

Tenants enjoy home comforts

Policies to ensure a better supply of decent properties and longer contracts improve life for renters in China

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Li Heqin was both elated and anxious when he was told in August that his job promotion to be a regional manager at an auto parts supplier would mean relocating to Shanghai.

Excited, because the promotion would mean stiffer challenges and bigger rewards, but anxious, because the move would require him to leave his own apartment and move into a rental — a potential nightmare in the current tight property market.

Or so he thought, going by his prior experience as a tenant. Li rented several homes in Huzhou in East China's Zhejiang province before he bought an apartment there in February this year.

"I was really fed up of renting," he said. "The property owner could call any time and ask me to vacate because he wanted to sell the property. I had to move as many as six times in nine years for such reasons."

Millions of tenants — especially migrants, scholars and other newcomers to cities — across urban China will probably have similar tales of woe to share.

In China, about 140 million urban residents are tenants. And 196 million migrants are living in rented rooms, according to the National Bureau of Statistics.

As it turned out, Li's fears were not realized. He found a suitable two-bedroom serviced apartment in Shanghai's Jiading district. His rent of around 9,800 yuan (\$1,500) per month is about one-third of his income.

Li said that he is quite satisfied, and was surprised that he had been able to find a decent apartment on a two-year lease with an option to renew the tenancy.

He was even given the freedom to deco-

rate the place to his own taste.

Li is beginning to see that his long-held beliefs about life as a tenant may need to be revised. "Renting a home can also ensure a decent life," he said. "If I could have such a place to live wherever I work, I wouldn't really need to buy any property."

Li's vision could soon become reality in China as the supply of tenant-friendly homes is expected to increase in the next few years. What will make that possible is a wave of measures to make properties available for both leasing and sale.

The policy is one of the long-term mechanisms being introduced to ensure the healthy and stable development of the real estate sector.

Since March, a series of measures across China — covering financing, land supplies, household registration policy and policies for access to public resources — have been introduced to stoke growth of the rental market.

In Shanghai, for example, two land parcels were designated for the development of apartments for lease, and two commercial-use land parcels in a key area will be transformed into housing projects for tenants who work in a high-tech park. The housing projects will be complete with kindergartens and other facilities.

In Hangzhou, the local government has been piloting an online home rental platform, enabling transparent contracts and providing mutual reviews of property owners and tenants.

In Wuxi, in the eastern Jiangsu province, tenants who meet a set of criteria — such as having lived and worked in the city for a certain number of years, and participation in the social security program — will be able to

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Timeline of policy support for the rental home market

Aug 2017

Some 13 cities allowed to transform collectively owned land in rural areas into rental housing projects in a pilot program.

July 2017

Rental market development measures, such as State-owned enterprises transforming into rental project operators and the establishment of government-guided rental property transaction platforms, piloted in 12 cities.

July 2017

Guangzhou, in the southern Guangdong province, initiated a policy that qualified tenants should have equal access to public resources as homeowners do.

June 2016

The State Council said in a circular that the development of the rental market should be accelerated in all aspects.

Dec 2015

China's central government clarified at the annual economic work meeting that the residential property market shall develop to cater to both sale and lease sectors.



Professionals enjoy communal areas in their serviced apartments in Jinqiao, Shanghai.

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