

# Mortgage Rate in China Has Rebounded Since the Second Half of the Year

July 2019

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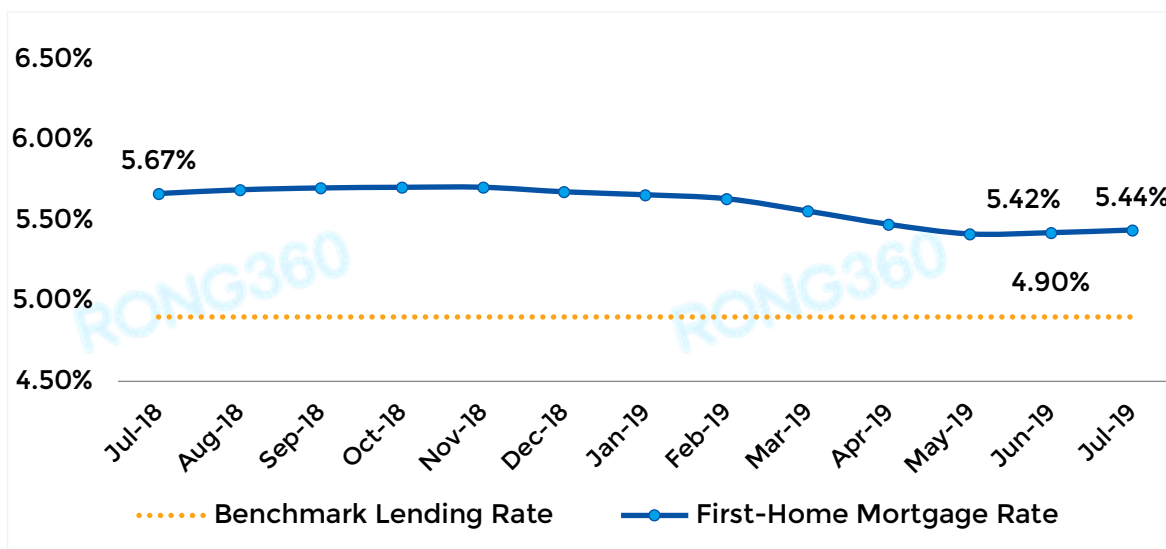
**Key Points:**

- National Average of First and Second-Home Mortgage Increased Across the Board.
- Mortgage Rates Decreased or Remained Stable Among First-Tier Cities and Generally Increased in Second-Tier Cities.
- First-Home Mortgage Rates in Shanghai Became Lowest in China while Suzhou Rose to the Top.
- As Regulations Intensify, Real Estate’s Funding Tightens with a Possibility of Having Stringent Mortgage Policies in More Cities.

## National Average of First and Second-Home Mortgage Increased Across the Board

According to data analytics by Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute, the average first-home mortgage rate of China for the month of July was 5.44% and the average mortgage rate for the second-home loan was 5.76%. Based on the data, mortgage rate in China has entered a phase of rebound since the second half of the year.

**Average First-Home Mortgage Rate Trend in the Most Recent Year**



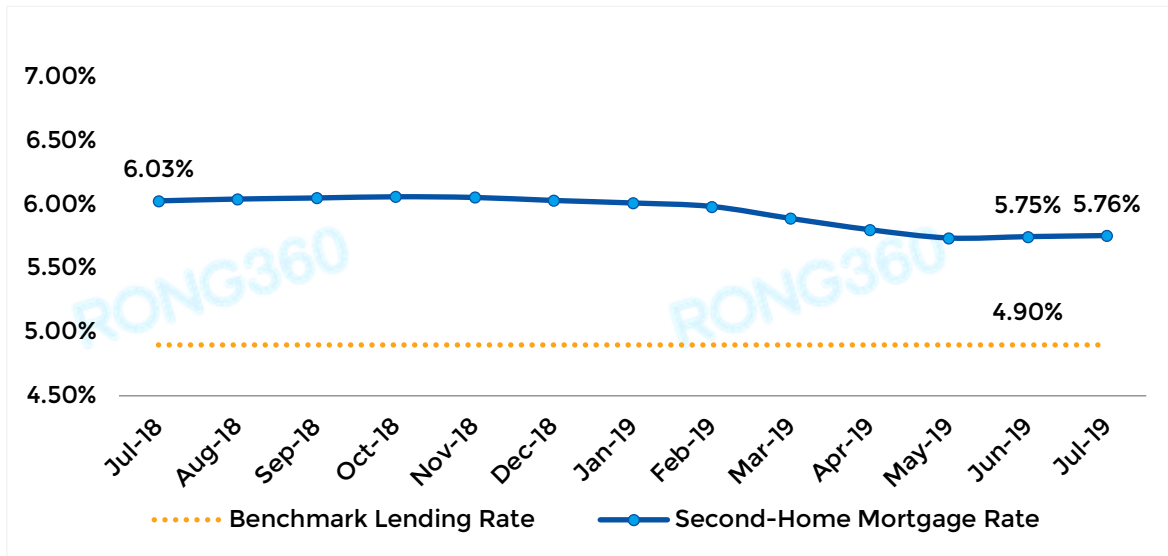
Graph 1-1 Average First-Home Mortgage Rate Trend in the Most Recent Year

Sourced from: Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute

**CONTACT :**

P. (+86 ) 010 62427068 | E. ir@rong360.com | <http://ir.jianpu.ai/rong360insights>

**Average Second-Home Mortgage Rate Trend in the Most Recent Year**



Graph 1-2 Average Second-Home Mortgage Rate Trend in the Most Recent Year

Sourced from: Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute

## Mortgage Rates Decreased or Remained Stable Among First-Tier Cities and Generally Increased in Second-Tier Cities

Among 35 cities monitored by Rong360 Big Data Research Institute, for first-tier cities, Shanghai and Shenzhen experienced a decrease in mortgage rates on a quarter-over-quarter basis; mortgage rates for Beijing and Guangzhou remained consistent compared to that of the previous month. As for second-tier cities, many adjusted their mortgage rates upwards, in which Suzhou, Hangzhou, Ningbo, Dalian, and Changsha experienced frequent adjustments. Some banks in the said cities were well below their quota and even paused their mortgage business. Haikou, Urumqi, Nanning, etc. experienced different levels of decline in mortgage rates.

## First-Home Mortgage Rates in Shanghai Became Lowest in China while Suzhou Rose to the Top

Data analytics by Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute show that Shanghai's first-home mortgage rate decreased to below-standard, exceeding Xiamen, making Shanghai the city with the lowest mortgage rate. Suzhou's mortgage rate for first-home loans was 6.03%, sharply increased by 16 basis points over the last month, and became the city with the highest mortgage and the only city exceeding 6% for first-home mortgage rates. Dalian experienced the greatest increase in July, with the mortgage rates for first-home increased 20 basis points over the last month. The top 5 cities with most drastic rise in mortgage rates were Dalian, Suzhou, Hangzhou, Ningbo and Changsha—they frequently experienced upward adjustment in mortgage rates around the start and the end of the month. data, mortgage rate in China has entered a phase of rebound since the second half of the year.

**Chart 1-1 Top 10 Cities with Lowest First-Home Mortgage Rates in July, 2019**

City	Average Mortgage Rate	Multiple of The Benchmark Lending Rate
Shanghai	4.84%	0.9870
Xiamen	4.90%	1.0132
Tianjin	5.11%	1.0433
Urumqi	5.17%	1.0117
Shenzhen	5.19%	1.0031
Harbin	5.23%	1.0074
Hangzhou	5.25%	1.0044
Zhuhai	5.27%	1.0034
Haikou	5.28%	1.0026
Dalian	5.29%	1.0015

Sourced from: Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute

**Chart 1-2 Top 10 Cities with Highest First-Home Mortgage Rates in July, 2019**

City	Average Mortgage Rate	Multiple of The Benchmark Lending Rate
Suzhou	6.03%	1.2312
Wuhan	5.93%	1.2107
Nanning	5.90%	1.2045
Hefei	5.90%	1.2038
Wuxi	5.85%	1.1933
Zhengzhou	5.77%	1.1769
Chengdu	5.64%	1.1500
Nanchang	5.64%	1.1500
Qingdao	5.64%	1.1500
Nanjing	5.63%	1.1482

Sourced from: Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute

**Chart 1-3 Top 5 Cities with Highest Increase in First-Home Mortgage Rates in July, 2019**

City	Mortgage Rate in June	Mortgage Rate in July	Amount increase (basis point)
Dalian	5.09%	5.29%	20
Suzhou	5.87%	6.03%	16
Hangzhou	5.17%	5.25%	8
Ningbo	5.41%	5.49%	8
Changsha	5.47%	5.54%	7

Sourced from: Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute

## **As Regulations Intensify, Real Estate's Funding Tightens with a Possibility of Having Stringent Mortgage Policies in More Cities**

Since the second half of the year, regulatory authority has taken multiple actions to tighten the rules regarding real estate financing among banks, trust funds, bonds, etc., in order to prevent misappropriation, indirect investments, etc., from entering the real estate market. Also in line with other policies, on one hand, banks will speed up the process of changing the credit structure in order to free up space taken by the real estate industry. More funds can thus flow into manufacturing as well as small and medium-sized enterprises, which are industries encouraged by the government. On the other hand, since stringent regulation on real estate market will not stop in the short term and the financing environment is still under pressure, more cities might establish stricter mortgage policies.

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**P.** (+86 ) 010 62427068 | **E.** ir@rong360.com | <http://ir.jianpu.ai/rong360insights>