



Zhengzhou announces support measures, ends home buying curbs

By Global Times

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The government of Zhengzhou in Central China's Henan Province has announced support measures to boost the healthy development of the local property market, and stabilize housing and land prices. Analysts said it's the first city in China this year to eliminate restrictions on housing purchases and loans.

Guo Shuqing, chairman of the China Banking and Insurance Regulatory Commission, said on Wednesday that financial risks in some areas were controlled in 2021, with the bubbles and excessive monetization of the real estate market being curtailed.

Guo emphasized the importance and necessity of renovating rental homes, which will be meaningful for financial services. Analysts said that it is the first time that the supervisory authority has spoken about renovation-related financial services.

Among the 18 announced measures, the notice called for reducing the burden of individual housing consumption, which will guide financial institutions in the city to offer more home mortgages and reduce interest rates.

Moreover, for households that already own a fully paid-for home and want to

Trade up, they will offer loans following policies for first-home buyers. The

city allows households to purchase another home if the owners' parents or elderly relatives come to Zhengzhou to live together.

Analysts said that the measures send positive signals for the country's property market, and more restrictions are likely to be lifted.



The measures are set to stabilize the property market, Yan Yuejin, research director at Shanghai-based E-house China R&D Institute, told the Global Times, adding that the policies also provide strong support to encourage home purchases for improving living conditions.

The 18 measures announced by Zhengzhou city are intended to support reasonable housing demand, improve market supply, enhance financing support, promote the construction of resettlement housing, and optimize the property market.

Zhengzhou is not the only city in China that relaxed its restrictions. Other locations have issued new rules for the release of housing provident funds, including lowering the down payment ratios for second homes and increasing the amount of issued loans.

For instance, Zhongshan in South China's Guangdong Province and Xinxiang, also in Henan Province, have increased the quotas for provident fund loans.

Zhongshan adjusted the maximum amount of housing loans for one depositor from the current 400,000 yuan (\$63,375) to 500,000 yuan, according to media reports.

A new report from China's property research institute Beike said that market activity increased rapidly after the Spring Festival holidays thanks to favorable policies, with transactions for secondhand houses increasing significantly month-on-month, while prices stopped falling in February.

In particular, the transaction volume picked up rapidly after the holidays, with the daily average for second-hand homes in 50 surveyed cities from February 7-28 increasing by about 40 percent, compared with the average daily level in January, and exceeding the average daily level in December 2021 by about 10 percent.

Property sales will bottom out in March, and the investment confidence of development companies is expected to gradually recover in the second quarter,

according to a report by CITIC Securities released on Wednesday

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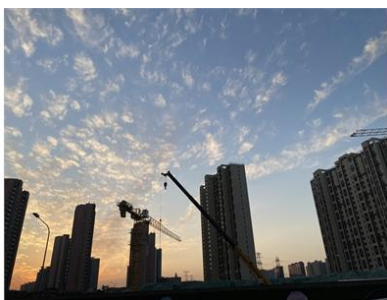
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