PROPERTY NEWS

Shanghai’s property market remains sluggish despite monthly recovery

By Cherry Cao *Time: 2017-4-5*

SENTIMENT among both home buyers and real estate developers remained sluggish in March despite month-over-month recoveries, latest data showed.

The area of new residential properties sold, excluding government-subsidized affordable housing, jumped 104.5 percent from February to 742,400 square meters last month, Shanghai Homelink Real Estate Agency Co said in a report.

That, however, represented a drop of 66.5 percent from same period a year ago and was also the lowest March figure in five years, according to Homelink data.

On the supply side, only 12 residential projects totaling 361,000 square meters were released to the local market last month, an increase of 26.1 percent from February and a year-on-year decline of 58.5 percent.
"Last month's rebound in sales and supply was mainly due to seasonal factors while overall market sentiment continued to be very slack as tightening policies remained strictly in place," said Zhao Baogen，a Homelink researcher. "We are not supposed to see major improvement until there is a notable recovery in new home supply."

Across the city, an apartment project in outlying Jiading District was the most popular development in March after selling 710 units at an average price of 31,210 yuan (US$4,521) per square meter. No other residential projects in the city managed to unload 200 units or above during the same period.

China's personal mortgages decrease in Q1

By Xinhua *Time: 2017-4-22*

OUTSTANDING loans to China's home buyers decreased at the end of March compared to the end of last year, according to official data.

Outstanding loans to home buyers totaled 19.05 trillion yuan (about 2.8 trillion U.S. dollars) at the end of March, the People's Bank of China (PBOC) said in a statement.

At the end of December 2016, outstanding loans to home buyers totaled 19.14 trillion yuan, according to the central bank data.

China's tightened regulations on the property market have begun to pay off as home prices in major cities stabilized.

Dozens of Chinese cities have implemented tougher cooling measures to limit price gains since mid-March, following Beijing's unprecedented harsh curbs that lifted the down-payment ratio for second homes to 60 percent.

Meanwhile, the central bank has urged banks to strengthen mortgage risk management and crack down on market irregularities such as fake divorces to avoid high down-payment requirements.

Sales of pre-owned houses more than doubled

By Cao Qian *Time: 2017-4-11*

SALES of pre-owned homes more than doubled in Shanghai last month after the traditional low season ended.

Around 19,400 units of pre-owned homes changed hands in March across the city, up from 9,400 units sold a month earlier, according to data compiled by Shanghai Homelink Real Estate Agency Co. But they plunged 61.8 percent year on year.

“The rebound was mainly caused by some seasonal factors but a major one should not be expected any time soon with tightening measures being enforced,” Homelink said in a report.

Outlying Jinshan New City and Nanqiao New City were the only two areas that sold more than 200 units of pre-owned homes last month.

A separate report released yesterday by the Shanghai Existing House Index Office said the average price of pre-occupied homes rose in 92 of the 130 areas monitored by the office in March, up from 13 areas in February, as sales rose notably. Prices fell in 17 areas and remained flat in the rest 21 areas.

Shanghai’s housing market to be stable

By Cherry Cao *Time: 2017-4-7*

SHANGHAI’S housing market will be generally stable in 2017 but sales are likely to be subdued due to strictly-enforced policies to curb speculation.

In the first three months of this year, about 1.3 million square meters of new homes were sold across the city, a plunge of 68.7 percent from the same period a year earlier, Cushman & Wakefield said in a report yesterday.

These new homes were sold for an average 47,335 yuan (US$6,865) per square meter, up 6 percent from the previous quarter and an annual surge of 35.5 percent.

“The city’s housing market is entering a period of correction this year with little room for policy relaxation,” said Jenny Wu, senior director and head of residential for Cushman & Wakefield’s east China operations.

“Further rein-in measures are also possible if home prices continue to head north,” she added.

More than 1.03 million square meters of new houses were released locally in the January-March period, little changed from 1.04 million square meters during same period a year ago.

New home sales within the city’s Inner Ring Road dived 80.5 percent from a year earlier to 465 units in the first quarter of this year as new supply plunged 97 percent.

Between the Inner and Middle Ring roads, sales of new homes fell 32.9 percent year on year to 858 units in the quarter although new supply increased 34.5 percent from a year earlier.

ECONOMIC NEWS

China's Q1 GDP growth may quicken to 6.9%: CICC

By Xinhua *Time: 2017-4-3*

CHINA'S GDP growth is likely to accelerate in the first quarter of the year following a pick-up in industrial activity and improving domestic demand, according to a Chinese investment bank.

China International Capital Corporation (CICC) said in a research report that GDP growth could quicken to 6.9 percent in the first quarter from 6.8 percent in the fourth quarter of 2016.

CICC expected China's retail sales of consumer goods to increase 10.2 percent year on year in March, accelerating from the 9.5 percent rise registered for January-February.

Industrial output growth may slow slightly from 6.3 percent in the first two months of the year to 6.1 percent in March because of a higher comparative base from last year, according to CICC.

It also projected fixed asset investment to grow 8.4 percent in the first three months of the year, with the consumer price index rising 0.9 percent in March.

China is scheduled to release its first-quarter economic data, including GDP growth, fixed asset investment, industrial output and retail sales, on April 17.

The country's manufacturing purchasing managers' index came in at 51.8 in March, higher than 51.6 recorded in February, reinforcing signs that the economy is firming up. The index has stayed above the boom-bust line of 50 for eighth months in a row

Shanghai's GDP up 6.8 percent in Q1

By Wang Yanlin *Time: 2017-4-19*

SHANGHAI'S economy was off to a better-than-expected start with gross domestic product expanding 6.8 percent from a year earlier to 692.28 billion yuan (US$100.39 billion) in the first quarter, Shanghai Statistics Bureau said today.

The pace was 0.1 percentage point faster than the same period of last year but 0.1 percentage point slower than the national average.

"The city's economy grew steadily in the first three months of this year, mainly fuelled by notable recovery in industrial output, robust domestic demand as well as improved export," said Ruan Qin, deputy director of Shanghai Development and Reform Commission.

Value-added industrial output, an important economic indicator, rose 6 percent to 179.99 billion yuan between January and March, reversing a 4.1 percent decrease in the same period last year. Industrial production, meanwhile, climbed to 782.15 billion yuan during the three-month period, a year-on-year rise of 7.1 percent which is the highest Q1 gain since 2012, the bureau's data showed.

The city's services output rose 7.5 percent to 489.64 billion yuan in the first quarter, contributing to 70.7 percent of the local GDP. Financing and shipping industries both registered stable growth while emerging sectors including information services and cultural and creative continued to grow at a faster pace.

Foreign trade in the first quarter jumped 20.1 percent from a year earlier to 751.13 billion yuan amid improving external and domestic demand, reversing a 4.1 percent drop in the same period last year. In particular, export increased 13.2 percent and import surged 25.3 percent, the bureau said.

Fixed-asset investment rose 10.5 percent in the first three months, 2.1 percentage points faster than same period a year ago. Investment in infrastructure jumped at a faster pace of 25.7 percent while that in real estate development rose 8.6 percent, 3.7 percentage points slower than same period a year earlier mainly due to government's tightening measures to rein in speculation.

The area of new residential properties sold, excluding government-funded affordable housing, dived 67 percent in the first quarter of this year while in the existing home market, the plunge was 72 percent, the bureau said.

Shanghai's retail sales rose 7.8 percent to 275.04 billion yuan in January to March, accelerating from a 7.1 percent growth in same period last year.

The city's consumer inflation rose at a slower pace. The Consumer Price Index, a main gauge of inflation, climbed 2.2 percent year on year in the three-month period, 0.8 percentage point slower from a year ago.

"Housing rents, health and medical services including medicine as well as food, tobacco and alcohol were the three major contributors to first quarter's CPI growth," said Tang Huihao, chief economist at the bureau. "And the gap between the city's CPI and the national average also narrowed to 0.8 percentage point in the first quarter from 1.2 percentage points in 2016."

Cost of health and medical services climbed 8.7 percent, housing rents rose 3.9 percent and prices of food, tobacco and alcohol gained 0.7 percent, jointly pushing up this quarter's CPI by 1.9 percentage points, according to the bureau.

Between January and March, the city created 167,000 new jobs and per capita disposable income of urban and rural residents increased 8.4 percent and 8.6 percent, respectively.

By the end of March, 590 multinational companies had set up their regional headquarters in Shanghai and the number of overseas-funded R&D centers totaled 412 in the city.

For more information, please visit www.shanghaivisionassetmanagement.com