

### Regulators deny change of housing policies

The central government's policies to contain rocketing housing prices will continue, said the Ministry of Housing and Urban-Rural Development on July 12, responding to recent reports that the tightening policies will be cancelled.

The Ministry urged local governments to strictly implement the State Council's policies, and to dampen speculation in the housing market while supporting residents' reasonable purchase of houses.

"In general, China's housing market is witnessing a positive change. The rapidly soaring housing prices in some cities are under control," said a statement on the Ministry's web site.

Latest data from the National Bureau of Statistics (NBS) showed that housing prices in China's 70 major cities rose 11.4 percent year on year in June, one percentage point lower than the increase in May.

This was the second consecutive month that China's property prices grew at a slower pace. Property prices in the 70 large- and medium-sized cities grew 12.4 percent year on year in May, 0.4 percentage point lower than in April.

The Ministry added it would adopt "positive" measures to increase the supply of commercial homes in the market, speed up construction of housing for low-income residents and renovation of shanty towns, and strengthen supervision of the real estate market conditions.

On the same day, China's banking regulator also dismissed rumors of loosening second-home mortgage standards.

China Banking Regulatory Commission (CBRC) has made no adjustment to the requirements for the commercial banks to implementing the State Council's policies to rein in rapidly soaring housing prices, nor to the second-home mortgage standards jointly established by the CBRC, the People's Bank of China and the Ministry of Housing and Urban-Rural Development, said a spokesman of the CBRC.

On April 14, the State Council announced that the down payment required for second homes will be no less than 50 percent and the minimum area for mortgage lending was also fixed at 1.1 times the benchmark lending rate. Also, banks are now forbidden from offering loans to homebuyers interested in purchasing a third home or more.

*By People's Daily Online*

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