Housing Settlement Project in Shanghai (China)

By MOST Clearing House

Background

The housing problem has been one of Shanghai's most serious social problem. A survey in 1985 showed that nearly half of the city's 1.8 million households were in overcrowded conditions. 216,000 households had an average per capita living space under 4 square meters, over 15,200 of those households had less than 2 square meters. Shanghai Municipality had begun to implement the Housing Settlement Project in 1987, setting up a joint Commission to solve the city's housing problems. A subsidiary organisation, Shanghai Municipal Housing Relief Office has been in charge of day-to-day operations.

Today, the city has resettled over 47,000 households living in houses under 2.5 square meters. The municipality and work units spent 1.8 billion yuan on the project, creating 1.8 million square meters of housing for overcrowded households. A number of new residential areas were established. Meanwhile, in the course of the city's infrastructure and urban renewal projects, many households with inadequate living space have been resettled. At present, the resettling of 74,000 households living in homes less than 4 square meters is underway, this project will be finished before the year 2000.

Narrative

1. Housing situation before the implementation of the project

In recent years, the international metropolis of Shanghai has experienced rapid industrial development and a fast growing of urban population. This has left Shanghai with housing shortage more serious than in other large cities across China. By the year 1985, Shanghai claimed a population of 7.21 million. The average population density in downtown area was 40,000 persons/km2, and in densely populated downtown area was 160,000 persons/km2. Nearly 50% of urban households were short of adequate living space.

In order to solve the housing problems, Shanghai Municipality had lunched a series of housing projects, building up a number of residential zones including Cao Yang, Hu Tai, Lin Xia, Peng Pu. However, a large-scale of housing survey in 1985 showed that nearly 1/2 of the city's 1.8 million househplds were living in overcrowded conditions. 216,000 households has an average per capita living space under 4 square meters, over 15,200 of those households had less than 2 square meters. These families endured in overcrowded living conditions in shacks, slums or attics. At times four
generations were living in one house. The housing problem had become one of Shanghai's most serious social problems.

2. Present situation after the implementation of the project

According to the goal: "adequate shelter for all", Shanghai Municipality had begun to implement the Housing Settlement Project in 1987, setting up a joint Commission to solve the city's housing problems. Led by the Vice-mayor, the commission would be responsible for approving and balancing plans, distributing housing resources and funds for housing settlement in Shanghai. A subsidiary organization, Shanghai Municipal Housing Relief Office would be in charge of Day-to-day operations working with the appropriate departments to implement for the whole city's housing settlement policies, classifying households in need according to income level, coordinating land supply and mortgage loans through a work unit housing fund collecting and arranging affordable housing property developers every year and coordinating and directing housing settlement matters for citywide organizations and departments. 150 bureaux and 4,500 of the housing relief agency have been set up across the city over 15,000 staff members. Since the founding of Shanghai Municipal Housing Relief Office in 1987, the city has resettled over 47,000 households living in homes under 2.5 square meters. The municipality and work units spent 1.8 billion yuan on the project, creating 1.8 million square meters of housing for overcrowded households. A number of new residential areas were established including Shi Guang, Guo He and Kang Jian. Meanwhile, Shanghai had witnessed a boom in housing construction from 4.86 million square meters in 1987 to 8.73 million square meters in 1994.

In the course of the city's infrastructure and urban renewal projects, many households with inadequate living space have been resettled. But to date, over 74,000 households still living in homes less than 4 square meters need to be resettled before the year 2000.

3. Measures and effects of the project

The municipal government has laid out concrete objectives, scopes, steps and measures at different stages of the housing relief project.

The objective was set-- by the year 2000, Shanghainese would enjoy a per capita living space of 10 square meters between 1988 and 1989, over 15,000 households less than 2 square meters per person were resettled. And in 1991-1992, nearly 30,000 households with an average living space of under 2.5 square meters per person were resettled. Households with an average per capita living space under 4 square meters will be resettled between 1995 and the year 2000.

Families to be resettled would include- residents who have permanent residence permits in the city proper, whether employed, retired or unemployed.

The plan would involve several steps--first households in need would register, then the work units would work out a settlement plan. Households short of living space would be divided into high, middle and low income groups. The size of a figure based
on the bread winner's salary and his family. The income level would be adjusted every year.

Then a solution would be worked out according to the households' varying appropriate income levels. The higher-income households buy their own houses or apartments on the property market, middle and low income households could either buy non-profit housing from the government or their employers or simply rent public housing. Households with special financial difficulties would be subsidized by the municipal and district government.

The following measures were implemented to realize the plan:

a. land planning
The Municipal Construction Commission would be responsible for land appropriation and arrangement in order to balance housing quantities and land supply.

b. Fund raising
Housing construction funds would be mainly from housing provident fund, sales revenue of existing public housing, housing construction fund of work units, households' savings, subsidy from municipal and district government, loans from financial institutions.

c. stock arrangement
All work units would be required to give priority to households short of living space. All those residential housing built under the home ownership project would be reserved for families in overcrowded conditions. All property developers would be expected to set aside 20% of their floor space for sale to households in need.

d. housing cooperatives
Housing cooperatives would be organized for those work units supporting many households short of living space.

Impact

47,029 poor-housed households resettled

Sustainability

The process of Shanghai housing settlement project is also the process of the housing system reform in Shanghai. The policy has developed from distributing low-rent housing to selling affordable housing to individual, from housing solutions being determined by the government and work units to a policy of weder social involvement relief, from a unified housing settlement policy and method to a diversified system considering the varying income levels of household in need of resettlement. The practice and experience of housing settlement in Shanghai were affirmed and
spread by national government. In May of 1993, the Shanghai Municipal Housing Relief Office was named "model institution of national housing settlement" by the Ministry of Construction. It has also been awarded certificates of Merit from the Shanghai Municipal Government 6 times since 1988. A research report "implementing outline for a new housing resettlement" by the office was awarded the prize of Achievement in Decision-making and Consultancy Research by Shanghai Municipality in 1995.

But residential housing still remains a problem in Shanghai. Following the resettlement of households sharing a living space under 2 square meters and 2.5 square meters per person, the resettlement of households with an average per capita living space under 4 square meters is currently under way. The social impact of this project is profound. Housing settlement project is well supported by the Shanghai people, and regarded as a benevolent policy on the part of Shanghai Municipality.

Since the housing settlement project was implemented, the living conditions and environment of these households have been measurably improved. The resolution of the housing shortage will not only promote social development and stability, but also motivate employees to be more productive, resulting in social and economic benefits. As Shanghai continues to implement its housing project, the city's housing shortage problems is sure to become a thing of the past.

**Contact**
Mr. Li Siming  
No. 170 Jiangxizhonglu Road  
Shanghai  
China  
200002  
86-21-63295494

**Sponsor**  
Shanghai Housing Settlement Project Office  
Mr. Li Siming  
No.170, Jiangxizhong Road  
Shanghai  
China  
200002  
86-21-63295495

**Partners**  
Ministry of Construction  
Mr. Xia Keqiang  
No.200, Renmin Avenue,  
Shanghai  
China  
200002  
86-21-63212810

Shanghai Municipal government
The committee for Shanghai housing settlement conference

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