

# Analysis and Research on the Operation of the Real Estate Market in Tai'an City and the Impact on the Lives of Urban Residents

Jie-Fang Wu, Jiao-Jiao Zhao, Jing Lei  
School of Mathematics and Statistics, Taishan University, Tai'an 271000, China

**Abstract**—Aiming at the current situation of the real estate market in Tai'an, this paper analyzes and discusses the impact on the consumption and life of urban residents, the problems and causes of the real estate market, and puts forward targeted policy suggestions for the healthy development of the real estate market in Tai'an, so as to promote the stable and healthy development of the real estate market in Tai'an.

**Index Terms**—Real estate market; urban dwellers' lives; willingness to buy a home; Government policy

## I. INTRODUCTION

In the face of the continuous prosperity of the real estate market, the low consumption rate of Chinese residents, the difficulty of ordinary people to buy houses and other multiple difficulties, the real estate market in Tai'an City is facing the adjustment of the survival state of entering the accelerated stage of real estate. Real estate analysis and research is the key to the rational development of real estate. Both the government and investors hope to determine the trend, demand, supply and corresponding rental price of the residential industry in the future through the analysis and prediction of the residential market, so as to make correct project decisions and make more reasonable use of resources and obtain greater profits.

## II. THE IMPACT OF THE REAL ESTATE MARKET ON THE CONSUMPTION AND LIFE OF URBAN RESIDENTS

### (1) Real estate wealth effect

When the price of real estate rises, residents who hold real estate subjectively feel that their total wealth rises, and when the owner of the property does not sell the real estate or cash in the appreciation of real estate wealth through means such as mortgages, this increase in wealth creates the illusion of wealth in the minds of consumers. This illusion of wealth directly affects consumer confidence and, in turn, their consumer spending. In addition, the trend of rising real estate prices indicates a good momentum of economic development, consumers will psychologically generate an expectation of future income growth, and real estate owners will also have an expectation that house prices will continue to rise, thereby promoting consumer spending.

### (2) Real estate crowding out effect

For consumers who are interested in buying a home, higher

home prices mean that they have to save for a higher down payment and pay more mortgages in the future. When the income and savings of such consumers are not enough to pay for rising house prices, their pressure to buy a home increases, and they can only choose to lower consumption standards and reduce current consumption expenses in order to accumulate funds and prepare for future home purchases. Therefore, the impact of rising real estate prices on such consumers is mainly a substitution effect, and residents spend or store most of their income for housing consumption, which inevitably inhibits other consumption of residents.

### (3) Tai'an residents buy houses and consume

The economic ability of the vast number of low- and middle-income groups with potential housing purchase demand cannot afford the high housing prices of high-end housing, and the supply of housing within their affordability cannot reach the demand quantity. The potential demand without the ability to pay cannot really be transformed into effective demand, the real estate market supply and demand structural imbalance, house prices rise far faster than the rate of residents' income growth, resulting in insufficient purchasing power of residents' independent demand, while crowding out residents' normal consumption expenditure, which largely restricts the effective play of China's real estate wealth effect, and inhibits residents' consumption as a whole. Therefore, it is necessary to rely on the credibility of the government to ensure the stability of the real estate market, control house prices at a reasonable price, and gradually eliminate people's psychological expectations that house prices will continue to rise.

## III. PROBLEMS IN THE REAL ESTATE MARKET IN TAI'AN

### (1) The real estate-related system is unreasonable

In the survey, it was found that some management systems of the real estate market in Tai'an City are not standardized, the housing structure system is not perfect, and the structural problems of housing still exist. At present, the land supply system in Tai'an City is not perfect, and the supply of housing land is in an incomplete and orderly state; The supply structure of commercial housing is not reasonable, and the small and medium-sized ordinary commercial housing and affordable housing suitable for low- and middle-income families have failed to meet the demand.

### (2) Insufficient government supervision

In the case that local governments cannot effectively regulate the market mechanism, local governments must perform all their functions to compensate for the shortcomings of the market in the public sphere. Once the market competition mechanism is introduced, we cannot take a laissez-faire attitude towards it, otherwise there will be irregular economic operation methods, causing the unfairness and efficiency of the market economy to be out of balance, and then threaten social stability. [6] examined the development and refinement of possible mathematical models for the intellectual system of career guidance. Mathematical modeling of knowledge expression in the career guidance system, Combined method of eliminating uncertainties, Chris-Naylor method in the expert information system of career guidance, Shortliff and Buchanan model in the expert information system of career guidance and DempsterSchafer in the expert information system of career guidance method has been studied. The algorithms of the above methods have been developed. The set of hypotheses in the expert system is the basic structure of the system that determines the set of possible decisions of the expert system. This set, which is crucial in decision-making, should be sufficiently complete to describe all the possible consequences of situations that arise in the subject area. Therefore, it is important to improve the mathematical models of the intellectual system of career guidance. [7] discussed that according to the observations in this paper, an existing mathematical model of banking capital dynamics should be tweaked. First-order ordinary differential equations with a "predator-prey" structure make up the model, and the indicators are competitive. Numerical realisations of the model are required to account for three distinct sets of initial parameter values. It is demonstrated that a wide range of banking capital dynamics can be produced by altering the starting parameters. One of the three options is selected, and the other two are eliminated. The model is generalized taking into account fractional derivatives of the bank indicators for time, reflecting the rate of their change. Based on numerical calculations, it is established that reduction of the order of derivatives from units leads to a delay of banking capital dynamics. It is shown, that the less the order of derivatives from the unit, the more delay of dynamics of indicators. In all analyzed variants indicators at large times reach their equilibrium values.

(3) It is difficult for government work to form synergy

The real estate market involves land, finance, finance, construction, industry and commerce, taxation, banking and other departments, and the regulation and control of the real estate market should be unified after all departments reach a consensus. At present, Tai'an City has not established a linkage mechanism for various departments to regulate the real estate market, and the policy measures of each department are issued in a straight line, and each department often formulates policies from its own perspective, and the phenomenon of market multi-head management is serious, so that the implementation of policies cannot achieve the desired effect.

(4) The real estate-related security mechanism is not perfect

In Tai'an, although the government has issued relevant documents for the provision of affordable housing in real estate, policy regulation and public rental housing in the process of real estate development, the relevant documents cannot effectively provide effective protection for the real estate market and the people, on the other hand, there are also some documents that are not implemented and implemented in place, and cannot really effectively provide guarantees.

#### IV. ANALYSIS OF THE CAUSES OF THE PROBLEMS IN THE REAL ESTATE MARKET IN TAI'AN

##### (1) Analysis of institutional factors

###### 1) External factors

The external losses caused to the local economy cannot form a hard constraint on local government departments and officials, making them lack the fundamental motivation to implement real estate regulation and control policies. The tax contribution rate of the real estate industry is relatively high, and local government departments and officials often adopt the strategy of connivance and house price encouragement for the real estate industry. The implementation cost of real estate regulation and control policies is high, and the policy implementation experience of local government departments is very limited, resulting in low implementation efficiency of regulatory policies.

###### 2) Internal factors

Regulatory policies are transitional intervention in the market, the regulatory policy goals of various departments are conflicting, the implementation of regulatory policies is not enough, Tai'an municipal government in the regulation of the real estate market often fall into a dilemma, not only want to stabilize real estate prices in accordance with national requirements, but also do not want to cause market shrinkage due to regulation, affecting the speed of local economic development and fiscal revenue.

##### (2) Analysis of government regulatory factors

The Tai'an municipal government has not invested enough in the construction of real estate market informatization, and buyers are often misled by false information released by development enterprises, which may eventually lead to rush to buy and raise prices. The real estate market regulatory system is not perfect, and due to the lack of supervision, real estate enterprises often play the edge of the law or even cross the red line. The Tai'an municipal government does not have a unified and effective management model for the housing rental market, and the government's registration and supervision of private rental housing are not in place, resulting in the lessee being unable to obtain more assured leasing information from relevant departments or institutions.

(3) The relevant work of the government has not yet formed a synergistic factor analysis

The work between various government departments is not coordinated, the clear division of labor between the Tai'an municipal government and the real estate market has not been refined, and many responsibilities that the real estate market

should play are also led by the government, and the government and the real estate market have not yet formed a joint force. Tai'an City is strengthening departmental linkage, and the supervision of real estate, construction, land, prices, industry and commerce, public security and other relevant departments in performing their own duties, information sharing, and work linkage still needs to be improved.

#### V. POLICY RECOMMENDATIONS TO PROMOTE THE HEALTHY DEVELOPMENT OF THE REAL ESTATE MARKET

(1) Pay equal attention to improving land use management and strict access mechanisms, and limit increments

##### 1) Strengthen planning support

It not only takes the whole city as a unified and reasonable plan, but also fully demonstrates the actual situation of each area, improves and strictly implements the detailed control plan of important areas according to the district's policies, and strengthens the guidance of planning for land transfer, urban construction, relocation and transformation, and urban management. Strict planning control, in view of the serious backlog of local shops, in terms of the ratio of commercial and residential buildings, resolutely control the development and construction of shops along the street, and resolutely implement important indicators such as green space rate, floor area ratio and building density in the control of red lines, so as to create a beautiful and livable environment.

##### 2) Optimize land management

Scientifically formulate land supply plans, reasonably control the rhythm of land listing, and suspend the use of new construction land for the development and construction of commercial housing under the objective situation that the current urban land transfer has a large undeveloped stock. Optimize the layout of land supply, and make overall arrangements for the scale and layout of land supply in accordance with the principle of favorable supporting construction and convenient property management, especially for remote areas where some infrastructure and supporting facilities are difficult to cover and lack the real economy.

##### 3) Control the entry threshold

Strengthen the market access management of real estate development enterprises, and set corresponding qualification access conditions. Actively introduce large-scale real estate development enterprises, encourage them to participate in urban real estate development through brand output and cooperative development, and promote the updated concept and standard development of the real estate industry in the entire region. At the same time, enterprises that have been lowered in their real estate development qualification level should not be introduced as much as possible, and enterprises with serious violations of laws and untrustworthiness will be added to the blacklist, and resolutely not introduced.

##### 4) Establish an administrative accountability system

To implement the leadership accountability system, local governments and relevant departments must fulfill the accountability of local governments and departments that are

unable to implement central management policies and measures. It is only when local governments acknowledge their responsibilities and correct their behavior that they realize that government is incompatible with the people and the functions of the government.

(2) Updating the supply structure and improving inventory quality to expand sales

##### 1) Rational adjustment of structure

Accurately grasp the current characteristics of "structural excess and structural shortage" in real estate, in addition to the prime location in the central area, guide enterprises to reduce the supply of high-rise buildings and increase the supply of elevator houses. On the basis of absorbing the successful experience of real estate, increase the publicity of finished housing, encourage and guide real estate development enterprises to adjust and build some commercial housing projects into finished housing, so that finished housing with integrated construction and decoration and standardized residential parts can widely enter the market to meet the needs of buyers to "move in with their bags".

##### 2) Improve the quality of new homes

Guide developers to effectively improve the quality of commercial housing supply, and develop from second- and third-generation houses that build houses, re-green, and make supporting facilities to fourth-generation houses with high-quality living environments. Encourage newly developed real estate to fully learn from Vanke, Greenland and other advanced real estate development concepts, and emphasize the combination of green building and architectural aesthetics in terms of architectural form.

##### 3) Improve the condition of old houses

Encourage developers to cooperate with the government to improve public resources such as transportation, commerce, education, medical care, and entertainment inside and outside slow-selling real estate. Supervise and support development enterprises to increase investment, change the structure of housing according to market demand, and adapt to the current needs of the masses.

(3) Improving the quality of cities and releasing favorable policies to improve the stock

##### 1) People-oriented to promote rigid needs

In line with the strong call of the masses to improve living conditions, continue to steadily promote the transformation of old cities, strictly implement monetized resettlement, further leverage the rigid demand for indigenous housing improvement, and stop the construction of new relocation housing, affordable housing, public rental housing and other affordable housing. To support farmers to move to cities and foreigners to buy houses in urban areas, local governments should formulate and improve relevant documents to attract young talents.

2) Further optimize housing purchase channels and services

Coordinate with banks to change the regulations on second-hand housing transfer loans, abolish real estate appraisal reports, and change the loan amount calculated based on real estate appraisal reports to the loan amount calculated according to the transaction deed tax calculation

price. Relying on the existing local real estate network foundation, further improve the second-hand housing transaction and supervision network platform led by the government and participated by lending banks, encourage residents to conduct independent transactions through the platform, reduce the intermediary fees of second-hand housing transactions, and further reduce transaction costs. Increase the maximum loan amount of the housing provident fund for dual-income workers, accelerate the implementation of various preferential policies for housing purchase by the People's Bank of China, the Ministry of Housing and Urban-Rural Development, and the China Banking Regulatory Commission, speed up the approval procedures for housing loans, and increase support for credit loans for housing purchases by non-local household registration personnel when policy conditions permit, so as to ensure the amount of housing loans.

## VI. CONCLUSION

The real estate industry has become a pillar industry of the macroeconomy in China and an important growth point of China's economic development. The healthy development of the real estate market is conducive to solving the housing problem of residents, helping to stabilize housing prices, and ultimately promoting economic development, therefore, the development of the real estate market is not only an economic problem, but also closely related to politics, society, law, etc., not only with economic attributes, but also with important social attributes.

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- Jie-Fang Wu** received the M.S. from Shandong University in 2009. She is an associate professor at Taishan University. Her research interests include educational administration, teaching management. Email: wjf557@163.com.
- Jiaojiao Zhao** received the Master of Applied Statistics from Hebei University in 2018. She is now an assistant at Taishan University. Her research interests include educational administration, teaching management. Email: zhaojiaojiao2017@163.com.
- Jing Lei** (corresponding author) received the B.S., M.S., and Ph.D. degrees from Ocean University of China, in 2003, 2007, and 2010, respectively. She is a professor at Taishan University. Her research interests include educational administration, teaching management. Email: elizabethia@126.com.