



The Knowledge Report

LUXURY RESIDENTIAL | THIRD QUARTER | 2007

Shanghai Luxury Residential Market 上海高端住宅市场

Macro Economic and Overall Residential Market Review

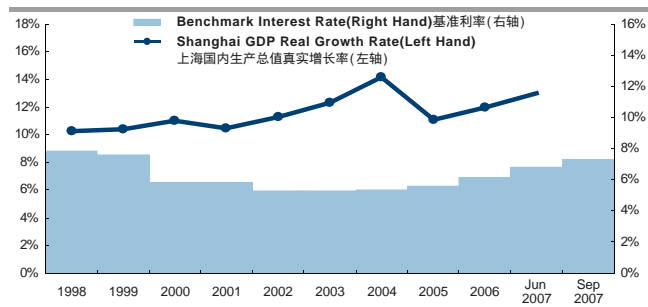
经济及整体住宅市场回顾

The rapid growth of the Shanghai economy has been fuelling the residential market. The Gross Domestic Product (GDP) rose by 13.0% YoY in H1 2007, with the tertiary industry rising by 14.1% YoY. Up to the end of August, the Shanghai Consumer Price Index (CPI) increased 2.2% YoY, which remained in a reasonably moderate level. According to the August Monetary Report of PBOC Shanghai Branch, the total loans in the year to August have already surpassed those of last year, of which individual loans for purchasing residential properties kept booming, hitting a new high in a single month since 2005.

Worried about an overheated economy and with the desire to manage excess liquidity, the central government issued a series of tightening measures. Firstly, the Central Bank lifted interest rates successively for three times in Q3, and the one-year loan benchmark rate increased from 6.57% in Q2 to 7.29% in Q3. On the other hand, the tax rate on deposit interest was reduced from 20% to 5% since August 15. The measures, to some extent, would curb the excessive growth of credit and optimise loans structures, in order to reduce risks in the banking system. Meanwhile, since August the settlement of foreign loans borrowed by foreign real estate players has been prohibited with the intention to restrain foreign investment in this field. The policy, on the one hand, would control the inflow of short-term foreign capital; on the other hand, it would compress investment returns given their lower debt-to-equity ratio. On the residential mortgage policy front, the Central Bank issued a circular that the required downpayment for the mortgage of a second property should be not less than 40% and interest rates should not be lower than 1.1 times the benchmark rate. Although we think the policy has limited impact on home buyers, the possibilities that some buyers on second houses change their decisions cannot be excluded. The residential market is expected to hold a rising trend thanks to the economic growth and income increase, in spite of possible upcoming of new cooling down measures to be released in Q4.

Under the climate of macro controls on the real estate market, residential investments witnessed a declining trend, which decreased 9.9% YoY in the year to August. Yet property transactions kept flourishing. Up to the end of August, the total sales of residential units rose by 40.6% YoY. The divergence between housing investment and sales may suggest that the demand-supply gap would continue to exist, underpinning further rise in residential price in the future.

Figure 1 Shanghai GDP Growth and Benchmark Interest Rate
图1 上海GDP增长和基准利率走势



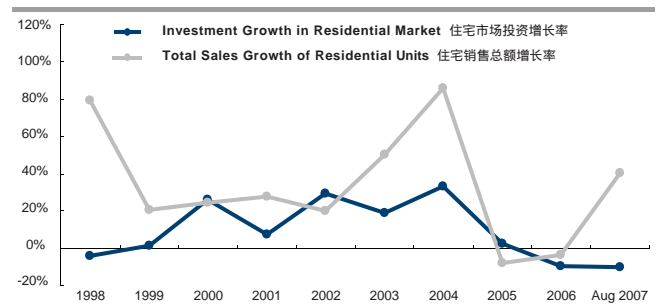
Source: Shanghai Statistics Bureau
数据来源：上海统计局

上海经济的高速增长继续为住宅市场提供支持，2007年上半年上海宏观经济继续保持稳定增长的态势。全市国内生产总值同比增长13.0%，其中第三产业增速达14.1%。截至8月末，上海居民消费价格指数同比累计上涨2.2%，通胀水平仍然处于合理区间内。根据央行上海总部发布的8月份货币信贷运行报告，今年前8个月上海金融机构的新增贷款已经超出去年全年贷款总量，8月份个人住房贷款持续放量，创自2005年以来单月增量新高。

因对经济过热的担忧以及管理流动性的目的，中央决策层在本季内出台了一系列调控政策。本季央行连续加息达三次之多，调控力度更为集中，一年期贷款基准利率由二季度的6.57%升至7.29%，而另一方面自8月15日起利息税税率从20%减至5%，这在一定程度上将控制信贷过快增长并改善信贷结构从而降低银行业风险。与此同时，自8月开始中国停止外资房地产公司的外债结汇，以抑制外资在房地产市场的投资，此举一方面可以控制短期外资的流入，另一方面由于政策会导致投资者较低的负债资本比例，因此预计投资者的总体回报率将会一定程度降低。9月末央行发布通知，第二套房房贷首付不得低于40%，贷款利率不低于同期基准利率的1.1倍，我们认为这一政策对于购房者的负面影响有限，但不排除部分意欲购买第二套房的买家改变他们的消费决策。我们预计虽然今年第四季政府或将出台降温措施，但受经济增长及收入增加的支撑，预计住宅市场仍将保持上行趋势。

在政府加强对房地产市场调控的背景下，住宅市场投资继续呈下降态势，截止今年8月底，住宅市场投资同比下降9.9%，但与此同时市场交易保持活跃，上海住宅销售总额累计同比增长40.6%。两者走势的差异可以显示今后住宅市场或将呈现供需不平衡，进而未来住宅价格仍有上行的潜力。

Figure 2 Shanghai Investment and Sales in Residential Market Growth Rate
图2 上海住宅市场投资与销售增长额增长率

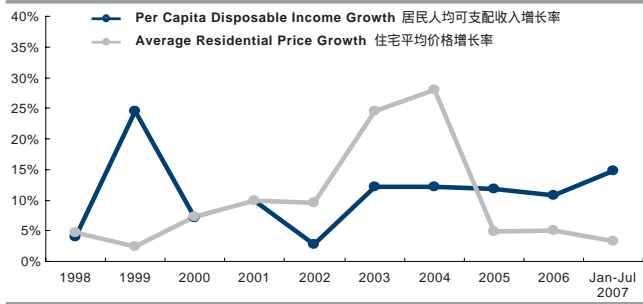


Source: Shanghai Statistics Bureau
数据来源：上海统计局

From January to July, the average residential price saw a YoY rise of 3.2%, while the disposable income of local residents held strong momentum with growth at 14.7% YoY. The stronger purchasing power has guaranteed strong demand in the residential market. We predict both income and residential price will continue to grow, therefore future policies will primarily affect the increase in supply.

The stable growth of the overall residential market continued into the third quarter. According to the data from Shanghai Real Estate Transaction Centre, the total residential sales area during January to August rose 25.9% YoY. The booming market on one hand was boosted by the stable economic fundamentals and sustainable growth. However, it will probably, at the same time, stimulate more tightening measures.

Figure 3 Shanghai Per Capita Income & Average Residential Price Growth Rate
图3 上海市人均可支配收入与住宅价格增长率

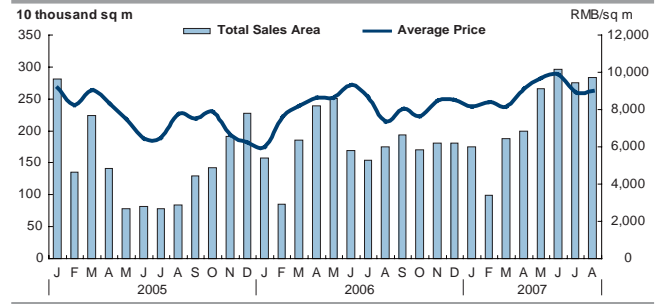


Source: Shanghai Statistics Bureau
数据来源: 上海统计局

2007年1-7月上海住宅平均价格同比增长3.2%，同期本地城市居民人均可支配收入继续保持强劲增长，同比增速为14.7%。本地购买力的持续上升令住宅市场整体消费能力进一步提高。我们预计收入和房价将继续增长，同时在政策环境趋紧的情况下，未来政策导向将会以增加供给为主。

本季度上海整体住宅市场延续第二季度稳健增长的局面，根据上海房地产交易中心的数据，1至8月上海住宅成交面积较去年同期上涨25.9%。住宅市场蓬勃向上的态势一方面受益于经济基本面的稳定和可持续性增长，但另一方面，同时也加大了政府继续出台政策控制市场的可能性。

Figure 4 Monthly Total Sales Area & Average Price in Shanghai Residential Market
图4 上海住宅市场月度成交面积和成交均价



Source: Shanghai Real Estate Transaction Centre
数据来源: 上海房地产交易中心

Luxury Residential Market Conditions

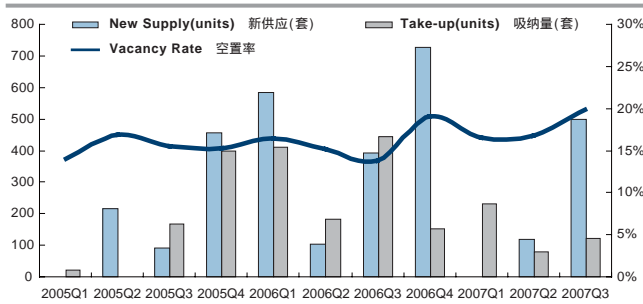
Supply, Demand & Vacancy

There were more new supplies of luxury residential units than in last quarter, as a result of completion of some strata-title projects and also favorable seasonal factors, fuelling supply of lettable units to 768 units. There are about 500 units of luxury apartments newly-launched in Q3, of which leading projects include 268 units of Grand Gateway Garden and also those in Crystal Pavilion and Zixun Yongdi in Luwan under strata-title. The serviced apartment market saw a modest new supply. For example, Central Residence in Changning offered several units. The new supply of the villa market reached 205 units, with the leading projects including Green Hill Phase three and Forest Villa. The growing number of expatriates entering Shanghai is driving a robust demand. The vacancy rate of the luxury residential market rose slightly by 1.5 percentage points to 17.4% compared to last quarter as a result of more new supply.

The three sub-markets show differential trends. The luxury apartment market saw its vacancy rate rise by 3.2 percentage points QoQ to 19.8%, which is a result of two factors. Firstly, the competition on attracting tenants is getting fiercer due to plenty of new supply; secondly, some old projects face competition from serviced apartments, especially those newly put up onto the market.

The vacancy rate of the serviced apartment market dropped 1.7 percentage points in Q3 compared to last quarter, to 16.1%. Serviced apartments have the edge on absorbing tenants owing to the strong marketing power contributed by global booking systems and centralized management. Additionally, the third quarter is generally the active season for absorbing both long-term and short-term tenants. Therefore, these two factors help to improve the occupancy rates.

Figure 5 Shanghai Luxury Apartment New Supply, Net Take-up & Vacancy
图5 上海高端公寓供应、吸纳及空置率



Source: Colliers International Shanghai
数据来源: 上海高力物业

高端住宅市场状况

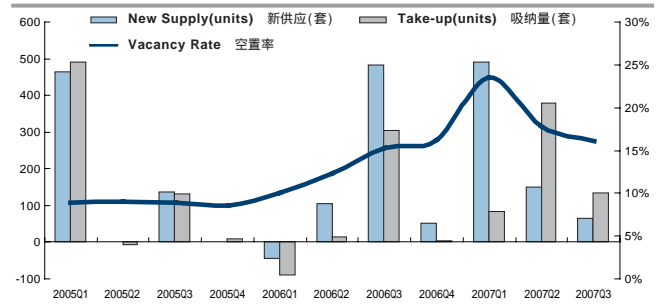
供应，需求及空置分析

由于本季度部分散卖型公寓项目纷纷完工入住以及季节利好因素的刺激，令统一经营项目加快了租赁单位的推广速度，因此季内高端住宅市场新增供应较上季明显增加，总量达到768套。其中高端公寓供应量达到约500套，主力项目包括港汇花园新推出的268套单元，由小业主持有的经典茂名项目以及位于卢湾区的紫勋雍邸。总体来说服务式公寓供应较为平稳，位于长宁的服务式公寓项目嘉里华庭本季推出部分房源。高端别墅市场主要新项目包括云间绿大地三期以及中房森林别墅，季内总供应为205套。日益增多的上海外籍人口需求面继续保持强劲势头，但由于供应较上季更为充足，因此空置率比上一季度小幅上升1.5个百分点，为17.4%。

细分市场的分析显示构成高端住宅租赁市场的三个子市场呈一定程度的分化态势。高端公寓市场季内空置率比上季上升了3.2个百分点，至19.8%的水平。这主要受两个因素的影响，一是市场新增供应较为充分，业主在寻求租客方面竞争程度进一步加强；二是一些早年进入市场的项目受到来自服务式公寓，特别是新近入市的项目的竞争。

本季服务式公寓市场空置率比上季下降1.7个百分点，至16.1%。服务式公寓因其具备完善的全球订房系统以及统一管理所具备的营销实力使得其在吸引客户方面具有一定优势，另外本季度作为传统租赁旺季令其在吸纳长租客户和短租客户两方面均有不错的表现，两方面的有利因素保证了市场入住状况的提升。

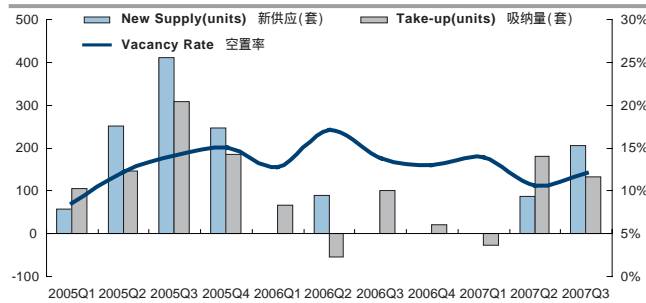
Figure 6 Shanghai Serviced Apartment New Supply, Net Take-up & Vacancy
图6 上海服务式公寓供应、吸纳及空置率



Source: Colliers International Shanghai
数据来源: 上海高力物业

The vacancy rate of luxury villa market increased 1.5 percentage points to 12.6%, which was mainly a result of new projects with plenty of units. Nevertheless, demand remained robust in Q3, especially as expatriate families with children favor villas adjacent to international schools. Thus Minhang and Pudong with abundant International schools have maintained stable occupancy rates.

Figure 7 Shanghai Villa Net Take-up, New Supply & Vacancy
图7 上海别墅供应、吸纳及空置率



Source: Colliers International Shanghai
数据来源: 上海高力物业

Rent Analysis

The increase in supply in the luxury apartment market, coupled with competition from serviced apartments, put more pressure on the rental pricing. As a result, the average rental declined by 1.4% QoQ and 1.9% YoY to US\$18.0 per sq m per month. Luwan saw the highest rental at US\$24.2 per sq m per month thanks to premier qualities and amenities. Luxury apartments in Huangpu, which concentrated in the People's Square CBD, stepped on the rising track in rentals, which saw a 14.6% YoY growth in this quarter.

With the stable growth in inflow of FDI, Shanghai witnessed more expatriate employees relocating. Furthermore, the market saw more short-term tenants due to seasonal factor. As a result, the demand was robust and the average rental of serviced apartments rose 1.9% QoQ to US\$33.6 per sq m per month. The projects adjacent to CBD and with premier amenities were the major contributors to the rising rental. Huangpu was listed as the highest in average rental at US\$44.7 per sq m per month. Xuhui enjoyed the fastest YoY growth at 5.6% thanks to rental rises in 41 Heng Shan Road and Grand Gateway Garden.

The rental situation in the villa market remained flourishing, especially for those projects in the vicinity of international schools. The putting up of new units onto the market from current projects reflected strong confidence of owners. The villa market saw the average rental rise 1.4% QoQ and 2.7% YoY to US\$21.8 per sq m per month. Changning and Pudong were listed top two, reaching US\$23.5 per sq m per month and US\$22.5 per sq m per month respectively. Pudong saw a robust YoY growth at 5.6% benefiting from clustering of international education facilities.

Above all, the average rental of the overall luxury residential market reached US\$21.7 per sq m per month, similar to last quarter and the same period last year.

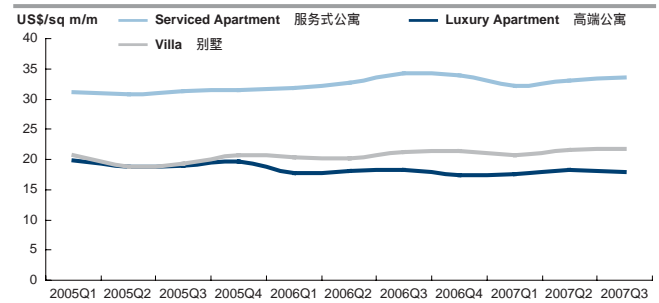
Capital Value & Rental Yield Analysis

The luxury residential sales market presented an active situation, tracking the same trend as the overall market. With less land being available, the capital values of luxury residential units hit a new high by virtue of premier locations, which makes buyers who have stronger financial position target them for investment or self-use. The newly-launched projects have been rewarded with active market responses, such as Maison Des Artistes in Changning and Jun Yu Hao Ting in Jing'an. The average capital value of luxury residential rose 4.7% QoQ and 7.2% YoY to US\$4,203 per sq m.

Currently, investors look optimistic about the prospects for the Shanghai real estate market on the basis of both rising capital values of properties and promising rental trend in the serviced apartment market. Added to this is the potential of RMB appreciation. UK-based Grosvenor purchased two duplex apartment buildings in Lakeville Regency, a luxury project in Luwan. The two buildings have a total of 28 units and are anticipated to be put up onto the market as serviced apartments.

三季度高端别墅市场空置率上升了1.5个百分点,达到12.6%。空置率的上升主要因新项目有待市场进一步消化。总体来说市场需求依然保持旺盛,尤其是三季度新学年开始,那些有随迁子女的外籍家庭对国际学校周边的别墅物业十分青睐,因此国际教育资源密集的闵行和浦东入住率基本保持稳定。

Figure 8 Shanghai Luxury Residential Rental Trend by Sectors
图8 上海高端住宅不同物业类型的租金走势



Source: Colliers International Shanghai
数据来源: 上海高力物业

租金分析

高端公寓市场供应增加令业主在租金定价方面感受到更多压力,同时其竞争物业市场如服务式公寓也对高端公寓的租金产生影响,本季市场租金比上季下降1.4%,比去年同期下降1.9%,达到每月每平方米18.0美元。卢湾因其物业品质较高且具备完善的配套设施继续保持最高租金水平,达到每月每平方米24.2美元。黄浦区高端公寓主要集中在人民广场商务区之内,本季平均租金与去年同期相比增长14.6%,显示出该板块的成长潜力。

随着外商直接投资的稳定增长,更多的跨国公司外籍员工外派至上海。而另一方面,第三季度作为旺季,更多的短期租客在本季流入市场。在此推动下服务式公寓市场需求呈旺盛态势,平均租金比上季上涨1.9%,达到每月每平方米33.6美元。比较突出的是紧临中央商务区且设施完善的项目,他们成为带动租金上涨的主导力量。其中黄浦区位列最高租金水平,为每月每平方米44.7美元。而徐汇区平均租金同比增长达到5.6%,受益于衡山路41号以及港汇花园等顶级物业的租金上涨。

本季别墅市场租金行情继续保持稳定上升态势,尤其靠近国际学校周边的项目租金上升趋势明显,一些项目纷纷推出新租赁单元亦反映了业主对于目前市场的足够信心。总体来看,别墅市场租金比上季上涨1.4%,与去年同期相比上涨2.7%,达到每月每平方米21.8美元。其中长宁和浦东处于相对较高的租金水平,分别达到23.5美元和22.5美元,而浦东因其国际教育资源集中租金同比上涨达到5.6%。

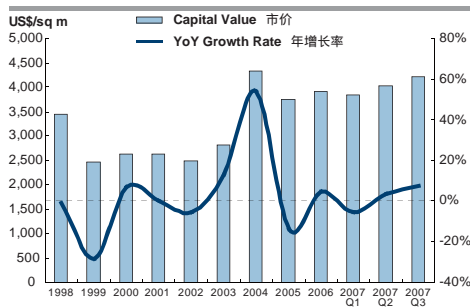
总体来看,本季度高端住宅整体市场的平均租金为每月每平方米21.7美元,与上季及去年同期基本持平。

市价及租金回报率分析

高端住宅销售市场本季度继续呈现与整体市场相似的积极趋势,随着上海可用土地资源日益减少,以稀缺地段为基本标志的高端住宅价值亦不断提升,并且成为具有较强购买力群体自用或者投资的目标物业。新近推出的销售项目都取得了市场的积极反应,如位于长宁区的新盘御翠豪庭及静安的君御豪庭等。本季度高端住宅平均市价比上季度上涨4.7%,比去年同期上涨7.2%,至每平方米4,203美元。

目前投资者对于上海房地产市场前景基本持积极预期,一方面因为物业市价继续稳定上涨,而另一方面服务式公寓市场的租金行情持续向好,而人民币的未来升值潜力也是重要的因素。本季度来自英国的高富诺集团收购了位于卢湾新天地板块翠湖御苑内两栋复式公寓楼,共计28套房源,预计收购物业同样会以服务式公寓推出市场。

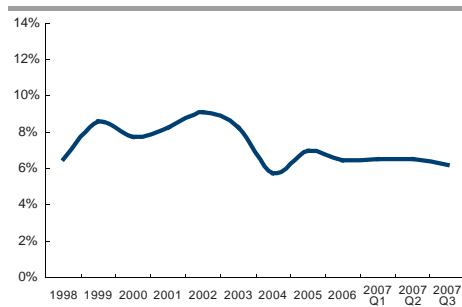
Figure 9 Shanghai Luxury Residential Capital Value Trend
图9 上海高端住宅市场价走势



Source: Colliers International Shanghai
数据来源: 上海高力物业

According to a survey by Colliers International, the gross yield of luxury residential units dropped 0.3 percentage point from last quarter to 6.2%; and that of luxury apartments declined 0.2 percentage point to 5.3%; that of luxury villas fell 0.3 percentage point to 6.7%; and that of serviced apartments down by 0.5 percentage point to 7.6%.

Figure 10 Shanghai Luxury Residential Gross Yield Trend
图10 上海高端住宅市场租金回报率走势



Source: Colliers International Shanghai
数据来源: 上海高力物业

根据高力国际的租金收益率调查数据,三季度高端住宅市场平均毛租金收益率比上季下降0.3个百分点,为6.2%。其中高端公寓毛租金收益率比上季下降0.2个百分点,为5.3%;高端别墅比上季下降0.3个百分点,为6.7%;服务式公寓比上季下降0.5个百分点,为7.6%。

Market Outlook

On the economic fundamental front, the economy next year will see a double-digit growth and asset market bubble is not likely given the government's move to curb excess liquidity. As a result, the prospect of the luxury residential leasing market will be promising thanks to the growing number of expatriates and inflow of FDI. On the other hand, local residents will have stronger purchasing power fuelled by increasing incomes. Therefore the demand in the sales market will continue to fare well, especially self-use demand.

With respect to supply, 2007 will see a total of 2,600 units of luxury residential apartments in the pipeline and 2008 will see 2,900 units, mostly contributed by the luxury apartment market, followed by the serviced apartment market, while the villa market will see limited new supply. It is estimated that the weight of the three sub-markets will reach 60%, 30% and 10% respectively in 2008.

On the demand and rental front, the vacancy rate of the luxury apartment market will rise slightly due to large new supply and rental will edge down. The serviced apartment market will have a stable vacancy rate and see rental increase about 5% YoY; and the villa market will see vacancy rate decline and rental rise about 6% YoY thanks to rising demand.

Underpinned by the promising rental prospects and positive confidence in the market, it is expected that capital values of luxury residential apartments will see continuous rise at the end of this year.

市场展望

从经济基本面判断,未来一年上海经济将继续保持两位数的增长,而随着政府着力控制流动性过剩,预计资产市场泡沫形成的可能性不大。在此背景下,一方面外资的继续流入令外籍人口增长保持稳定趋势,因此未来高端住宅租赁市场需求面依然乐观;另一方面,本地居民的购买力将受可支配收入的增长而继续得到增强,因此只要没有严厉的紧缩政策,销售市场的需求,特别是自住需求将进一步释放。

供应方面,预计2007年高端住宅市场全年供应预计将达到2,600余套,而2008年则会达到2,900套。其中高端公寓仍然是供应的主力,服务式公寓未来一年的供应也相对比较充足,而别墅市场未来供应仍然相对有限。预计三类物业2008年的供应将分别占总量的60%,30%以及10%。

需求及租金方面,至今年年底高端公寓受供应充足的影响,市场空置率将继续小幅上升,租金则将小幅下调;服务式公寓市场空置率将基本保持稳定,租金则会上涨约5%左右;别墅市场需求增长势头较好,因此预计空置率有所下调,而平均租金将上涨6%左右。

受租赁市场租金良好表现的推动以及物业市场的积极信心,我们预计年底高端住宅市价年底还将继续上升。

Table 1 Luxury Residential Major Investment Transaction in Shanghai

表1 上海高端住宅市场主要投资成交个案

Project Name 物业名称	District 区域	Month of Transaction 成交月份	GFA(sq m) 总建筑面积(平方米)	Seller 卖方	Buyer 买方	Deal Type 交易类型
Lakeville Regency 翠湖御苑	Luwan 卢湾	2007-8	8,920	Shui On Group 瑞安集团	Grosvenor 高富诺	Asset Transfer 资产转让

Source: Collected by Colliers Based on Public Media Release
数据来源: 上海高力物业根据媒体发布信息整理

267 OFFICES IN 57 COUNTRIES ON 6 CONTINENTS

USA 95
Canada 17
Latin America 17
Asia Pacific 53
EMEA 85

US\$1.6 billion in annual revenue

77 million square metre under management

10,171 Professionals

CONTACT INFORMATION

Colliers International Property Consultants (Shanghai) Co Ltd

16F Hong Kong New World Tower
300 Huaihai Zhong Road Shanghai 200021 PRC

Lina Wong
Managing Director
East China
Tel : 86 21 6141 3688
Direct : 86 21 6141 3600
Fax : 86 21 6141 3698
Lina.Wong@colliers.com

HingYin Lee
Director
Research & Consultancy
Tel : 86 21 6141 3688
Direct : 86 21 6141 3580
Fax : 86 21 6141 3699
HingYin.Lee@colliers.com

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