

Residential Sales



Transaction volumes increase steadily

Both new supply and transaction volumes in the residential market registered significant growth.

- The first-hand, residential mass market saw ample supply in Q2/2019. New supply reached 1.26 million sq m, up 18.3% quarter-on-quarter (QoQ) and 46.8% year-on-year (YoY).
- City-wide residential transaction volumes recorded active performance in the quarter, totalling 1.98 million sq m and marking a surge of 110% QoQ and 215% YoY.
- A loosening in the granting of pre-sale permits saw a notable rebound in new supply levels of high-end residential projects. Four new high-end projects totalling 740 units entered the market in Q2/2019.
- The high-end villa market remained active, with six new projects obtaining their pre-sale permits during the quarter and contributing 466 units of new supply.
- High-end apartment average prices increased by 0.7% QoQ and 5.3% YoY to RMB96,915 per sq m in Q2/2019.
- High-end villa average prices edged up by 0.3% QoQ and 2.7% YoY to RMB72,070 per sq m during the quarter.

- Nineteen land plots registering a combined consideration of RMB33.1 billion transacted in Q2/2019, marking a decline of 43.8% QoQ. Of the total transacted land plots, nine were designated for residential, eight for industrial and two for commercial usage.

“Beijing’s residential market maintained stable growth in Q2/2019 with the housing price index edging up slightly. Consistency in regulatory policies continued to see purchasing demand gradually unleashed and transactions volumes grow in the market.”

VINCENT LI, SAVILLS RESEARCH & CONSULTANCY

Savills team

Please contact us for further information

RESEARCH

James Macdonald
 Senior Director
 China
 +8621 6391 6688
 james.macdonald@savills.com.cn

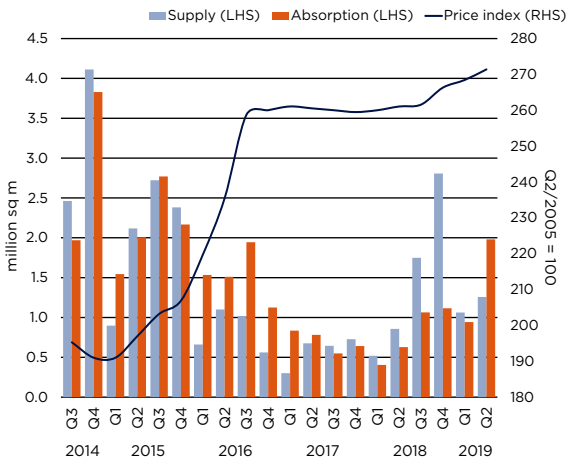
Vincent Li
 Associate Director
 North China
 +8610 5925 2044
 vincentx.li@savills.com.cn

CENTRAL MANAGEMENT

Anthony McQuade
 Managing Director
 North China
 +8610 5925 2002
 anthony.mcquade@savills.com.cn

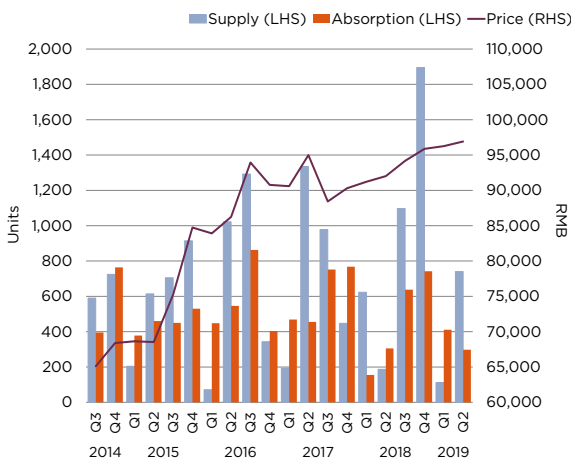
Savills plc
 Savills is a leading global real estate service provider listed on the London Stock Exchange. The company established in 1855, has a rich heritage with unrivalled growth. It is a company that leads rather than follows, and now has over 600 offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. Whilst every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.

GRAPH 1: First-Hand Mass-Market Residential Supply, Absorption And Price Index, Q3/2014 to Q2/2019



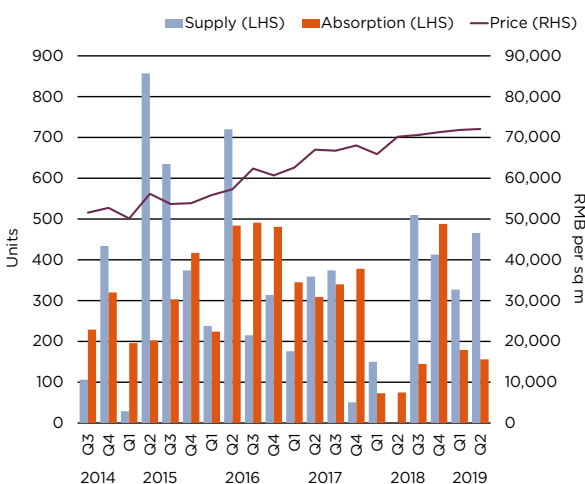
Source National Bureau of Statistics of China, Beijing Municipal Commission of Housing and Urban-Rural Development, Savills Research

GRAPH 2: First-Hand, High-End Apartment Market Supply, Absorption And Price, Q3/2014 to Q2/2019



Source Savills Research

GRAPH 3: First-Hand, High-End Villa Market Supply, Absorption And Price, Q3/2014 to Q2/2019



Source Savills Research

FIRST-HAND, MASS-MARKET

The supply-demand equilibrium remained balanced in Beijing’s first-hand, residential mass market and the trend of both growing supply levels and transaction volumes continued during Q2/2019.

The first-hand, residential mass market received ample supply in Q2/2019. New supply volume reached 1.26 million sq m, up 18.3% QoQ and 46.8% YoY. Pent-up demand was unleashed onto the market, with transaction volumes surging by 110% QoQ and 215% YoY to 1.98 million sq m.

FIRST-HAND, HIGH-END APARTMENT MARKET

A regulatory loosening of the granting of pre-sale permits saw new supply levels in the high-end apartment market rebound during the quarter. Four projects totalling 740 units entered the market in Q2/2019.

The average price of high-end apartments continued to grow, up by 0.7% QoQ and 5.3% YoY to RMB96,915 per sq m by the end of Q2/2019.

FIRST-HAND, HIGH-END VILLA MARKET

The high-end villa market continued to see stable supply in Q2/2019. A total of six high-end projects were granted pre-sale permits during the period, bringing 466 units to the market. High-end villa transaction volumes reached 156 units during Q2/2019, registering a 12.8% QoQ decline, although up 108% YoY.

High-end villa average prices increased slightly by 0.3% QoQ and 2.7% YoY to RMB72,070 per sq m by the end of Q2/2019.

LAND MARKET

A total of 19 land plots registering a combined consideration of RMB33.12 billion were transacted in Q2/2019, down 43.8% QoQ, though up a significant 85.8% YoY. A total of nine new plots were designated or partially designated for residential usage. Eight were positioned for industrial usage and two for commercial usage.

MARKET OUTLOOK

In the first half of 2019, the performance of Beijing’s residential market was comparatively positive compared to that seen in previous years. A loosening in home-purchasing restrictions, credit-easing policies and an increase in new supply levels all helped contribute to the lift in performance.

Going forward, it is expected the government will continue to prioritise achieving and maintaining stability and rational pricing in the housing market. In the long term, it is anticipated home-purchasing restrictions will continue to be strictly enforced. Meanwhile, credit-lending policies may be relaxed moderately in order to support purchasing demand for home buyers.

TABLE 1: New High-End Apartments Launched In Q2/2019

PROJECT NAME	ONE MAJESTY	THE WEST DIAOYUTAI MANSION	CHINA PALACE	CATHAY MANSION
District	Fengtai	Haidian	Fengtai	Fengtai
Developer	COFCO Property / Beijing Tianheng Real Estate	Zhongzhi Enterprise Management	China Gezhouba Group Real Estate	Tahoe Group
Supply Units	220	315	93	112
Pre-sale Price (RMB per sq m)	81,000 - 83,000	117,000	105,000 - 117,000	81,000-82,000

Source Beijing Municipal Commission of Housing and Urban-Rural Development, Savills Research

TABLE 2: New High-End Villas Launched In Q2/2019

PROJECT NAME	DISTRICT	DEVELOPER	SUPPLY UNITS	PRE-SALE PRICE (RMB PER SQ M)
Elite Villa	Chaoyang	China Overseas Property	158	68,000 - 72,000
Beijing Demesne	Shunyi	Beijing Heyu Real Estate	19	115,000
Jinmao Residence	Daxing	China Jinmao Holdings Group	84	75,000
Tang Villa	Daxing	Beijing Zhuzong Real Estate / Beijing Capital Development	45	79,000
Intellectual Life Of The City	Changping	Excellence Group / Vanke	132	73,000 - 77,000
Cathay Mansion	Fengtai	Tahoe Group	28	84,000 - 85,000

Source: Beijing Municipal Commission of Housing and Urban-Rural Development, Savills Research

TABLE 3: Key Residential Land Plot Transactions, Q2/2019

PLOT #	DISTRICT	BUYER	GFA (SQ M)	CONSIDERATION (RMB BILLION)	ACCOMMODATION VALUES (RMB PER SQ M)
Shijingshan 2019 - 012	Shijingshan	China Resources Land / Power China Real Estate	214,138	7.34	34,277
Shunyi 2019 - 013	Shunyi	Beijing Capital Development / R&F Properties	145,327	4.1	28,212
Huairou 2019 - 009	Huairou	Beijing Urban Construction Group	166,468	3.64	21,842
Daxing 2019 - 001	Daxing	Agile Real Estate	80,251	3.18	39,626
Chaoyang 2018 - 069	Chaoyang	Henderson Land	43,427	3.02	69,542

Source: Beijing Municipal Bureau of Land and Resources, Savills Research