

Affordable housing plan on the way

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A plan to provide more affordable housing for people on low incomes will be made public in April or May, the Shanghai municipal government said yesterday.

Liu Haisheng, director of the municipal bureau of social housing and building administration, said: "We've drafted nearly 80 versions of the plan, and have received about 3,500 letters from local people, and countless e-mails and faxes."

The plans aims to make housing more affordable to low- and middle-income families, he said.

"We will also do our best to make the process open and fair," he said.

Work began last year on the construction of more than 4 million sq m of affordable housing, and a similar amount will get under way this year, he said.

Shanghai has drawn on the experience of other countries and regions, like Singapore, Hong Kong and the UK, that have developed similar housing welfare systems, Liu said.

Some locals fear the new homes will be built in remote, out-of-town areas, making them difficult to commute to and from.

"There is not enough room to build the homes in the downtown area, but the government will try to find space in the outer ring area that has good transport links," Liu said.

The Gucui area of Baoshan district, which is on a subway line, is a possible site, he said.

Lu Qilin, deputy head of research with Shanghai Uwin Real Estate Information Services Co, said the affordable housing scheme will not affect property prices overall, but the value of existing homes located close to the new developments will likely slide.

The government is also looking to renovate the city's downtown area. Liu said.

However, before any projects are launched, officials will garner public opinion, he said.

As a result of the renovation, Lu said he expects demand to grow for properties in the mid-to-outer ring area.

"We expect to see an increase in sales of units between the middle and outer rings, but the average price in these areas will not change dramatically, as there is an abundant supply," he said.

