

# Haikou lifts limit on buying property

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Haikou, capital of South China's Hainan province, has joined other 26 cities to lift restrictions on property acquisitions. The city said on Wednesday that there will be no limits on how many houses people can buy, according to Shanghai Securities News.

In the first five months of 2014, Haikou's commercial housing transactions saw 17 percent year-on-year decline in sales volume, with an inventory of 5.6 million square meters, according to Haikou's housing and urban-rural development bureau.

In June, Haikou allowed families having five members to register their household locally if one purchases a house with a space of above 120 square meters.

According to the newspaper, Zhang Dawei, director of market research at Centaline Property Agency Ltd, said: "Different policies on buying properties will be implemented by the 46 cities that still have restrictions."

Zhang said the restrictions in the first-tier cities will take time to be lifted as they need to control the population. Second-tier cities, such as [Xiamen](#), Nanjing and Wuhan, recording good economic performance might loosen up the restrictions while other less-developed cities and third-tier cities may lift the restrictions to encourage the market.

Rumors on first-tier cities such as Shanghai and Guangzhou relaxing restrictions surfaced lately, according to the newspaper. However, officials in both cities denied the possible relaxation of the policy.

"Shanghai housing administration bureau is still working on this issue but the municipal government has no intention to call off or relax the restriction this year," an industry insider who is familiar with this matter told the reporter.

The relaxed curbs on home purchase, however, don't seem to cheer up the cooling markets.

According to statistics, among Nanning, Xiamen, [Fuzhou](#), Chengdu, Kunming, [Wenzhou](#) that relaxed the policy on home purchase from April to June, only Xiamen saw a 1.64 percent growth in May from April while the other cities are still witnessing a decline in housing prices.

A researcher with Centaline property told the reporter that different cities will react differently to the relaxed property market.

Property markets in Shenyang and Hohhot are not likely to be stimulated in a big way by the relaxed policies as economic growth and floating population are the bigger influencer of the market. However, cities like Jinan and Xiamen will see growth once the relaxed policies are implemented, said the newspaper, citing the researcher.



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