier city in south China's Guangxi Zhuang Autonomous Region, was the top performer in August, with prices rising 1.1 percent compared with July.

Analysts say China's property market may become even more polarized over the next few months as falling inventories of completed homes could drive up prices in smaller cities, especially at a time when the market is entering the "golden September, silver October" peak sales season.

Nearly a third of Chinese households believe prices will continue to rise in the coming quarter, a survey by China's central bank last week showed.

Rocketing prices, especially in major cities, had fueled concerns about asset bubbles. Since the end of 2016, dozens of local governments have passed or expanded their restrictions on house purchases and increased the minimum down payments required for a mortgage.

The market was also cooled by relatively tightened liquidity conditions as the government moved to contain leverage and risk in the financial system.

Last Thursday, the statistics bureau said the pace of growth in property development investment had "mildly retreated" in the first eight months of the year.

In the January-August period, China's fixed-asset investment hit 39.42 trillion yuan (US$6 trillion), up 7.8 percent year on year. But the pace was slower than the 8.3 percent increase in the first seven months.

Housing sales measured by floor area gained 12.7 percent in the January-August period, retreating 1.3 percentage points from the January-July period.

At the end of August, 623.5 million square meters of property remained unsold, down by 11.4 million square meters from a month earlier, official data showed.

"The year-on-year price data remained within expectations, showing government cooling measures have gradually taken effect," said Yan Yuejin, a senior researcher with E-house China R&D Institute.

The asset bubbles were squeezed further in the first-tier cities, Yan said, citing month-on-month price drops in these cities.

China should accelerate the establishment of a long-term mechanism to stabilize the property market, said Liu Hongyu, head of the real estate research institute at Tsinghua University.

A long-term mechanism should feature increased land supply and a sound housing finance system, real estate tax system and urbanization infrastructure construction, Liu said.

ECONOMIC NEWS

Shanghai clarifies emerging sectors

By Feng Jianmin *Time:2017-9-29*

BUSINESS registration of innovative companies and government services will be facilitated with Shanghai's release of an official classification of emerging industries.

The new classification clarifies more than 200 previously unspecified industries, such as Big Data, artificial intelligence, 3D printing and new-energy research, the Shanghai Administration for Industry and Commerce announced yesterday.

It also lay down standards to fit new industries into an existing national industry classification and coding system to unify tax policies, statistical methods and government supportive measures citywide.

"The classification will become a standard for various government departments to serve and manage new industry companies, and allow the companies greater recognition in all stages of market entrance and business operation," said Zhong Min, deputy director of the administration.

"The classification will be updated to suit new needs of innovative companies."

He said Shanghai established China's first multi-department coordination system which consists of six government departments covering economic planning, science, technology, tax and statistics.

They will hold a joint conference under the initiation of the industry and commerce administration to make timely adjustment to the new classification.

Official data showed the output of strategic new industries, including new-energy cars, new-generation information technology, energy saving and environment protection, advanced equipment manufacturing, bio-pharmaceutical, rose 6.8 percent year on year in the first half.

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