



China's
Peaceful
Development
Series

Changes in Housing for 1.3 Billion People

Xue Kai



Foreign Languages Press



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图书在版编目 (CIP) 数据

13 亿人的住房变迁 / 薛凯著; 王琴译.

—北京: 外文出版社, 2007

(和平发展的中国丛书)

ISBN 978-7-119-05121-5

I.13... II.①薛...②王... III.住宅-房地产业-概况-中国-英文

IV.F299.233

中国版本图书馆 CIP 数据核字 (2007) 第 157302 号

作 者 薛 凯

责任编辑 余冰清

英文翻译 王 琴

英文审定 May Yee 郁 苓

内文及封面设计 天下智慧文化传播公司

执行设计 姚 波

制 作 北京维诺传媒文化有限公司

印刷监制 冯 浩

13 亿人的住房变迁

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© 外文出版社

外文出版社出版

(中国北京百万庄大街 24 号)

邮政编码 100037

北京外文印刷厂印刷

中国国际图书贸易总公司发行

(中国北京车公庄西路 35 号)

北京邮政信箱第 399 号 邮政编码 100044

2007 年(大 32 开)第 1 版

2007 年第 1 版 第 1 次印刷

(英)

ISBN 978-7-119-05121-5

17-E-3818P

First Edition 2007

ISBN 978-7-119-05121-5

© Foreign Languages Press, Beijing, China, 2007

Published by Foreign Languages Press

24 Baiwanzhuang Road, Beijing 100037, China

Website: <http://www.flp.com.cn>

Email Addresses: Info@flp.com.cn

Sales@flp.com.cn

Distributed by China International Book Trading Corporation

35 Chegongzhuang Xilu, Beijing 100044, China

P. O. Box 399, Beijing, China

Printed in the People's Republic of China

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Foreword

Housing is a basic right of citizens, as well a basic aspect of social security. It is the greatest dream of many Chinese people in their lifetime to have a safe and comfortable home or apartment. And it is the administrative goal of the Chinese government to ensure “every person has their residence.”

China is a developing country with a population of 1.3 billion people in 350 million households. With its developing economic status, it is a complex and difficult task to solve the housing problem for such a huge population. As Premier Wen Jiabao of the State Council stated: “A huge population and

- ◆ A new group of residential buildings near Beijing's 4th Ring Road.







underdevelopment are two basic conditions for China. China has a population of 1.3 billion. Any trivial problem would become a huge one if multiplied by 1.3 billion. No matter how vast the financial resources or material resources are, the per capita level would still be extremely low after being divided by 1.3 billion.”¹

To tackle the “huge problem” of “housing for 1.3 billion people,” the Chinese government has worked out a “solution.” Data released by the Ministry of Construction show that by 2005, the ratio of privately owned dwellings to the total had reached 81.62 percent; and the per capita floor space in urban areas increased from 7.2 sq.m in 1978 to 26.11 sq.m. Millions of low-income people, who used to live in shacks, dilapidated buildings and slum areas, have moved into new residences. In the last 15 years, the real estate industry has maintained an annual growth rate of 18 percent, and become one of the pillar industries in China.

It is the Chinese people who obtain the biggest benefit from the development of housing, especially low-income people. In the 1980s Deng Xiaoping, who designed China’s reform and opening-up, said that his hope was that by 2000 the per capita living space for Chinese people would reach 8 sq.m. The reality is now far greater than he had even anticipated.



1

People's Dreams Fulfilled: Eight Changes in Chinese People's Housing



◆ Renovated Sanyili Estate, Guangwai Jiedao, Xuanwu District, Beijing.

It has been nearly 30 years since 1978, when the reform and opening-up policy was carried out. Over these years, many Chinese people grew from childhood to adulthood, from youth to aging; they have witnessed the tremendous changes of this great era, and experienced the happiness brought by updated dwellings. The changes in Chinese people's housing, in some respects, have moved beyond the economic scope, and also become significant in the political and social sciences

fields. As one commentator said, when housing become residences, streets become communities, and residents become citizens, housing has changed China.

From “No Fixed Abode” to “Living and Working Contentedly”

“After our efforts over the past two decades, the number of homeless families in China’s urban areas has decreased to 156,000 accounting for 1.1 percent of total urban households.” Liu Zhifeng, Vice-minister of Construction, declared this news at an international conference in 2002.

Although there still remain a large number of homeless families in urban areas, the changes already truly mark a great achievement, in relation to the huge population of China, especially looking at the situation back in 1978, when about 47.5 percent of urban households had inadequate or even no dwellings. The achievement is more surprising given that the urban population grew from 190 million two decades ago to the present 560 million.

This is a result of the reform of the housing system in China. The reform changed the earlier situation where housing supply fell short of demand, and laid a material foundation for solving people’s housing problems.

Before the reform and opening-up policy was implemented, China used a physical housing allocation

system. Housing was considered a kind of welfare covered by the state. Employees could move in after paying a minimal amount of rent. However, the state could not bear the heavy burden; housing investments could not develop a positive cycle; new dwellings were set up at a very low rate; and all of this caused increasing numbers of the population to be without their own homes.

Since the reform and opening-up policy was carried out, the Chinese government has adopted a process where the state, work units and individuals share the burden. The funds for building dwellings came from various channels, and thus the completed floor area of urban residential buildings grew rapidly. In particular, after 1998 when the Chinese government stopped physical housing allocation and adopted a policy of capitalized housing allocation, a housing supply system combining commercial, economically affordable and government-subsidized housing was gradually established, and the floor area of urban residential buildings has been expanding in successive years. By the end of 2002, the floor area of completed urban residential buildings reached 3.4 billion sq.m, almost the total for the 50 years before 1998 put together. Meanwhile, about 500 million sq.m of dilapidated and old buildings were renovated. In early 1980s, China only constructed urban residential buildings totaling less than 100 million sq.m each year; but now the annual amount has

reached 630 million sq.m.

Another set of statistics also demonstrates the great achievement that China has made in housing. As Yang Shen, honorary president of the China Real Estate Chamber of Commerce, said, since the early 1980s China has set up urban and rural residential buildings of 24.6 billion sq.m altogether, or about 230 million residences, which has remarkably improved housing conditions for most people.

While solving housing problems for the majority of Chinese people through the use of market mechanisms, the Chinese government has also made efforts to develop the government-subsidized housing system, enabling the lowest-income group, who cannot afford residential buildings, to be able to have homes. The government-subsidized housing system is a kind of social assistance where the government provides for the lowest-income families with housing difficulties.

Huang Riliang, 48-year-old, receives minimum subsistence allowances in Nanchang , Jiangxi Province. In the past, he had no fixed abode; now, with the help of the government, he rents an apartment of 60 sq.m and has a peaceful life. When he moved into the new apartment, he was so excited that he could not sleep the whole night.

Huang Riliang said: “Since 1990, my family has moved 17 times. We used to rent any small broken-down



◆ A new housing estate with residents settled down, Yinchuan, Ningxia Hui Autonomous Region.

one-storey place, and sometimes we were driven out. I felt miserable seeing my wife and children drifting along with me.” Fortunately, in 2005, he benefited from the government-subsidized housing system, and the family moved into a large, clean and simply decorated apartment.

Nanchang is the city where the government-subsidized housing system has widest coverage among the

provincial capitals around China. Now over 7,500 households have benefited from the policy, accounting for 1.5 percent of the total households of Nanchang. This system enables many low-income urban families to have fixed abodes, effectively promoting social fairness and harmony.

From “Dream of a Dwelling” to “Dream of a Larger Dwelling”

Ye Bingfu is an ordinary employee of the 2nd Company under the China Railway 12th Bureau Group Co., Ltd. After growing up as an orphan and becoming a worker, he has moved four times in his lifetime, each time into a bigger home. Sighing with emotion, he said: “My parents died in my childhood, and I had to live in a cowshed. I became more fortunate as I got older. I should thank this good era which allows me to live in such a beautiful home.”

In 1984, his company allocated Ye Bingfu a one-storey home with one and a half rooms. For the first time, he had a home with large glass windows. In 1986, he acquired a dwelling unit with two bedrooms and one living room covering more than 40 sq.m. Ye was too excited to fall asleep that night. In 1992, his company set up a building for scientific and technological personnel, and Ye moved for the third time, into a unit with three bedrooms and two living rooms of more than