

Research On the Housing Problems of New Residents and Youth in First-Tier Cities and Exploration of Countermeasures--Based on Shenzhen, China

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Abstract. The housing problem is related to the happiness of the country and the well-being of the people, which plays an important role in citizens' life, but in many big cities in China, such as Guangzhou, Shenzhen, Shanghai and Beijing, the price of housing is extremely high, so that many residents do not have enough financial ability to afford. This paper focuses on the housing problems of new residents and young people in Shenzhen, one of the four first-tier cities in China: high prices, poor rental system and insufficient land supply, analyzes the necessity and importance of the study, and gives four major suggestions from the government's macroscopic point of view: insisting on rejecting property speculation, perfecting the rental system, giving full play to the role of the housing fund and encouraging diversified housing supply. It is hoped that the housing problems of new residents and young people in big cities can be alleviated.

Keywords: New residents; young people; housing.

1. Introduction

Housing is closely related to the quality of life of the residents. In China, the first-tier cities of Beijing, Shanghai, Guangzhou, and Shenzhen attract a large number of talents every year, because in these first-tier cities, there are more employment opportunities, higher salaries, and better educational resources etc. But at the same time, the prices of housing in these cities are also very high, with an average of 50,000-60,000 yuan per square meter. As far as Shenzhen is concerned, an ordinary 985 graduated college student has to work for decades to afford a house, and other new residents and young people have even more pressure to buy a house, and the housing problem of young people is getting more and more serious [1]. Therefore, this paper takes Shenzhen as the research object, analyzes the youth housing problem in China's first-tier cities in depth, and gives the corresponding countermeasures.

This paper is divided into four parts, the first part is the introduction, the second part is the significance of the study, the third part is the current situation of youth housing problem in Shenzhen, and the fourth part is the countermeasures and suggestions, the fifth part is conclusion.

2. Research significance

2.1. Favors Rational Choices about Housing for Youth in Big Cities

The average price of housing in Shenzhen is the highest in China, so it can be imagined that it is a big project for new residents and young people in Shenzhen to buy a house. In 2023, the average house price in Shenzhen is 24,550 yuan per square meter, and the house price in the central area of Shenzhen, such as Futian District, Bao' a District, and Nanshan District, is as high as 100,000 yuan per square meter. However, in 2023, according to relevant statistics, the average monthly salary in Shenzhen is 16,300 yuan. Such unequal housing prices as well as the monthly salary of residents all reflect the plight of young people in purchasing houses. Therefore, improving the housing policy of Shenzhen is conducive to young people planning their home purchase plans, making rational choices and planning their life path.

2.2. Housing as a Concern for the Quality of Life of Young People

Housing is related to the well-being of people's livelihoods. Every people need to go back to their residence to rest at night after completing studies and work in the daytime, and they will have the energy to continue their studies and work only when they have a good night's rest. The quality of housing is closely related to the quality of life of young people in Shenzhen. Housing prices and rental prices are relatively low in remote areas, but the environment is relatively poor, and it may be far from the workplace, requiring hours of commuting every day, and recreational facilities may be inadequate. The central area of Shenzhen has a good environment, good recreational facilities, is close to work, and has convenient transportation and less commuting time, but it is extremely expensive.

And young people need to weigh housing against other expenses. Spending a lot on housing means that other aspects of life, such as travel, entertainment, food, etc., need to be saved in order to be able to afford to live in general.

Thus, housing is closely related to the quality of life of young people, and it has a bearing on their food, clothing and transportation.

2.3. Linking Housing Issues and Educational Resources for New Citizens

The number of external populations in Shenzhen is as high as 8 million, and the number of them continues to grow every year. Shenzhen is a very attractive city, one of the four megacities in China, with abundant employment opportunities, educational resources and geographic environment, so every year it attracts a large number of graduates and young talents to seek employment and even settle in Shenzhen. However, along with the flow of a large number of young people to Shenzhen, the problem of education for new residents is becoming increasingly apparent. These young people may settle down, get married and have children after coming to Shenzhen. However, as the housing prices in Shenzhen are so expensive, young people who have just entered the workforce may not be able to purchase within a short period of time, so their children may encounter many problems in schooling. Without real estate, it is difficult for their children to get a Shenzhen registered permanent residence. New residents with low to moderate financial means may choose to send their children back to their hometowns to study, or may only be able to send their children to local public schools with poor educational resources, while families with medium to high financial means may choose to send their children to private schools to study, and may not be able to enroll them in the best primary and secondary schools in Shenzhen like the Shenzhen local children with their own abilities.

Furthermore, if people want their child to go to a better school, the area where the house is located should belong to the school district of that school. However, school district houses are 10%~20% more expensive than ordinary commercial houses. The price of housing in Shenzhen itself is expensive, not to mention the school district houses. School district housing is close to the school, so it is convenient for children to go to and from school, and they can enjoy good education resources. However, the expensive price of school district housing discourages many parents.

2.4. Housing Is a Concern for the City's Ability to Attract Talent

Although Shenzhen has abundant employment as well as relatively high salary levels, and although the average salary level in Shenzhen is above that of other second- and third-tier cities, the cost of living is several times higher than that of small- and medium-sized cities. In particular, property prices are 5-10 times higher than those in small and medium-sized cities. Therefore, the expensive property price has become one of the most important resistances to attract talents in Shenzhen. Many young people are deterred by the expensive housing prices in Shenzhen. Although it offers many job opportunities, they are not sure how long they need to work before they can buy a house and settle down, and whether the salary they earn can cover such an expensive cost of living. However, talent is the driving force behind a city's progress and energizes its development. Like many third- and fourth-tier cities, there is a serious brain drain, so the city's development is slow or stagnant [2]. Therefore, solving the housing problem in Shenzhen is conducive to attracting talents for the city and promoting sustainable development.

3. Current Situation of Youth Housing Problems in Shenzhen

3.1. Housing Prices Remain High and Pressure to Buy a Home Is High

As can be seen from figure 1 below, the trend of housing prices in Shenzhen in 2023 is slightly down, but the overall is still stable at 60,000 yuan per square meter, there is no significant increase or significant decline in the situation. But this is just the overall situation of the entire Shenzhen City, a closer look at Shenzhen's four major commercial and financial center areas: Nanshan District, Bao' a District, Futian District, as well as the Luohu District to see the average price of housing is another height.

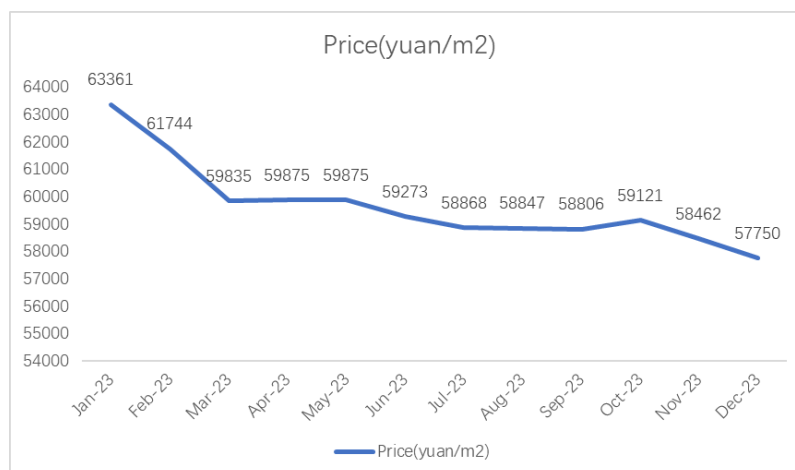


Fig. 1 Average house price in Shenzhen 2023 (Picture credit: Original)

As can be seen from figure 2, Nanshan District's house price trend in 2023 is smooth, basically no fluctuation, but the house price remains high, the average price is at 98,253 yuan per square meter, which is about 40,000 yuan per square meter higher than Shenzhen's overall average house price. Bao' a District house price fluctuation is relatively large, especially in April-May 2023, the house price overall shows a downward trend, the average house price is at 58,249 yuan per square meter, which is considered as a relatively cheaper area in terms of the four major central regions in Shenzhen. The house price in Futian District and Nanshan District have similar trends, with no major fluctuations overall, but the average house price is as high as RMB 105,599 per square meter, the highest average price among the four major regions in Shenzhen. Similarly, the average price trend of houses in Luohu District has slightly decreased, but in general there is not much fluctuation, with an average price of around 76,146 yuan per square meter.

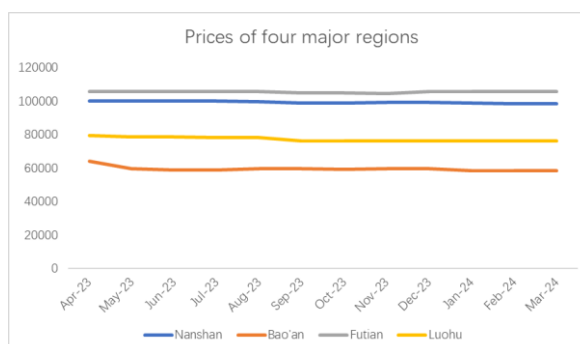


Fig. 2 Average house prices in four major regions of Shenzhen City (Picture credit: Original)

It can be seen that the price of housing in Shenzhen between 2023 and the beginning of this year has declined, but the overall price level is still very high. The demand for housing in some school districts is still very hot. But in fact, on the whole, no matter the supply of housing in Shenzhen is greater or less than the housing demand of residents, the price of housing in Shenzhen is not going to plummet and may stabilize at a level for a long time. The average salary in Shenzhen is only 16,300

yuan per month, which is a huge difference from the average price of housing. Obviously, the pressure on new residents and young people to buy a home in Shenzhen is very great.

3.2. Inadequacies in the Rental System

Faced with such expensive housing prices, many new residents and young people in Shenzhen will choose to rent an apartment. However, the rental system in Shenzhen is not perfect enough, which undoubtedly creates great difficulties for them.

First of all, as one of the four first-tier cities, the average rent in Shenzhen is much higher than other cities. According to a report by the E-House Research Institute, in May 2023, the average monthly rent in Shenzhen was RMB 2,958 per room per month. And in February 2023, the average monthly rent in Shenzhen was RMB 69.6 per square meter, according to monitoring data from the Shenzhen Centaline Research Center. Monthly rents like Yantian District, Guangming District and Pingshan District, which are more remote areas of Shenzhen, all require RMB 63.92 per monthly m², RMB 39.08 per monthly m² and RMB 39.22 per monthly m². The expensive rent has become a burden for many young people.

Secondly, Shenzhen's low-cost housing system is not perfect. Low-rent housing refers to housing of a social security nature provided by the government in the form of rent subsidies or in-kind rent allocation to families that meet the minimum living standard for urban residents and have housing difficulties. The allocation of low-cost housing is mainly in the form of rental subsidies, supplemented by in-kind rent allocation and rent reductions. However, the design of Shenzhen's low-rent housing is too small. According to the Registration Form for Application for Shenzhen Low-cost Housing, only special hardship residents who meet the following conditions can apply for low-cost housing: 1. Families approved by the municipal civil affairs department as enjoying the minimum subsistence guarantee or those recognized by the municipal government as beneficiaries of preferential treatment; 2. Family members who have the household registration of the city and are actually residing in the city, and who have the legal relationship of alimony, support or dependence; 3. Households with no house, i.e., family members who do not have any form of real estate in their name [3]. Any form of real estate. It is not geared towards low-income households who do not have the financial means to acquire a home from the market, especially new residents and young people in difficulty. Apart from the special hardship cases, there are many low-income families who do not have the financial means to buy properties and have to pay expensive rents, making life very difficult. Furthermore, the environment of low-cost housing is very poor. Most of the low-cost housing units have a narrow living area, some even as small as a few square meters, and not only are they close to the road, but it is also impossible to take the stairs, and the toilet and the bed share the same room. The environment is very poor, the air does not circulate, the furniture is prone to mold, and people are prone to fall ill.

Thirdly, some rented rooms or low-priced second-hand rooms have qualified decoration, which can easily cause diseases. In order to save costs and maximize profits, the owners of "Chuanchuan Houses" usually use very cheap materials to decorate their houses. Decoration of the house generally use very cheap materials, renovated directly for rent or sale, formaldehyde is very heavy, the release cycle of up to 3-15 years, people live for a long time and even get leukemia, the health of residents cannot be well protected [4].

3.3. Insufficient Land Supply

Shenzhen is the smallest of the four first-tier cities, all of which is only 1997.47 square kilometers (excluding the Shenzhen-Shantou Special Cooperation Zone), which is only 12.17% of Beijing's, 31.50% of Shanghai's and 26.76% of Guangzhou's. The total area of Shenzhen is 974.5 square kilometers, which is nearly half of its total area. And according to the "Shenzhen Basic Ecological Control Line Management Regulations" issued in 2005: the land area within the basic ecological control line is 974.5 square kilometers, accounting for nearly half of its total area. Within the developable area of more than 1,000 square kilometers, Shenzhen has designated no less than 270 square kilometers of industrial land, and the rest of the land is still needed to accommodate a series

of urban functions such as housing, commercial services, transportation facilities, public service facilities, etc. Figure 3 suggests that the population of Shenzhen is as high as 17,662,000 people in 2022 and is on an upward trend. Shenzhen attracts a large inflow of people every year, but the limited land and the huge flow of people do not match, Shenzhen's residential land accounted for a low proportion of the large inflow of people will subsequently generate a large number of residential demands.

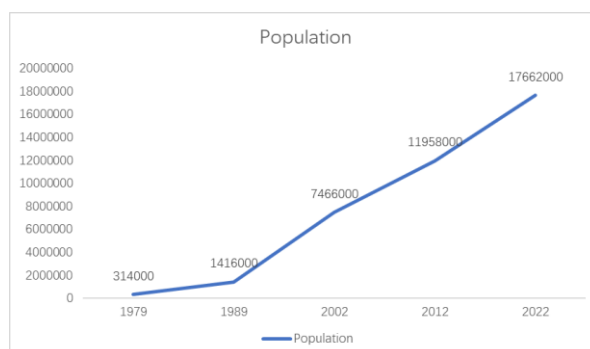


Fig. 3 Population of Shenzhen (Picture credit: Original)

4. Countermeasures and Recommendations for the Housing Problem in Shenzhen

4.1. Combating "Property Speculation" and Stabilizing Housing Prices Through Macro-Controls

Some residents with stronger financial means favor the acquisition of multiple properties. With fewer properties on the market but still a lot of demand, property prices will rise, and then they will sell their houses and make profits by earning the price difference over time. However, this kind of behavior will inflate the house price and destroy the order of the real estate market. Young people already have great difficulties in purchasing a home in Shenzhen, and the further escalation of property prices will undoubtedly add to their woes. Therefore, the government should strictly enforce the purchase restriction policy, to combat "speculation" behavior, if necessary, can be appropriate punishment for this behavior [5]. Although the market determines the allocation of resources, but when necessary, the government should use "macro-control" this only collect to stabilize housing prices, to avoid large fluctuations caused by residents panic, market order disorder.

4.2. Improving the Rental Housing System to Provide Residents With a Good Living Environment

The Government needs to improve the rent system, especially the low-cost housing policy, which can be appropriately expanded for the target group. The Government should provide a certain amount of financial support to improve the environment of low-cost housing and to protect the quality of life of low-income households [6]. At the same time, it should regulate the standard of housing decoration and prohibit the rental of "toxic and hazardous" houses, so as to protect the lives and health of residents. The government should set up relevant regulations, the newly renovated house cannot be immediately rented or sold, must be idle for a certain period of time, and so that the toxic substances in the renovation materials evaporate before allowing residents to move in. At the same time, it is necessary to improve laws and regulations to standardize the process of signing rental contracts to protect the rights and interests of both parties.

4.3. Full Utilization of the Housing Provident Fund

The Housing Provident Fund is paid by the employer and can be used by residents when buying, renting, renovating or refurbishing a house to reduce the pressure of buying or renting a house. At

present, the housing fund system in Shenzhen is not perfect, there are many problems need to be solved, the government should expand the coverage of the housing fund, the self-employed businessmen and flexible employment into the coverage of the housing fund, so that more people can enjoy the housing fund policy, and give full play to its "basic housing" role, to relieve the new citizens and young people in the big city [4,7]. This will enable more people to enjoy the housing fund policy and give full play to its role of "guaranteeing basic housing", thereby alleviating the housing problems of new citizens and young people in large cities.

4.4. Diversified housing supply

Most of the existing houses in the market are 80-150 square meters, and many workers and young people who come to Shenzhen do not need to rent such a big house. Moreover, renting a house of this size costs a lot of money in rent [8]. Therefore, the government should encourage property developers to build apartments of different sizes, such as small-sized single apartments [9]. At the same time, the government can provide financial support to renovate old neighborhoods. Diversified housing supply in Shenzhen can be realized through these two ways [10].

5. Conclusion

More and more young people are flocking to the big city of Shenzhen, but at the same time it brings a lot of problems. The high price of housing in Shenzhen brings great pressure to many young people. On the one hand, they don't have enough financial ability to buy a house, and the pressure to repay the mortgage is also very big. On the other hand, the rent of the house is also very expensive, and it will even take up most of their salary. Moreover, with the upward trend of property prices and rents in Shenzhen in recent years, the burden on young people is even heavier. Therefore, when necessary, the government should intervene appropriately in real estate, to maintain the order of the real estate market, to protect the rights and interests of young people, to solve their housing problems, and to realize the people to live and work in peace and happiness.

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