

## Original Paper

# Research on the Sustainable Development Path of China's Real Estate Market

Jing Wang<sup>1\*</sup>

<sup>1</sup> Xihua University, Chengdu, Sichuan 610039, China

\* Jing Wang (June 1998-), female, Han ethnicity, from Shuangliao City, Jilin Province, holds a bachelor's degree in Real Estate Development and Management from Xihua University School of Architecture and Civil Engineering. Research direction is Real Estate Development and Management. Major ID: 3120172304145; Jing Wang is the first author and corresponding author of this article.

### Abstract

*The Chinese real estate market has experienced rapid development in the past few decades, becoming an important driving force for economic growth. However, with the slowdown of economic growth, demographic changes, and strengthened policy controls, the real estate market is facing a series of challenges. This study analyzes the current situation of the Chinese real estate market, revealing major dilemmas such as high housing prices, inventory pressure, structural problems in the development model, and the slowdown of real estate investment growth. The research also explores the connotation and significance of sustainable development, proposing specific measures for addressing issues in resource utilization, environmental protection, social equity, economic growth, and technological innovation. To achieve sustainable development in the real estate market, policy control should be strengthened, a diversified housing supply system should be promoted, and green buildings and intelligent development should be advanced. These measures can not only alleviate the current structural issues in the market but also lay the foundation for the long-term stability and healthy development of China's real estate market.*

### Keywords

*Real estate market, Resource utilization, Green buildings, Social equity, Economic growth*

### 1. Introduction

The Chinese real estate market has undergone rapid growth and market-oriented reforms over the past few decades, becoming an important pillar of the Chinese economy. In particular, the rapid development of real estate in first-tier cities has promoted economic prosperity but has also brought about many problems, such as high housing prices, excess inventory, and structural issues in the development model. As the market environment changes and government policies are adjusted, the real

estate market is under pressure to transform. Especially with the slowdown in economic growth and the intensification of population aging, the development of the real estate market is showing a clear trend of differentiation. At the same time, the issue of sustainable development in the real estate market has become increasingly prominent, requiring solutions to problems such as resource waste and environmental pollution, as well as concerns about social equity and long-term economic stability. In response to this challenge, both the government and enterprises need to reassess and adjust the market structure, promote green building and intelligent development, and establish a healthier, more stable, and balanced real estate market. Therefore, this study aims to explore the current situation and issues of the Chinese real estate market and propose sustainable development strategies, providing theoretical support and practical guidance for the future development of the real estate industry.

## **2. Analysis of the Current Situation of China's Real Estate Market**

In recent years, China's real estate market has undergone significant changes, showing a clear trend of differentiation. For the past two decades, real estate has been a major pillar of China's economic growth, especially in first-tier cities, where the market experienced rapid expansion. However, with continuous policy adjustments and changes in the market environment, the trend of the real estate market has undergone significant shifts. The following are key points in the current real estate market analysis.

### *2.1 High Housing Prices Remain a Major Challenge for Homebuyers*

High housing prices continue to be one of the core problems in China's real estate market, especially in first-tier cities such as Beijing, Shanghai, and Shenzhen. According to 2023 statistics, the average housing price in these cities ranges from 50,000 to 80,000 yuan per square meter, which is far higher than the income levels of ordinary residents. For example, in Beijing, the housing price-to-income ratio reached 30:1 at the beginning of 2023, meaning that the financial burden on ordinary families is heavy. Despite a series of regulatory measures by the government, such as limiting purchases, limiting resale, and lowering down payment ratios, the effectiveness has not been significant. The high housing prices create significant pressure for many homebuyers, particularly young people and low-income families. As the economic growth slows, the growth rate of residents' income is unable to match the pace of housing price increases, making home buying increasingly difficult. This not only affects the quality of life for residents but also exacerbates the gap between social classes.

The problem of high housing prices not only causes economic burdens on ordinary families but also changes the consumption structure of the real estate market. Many people choose to move away from first-tier cities and opt for more affordable second- and third-tier cities, leading to large-scale population migration and unbalanced resource allocation. At the same time, the high housing prices in first-tier cities also increase the risk of a real estate bubble. Whether the government can achieve reasonable housing prices through continuous policy adjustments is key to the sustainable development of the real estate market.

| City     | 2023 Housing Price (Yuan/square meter) | 2023 Housing Price-to-Income Ratio |
|----------|--|------------------------------------|
| Beijing  | 50,000–80,000                          | 30:1                               |
| Shanghai | 50,000–70,000                          | 28:1                               |
| Shenzhen | 50,000–80,000                          | 32:1                               |

### 2.2 Some Second- and Third-Tier Cities Face Inventory Pressure

In contrast to the high housing prices in first-tier cities, some second- and third-tier cities are facing the problem of increasing real estate inventory pressure. According to a report from the Real Estate Research Center in 2023, the inventory cycle in some second-tier cities has exceeded 24 months, far beyond the normal de-inventory cycle. This indicates that the demand for real estate in these cities has significantly slowed down, and developers have had to resort to price reductions or adjusted sales strategies to deal with this pressure. The excess inventory leads to the waste of unsold housing resources and puts tremendous pressure on developers' capital chains. Additionally, the real estate markets in third-tier and lower cities are also showing signs of supply-demand imbalances. Due to population migration and changes in the industrial structure, many third-tier and lower cities face an oversupply situation, leading to resource waste and tight capital chains. In these cities, reduced demand makes it difficult for developers to recover funds, leading to the stagnation or failure of development projects. This phenomenon further intensifies the market's sluggish sentiment, with real estate enterprises showing reduced investment confidence and increasing market risk. How to adjust the supply-demand relationship between cities and optimize real estate resource allocation is an important issue for the future development of the real estate market.

### 2.3 Structural Problems in the Real Estate Development Model

The extensive development model and excessive reliance on land finance are another major challenge facing China's real estate market. In the past few decades, local governments relied on land sales to generate funds, which promoted the rapid development of real estate. However, as land resources gradually become scarce and market control policies tighten, this model has begun to expose many hidden risks. Many developers rely on high-leverage financing for expansion, and excessive borrowing has made capital chains fragile. As the real estate market slows down, the risk of capital chain breakage is increasing.

In 2023, the debt default incidents of several real estate enterprises triggered industry shocks. Some enterprises, due to capital shortages, were unable to complete development projects on time, leading to large-scale stoppages and unfinished buildings. Particularly for medium and large real estate enterprises, the rapid expansion resulted in total debt exceeding 10 trillion yuan, severely impacting the stability of the financial system. The accumulation of financial risks not only increases the potential crisis in the real estate industry but also threatens the entire economic system. Avoiding over-reliance on land finance and promoting a healthier and more sustainable development model is key to solving the problems of China's real estate market.

## 2.4 Real Estate Investment Growth Slows Down

| Year | Real Estate Investment Growth (%) | Main Reasons  | Impact  |
|------|-----------------------------------|---|---|
| 2023 | -4.5%                             | Lack of market confidence, policy adjustments, concerns about rising housing prices | Reduced investment, strong market pessimism       |
| 2022 | 3.2%                              | Market still in growth phase, investor confidence strong                            | Investment continued to grow, market active       |
| 2021 | 8.4%                              | Strong market demand, economic recovery   | Rapid growth of real estate investment            |
| 2020 | 5.6%                              | Post-pandemic recovery, policy stimulus   | Significant recovery, active real estate industry |

Apart from the issues mentioned above, the growth rate of real estate investment has also been slowing down, becoming a significant trend in the current Chinese real estate market. According to data from the National Bureau of Statistics, the real estate investment growth rate in 2023 was -4.5%, far below the growth level of previous years. Investors' lack of confidence in the future market has led to a cautious market sentiment. The release of homebuying demand is also showing a delayed trend, especially in third- and fourth-tier cities where demand for housing has decreased significantly.

The decline in investor confidence mainly stems from the uncertainty about the future market outlook. On the one hand, the continuous rise in housing prices has made some homebuyers worried about the risks of real estate investment; on the other hand, market policy adjustments and real estate regulation measures have made the investment environment more complex. Residents' willingness to buy homes has also weakened, with many choosing to wait and see, expecting market recovery or policy changes. This phenomenon has not only led to reduced investment by real estate companies but also lowered the overall activity of the real estate market. To restore market confidence, the government needs to introduce more proactive policies, guide market expectations, and encourage real estate companies to strengthen internal management, optimize resource allocation, and promote the healthy development of the industry.

## 3. The Connotation and Significance of Sustainable Development in the Chinese Real Estate Market

### 3.1 Rational Use of Resources

In the sustainable development of the Chinese real estate market, the rational use of resources is crucial. As urbanization accelerates, the gradual scarcity of land resources has become one of the main challenges facing the development of the real estate industry. Traditional real estate development models often rely on large-scale land expropriation and development, which not only leads to the

consumption of vast natural resources but also may cause ecological damage. Therefore, to achieve sustainable development, the real estate industry must optimize the efficiency of land resource use. Specifically, land utilization can be maximized by increasing building density, particularly in city centers, and by planning land use rationally to reduce the waste of unused land. Additionally, urban renewal can effectively improve land utilization in old areas through demolition and redevelopment, enhancing land value and improving the city's appearance. At the same time, the widespread application of smart and green building technologies is another key means to promote sustainable development. By using energy-saving and environmentally friendly materials and technologies, such as solar and wind energy, as well as energy-efficient building materials, not only can building energy efficiency be significantly improved, but the reliance on water and energy resources can also be reduced. In this process, promoting green buildings can help reduce building energy consumption and lower carbon dioxide emissions, reducing the negative impact of greenhouse gases on the environment, and thus driving the construction industry toward a green and low-carbon transformation. Overall, optimizing resource use not only reduces development costs but also creates favorable conditions for future sustainable development.

### *3.2 Effective Environmental Protection*

Sustainable development in the real estate market cannot be achieved without environmental protection. In the past, real estate development often focused more on economic benefits and overlooked the negative impacts on the ecological environment, resulting in land pollution, ecological destruction, water resource waste, and other environmental issues. With the increasing severity of global climate change and resource scarcity, promoting sustainable development in the real estate industry must prioritize environmental protection. First, green building design and construction are important ways to improve the environmental impact of real estate development. Green buildings not only require the use of environmentally friendly materials and reduce resource waste during construction but also emphasize reducing energy consumption and improving energy efficiency. Specifically, green buildings can utilize renewable resources through innovative designs, such as energy-saving technologies, rainwater harvesting, and photovoltaic power generation, to improve building energy efficiency. Secondly, urban planning should focus on protecting the ecological environment, avoiding uncontrolled expansion and overdevelopment. Reasonable planning of urban green spaces, ecological corridors, and wetlands can effectively protect urban ecosystems, improve air quality, and provide more leisure spaces for residents. By adopting an ecology-first planning approach, not only can natural environments be protected, but residents' quality of life can also be enhanced, promoting sustainable urban development. Moreover, environmental protection measures can mitigate climate change, reduce environmental pollution, and leave a more livable environment for future generations. Therefore, the real estate market must focus on green and low-carbon development, using design, planning, and technological innovation to ensure ecological protection while promoting economic development.

### *3.3 Social Equity and Justice*

Sustainable development in the real estate market must address social equity, especially in the context of rising housing prices, where the real estate market is gradually becoming a factor in social stratification. With the continuous rise in housing prices, especially in first-tier and some second-tier cities, high housing costs have become a major obstacle for many low-income and middle-income families in meeting their housing needs. This not only exacerbates social inequality but also leads to further accumulation of wealth and widening income gaps. Therefore, the sustainable development of the real estate market must start from ensuring social fairness, ensuring that all groups, especially low-income and middle-income groups, have access to reasonable housing opportunities. To achieve this goal, the government should provide a variety of housing policies, such as public housing, affordable housing, and shared ownership housing, to meet the basic housing needs of low-income groups. At the same time, the government should strengthen its regulatory efforts on the real estate market, crack down on speculative practices, and prevent housing prices from disconnecting from residents' income levels, thus preventing wealth inequality. By enhancing macroeconomic regulation of the real estate market, the government can effectively control the rapid rise of housing prices while ensuring the basic housing needs of middle- and low-income groups. Additionally, the government should promote diversified housing security policies, such as developing the rental market and shared ownership housing, to create a more balanced housing supply system, ensuring fair housing opportunities for different groups and contributing to social equity and justice.

### *3.4 Sustained Economic Growth*

The sustainable development of the real estate market is not only related to the environment and social equity but also directly impacts economic growth. Real estate has long been an important pillar industry in China's economy, and the healthy development of the real estate market is vital for economic stability. However, over-reliance on short-term real estate development and speculative investments can lead to market bubbles, financial risks, and hinder long-term economic sustainability. Therefore, sustainable development in the real estate market should shift from purely relying on real estate investment-driven growth to a focus on quality and efficiency. First, the government should strengthen macroeconomic regulation of the real estate market to prevent housing prices from rising too quickly and to avoid overheating in the real estate market, which could bring about financial risks. By implementing reasonable policy adjustments, such as purchase restrictions and loan limits, speculation can be curbed, and market bubbles can be prevented, ensuring a healthy and stable real estate market. Secondly, the real estate market should develop in a more diversified direction. In addition to the traditional residential market, efforts should be made to actively develop rental markets, old housing renovations, and affordable housing to meet the diverse needs of different groups. This not only helps optimize resource allocation but also promotes steady economic growth. For example, by promoting the development of the housing rental market, the government can provide more flexible housing options for middle- and low-income groups, alleviating the pressure of homeownership while also

stabilizing related industries. Furthermore, the construction of affordable housing and the renovation of old neighborhoods can meet residents' housing needs and effectively stimulate infrastructure development, promoting overall social and economic growth. Therefore, sustainable development in the real estate market must balance short-term economic interests with long-term social value to achieve sustained economic growth and stability.

### *3.5 Technological Innovation and Intelligent Development*

Technological innovation and intelligent development are crucial to supporting the sustainable development of the real estate market. With the continuous development of emerging technologies such as information technology, artificial intelligence, big data, and the Internet of Things, intelligent buildings and digital management have gradually become important trends in the real estate industry. Intelligent buildings integrate advanced technological equipment to realize automated management, improve energy efficiency, and reduce operational costs. For example, intelligent buildings can use smart temperature control systems, smart lighting systems, and smart security systems to significantly reduce energy consumption while enhancing comfort and safety. By monitoring and adjusting buildings in real-time, energy can be allocated more precisely, reducing resource waste. As technology continues to advance, intelligent buildings will play a more significant role in energy conservation, emissions reduction, and resource recycling, driving the green transformation of the construction industry.

Additionally, smart city development imposes new requirements on the sustainable development of the real estate market. The construction of smart cities requires the infrastructure and buildings to be highly intelligent and information-driven, with city management using big data and artificial intelligence to make precise predictions and adjustments, optimizing resource allocation and improving urban efficiency. By applying intelligent technology, not only can energy use be more efficient, but residents can also be provided with more convenient and comfortable living environments. In the process of promoting sustainable development in the real estate market, technological innovation and intelligent construction will be key factors in enhancing industrial competitiveness, improving resource efficiency, and achieving green and low-carbon development. Real estate companies should increase investment in the research and development of smart buildings and green technologies to improve the overall technical level of the market and lay the foundation for future sustainable development.

### *3.6 Coordination and Optimization of Policies and Market Mechanisms*

Sustainable development in the real estate market requires more than just individual technologies or measures; it also requires the coordination and optimization of policies and market mechanisms. The government must strengthen policy guidance and market regulation to create effective incentive and constraint mechanisms that ensure the healthy development of the market. First, the government should further strengthen macroeconomic regulation of the real estate market and improve the policy framework. For example, during market overheating, the government can use purchase restrictions and loan limits to curb speculative behaviors and prevent housing prices from rising too rapidly. During a market downturn, the government can lower interest rates and reduce taxes to stimulate the market and

maintain steady development. By strengthening regulation of the real estate market, the government can avoid the risks brought by overheating and prevent a market slump due to excessive tightening. Additionally, diverse policies can also promote the sustainable development of the real estate market. For example, the government can provide more policy support for affordable housing construction, offering more housing options for low-income groups. In the rental market, the government can attract businesses and individuals by offering tax breaks and rental subsidies, meeting the housing needs of various groups. By providing multi-faceted policy support, the government can balance market supply and demand and improve resource allocation efficiency.

Moreover, the optimization of market mechanisms is also crucial. The healthy development of the real estate market relies not only on policy guidance but also on the self-regulating role of market mechanisms. By improving the real estate market information system and increasing market transparency, fairness in property transactions can be ensured, which promotes effective resource allocation. Additionally, promoting capital markets' involvement in the real estate sector, such as through the development of Real Estate Investment Trusts (REITs) and other financial tools, can diversify the real estate market, reduce the financial pressures on real estate companies, and enhance the market's ability to withstand risks.

#### **4. Pathways for Sustainable Development of the Chinese Real Estate Market**

##### *4.1 Improving the Policy and Legal System, Establishing Long-term Mechanisms*

To achieve the sustainable development of the Chinese real estate market, it is essential to improve the policy and legal system and establish sound long-term mechanisms. The development of the real estate market must rely on the government's macro-control policies, including comprehensive planning for land supply, tax regulation, and housing security. Although the Chinese real estate market has achieved certain successes in policy regulation, it still faces many challenges. To further promote the healthy development of the market, the government should continue to improve relevant laws and regulations to ensure market stability and fairness.

First, improving the housing security system is crucial. In recent years, the government has introduced several housing security policies, such as the "rent-and-purchase parallel" policy and the construction of affordable housing. These policies help address the housing issues of low-income groups, but due to insufficient supply of affordable housing, many low-income people still face housing difficulties. Further improvements to the housing security system, such as increasing the construction of low-rent housing and public rental housing, expanding the coverage of affordable housing, and guiding capital into the affordable housing market through policies, will effectively address social housing issues.

Second, optimizing the land supply mechanism is also an important part of sustainable real estate market development. In recent years, skyrocketing land prices have become a prominent issue in the real estate market, and the land supply mechanism remains imperfect. Local governments rely excessively on land transfer revenues, leading to blind and irrational land supply. Therefore, further



reform of the land supply system should be promoted to ensure the rational allocation of land resources and prevent over-dependence of local governments on land revenue.

Finally, the improvement of the tax adjustment mechanism is also crucial. By improving the tax system, particularly the collection of property taxes, speculative real estate activities can be curbed, and market bubbles can be reduced. Through tax adjustments, funds can be directed more towards the real economy, ensuring the healthy development of the real estate market.

#### *4.2 Promoting the Development of Green Buildings, Promoting Energy Conservation and Emission Reduction*

Promoting the development of green buildings and energy conservation and emission reduction is one of the key pathways to achieve the sustainable development of the real estate market. The concept of green buildings has gradually gained widespread attention from both the government and the market, especially in the context of global climate change and environmental protection. Green buildings not only help improve building energy efficiency but also significantly reduce the negative environmental impact of construction.

In recent years, the Chinese government has vigorously promoted the construction of green buildings and developed a series of green building standards and energy-saving and emission-reduction policies. For example, the "Green Building Evaluation Standard" was released in 2006 and has been promoted and implemented in many cities and regions. By 2023, the total area of green buildings in China had reached nearly 8 billion square meters, accounting for about 20% of the total building area. These buildings emphasize energy conservation and environmental protection during the design phase and implement green technologies such as solar energy, rainwater collection systems, and smart temperature control during construction and operation, greatly reducing energy consumption and carbon emissions.

To further promote the development of green buildings, the government, enterprises, and society must work together. The government should continue to improve the regulations and policies for green buildings, enhance design standards and construction specifications, promote technological progress in the industry, and encourage construction companies to adopt energy-saving technologies and renewable energy through policy incentives. For example, the government can introduce financial subsidy policies for green building projects, encourage the use of energy-efficient materials and equipment, and provide tax reductions for green building projects. Furthermore, the government can attract capital into the green building sector through "green finance" tools such as green bonds and green funds.

Enterprises should also strengthen the research and application of green building technologies and practice energy conservation and emission reduction in building design, construction, and operation management. Additionally, they should actively cooperate with the government to promote and popularize the green building certification system, enabling more real estate development projects to meet green building standards and further enhance the sustainable development of the Chinese real estate market.

#### *4.3 Optimizing Market Structure, Promoting Dual Supply of Renting and Purchasing*

Optimizing the real estate market structure and promoting the dual supply of renting and purchasing is an important direction for the sustainable development of the real estate market. In the past, the real estate market excessively relied on the home purchasing market, neglecting the development of the rental market, which led to housing difficulties for some groups and an imbalanced market structure. Therefore, promoting the dual supply of renting and purchasing, and developing the housing rental market, has become a key policy focus.

In China, the housing rental market has recently gained government attention, and a series of policies have been introduced to promote the development of the rental market. The "Opinions on the Reform of the Housing System with Multiple Providers and Channels of Supply" issued in 2020 clearly states the need to accelerate the development of the housing rental market, improve the rental market supervision mechanism, and promote the healthy development of the rental market. In addition, the government has introduced tax incentives to support the financing of the housing rental market and encouraged real estate companies and capital to enter the rental market. However, the housing rental market in China still faces some problems. For example, in some cities, there is a serious supply-demand imbalance in the rental market, rental prices have risen rapidly, and the market is not well regulated, leading to difficulties in protecting the rights of tenants and landlords. Therefore, to promote the implementation of the dual supply of renting and purchasing, the government should further improve rental market policies and promote the standardization of the rental market. Specific measures include establishing and improving the rental contract management system, increasing the transparency of rental market information, and improving legal protections for landlords and tenants. Additionally, the government should strengthen supervision of housing rental enterprises to prevent market manipulation by unscrupulous companies that affect the healthy development of the rental market.

#### *4.4 Strengthening Financial Innovation and Preventing Systemic Risks*

The sustainable development of the real estate market depends not only on policies and market mechanisms but also on the support of the financial system. In recent years, the over-leveraging of the real estate market and the resulting financial risks have become increasingly prominent, and the risk of a real estate bubble has been gradually accumulating. Therefore, developing financial innovation in real estate, improving financial regulation systems, and preventing systemic risks are necessary steps to promote the sustainable development of the real estate market.

Real Estate Investment Trusts (REITs) are one of the most important tools for real estate financial innovation globally. By securitizing real estate assets through capital markets, REITs reduce investment thresholds, enhance market liquidity, and alleviate financing pressure for companies. According to data, the total scale of the REITs market in China reached nearly 100 billion RMB in 2023, attracting significant attention from investors. Further development of the REITs market can guide funds toward high-quality real estate projects and prevent excessive concentration of funds in speculative projects,

thus effectively reducing systemic risks in the real estate market.

Additionally, innovative housing finance products, such as long-term fixed-rate housing loans and preferential policies for first-time homebuyers, are also key to driving the sustainable development of the real estate market. By diversifying housing finance products, the demand of different groups can be met while avoiding risks associated with over-financing. However, financial innovation must not relax regulation. The government should strengthen the regulation of the real estate financial market, especially the management of real estate development loans and credit leverage. By establishing a sound regulatory framework for real estate finance, financial risks can be prevented, ensuring the steady development of the real estate market.

#### *4.5 Promoting Smart City Construction and Improving the Technological Level of Real Estate*

With the rapid development of technology, intelligent and information technologies have become indispensable factors in the development of all industries, and the real estate sector is no exception. Smart city construction can not only improve urban management efficiency but also promote the real estate market to a higher level. The introduction of intelligent technology can optimize various aspects of real estate development, sales, leasing, etc., improving the efficiency of resource allocation in the housing market and enhancing user experience.

In smart city construction, real estate developers can introduce smart home systems, the Internet of Things (IoT), artificial intelligence, and other technologies to improve the intelligence level of housing, enhance energy efficiency, and improve comfort. For example, through smart temperature control systems and intelligent lighting systems, energy waste can be reduced while improving the living experience. Furthermore, the infrastructure construction of smart cities can effectively promote the sustainable development of the real estate industry. Intelligent technologies in areas such as transportation, environmental monitoring, and public services will significantly improve urban operational efficiency, thus increasing real estate value.

The government should actively promote the implementation of smart city policies, providing technical support and financial subsidies for real estate companies. Meanwhile, real estate companies should enhance technological research and development, exploring more market-demand-driven smart products. Through technological and informational construction, the competitiveness and sustainable development of the real estate market can be significantly improved.

#### *4.6 Promoting Regional Balanced Development and Enhancing Fairness in the Real Estate Market*

The development of China's real estate market has long been characterized by significant regional disparities, with overdevelopment in first- and second-tier cities, while third-tier and smaller cities face challenges of high housing prices and population outflows. This regional imbalance has led to real estate bubbles in certain cities and a waste of resources, making it difficult for all social groups to access affordable housing.

To address this issue, the government should promote regional balanced development by formulating real estate policies that are tailored to local conditions and encouraging the rational flow of people and

resources. By strengthening infrastructure construction in central and western regions and northeastern areas, improving local living environments and employment opportunities, and attracting more people to these regions, the pressure on major cities can be relieved. At the same time, optimizing local land supply and housing security policies can promote a reasonable housing supply, ensuring that residents in different regions can enjoy fair housing conditions.

Achieving regional balanced development will not only enhance the overall sustainability of the real estate market but also promote social fairness, reduce urban-rural and regional disparities, and thereby achieve broader social stability and economic balance.

#### *4.7 Strengthening Corporate Social Responsibility and Sustainable Development Culture*

While real estate companies pursue economic benefits, they must also take on greater social responsibilities. Real estate development is not only about meeting market demand but also about addressing the housing needs of all social classes, promoting green construction, environmental protection, and social fairness. Companies should fundamentally establish a sustainable development philosophy, strengthen social responsibility, and promote green development.

Companies can set stricter environmental protection standards, use sustainable materials, and promote energy-saving and emission-reducing practices to minimize ecological damage during the construction process. At the same time, enhancing corporate culture and establishing recognition of sustainable development among employees and consumers is essential. Implementing corporate social responsibility projects, such as donations to public welfare and participation in social welfare construction, helps build a positive corporate image.

The government should encourage real estate companies to actively participate in green construction and public welfare projects, providing appropriate policy and financial support. Additionally, stronger supervision over the fulfillment of corporate social responsibilities should be implemented to ensure that the industry's development not only generates economic benefits but also brings long-term social benefits.

## **5. Conclusion**

The sustainable development of China's real estate market is a complex system project that involves multiple aspects, including the economy, environment, and society. As the urbanization process continues to advance, issues such as resource shortages, environmental pressures, and social inequality in the real estate market are gradually emerging. Therefore, the sustainable development of the real estate market requires joint efforts and collaboration from the government, enterprises, and all sectors of society. Through government formulation of scientific and rational policies and regulations, promotion of green building technologies, optimization of market structures, and strengthening of financial innovation, the real estate market can effectively address current challenges and achieve long-term, healthy, and stable development.

Firstly, the government plays a critical role in this process. The government needs to improve policies

and regulations, strengthen macroeconomic control of the real estate market, and ensure smooth market operation. At the same time, the government should actively promote the widespread adoption of green buildings, enhance the energy-saving and emission-reduction capabilities of buildings, and implement the concept of sustainable development. By increasing housing security for low-income groups, the government can ensure that different social classes have fair access to housing resources, thereby promoting social fairness, justice, and harmony. Secondly, the responsibility of enterprises should not be overlooked. Real estate companies should align with the trends of the times, transform traditional development models, promote technological innovation in construction, and actively adopt green building materials and energy-saving environmental technologies. By improving land and resource utilization efficiency and reducing resource waste, enterprises can not only lower development costs but also achieve sustainable development in the process of promoting green transformation. Furthermore, financial innovation is also becoming increasingly important in driving the sustainable development of the real estate market. Financial institutions can support financing for green building projects by innovating financial products, helping guide the real estate market toward a more robust and healthy direction.

In the future, the path to sustainable development in China's real estate market will still face challenges. With the ongoing reform of the real estate market, improvements in policies, advances in technology, and changes in social demand will present new opportunities for the market. However, the multiple contradictions in the real estate market, especially in areas such as tight land resources and high housing prices, make it difficult to find ideal solutions in the short term. Therefore, the future development of the real estate market will rely on continuous innovation and improvement of policies and market mechanisms.

However, the limitations of this paper should not be overlooked. On the one hand, the sustainable development of the real estate market is constrained by regional differences, and the effectiveness of policy implementation may vary across regions. On the other hand, some policies may be influenced by the interests of local governments, leading to suboptimal market regulation outcomes. Therefore, in promoting the sustainable development of the real estate market, more attention should be paid to local realities, strengthening regional cooperation, and ensuring the precise implementation of policies.

## References

- Chen Baorong, Yang Hongwei. (2023). Research on the Transformation and Sustainable Development Path of China's Real Estate Market. *China Urban Economics Journal*, 34(2), 45-60.
- Chen, X., & Wang, Y. (2021). The Role of Green Buildings in China's Real Estate Market: Towards Sustainable Development. *Building and Environment*, 196, 107795.
- Chen, Z., & Yang, Y. (2023). Sustainable Urban Development in China: A Focus on Real Estate and Green Practices. *Journal of Urban Economics*, 34(5), 299-310.

- Gao, Z., & Yang, M. (2020). Real Estate Market Regulations and Sustainable Development in China. *Journal of Sustainable Development*, 13(2), 47-59.
- Kress, M., & Li, J. (2020). Sustainable Urban Development: A Comparative Study of China's Real Estate Market. *Urban Planning and Development*, 146(3), 215-228.
- Li Hui, & Qiu Guopeng. (2020). Financial Risks and Sustainable Development of China's Real Estate Market. *Financial Research*, 33(3), 112-130.
- Li Zhiqiang, & Wang Xiaolong. (2022). Dynamic Analysis of Supply and Demand Relations in China's Real Estate Market and Regulatory Policy Research. *Economic and Management Review*, 38(6), 102-117.
- Li, W., & Zhang, H. (2021). The Role of Government in Shaping Sustainable Real Estate Development: Insights from China. *Urban Policy and Research*, 39(3), 180-193.
- Liu, B., & Zhao, J. (2021). Sustainable Development Analysis of High-Risk Areas in China's Real Estate Market. *Regional Economic Research*, 28(6), 78-90.
- Liu, H., & Zhang, L. (2022). Policy Innovations for Sustainable Real Estate Development in China: A Comparative Perspective. *Journal of Real Estate Finance and Economics*, 65(4), 551-569.
- Tang Jianhua, & Zhang Ming. (2023). Risk Management and Regulatory Mechanisms in China's Real Estate Market. *Modern Economics*, 28(3), 88-100.
- Wang Lina, & Li Jianhua. (2020). Impact Factors and Policy Recommendations for High Housing Prices in the Real Estate Market. *Economic Research*, 42(5), 67-82.
- Wang Na, & Deng Jun. (2023). Research on Inventory Pressure and Regulatory Policies of the Real Estate Market. *China Economic Issues Research*, 26(5), 98-107.
- Wang Xiaofeng, & Xu Lihua. (2021). Analysis of the Causes and Countermeasures of High Housing Prices in China's Real Estate Market. *Real Estate Research*, 40(4), 50-65.
- Wang Xiaoming, & Qiu Ning. (2021). Problems and Policy Recommendations in the Development of China's Real Estate Market. *Economic Development Research*, 29(4), 115-123.
- Wang, C., & Huang, X. (2022). Factors Affecting Price Fluctuations and Regulatory Mechanisms in China's Real Estate Market. *China Real Estate Research*, 39(1), 33-45.
- Wang, Y., & Chen, T. (2021). The Dynamics of Housing Prices and Policy Adjustments in China's Real Estate Market. *Real Estate Finance Journal*, 42(4), 149-162.
- Xu, Z., & Liu, T. (2023). The Impact of Housing Security System on the Sustainable Development of the Real Estate Market. *Social Security and Economic Development*, 22(5), 112-126.
- Zhang Jianrong, & Li Ming. (2022). Application of Green Buildings in the Sustainable Development of Real Estate. *Architecture and Environment*, 11(1), 78-86.
- Zhang Xiaoling, & Liu Tao. (2021). Implementation Paths and Challenges of Green Finance Policies in the Real Estate Market. *Green Economy*, 14(2), 134-146.
- Zhang, J., & Liu, F. (2020). Real Estate Market Regulation and the Impact of Green Policies in China. *Sustainable Development*, 28(4), 214-225.

- Zhang, X., & Wang, L. (2020). The Path and Challenges of the Green Transformation of China's Real Estate Market. *Green Building and Energy Conservation*, 12(3), 45-58.
- Zhao, S., & Jiang, L. (2022). Evaluating the Impact of Urbanization on Real Estate and Sustainability. *Urban Studies*, 59(2), 251-265.
- Zhao, Y., & Xu, T. (2021). The Impact of Urbanization on China's Real Estate Market: Trends and Future Prospects. *China Economic Review*, 70, 101301.
- Zhou, Q., & Zhu, L. (2020). Green Building Policies and Sustainable Development of China's Real Estate Market. *Building Technology and Environmental Protection*, 11(2), 67-81.