

1978, the need to introduce market principles to land use became apparent, but it was not until 1987 that China allowed private ownership of land, which is still very restricted.

Real estate reforms were implemented on an experimental basis in a few cities at first, and were extended to the nation as a whole in 1990. The current regulations allow for "land use rights" over state property to be assigned to private interests, including foreign enterprises.

This is done in the form of leases of varying duration, generally awarded through public bidding or auction. Lease terms, which depend on location, can provide for 70-year tenure, but generally they are not longer than 50 years and often they are less.

Grantees are required to substantially develop the land before they acquire the right to

resell their land use rights. It is always advisable to check whether land use rights are "designated land use rights" or "granted land use rights," as the former can be cancelled at any time.

As a result of these reforms, a real estate market has developed for the private sale or lease of residential, commercial and industrial property. Land rights can be sold, rented, leased or mortgaged and are transferable outside China. International-standard residential and commercial real estate in big cities such as Beijing and Shanghai is among the most expensive in the world. Executive apartments in Beijing are listed by several agents in the price range of US\$2,000 to \$10,000 monthly, on the basis of one- or two-year leases.

PROTOCOL TIPS

PUNCTUALITY

Arrive for meetings and social events on time. Arriving late for a meal is considered an insult to the host.

Banquets last no longer than two hours and usually end promptly after the fruit course.