PROPERTY NEWS

Steps afoot to remedy property slump

By Wang Keju *Time: 2025-07-10*

After property's traditional peak sales season in March and April, the momentum of China's real estate market has been showing signs of weakening of late, raising the need for more forceful policy support to prop up sustainable recovery in the second half, analysts said.

Amid changes in the supply-demand relationship in the sector, policymakers should now focus on both stimulating demand and improving the quality of supply to achieve long-term stability, they added.

The average new home price in 70 cities monitored fell 0.22 percent in May compared to the previous month, while the second-hand market price declined by 0.5 percent, according to data released by the National Bureau of Statistics in June.

"Both the figures showed the largest single-month drops so far this year," said Chen Wenjing, director of policy research at the China Index Academy.

The State Council made it clear during an executive meeting in mid-June that policymakers will intensify efforts to "stabilize the property market and halt its decline" through multipronged measures.

A comprehensive nationwide survey will be conducted on land parcels already allocated for real estate development and ongoing construction projects. Existing policies must be further optimized to enhance their systematic implementation and effectiveness, it was announced at the meeting.

"China's real estate market remains in the midst of a broader adjustment process, with market confidence still in the repair stage and supply-demand dynamics yet to be fully addressed," said Fu Linghui, a spokesman with the National Bureau of Statistics.

"Ensuring stabilization of the housing sector and reversing the recent downward trend will require continued and concerted efforts," Fu said.

Experts cautioned that the property industry's extensive links with other sectors — such as construction, manufacturing, finance and consumer spending — underscore its outsized importance in driving broader economic growth and development.

"The policymakers' directive to intensify efforts in implementing stabilizing measures points to a keen awareness of the need to address the market's recent volatility," said Chen.

Property researcher CRIC said that in the first half, local governments across the country introduced 362 policy measures to stabilize the real estate market. They have collectively purchased idle land parcels of around 9,553 hectares, with a total funding allocation of 469.6 billion yuan ($65.6 billion).

Li Yujia, chief researcher at the residential policy research center of the Guangdong Planning Institute, said that first-tier cities like Beijing and Shanghai still have room for easing purchase restrictions, which could potentially unlock over 10 percent in additional housing demand.

The betterment of property conditions in these economic hubs will have a ripple effect on driving the stabilization and recovery of housing markets across smaller cities, Li said, adding that these lower-tier cities could also extend tax incentives for residential purchases and implement programs to renovate urban villages and dilapidated housing.

While demand-side measures are crucial, equally important is the need to enhance the supply-side through improved housing quality and better alignment with evolving residential preferences, analysts said.

Released by the Ministry of Housing and Urban-Rural Development, the upgraded national standards for residential projects came into effect on May 1, covering seven aspects including living environment, building space, structure, indoor environment and building equipment.

China's home price decline narrows in July

By Xinhua *Time: 2025-08-15*

BEIJING -- The decline in the prices of commercial residential homes in China's 70 large and medium-sized cities continued to narrow on a year-on-year basis in July, official data showed on Friday.

In the four first-tier cities, Beijing, Shanghai, Guangzhou and Shenzhen, new home prices dropped 1.1 percent from a year earlier in July, with the pace of decline narrowing by 0.3 percentage points from June, data from the National Bureau of Statistics (NBS) showed.

Shanghai, the country's economic hub, recorded a 6.1 percent year-on-year increase in new home prices last month, the NBS said.

Second and third-tier cities saw new home prices fall by 2.8 percent and 4.2 percent year-on-year in July, with the declines narrowing by 0.2 and 0.4 percentage points, respectively.

On a monthly basis, NBS data shows that new home prices of the four first-tier cities dropped 0.2 percent from June, and second- and third-tier cities saw new home prices fall by 0.4 percent and 0.3 percent, respectively.

From January to July, real estate development investment totaled 5.36 trillion yuan ($751 billion), with that for residential properties accounting for 4.12 trillion yuan, according to NBS.

The Chinese government has implemented coordinated policies to stabilize the real estate market, underscoring China's efforts to maintain sectoral stability while pursuing long-term sustainability goals.

Since the fourth quarter of last year, the central government has intensified measures to halt the downturn in the real estate market. A comprehensive policy package has been introduced to stimulate investment, accelerate the renovation of old urban neighborhoods, increase the supply of affordable housing, and enforce a "white list" system to channel financial support to qualified developers.

China's government work report this year has called for efforts to "improve the standards and regulations on building quality homes that are safe, comfortable, eco-friendly, and smart."

Shanghai eases home buying rules

By Wang Ying *Time: 2025-08-26*

Shanghai on Monday eased homebuying restrictions beyond its Outer Ring Road, a move experts said will bolster the housing market ahead of the traditional peak season.

To better meet homebuyers' essential and diversified housing needs while promoting stable, healthy development of the real estate market, Shanghai introduced new property policy adjustments on Monday.

The measures were jointly announced by six key municipal departments of Shanghai.

Under the new policy, all local families — and nonlocals who have paid taxes or social insurance in Shanghai for at least one year — are now permitted to buy any number of homes beyond the Outer Ring Road.

The measures also include easing purchase restrictions, optimizing housing provident fund and credit policies, and adjusting property tax rules.

"The policy adjustment is expected to benefit a wide range of homebuyers, particularly eligible single individuals," said Yan Yuejin, research director at the E-House China R&D Institute, adding that the move will work alongside other recent national policies to help improve market conditions.

Yan noted that the move is expected to help reduce housing inventory in these areas and stimulate increased homebuying volumes in the coming months.

"Shanghai's latest property policy has been robust and well-received, demonstrating the city's active efforts to stabilize the real estate market and support broader economic growth," Yan said.

"The move, which broadly eases purchasing restrictions — particularly for single buyers and in areas beyond the Outer Ring Road — is expected to have a positive impact locally while also contributing to nationwide momentum in property market recovery," Yan added.

Shanghai's property policy shift aligns with market expectations following similar easing measures in Beijing earlier in August, said Lu Wenxi, an analyst at Centaline Shanghai.

Lu said the comprehensive adjustments — spanning the provident fund, credit and taxes — will benefit homebuyers across multiple dimensions. The measures are anticipated to unlock pent-up housing demand

and solidify the foundation for stable, positive growth in the city's real estate market.

Lu also highlighted that the policy's timing, which is ahead of the traditional September-October sales peak, will help strengthen market momentum.

He added that the easing measures align with both market expectations and the central government's call for market stabilization.

"The adjustments aim to balance Shanghai's segmented housing market, particularly by providing support to the under-pressure secondary segment while maintaining stability in the new-home sector," Lu added.

Like Shanghai, other local governments have also introduced a series of policies to stabilize the property market and support steady economic growth this year.

Yan stated that these policies are expected to collectively stimulate market activity and support inventory reduction.

Local govts nudge homebuyers with incentives

By Wang Keju *Time: 2025-09-25*

As China's property market enters its traditional high season in September and October, local governments are rolling out a series of measures to stimulate home sales and reinforce the sector's stabilizing trajectory, analysts said.

Since late August, cities such as Shanghai, Suzhou in Jiangsu province, and Changchun in Jilin province have unveiled new steps, such as easing purchase restrictions, removing sales restrictions, and offering housing purchase subsidies to boost affordability and stimulate the potential for housing consumption.

Effective from Sept 1 to Sept 30, Changchun has announced that it will provide a one-time housing purchase subsidy of 15,000 yuan ($2,100) per unit for individuals who purchase new commercial residential properties in designated areas through a lump-sum payment.

On Aug 26, Suzhou announced the removal of the two-year sales restriction policy for new commercial residential properties within the urban area. A day ahead of Suzhou, Shanghai lifted purchase restrictions on suburban homes.

"With the real estate market policies becoming more accommodative, the market has largely stabilized," said Yan Yuejin, deputy head of the Shanghai-based E-House China R&D Institute.

Factors such as policy support, stabilizing home prices, the influx of quality housing supply, and the restoration of market confidence have collectively laid the groundwork for the anticipated sales recovery, Yan said.

Zhang Bo, a researcher with 58.com, said that the real estate market is expected to end its downward trend since June and see a recovery in transaction volume in September.

The search intensity for new and second-hand homes increased by 0.6 percent and 1 percent month-on-month, respectively, in August, showing positive signs, Zhang said.

In August, the sales prices of new commercial residential properties in first-tier cities declined by 0.9 percent year-on-year, narrowing the rate of decline by 0.2 percentage point compared to the previous month, said the National Bureau of Statistics.

Fu Linghui, spokesman for the bureau, said at a news conference in mid-September that despite the volatility in the real estate market, the moderation in the year-on-year decline of housing sales and prices suggests that the market is moving in the direction of stabilization.

"The policy adjustments made by local governments have started to yield positive results, as evidenced by the improvements in market activity. But more work is needed to solidify the real estate market's path toward stabilization," Fu added.

Analysts also cautioned that the rebuilding of confidence among home buyers still requires more time, as the "buy when prices rise, not when they fall" mentality has extended the decision-making cycle for many prospective buyers, leading to persistent caution and a wait-and-see approach in the market.

ECONOMIC NEWS

Decoding China's economic solidity in 2025

By Mei Xing *Time: 2025-08-12*

Despite the headwinds facing the world economy, the International Monetary Fund (IMF) recently raised its global growth forecast for 2025, including a notable upward revision for China.

Indeed, China's economic performance in the first half of this year exceeded expectations: Its GDP grew by 5.3 percent year-on-year — 0.3 percentage points faster than the 2024 pace. Key economic indicators remained stable: unemployment and prices held steady, high-tech output jumped by 9.5 percent, and consumption contributed 52 percent of growth.

Given the challenging external conditions, what explains the resilience of the Chinese economy? The following three reasons deserve closer examination:

New-quality productive forces: underpinning industrial upgrading

China's sustained efforts to boost innovation and develop new-quality productive forces are paying off. In the first half of 2025, value-added output in high-tech industries grew by 9.5 percent, accounting for nearly a quarter of large-scale industrial expansion. High-tech goods exports increased by 9.2 percent, while cross-border e-commerce reached RMB 1.32 trillion yuan (up 5.7 percent) and total services trade hit RMB 3.89 trillion yuan (up 8.0 percent). These developments highlight innovation as the primary driver of China's economic growth and export diversification.

Stronger domestic demand: tapping internal source of growth

China has been strengthening home-grown drivers of growth, particularly by shifting toward consumption-led expansion. Its RMB 69 billion yuan (about US$9.5 billion) trade-in subsidy program for home appliances and electronics has generated RMB 2.9 trillion yuan in sales, benefiting some 400 million consumers. The monthly RMB 300-yuan childcare allowances and support for eldercare, tourism and household services have helped push service spending up by an annual average of 9.6 percent. As a result, domestic demand accounted for 68.8 percent of GDP growth in the first half of 2025, with final consumer spending alone contributing 52 percent—outperforming net exports.

Reform dividends: improving the business environment

China has placed greater emphasis on supporting the private sector: In May 2025, the Private Economy Promotion Law—China's first basic statute dedicated to private business—took effect, establishing clear rules for fair competition, easier investment and stronger innovation support.

In February, the government introduced "20 Measures to Stabilize Foreign Investment" to encourage and support foreign-invested companies in China.

In March, the People's Bank of China, together with the new National Financial Regulatory Administration and the securities regulator, rolled out 25 financial measures for the private sector, encouraging banks to increase lending and underwrite more bonds for privately owned firms. Major banks such as ICBC pledged at least RMB 6 trillion yuan (about US$830 billion) in new credit over the next three years.

Since June, regulators have raised first-loan ceilings to RMB 50 million yuan for private companies, eased bad-loan tolerances, and expanded state guarantees.

In August, new guidelines were launched that created a "green channel" to fast-track approvals for key private firms in strategic sectors like semiconductors and advanced materials, streamlining listings, mergers and acquisitions, and bond approvals.

These reforms have boosted private sector activity: In the first half of 2025, private industrial output rose by 6.7 percent year-on-year, private investment (excluding real estate) grew by 5.1 percent, and hospitality and infrastructure sectors saw growth exceeding 9 percent, indicating a notable uptick in the growth momentum of the private sector. During the first six months of this year, more than 30,000 new foreign-invested companies were set up, 11.7 percent more than the same period of last year; actual investment in China from Switzerland, Japan, the United Kingdom, Germany, and South Korea rose by 68.6 percent, 59.1 percent, 37.6 percent, 6.3 percent, and 2.7 percent, respectively, demonstrating China's continued appeal for foreign companies.

The Chinese economy's resilience and potential have gained recognition from the international business community. Edinburgh-based asset manager Baillie Gifford, which oversees about £210 billion, recently published a number of reports highlighting why China remains attractive to global investors. As the firm noted, the key question is "whether fear of China's challenges should be balanced against the fear of missing out on the long-term opportunities it offers."

China eyed for long-term investment

By LI JING *Time: 2025-11-12*

Martin Horne, co-head of global investments at Barings, said the Chinese market remains one of the most promising destinations for long-term investors. "China's asset management industry still has vast room for growth," he said, adding that Barings, which established its Shanghai office in 2018 after decades in Hong Kong, remains fully committed to deepening cooperation with the Chinese market.

His remarks came at a recent seminar hosted by Tsinghua University PBC School of Finance, where senior executives from the global asset manager voiced confidence in China's pursuit of high-quality development and long-term stability. They said the country's steady policy direction and expanding innovation capacity are opening new opportunities for global markets.

Li Weibo, Barings' economist and multi-asset strategist, said that since the start of the 14th Five-Year Plan (2021-25), China has made solid progress in pursuing "higher-quality, more structurally driven growth". He said that the forthcoming 15th Five-Year Plan (2026-30) is expected to reinforce this direction with greater focus on strategic self-reliance, innovation and sustainable development.

"China's long-term policy continuity provides clarity and confidence for global investors," he said. "We have a good understanding of China's policy cycles, which allows us to plan ahead."

He added that China's ongoing reforms, including the expansion of real estate investment trusts, the development of green finance and the introduction of new private-asset products, will open new channels for long-term capital.

In a broader market context, China took another step toward further opening its capital market to international investors as its first foreign-invested consumer real estate investment trust made a solid debut on the Shanghai Stock Exchange recently.

CapitaLand Investment Ltd, a Singapore-based property asset manager, listed CapitaLand Commercial C-REIT on the Shanghai bourse in early October. Analysts said the listing marks a key milestone in the internationalization and diversification of China's REIT market and offers a model for deeper foreign participation under the country's ongoing capital market reforms.

When discussing key industrial priorities in the forthcoming Five-Year Plan blueprint, both executives highlighted the transformative potential of emerging industries such as artificial intelligence, robotics and renewable energy.

Horne said China's openness to technological change gives it a unique advantage. "Look at how rapidly e-commerce became part of daily life," he said. "That same spirit of innovation means China can realize the benefits of digital transformation faster than many other economies."

He added that Barings is currently testing about 15 AI-related systems globally. "These technologies are reshaping every aspect of our business," he said.

Li said that while China's policy direction is clear, identifying long-term industrial winners will take time. He said the firm maintains diversified exposure across key sectors of the new industrial revolution — from AI and robotics to renewables — to capture potential growth as the market matures.

On the global market, Horne said that 2025 has been a broadly positive year for investors, though market signals remain mixed. "Gold has led returns — which often reflects caution — while Chinese technology stocks and Bitcoin have also posted strong gains, suggesting renewed risk appetite," he said.

He added that global investors are seeking diversification amid concerns over sovereign debt and persistent inflation pressures in developed economies. In this context, China's steady monetary policy and expanding green and REIT markets offer both stability and growth potential for international capital.

Horne said that as the world economy becomes more interconnected, flexibility and long-term vision are increasingly vital. "What looks attractive this year may change quickly. For investors, patience and adaptability will be key to success in the next five years."

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