

Shallow Discussion of Commercial Housing Inventory Problem

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Abstract: With the continuous development of the real estate industry, real estate inventory problem is becoming more and more serious. On November 10, 2015, Xi Jinping, the general secretary stressed to resolve real estate stocks, to promote the sustainable development of the real estate industry in the central finance leading group meeting. We must awake to realize the present status of the inventory in China, to find the cause of the inventory, and to take active measures to fight this battle guaranteeing the normal development of the real estate industry and national economy.

Keywords: Commercial residential building; Inventory; Causes; Measures

1. Introduction

Real estate industry, the big cake that attracts more and more attention in recent times with a rapid economic development. At the same time, blind investment on the real estate market has increased ,resulting in that the supply is more than demand, real estate stocks boomed, which also attracted attention from all areas. decreasing inventory of the real estate industry has become an important work of this year ,accompanied by a series of macro-control policies. Dissolve property inventory can not only make the sustainable and healthy development of real estate industry but also can promote the healthy and orderly development of other industries related to the real estate industry.

Definition of inventory. The definition of inventories in China's real estate stocks is divided into narrow and broad two kinds. The narrow one refers to completed homes on sale, The current real estate development statistics of commercial housing sale area; Generalized inventory refers to the sum of ready inventory and faster in-

ventory, namely increasing the forward delivery housing for sale on the basis of the narrow one (refers to the meters of the commercial housings that have not yet been completed but has been permitted to presale, available for sale or lease[1]. The housings those do not have both construction and sale license are not taken in consideration here.

2. Condition of Inventory

Under the influence of a series of macro-control policies of our country , the condition of the estate market of our country becomes better. The growth rate of real estate blind investment capital and inventory quantity growth fell. The real estate investment growth rate is 10.5% in 2014, only 1% in 2015.in March of this year is 6.2%, far lower than the growth rate of 20% ~ 30% in previous years . But overall the inventory quantity is still huge in our country, obviously the task to decrease will still go a long way. The Condition of estate inventory is shown as Table 1.

Table 1. The Condition of estate inventory

years	Narrow inventory meters	In narrow sense to cycle	broad inventory meters	Generalized to cycle
2008	18713	3.5	111890	20.5
2009	19987	2.5	122134	15.6
2010	19352	2.3	127000	14.4
2011	27354	3.1	171523	18.9
2012	36500	3.9	226435	24.5
2013	49356	4.6	251141	23.2
2014	62169	6.2	304779	30.2
2015	71752	6.6	322972	30.2

Our country commercial housing inventory still has the character that huge difference exist in different regions, different cities . Overall ,70% of the stocks in China are mainly concentrated in three or four line city where economy is not developed, but 70% of the 270 million

migrant workers is concentrated in the economically developed second-tier cities, so our inventory pressure is more focused on three or four line cities where economy is not developed.

3. The Main Reason for the Inventory

In the second-tier cities ,housing prices are high, far more than ordinary residents' income, the housing price to income ratio is so high that most ordinary people can't afford to buy a house, and this is the main cause of the high inventory in second-tier cities; the main reason of too much inventory in three or four line cities is the excessive housing development, far exceeding the residents' consumption demands and making the supply greater than demand. Although the main reason causes the housing inventory in the second-tier cities and three or four line cities ia different , we can consider the cause of the inventory from the following several aspects :

3.1. The downturn of macro economic

Influenced by the international financial crisis, China's GDP growth fell to 7% last year, each industry of the whole society perform poorly, people's income was also affected, the real estate sales were impacted directly, sales decreased obviously, inventory increased. Although recently affected by a series of national policies, sales have rebounded, but inventory is still large.

3.2. Rapidly blind expansion of city

Some cities lacked of reasonable planning in the development process , with no scientific concept of development, pursuit of one-sided speed of construction of city , the duty leads excessively pursuit of vanity projects, without taking the local limited housing demands into account .the newly built commercial housings are excessive and fast that is inconsistent with the city's economic development level, but also far more than the needs of residents, causing a lot of excess supply, a large number of newly built commercial housing are difficult to sell, and are in a state of inventory at present. The several cities with a large inventory is shown as Table 2.

Table 2. Several cities with a large inventory

Cities	Inventory meters (Thousands of square meters)
Shanghai	1266.90
Beijing	1071.89
Nanjing	664.97
Wenzhou	479.71
Hefei	455.94
Hangzhou	434.60
Shenzhen	374.63
bengbu	238.56
huizhou	233.64

3.3. Excess construction of commodity housing

One of the important reasons for commodity housing inventory is that the supply of affordable housing construction is excessive and it has become an important

driving force to raise inventories. These housing include affordable housing, low-rent housing , and those are built after demolition. In recent years, the housing is on the construction way of large-scale, high speed, having the trend of supply beyond demand. At the same time, some affordable housing facilities are not perfect, uninhabitable, resulting in a large number of inventory, but it didn't reach the purpose of the construction of affordable housing at all; A part of affordable housing , especially demolition is not built according to the needs of different people, causing a lot of housing can't satisfy people's needs and people don't want to live, all this series of behaviors will result in the increase of the commercial housing inventory.

3.4. The imbalance of the level of economy development

Seventy percent of inventories concentrated in three or four cities in our country, as the hardest-hit area of inventory , the intrinsic reasons are level of those city's economy development,. the lack of appeal to people. The economy of the coastal areas and a line of second-tier cities is more developed, the urbanization level is higher, more favorable conditions to attract migrants to settle down, so compared with three or four line city, the floating population is larger ,and a large number of population flows make more commercial potential consumers, so three or four line city inventory is more serious than these cities.

4. Means and Methods to Decrease Inventory

Due to the regional, so the different parts of the commercial housing also have different inventory ,and the main causes of the inventory are different, so we should adjust measures to local conditions. firstly, we should understand inventory status and reasons in this region, then according to different regions, different situations, take different measures. As an important work in the real estate market in 2016, decreasing inventory must attract enough attention of related departments, we should take practical actions, put forward concrete measures and methods to decrease inventory. In view of condition of current inventory in China, on the premise of "adjust measures to local conditions", in general we can take following aspects to decrease inventory.

4.1. Control the supply of land

The government should strictly control the land supply to build the new commercial housing, this is the way to digest inventory from reducing supply . For inventory areas, the government should be more strict on commodity land examination and approval, strictly control the total lands the region real estate development land supply strict control the total scale of land use . Intensify the

intensity of idle land disposal, for the unused land more than construction development period 1 year less than 2 years, charge land unused cost according to regulations, for those more than 2 years, in accordance with the law to recover, make market allocation again.

4.2. Actively promote monetized resettlement policy

Actively promote turning shantytowns into new housing areas, and improve the manner to transfer the shanty towns to settle residents, to realize the relate inventory decrease with turning shantytowns into new housing areas and affordable housing construction. Buy some stock building through the way of government investment or the introduction of social capital, making it a part of the shanty towns transformation and the housing .At the same time , reduce the development of new commodity housing. Actively promote the monetized resettlement policy, the government should build less affordable housing and housing as far as possible , implementing monetary subsidy policy to the residents , making themselves buy or lease commodity housing with the subsidy. Through the way can not only improve the efficiency of resettlement but also satisfy the needs of people in the transformation zones to the maximum limit. Use the commercial housing as affordable housing or housing through government investment ,or government provide subsidies for this part of residents. It is an important way to decrease inventory that residents rent or buy a commodity house with government paying .

4.3. Encourage migrant workers and farmers into the city to buy a house

As an important part of cities, rural migrant workers and farmers play an important role in the process of construction and development, but they are not the main force to buy a house because of the limits such as capital ,society subsidy ,the education of their children and son on. Countries can encourage migrant workers and farmers to buy a house into the cities through reforming the household registration system, making them have urban account, can enjoy some social welfare as well as other citizens and making their children receive the same education condition as city children. Besides, give them more favorable conditions when buying a house, such as preferential interest rates, housing subsidies, etc., to encourage more and more migrant workers and rural mi-

grant workers to buy houses, further digesting the inventory.

4.4. Promoting the mode of Internet & real estate marketing

With its unique characteristics, the Internet optimize and column deploy and intensive process of all kinds of factors in the market, in order to realize the high integration of various data [3]. Internet &real estate marketing model combines the Internet and real estate effectively, showing the characters of commercial housing all-round, multi-level to the consumers, overcoming the singleness and inefficient of traditional sales models. Consumers can fully understand their loved ones home through the network, can also communicate with the seller and other consumers. The flow of information is more convenient and also not be restricted by time and space, making consumers have a better understanding of houses, consumers can even design their own family patterns on the Internet, which are beyond the traditional marketing models. The investment cost of Internet &real estate marketing model is much lower than the traditional models, reducing the cost of housing virtually, both a good thing for the development enterprises and the consumers. Internet & real estate marketing model, will be the main mode of real estate sales in the future, and will certainly play an important role in the process of decreasing inventory.

5. Conclusion

The real estate industry is a matter of national economic and social development, is the foundation of the national economic and social development. In recent years, blind development led to the emergence of a series of problems, such as inventory or like, drawing great attention of the party and the country. Decreasing the inventory will be a basic work of our country's real estate industry in the future. The author puts forward some basic views and suggestions on the basis of the research on the inventory condition and the causes, but there is still a long way to go.

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