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Chinese Shantytown Redevelopment

As we last discussed in our August 20th Weekly China Report, shantytown redevelopment has remained a focus of China's government this year. As we discussed in that report, data through the first seven months of this year had showed that the Ministry of Housing and Urban-Rural Development had invested a total of 990 billion yuan (\$144.3 billion) that would be used towards demolishing existing shantytowns and rebuilding 5.8 million new homes by the end of the year. At that point, construction had commenced on approximately 4.1 million of the new homes. New last week is that the Ministry of Housing and Urban-Rural Development announced that it will be lifting its targets - and spending, demolition, and construction have all been accelerating.

While no new 2018 target has been published, the Ministry of Housing and Urban-Rural Development has announced that it is now planning on rebuilding 15 million new homes by the end of 2020. It also has indicated that this target might again be lifted next year. Also of note is new data shows construction has commenced on approximately 5.34 million of these new homes. This is a 30% increase from the 4.1 million total that was seen through the first seven months of this year. The earlier 5.8 million target for 2018 is well on its way to being reached, and in fact it is now expected to be exceeded. Overall, China's central government poised to continue to roll out new stimulus measures, and shantytown redevelopment has remained a focus. Boosting infrastructure construction remains a focus as well -- and further utilizing coastal trade and enhancing and building more rail networks will receive much more investment.

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