

August 20, 2026 06:20 AM GMT

## China Property | Asia Pacific

# Shanghai Easing may Help New Home Destocking, but Fundamental Impact Seems Marginal

## Key Takeaways

- The measures could help to destock new home inventory in non-core regions, and help land sales in those areas, but the home sales boost may be limited given:
  - 1) lower downpayment ratio implies higher leverage and larger mortgage installments, for which residents have limited appetite given lukewarm macro;
  - 2) housing subsidy is minimal, and likely unappealing to replacement buyers who live in core regions given less favored location of eligible new homes; and
  - 3) funding source and size remain the bottleneck for housing buy-back and urban redevelopment.

## Shanghai relaxed its housing policies during the noon stock market break. The measures included:

- Lower the minimal downpayment ratio to 15% (vs. 25% before) for second-homes for housing outside outer ring.
- Subsidize 1% of mortgage amount (cap at Rmb50k/unit, Rmb200mn total funding) for buyers who replace their homes with outside-outer-ring new homes by March 2027. Additional Rmb30k/unit subsidy for inside-outer-ring home sellers.
- Increase the share of settlement with housing vouchers for urban redevelopment.
- Expand the usage of Housing Provident Fund (HPF) for buying completed new housing, parking lots and storage rooms. Shorten the time frame of HPF withdrawal to once a year (vs. every five years before).
- Accelerate the purchase of secondary homes for affordable rental housing.

Stephen Cheung, CFA

Equity Analyst

Stephen.Cheung@morganstanley.com

+852 3963-0385

Cara Zhu

Equity Analyst

Cara.Zhu@morganstanley.com

+852 2848-7117



### CHINA PROPERTY

Asia Pacific

Industry View

In-Line

investors should be aware that the firm may have a conflict of

Research as only a single factor in your investment decision.

**For analyst certification and other disclosures, please refer to the Disclosure Section, located at the end of this report.**

+ = Analysts employed by non-U.S. member firms with FINRA, may not be associated with FINRA and may not be subject to FINRA rules regarding communications with a subject of research and trading securities held by a research

人在華木間

更多資料請洽

