

Residential



The housing demand is expected to be revitalized

Favourable policies stabilized the residential market.

- No new serviced apartment projects entered the market in Q3/2024, leaving the total stock at 1,176 units.
- The citywide vacancy rate grew 0.5 ppts QoQ to 17.6% up 1.1 ppts YoY. Service apartment rents fell 0.3% QoQ to an average of RMB224 psm pmth, up 8.2% YoY.
- First-hand residential supply increased in Q3/2024, recorded at 1.93 million sqm and transaction volume at 1.646 million sqm. New supply grew 19.2% QoQ but down 15.4% YoY whilst transaction volume decreased 19.8% QoQ and down 8.6% YoY.
- First-hand residential transaction price fell 5.9% QoQ, but up 2.2% YoY to an average of RMB17,458 psm.
- No new high-end residential projects were launched in Q3/2024 and transactions were mainly from existing projects. The high-end residential transaction price fell 0.4% QoQ to an average of RMB39,899 psm, down 0.7% YoY.

“ The favourable policies in 2024 have shown effect in promote a sustained development of Tianjin’s housing market. In the future, the residential market will focus more on meeting diversified home-buying demand, especially when the demand for improved housing has gone robust, thus fostering high-quality development in the real estate market. ”

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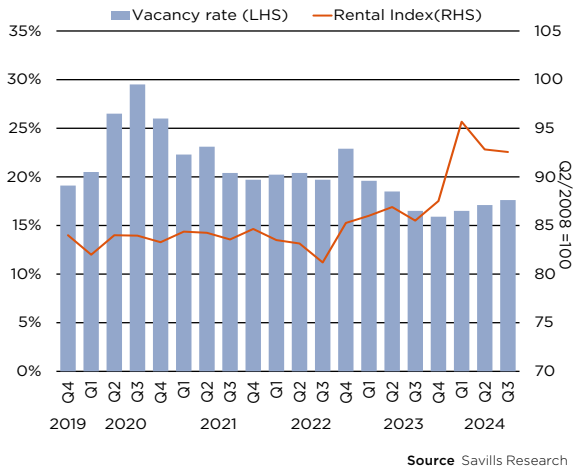
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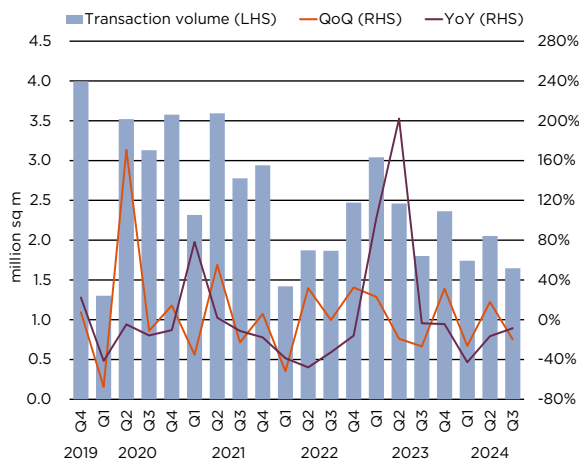
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GRAPH 1: High-end Serviced Apartment Vacancy And Rental Index, Q4/2019 To Q3/2024



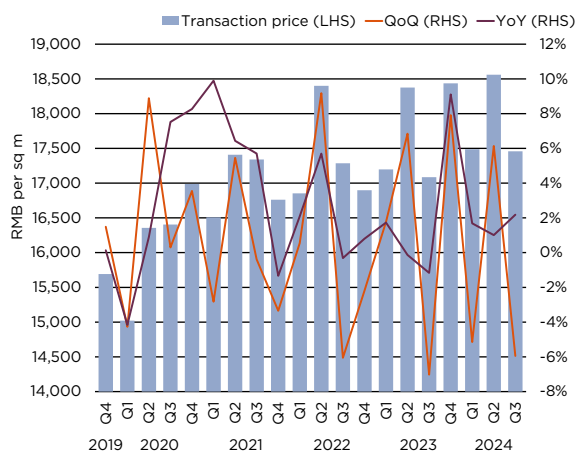
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GRAPH 2: Transaction Volumes Of First-hand Commodity Residences, Q4/2019 To Q3/2024



Source Savills Research

GRAPH 3: Transaction Prices Of First-hand Commodity Residences, Q4/2019 To Q3/2024



Source Savills Research

RESIDENTIAL LEASING MARKET

No new serviced apartment projects entered the market in Q3/2024, leaving the total stock at 1,176 units. While the vacancy rate in prime areas grew by 0.5 ppts QoQ to 17.6%, up 1.1 ppts YoY. The rental price of high-end serviced apartments in prime areas decreased by 0.3% QoQ on the index basis to an average of RMB224 psm pmth, up 8.2% YoY.

RESIDENTIAL SALES MARKET

Tianjin’s educational resources, high-quality healthcare and well-established urban infrastructure have significant appeal to potential homebuyers. Moreover, the favourable policies at the end of Q3/2024 will gradually promote the sustained development of Tianjin’s housing market.

By the end of Q3/2024, first-hand residential supply grew 19.2% QoQ to 1.93 million sqm, down 15.4% YoY. Transaction volume decreased by 19.8% QoQ to 1.65 million sqm, down 8.6% YoY. Hua Palace in Jinnan District topped urban housing transaction volumes with 43,226 sqm sales. Jinmao Palace in Hexi District recorded the highest total consideration of RMB0.68 billion.

In Q3/2024, Tianjin’s average first-hand residential price decreased by 5.9% QoQ to RMB17,458 psm, up 2.2% YoY in Q3/2024.

No new high-end residential projects were launched in Q3/2024 and transactions were

mainly from existing projects. Average high-end residential transaction prices fell 0.4% QoQ to RMB 39,899 psm, down 0.7% YoY. In terms of regions, only the Olympic Stadium area saw a significant increase in the average transaction price, with an increase of 17.7% QoQ. Average prices in other regions experienced quarterly declines in varying degrees.

MARKET OUTLOOK

In Q3/2024, the transaction volume in Tianjin’s housing market saw a significant decline. To boost homebuying confidence and stabilize the real estate economy, the central government introduced a series of supportive policies aimed at stimulating the housing market. Subsequently in early October, Tianjin government also announced the cancellation of house-buying restrictions and further eased related credit and financing policies, which is expected to greatly benefit potential buyers in the short term.

First-time homebuyers and those seeking home upgrade are both active in the market. As the home prices decline, more mature central urban areas with superior educational resources and infrastructure are increasingly attractive. It is anticipated that the housing market in Tianjin will regain its potential with the easing of purchase restrictions, attracting talents to settle and supporting the city’s economic development.

TABLE 1: High-end Residential Sales Market, Q3/2024

| DISTRICT | AVERAGE PRICE (RMB PER SQ M) | | QoQ INDEXED CHANGE (%) | YoY INDEXED CHANGE (%) |
|-----------------|------------------------------|---------|------------------------|------------------------|
| | Q2/2024 | Q3/2024 | | |
| Meijiang | 46,138 | 46,244 | 0.2% | 20.3% |
| Olympic Area | 36,912 | 43,445 | 17.7% | 0.2% |
| Laochengxiang | 40,912 | 21,485 | -47.5% | -31.6% |
| Haihe Riverside | 42,928 | 42,996 | 0.2% | 4.2% |
| New Badali | 37,719 | 33,770 | -10.5% | -19.6% |
| Other | 39,164 | 39,330 | 0.4% | -0.9% |

Source Savills Research