The Roles of Local Government on Affordable Housing Development in Beijing

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Background
China’s urban housing reform, starting up formally at the National Urban Housing Conference in 1980, is a by-product of political and economic reform in China that try to set up a full-fledged housing market in urban cities. Since the housing allocation system in urban China was abolished in 1998, housing market has dramatically developed in the Chinese main cities. Affordable housing, designed to have both characteristics of commodity housing and welfare housing, has been developing step-by-step under the management of local government to resolve the accommodation difficulties of urban middle-to-low income families. However, since its inception formally in 1998, this policy has been in the focus of heated debates and complaints. This research project tries to unveil the roles of local government in affordable housing development and analyze the relationships and significances of all the stakeholders in affordable housing construction. Because Beijing is the national capital and one of the hugest and most important housing markets in China, taking it as a study case can make remarkable insights to the existing literatures.

Significance of the Project
This research project is promoted from two ways: (1) questionnaire survey and interview survey; (2) literature and political documents reviews. Through the analysis from three sides including local government, housing developers and residents, as well as learning from the references, the research project firstly attempts to determine the key players for affordable housing provision and put forward their roles in theoretical level. Then by practical survey, the project explores the expectations and priorities of residents in housing consumption, especially in affordable housing consumption. Using the analytical results from both theoretical and practical ways, this project will try to determine the stance of local government and how they should behave and respond to increasing demand for affordable housing units. This research is of particular added value to the existing body of knowledge and understanding about the roles and functions of local governments in affordable housing provision, by using the identifiable good practice and recommended guidelines that can be adopted by other major cities in China. Moreover, the demand and provision of housing market has also been analyzed in this research, which will provide some recommendation for housing development in Beijing.

Aims and Objectives
The purpose of this project is to explore the problems of affordable housing development in urban China, to provide a better understanding of the critical success factors that govern provision of affordable housing, and to make recommendations by using the identifiable good practice and recommended guidelines that can be adopted by other major cities in China. The objectives can be summarized as follow:

(1) To examine the stated housing demand and expectation of households in Beijing, especially to examine the demand and expectation on affordable housing.
(2) To review the developing process of affordable housing in Beijing, especially to review the existing roles of the local governments, including successful experiences and critical shortages.

(3) To explore the problems of affordable housing development and to find the key point to solve the problems.

(4) To examine how the other key players and stakeholders of affordable housing development are affected by the positioning and behaviour of the local governments.

(5) To recommend good practice and guidelines so that the local governments could perform efficiently in the affordable housing markets in Beijing, as well as in other major cities in the China Mainland.

**Outcome and Deliverables**

This research will make a comprehensive review and analysis of the housing market and affordable housing development in Beijing. Moreover, it will provide valuable recommendations and practical guidelines to seek for the most appropriate approach and actions to be taken by local governments in order to satisfy the increasing genuine demand for affordable housing in Beijing. The significance and value of this research is that the experience of housing provision in Beijing can demonstrate a showcase for the rest of China, particularly to those major cities. The research results will particularly provide findings useful for affordable housing development in Beijing and widely applicable throughout China as well.

**Benefits to Community / Government**

The project is of high social significance. The survey statistical data will check up the theoretical research results on housing market in Beijing from both the provision and demand sides. Moreover, it will reflect what really affects residents’ decision on affordable housing consumption and give residents’ responses to affordable housing policies. In essence, this research will help local government officials in better development and implementation of affordable housing policies and providing affordable housing productions. The research results are also beneficial to the following parties: (1) Housing Commissions who will gain a better understanding about the level of genuine demand for affordable housing; (2) private housing developers who will be made more aware of the priority, and preferences of the potential buyers for housing, particularly affordable housing in making home purchase decisions; (3) the Housing Reform Committee of the State Council will have a better understanding of the housing system and the ways that local governments should operate, so that appropriate affordable housing policies and guidelines can be formulated in order to ensure the smooth operation of the affordable housing market and to support the housing reform in China.