

Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Institute: China Mortgage Rates Declined For Sixth Consecutive Month

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June 20, 2019

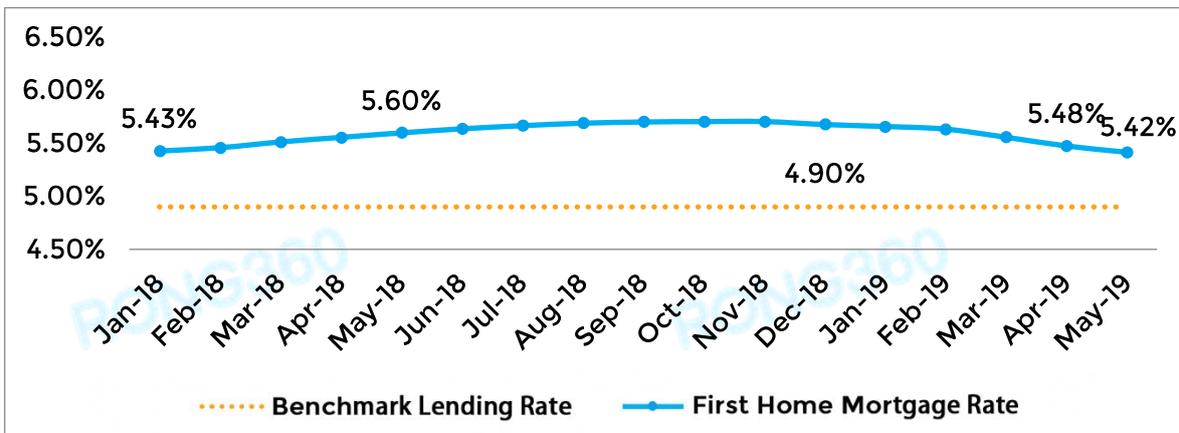
Publishing by Rong360 Big Data Research Institute

Key Points

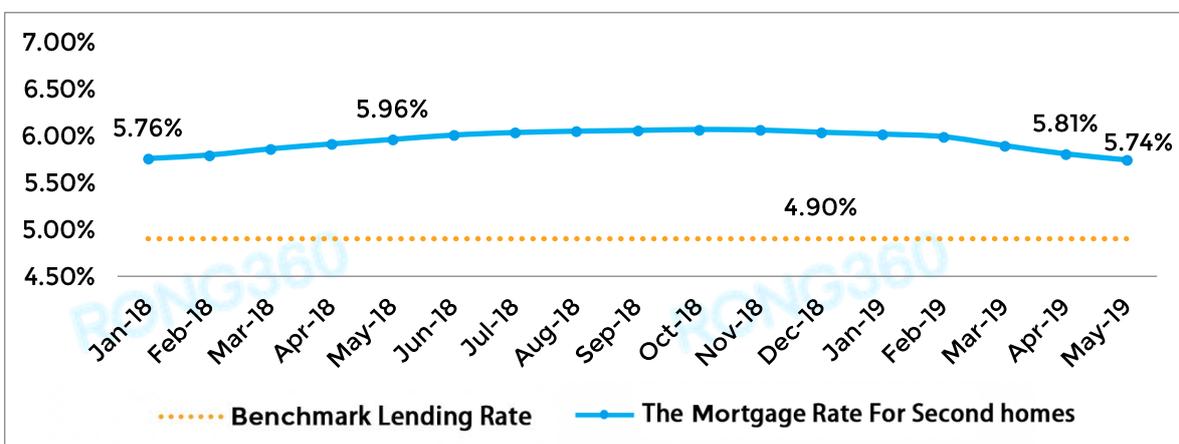
- Mortgage rates have declined for sixth consecutive months, reaching its lowest level since 2018.
- Mortgage rates adjustments among different cities vary greatly. While the mortgage rates have been slightly reduced in all first-tier cities, the situation in second-tier cities are different from one to another.
- Beijing and Guangzhou were off the top 10 list of lowest mortgage rates, while Urumqi, Shenyang and Kunming joined in.
- The downward trend of mortgage rates is coming to an end and in cities with a hot housing market, it may even start to rise.
- The price of the real estate market remains stable.

Mortgage Rates Have Declined For Sixth Consecutive Month, Reaching the Lowest Level Since 2018

The Trend of Average Mortgage Rate for First-home Loans in China Since 2018



The Trend of Average Mortgage Rate for Second-home Loans in China Since 2018



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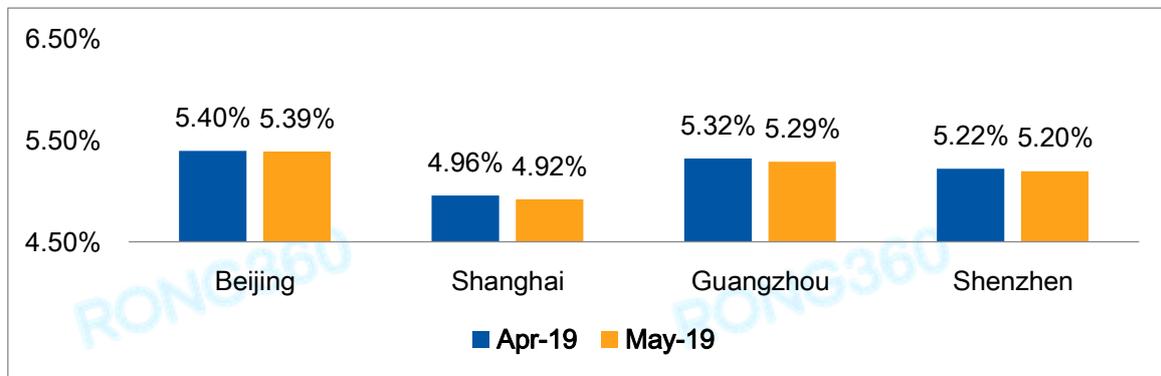
According to data analytics by Rong360 Jianpu Technology Inc. (NYSE: JT) Big Data Research Institute, the average mortgage rate for first-home loans in China was 5.42%, which is declined by 1.09%(6 basis point). The average mortgage rate for the second-home loan was 5.74%, which is 8 basis point lower than that of the previous month. After declining for six months in a row, the rates have fallen to the lowest level since 2018.

Nevertheless, among the 533 bank branches in 35 cities monitored by Rong360 Jianpu Technology Inc. (NYSE: JT), the number and proportion of banks with flat or rising levels of first-home mortgage rates increased in May 2019. 108 banks reduced their rates, dropped by 3.38% than the prior month.

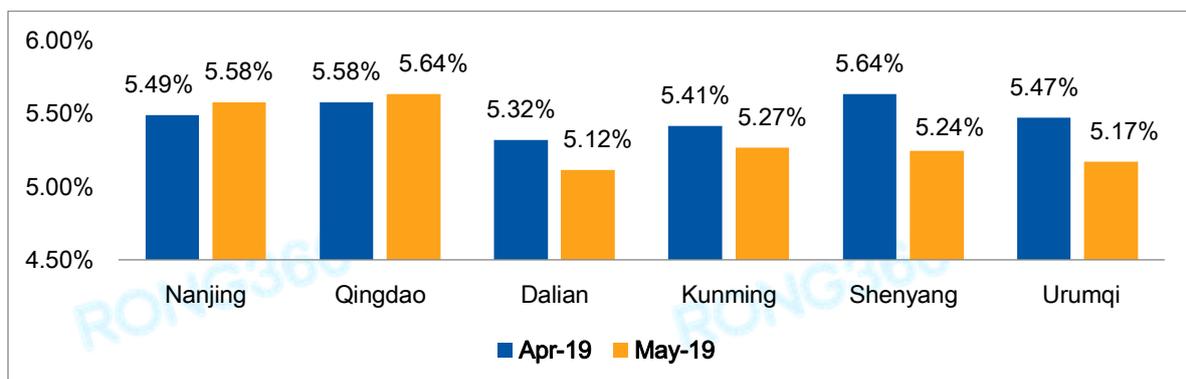
Adjustments of Mortgage Rates among Different Cities Have Obvious Differences

The national real estate mortgage rate was lower in May, but the adjustments of mortgage rates among different cities vary greatly. While the mortgage rates have been slightly reduced in all first-tier cities, the situation in second-tier cities is different from one to another. Among the second-tier cities, some whose interest rates declined sharply in prior months have remained stable or slightly declined in May, others with relatively steady rates in prior months, such as of Urumqi, Kunming and Shenyang, have largely reduced the rates in May. Meanwhile, the mortgage rates of some second-tier cities have rebounded from the bottom. In addition, several banks are quietly raising the mortgage rates in cities whose average mortgage rates declined.

Mortgage Rates for the First-Home Loan in First-tier Cities



Mortgage Rates for the First-Home Loan in Typical Second-tier Cities



Beijing and Guangzhou Were Off the Top 10 List of Lowest Mortgage Rates

Generally speaking, the mortgage rate of first-tier cities is lower than that of second-tier cities. However, data shows that Beijing and Guangzhou were squeezed out of the top 10 list of lowest mortgage rates for first-home loans. Second-tier city Haikou was also out in May 2019. Instead, Urumqi, Shenyang and Kunming were included in, with the average mortgage rates of 5.17%, 5.24% and 5.27% respectively.

City	Average Mortgage Rate	Multiple of The Benchmark Lending Rate
Xiamen	4.90%	1
Shanghai	4.92%	1.0033
Tianjin	4.93%	1.0067
Fuzhou	5.10%	1.04
Dalian	5.12%	1.0441
Urumqi	5.17%	1.0556
Hangzhou	5.19%	1.0587
Shenzhen	5.20%	1.0608
Shenyang	5.24%	1.07
Kunming	5.27%	1.075

Still, Xiamen, Shanghai and Tianjin enjoy the 3 lowest mortgage rates in China, with the average of 4.90%, 4.92% and 4.93% respectively. The rates of other seven cities were also below 5.30%.

The Downward Trend of Mortgage Rate Is Coming To an End, In Cities with a Hot Housing Market, the Rates May Even Start To Rise

The National Bureau of Statistics issued Sales Prices of Residential Buildings in 70 Medium and Large-sized Cities in April 2019. Two days later, the Ministry of Housing and Urban-Rural Development warned four cities over price rises, including Foshan, Suzhou, Dalian and Nanning.

Regarding real estate market regulation, it is generally believed that a causal relationship exists between housing prices and mortgages rates. However, the data shows no such relationship.

In fact, increasing mortgage rates is not the only means to control the overheated investment in real estate. The main tone of national policy is still "houses are for living in, not for speculation", meanwhile, each city should take measures in accordance with the local real estate market. From this perspective, it is easier to understand the data above.

Rong360 Jianpu Technology Inc. (NYSE: JT) concludes that this downward trend of mortgage rates is drawing to a close. It is likely that the average level of national mortgage rates may still decline in future, but more cities may maintain a steady rate, a few cities with overheated real estate market will even rebound.



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