Prices in main urban areas rise

The average transaction price in the main urban areas increased to RMB13,300 sq m.

- The supply of first-hand commodity housing in the main urban area of Chongqing increased 11.1% to 6.7 million sq m quarter-on-quarter (QoQ) in Q4/2020.
- The transaction volume of first-hand commodity housing in the main urban area increased 22.9% to 6.5 million sq m in Q4/2020.
- The transaction price of first-hand housing in the main urban area rose slightly to RMB13,300.
- The transaction volume of residential land increased 76.2% QoQ to 4 million sq m, and the average floor price of residential land fell 19.2% QoQ to RMB5,109 per sq m.
- From January to November 2020, Chongqing’s real estate development investment decreased 1.5% year-on-year (YoY) to RMB397.5 billion.
- In terms of high-end residential properties, the entry of Vanke’s residential project Jinxiubinjiang increased the supply of high-end residential units in Yushong District and targeted high-end customers looking to upgrade their residences.
- In 2H/2020, Chongqing’s Housing, Urban and Rural Construction Commission announced that enterprises can apply for an employee housing accumulation fund reduction, down to the minimum of 5%, in order to alleviate the cash pressure on companies due to the fallout of COVID-19.

“Relatively stable market demand at the end of Q4/2020 helped boost the commodity housing price in Chongqing’s residential market.”

SOPHY PAN, SAVILLS RESEARCH

1The main urban area of Chongqing includes Yuzhong, Jiangbei, Bishan, Jiulongpo, Shapingba, Dadukou, Nan'an and Banan districts.
MARKET OVERVIEW
From January to November 2020, Chongqing’s real estate development investment decreased 1.5% YoY to RMB397.5 billion. The supply of first-hand commodity housing in the main urban area of Chongqing increased 11.1% QoQ to 6.7 million sq m in Q4/2020. The transaction volume of first-hand commodity housing in the main urban area increased 22.9% QoQ to 6.5 million sq m in Q4/2020. The transaction price of first-hand housing in the main urban area rose slightly to RMB13,300. In terms of high-end residential properties, the entry of Vanke residential project Jinxiubinjiang increased the supply of high-end residential units in Yuzhong District and targeted high-end customers looking to upgrade their residences.

LAND MARKET
The transaction volume of residential land increased 76.2% QoQ to 4 million sq m, and the average floor price of residential land fell 19.2% QoQ to RMB5,109 per sq m. Among the land transactions, there were many high-quality plots, such as Guanyinqiao Group’s plot in Jiangbei District. As a rare plot in the core business circle, the transaction price of the land reached RMB2.5 billion, and it was finally won by Hong Kong Land. Another land plot located in Nanan District, in the Nanping business circle, was plot won by Longfor and the transaction floor price was RMB7.9 million with a floor price of RMB7,076 per sq m. Longfor will develop this plot into Chongqing’s first South Paradise Walk shopping mall, enriching and enhancing the consumer atmosphere in the area.

MARKET OUTLOOK
In 2H/2020, Chongqing’s Housing, Urban and Rural Construction Commission announced that enterprises could apply for an employee housing accumulation fund reduction, down to the minimum of 5%, in order to alleviate the cash pressure on corporates due to the fallout of COVID-19. However, the new policy will not affect the amount employees are able to normally draw, and they can still apply as normal for the housing accumulation fund loan. Chongqing’s residential market, huge urban population and gradually rising per capita disposable income of residents are still expected to support the steady development of the housing market.

TABLE 1: Chongqing New Residential Property, Q4/2020

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>PRICE (RMB/SQ M)</th>
<th>AREA</th>
<th>DEVELOPER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jiuchenfu</td>
<td>11,010</td>
<td>Yubei</td>
<td>Sunac</td>
</tr>
<tr>
<td>Yinweilai</td>
<td>13,280</td>
<td>Shapingba</td>
<td>Dongyuan</td>
</tr>
<tr>
<td>Tianjun</td>
<td>17,360</td>
<td>Yubei</td>
<td>Poly</td>
</tr>
<tr>
<td>Yuejingtai</td>
<td>10,740</td>
<td>Beibei</td>
<td>Zhongjun, Hongyang</td>
</tr>
</tbody>
</table>

Source: Savills Research