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Practices and Reflections on High-Quality Residential Construction under the New Model of Real Estate Development

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Abstract: ***Starting from the practical significance of constructing high-quality residential buildings under the new model, this paper employs the System Dynamics (SD) method to build a development path model for high-quality residential buildings in Zibo City. It explores and simulates the dynamic evolution process of the supply and demand for high-quality residential buildings in Zibo City under different development policy interventions. Finally, based on the actual situation, it proposes countermeasures and suggestions to accelerate the promotion of high-quality residential construction.***

Keywords: New Model of Real Estate Development; High-Quality Residential; Real Estate Market Development.

1. INTRODUCTION

Against the backdrop of China's economy shifting from high-speed growth to high-quality development, coupled with slowing urbanization speed and a transition to negative population growth, significant changes have occurred in the supply and demand relationship of the real estate market. Accelerating the construction of a new real estate development model has become the fundamental strategy for preventing and resolving risks and promoting the stable and healthy development of the real estate market. High-quality residential construction, as a new quality productive force in the real estate market, is an important driver for promoting high-quality development in real estate and accelerating the establishment of the new real estate development model. This paper starts from the practical significance of constructing high-quality residential buildings under the new model, employs the System Dynamics (SD) method to build a development path model for high-quality residential buildings in Zibo City, explores and simulates the dynamic evolution process of the supply and demand for high-quality residential buildings in Zibo City under different development policy interventions, and finally proposes countermeasures and suggestions to accelerate the promotion of high-quality residential construction based on the actual situation.

2. THE PRACTICAL SIGNIFICANCE OF CONSTRUCTING HIGH-QUALITY RESIDENTIAL BUILDINGS UNDER THE NEW MODEL

Currently, real estate market development has entered an adjustment phase, with significant changes in the market supply-demand relationship. The previous development model, which pursued speed and quantity during the era of solving the problem of "whether there is housing," no longer meets the new requirements of the high-quality development stage focused on solving the problem of "how good the housing is." Taking high-quality residential construction as the starting point to create "good houses" that satisfy the people has important practical significance for boosting homebuyer confidence, releasing housing demand, and promoting a smooth transition of the real estate sector to the new model.

2.1 Boosting Homebuyer Confidence and Promoting Stable and Healthy Market Development

Since 2023, the economic downturn has significantly reduced residents' motivation to purchase homes. In the second half of 2023, the growth rate of sales area for newly built commercial housing in Zibo turned from positive to negative, dropping to a low of -15.5% in the first quarter of 2024. To stop the decline and stabilize the real estate market, it is necessary to guide enterprises to focus their efforts on creating a number of high-quality residential projects, using innovative products, reliable quality, complete supporting facilities, and high-quality services to stimulate new market vitality and create new demand for housing consumption. The provincial pilot project Xindongsheng · Zhiyuan sold 103 units and achieved sales of 250 million yuan in its first launch. Chenyuan became Zibo's 2024 "sales champion" with sales of 930 million yuan. Driven by high-quality residential projects and the release of policy dividends, the decline in Zibo's commercial housing sales has been continuously narrowing this year, and the overall real estate market is moving towards stabilization and recovery.

2.2 Releasing Housing Demand and Adapting to Urban Renewal Trends

The continuous advancement of urbanization provides strong momentum for real estate market development. Zibo's urbanization rate exceeded 70% for the first time in 2017, reaching 76.2% in 2024, indicating that urbanization has entered a stable development period. The slowdown in new urban population growth, coupled with an aging population and declining birth rate, has led to a reduction in potential real estate market demand. To further expand incremental space, it is necessary to organically integrate high-quality residential construction with urban renewal, coordinate the promotion of old residential area renovation, and enhance the quality of living in old urban areas through the construction of high-quality resettlement communities, thereby releasing the potential of rigid and upgradable housing demand. The provincial pilot project Qiyao Huayuan (Shifu Yisushe Area Shantytown Redevelopment Project), as a demonstration urban renewal project, demolished a total construction area of 43,000 square meters, benefiting 753 households and 2,100 residents in the shantytown area. Part of the unit types were used as talent apartments with property rights, providing 290 units, achieving an organic combination of high-quality residential construction and the talent housing project.

2.3 Enhancing Residential Quality to Meet People's New Expectations for "Good Houses"

Over the past 20 years, housing has coexisted in various forms such as commercial housing, public rental housing, and self-built houses, playing an important role in meeting people's housing needs. At the same time, people have higher pursuits and expectations for the quality of houses and communities, hoping to live in safe, comfortable, green, and smart "good houses." High-quality residential buildings, as "good houses" that meet upgradable housing demand, focus on improving residents' living quality and happiness, conform to people's new expectations for improving living conditions, integrate the people-oriented concept into the entire process of high-quality residential construction, and make collaborative efforts in quality standards, technological innovation, and service guarantees to create the "good houses" people expect. The provincial pilot project Jincheng Rongji · Zhenyue revolves around the two major themes of health and service, providing a series of supporting services such as after-school programs ("4:30 school"), community car washing, city study rooms, gyms, laundry rooms, private dining spaces, and canteens to meet the diverse needs of owners and create a new high-quality lifestyle for them.

3. ANALYSIS OF THE CURRENT SITUATION OF HIGH-QUALITY RESIDENTIAL CONSTRUCTION

As of now, Zibo has promoted the construction of 22 pilot high-quality residential projects, including 14 provincial-level pilot projects, and has focused on cultivating 12 leading enterprises in high-quality residential construction. Positive results have been achieved in the standard system, entity cultivation, and consumer market for high-quality residential construction.

3.1 Continuous Improvement of the Standard System, Multi-dimensional Leap in Residential Quality

In 2022, Zibo took the lead in the province in issuing the "Several Regulations on Improving the Quality of Newly Built Commercial Housing," guiding residential quality improvement from the perspective of standards and specifications. In 2023, the "Evaluation Method for High-Quality Residential Pilot Projects" was issued, clarifying the evaluation standards for pilot projects around planning and design quality, architectural design quality, construction quality, and property service quality, providing a basis for the scientific and effective selection of pilot projects. In 2024, the "Planning Management Measures for Promoting the Quality Improvement of Newly Built Residential Buildings" were issued, further relaxing restrictions on the commercial-to-residential ratio and floor area ratio, stipulating that sunken courtyards, covered corridors, and pilotis floors are not included in the floor area ratio calculation. In 2025, the "Zibo 'Good House' Technical Guidelines" were officially released, providing detailed technical guidance in planning and design, architectural design, construction quality, public service supporting facilities, and fire protection engineering, injecting strong momentum into high-quality real estate development.

3.2 Two-Pronged Efforts on Supply and Demand Sides, Precise Empowerment for Project Construction

On the supply side, efforts are actively made to seamlessly connect banks located in Zibo with real estate development enterprises, achieving mutual benefit and win-win for both banks and enterprises. Policies such as supplying premium land parcels and green finance are adopted to provide "point-to-point" guarantees for

high-quality residential projects. On the demand side, support from the housing provident fund is strengthened. The "Ten Measures on Further Promoting the Stable and Healthy Development of the Real Estate Market" formulated in 2024 explicitly states that the maximum housing provident fund loan amount for purchasing high-quality residential buildings will be increased by 20%. Meanwhile, platforms for transactions between buyers and sellers are actively established. The Zibo High-Quality Residential Exhibition and Trade Fair & the 8th Zibo Real Estate Expo were held in 2025, allowing the public to fully understand the advantages of high-quality residential buildings in terms of performance, function, and usage, guiding market direction and enhancing market confidence.

3.3 Diverse Supply of Residential Categories, Impressive Sales Market Performance

Based on core characteristics and selling points, Zibo's 22 high-quality residential projects (totaling 15,673 units) can be divided into six categories: Forest Garden Type, Smart Residential Type, Healthy Residential Type, Green Low-Carbon Type, Functionally Friendly Type, and Comprehensive Service Type. Among them, the representative project of the Forest Garden Type, Dingcheng Forest City, actively explores the construction of fourth-generation residences, realizing the dream of every household in northern high-rise buildings having a garden and a courtyard. The representative project of the Healthy Residential Type, Xinhongcheng · Qiyuan Fu, focuses on indoor environmental quality, equipped with fresh air systems and water purification systems to protect residents' health. The representative project of the Green Low-Carbon Type, Jincheng Rongji · Boyue Shuyuan, optimizes the building envelope, achieving significant energy-saving effects. Benefiting from the market appeal and value potential of high-quality residential buildings, as of the first half of 2025, 18 high-quality residential projects on sale in Zibo (totaling 13,935 units) had cumulatively sold 7,951 units, with sales reaching 12.07 billion yuan and an average selling price of 10,394 yuan per square meter. The average sales-to-inventory ratio for high-quality residential buildings was 57.1%, significantly better than that of traditional residential projects. As shown in Table 1.

Table 1: Details of 22 High-Quality Residential Pilot Projects in Zibo City

Name of the community	Location	Number of residential units	Number of residential units sold	Sold amount (10k yuan)	Avg. Price (yuan/m²)	Sales-to-Inv. Rate (%)
Xiangqiao Shuyuan	Zichuan District	2166	1918	174265	8541	89
Shanshui Wenyuan	Zichuan District	1002	414	45545	8195	41
Qiyao Huayuan	Zhangdian District	753	732	79137	8515	97
Qiyuan Fu	Zhangdian District	788	153	31274	14173	19
Chenyuan	Zhangdian District	638	175	81478	20715	27
Zhenyue	Zhangdian District	488	273	67466	14772	56
Senlin Xingyue	Zhangdian District	500	327	52090	10242	65
Forest City	Zhangdian District	336	336	86778	11910	100
Langyue Fu	Zhangdian District	894	303	61090	12700	34
Longyue Huafu	Zhangdian District	256	0	0	0	0
Senlin Yunlu	Zhangdian District	721	0	0	0	0
Hengyue Fu	Linzi District	340	145	26711	10171	43
Heyue Fu	Linzi District	198	189	71080	16298	95
Lanxi Center	Linzi District	233	0	0	0	0
Zhiyuan	Zhoucun District	960	225	55351	9290	23
Runjing Wan	Zhoucun District	499	136	33350	11724	27
Yujing Yuan	Yiyuan District	638	619	65017	7237	97
Yinxiang Taohuayuan	Yiyuan District	196	162	28917	8849	83
Yuefu	Yiyuan District	423	131	16792	8521	31
Boyue Shuyuan	High-Tech Zone	616	331	35651	8425	54
Youyuan	High-Tech Zone	2500	1382	194797	10410	55
Qixinyue Fu	Econ. Dev. Zone	528	0	0	0	0

4. ISSUES REQUIRING ATTENTION IN HIGH-QUALITY RESIDENTIAL CONSTRUCTION

High-quality residential construction carries the expectation of "driving overall improvement through specific points." To accelerate the construction of more "good houses" that meet upgradable housing demand, the following issues need attention.

4.1 The Supply-Demand Structure Still Needs to be Optimized

First, regional differentiation is evident. In the first half of 2025, high-quality residential projects accounted for only 6.3% of all projects in the city, and their geographical locations were mainly concentrated in the main urban area. Zhangdian District, High-tech Zone, and Economic Development Zone accounted for 55% of the city's total. The supply of "good houses" in peripheral areas such as Boshan District, Huantai County, and Gaoqing County is relatively insufficient. With the excessive concentration of high-quality residential development in the main urban area, home purchase demand may not keep up with the supply speed, leading to a structural contradiction where the supply of new housing increases while the existing stock of housing is difficult to digest. Second, product homogenization is noticeable. Currently, newly built high-quality residential projects mainly consist of large-area low-rise buildings, large flats, and townhouses, making it difficult to meet diverse upgradable housing needs. In the future, more high-quality residential units of different types and smaller/medium sizes need to be developed.

4.2 The Consumer Willingness Still Needs to be Strengthened

Under the current pressured economic environment, the stability of residents' income is insufficiently supportive, and home purchase willingness is characterized by a wait-and-see attitude. Factors restricting the release of residents' upgradable housing demand mainly include: First, the high cost of purchasing new homes. The prices of high-quality residential buildings on scarce plots in the main urban area are relatively high, creating a gap with residents' payment capacity. Besides considering high housing prices, buyers also need to consider decoration costs and even bear the risk of asset depreciation caused by falling housing prices. Price sensitivity forces residents to carefully plan their home purchase expenditures. Second, the problem of "difficulty in selling old homes" has not been effectively resolved. Most buyers need to "sell old" to meet the demand for "buying new." The slow turnover rate in the second-hand housing market leads to blockages in the chain of cashing out old homes. Existing "replace old with new" policies have not effectively smoothed the second-hand housing transaction channels. Issues such as complex procedures for listing and selling second-hand homes and numerous steps in tax calculation and refunds still exist.

4.3 The Pressure on Real Estate Enterprises Still Needs to be Improved

The transformation of real estate enterprises is an inevitable trend in establishing a new real estate development model, but this transformation faces many pain points. First, financing pressure is high. The financing models of Zibo's real estate enterprises are singular, mostly relying on self-raised funds supplemented by domestic loans. In the first half of 2025, the actual funds obtained by real estate enterprises in the city decreased by 15.9% year-on-year, among which self-raised funds decreased by 32.7% year-on-year. Financing difficulties lead to weak investment willingness among developers, fewer newly started projects, and slow progress of projects under construction, limiting the supply of "good houses." Second, the pressure for sales collection is significant. In the first half of 2025, sales collections (including deposits and advance receipts, personal mortgage loans) for real estate enterprises in the city decreased by 5.0% year-on-year. Most projects face considerable destocking pressure, forcing developers to promote sales through methods like price reductions, which affects the price level of "good houses" and corporate profits.

5. EXPLORATION OF THE DEVELOPMENT PATH FOR HIGH-QUALITY RESIDENTIAL BUILDINGS

Based on the current development status and challenges of high-quality residential buildings in Zibo City, the System Dynamics method is used to construct a development path model for high-quality residential buildings in Zibo, exploring and simulating the supply and demand changes in the high-quality residential market under different policy interventions promoting high-quality residential development.

5.1 Construction of the System Dynamics Model for High-Quality Residential Buildings

This paper constructs a System Dynamics model for the development of high-quality residential buildings in Zibo City, including policy regulation subsystem, development and construction subsystem, market demand subsystem, and housing supply subsystem. The internal structure of the system is expressed through a causal loop diagram, and quantitative simulation is achieved through stock-flow diagrams and equation parameters.

5.1.1 Determine the Model Subsystem Architecture. The policy regulation subsystem includes policy variables

such as floor area ratio incentives and housing provident fund support, simulating the intervention mechanism and transmission path of policies on the high-quality residential market. The development and construction subsystem includes variables such as land supply and project development cycle, simulating the entire process from land acquisition to project delivery by developers. The market demand subsystem includes variables such as residents' payment capacity and upgradable demand, simulating homebuyer behavior and the market supply-demand balance mechanism. The quality upgrade subsystem includes variables such as green building standards and technological innovation, simulating the technical path for improving residential quality. As shown in Figure 1.

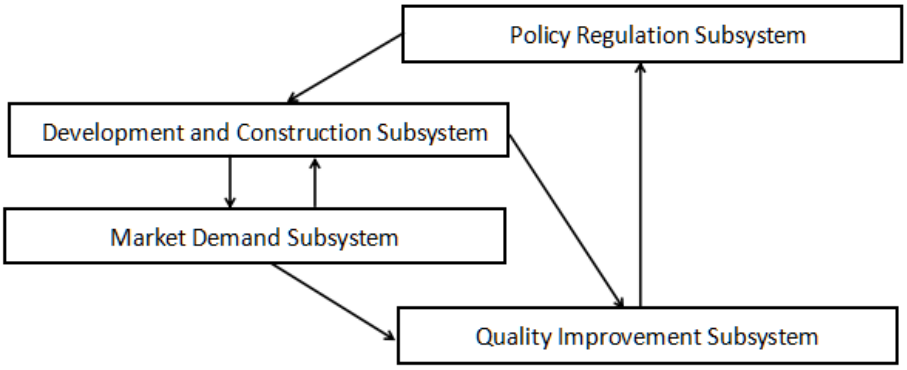

Figure 1: Subsystem Architecture of the System Dynamics Model for High-Quality Residential Development in Zibo City

5.1.2 Establish the Causal Loop Diagram. The subsystems are interconnected through multiple feedback loops, forming a causal loop diagram, mainly used to qualitatively describe the causal relationships between variables in the subsystems. Two key loops include: ① Positive Feedback (Quality Improvement Cycle): Policy support → Increased developer enthusiasm → Increased supply of high-quality residences → Enhanced market recognition → Increased developer brand premium → Further increased developer enthusiasm; ② Negative Feedback (Resource Constraint Cycle): Increased land supply → Expanded development scale → Tight capital and land resources → Prolonged development cycle → Slowed growth rate of high-quality residential supply. As shown in Figure 2.

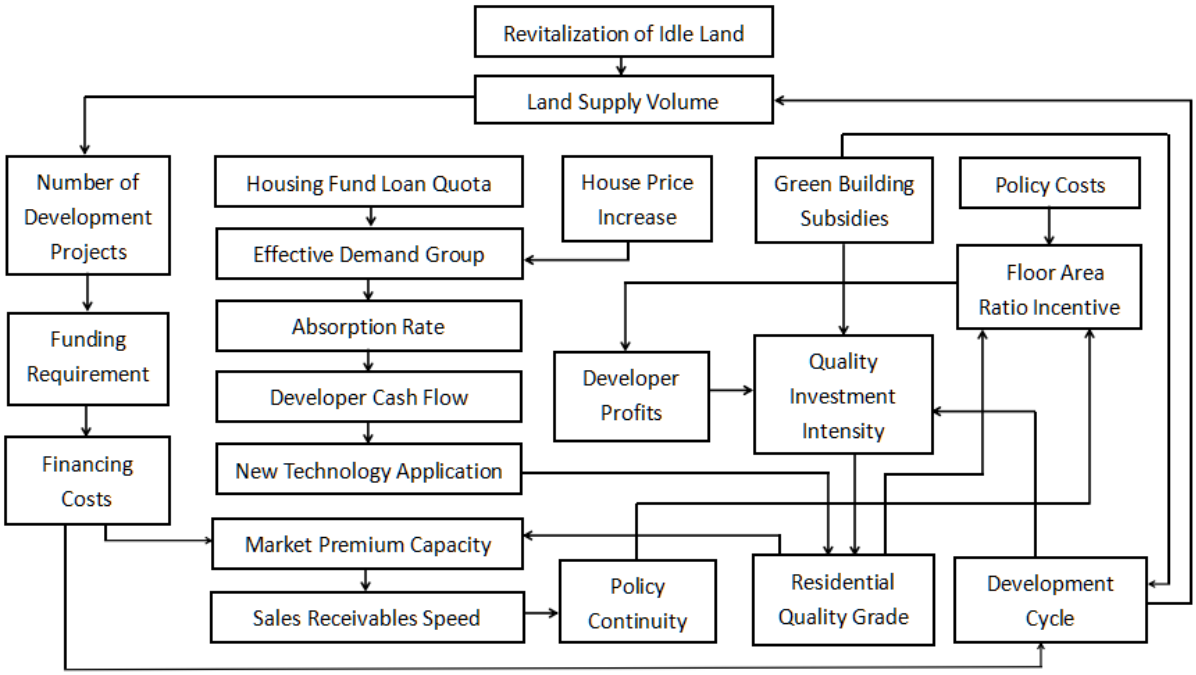

Figure 2: Causal Loop Diagram of the System Dynamics Model for High-Quality Residential Development in Zibo City

5.1.3 Construct Stock-Flow and Functional Relationships. Based on the causal loop diagram, quantitative analysis of various variables within the subsystems is conducted, and the mathematical relationships between variables are clarified through equations. The core variable table of the Zibo High-Quality Residential Development System

Dynamics Model is as shown in Table 2.

Table 2: Core Variables of the System Dynamics Model for High-Quality Residential Development in Zibo City

Variable Type	Variable Name	Unit	Physical Meaning
Stock	Total Residential Investment	100M yuan	Willingness to invest in all residential projects
	Of which: High-Quality Residential Investment	100M yuan	Willingness to invest in high-quality residential projects
	Total Residential Sales Area	10k m²	Sales area of all residential properties
	Of which: High-Quality Residential Sales Area	10k m²	Sales area of high-quality residential properties
	High-Quality Residential Stock	10k m²	Sellable area of high-quality residential properties
	Newly Started Project Area	10k m²	Area of newly started residential projects
	Land Supply Area	10k m²	Land supply available for real estate development
	Potential Upgradable Demand	10k households	Number of households with purchasing willingness and capacity
Flow	High-Quality Residential Market Share	%	Proportion of high-quality residential sales to total residential sales
	Land Supply Growth Rate	%	Year-on-year growth rate of land supply area
	New Start Growth Rate	%	Year-on-year growth rate of newly started project area
	Completion Growth Rate	%	Year-on-year growth rate of project completion/delivery area
	Demand Conversion Rate	10k households/year	Speed at which demand converts into purchases
Auxiliary Variable	Floor Area Ratio Incentive Coefficient	%	Floor area ratio bonus granted by the government
	HPF Loan Increase Ratio	%	Preferential margin for housing provident fund loans
	Stock Land Utilization Efficiency	%	Utilization efficiency of existing land stock
	Developer Enthusiasm	(0-1)	Ratio of planned investment in high-quality residential new starts to total planned investment in new starts
	Development Cycle	Month	Project development time
	Residents' Purchasing Power	%	Residents' home purchase capacity
	Sales-to-Inventory Rate	%	Ratio of residential sales area to total supply area
Constant	Benchmark Development Cycle	Month	Standard project development cycle
	Quality Premium Threshold	%	Maximum premium rate accepted by the market
	Green Subsidy Standard	yuan/m²	Construction subsidy per unit area for residential buildings
	Benchmark Floor Area Ratio	---	Floor area ratio before any incentives

5.2 Policy Intervention Simulation and Result Analysis

Based on the constructed System Dynamics model, this paper designs four policy scenarios to simulate the dynamic response of Zibo's high-quality residential development under different policy interventions. By comparing and analyzing the changes in key indicators under each scenario, the mechanism and effect differences of policy interventions are revealed.

5.2.1 Data Initialization. The model time span is 2025-2030. Data initialization and sources are mainly official data from the Zibo Municipal Bureau of Statistics, empirical parameters from existing literature, and data from high-quality residential pilot projects. As shown in Table 3.

Table 3: Data Initialization and Sources

Variable Name	Initial Value	Unit	Data Basis
High-Quality Residential Stock	54	10k m²	Sellable area of 22 high-quality residential projects in 2024; Bureau of Statistics data
High-Quality Residential Sales Area	41	10k m²	Sales area of 22 high-quality residential projects in 2024; Bureau of Statistics data
Total Residential Sales Area	270	10k m²	Zibo residential sales area in 2024; Bureau of Statistics data
Land Supply Area	634	10k m²	Residential land supply in 2024; Natural Resources and Planning Bureau data
Potential Upgradable Demand	3.5	10k households	Estimated number of households with upgradable demand based on preliminary summary of Zibo's 2024 1% population sample survey
Developer Enthusiasm	0.22	(0-1)	New start data for real estate projects in 2024; Bureau of Statistics data
Floor Area Ratio Incentive Coefficient	5	%	"Zibo City Planning Management Measures for Promoting the Quality Improvement of Newly Built Residential Buildings" (2024)
HPF Loan Increase Ratio	20	%	"Zibo City Ten Measures on Further Promoting the Stable and Healthy Development of the Real Estate Market" (2024)
Stock Land Utilization Rate	30	%	Historical data empirical value for Zibo's stock land utilization rate
Benchmark Development Cycle	24	Month	Average historical development cycle for Zibo real estate projects (2019-2024)
Quality Premium Threshold	25	%	Premium ratio of high-quality residential avg. price over traditional residential

			avg. price in 2024
Benchmark Floor Area Ratio	2	---	Zibo Central City Regulatory Detailed Plan (2021-2035)

5.2.2 Policy Scenario Design. This study designs four policy scenarios to simulate the dynamic response of Zibo's high-quality residential development under different policy interventions. ① Baseline Scenario: Floor area ratio incentive 5%, HPF loan amount increase 20%, stock land utilization rate 30%. This scenario serves as the benchmark for comparison with other intervention scenarios. ② Economic Incentive Scenario: Strengthens economic incentives on top of the baseline, including increasing the floor area ratio incentive to 10%, increasing the HPF loan amount for high-quality residences to 30%, and adding a high-quality residential construction subsidy (200 yuan per square meter). ③ Land Optimization Scenario: Optimizes land resource allocation on top of the baseline, including increasing the stock land utilization rate to 50% and shortening the idle land disposal cycle to 12 months. ④ Comprehensive Intervention Scenario: Integrates the policies from scenarios ② and ③.

5.2.3 Simulation Result Analysis. The analysis of the simulation results for key indicators of high-quality residences under different policy scenarios is as shown in Table 4.

Table 4: Simulation Results of Key High-Quality Residential Indicators under Different Policy Scenarios

Indicator	Scenario	2025	2026	2027	2028	2029	2030	Avg. Annual Change Rate
Annual Supply of HQ Residences (10k m²)	①	95	102	112	120	126	132	6.80%
	②	105	118	135	152	165	178	11.20%
	③	102	115	130	145	157	168	10.50%
	④	115	135	162	192	215	235	15.40%
HQ Residential Market Share (%)	①	18	19	21	22	23	25	6.80%
	②	22	24	28	32	34	36	10.40%
	③	20	22	26	29	31	32	10.00%
	④	25	28	35	41	45	48	14.10%
Developer Enthusiasm (0-1)	①	0.24	0.26	0.28	0.29	0.31	0.32	6.00%
	②	0.29	0.36	0.42	0.45	0.48	0.51	12.00%
	③	0.28	0.34	0.38	0.4	0.43	0.46	10.50%
	④	0.3	0.37	0.43	0.52	0.55	0.58	14.30%

First, the marginal effect of single policies diminishes noticeably. Under the strong incentive scenario, unilaterally increasing economic incentives shows significant initial effects, with the growth rate of annual high-quality residential supply reaching 1.8 times that of the baseline scenario. However, over time, after 2029, growth slows significantly due to intensified land resource constraints. The land optimization scenario shows the opposite characteristic, with mild initial effects but stronger long-term sustainability. By 2030, the high-quality residential market share can reach 32% under this scenario, lower than the 36% under the strong incentive scenario, but with lower policy costs.

Second, policy synergy generates a multiplier effect. The annual supply of high-quality residences under the comprehensive intervention scenario reaches 2.35 million square meters in 2030, significantly higher than under any single policy scenario, reflecting the synergistic effect of the "policy package." This synergy is mainly reflected in three aspects: Floor area ratio incentives reduce developer cost pressure, making quality investment feasible; HPF preferential policies expand the effective demand group, accelerating destocking; Land revitalization policies ensure space for project implementation. The results show that when floor area ratio incentives and HPF preferential policies are implemented simultaneously, the effect on supply stimulation is 1.7 times that of a single policy.

Third, there are significant differences in policy delays. There are significant differences in the speed of effectiveness of different policies: for example, land policies such as idle disposal significantly increase supply after 12-24 months; Financial policies such as housing provident fund discounts and housing construction subsidies will rapidly stimulate demand within 0-12 months. This time lag difference explains why the ten measures for Zibo in 2024 include both short-term effective financial policies and long-term oriented quality policies. In addition, the enthusiasm of developers under economic policies such as plot ratio incentives is higher than that under land policies such as land revitalization efficiency, indicating that developers are more concerned about direct economic incentives.

6. SUGGESTIONS FOR ACCELERATING THE PROMOTION OF HIGH-QUALITY RESIDENTIAL CONSTRUCTION

Promoting high-quality residential construction is a key breakthrough in establishing a new real estate development model, but its success is by no means easy. It requires strong, systematic, and persistently implemented comprehensive policy interventions to hopefully activate a positive cycle, achieving the healthy development of the real estate market and the enhancement of urban capabilities.

6.1 Optimize the Supply Structure to Match Diverse Demand

First, adjust the land supply structure and increase the supply of premium land parcels. Revitalize existing land stock through methods like urban renewal and old city renovation. During land conveyance, clearly specify the proportion of upgradable housing to be built, ensuring supply matches demand. Second, encourage developers to enhance product quality to meet diverse upgradable needs. The definition of a "good house" is still expanding, focusing not only on "size" but more on "suitability." Ensuring that there are corresponding "good houses" in different regions, of different sizes, and at different price points can effectively match the multi-level and diverse housing needs of different groups.

6.2 Implement Targeted Policies to Stimulate Market Vitality

First, change the current fixed-ratio floor area ratio incentive model and establish a floating incentive mechanism linked to residential quality grades. The higher the green building certification level a project obtains, the greater the floor area ratio incentive, while setting an upper limit to prevent overdevelopment. This mechanism transforms the floor area ratio, a traditional planning control tool, into a quality-oriented market regulation tool, which can increase developer participation enthusiasm while avoiding disorderly increases in land development intensity. Second, design differentiated credit policies, such as providing more favorable loan conditions for those "trading up" or for multi-child families. For families "trading up," additional credit lines could be provided on top of the original loan, with appropriately lowered interest rates. For multi-child families, the maximum loan amount could be increased stepwise based on the number of children, accompanied by interest rate preferences.

6.3 Smooth the "Replacement" Channels to Promote the Circulation of Existing Houses

First, improve the "transfer with mortgage" mechanism, simplify procedures, and reduce replacement costs. Allow homebuyers to apply for a new home loan while their original property still has a mortgage, with the mortgage release procedures for the original property handled after its sale. Simultaneously, simplify relevant approval processes and shorten processing times. Second, encourage cooperation between developers and intermediary agencies to launch "old home replacement" plans. The government can provide policy support to encourage cooperation between developers and large intermediary agencies, offering one-stop services for upgradable home purchases, including old home evaluation, acquisition, and new home selection, reducing transaction costs and time costs.

6.4 Achieve Targeted Support and Strengthen Financial Guarantees

First, integrate existing scattered fiscal subsidy funds to establish a municipal-level special fund for high-quality residences. Adopt a "base subsidy + performance reward" model, where the base subsidy is disbursed after the project passes quality certification, and the performance reward is disbursed after delivery based on owner satisfaction survey results, ensuring the efficient use of fiscal funds. Second, establish a linkage system between housing voucher resettlement and quality certification. Based on the existing "housing voucher" resettlement model, innovatively introduce quality certification requirements, allowing those using housing vouchers to purchase high-quality residences to enjoy an additional 5% subsidy on the voucher's face value. Meanwhile, the government can directionally purchase high-quality existing homes as resettlement housing, both digesting market inventory and improving resettlement quality.

6.5 Strengthen Market Supervision and Stabilize Market Expectations

First, strictly standardize real estate development and sales practices. Strengthen supervision over developer qualifications, project quality, sales promotions, etc. Establish and improve a credit system for the real estate market, implementing joint disciplinary actions against violations. Second, strengthen public opinion guidance to

stabilize market expectations. Actively enhance the publicity of high-quality residences, enliven the market atmosphere, fully utilize the promotional role of official Douyin accounts, WeChat public accounts, and high-quality self-media accounts, conduct comprehensive online exhibitions and promotions of high-quality residential projects, increase social attention, promote and publicize the experience and practices of building "good houses," and guide the public to understand and purchase "good houses".

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