

Top Biz News

Top bidder stripped of villa land contract in Beijing

By Wang Ru (China Daily)
Updated: 2010-02-02 07:52

The Beijing municipal government has torn up a commercial residential land contract that set the record last year as the most expensive residential land in Beijing.

Beijing municipal bureau of land and resources announced the news on its website yesterday.

According to the official announcement, the municipal bureau withdrew the contract with Dalong estate after the agency failed to sign a State-owned land transfer contract within the agreed date, along with another land development compensation contract. The 200 million yuan of cash security would not be refunded.

Dalong estate, a State-owned property developer, bid 5.05 billion yuan at an open auction on Nov 20 to secure the plot in Shunyi district, which became known as "di wang" or "land king" in 2009.

The estate agency planned a construction area of 169,126 sq m, priced at almost 30,000 yuan per sq m - the highest unit charge for a residential site on the Chinese mainland at the time.

However, many real estate developers questioned the company's financial ability based on the fact that the total price of the deal exceeded its total profit over 17 years.

According to the contract, the company was supposed to pay 1 billion yuan within 30 days and the rest within 180 days, which would be May 20 this year.

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It was reported by Sina.com on December that Wang Bing, a deputy director from Beijing municipal land coordination and reservation, said Dalong estate had paid 1 billion yuan. However, Beijing municipal bureau of land and resources put Dalong estate on its blacklist on Jan 22 due to a delay in payment, and suspended its property trade rights in Beijing.

A staff member from Beijing municipal land coordination and reservation center told METRO they hadn't received relevant official documents yet.

Dalong estate refused to give any further explanation. Trading of stock for Dalong estate, a Shanghai-listed company, was suspended yesterday.

Some real estate insiders said that since Dalong estate was unable to pay the outstanding debt, it simply 'escaped' from the contract yesterday.