
China probably not to extend favorable measures in property sector

BEIJING, Nov. 1 (Xinhua) -- With a solid recovery in the real estate market, the Chinese government would probably not continue the measures unveiled last October to boost the property sector amid the global financial crisis, the China Business newspaper reported Sunday on its website.

The Newspaper quoted an unnamed source close to the Ministry of Housing and Urban-Rural Development (MHURD) said, "Those policies were effective for one year. The MHURD will not propose to extend them."

Late last October, Beijing rolled out a series of favorable measures to boost the falling property sector amid the global economic downturn.

These measures, which took effect on Nov. 1 last year, included cutting the mortgage rates by as deep as 30 percent, lowering the stamp tax on house purchases from 3-5 percent to 1 percent for first-time home buyers acquiring an apartment of less than 90 square meters, and reducing the down payment requirement to 20 percent from 30 percent.

These measures, implemented by the Ministry of Finance, the central bank and the State Administration of Taxation, had been largely proposed by the MHURD, the newspaper quoted the source as saying.

Thanks to these policies and rising demand, China's property market has seen price and sale hikes after February this year. Net profit of China Vanke, the country's largest property developer by market value, jumped nearly 30 percent year on year to about 3 billion yuan (439 million U.S. dollars) in the first three quarters of this year.

Figures from the National Bureau of Statistics indicated that housing price in 70 of China's large and medium-sized cities rose 2.8 percent in September compared with the same month last year. On a month-to-month comparison, it was 0.7 percent higher than in August, and it was the seventh straight month of price increase of housing price.

Real estate investment is one of the largest contributors to China's urban fixed-asset investment, which has been an important driver of China's double-digit economic growth of recent years.

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