

# Social Aspects of Beijing's Old and Dilapidated Housing Renewal

Part VI in a series of articles on Beijing's Old and Dilapidated Housing Renewal,  
by members of Prof. Lu Junhua's team at Tsinghua University School of Architecture

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## 1 Introduction

Since the start of the program in 1990, Beijing's Old and Dilapidated Housing Renewal has received considerable attention from all areas of society - from government officials and professionals as well as ordinary citizens. The renewal program has not only exerted a major impact on the old city areas of Beijing like the demolition of the old City Wall and the Pai Lou (Memorial Archways), but has also been a sensitive issue related to housing problems which may affect hundreds of thousands of residents both in the old city and in other parts of Beijing.

Furthermore, the preservation of architectural relics and the historic core of Beijing Old City is now receiving more and more attention. As a result, research on Beijing's housing renewal program involves a broad range of issues covering city development, housing construction and Old City preservation.

The work of our group has involved looking comprehensively at all aspects of residential area renewal in old city areas - the economic, social and environmental aspects. With such rapid development it is important to avoid unnecessary mistakes in these areas.

The experience of developed countries in the West has shown that:

Σ Rapid construction of a large number of houses according to normal standards is not sufficient to solve a housing problem.

Σ Blind pursuit of profit in real estate development can cause irretrievable damage to a city.

China is still a developing country and its main problem in urban housing is still quantitative, yet we should nevertheless pay attention to the problems experienced in large Western cities and study the different options for development.

This article will look at the impact of Beijing's Old and Dilapidated Housing Renewal from the social aspects affecting both the city and its residents. It will discuss the emerging issues related to city development, housing problems and old

city preservation and it will try to suggest an appropriate solution.

The main focus of this article will be the city, and its social strata and communities.

## **2 The Fundamental Shift of Beijing's Urban Communities**

### **2.1 Types of Chinese Urban Communities**

The enduring low payment, highly subsidised housing system based on separate work units and egalitarianism for all have produced particular types of urban communities quite unlike those in the West which have evolved from residents' income level, social stratum and race, among other factors. Chinese scholars have defined four types of urban communities:

1. Traditional neighbourhood communities in old cities, such as one storey courtyard house neighbourhoods in inland cities or low-rise town house neighbourhoods in coastal cities.
2. Single work unit compound communities which are usually built and occupied by the employees of a single work unit.
3. Comprehensively developed new residential district communities which have been built mainly within the last 20 years on the fringes of cities.
4. Transitional semi-urban communities on the very edge of cities.

In Beijing Old City, which is essentially the area within the former City Wall (now the Second Ring Road), traditional neighbourhood communities comprising one storey courtyard houses predominate.

### **2.2 Beijing's Traditional Neighbourhood Communities**

#### *The Residents*

The most interesting characteristic of the residents was the diversity in terms of age, education, employment, family income, property rights and years of occupation. Tables 1 -5 show the details for three old housing renewal areas surveyed - Chao Nei, Guan Yuan and Nan Chi Zi, which were defined as old and dilapidated housing areas. From our discussions with residents during the surveys, we determined, for the most part, why they kept staying in such areas, even although most of them were not satisfied with the living conditions there:

1. There was a serious lack of housing in some residents' work units.
2. Some of the older people had retired before their work unit could build new housing.
3. Some employees were too young to be allocated an apartments from their work units.
4. Some residents preferred sub-standard housing in the city centre, with its better access to amenities, as opposed to new apartments on the periphery of the city where amenities were not fully developed. The convenience of city centre public transport, and the high level provision of markets, good quality schools, hospitals, cinemas and parks together with residents' attachment to neighbourhoods far outweighed the poor housing conditions.
5. Some families had rather good living conditions so there was no reason for them to move at all. For

example, in the Nan Chi Zi study area, of the families which had more than 12m<sup>2</sup>/person living space, half of them lived in buildings owned by central government or military work units, including the People's High Court, the Ministry of Public Security, the State Property Management Bureau, the Palace Museum and the Ministry of Economy and Trade. Bathrooms and individual central heating systems had usually been installed in these houses by the work units or by the residents themselves. The remaining half of families considered to have enough living space turned out to be private home owners. During our survey we observed that these home owners were gradually maintaining, renovating or reconstructing their houses. Often, they were making money from the extra space by renting, running family businesses, even selling their house to those who could afford to renovate or rebuild.

### *Common Characteristics of the Residents*

Tables 1 - 5 also illustrate some of the common attributes shared by most of the residents:

1. In all three areas, the education level of residents was much higher than the average level for Beijing.
2. Most families had been living in the same area for a long time.
3. From our observations, Nan Chi Zi had the best living conditions amongst the three areas. But even there, over 80% of the working population were employed in medium-sized or small state run or collectively owned enterprises with an average or lower than average income and little subsidy from their work units. Also in Nan Chi Zi, over 70% of families who answered our questionnaire were not satisfied with their current living conditions. The most common complaints were: overcrowding, low building quality and sub-standard facilities\_.
4. Despite all the complaints, most of the families still preferred to remain at the same location whether this would be improved or not.

### *Aged Society*

Another important characteristic of the residents in Beijing's traditional neighbourhood communities revealed by the survey was the high proportion of elderly persons. According to international standards, the figures in Table 5 show an aged society. Although one of the reasons for this was that people had retired before their work units could build new housing, there was another more important social reason for this. After living in an area for many years, old people were likely to be the last ones to want to leave a familiar physical and social environment. It would be difficult for them to adjust their life to living in a multi-storey apartment block. So, married children have gradually moved out of the traditional areas, leaving the unmarried and their aged parents behind in the old houses.

Yet old people are playing an active and important role in Beijing's traditional neighbourhood communities. The neighbourhood committees are mainly composed of old people; they also organize more old people in the neighbourhood to keep watch on the street or in the lanes during the daytime when the young are out at work. The neighbourhood committees also provide many kinds of convenient services for the community such as small food stores, street barbers, bicycle repair and ice cream and cold drink pedlars on the sidewalk. These activities provide an extra income for the old people as well as more opportunities for them to mix with their neighbours and society. Taking care of old people by the family and

by the community is a valuable Chinese tradition and probably a good example worldwide.

### *The Lanes (Hutong)*

Beijing's traditional neighbourhood communities are set in large blocks bounded by the city's main traffic roads. Hutong within the blocks mainly serve bicycle and pedestrian traffic. Low accessibility and lack of parking facilities are sometimes considered to be disadvantages of the hutong in modern day life but with motor vehicles being restricted, hutong can be used for residents' activities and can better serve the elderly and children. Usually residents living in courtyards fronting the same lane belong to the same neighbourhood committee. (See Part II, Figure 8 and Part III, Figure 9). This demonstrates the important role that hutong play - bringing a neighbourhood together rather than severing it.

### *Life in the Multi-Family Courtyard House*

Today's life in courtyard houses differs greatly from the life of large families in feudal society that used to live in them. New relationships have had to be developed between families sharing the same courtyard. Being on ground level, the courtyard house makes it easy for neighbours to associate with each other and help each other after work. No matter how narrow the remaining outdoor space in the yard, there is always room for flowers, birds and goldfish. Outdoor life is good for people's health. It can enhance not only neighbourhood connections but links to street life and public services, and can allow residents to be involved in an altogether broader social life. In contrast to the crowded living spaces inside, outside space for residents' activities is relatively large.

In summary, housing in Beijing's traditional neighbourhood communities is low rise, low rent and caters mainly for relatively low income families. Yet the neighbourhood communities are healthy and lively ones which are characteristic of the historic city core, and not the slums that some outsiders may think them to be.

## **2.3 The Impact of Beijing's Old and Dilapidated Housing Renewal on the Traditional Neighbourhood Communities**

### *The Repercussions of Relocation Policy*

Relocation policy, one of the most important policies of the renewal program, gradually changed after various experiments and considerable discussion. The most important arguments in favour of moving the original residents to new housing estates were:

- Σ It helps to scatter the inner city population.
- Σ It helps to provide more valuable land for public and commercial use in the central city.
- Σ It makes the renewal projects more profitable so more feasible.

The arguments against were:

- Σ Replacing the original residents by other richer ones does not help to scatter the inner city population.
- Σ Relocating inner city residents to the fringes and developing more public or commercial use in the centre would increase the amount of commuting traffic.
- Σ Only if most of the renewal areas were kept as residential use after renewal could the Renewal Program be supported by the residents and go smoothly.

To balance social impact and economic development pressure, the Beijing Old and Dilapidated Housing Renewal Office recently decided that, as a rule, 30% of the original residents should be moved back after renewal.

After some trial and error, developers have found their own way to influence the return ratio. All families wishing to move back must satisfy three requirements:

1. They must buy their new apartments (which is at the preferential price, usually about 1/10 of the market price) in no more than three stages.
2. They must house themselves elsewhere during construction which usually takes about 1 or 2 years.
3. They must pay the market price for any extra living space which exceeds their original 'formal' living space.

The fact is, although 30% as a target return ratio is not high, when the preferential price has risen from 350 yuan/m<sup>2</sup> to 600 - 800 yuan/m<sup>2</sup>, fewer and fewer families can afford to move back. Some families exchange the right to move back with families who can afford to pay. In return, the original family gets housing elsewhere and the new family pays a higher, but nevertheless semi-preferential price. Thus the developer can increase profits while still achieving the required return ratio. Most of the original residents are moved to new residential areas on the fringe of the city, mainly into six-storey apartment blocks planned and designed according to the normal standards with regard to sunlight, green space, emergency access and the like.

In addition to the housing for returned residents, larger and larger proportions of renewal sites are developed into commercial use and sold at market prices. Most of the renewal sites are dominated by six-storey commodity housing blocks which are sold at market prices of 3000 - 6000 yuan/m<sup>2</sup>, mainly to central government or ministry level work units. Usually the work unit will distribute the apartments to their employees and collect rent according to Beijing's standard rent level which is presently 0.55 yuan/m<sup>2</sup>. In addition, there are also more and more individual house buyers.

### ***Gentrification***

From the above the trend is clear: residents in traditional neighbourhood communities are gradually moving out to the comprehensively developed residential districts on the city fringes while the central traditional neighbourhoods themselves are changing into comprehensively developed districts or single work

unit compounds. A work unit's or an individual family's ability to buy determines not only whether the original families can return or not after renewal but also the location of their housing. With the increasing differences in work unit and family financial status and the increasing differences in land values in different city areas, the potential for the emergence of new types of urban communities based on family income and possibly even social status, is considerable. And the fact is, with urban renewal, Beijing's city centre is becoming even more attractive. The poorer families are now having to move to the city fringes to find affordable housing. Gentrification is slowly but surely gaining headway. Furthermore, with the expansion of the renewal program, gentrification may occur over a much wider area.

The initial goals for Beijing's Old and Dilapidated Housing Renewal program can be summarised as follows:

1. To improve the residents' living conditions in the renewal areas.
2. To adjust the land use according to the Beijing Master Plan along with the widening of main streets and the construction of municipal infrastructure.
3. To improve the appearance of the city as well as carrying out better preservation of the Old City.

Restricted by investment, renewal areas were mainly small and dispersed at the beginning. (Figure 1).

However, so far, it seems that construction of municipal infrastructure has predominated; access to infrastructure is the most important requirement for real estate developers who provide the money for renewal. Furthermore, the improvement of main streets and their adjacent buildings seems to be the most productive and prestigious way to show progress in city construction. So the construction of infrastructure and the changes in land use along main streets have quickly become the most important parts of the renewal program. Meanwhile, successful examples of redevelopment in old city areas have encouraged district governments and developers to accelerate construction and to define more parcels of land for renewal. For example, in Chong Wen District - the southeast quarter of Beijing Old City - the district government has already determined large renewal blocks along Chong Wen Men Wai Dajie and is now distributing them to developers. In Xuan Wu District - the southwest quarter - the district government has also delimited 36 parcels for renewal, most of which are along Guang An Men Nei/Wai Dajie. Developers for each parcel have already been chosen. (Figure 2).

### **3 The Impact of the Undergoing Shift of Beijing's Communities**

#### **3.1 The Impact on the Development of Beijing City**

##### *Potential Social Problems*

It is reasonable to improve both infrastructure and commercial facilities to provide better amenities for citizens. It is also necessary to adapt the welfare housing system to the needs of a market economy, letting residents choose their houses according to

family income. But, in Beijing, before other policies are developed, these factors are resulting in gentrification - the replacement of relatively low income families in the city centre with richer ones. The direct result is higher housing standards in the city centre, but also a decreasing but higher income population as a result of the height limit imposed on Beijing Old City and of the larger living areas per person. In the end we will find that the improved infrastructure and services have directly served the relatively rich and more 'important' strata of society who have moved into the city centre at the cost of destroying the traditional neighbourhood communities and depriving the relatively poor from enjoying urban life. Segregation of rich and poor in addition to the dissatisfaction of the relatively poor may result in future social problems.

### *The Growth of the Private Car and Other Traffic Problems*

Another problem of gentrification is the likely increase in the number of private cars owned by people living in the city centre. Although the city centre could provide a high level of public transport, the richer strata of society would likely prefer to use their own private transport. The extent to which the private vehicle should be catered for in the city centre is open to discussion. The impact of providing enough roads and parking spaces could be considerable. In particular, the repercussions of parking supply and demand have to be seriously considered. The present underpricing of car parking, the lack or underuse of existing facilities and their poor management have led to an increasing encroachment of cars on sidewalks and bicycle lanes, the intrusion of parked vehicles into unsuitable areas, clutter and confusion at large shopping centres and restaurants, and the destruction of architectural and historic scenes. Not only is valuable land used inefficiently but city life for ordinary residents, pedestrians and cyclists becomes undermined. For example, the author recently observed an increasingly common scene which neatly illustrates these points. Pedestrian space at a large shopping centre was designated for vehicle parking at the extremely low charge of 1 yuan for 4 hours. The car park attendant - an old lady - struggled to catch departing vehicles to extract this meagre fee, while pedestrians battled through a sea of cars to try and reach their destination.

At present, private car ownership for ordinary families is rare but this is likely to change in the near future with the development of the Chinese automobile industry and the manufacturing of smaller and cheaper cars within the financial reach of more and more people. Gentrification is a part of the process that is resulting in more and more private vehicles requiring access and mobility within the city centre and competing with public transport and bicycles for road space.

Another problem raised by traffic experts is increased commuting time. Most residents are unlikely to change their jobs on relocation and if the plan for scattering the city centre's population works, the result will mean more and more residents further away from the city centre. Meanwhile more commercial use and office development in the city centre will provide more jobs. This could lead to worse peak hour conditions for traffic in the near future before the city can provide appropriate mass transit facilities.

### **3.2 Key Issues in the Housing Problem**

#### *Loss of Unique Physical and Social Environments*

A policy which aims to relocate the original residents as a group, whether this is elsewhere or back in the renewal area, is important. It also provides a potential opportunity for preserving or reconstructing the relocated communities. But, unfortunately, with the exception of the three pilot projects - Ju Er Hutong, Xiao Hou Cang and Dong Nan Yuan where both traditional neighbourhood life and physical environment were preserved - the designs of most of the other renewal projects did not pay enough attention to maintaining the original physical environment. Nor did the later designs accommodate the customs and characteristics of life in the old neighbourhoods. Instead, the standard six-storey apartment housing with standard layouts was built both in the renewal areas and in the new districts for relocation, both for low-income residents and for commodity housing buyers. (See pictures 1-3)

This could lead to an abrupt and irretrievable loss of a unique physical environment and valuable characteristics of traditional neighbourhood life. For example, in a six-storey apartment block, there are few convenient links to ground level - usually only a narrow and steep staircase. It becomes difficult for old people to stay in touch with their neighbours. There is often a lack of appropriate enclosed semi-public space. In the new districts, connections to the city centre are often poor. The few activities which take place in the open green space contrast with the rich variety of life in the hutong.

On the other hand, the attempt to preserve the traditional physical environment in the renewal areas may result in a superficial and 'dead' imitation particularly if most of the original residents are replaced.

### **3.3 The Impact on the Preservation of Beijing Old City**

There are two related aspects of preservation and organic development of old cities. One is to preserve and develop its physical environment and the other is to preserve and develop its social and cultural characteristics. Now that the renewal program is expanding, the impact on Beijing Old City is considerable. As previously mentioned, most of the renewal projects have failed to provide a creative solution to the preservation or organic development of the old city. Typical layouts so far barely keep the existing street network, particularly the small lanes, and typical designs merely add sloping roofs to standard apartment blocks which rise as high as the maximum height limit for each particular area. Meanwhile, the original residents are relocated in different places which have totally different environments from the traditional neighbourhoods.

#### *The Need for a Vision for Beijing*

There are two main reasons for these problems. Firstly, developers' increasing aims to maximise profits have led to the pursuit of higher FARs, a larger proportion of

commodity buildings, larger parcels of land that can be easily developed, and designs which can be built quickly. Secondly, and more importantly, the common belief of district, and possibly municipal government as well, that real estate development is the only way to finance renewal, to improve the appearance of the city and to modernise quickly. So the way is always open for developers to negotiate better returns.

The acceleration of renewal in Chong Wen and Xuan Wu Districts is obvious; renewal in the West and East Districts seems more prudent, possible due to more protected historical and cultural areas in these districts.

It is time to consider what vision we really want for our city. We should first decide what we should do, finance permitting, and only then determine the means of raising money using our experience so far in the market economy. The single-minded pursuit of profit is likely to lead us further and further from our goals.

## **4 Searching for Balanced Development from the Social Aspect**

### **4.1 Research Needs to Focus on Current Needs**

Research on housing design and construction has received increasing attention in recent years. It has included research on construction technology, building technology, flexibility and variety of apartment design, and functional and lively planning. But most of the research has focused on the typical multi-storey apartment housing within the national standards with identical living conditions for every apartment. The undergoing nationwide research initiated by the Ministry of Construction on Xiao Kang housing, including the experimental housing projects in large cities throughout China, aims to achieve a reasonable standard and a functional design for typical apartments and to encourage the improvement of housing facilities and technical quality. But little consideration has been given to research on housing types according to the needs of different families. In fact, this focusing on the refinement of national standards for apartment housing is a remnant of the enduring egalitarianism in the housing system. This kind of housing will increasingly face difficulties in meeting the needs and income levels of more and more individual house buyers and renters with their own special requirements. Now, further research on different types of housing is needed.

### **4.2 The Correlation between Families and their Living Environment**

Families in Beijing can roughly be categorised into three groups:

1. Low income families: The main family members may be employees in declining middle or small enterprises, retired people with financial difficulties, or the floating population from suburban areas and other provinces. Research on these types of people by foreign sociologists has shown that most of them lack control over their life, have a limited social circle and tend to rely on their neighbours for help. They can only afford low rent housing, modest consumption in local free markets, and to commute by mass transit, on foot or by bicycle. (Table 6).
2. Middle income families: They form the majority. The main family members work in various work units

and companies. Most receive their housing from their work unit. Their social relationships are mainly with their co-workers, their relatives and friends. They may also receive various subsidies and services from their work unit. This is especially true for families living in single work unit compounds. Their financial circumstances allow them to enjoy a wider social life as well as access to more amenities. More and more of these families are spending their time home decorating rather than interacting with their neighbours. The working members of the family are busy all day, leaving the outdoor space to be used mainly by the elderly and children. A private car is still out of reach of the family's budget. They commute mainly by bicycle or mass transit, or by work unit bus (ban che) with occasional use of a cheap taxi in urgent cases.

3. Rich families and families with special social status: The main family members may have their own businesses, or may receive an especially high salary from their work unit, or may receive special privileges due to high rank. These families have a broad social life which includes all family members and relatives. They can protect their own interests and are totally independent of their neighbours. They have little to worry about with regard to their living conditions except maintaining high security and a high standard of maintenance. No matter where they live, the main family members rarely use overcrowded mass transit, and more and more families are running their own cars. As Hu Bei Kou is mainly composed of high standard commodity apartments, it can give us an insight into the housing conditions for this kind of resident. We saw guards employed, electrical answering systems at the entrances to the staircases which had a security door, and another security door again for each apartment. The well planted and maintained outdoor space was almost empty except for a row of cars along the main road of the compound. (See Picture).

We can also categorise the current housing types as follows and match them with the family types:

1. The one-storey courtyard house shared by several families in the traditional neighbourhood and the emerging low-rise, low-cost, high-density housing such as Dong Nan Yuan share common characteristics. The relatively low construction cost is one. The convenient links to ground level that lead to a full use of small outdoor spaces and more communication between neighbours is another. This type of housing fits the low income families well.
2. The six-storey apartment housing provides a high FAR, equal living conditions in most apartments, careful arrangement of interior space, more centralized larger outdoor spaces which are quite far from most of the apartments. This kind of housing is welcomed by many work units who distribute it to their employees. Work units can also tailor the standard to what they can afford. This housing also attracts many individual buyers.
3. High rise housing has the virtue of saving land, concentrating services and easy control of security within the building. High rise housing can be built to a high standards with well designed landscaping and a high standard of management. Some work units will purchase a whole building, or it may also be accepted by some rich families. But if high rise buildings are low quality and poor design, then they can lead to an inhuman living environment. When relatively poor families are piled into such block, they tend to lose their connections with their neighbours and the social life that used to happen on the ground. Furthermore, the sub-standard construction quality, lack of maintenance and management make the 'poor high rise' housing seem like a wasteland.

For example, in En Ji Zhuang, there are three rather dilapidated looking high rise buildings for the relocation of residents of inner city renewal projects. (See picture4) Although the standard of living space is not low, the management is poor, probably due to the low rent. Lifts frequently fail to operate, nobody replaces dead light bulbs on the stairs, electricity is often cut. We were told by the residents that several days before our survey an old lady had fallen down the dark staircase and died.

4. Low-rise high standard housing, including the multi-family house and detached villas for the very rich, are being built both in the city and in suburban areas. They reflect a superficial imitation of

wealthy western lifestyles. Usually there is a close relationship between ownership of this kind of house and the ownership of private cars. They also waste valuable land and this is the most important reason that this kind of housing should be limited.

### **4.3 A More Balanced Distribution of Communities**

We considered the different types of families, the different types of housing and the characteristics of Beijing Old City in order to try and develop a more balanced distribution of communities.

According to the latest height restriction for Beijing Old City, most buildings should be lower than 18m and half of them should be lower than 12m. So, rationally, low-cost, low rise, high density housing for original residents, especially the poor, should be encouraged. In this way, the city infrastructure and amenities can serve a larger proportion and cross-section of society and minimise the relocation of residents elsewhere. Reducing the development of luxury housing in the city centre could also help to limit the use of private cars and will have some impact on the road and parking space required in the residential areas. Appropriate levels of public transport and bicycles should be encouraged - these modes not only benefit more people but also the environment. Meanwhile this approach provides an exciting opportunity to preserve and develop the character of traditional neighbourhood communities from both environmental and social aspects. Preserving only the environment of the inner city without the original residents, and vice versa, will result in a fundamental change of city atmosphere.

The Dong Nan Yuan renewal project consists mainly of three-storey high density housing and shows a possible way to preserve environmental characteristics together with residents' lifestyle. (See Pictures 5,6).

There is already a large proportion of land in the city centre used for parks, palaces and other important ancient architecture with a very low population density. There are also lots of offices and commercial buildings. More low rise high density housing development would not affect the ecological environment and may even help to maintain the existing pleasant tree-dominated setting. It would not mean excluding standard commodity housing or some luxury housing - a mixed community with a variety of housing modes is a healthy community. It is important that the authorities encourage and facilitate the original residents to return and coexist with new communities rather than just letting the poor be replaced by the richer communities.

The Second and Third Ring Roads provide a high level of service for the adjacent areas; thus the function of these Ring Roads is also as local distributors. Furthermore, the second line of the Beijing metro follows the Second Ring Road providing mass transit service. Building height is permitted to be in the range 18m to 60m. More high density middle and high rise apartment housing of various standards can be built in addition to the existing developments along these routes.

In the new estates and satellite towns on the periphery of the city, building quality

and management should be improved and a better environment with better amenities, particularly transport, should be provided. Different types of housing should be developed here to attract more residents. But low rise luxury houses should not be encouraged because of Beijing's lack of land.

#### **4.4 Benefits for Relocated Residents**

Special attention should be paid to the benefits for relocated residents. At present the most common complaints about the new housing areas for relocation are:

1. For economic reasons, developers have tended to lower the standards of living space and construction both in relocation districts and in the housing in the renewal area designated for returning residents.
2. Usually, residents have to move into a relocation district while it is still under construction, thus suffering all the inconveniences that that entails.
3. The management in the new districts is often extremely poor for the first couple of years; there is also usually a lack of security, a messy and dirty environment and a lack of maintenance\_. Relocation is becoming more and more difficult - and more and more to the detriment of relocated residents - as sites further and further from the city centre have to be sought.

It has been recognised that these aspects are influencing the social benefit and the success of the renewal program, and improvements are taking place. Nevertheless, the fundamental problem remains one of housing type.

So for the families who have to be relocated elsewhere, special programs should be devised to meet their special needs so that, even with limited options, they can have a satisfactory life.

In summary, only when the housing problem for the middle and low income families is stabilised and the rich allowed a variety of choices can the city and its society develop healthily. This can be ensured by appropriate policies and development of the system based on the understanding of various housing need.

## **5 Make the Market Economy Serve a Better Social Good**

### *The Renewal Projects*

If more original residents are to return after renewal and less commodity housing built, how can the renewal projects be financed? The answer lies in the approach used in several projects. Dong Nan Yuan, Xiao Hou Cang and Huai Bai Shu are three examples where all the residents moved back. Dong Nan Yuan barely balanced its budget and needed help from the district housing management bureau and the city government but the other two were self supporting.

Dong Nan Yuan: 208 households were included in the renewal site and they paid nothing at all. The total cost for the renewal for 8,410,000 yuan which was mainly borrowed from the district management bureau with 2,110,000 yuan given by the Municipal Planning Commission. Officials in the district management bureau said that ultimately all the borrowed finance can be repaid from the sale of 800m<sup>2</sup> of

commercial space along the main street, the rent from 1000m<sup>2</sup> of underground space and 70,000 yuan from the sale of apartments to the residents at a preferential price. Of course, the management bureau is a non-profit organisation.

Xiao Hou Cang: The housing reconstruction at Xiao Hou Cang for 298 households was mainly financed by the profits from the sale of a 3100m<sup>2</sup> office building and a few apartments sold at the market price. The residents also helped to a small degree by paying a deposit for rent which was 40 yuan/m<sup>2</sup> and which was paid back three years later.

Huai Bai Shu: Since the developer failed to find a suitable relocation area, 98% of the original 1800 households returned. Most of the families paid a deposit and a few bought at preferential prices (1/10 of the market price) The project was financed mainly by the sale of 8000m<sup>2</sup> of commercial space along the main street and 10,000m<sup>2</sup> commodity housing.

### *Housing Cooperatives*

Besides the above examples, the newly emerging non-profit housing cooperatives illustrate way of financing renewal. The Bai Zhi Fang Housing Cooperative in Xuan Wu District is the first independent housing cooperative in Beijing. It was initiated by five work units including the district housing management bureau, the local housing management office and the Bai Zhi Fang local government. 1160 households in the renewal area joined the cooperative by paying a membership fee of 500 yuan. The cooperative collected money for renewal from the residents, the residents' work units and other sources by various means including the sale of some commodity housing and commercial space. Most of the residents were required to pay in a reasonable way to return after renewal. The housing cooperative successfully utilised spare finance and involved residents and work units in the renewal process. This method realises the goals of the undergoing urban housing reform and provides a way of financing renewal that is both generally economically feasible and affordable for most families.

### *The Funding of Municipal Infrastructure*

However, it should be noted that none of the above examples paid the large municipal construction fee for infrastructure and services such as electricity water, gas and central heating. Nor did they contribute very much for road construction. It meant that the city did not benefit much from these in terms of infrastructure.

Generally, developers get the land for renewal almost free but they have to provide roads and infrastructure. These, together with other taxes, add up to nearly 30% of the total cost of the project. But some taxes are negotiable, particularly if the developer is responsible for large amounts of infrastructure. This kind of exchange leads to endless bargaining between the government and the developers. In the end, nobody really know the real gain or loss for both sides.

However, it is more reasonable that the investment in road construction, infrastructure and other municipal facilities should be funded by other kinds of long

term taxation instead of being distributed amongst all the renewal projects which means residents have to find a large lump sum. The developer should definitely have to pay for the land. Only then can the government take control of land use. If, at present, the construction of municipal roads and infrastructure has to be linked to real estate development, then it should only apply to the highly profitable office and commercial redevelopment along main roads.

## **6 Conclusion**

A considerable amount of research is being carried out and many reforms are underway on the development of the housing mortgage system; better management systems are emerging; and the Kang Ju project to investigate ways of solving the serious overcrowding for low income families has commenced. But still very little attention has been paid to the social impact of housing renewal. This article has tried to address the key issues. A city develops under the combined effects of countless complicated forces. There is no simple nor ideal solution. The simplified analysis in this article has tried to highlight some neglected aspects of the discussion. The author hopes that it can draw attention to those aspects and stimulate research for an appropriate solution.

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## **People Interviewed for Detailed Information**

1. Lu Xiao-Xiang, vice-director of Beijing's Old and Dilapidated Housing Renewal Office.
2. Cai Zhong-Lin, Vice-Director of Xuan Wu District Construction Committee (former Chief Director of Housing Renewal Office in Xuan Wu District Real Estate and Housing Management Bureau).
3. Zhang Zu-Mu, former Vice-Director of Housing Renewal Office in Xuan Wu District Real Estate and Housing Management Bureau, in charge of Dong Nan Yuan project.
4. He Li, Official of Chong Wen District Old and Dilapidated Housing Renewal Office.

5. Huang Hui, Chief Architect of Xiao Hou Cang Renewal Project.
6. Staff of Bai Zhi Fang Housing Cooperative.

## List of Figures

Figure 1: Beijing's Old and Dilapidated Housing Renewal Parcels in XuanWu and ChongWen districts defined by Beijing City Planning and Research Institute. (From "Beijing's Old and Dilapidated Housing Renewal" by Lu Jun Hua, Building in China, vol. 6 No.3-4, June 1993.)

Figure 2: Present housing renewal parcels in XuanWu and ChongWen district decided by the District government and approved by the City government.

### *Completed housing renewal parcels*

Housing renewal parcels under construction.

Comprehensive renewal parcels along Guang An Men Nei/Wai Street and Chong Wen Men Wai Street.

### *Other Renewal Parcels Decided*

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picture1. Multi-storey apartment housing in DeBao renewal area after renewal.

picture2. Multi-storey apartment housing in HuaiBaiShu renewal area after renewal.

picture3. Typical commodity apartment housing in EnJiZhuang new residential district.

picture4. High-rise housing for relocating inner city residents in EnJiZhuang residential district.

picture5. New housing and its courtyard in DongNanYuan renewal area.

picture6. New housing in DongNanYuan renewal area and its adjacent unrenewed one-storey area.

## Notes

\_According to the "Chengxiang Zhuzhai Jianshe Jishu Zhengce Yaodian (Main Points of the Technical Policies for Urban and Suburban Housing Construction", the goal for the year 2000 for housing in Chinese urban areas is to achieve on average a living space of 8m<sup>2</sup>/person and a single dwelling unit per family.

\_ 'Types and Characters of Chinese Urban Communities' by Professor Wu Fu Yong, Department of Geography, Nanjing University.

\_See Part IV for more information about Nan Chi Zi.

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From observations in three new housing areas catering either mainly or partly for relocating residents from inner city renewal projects.

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