



# Recent Housing Development in China

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Tokyo, January 18, 2006

Real Estate

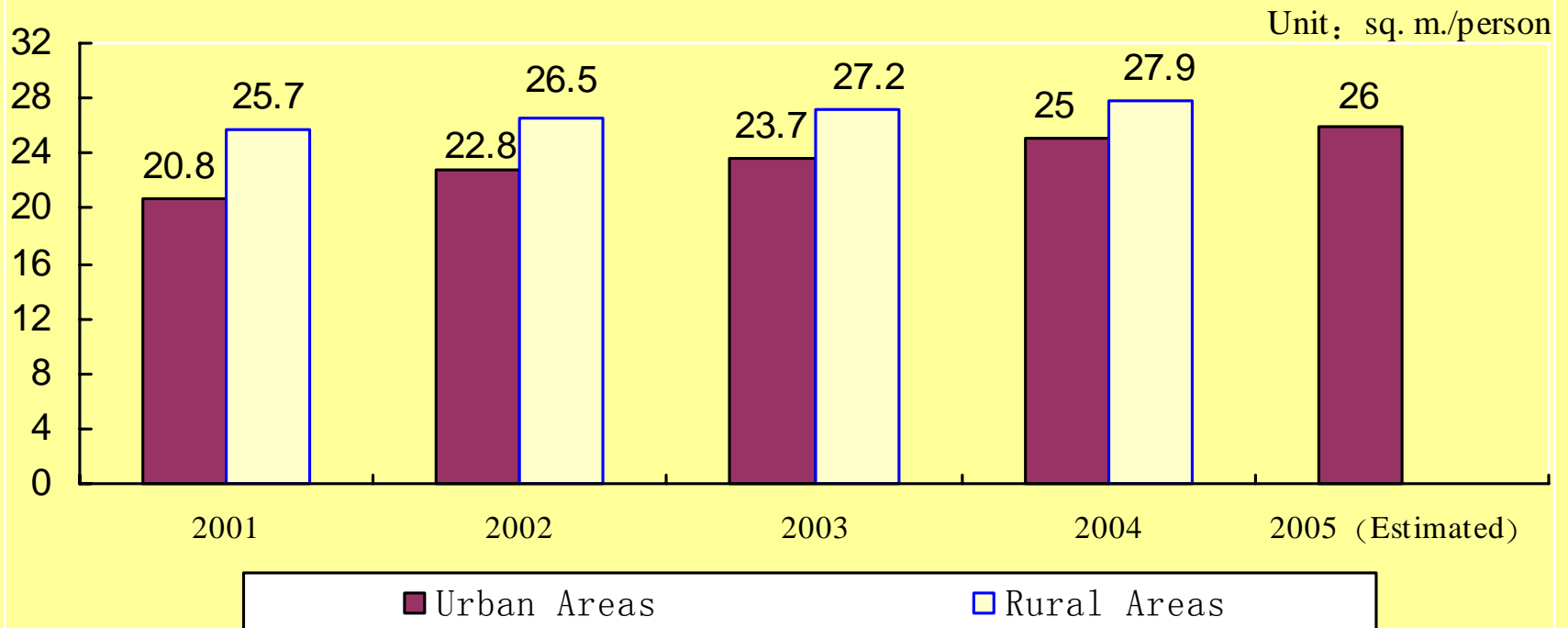


**I. Housing conditions of citizens in urban and rural areas have been obviously improved.**

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- — Steady development of residential house construction in urban and rural areas.
  - — Housing level per capita keeps increasing.

**Chart of Changes in Floor Space of House Per Capita in Urban and Rural Areas during “the 10th Five-Year Plan”**



- — The planning, design of the residential communities and building designing levels of the houses in urban areas were upgraded sharply, and the comprehensive quality of the houses was improved on all fronts with the functional quality, engineering quality and environmental quality of the houses have been improved.
- — Public facilities, such as water supply, gas supply, garbage and sewage treatment etc. have been popularized and perfected.



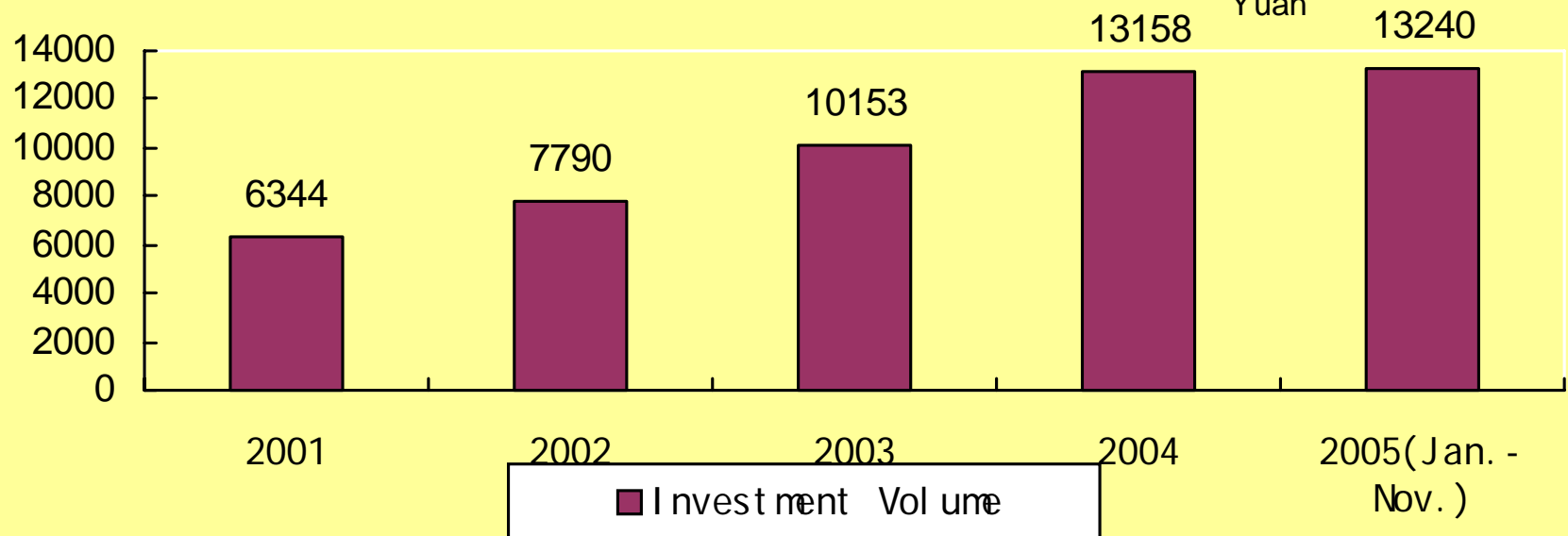
## II. Real estate market development

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- — The scale of investment in real estate market keeps on increasing. The investment for the development of real estate in 2004 was RMB 131.58 million Yuan (USD 16 million), which was 2.6 times the figure in 2000 .

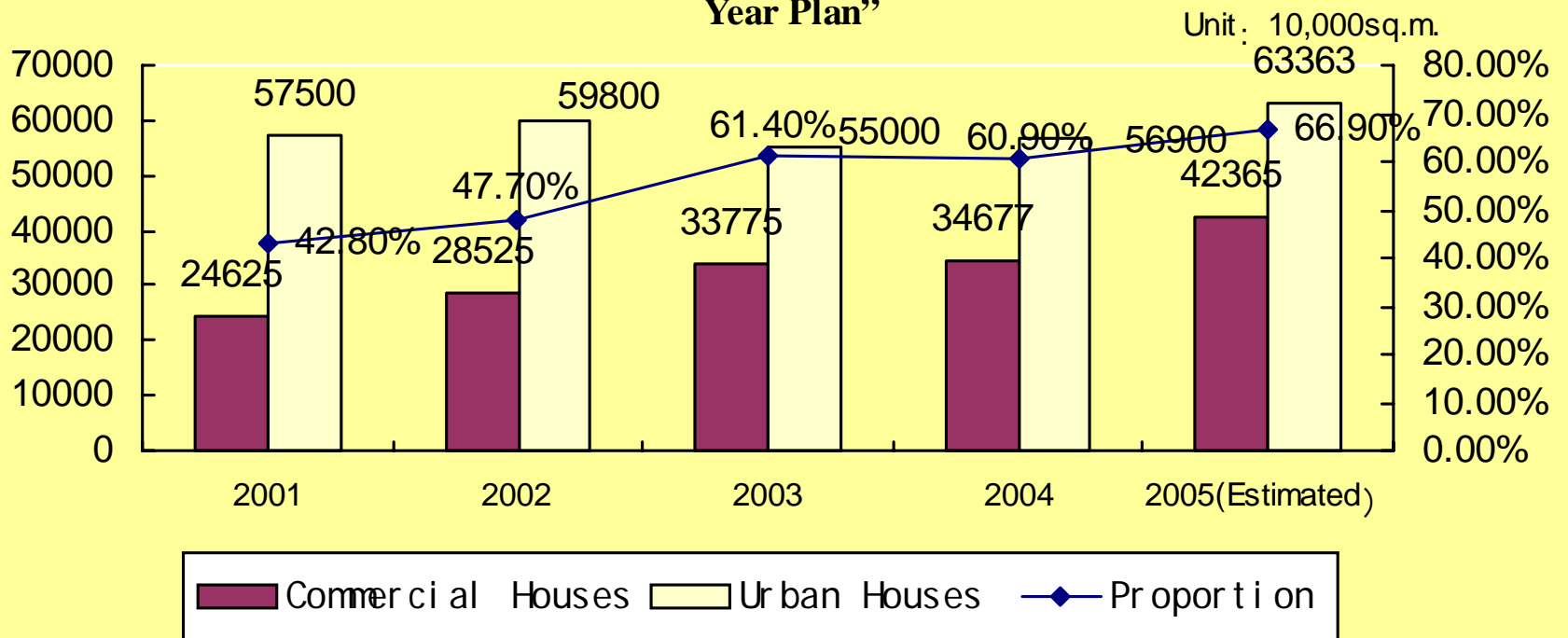
**Chart of Investment for Development of Real Estate during “the 10th Five-Year Plan”**

Unit: RMB 100 Million  
Yuan



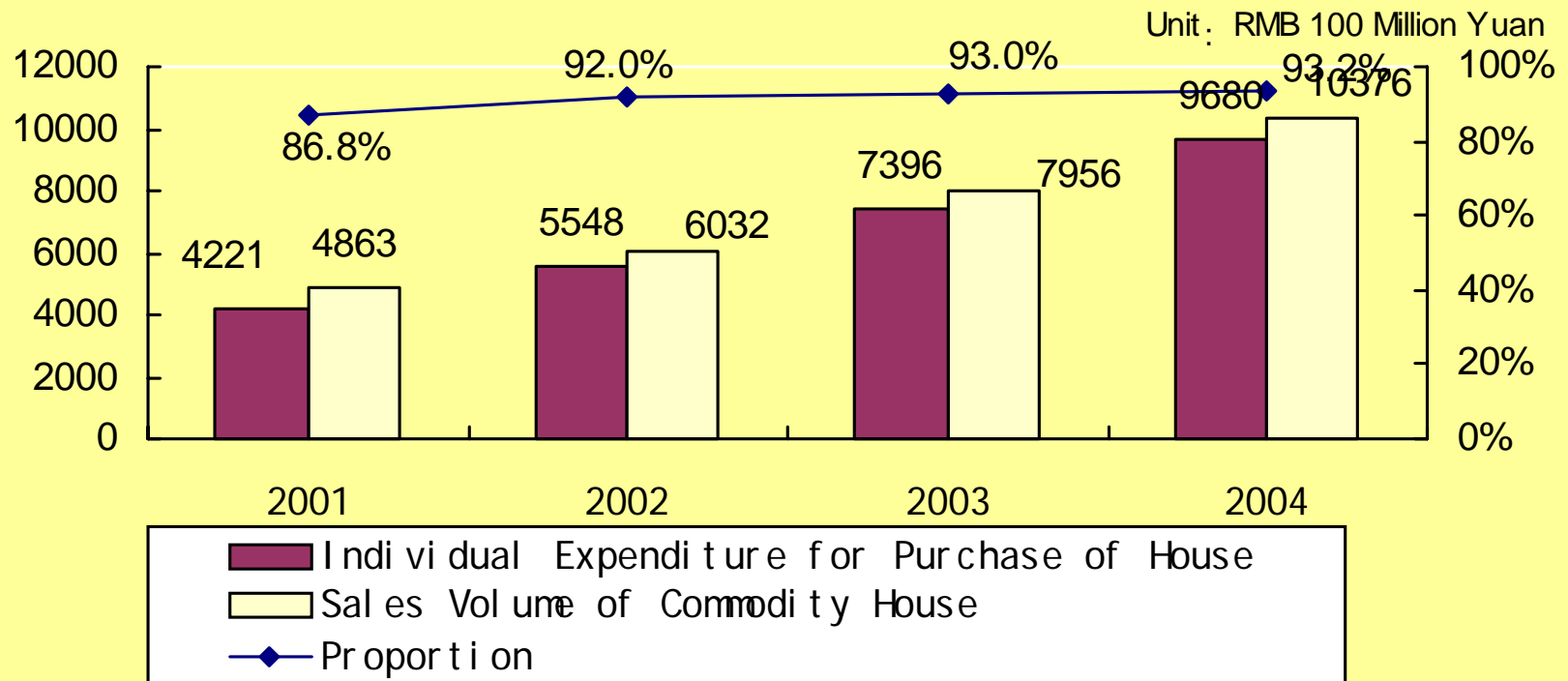
- — The marketization of real estate market has been speed up. Calculated according to the completed floor space of newly-built houses, the marketization rate rose from 38% in 2000 to 67% in 2005 in urban areas.

### Proportion of Commercial Houses in Urban Houses during “the 10th Five-Year Plan”



- — Individual House Consumption keeps on expanding. Calculated according to the sales volume of commercial house alone, the proportion of houses purchased by individual residents rose from 81% in 2000 to 93% in 2004 .

### Proportion of Individual Expenditure for Purchase of House in Sales Volume of Commodity Houses from 2001-2004



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- ——— Credit business for real estate industry developed rapidly.
  - ——— The number of employed persons in real estate development, agencies and property management exceeded 4 million.

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**III. Urban Housing Security System has been gradually developed**

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- The Affordable Housing system, Rental Housing system and House Provident system have become the central parts in the urban housing security system in China.



# IV. The Existing problems

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- — The structural contradiction between supply and demand of commercial houses is still outstanding.
- — The construction of housing security system has lagged behind to a certain extent.

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- — The industrialization of houses has been promoted slowly.
  - — The order of housing market needs to be further regulated.

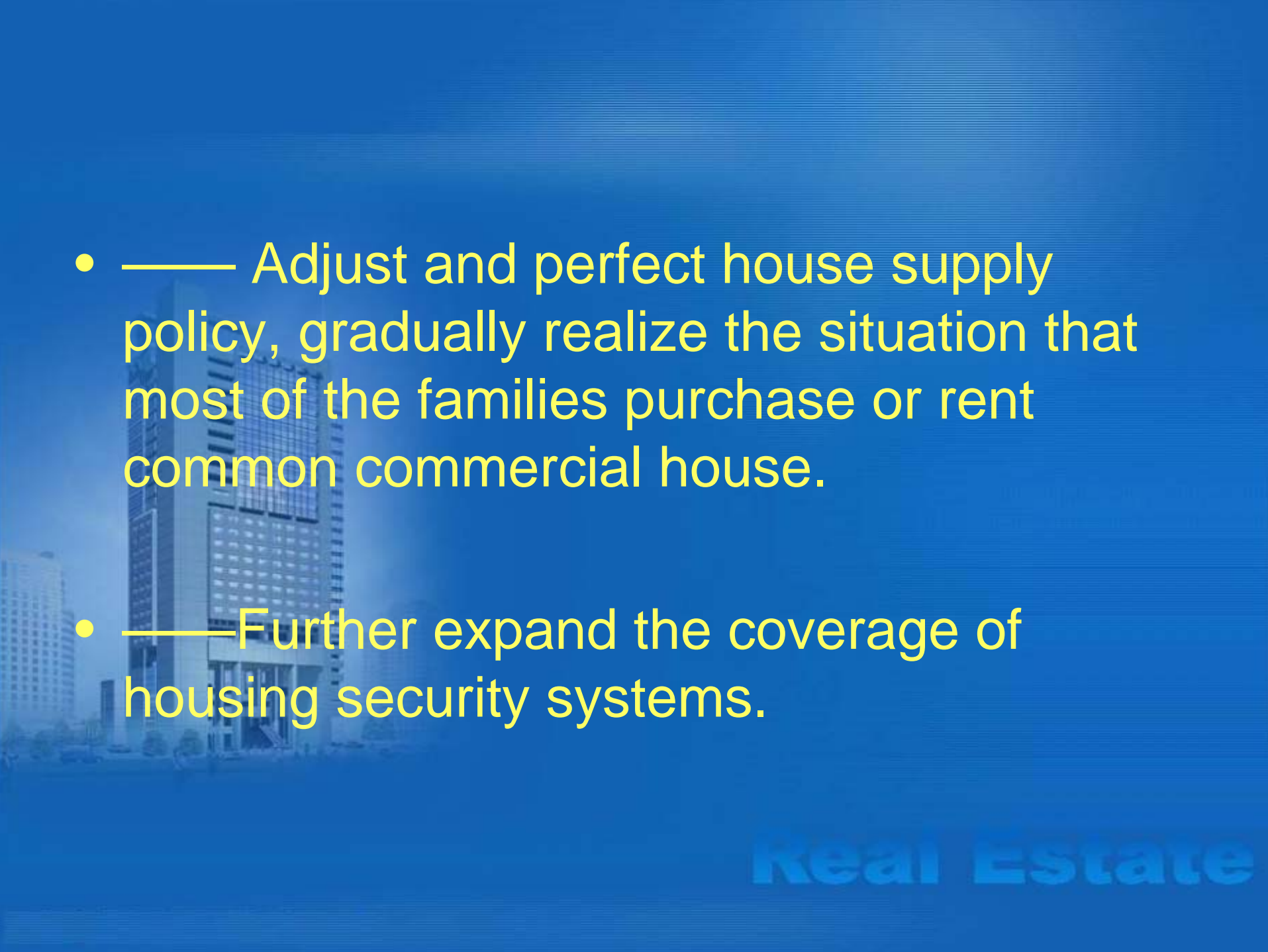
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- — There is lack of innovation in house finance.
- — There is an urgent need to strengthen management and guidance of planning and construction of houses in rural areas.



# VI. Development Direction

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- —— Adjust and perfect house supply policy, gradually realize the situation that most of the families purchase or rent common commercial house.
  - —— Further expand the coverage of housing security systems.

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- — Improve engineering quality, functional quality and environmental quality of houses.
  - — Explore pluralistic financing manners, scatter bank credit risks.

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Thank you!

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