

Home prices rise in 69 major cities for Sep

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Home prices in 69 out of 70 major Chinese cities saw a dramatic year-on-year rise in September, official data showed Tuesday, an indication that the government's four-year efforts in suppressing overheated property market have had a limited impact.

In light of the continuous price growth, some long-term reform measures after the Third Plenary Session of the 18th Central Committee of the Communist Party of China, which will convene next month, are expected among industry watchers. The Party's plenum is considered to be a key meeting for the country's economic reforms.

Among the 70 major cities, only Wenzhou, a city in East China's Zhejiang Province, witnessed a slight year-on-year decline of 1.8 percent for newly built apartments in September, with the others seeing substantial rises as high as 20.6 percent in Beijing, the National Bureau of Statistics data said.

Since the first-tier cities including Beijing, Shanghai and Shenzhen saw the most dramatic rises, "the government needs to allocate advantageous social resources including strong education and medical care to smaller cities to split the huge population in tier one cities," Xu Hongcai, director of the Department of Information under the China Center for International Economic Exchanges, a government think tank, told the Global Times Tuesday.

Xu noted that wealthy Chinese flowing into Beijing, where the country's best social services are provided, was the main cause for the rampant rise of home prices in the capital city.

"Some long-term strategies covering reform for land policies, fiscal mechanism and affordable housing are needed to resolve the root issues of the Chinese property market," Chen Guoqiang, deputy director of the China Real Estate Society, told the Global Times Tuesday.

Since local governments in China depend heavily on land sales as a source of revenue, which means they have an incentive to allow home prices to rise, Chen suggested reforming the current allocation mechanism for land sales income.

Both Xu and Chen thought the current macro-control policies for the property market which were enacted by the previous administration of government should be continued, or "even more severe price soaring will happen."

Some other industry watchers such as Hu Jinhui, vice-president of the real estate brokerage 5i5j Property Agency, suggested an expansion of the current pilot program for property tax across the country after the Party's plenum in a previous interview with the Global Times.