

## Research on regional coordinated development of pension real estate projects

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**Key words:** urban pension real estate projects; first tier cities; second tier cities; three tier cities

**Abstract:** With the development of economy and the arrival of the era of aging, urban pension real estate projects have broad market prospects. The government has issued laws and regulations on the protection of the rights and interests of the elderly, and formulated a series of relevant fiscal, financial and other policies to support the development of this new industry. However, there are still a series of problems in the development of China's Endowment Property projects, such as the low level of scale and market satisfaction, the unbalanced regional development between cities and coastal areas and inland areas. In this regard, the regional coordinated development needed to be strengthened. For example the first-tier cities' pension real estate projects should be given the priority, and then the second city would be driven, during which the relevant construction in three line city would be driven. So that the sustainable development of urban pension real estate projects would be helped.

### The issue and significance of research

Pension real estate projects are the organic combination of high-quality real estate and excellent health butler service. Pension service includes not only nursing, medical care, rehabilitation, health management, entertainment, catering to daily living care but also increased facilities and carefully-built professional management team. In 2016, the State Council issued the "several opinions of the State Council on accelerating the development of pension services" to support the healthy and sustainable development of the pension service industry. According to the United Nations Department of population data, China has entered the rapid growth of the aging population, the number of people over the age of 65 will reach 200 million in 2025 and exceed 300 million in 2050. Several main cities have already entered the aging stage, with the advent of the era of aging, pension real estate projects have got more and more attention from the governments because of their remarkable effects in addressing problems of Old Residence and Old age Industry, and they can make up the huge gap between the supply and demand to be solved in the field of pension real estate projects. The United States has entered the era of aging early in 60s. In 70s, the U.S. government issued relatively better supportive policies on older residential development to provide preferential loans and land supply support for elderly residential developers and to provide loans for elderly consumers. The "Sun City Center" (A concentration of pension real estate projects where residents must be over 55 years old) now holds over 16 thousand households from across the United States and the world and has been in continuous growth, pension real estate projects has become an important driving force of economic development in the United states. With the acceleration of aging in our country, the aged industry will become a new industry (1). At present, the U.S. private pension real estate projects mainly rely on consulting management operators, and realize endowment real estate project financing, financial management, human resources, daily maintenance, health care services, parks, sales and leasing business under their help[2].

Because of the difference of economic level, natural conditions, ideas, talent accumulation and policy scope, pension real estate projects in China shows an unbalanced development status of "Strong East and weak West ". For example, Guangxi fully implement the western development strategy deployment of the CPC Central Committee, comprehensively promote "twenty-first Century the Marine Silk Road construction" actively adapt to the new normal economic development, and co-ordinate work such as overall good steady growth, promoting reform, structural adjustment, improving people's livelihood, risk prevention and so on. It has made gratifying achievements, but the current Guangxi economy still has many problems, the GDP of the city is up to 60 thousand yuan / person [3]. The unbalanced development of the real estate industry in the first, second and three tier cities has become a major obstacle to the sustainable development of China's pension real estate projects. However, the first line, second tier and three tier cities in the development of pension real estate projects are different from each other while connected and different regions of the real estate industry development priorities are different. The following will be stated from the perspective of government, enterprises and financial integration , to explore the specific path in which the financial pull in industry level, integration of driving force in enterprise level and the three force's interaction in the level of resources in the coordination of the first tier, second tier and third tier cities' development of pension real estate projects.

### **Regional coordinated development path of pension real estate**

Shanghai affinity Limited by Share Ltd invested nearly 600 million yuan in Shanghai Pudong New Area Cambridge Town, and completed China's first membership-based pension investment community- "affinity source membership community". Community occupies 8.4 hectares of land, with a construction area of 100 thousand square meters. The land status belongs to government funding, the business models are relatively mature and it has a good foundation for development. For pension real estate projects first-tier cities development, actively explore the new government policy is very important, through tax incentives, financial subsidies and other measures to open up new development environment for the city endowment real estate, providing solid support. Policy is necessary to ensure the economic development, in addition, to create a good social security environment and public opinion environment for pension real estate projects, with the core values of society oriented, so that the elderly in the city pension real estate projects would live at ease and rest assured. Finally the development of pension real estate projects would be promote .

In addition, we should also promote the sustainable development of the pension real estate projects through favorable financial products. Real estate projects in first tier cities has a relatively better foundation for development and starts earlier than those in other cities, with a good momentum of development. So we have have urgent need to further improve the capacity of industrial innovation, to achieve leapfrog development, promote the development of new formats, positioning in the high-end pension real estate industry. Such as REITS (real estate investment trust fund) relying on financial institutions to raise funds from the public to develop the real estate industry, broaden its sources of funding channels and ease the pressure on loans. In this way the new policies and research and development of financial products would be combined, so the activation of first-tier cities endowment real estate project development would be activated, along with the emergence of a series of new forms of pension real estate projects which would promote the pension real estate projects first-tier cities to high-end industry.

From practice of part of pension real estate projects development in first-tier cities, the development basis and experience have been the key power for the leading of second tier city new policy's trend of sustainable development and the motivation of pension real estate projects of new

formats.

In contrast, the second tier cities' development of the financial industry is slow and financial product innovation is weak, so the number of financial products related to the pension and real estate projects is not big and the quality is not high. For the second line area, the current financial environment is bad and economic system has so many flaws, leading to a rise in the risk of financing of upstream and downstream. The credit crisis is at stake [4]. Such as the Changzhou city complex project, it takes all or most of property division sale mode, heavy sales, light management, uses "development sale cash" pattern of residential development, sells, recoups funds, lacks consideration on the long-term operation and management, resulting in consistent investment business problems [5]. The pension real estate development projects bear the double tasks: one is to undertake the transfer of low-end real estate of first-tier cities, and to improve the level of pension real estate development projects in the transfer process, give the industry health and other aspects of higher cultural value. Second, the second tier cities should be based on their own unique resources to develop creative pension real estate projects. Therefore, for the second tier city pension real estate project development, more mature financial products can be introduced or undertook from first-tier cities to realize the connection between traditional real estate and new product, development and provide pension real estate projects products with both cultural value and market value.

Due to the existence of a large number of empty nest elderly, three line cities' pension real estate project resources are unique. In 2013, Jiangsu, Nantong, more than 9.5% of the the total population of Hai'an, Nantong, Jiangsu are the people who are more than 65 years old. In accordance with the law of growth, it is expected that to 2020, Hai'an's 60 years of age or older people will account for about 1/4 of the population. But because of the relatively backward economic development, although there are a large number of real estate construction, the market activity is not enough, the real estate has large inventory, medical and health management system is not perfect, the market mechanism in the three line of the city is unable to play a role independently, mostly rely on the government to promote its development. Visibly, pension real estate projects becomes the focus of the three line of urban development.

Three lines of urban real estate development project has the advantage that it has rich resources of the elderly, the development of its pension real estate projects mainly comes from a large number of elderly unattended. However, the three line of financial products and platforms industry development is slow, and also it lacks innovative and highly-financial services and products. How to leverage the new financial products is the key to promote the development of the three line urban pension real estate projects. Three lines real estate enterprises should actively cooperate with local medical institutions, financial enterprises in the first tier cities to adapt to improve the development of pension real estate projects.

## **Conclusion**

This paper bases on practical problems that the current development level of endowment real estate project in China is relatively low, the unreasonable structure and regional imbalance, analysis the connotation of sustainable development analysis of China's pension real estate projects and explores the motive force of the sustainable development and coordinated path between different regions' pension real estate projects. It is worth noting that, in order to ensure the three "sustainable", the government should issue positive policies to account tax preference guide a good public opinion atmosphere and stable social security. Our country and various provinces should actively build the

endowment real estate projects innovation system, development sustainable resource of endowment real estate projects; actively cultivate excellent talents to pension real estate projects to promote continuous production of pension real estate projects; try to extend the industry chain, to continue to expand overseas markets, constantly expand pension real estate project market.

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