

Management Discussion and Analysis

管理層討論及分析



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Market Overview

In 2004, the PRC government implemented a series of macro economic austerity measures which included administrative, economic and legal measures in order to prevent severe fluctuation of the economy and to improve the mode and quality of economic growth. Without undermining

the market foundation and the level of market optimism, the overheated real estate industry as a whole was cooled down by such macro economic austerity measures, while the mode of operation and competitiveness of the real estate industry were improved, thereby facilitating sustainable development of the industry.

During the period under review, the State tightened its control over land administration, and reduced the credit support to real estate developers. Thus, on the one hand, area of land available in major districts was reduced generally and, on the other hand, it was more difficult for developers to obtain financing and land resources. These factors caused the increase in the area of land that commenced construction during the year to slow down significantly. This in turn raised the expectations of investors, developers and consumers to the supply and demand of property and the future pricing trend. Therefore, the increase in interest rate in the fourth quarter only affected market demand to a very limited extent.

According to the latest figures, the total gross floor area of residential commercial properties which commenced construction was approximately 604 million sq. m. during the period under review, which represents an increase of approximately 11% as compared to 2003, and was the lowest for the recent five years. The total gross floor area of residential commercial properties sold for the same period increased correspondingly by 13.0%, and resulted in the vacant floor

市場概要

於二零零四年，為預防經濟大起大落、提高經濟增長的方式與質量，中國政府實施了包括行政、經濟和法律手段在內的一系列宏觀調控政策。各項宏觀調控措施在未削弱市場基礎和景氣水平的前提下，遏制了行業全局性過熱的風險，優化了行業運營模式和競爭架構，提升了行業發展的可持續性。

回顧期內，國家加大了土地管理力度、並壓縮了對開發商的信貸支援。因此，一方面，主要區域的土地出讓面積普遍減少；另一方面，因為融資和拿地難度加大，全年新開工面積增速明顯趨緩，提高了投資者、發展商、消費者對後市供求關係和價格走勢的預期。因此，第4季度的升息舉措對市場需求的影響很有限。

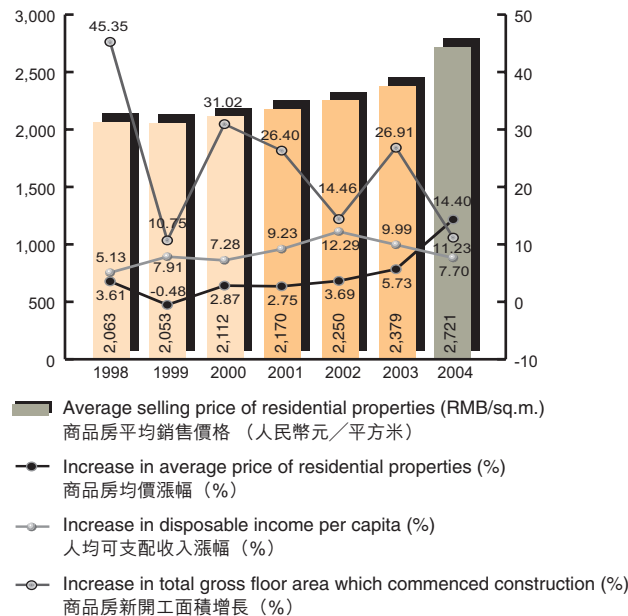
最新資料顯示，回顧期內，全國商品房新開工面積6.04億平方米，同比僅上升11%，增幅創5年來新低；而同期商品房銷售面積同比上升13.0%，導致空置面積比二零零三年下降8.3%。同時，由於宏觀調控在技術層面上使

area for residential commercial property being decreased by approximately 8.3% as compared to 2003. At the same time, the macro economic austerity measures technically tightened supply and increased development costs, which pushed up properties prices continuously in various major districts. During the period under review, average sale price of residential commercial properties in the PRC was approximately RMB2,721 per sq. m., which represents an increase of 14.4%, and was at its 10-years' high.

供求關係趨緊並推高了開發成本，各主要區域房價持續走高。回顧期內，全國商品房銷售均價人民幣2,721元/平方米，漲幅達14.4%，創10年來新高。

Historical change in price of residential properties, total gross floor area of residential housing which commenced constructed and disposable income per capita in the PRC, 1998-2004

歷年全國商品房價格、商品房新開工面積與人均可支配收入變化, 1998-2004



The positive implications of the macro economic austerity measures were reflected in the change in structure and quality of the property industry. Property developers began refining their respective development strategies, such as adopting diverse financing strategies, creating brand reputation and customer relations, all of which have turned to become the tools for property developers to encounter changes in the operating environment in the long run. At the same time, the macro economic austerity measures further strengthened developers with sufficient funds and land reserves and therefore encouraged merger and acquisition so that market concentration and resources allocation were further enhanced.

調控的積極意義更多體現為房地產行業結構與質量的變化。企業開始致力於發展戰略的改造：融資手段多樣化、品牌構建、客戶關係等要素開始成為企業們應對經營環境變化的長期工具。同時，宏觀調控使資金充沛、土地儲備充足的企業更為強勢，行業兼併整合進程因之加速，導致市場集中度的提高和資源配置的優化。

Shanghai market

During the period under review, apart from adoption by the central government of a series of the macro economic austerity measures which caters for the real estate industry, the Shanghai municipal government continually introduced a series of technical measures for the purpose of adjusting demand and supply as well as the operational flow in the real estate industry, in order to suppress short term speculation activities and increase market transparency. For example, since 1 May 2004, uncompleted properties were not allowed to be resold prior to their completion. Since 1 July 2004, all information on pre-sale transactions must be filed for registration and disclosed at government websites.

As affected by such policies, during the period under review, there was no change to the fundamental condition of decreasing supply and rising demand. In 2004, 24,630,000 sq. m. of land for use by residential commercial properties were assigned, which represents a decrease of approximately 2.4% as compared to 2003 (note 1). Residential commodity properties with a total gross floor area of 26,690,000 sq. m. commenced construction, which was slightly increased by 2%. It is contemplated that total gross floor area of additional supply in residential commercial properties will not increase significantly in the next two years. The growth rate for area of residential commercial properties sold was maintained at approximately 19.3% and reached 32,330,000 sq. m. With the strong sustainable growth in demand for residential commercial properties, such demand continued to surpass supply in the market, and became the principal driving force for property prices in future.



Yi He Hua Cheng (Phase 1) | 頤和華城（一期）





Forte Allen Poem | 復地愛倫坡

上海市場

回顧期內，除了中央政府發佈的一系列和房地產相關的宏觀調控政策外，上海市政府陸續出台了一系列旨在改善需求結構和操作程序的技術措施，以壓制短期投機炒作、加大市場透明度。例如，自二零零四年五月一日起，預售的期房在竣工交付前不得轉售；自二零零四年七月一日起，所有預售成交資訊都必須通過政府網站進行備案登記並公開。

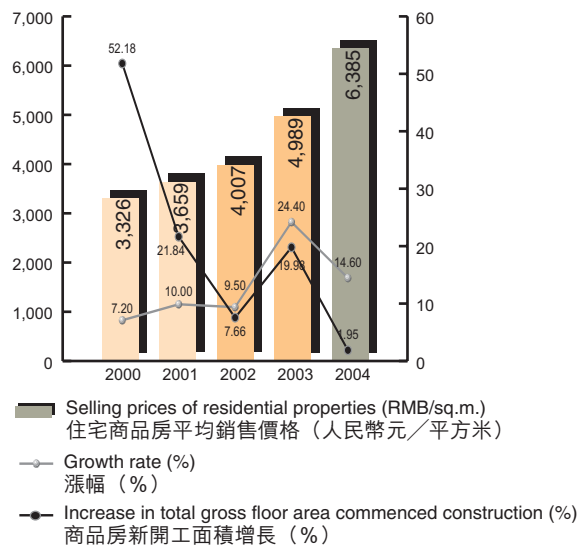
在政策影響下，回顧期內，供應減少、需求旺盛的基本面並未改變。二零零四年，上海出讓住宅用地**2,463**萬平米、同比跌**2.4%**(註1)，商品住宅新開工面積**2,669**萬平米、僅比二零零三年微增**2%**，預示未來兩年內住宅新增供應量不會有明顯增加。而同期住宅銷售面積卻繼續保持**19.3%**的增長，達**3,233**萬平米。需求的持續強勁增長，將使市場繼續保持需求略大於供應的格局，成為後市價格的關鍵推動因素。



Capitalizing on factors such as the continued tension between the demand and supply of the market and the overall optimistic outlook of market in the long run, the prices of residential properties continued to rise though. During the period under review, the average market price for residential properties in Shanghai reached RMB6,385, which represents an increase of approximately 14.6% from 2003. The price movement of properties in different regions remained unbalanced. As the supply of high quality land was limited while investors' demand for such land was high, the prices of properties within the inner ring area increased by 27.5%.

在持續偏緊的供求關係以及各界對市場長期走勢的普遍樂觀預期等多重因素的推動下，住宅價格繼續走高。回顧期內，上海住宅商品房平均銷售價格達到人民幣6,385元，按可比口徑計算，比二零零三上漲14.6%。各區域價格走勢並不均衡，優質地段因供應稀缺而倍受投資者追捧，帶動內環線內價格上漲了27.5%。

Increase in price of residential properties and total gross floor area of residential properties which commenced construction, 2000-2004
上海住宅商品房價格和商品房新開工面積增長，2000-2004



At the same time, the rapid growth in demand for residential properties mainly resulted from the strong increase in the domestic demand for better living standards. However, up till now improvement in the living conditions of the local mass population has not yet been fulfilled. According to the sampling survey of the Shanghai Statistics Bureau, as at the end of 2004, only 30% of families in Shanghai owned residential commodity properties which are developed after 1992 and more than a quarter of families lived in low cost public housing which were rented from the government (note 2).

同時，住宅需求規模的迅速擴張，直接源於由本地居民改善居住條件所構成的內在性居住需求的強勁增長。但目前為止，本地居民改善居住條件的需求仍未滿足。據市統計局的抽樣調查，截止二零零四年底，只有30%的上海家庭擁有一九九二年以後由開發商建造的商品住宅，仍有超過四分之一的家庭租住政府提供的廉價公房（註2）。



Master floor plan of All New Shanghai
上海知音苑總平面圖



Master floor plan of Forte Elegant Garden
復地雅園總平面圖



Master floor plan of Yi He Hua Cheng
頤和華城總平面圖



Above 上：

Gu Bei New Garden | 古北新苑

Below 下：

Yi He Hua Cheng | 頤和華城



Forte Elegant Garden | 復地雅園



Domo City | 遠景佳苑



Graceful Oasis | 錦繡華城





Beijing market

In 2004, the overall property market in Beijing continued to experience moderate growth. In Beijing, the total gross floor area of commodity properties which had commenced construction during 2004 amounted to approximately 30,540,000 sq. m., which represents a decrease of approximately 11.1% as compared to 2003. The average sale price of residential properties over the year was RMB4,747, representing an increase of 6.5% as compared to 2003, and was higher than the growth recorded in 2003.

Building on the rapid economic development, city reform and the 2008 Olympic Games in the long term, together with the restrictions on land supply, some of the basic factors of the market have revealed signs of possible rapid change. This shows that the Beijing market was quickly breaking away from its moderate changes over the past years and is instead heading towards a new period of rapid growth. During the year under review, area of residential commercial properties sold in Beijing increased substantially by 29.1% and reached 22,860,000 sq. m., the growth rate of which was 18.1 percentage points higher than that in 2003. Sales of residential properties grew significantly and the sale rate of residential properties reached approximately 92.3%. The stagnant property market in the core city region in the previous years began to recover with prices growing rapidly, making it the market leader in the city once again.

北京



Spring Town | 玉泉新城

