

### China urges healthy development of real estate sector

China's State Council, the cabinet, said on Monday that the government was discussing measures and policies for the healthy development of the country's real estate sector as house prices in some cities are rising too fast.

Housing prices returned to growth on month-on-month basis since March this year on record lending and the government's favorable policies to stimulate property consumption, including tax breaks and interest rates cuts.

But as the market recovers, housing prices in some cities are soaring too fast, which deserves "great attention", according to an executive meeting of the State Council, chaired by Premier Wen Jiabao.

In order to maintain the "stable" and "healthy" development of the real estate market, China will increase supply of smaller houses at medium-and-low price levels, continue to support residential consumption for improved housing while curbing speculation.

The country will also expand construction of housing projects for low-income families, aiming to help 15.4 million more poor households solve their housing problems by 2012, attendees agreed at the meeting.

Meanwhile, more efforts will be made during the next three to five years to improve living conditions for residents living in shabby houses in some cities, they agreed.

About 10 million households are still living in "shanty towns" in some cities across the country, the meeting revealed.

The central government will offer financial support to renovate those "shanty towns" during the next three to five years, they agreed, but did not say how much funding would be put in place.

Local governments should increase concrete spending in rebuilding these poorly-constructed houses. Social investment is welcomed at these projects, according to the meeting.

*Source: Xinhua*

[http://paper.people.com.cn/rmrb/html/2009-12/15/content\\_405161.htm](http://paper.people.com.cn/rmrb/html/2009-12/15/content_405161.htm)

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