

More low-income housing urged in China

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BEIJING, May 19 -- The central government has urged provincial governments to step up efforts to ensure the supply of affordable housing by holding top provincial leaders accountable for the task.

The move is seen as another major effort by the central government to address the housing issue after the State Council, or the Cabinet, introduced a slew of measures to curb rocketing housing prices in the country in April.

The Ministry of Housing and Urban-Rural Development signed documents on Wednesday with all the 31 provincial, municipal and autonomous region governments, as well as Xinjiang Production and Construction Corps, to guarantee that they will fulfill the construction of much-needed housing this year.

China plans to build as many as 5.8 million affordable, low-rent houses for those with low incomes and those who now live in shantytowns, as well as to reconstruct dilapidated houses for 1.2 million rural households this year.

All projects will begin before the end of July, the ministry said in a statement.

Ministry officials said they will supervise the provincial governments' efforts to meet their affordable housing construction goals. In April, the State Council introduced tough rules to cool the red-hot real estate market after home prices rose by a record 11.7 percent in March in 70 major Chinese cities.

"Excessive gains in prices, which are mainly caused by a shortage of supply, could harm the financial security and social stability of the nation," Qi Ji, vice-minister of housing and urban-rural development, said in an online interview on May 7.

At present, many local governments rely too much on real estate and treat it as a dominant industry to increase local fiscal revenue, experts have said. However, the construction of housing for the poor has been ignored for a long time.

The National People's Congress, or the top legislature, said in a report early this year that provincial governments failed to fulfill their original affordable housing construction goals for 2009.

Qi said that local governments have the responsibilities of ensuring the availability of land and of building more affordable, low-rent housing for low-income earners.

"A responsible system will be set up to exercise effective supervision over the construction process and quality of the buildings," he said.

The efficiency of the system, however, has been questioned.

"It was an obvious signal that the central government is working hard to build housing for low-income earners, but no details on how to punish the local governments that do not fulfill their tasks has been released. It is hard to judge whether or not it is now an efficient measure," said Li Wenjie, general manager of the property agency Centaline China in the North China region.

More financial support should also be given to build low-income housing since many local governments focus their attention on developing the economy, he said.

(Source: China Daily)