“Houses are for living in, not for speculating on” sounds sincere this time

Description

This “houses are for living in, not for speculating on” has been out there since last December when China top leaders met up for an economic meeting. It has become a very popular slogan among either local governments and the media.

Since then, we have seen a steady increase of property curbing measures that are put in place by Chinese local governments citing the slogan as the ground for their actions. The trend is obvious and compelling, quickly cooling down the fever sodden property markets esp in China’s first-tiered cities such as Shanghai, Shenzhen and Beijing and a good number of second-tiered cities such as Hangzhou, Suzhou, Hefei, Wuhan, Chengdu, Xiamen.

The debut of this slogan was a surprise to the market, carrying a sense of resolution of the top leadership in maintaining and keeping afloat China’s property market, with a view to avoiding big shock or tsunami in the market. With local provincial governments following up and stepping out purchase restrictions and stricter banking policies such as Shanghai, news from different media has been reporting bleak property markets in many local cities with sale activities (contract signings) plummeting drastically.

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Just last week, I went to the real estate transaction center in Pudong New Area, and I no longer saw the busy scenes and heard the noises that used to plagued the transaction center, almost only half as many as before. The property market has been really hurt badly.

Compared with previous rounds of government curbs on the property markets, it can be felt that this time Chinese government is more serious and more sincere in really keeping the property market in control, reining in the soaring price hike that has made a home something luxury out of the reach of ordinary people.

If you talk with people in different walks, most of them will probably believe that in this year of 2017, there won’t be any notable increase in home prices if not a drop.

In the meantime, I have been receive more inquiries from foreign owners that are considering selling their China properties for cash.

While this may indicate a relatively quiet property market for 2017, maybe nobody can see much further than this year.

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