

Research on the Implementation Status and Development of the Rental-sales Right Equality in Nanjing

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Abstract. Since the urban housing systems modify in 1998 has become more profound, China's real estate has progressively moved towards marketization. This measure has made great contributions to urbanization and has also promoted real estate to become an essential part of the national economy. However, it is followed by problems such as the long-term imbalance of China's housing system in the development process, under several rounds of regulation the housing price is still rising, and there is a shortage of housing in large cities. The imbalance of housing development makes the investment attribute of housing higher than the residential attribute at the present stage, and it is still difficult for vulnerable groups to achieve "housing". To solve the issue of uneven and insufficient development of the housing sales market and the rental market, on August 15, 2017, the General Office of the Nanjing Municipal Government officially issued the "Nanjing Housing Rental Pilot Work Plan", which clearly mentioned the rental-sales right equality, indicating that the lessee will have the opportunity to enjoy the same basic public service policy measures as the residents. This paper combs the relevant policies of the Rental-sales Right Equality in Nanjing, comprehensively evaluates the implementation effect of the policy in the past seven years, explores the current issues and makes appropriate recommendations, to provide theoretical and practical basis for further improving the policy of the Rental-sales Right Equality and encouraging the superior growth of the housing rental market.

Keywords: Rental-sales Right Equality, housing rental market, housing policy, Nanjing.

1. Introduction

China's rental market has grown unevenly for a very long period. The overheating of the real estate market has led to rising house prices, and the housing needs of migrant workers are difficult to be guaranteed. The proposal of the Rental-sales Right Equality is one of the important entry points for the government to encourage the reasonable cooling and stable growth of the real estate market. In 2017, Nanjing announced the "Notice of the General Office of the Municipal Government on Printing and Issuing the Pilot Work Plan for Housing Leasing in Nanjing" proposing to continuously expand the scope of the lessee's power from the aspects of children's education, medical security, pension mechanism, social welfare, etc., to protect the lessee's right to rent, and become the second city after Guangzhou to clearly state "the Rental-sales Right Equality."

As a systematic project, the reform of the Rental-sales Right Equality still faces a series of linkage problems to be solved. The existing research puts forward some thoughts on the policy effect and its theoretical construction. Some scholars have proposed that in the process of implementing the "same right to rent and purchase," it is easy to appear the phenomenon of renting for "right" rather than renting for "living," and the "housing right" of vulnerable groups still cannot be guaranteed. However, some scholars believe that renting and purchasing the same rights not only optimizes the efficiency of resource allocation, but also accelerates China's urbanization process, driving the vigorous advancement of China's rental market and the healthy development of the real estate market.

At this stage, it seems that the realization of the Rental-sales Right Equality is bound to be a gradual process. Taking Nanjing as an example, this essay organizes the development policy and implementation effect of Nanjing's rent-purchase equal rights policy, and tries to explore the possible problems in the implementation process of Nanjing's rent-purchase equal rights policy, to further solve the imbalance between the development of the rent-purchase market and promote the healthy and stable development of China's real estate market.

2. Institution Background of the Rental-sales Right Equality

In 1998, the State Council issued the "Notice on Further Deepening the Reform of Urban Housing System and Accelerating Housing Construction" proposed to stop the physical distribution of housing and gradually implement the monetization of housing distribution, which made real estate truly enter the market. Since then, the real estate market has experienced several rounds of excessive price rises, and inter-regional population movements have also made the demand for rental housing in first-tier cities increasingly strong. However, at the same time, the long-term unbalanced development of the rental and purchase market makes the housing rental market lack standardized management, and there are many non-standard problems, and the needs of the rental group are difficult to be met. In addition, the problems of high housing prices and difficult settlement in big cities also bring great pressure to young people who have just entered the society. Currently, the Rental-sales Right Equality is undoubtedly proposed as a good medicine to promote the healthy development of the housing market, but also to protect the rights of vulnerable groups and to attract and retain talents for large cities.

3. Analysis of the Development Process and Current Situation of the Same Right of Lease and Sale in Nanjing

3.1. Relevant Policies

The Nanjing Municipal People's Government of Jiangsu Province issued the "Nanjing Housing Leasing Pilot Work Plan" on the website, and proposed to timely study and introduce the basic public service policies and measures for eligible tenants to enjoy the same basic public services as residents, establish a list of tenants' rights, and gradually realize the same right to rent and purchase. In 2017, Nanjing pilot rented and purchased the same right, commercial rent reform, and governance group rent. Focusing on cultivating the main body of the rental market, building a housing rental service supervision platform, broadening the financing channels of rental housing, strengthening the supervision of the housing rental market, and increasing policy support, 23 tasks are listed. In 2018, the pace of real estate leasing in Nanjing is moving forward steadily, and the construction of the system of renting and purchasing is also accelerating. It is planned to adjust 30 % of the commercial residential land for the construction of rental housing. The municipal government attaches great importance to the construction of a long-term mechanism to promote the stable and healthy development of the real estate market, and strives to build a multi-channel housing supply system such as rental housing, shared property housing, and commercial housing, and regards the construction of rental housing as an important measure to meet the basic living needs. In 2020, Nanjing issued an "announcement on further supporting the steady and healthy development of the housing rental market." By 2022, Nanjing's real estate policy has experienced more than ten times of large and small relaxation, including relaxation of purchase restrictions, expansion of non-restrictive areas, shortening of sales restrictions, increase of home purchase qualifications for families with two children and above, and increase of the maximum loan amount of housing provident fund. In 2023, Nanjing promulgated the "Notice on Further Strengthening the Management of Public Rental Housing" to further standardize the management of public rental housing allocation, use and exit, and to realize the high-quality development of public rental housing security in Nanjing. In November 2023, Nanjing City promulgated the "Implementation Measures for the Settlement of Nanjing Points" to protect the rights and interests of the people's livelihood.

3.2. Implementation Effect Analysis

3.2.1. Promoting the development effect of housing rental market

By the end of 2020, Nanjing has basically formed a housing rental market with diversified supply entities, sufficient rental housing resources, strong government supervision, and stable and orderly rental relations. The entire area under construction for collective rental housing is about 300,000 square meters. In 2020, the scale of the housing rental market in Nanjing will reach 309.01 million people, and the scale of the rental market will attain 35.7 billion yuan.

In 2023, the provincial government issued the city's target task for the new construction shed to resettle 39,900 units (rooms), and basically completed 38080 units (rooms). By the end of 2023, the city's new construction of shantytown resettlement houses started 51,862 sets (rooms), reaching a target of 129.98 %; the resettlement houses have been basically built 40365 sets (rooms), reaching the target of 106.00 %. In 2023, the provincial government issued the target task of affordable rental housing in Nanjing as 20,900 units (rooms) of new construction and 16,460 units (rooms) of basic construction. By the end of 2023, the city has achieved 23,979 new units (rooms) and completed 115 % of the target tasks; a total of 17,365 sets (rooms) have been basically completed, and the target tasks have been completed, all of which have exceeded the target task of 2023. From a macro perspective, the housing system that combines rent and purchase has activated the market demand for housing leasing, and it is presumed that housing returns to the residential property to balance the contradiction between supply and demand in the real estate market and stabilize housing prices [1]. Promote the sustained and stable development of the real estate market in Nanjing.

3.2.2. Power protection effect

From the microscopic point of view, the policy of real equal rights for renting and selling establishes the obligations and rights of the leasing parties through legislation, progressively ensures that tenants receive the same fundamental public services as those who purchase their homes. In the "Measures for the Implementation of Nanjing's Points Settlement" promulgated on November 24, 2023, Nanjing canceled the restriction that "the cumulative payment of social insurance for urban workers should not be less than 12 months." In addition, rental housing was also included in the points. This relaxation of the conditions of settlement guarantees the right of housing tenants to enjoy public services. The willingness of low-and middle-income groups to rent has increased. As an important group of housing consumption in the future, Chinese college students' demand for real estate should not be underestimated. College students are facing too high housing prices after graduation. Rental housing can alleviate economic pressure, rent and sell the same right, and amplify the readiness of college students to rent housing. They enjoy the same living environment and quality of life at a price lower than the purchase price, which is of great benefit to the development of college students. However, in fact, it is difficult for tenants to enjoy the same or equal rights to public services as the owners, especially the issue of household registration and the right to education of their children. Under the same rights of renting and selling, not only does it strive to protect the rights and interests of residents in educational resources, but the policy is also committed to sharing other resources.

4. Nanjing Lease-purchase Equal Rights Policy May Exist in Problems the Implementation Process

4.1. Insufficient Supply of High-Quality Public Resources

Nanjing is an important city in the Yangtze River Delta region, with a high economic level, and has strong siphoning capacity of the peripheral population. Since 2010, Nanjing's resident population has grown steadily, from 80.08 to 94.91 million people. The large-scale inflow of the population will cause relatively shortage of public resources, and Insufficient supply capacity of high-quality public resources, such as public service facilities such as education resources, medical resources may not meet the needs of large amounts of renters, leading to lease-purchase equal rights policy is limited in

actual implementation [2]. Lease-purchase equal rights policy is just a solution to resource allocation. It changed only the resource allocation method, did not give the renter rights in incremental way, and could not change the reality of Insufficient supply of high-quality public resources, this way of solving resource allocation in administrative intervention does not fully guarantee the rights the renters, bringing real fairness [3].

4.2. Lack Of Corresponding Legal System Guarantees

The implementation of the lease-purchase equal rights policy of Nanjing, lacking corresponding legal systems as institutional guarantees. “Equal rights” mainly refers to the children of renters and the children of home-buyers enjoy the same equivalent of education and equivalent public service rights [4]. The renters and home-buyers enjoy the same rights have no clear legal norms as guarantees, which is suspected of ensuring whether the equivalent rights can be realized during the implementation of the lease-purchase equal rights policy, or only as a “policy slogan?” How to effectively protect the rights of the renters still have a challenge in real implementation, and if the rights cannot be fully guaranteed, then “lease-purchase equal rights policy” is ultimately unable to truly implement, and can't stimulate the rental market vitality, it is more unable to promote the benign development of the entire real estate industry.

4.3. The Rental Market Does Not Standardize

The irregular phenomenon of the rental market, such as rent price instability, lease relationship is unstable, etc., may affect the implementation effect of lease-purchase equal rights policy. The rental market is often difficult to maintain the relatively stable of rent prices, because the main body providing housing is single, the supply is insufficient, and it is easy to cause supply exceeds demand and the rent prices are continuously rising; the rental market has a large number of intermediary counterfeiting house information problems, lead to the unstable lease relationship, then the rental dispute is more, the renters rights have difficult to guarantee, with the random rent increase, the phenomenon of mandatory renting termination is common [5]. If the rental market is unable to provide stable, standardized rental environment, the lease-purchase equal rights policy is difficult to get the accreditation and acceptance of rentals, and the implementation of policy may suffer strong realistic resistance.

5. Long-term Mechanism of Rent-purchase Equal Rights

5.1. Promote Equalization of Basic Service

The basic service includes media treatment, education, social welfare and so on. It is recommended that the administration should combine the current situation of China's national conditions and be basic on reality [6]. At the same time, draw on the experience from the other countries of the methods to protect education, media treatment, social welfare, making the tenants share the equal service rights as the property owner.

Making the basic service equal is basic on the principle of fairness and justice. Sharing basic service resources shouldn't be tied to interests, but should be linked with the idea “Putting people first and putting people at the center” and for the purpose of people's development. It involves how to allocate resources reasonably. However, it can't be solved merely depend on single policy. As a result, the country should develop policies of all the aspects to protect the tenants share hare the equal service rights [7].

5.2. Optimize Household Registration Policies

Our country's household registration policies have a widely effect. The household registration policies affect most of policies in our country. At present, the country's household registration policies are linked on housing ownership. This means that the property owner can obtain more social

welfare and public resources. On the contrary, the tenants obtain lower social welfare. So, there is widespread discrimination in renting a house, effecting the development of the rental market in cities. For example, the Ministry of Education of Guangzhou requires that accepting compulsory education should confirm that one student corresponds to one household registration, blocking the possibility of developing the Rent-purchase Equal Rights. So, our country's household registration policies are one of the most important reasons to block the Rent-purchase Equal Rights. Further release the binding relationships between property rights and domicile, gradually reduce the urban-rural differences and make sure the equal accessibility to public resources with different registered residence, making successful reform and universal sharing.

5.3. Optimize the Method of Dividing Resources of Education

Making sure whether children could receive well education is one of the most essential indexes to measure whether a city's public service is good or not. Generally, top education resources are the competitive target to the great majority families. At present, our country's education resources are linked to household registration and residence. As a result, it's unreasonable to judge whether a family can obtain well education by measuring its residence [8]. In this regard, the government can gradually open certain educational resources to the tenants. Besides, increase more educational resources by hiring more teachers, introducing qualified personnel and decreasing the faculty-student ratio. The government also can improve the resources circulation between different regions to reduce the educational gap step by step [9].

5.4. Make Law to Standardize the Leasing Market and Protect the Tenants' Lawful Rights and Interests.

The leasing market is the core of the Rent-Purchase Equal Rights. The launch of Rent-Purchase Equal Rights is to make our country's leasing market stay alive and to protect the rights of all parties involved in the leasing relationship [5]. To realize the Rent-Purchase Equal Rights, the government should promote legislation, improve relevant laws and regulations, making our county's housing lease management system more reasonable, protecting the lawful rights and interests between the tenants and the lessors and making sure that the tenants and the homebuyers have equal rights. The government and the law-enforcing department should focus closely on the leasing market and do severe crackdown on illegal activities to protect the leasing market develop steadily.

6. Conclusion

The Rent-purchase Equal Rights are carrying out steadily and have made certain progress. To some extent, the rights have a positive effect on improving the development of leasing market and stabilizing the residence price. However, still exist some issues, like supplying unfair resources, the rental market is not standardized, the legal system still needs improvement and innovation. In this regard, this article put forward the following long-term mechanism to improve the development of Rent-purchase Equal Rights.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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