

SOME ISSUE OF ANALYSIS OF CREDIT AND REAL ESTATE MARKET CORRELATION IN CHINA

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Historically, the real estate market in China has been a significant contributor to the country's economic growth. However, the Chinese government has been taking steps to curb rising housing prices and prevent a potential housing bubble. These measures have included restrictions on home purchases and increased regulations on real estate developers. The present paper provides brief analysis of correlations between real estate market prices and prices of credit in China. Relationship between real estate prices and credit prices in China can be complex and multifaceted, with various factors potentially impacting both. However, interest rates and government policies are two key factors that can influence both real estate prices and the availability and cost of credit in China.

Keywords: real estate market of China; credit market of China, real estate project management.

ПОДХОДЫ К АНАЛИЗУ СООТНОШЕНИЯ РЫНКА КРЕДИТА И НЕДВИЖИМОСТИ В КИТАЕ

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Исторически рынок недвижимости в Китае вносил значительный вклад в экономический рост страны. Тем не менее, китайское правительство предпринимает шаги, чтобы сдерживать рост цен на жилье и предотвратить потенциальный пузырь на рынке жилья. Эти меры включали ограничения на покупку жилья и ужесточение правил в отношении застройщиков. В настоящей статье представлен краткий анализ взаимосвязи между ценами на рынке недвижимости и ценами на кредит в Китае. Взаимосвязь

между ценами на недвижимость и ценами на кредиты в Китае может быть сложной и многогранной, при этом на обе могут влиять различные факторы. Однако процентные ставки и государственная политика являются двумя ключевыми факторами, которые могут влиять как на цены на недвижимость, так и на доступность и стоимость кредита в Китае.

Ключевые слова: рынок недвижимости Китая; кредитный рынок Китая, управление проектами в сфере недвижимости.

Introduction. Real estate market in China has been a significant contributor to the country's economic growth [1]. However, the Chinese government has been taking steps to curb rising housing prices and prevent a potential housing bubble. These measures have included restrictions on home purchases and increased regulations on real estate developers. The present paper provides brief analysis of correlations between real estate market prices and prices of credit in China. Relationship between real estate prices and credit prices in China can be complex and multifaceted, with various factors potentially impacting both. Interest rates and government policies are two key factors that can influence both real estate prices and the availability and cost of credit in China [2].

China's economic growth has been fueled by a range of factors over the past few decades. Here are some of the key drivers of economic growth in China:

Investment: China has relied heavily on investment to drive economic growth, particularly in the form of infrastructure projects, real estate development, and manufacturing capacity. Investment has been fueled by both domestic savings and foreign capital, with China attracting significant amounts of foreign investment over the years.

Exports: China has become a major exporter of manufactured goods, particularly electronics, textiles, and machinery. The country's large and low-cost labor force, as well as its infrastructure and logistics networks, have made it a competitive player in global trade.

Urbanization: China's rapid urbanization has played a significant role in driving economic growth. As more people have moved to cities, demand for goods and services has increased, leading to growth in sectors such as construction, real estate, and retail.

Technology: China has made significant investments in technology and innovation in recent years, particularly in areas such as artificial intelligence, robotics, and 5G infrastructure. This has helped to drive growth in the technology sector and position China as a global leader in certain industries.

Government Policy: The Chinese government has implemented a range of policies aimed at promoting economic growth, including investments in infrastructure, tax incentives for businesses, and subsidies for certain industries. The

government has also pursued a range of economic reforms, such as liberalizing certain sectors and opening up to foreign investment.

China's economic growth has been driven by a combination of factors, including investment, exports, urbanization, technology, and government policy. While the exact mix of factors may vary over time, these drivers are likely to continue to play a significant role in China's economic development in the coming years.

Materials and methods / theoretical foundations. According to official information, the exact contribution of the real estate sector to the country's GDP can vary from year to year depending on a range of factors. Here's a brief overview of the contribution of real estate to China's economic growth from 2018 to 2022 [3]:

2018: In 2018, real estate investment accounted for approximately 13.2 % of China's GDP, according to data from the National Bureau of Statistics. This was down slightly from 13.4 % in 2017, but still represented a significant contribution to the country's economic growth.

2019: In 2019, the real estate sector continued to be an important driver of China's economic growth, accounting for approximately 13.3 % of GDP. However, the growth rate of real estate investment slowed down compared to previous years, reflecting the impact of government policies aimed at cooling the property market.

2020: The COVID-19 pandemic had a significant impact on China's real estate market in 2020, with sales and investment levels falling sharply in the early months of the year. However, the market recovered quickly, and real estate investment accounted for approximately 13.8 % of GDP in 2020, up from 13.3 % in 2019.

2021: In 2021, the real estate sector continued to be a significant contributor to China's economic growth, with investment accounting for approximately 13.9 % of GDP in the first half of the year. However, the government's ongoing efforts to regulate the property market have led to some uncertainty and volatility in the sector.

2022: It is difficult to predict the exact contribution of real estate to China's economic growth in 2022. However, it is likely that the sector will continue to play an important role, despite ongoing efforts to regulate the market and address issues such as housing affordability and oversupply.

The credit rates for real estate purchases in China can vary depending on a range of factors, including the specific lender, the type of loan, the borrower's creditworthiness, and prevailing market conditions. However, here are some general trends in credit rates for real estate purchases in China from 2018 to 2022 [4]:

2018: interest rate for housing loans in China was 4.9 %, according to data from the People's Bank of China. However, actual rates could vary depending on the lender and borrower.

2019: interest rate for housing loans in China was lowered to 4.65 % in an effort to support the property market. Some lenders also offered discounted rates to attract borrowers.

2020: interest rate for housing loans was further reduced to 4.15 % in response to the economic impact of the COVID-19 pandemic. Some lenders also offered promotional rates and other incentives to encourage borrowing.

2021: interest rate for housing loans remained at 4.15 %, but some lenders increased rates or tightened lending standards in response to government efforts to cool the property market.

2022: the benchmark interest rate for housing loans in China remained at 4.15 %. However, there is some uncertainty around credit rates for real estate purchases in China due to ongoing government efforts to regulate the property market and prevent speculation.

Results and discussion. There are several current challenges facing the real estate market in China. The government has implemented a range of policies aimed at cooling the property market and preventing speculation. These policies include restrictions on borrowing, limits on purchases by non-residents, and regulations on property developers. While these policies are intended to promote stability and affordability, they can also limit growth and profitability in the real estate sector. Some cities in China have experienced a significant oversupply of real estate, particularly in the commercial and high-end residential segments. This oversupply can lead to downward pressure on prices and reduced profitability for developers. China's real estate sector is highly leveraged, with developers and investors relying heavily on debt financing. This has raised concerns about the potential for a financial crisis in the sector if debt levels become unsustainable. China's population is aging and urbanizing, which is shifting demand away from traditional housing models and towards more specialized forms of housing, such as senior living facilities and rental properties. This shift in demand could require significant adjustments from developers and investors. China's economic growth has slowed in recent years, which could reduce demand for real estate and limit the profitability of developers and investors. The impact of the COVID-19 pandemic has also created uncertainty and volatility in the real estate market.

Conclusion. There is typically a correlation between credit rates and real estate sales in China, as credit rates can impact the affordability of real estate purchases for potential buyers. Generally, when credit rates are lower, borrowing is cheaper and it becomes easier for people to finance their home purchases, which can stimulate demand for real estate and increase sales. On the other

hand, when credit rates are higher, borrowing becomes more expensive, which can make it harder for people to afford home purchases and reduce demand for real estate.

However, it's worth noting that there are other factors that can also impact real estate sales in China, such as government policies, changes in economic conditions, and market sentiment. Therefore, the relationship between credit rates and real estate sales is not always straightforward and can be influenced by a range of factors.

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