Prices in the main urban area rise

The average transaction price in Chongqing’s main urban area increased to RMB13,600 per sq m.

- The supply of first-hand commodity housing in the main urban area of Chongqing dropped 53% to 3.2 million sq m quarter-on-quarter (QoQ) in Q1/2021.
- The transaction volume of first-hand commodity housing in the main urban area dropped 36.8% to 4.1 million sq m in Q1/2021.
- The relatively stable housing market demand supported the increase in transaction prices of first-hand housing in the main urban areas, pushing it up 2.3% to RMB13,600 sq m.

- Affected by the concentrated supply of state land, the transaction volume of residential land increased 65% QoQ to 1.4 million sq m, and the average floor price of residential land fell 13.7% QoQ to RMB4,410.3 per sq m in Q1/2021.
- From January to February 2021, Chongqing’s real estate development investment decreased 54.8% year-on-year (YoY) to RMB442.9 billion.
- In terms of high-end residential properties, the entry of Sunac’s residential project Yihaoyuan increased the supply of high-end residential units in Yubei District and targeted high-end customers looking to upgrade their residences.
- Chongqing’s Planning and Natural Resources Bureau issued a proclamation on the state-owned construction land supply plan to ensure “stable land prices, stable house prices and stable expectations” and adhering to the real estate regulation and control requirements of “houses are for living in, not for speculation”.

“The Chongqing Planning and Natural Resources Bureau has released a plan to increase the supply of state-owned construction land in 2021, putting into practice the mantra of ‘houses are for living in, not for speculation’ in the context of concentrated land supply.”

SOPHY PAN, SAVILLS RESEARCH
MARKET OVERVIEW

From January to February 2021, Chongqing’s real estate development investment increased 54.8% YoY to RMB442.9 billion. The supply of first-hand commodity housing in the main urban area of Chongqing dropped 53% to 3.2 million sq m QoQ in Q1/2021. The transaction volume of first-hand commodity housing in the main urban area dropped 36.8% to 4.1 million sq m in Q1/2021. The relatively stable market demand supported the increase in the transaction prices of first-hand housing in the main urban areas, pushing it up 2.3% to RMB13,600 sq m. In terms of high-end residential properties, the entry of Sunac’s residential project Yihaoyuan increased the supply of high-end residential units in Yubei District and targeted high-end customers looking to upgrade their residences.

LAND MARKET

Affected by the concentrated supply of state-owned land, the transaction volume of residential land decreased 65% QoQ to 1.4 million sq m, and the average floor price of residential land fell 13.7% QoQ to RMB4,410.3 per sq m in Q1/2021. Among these land transactions, there were many high-quality plots, such as Nanping Group’s plot in Nan’an district. As a rare plot in the core business area, it is a mixed commercial and residential site, and the transaction price of the land reached RMB12.1 billion with a floor price of RMB14,236 per sq m, setting a new record for the highest floor price in Chongqing. The plot of land was eventually won by Excellence Group.

MARKET OUTLOOK

Chongqing’s Planning and Natural Resources Bureau issued a proclamation on the state-owned construction land supply plan to ensure “stable land prices, stable house prices, and stable expectations” and adhering to the real estate regulation and control requirements of “houses are built to be lived for living in, not for speculation”. With this background, it can be expected that future housing prices could be linked more directly to land prices, which will also restrain residential market speculation to a certain extent.

TABLE 1: Chongqing New Residential Property, Q1/2021

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>PRICE (RMB/SQ M)</th>
<th>AREA</th>
<th>DEVELOPER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yihaoyuan</td>
<td>19,148</td>
<td>Yubei</td>
<td>Sunac</td>
</tr>
<tr>
<td>Xinghanyafu</td>
<td>15,480</td>
<td>Yubei</td>
<td>Agile</td>
</tr>
<tr>
<td>Jiuyuefu</td>
<td>11,820</td>
<td>Yubei</td>
<td>Helenbergh</td>
</tr>
<tr>
<td>Tianchenyunzhu</td>
<td>13,770</td>
<td>Shapingba</td>
<td>Jinke</td>
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</tbody>
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