

# Study on Housing Problems and Improvement Opinions of Non-local Personnel in Shanghai

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**Abstract.** The development of a city relies on the influx and retention of people and talents, especially those from other places, which plays a vital role in the city's progress. Shanghai, being an international metropolis, faces the challenge of high living costs and skyrocketing housing prices, making it challenging for many outsiders to reside in the city. At present, there are various problems in the housing of non-local residents in Shanghai, which to some extent hinder their contribution to urban construction and economic development. Properly solving their housing problems has become a necessary path in the process of urban development. Therefore, this study takes non-local residents in Shanghai as the starting point for research, and analyzes the current housing situation and housing satisfaction of non-local residents and newly employed college students. Given this situation, several policy recommendations are being put forward to address housing issues and contribute to the urban construction and development of Shanghai.

**Keywords:** Housing issues; housing policies; migrant population.

## 1. Introduction

Cities play a crucial role in driving economic and social development as centers for economic activities. The level of industrialization and urbanization serves as a significant indicator of social progress throughout human history. As urbanization progresses, cities attract a significant influx of floating populations in search of better job opportunities and living conditions. The influx of talent enhances the city's labor and industrial structure, addressing talent shortages, and rapidly advancing urban economic growth.

However, the high cost of living and skyrocketing housing prices in major cities have prompted many outsiders to opt for relocation. This trend is particularly evident in mega cities such as Shanghai, where the living conditions for non-local residents have emerged as a critical factor influencing their decision to stay. Consequently, retaining these non-local individuals and enabling them to contribute to the city's development remain key and challenging concerns for cities across the country. To address this issue, comprehensive policy recommendations are being proposed to improve housing-related matters and support the urban construction and development of Shanghai.

The current research on housing security mainly focuses on low-income families, the unemployed, and characteristic groups. However, with the increasing pressure of employment and housing, people from outside Shanghai are facing enormous survival pressure. The majority of research conducted on urban migrant workers in China relies on questionnaire surveys, offering a broad analysis of the current housing situation and challenges faced by this demographic. There is no comprehensive research on migrant workers and newly employed college students, and different strategies have not been proposed for different groups of migrant workers. It can be seen that there is still a lack of systematic research on the housing problem of non-local personnel in Shanghai in China.

Based on previous research and surveys, this study will summarize and analyze the current housing situation, housing satisfaction, and housing demand of non-local residents in Shanghai. Based on these analyses, policy suggestions will be provided for the rental and purchase markets.

## 2. The current situation and existing problems of housing for non-local residents in Shanghai

In this mega city of Shanghai, if outsiders want to live in Shanghai, they not only need to face enormous work pressure, but also need to bear high living costs. In recent years, the net inflow of population to Shanghai has stabilized, as shown in Fig. 1. The change in net inflow population in Shanghai also tends to zero, as shown in Fig. 2. This indicates that in recent years, fewer and fewer non local personnel are willing to stay in Shanghai. The substantial brain drain in Shanghai has a detrimental impact on the city's rapid development, and housing difficulties are likely to be one of the significant factors contributing to the reluctance of many individuals from other locations to remain in Shanghai.

This article divides non-local personnel into migrant workers and newly employed college students, and analyzes the current housing situation and existing problems of these two groups separately.

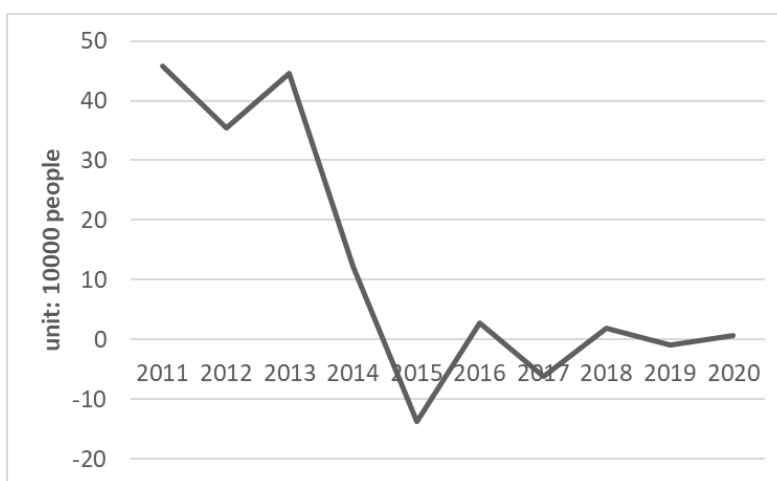


Figure 1. Net inflow population.

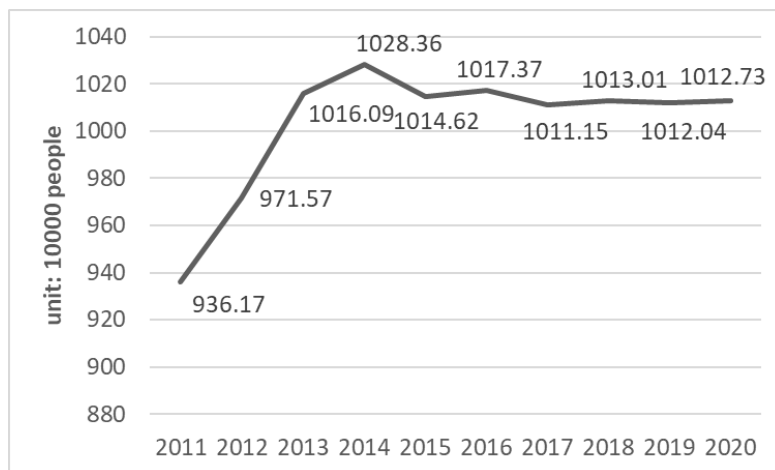


Figure 2. Annual change in net inflow population.

### 2.1. The current situation and existing problems of housing for migrant workers

#### 2.1.1. Analysis on the current housing situation of migrant workers in Shanghai.

Migrant workers, in the context mentioned, specifically refer to individuals with non-local registered residence registration who engage in manual labor in industries such as construction, housekeeping, transportation, and others. These workers typically have agricultural or non-local urban hukou, and their occupations involve low technical content and relatively low wages and salaries [1]. At present, the main sources of housing for migrant workers in Shanghai are rental housing, collective dormitories, and public rental housing. Among them, the majority choose to rent

houses in urban villages and commercial residential buildings, while the main sources of housing are collective dormitories such as government agencies, industrial parks, factories, and campuses. Due to the limited availability of affordable housing in Zhengzhou, some personnel have chosen affordable housing. In addition, some migrant workers from other places choose to live in the homes of their relatives and friends, and there are also some migrant workers on construction sites who live in temporary activity sheds built on construction sites. This housing form mainly changes with the changes and changes of the construction site, and has great mobility.

### **2.1.2. The housing problems of migrant workers in Shanghai.**

*a) High housing costs and high pressure:* In recent years, the growth and development of Shanghai have led to a continuous increase in the stock of public rental housing. However, as a municipality with a population of over 20 million, the number of public rental housing in Shanghai is still a drop in the bucket compared to the huge housing demand for non-local residents. This leads to many migrant workers still needing to rent commercial housing in the rental market to meet their housing needs [2]. However, compared to public rental housing, the rental prices of commercial housing in Shanghai have always been high. Although some large enterprises provide supporting facilities such as apartments and collective dormitories for employees, these basic supporting housing conditions cannot meet the living and living needs of people from other places. The majority of migrant workers are in the age range of young to middle-aged and have living needs that primarily revolve around their families. Therefore, many families can only rent commercial housing through rental websites or housing intermediaries due to the high prices. Therefore, many migrant workers' income is mostly used for rental expenses, which undoubtedly leads to a large proportion of housing funds consumption for migrant workers, affecting their happiness index and bringing great pressure to their lives, Affected the work enthusiasm of migrant workers from other places.

*b) Poor living conditions and lack of safety guarantees:* Migrant workers avail housing through various sources, which include public rental housing, rental of market commodity housing, company-provided collective dormitories and apartments, as well as seeking accommodation with relatives. Due to the continuous rise in housing prices in Shanghai in recent years and the insufficient stock of public rental housing, most migrant workers have poor living conditions. Firstly, although some large enterprises provide housing such as apartments and collective dormitories for migrant workers, since migrant workers mostly rely on family housing needs, the privacy of apartments and collective dormitories is poor, and they belong to public housing, which cannot meet the usage needs of migrant workers on a household basis [3]. Secondly, the limited availability of public rental housing has resulted in many migrant workers with housing needs being unable to access the benefits provided by public rental housing. As a result, they are compelled to seek alternative housing options in the market [4]. Thirdly, migrant workers in Shanghai generally have low income levels, and the majority of the rental properties they occupy are located in older urban areas or suburbs. Due to the imperfect development of these urban areas, not only are the hygiene conditions poor, but safety is also difficult to guarantee. Fourthly, with the help of migrant workers in the vicinity of their relatives, it is inevitable that they may feel discouraged and have a negative impact on their quality of life.

*c) Urban renewal needs improvement:* The continuous development of Shanghai's economy and culture has led to a continuous increase in the prices of its real estate market. A large amount of funds has flowed into the Shanghai commercial housing market, leading to the acceleration of Shanghai's urbanization and transformation process. The new urban renovation and construction in Shanghai not only stimulated the development momentum of Shanghai, but also eliminated a large number of high-quality rental housing sources with superior location, low rent, and good safety, which greatly affected the rental and housing of migrant workers [5]. Due to the lack of planning for external migrant workers in the construction of Shanghai's new city, many public rental housing locations are relatively remote, reducing the adaptability of public rental housing, resulting in many migrant workers not being able to enjoy public rental housing benefits, and driving up the prices of Shanghai's rental housing market.

## **2.2. The Current Situation and Existing Problems of Housing for Newly Employed College Students**

### **2.2.1. The Housing Situation of Newly Employed College Students in Shanghai.**

For newly employed college students, their initial income is generally not high. In the context of economic constraints and strict security conditions, choosing rental housing seems to be the first choice to solve housing problems [6]. From a practical perspective, especially for non-local students registered in Shanghai, only a small number of units can provide dormitories, while living with parents requires a reasonable commuting distance and time as a prerequisite. In addition, for the vast majority of newly employed college students, purchasing a house requires external assistance, and without such assistance, purchasing a house would be impractical. From this, it can be seen that renting a house has become the only choice.

According to the survey, newly employed college students have low satisfaction with renting and living, and the comprehensive evaluation of the rental market is not very satisfactory. In addition, statistics show that newly employed college students still prioritize purchasing a house to live in when they have a need for marriage or want to improve their quality of life. This phenomenon reflects that after meeting basic housing needs, young people begin to pursue higher levels of satisfaction. However, registered residence is not a factor that needs to be considered if you want to buy houses with self-owned property rights. However, for the newly employed college students who are not registered with registered residence in Shanghai, registered residence has become the biggest "obstacle" in addition to funds.

### **2.2.2. The housing problems of newly employed college students in Shanghai.**

*a) Low income and insufficient payment capacity:* The unique geographical location of Shanghai brings opportunities for economic development and rapid growth in housing prices, but the per capita income level of newly employed college students in Shanghai is not high. For families with lower income parents, there is no family support. Although the housing purchase policy provides preferential housing provident fund loans for newly employed college students, most units do not pay housing provident fund, which does not meet the conditions of this preferential policy. The income of newly employed college students is insufficient to pay the down payment and can only temporarily rent a house, and rent also accounts for a large proportion of their income. Some newly employed college students may even experience insufficient payment ability. For newly employed college students, whether buying or renting a house, they face problems such as low income and insufficient payment, which is also the main reason for the high pressure of purchasing a house [7].

*b) The imbalance between the housing market supply and the housing demand of newly employed college students:* The commodity housing market has a relatively high housing price, with most housing sources having a larger area and lower income in the early stages of employment. More people hope to purchase affordable and practical small apartments, and students without parental support have no choice but to choose to rent a house. For most graduates, they can only choose to rent commercial housing. Renting commercial housing faces many problems. Firstly, the continuous rise in rent has led to an increase in housing expenses. Secondly, newly employed college students hope to rent small apartments, but the availability of small apartments is limited, the lease is unstable, and they face the dilemma of moving frequently. Furthermore, most newly employed college students, in order to save expenses, rent houses with rudimentary facilities and poor environment. Some houses have a longer age, and facilities such as wiring and pipelines are aging, posing significant safety hazards. Therefore, for most newly employed college students, whether purchasing commercial housing or renting a house, they hope to choose economically suitable small apartment types. Obviously, the housing market supply cannot meet their needs.

*c) Lack of standardization in the housing rental market:* For newly employed college students, the most prominent issue in renting is that renting is mostly privately traded among the public, without registration. Real estate intermediaries are not standardized, fees are not notified in advance, fees are chaotic, and housing types and locations cannot fully meet the needs of tenants. Most homeowners

increase prices at will, fail to comply with the lease agreement, temporarily resolve the contract, and tenants face the problem of unstable living conditions and moving at any time [8]. Moreover, the interior decoration quality of rented houses is poor, equipment is prone to damage, maintenance is difficult, and rental comfort is low. This also leads to low satisfaction among most newly employed college students with renting houses.

*d) Affordable housing cannot fully cover newly employed college students:* At present, Shanghai provides housing subsidies for newly employed college students, while also providing affordable housing to help them solve their housing difficulties. However, through investigation, it was found that newly employed college students have a low level of understanding of affordable housing, and only a portion of them have successfully applied for affordable housing.

### **3. Policy suggestions for improving the housing problem of non-local personnel in Shanghai**

#### **3.1. Policy suggestions for improving the housing problem of migrant workers**

##### **3.1.1. Expanding the scope of urban housing security for migrant workers.**

Low rent housing, as an important component of the housing security system, is an important way to solve the problems of low-income families. However, currently, the application of low rent housing is mainly targeted at urban households with dual difficulties, and its coverage is too narrow. The government can consider incorporating relevant aspects of the low-rent housing policy for urban residents and make necessary adjustments and modifications based on the specific characteristics of migrant workers. This can include developing a tailored set of low-rent housing policies specifically designed for migrant workers and establishing reasonable mechanisms for admission, waiting, and exiting the program [9].

In addition, another crucial approach to resolving the housing problem for migrant workers is to enable them to purchase or rent affordable housing. However, considering the mobility, low income, and limited level of security of this group, renting should still be the main option for their affordable housing. The government can refer to the standards of the permanent population and make appropriate regulations on the purchase or rental qualifications, construction standards, selling prices, rent, and other aspects of affordable housing for migrant workers from other places, based on thorough research

##### **3.1.2. Adjusting and standardizing the leasing market.**

At present, the domestic rental market is not yet mature, and the government still lacks certain management and services, leading to the current non-standard rental market and affecting the housing standards of migrant workers. The government can accelerate the turnover of rental housing in the process of regulating housing rental management and services, fully utilize the accumulated rental housing, and thereby expand the supply of rental housing [10]. Therefore, the government should establish an effective guidance system for housing rental prices, regulate the rental market, reduce the transaction costs associated with housing rentals for both landlords and tenants, facilitate a smooth operation of the rental market, expand the availability of rental housing, and promote the healthy and organized development of the rental market.

In addition, at present, most of the housing of migrant workers in Shanghai is rental housing. Among these rental houses, a considerable number are old buildings in the city, which are in the low-end market. The lack of maintenance and renovation seriously affects the living conditions of migrant workers, reduces their willingness to rent, and also causes waste of housing resources. Therefore, to effectively enhance the housing conditions of migrant workers and foster a harmonious living and working environment, the government should implement relevant policies and measures that incentivize organizations and individuals to undertake necessary renovations of rental housing. This includes efforts to improve the quality and facilities of housing for migrant workers.

### **3.1.3. Improving the housing consumption capacity of migrant workers.**

The underlying cause of the housing problem faced by migrant workers is the mismatch between their purchasing power and the current prices in the urban real estate market. The fundamental solution to this issue lies in improving their consumption ability and increasing their income levels, thereby enabling them to afford homeownership and property purchases.

The government should implement measures to enhance supervision and guidance regarding the payment of housing provident funds. Efforts should be made to achieve the policy objective of ensuring that all migrant workers who have signed labor contracts with enterprises can benefit from housing provident fund benefits. Additionally, there should be gradual establishment and improvement of the housing provident fund system for migrant workers, thereby enhancing their purchasing power [11]. In addition, the government can introduce policies to provide housing mortgage loan guarantees, interest subsidies, or direct loan support for migrant workers, thereby promoting the resolution of their housing problems. This also helps to revitalize the existing housing market [12].

## **3.2. B. Policy Suggestions for Improving the Housing Problem of Newly Employed College Students**

### **3.2.1. Implement tiered rental subsidies for newly employed college students.**

The government can develop a tiered subsidy system for newly employed college students based on their work situation and rental circumstances. Firstly, a personal information network system can be established to collect basic personal information such as family background, work income, rental area, and rent of graduating college students. Using the average market rent price and the basic living needs of Shanghai, an affordable rent price for college students can be calculated. Based on the per capita housing area of employed college students, the subsidy demand for each individual can be determined.

When distributing housing subsidies to newly employed college students, the group can be divided into different intervals based on their income and rent. College students with income below the average and renting within the affordable range would be eligible for housing subsidies. Those with income higher than the average but renting above the affordable range can also be subsidized for the portion exceeding the average rent [13].

### **3.2.2. Expanding the scope of affordable housing for newly employed college students.**

To address the housing issue, the government should establish a clear exit mechanism for affordable housing and enforce rigorous screening and monitoring processes to ensure compliance. This will contribute to increasing the availability of affordable housing in market. Additionally, the government can provide land rent subsidies to incentivize real estate developers to participate in the construction of affordable housing. This approach will help improve the supply of affordable housing and alleviate the housing problem for those in need. In addition, due to the complexity of the application process, many newly employed college students do not apply for affordable housing. Therefore, to encourage more college students to apply for affordable housing, the application process for affordable housing should be simplified, reducing the time from application to public announcement, and providing housing security for newly employed college students more efficiently.

### **3.2.3. Improving relevant supporting facilities for affordable housing.**

Before constructing affordable housing, the government should consider not only rent and affordability but also factors such as location. It is important to choose sites with convenient transportation and reduce residents' travel costs. Additionally, when constructing affordable housing, attention should be given to enhancing healthcare and educational facilities in the vicinity. Establishing health centers, pharmacies, and other amenities within the community helps ensure the convenience of residents' lives.

Improving the quality of property services for affordable housing is essential. Strengthening community security measures by increasing patrols and ensuring residential safety is crucial. Hygiene management and supervision of the community should be closely monitored to maintain a pleasant environment. Furthermore, cultural promotion and community construction should be emphasized, with regular organization of community activities such as basketball and badminton matches to foster a sense of community and belonging for the newly employed college students.

#### 4. Conclusions

As urbanization in China intensifies, the urban floating population continues to grow annually. Consequently, the housing challenge faced by migrant workers as they enter cities has emerged as a crucial aspect of urban economic development. Addressing this issue is a long-term, sustained, and systematic undertaking that necessitates the support and involvement of city governments. The policy recommendations for improving the housing problem of migrant workers in this article are as follows:

The government should expand the scope of urban housing security for migrant workers.

The government should adjust and regulate the leasing market.

The government should issue policies to improve the housing consumption capacity of migrant workers.

The policy suggestions for improving the housing problem of newly employed college students in this article are as follows:

The government should implement tiered rental subsidies for newly employed college students.

The government should expand the scope of affordable housing for newly employed college students.

The government should implement and improve the relevant supporting facilities for affordable housing.

This article categorizes and discusses the housing issues of migrant workers and newly employed college students in Shanghai, and proposes policy suggestions to improve the housing problem. However, further in-depth and detailed research is needed on how the government ensures land supply and provides financial security.

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