

Box 1**The Real Estate Market Enhancement Program**

The Real Estate Market Enhancement Program proposed by the Council for Economic Planning and Development, Executive Yuan, in April 2010, was aimed at stabilizing public confidence and the property market, taking care of the lower socioeconomic class, and meeting the basic housing needs of low- and middle-income groups as well as salary earners. The measures implemented under the Program were based on the following six principles:

1. Tailor measures to the needs of localities and populations;
2. Be moderate and effective;
3. Be sound and stable;
4. Pursue social fairness;
5. Be transparent; and
6. Include relevant supplementary measures.

With these prerequisites, 21 principles and 44 measures were adopted for the Program, where they were grouped into six categories, including:

1. Balancing the supply of and demand for residential property in Taipei metropolitan areas;
2. Assisting low- and middle-income families as well as salary earners in increasing their ability to purchase or rent residential properties;
3. Providing residential property information;
4. Strengthening risk management of real estate-related loans;
5. Pursuing social fairness; and
6. Including relevant supplementary policy measures.

In what follows, categories 3 and 4 related to real estate information disclosure and finance and part of category 5 related to house and land taxation are listed in Table B1.1.

Table B1.1 Measures relating to real estate information, finance and taxation

Issues	Principles	Measures
I. Providing residential property information	1. Consolidating and periodically disclosing residential property information.	Enhancing the consolidation of the following sources of information: 1. E-house servicing internet system, MOI; 2. Housing Statistics, MOI; 3. Residential property internet system, MOI; 4. Real estate prices internet system, MOI; and 5. Real estate foreclosure information.

	2. Disclosing housing prices by the Joint Credit Information Center (JCIC).	Assisting the JCIC in setting up a real estate information platform to provide the acquired information to the MOI for further integration and announcement.
	3. Urging real estate brokers to disclose real estate transaction information.	1. Accomplishing the revision of the Real Estate Broking Management Act; 2. Implementing real estate brokers' trading price reporting systems; and 3. Regulating real estate brokers' qualifications, and their rights and obligations.
	4. Setting up an agency for disclosing residential property information on a regular basis.	Evaluating the costs and benefits of setting up a real estate agency for disclosing relevant information on a regular basis.
	5. Establishing safe and protection mechanisms for real estate transactions.	1. Announcing standard contracts for real estate transactions; 2. Announcing revised Standard Contract for Presale House to improve the transparency of presale house transactions; 3. Establishing a presale house buyers' protection mechanism; and 4. Promoting standard contracts for house leasing available at convenience stores.
II. Strengthening risk management of real estate-related loans	1. Enhancing financial supervision on real estate-related loans.	1. Enhancing on-site examination of real estate-related loans; 2. Enhancing supervisory review of capital adequacy; 3. Promoting real estate supervisory policies; 4. Improving the transparency of real estate valuation; and 5. Requiring that mortgage contracts should disclose relevant risks.
	2. Urging banks to strengthen their risk management of loans for specific mortgage borrowers.	Urging banks to take differential credit terms such as loan to value ratios, interest rates and grace periods on mortgages for investments purposes.
III. Pursuing social fairness	1. Reviewing the current house tax system.	1. Inviting representatives from city and county governments to review the current house tax system. 2. Authorizing city and county governments to review and appropriately adjust government announced house values for those areas exhibiting abnormal property price fluctuations in short periods of time.
	2. Reviewing the current land tax system.	1. Inviting representatives from city and county governments to review the current land tax system. 2. Authorizing city and county governments to review and appropriately adjust government announced land values for those areas exhibiting abnormal property price fluctuations in short periods of time.

Source: The Real Estate Enhancement Program, issued by the Council for Economic Planning and Development in April 2010.