

# Residential



## The housing demand is recovering

Policy relaxations boost new supply.

- No new serviced apartment projects entered the market in Q2/2024, leaving the total stock at 1,176 units.
- The citywide vacancy rate grew 0.6 ppts QoQ to 17.1% but down 1.4 ppts YoY. Service apartment rents fell 3.0% QoQ to an average of RMB224 psm pmth, up 6.8% YoY.
- First-hand residential supply increased in Q2/2024, recorded at 1.62 million sqm and transaction volume at 2.05 million sqm. New supply grew 23.9% QoQ but down 6.5% YoY whilst transaction volumes increased 17.8% QoQ and down 16.6% YoY.
- First-hand residential transaction price grew 6.1% QoQ and 1.0% YoY to an average of RMB18,561 psm.
- In Q2/2024, the newly launched high-end residential project is the China Overseas Nankai Reflection project in Nankai district, bringing 47,908 sqm of new supply. The high-end residential transaction price fell 3.0% QoQ to an average of RMB 40,071 psm, down 4.9% YoY.

“ Tianjin’s recently introduced relaxations including differentiated residential credit policy and optimized regulations will boost the housing consumption market. Since the beginning of 2024, Tianjin housing market is undergoing a structural adjustment in both supply and demand. With favourable policies, it is expected that reasonable housing consumption will be released, promoting the stable and healthy development of the real estate market in the future.”

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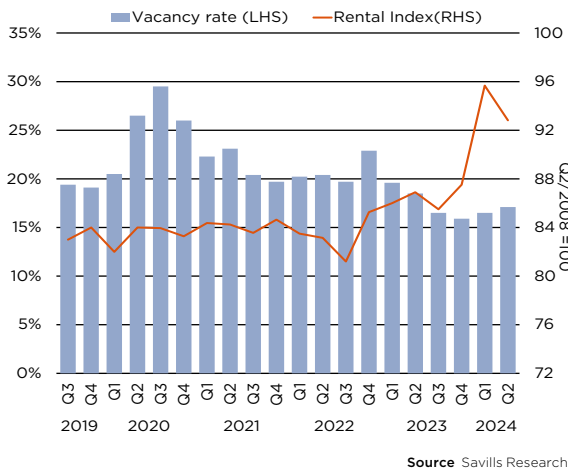
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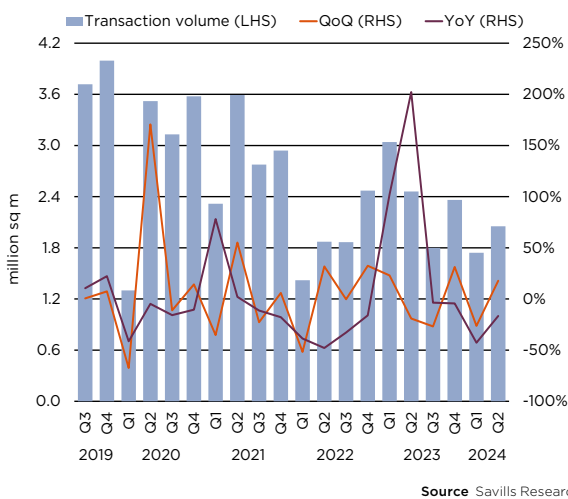
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**GRAPH 1: High-end Serviced Apartment Vacancy And Rental Index, Q3/2019 To Q2/2024**



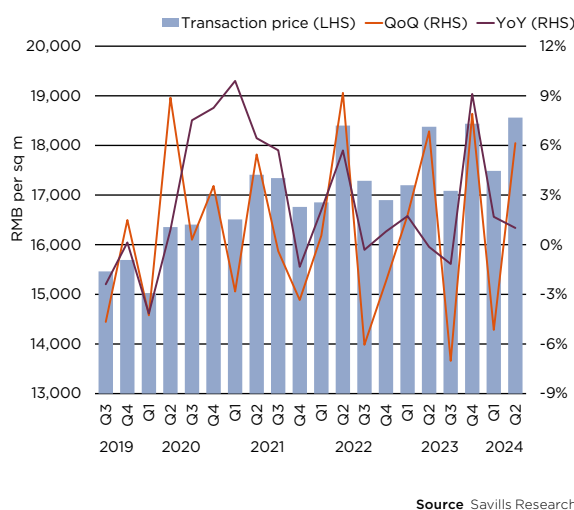
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**GRAPH 2: Transaction Volumes Of First-hand Commodity Residences, Q3/2019 To Q2/2024**



Source Savills Research

**GRAPH 3: Transaction Prices Of First-hand Commodity Residences, Q3/2019 To Q2/2024**



Source Savills Research

**RESIDENTIAL LEASING MARKET**

No new serviced apartment projects entered the market in Q2/2024, leaving the total stock at 1,176 units. While the vacancy rate in prime areas grew by 0.6 ppts QoQ to 17.1%, down 1.4 ppts YoY. The rental price of high-end serviced apartments in prime areas decreased by 3.0% QoQ on the index basis to an average of RMB224 psm pmth, up 6.8% YoY.

**RESIDENTIAL SALES MARKET**

In Q2/2024, Tianjin continued to relax housing purchase policies, with the down payment ratio and loan interest rates dropping to historical lows, and the criteria for first home purchase eased. The continuous policy introduction contributed to a slight increase in transaction volume. Meanwhile, upgraded housing products in some urban areas experienced certain growth in transaction, while residential projects for rigid demand lower the price to trade for the volume.

By the end of Q2/2024, first-hand residential supply grew 23.9% QoQ to 1.62 million sqm, down 6.5% YoY. Transaction volume increased by 17.8% QoQ to 2.05 million sqm, down 16.6% YoY. BEACON HILL in Binhai New District topped urban housing transaction volumes with sales of 43,759 sqm. JINMAO PALACE in Hexi District topped for total consideration of RMB0.34 billion.

In Q2/2024, Tianjin's average first-hand residential price increased by 6.1% QoQ to RMB18,561 psm, up 1.0% YoY in Q2/2024.

In Q2/2024, the newly launched high-end residential project China Overseas Nankai Reflection in Nankai district brings 47,908 sqm of new supply. Average high-end residential transaction price fell 3.0% QoQ to RMB 40,071 psm, down 4.9% YoY. In terms of regions, the average transaction price in Laochengxiang increased by 8.9% QoQ but down 12.7% YoY. Average prices in other regions experienced quarterly declines in varying degrees.

**MARKET OUTLOOK**

In 1H/2024, Tianjin's favorable property market policies extended, with the focus shifting to destocking. New housing policies are further eased with down payment ratio adjusted to 15% and the lower limit on mortgage interest rates removed. These measures are expected to further stimulate housing demand and accelerate inventory absorptions. Moreover, the upgrade housing units is gradually becoming a new highlight in market transactions, while 2H/2024 will continue to see divergence in demand. Both the supply and demand side will be further adjusted.

**TABLE 1: High-end Residential Sales Market, Q2/2024**

DISTRICT	AVERAGE PRICE (RMB PER SQ M)		QoQ INDEXED CHANGE (%)	YoY INDEXED CHANGE (%)
	Q1/2024	Q2/2024		
Meijiang	46,467	46,138	-0.7%	2.8%
Olympic Area	37,644	36,912	-1.9%	-4.6%
Laochengxiang	37,570	40,912	8.9%	-12.7%
Haihe Riverside	46,089	42,928	-6.9%	17.7%
New Badali	38,328	37,719	-1.6%	-9.5%
Other	40,453	39,164	-3.2%	-8.6%

Source Savills Research