



Performance and Prospect of China's Real Estate Sector: A Comparison under the COVID-19 and SARS Pandemics

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Abstract. The real estate sector in China plays a particularly important role in the Chinese market. With great significance attached to the sector by the government and companies, it keeps being influenced by the overall circumstances economically, politically, and socially. So, under special conditions like the pandemics in 2003 and 2019, great fluctuations appeared in the sector. In general, this paper presents and sorts some information to briefly discuss and analyze the relevant phenomena over those years and makes possible predictions regarding the real estate sector in China.

Keywords: Real estate, Housing prices, SARS, COVID-19.

1 Introduction

Since the beginning of the 21st century, China has experienced several natural disasters and major emergency crises, which have produced various negative effects on the economy and society. Among them, the SARS pandemic in 2003 had one of the largest impacts on the economy. In 2020, the COVID-19 pandemic hit China, and the pandemic prevention and control situation in all countries was extremely severe. Compared with SARS in 2003, the number of COVID-19 cases is larger, the spread of COVID-19 is wider, and the pandemic prevention measures are stricter than those in 2003. At the same time, because China's domestic economic structure, development stage, and external environment are different from those in 2003, the short-term impact of this pandemic on China's economy is significantly greater than that of SARS. Besides the different conditions, with similar scenarios in some aspects, analyses and discussions can be made by comparing the actual influence of the two pandemics.

As a major industry in China's economy, the real estate sector has been continuously affected. It is an intuitive method to estimate the impact of the COVID-19 pandemic on China's real estate market by preliminarily comparing it with SARS. About the actual situation of China's current real estate industry development, the impacts on the real estate industry can be divided into the long-term situation and short-term situation on the basis of different stages of the pandemics. To discuss the extent to which the real estate industry was affected by SARS and COVID-19 is to discuss the extent to which

different real estate economic activities were affected from different time points and actual situations. Considering different situations, such as development levels of the real estate industry in disparate areas, different time backgrounds, and overall environments, the relevant factors and the following analyses are respectively categorized.

2 Situations of China's Real Estate Sector under two backgrounds

2.1 General Performance

In the short term, because a real estate development project usually needs to go through 2 to 3 years of development and construction, when arranging the schedule, developers usually consider the possible delay caused by certain risk factors in advance and set up a buffer time. [4] So, if the outbreak lasts for a short time, it won't have much impact on developers' investment plans.

However, short-term influence is obviously negative to some extent and cannot be ignored. In the early days of the COVID-19 pandemic, construction workers were unable to return to work, which resulted in delays. The opening delay and other problems will not only affect the project's reputation but also delay the collection of sales and increase the cost of capital occupation. For example, being unable to deliver the house on time will cause buyers to complain, and inevitably generate liquidated damages, rental fees, and other additional expenses. In addition, if the land use right transfer contract does not agree on the time of completion, it will also produce delayed late fees.

From a viewpoint focused on the capital structure of enterprises in the real estate industry, the companies are capital-intensive enterprises, with a huge amount of project investment and a small proportion of their own funds. Most of their funds come from bank loans, and their asset-liability ratio is high. [15] Therefore, the problem of capital security is particularly important. However, due to the impact of the pandemic, on the one hand, the sales center was closed, the speed of sales degradation was slow, and payment collection could not be guaranteed. On the other hand, when the project progress is delayed, the key supervision funds that need to reach the progress node cannot be extracted in time. In addition, financial institutions lack confidence in the repayment ability of real estate enterprises, tightening loans. Saving money is just as difficult as raising money. The outbreak caused the delay in the on-site construction, but the project payment must still be paid according to the contract requirements. Although there is room for negotiation, it also faces the risk of contract performance.

Finally, in order to ensure sustainable development, it is necessary to reinvest in new projects on the premise of maintaining the required expenditure, which will also take up a large amount of capital. Large real estate enterprises can reluctantly bear the lack of capital. However, small and medium-sized housing enterprises with weak risk-bearing capacity are facing the result of direct mergers and acquisitions.

2.2 Performance under the 2003 SARS Pandemic

From the perspective of investment and supply, the short-term impact of SARS does not affect the continuous development of existing real estate investment plans. The demand for space, including housing, is the most basic production and living factor in human activities and has not been reduced due to the short-term impact of SARS. In addition, due to the existence of vacant houses, the timeliness of realizing space consumption is not very strong, so it will not significantly affect the balance of supply and demand in the real estate market.

In the short term, it can be clearly found that the real estate sector showed a decline in the years with a downward trend, from 2002 to 2003 in general. From the perspective of regions affected by SARS, the real estate market of a few cities, such as Beijing and Tianjin, was mainly impacted to a certain extent, while the vast majority of coastal and inland cities were not greatly affected, showing obvious regional characteristics. [4] From the perspective of the real estate industry chain, real estate sales and commercial real estate leasing activities are mainly affected. Since the investment and consumption characteristics of real estate are different from general durable consumer goods, the space demand affected by SARS will be gradually released with the relief of the pandemic.

It should be said that the real estate market was most affected by the SARS pandemic in people's lifestyle and values, which prompted people to rethink the real meaning of family, community, city, and the whole living environment, and how the real estate industry can create a more healthy and ecological living environment for the public.

The SARS pandemic did not have much impact on the supply of commercial housing in the short run. Existing development project investment and no obvious decrease trend, because although it was true that the part of the building site in SARS cases, workers or building materials were in short supply, which influenced the whole construction progress. It only caused a certain impact on the number of years to complete some projects in commercial housing areas but not on the market's temporary and potential supply.

Housing rentals were greatly impacted by the SARS pandemic, especially the rental of high-grade residential and office buildings. A large number of foreign tenants left, leading to the suspension of the rental business of rental houses, which brought a certain loss of vacancy for the owners. However, as the proportion of the rental housing stock in the current period was comparatively small, it did not lead to a large amount of rental income loss in the short term.

In the long run, the SARS pandemic in 2003 did not have a significant impact on the real estate market, and the real estate market improved under the policy promotion. To alleviate the impact of the pandemic on the economy, under the main tone of "housing is not speculation and policies are implemented because of the city", the central government introduced corresponding policy relaxation and strong credit supply measures, which will bring great positive effects to the development of the real estate industry, but the impact is limited, and the real estate market is still stable.

2.3 Performance of China's Real Estate Sector under the COVID-19 pandemic

Since 2019, the COVID-19 pandemic has been influencing the whole world, resulting in changes in social and economic aspects. The property sector is an important pillar of China's economy. The success or failure of policies to revive the property sector will be crucial to cushioning the blow to China's economy from the COVID-19 pandemic.

The COVID-19 pandemic has had a catastrophic impact on property sales, investment, and construction activity in China. In the first quarter of 2020, the national housing climate index fell to 97.4 at one point, hitting a record low. Although it picked up slightly in March mainly due to a series of stimulus policies, it was still at a historical low. [18]

Despite efforts by property companies to mitigate the impact of the pandemic and lockdowns, the floor space sold in China fell compared with the same period of the last few years. The spread of COVID-19 and lockdown measures have also caused a lot of adverse impacts on the supply side of China's real estate industry.

Another sign of supply-side pressure on the sector is the rapid decline in new housing starts.

Property prices in China have remained comparatively stable despite supply and demand pressures caused by lockdowns, with differences in price movements across cities and regions though.

After the Omicron variant entered China, a new round of COVID-19 outbreaks broke out in many places in 2022. Compared with the outbreaks caused by other variants in 2020 and 2021, this round of COVID-19 spreads faster, infects more people, and has a greater impact on social operation. Repeated outbreaks in many places have greatly impacted the real estate industry.

In general, sales in the residential market have stagnated, hampering offline viewings. After some city adopts "static" control. Again, some of the marketing activities had to continue to be carried out online. The process of land auctions was interrupted, and some cities adopted online bidding.

In addition, the second-hand housing market is also fully suspended due to the closed business of residential communities. For example, in April 2022, the second-hand housing transactions in the Yangtze River Delta and Northeast China showed a large decline.

The sites in some areas are frequently involved in the pandemic, and the construction of the project is forced to stop. The impact of the pandemic has also spread to the upstream construction industry, with construction sites vulnerable to clusters of outbreaks. The control of the pandemic has seriously slowed down the construction progress and caused frequent stoppages in many places. [18]

3 Comparisons and Discussions Under Two Pandemics

Compared with the SARS pandemic, the infected population of COVID-19 is larger and the situation is more complex, with a wider spread. Accordingly, the Chinese government has taken more strict prevention and control measures than in 2003. At the same time, due to different domestic economic structures, development stages, and

external environments, the impact of the pandemic on the Chinese economy is much bigger than that during the period of SARS. Comparing the situation of the real estate sector in China with that during the SARS pandemic and viewing its present circumstances, we can make some discussion over the specific impact on the sector and reach some conclusions.

3.1 Different Overall Environments

Regarding the current overall situation, China's economy is now larger, economic activities are more complex, the mass economic life and living habits have changed greatly, and the national macro environment is quite different, so the situation inside and outside the real estate industry is relatively more complex as well. Compared with the years when SARS was not eliminated, China is now mainly challenged by some unexpected factors: First, the continuation and spread of the pandemic exceeded expectations, and a new round of the Omicron virus pandemic prevention measures have been lifted in Western countries. Firstly, due to the continuous influence of the pandemic globally, there are still some occasional infections in some places in China, which have to be handled seriously and immediately with great attention by the government and society. Second, the conflict between Russia and Ukraine continues to escalate besides the pandemic, and there is a long-term trend. These sudden factors are relatively comprehensive. From the perspective of economic fundamentals, and the situation is complicated: the real estate market has experienced a comparatively sluggish period, the stock market suffers, small, medium and micro enterprises are struggling to operate, the employment situation is severe, foreign imported inflation exists, the Federal Reserve's interest rate hikes, interest rate differentials between China and the US are inverted, the downward pressure on the economy is increasing.

3.2 Different Development stages of the Real Estate Industry

In 2003, China's real estate market was in the early stage of rapid development of the industry. Moreover, the loose monetary policy was implemented in the first half of 2003, and real estate was further established as the pillar industry of the national economy in the second half of 2003, which was the key to the stability of the real estate fundamentals under the influence of the SARS pandemic in 2003.

At present, the total demand for real estate is near the top, and the industry continues to be the object of the strict policy control. The overall environment of the real estate industry is far worse than that in 2003. Therefore, from the short-term basic perspective, it can be easily seen that the actual impact will be greater than that in 2003. These years, China's economic growth rate was at a historically low stage, and real estate was determined to be unable to be used as a means of short-term economic stimulus. At this time, the economic structure was mainly consumption. The COVID-19 pandemic had a sharp impact on the consumption sector in the short term, and further had a greater negative impact on the economy.

3.3 Different Policy Environments

From the perspective of the housing market policy environment, we can see some evident differences between the actual situations under the two pandemics. During SARS, the policies of the real estate industry mainly supported and stimulated demand to drive the development of the real estate market. In order to recover the economy as soon as possible after SARS, in May 2003, the People's Bank of China issued positive policies to the whole system and all banks, explicitly promoting credit to the real estate, automobile, and Internet industries. In August the State Council issued Document No. 18, officially designating real estate as a pillar industry of the national economy. [19]

In the first quarter of 2020, the national housing climate index fell to 97.4 at one point, hitting a record low, and then picked up slightly in March due to a series of stimulus policies that boosted property market sentiments, such as the massive monetary stimulus from the People's Bank of China and the announcement of new land policies by the central government, which simplified land transfer procedures and relaxed the regulatory framework for converting farmland into construction land.

After the Omicron variant entered China in the first quarter of 2022, in the first four months of this year, 83 provinces and cities issued 115 policy easing measures, with strong second-tier cities such as Nanjing and Suzhou following up with the relaxation of purchase restrictions, and weak second-tier and third-tier cities such as Nanning and Shenyang providing fiscal and tax stimulus to support the market.

As a whole, at the outbreak stage of this round of pandemic, policy control was mainly based on stability. The government may introduce some adjustment measures, which may inject new impetus into the current real estate industry and promote the development of real estate enterprises. However, the main tone is still "stability". Nevertheless, in order to support enterprises to tide over difficulties, local governments have issued relevant policies in time to give tax relief or financial support to enterprises with production and operation difficulties affected by the pandemic to help them tide over difficulties.

3.4 Different Time Backgrounds in terms of New Technologies and Ways of Management

Obviously, the time point of the current pandemic is far away from the SARS pandemic. Even if the offline sales channels are restricted under the pandemic, as a result of science and technology and the development of the society, large enterprises can resort to the innovation of marketing mode, together with the help of more advanced network technology, thus building an online sales platform, guiding the offline client to go online to receive more services. For example, as a leading real estate enterprise, Vanke's online customer transactions accounted for up to 35% in 2020. [15] Becoming more and more professional and combining the growing sense of quality with familiarity with the public, e-commerce live broadcasts, short videos, and other media have become an important part of the online display of real estate products. In addition, developers also cooperate with external platforms to make full use of their strong resource mobilization ability (capital and technology) to achieve online marketing, which makes up for the

shortcomings of a single developer's self-built online sales platforms, such as limited housing resources, weak technology, and low traffic bottleneck.

3.5 Short-term and Long-term Impacts

SARS had a short-term impact on China's economy, but China was in the period of the outbreak of demographic dividend and the rapid development of urbanization at that time, so the impact of SARS was not great. In August 2003, The State Council issued "on Promoting the Sustainable and Healthy Development of the Real Estate Market" (No. 18 Document). Through the document, the pillar status of the national economy of real estate was clarified for the first time, and the real estate industry entered the stage of rapid development thereafter. The year-on-year growth rate of the real estate sales area was obvious in March and April and began to rebound in May with the control of the pandemic.

Similarly, real estate development investment growth began to decline in April and began to rebound in June. Compared with the change in sales and construction starts, the year-on-year growth rate of investment in real estate development in China lags by one month. In April 2003, the growth rate of investment in real estate development decreased significantly, to 27.5% in April, which was 8.3 percentage points lower than that in March. A slight rebound occurred in May and a significant rebound occurred after June.

Judging from the performance of the real estate market during the SARS outbreak in 2003, sales, construction, and investment were all suppressed in the short term, but they all rebounded significantly after the outbreak.

As for the situation under the COVID-19 pandemic, nationwide lockdowns hit the industry on both the supply and demand side in the first quarter of 2020, leading to a sharp downturn in China's property market. It has also had a catastrophic impact on property sales, investment, and construction activity in China.

In the first quarter of 2020, the national housing climate index fell to 97.4 at one point, hitting a record low. The floor space sold in China fell 26.3 percent in the first quarter of 2020 compared with the same period last year. In the first quarter of 2020, the area of pre-sold commercial housing, which accounted for more than 85% of total sales, fell 24.8% year on year, while sales of existing housing fell even more, down 34.23% year on year. Sales of commercial property and office buildings fell 35.1 percent and 36.1 percent, respectively, from a year earlier, while residential sales fell 25.9 percent.

The spread of COVID-19 and lockdown measures have also caused a lot of adverse impacts on the supply side of China's real estate industry. In the first quarter of 2020, property investment fell 7.8 percent. In the first quarter of 2020, investment in real estate construction slipped 9.5% from a year earlier, while investment in installation and equipment procurement fell 31% and 27%, respectively.

In the short term, new housing starts also witnessed a rapid decline. In the first quarter of 2020, new housing starts fell 27.2% year on year to 282 million square meters, with residential starts down 26.9% year on year, while office and commercial real estate starts fell 38% and 29.7%, respectively.

In general, property prices in China have remained comparatively stable despite supply and demand pressures caused by lockdowns. Average house prices rose 2.2 percent year-on-year in March 2020 and fell 0.5 percent compared with the end of 2019. In March, prices of existing homes rose 10.8 percent year on year, up 9.3 percent from December 2019, while prices of uncompleted homes edged up 0.7 percent year on year, down 1.9 percent from the end of 2019. By the end of the first quarter of 2020, housing prices increased by 0.4% quarter-on-quarter and 4.1% year-on-year, reaching an average price of 9,324 RMB per square meter. By contrast, office and commercial property prices fell 1 percent and 3.2 percent, respectively, from the end of 2019. Office prices fell an even steeper 7.2 percent year on year. China's lockdown measures had a limited impact on property prices in the first quarter of 2020, continuing a moderating trend seen since mid-2019. In March 2020, home price growth in first-tier cities fell to 3.3 percent, compared with 4.2 percent in popular second-tier cities. Second- and third-tier cities saw home price growth of 5.2% and 5.9%, respectively, declining for 11 consecutive months. However, there are differences in price movements across cities and regions. In February 2020, only 22 Chinese cities posted month-on-month price increases, the lowest number in nearly five years. Twenty-three cities reported month-on-month price declines in February and 22 in March, compared with an average of nine in 2019. While most of the cities with quarter-on-quarter price declines in the first quarter of 2020 were third-tier cities, there were also some big cities with quarter-on-quarter price declines, such as Guangzhou, Jinan, Lanzhou, and Tianjin.

A new round of COVID-19 outbreaks was caused by the Omicron variant in 2022. Repeated outbreaks in many places have had a great impact on the real estate industry. In the first quarter of 2022, the sales area of commercial real estate in China decreased by 13.8% year on year; Development investment rose just 0.7 percent year on year, with new housing starts and land purchases down 17.5 percent and 41.8 percent respectively. [18]

The impact of the pandemic has also spread to the upstream construction industry, with construction sites vulnerable to clusters of outbreaks. The control of the epidemic has seriously slowed down the construction progress and caused frequent stoppages in many places.

Overall, the COVID-19 pandemic and the SARS pandemic situation have a certain similarity in the short term to some extent: the outbreak's short-term influence on some investment plans which are nearly completed, have been completed, or can be completed through a certain method of transaction is relatively limited. However, because the outbreak time of the COVID-19 pandemic is more sudden and the pandemic spreads faster compared with the SARS pandemic, in the short term the actual impacts on some newly acquired projects and partially completed and unfinished old projects are difficult to avoid.

4 Suggestions

4.1 Government

From the perspective of the government, the most important thing at present is to control the further spread of the pandemic as soon as possible, which is the top priority. If the pandemic rebounds or continues for a long time, it will affect the quantity and structure of real estate investment to a certain extent, affect consumers' market information search and purchase behavior, and then affect the development of the entire real estate industry. In addition, the government should further introduce a series of relevant measures to stabilize the market, such as introducing policies to mediate various old and new disputes based on real estate caused by the pandemic in recent years, alleviate financial problems caused by the pandemic, and solve the development of the real estate industry exposed by the pandemic, thus reducing the short-term impact of the pandemic and avoiding its possible long-term impact on the real estate industry.

4.2 Real Estate Enterprises

Although the pandemic has brought a huge impact on major real estate enterprises, it also has a positive side. The pandemic is a litmus test for the viability and operation ability of enterprises. For real estate companies, those who can accurately grasp the current situation and actively make adjustments, who can face difficulties and actively transform, who are more professional and can resist risks, can stand out better. In this process, we must attach great importance to urban renewal, accelerate the transition to a new model, and at the same time further meet the new needs of people's living, continue to improve product quality and service levels and cultivate core cities in urban agglomerations to seize a new round of opportunities.

The enterprises should also pay full attention to the construction schedule and reduce the risk of customer complaints. Currently, in view of the problems after the peak of the pandemic has been conquered, such as former the construction delay caused by the pandemic, all housing enterprises should weigh the pros and cons to realize cautious decision-making, while actively taking countermeasures to minimize the loss. In terms of better recovery and stability of further development, enterprises should diversify financing channels, improve financing efficiency and alleviate the shortage of funds. with the unexpected arrival of the pandemic, traditional financing methods are not enough to support daily operations. Making efforts to make new and greater breakthroughs in equity financing instead of being limited to debt financing, real estate enterprises should promote financial innovation, vigorously developing trust loans, insurance loans, overseas loans, pension funds, asset securitization, and other channels of financing.

Moreover, with support provided by local governments, quickly understanding the policy and fully enjoying the relevant concessions, the major housing enterprises can at least ensure that their expenditure is reduced in the case that income cannot be achieved. [15] However, enterprises must realize that, in the long-term, the real estate economic distress policy will be gradually withdrawn. The central government's main

tone in the real estate industry—housing is not speculation, will not change, and maintaining the stable development of the real estate market is still the long-term control policy. All real estate enterprises should deeply reflect on their own problem and insist on promoting high-quality development.

Because the end of the sales has been under unprecedented pressure, to ensure profits, major real estate enterprises should learn to reduce cost and increase efficiency, enhancing the awareness of saving, cost, and open source, and stimulating new driving forces for enterprise development. From awareness to behavior, enterprises must gradually solidify the thoughts into habits to truly realize all-around profit orientation and value creation consciousness.

Considering the competitive market environment and the new time background, customer research is becoming increasingly critical and product innovation is in urgent need. The seller's market has shifted to the buyer's market, investment has returned to rationality, and real estate competition has entered the stage of product competition from scale competition. Customer research runs through all stages of development, product premiumization can only be realized by making products that meet customers' functional, aesthetic, service and value characteristics. On the product side, improve positioning accuracy, carry out product positioning guided by customer demand, and ensure the market acceptance of products through accurate data sources, analysis tools, and after-sales feedback mechanisms.

Moreover, from a micro perspective, companies should do a good job in customer service to improve brand competitiveness. Focus on products at the front end and services at the back end. Products and services have always been the traditional competitiveness of real estate enterprises. Combined with the new characteristics of the industry, attention should be attached to the improvement of operation and management concepts to enhance owner satisfaction, for example, improving the overall quality of grassroots property management personnel, and strengthening basic service standard training.

High-quality development requires improving risk prevention and resolution capabilities and properly coping with all kinds of difficulties and risks in operation and management. On the one hand, strictly control cash flow risks, do a good job in capital demand prediction and early warning, and pay attention to sales collection and financing accounts, to ensure liquidity safety; On the other hand, enterprises should always strictly control major quality and safety risks, firmly establish the development philosophy of quality first and safety first, promote the spirit of craftsmanship and strive to improve quality and safety standards

Furthermore, real estate enterprises should be committed to creating their own leading capacity, and actively explore new profit growth points on the main real estate track, breaking through the traditional real estate development industry. Under the strong stimulus of the pandemic, owners' perception of the value of health has been significantly enhanced. For example, real estate enterprises can consider creating characteristic supporting products and services with health and fitness to form brand characteristics.

4.3 Macro Environment

From a macro perspective, China's monetary policy has maintained ample liquidity this year, and the real estate industry should pay more attention to the structure of the monetary policy. The relevant notice issued by the central bank in April pointed out that its next step would be to improve financial services in the housing sector, implement differentiated housing credit policies based on city-specific policies, and reasonably determine the minimum down payment ratio, minimum, and loan interest rate requirements for commercial individual housing loans within the jurisdiction. It will better meet the reasonable housing needs of home buyers and promote the steady and healthy development of the local real estate market. For a housing purchase demand, combined with relevant local policies, we can better enjoy the benefits brought by monetary policy. The current monetary policy can help financial institutions meet reasonable housing needs and alleviate real estate liquidity risks. More, compared to the real estate policy in previous years, the current policy is more long-term, not a short-term policy for the pandemic.

5 Conclusions

SARS first struck human populations in 2003, infecting 8,422 people worldwide and killing 916. The COVID-19 pandemic started in 2019 and has resulted in nearly 900,000 infections and five thousand deaths in China. The viruses bear particular relevance to the housing market because the real estate sector occupies a great portion of the Chinese market and is comparatively sensitive to economic, political, and social changes.

In a fair market, the price fluctuates around the value. The price fluctuation caused by the transaction behaviors such as involuntary and urgent buying and selling is considered to be accidental and occasional. The real estate market in China during the COVID-19 pandemic was just a long-lasting case mentioned above as special. From the comparison and analysis between the performance of the SARS pandemic in 2003 and that of the current pandemic, the real estate market in most parts of China has been influenced by the pandemics from a macro perspective: there has been a change in the market, which is manifested as an overall, short-term unilateral downturn, and both volume and price have fallen by a large margin (except for the first and second-tier cities). Viewing from the perspective of transactions, the real estate transaction volume has dropped sharply, and some transaction entities have stopped watching and conducting market transactions. Among them, the sellers trade voluntarily on the surface, but in fact, they have to trade under the pressure of returning the funds, or the life-forced realization of property. On the other hand, buyers may have absolute rigid demand or a speculative mentality of buying low. The real estate market transaction behavior at this time has a special transactional nature as a whole.

Generally speaking, real estate is a long-term asset, and the sudden decline in real estate prices caused by the COVID-19 pandemic is also short-term. From a long-term perspective, it has little impact on real estate values.

At present, it is still necessary to fully estimate the severity of the current real estate market situation. The current pandemic will undoubtedly pose more severe challenges to the capital chain of real estate enterprises. Some enterprises may not be able to survive the pandemic. There is not much money to invest in development. Although the market will pick up, from the overall industry situation, the situation is not optimistic, and enterprises need to further improve risk management.

Overall, the impact of the pandemic on the real estate industry can be said to be both a challenge and an opportunity. Although the current situation is severe, we must believe that the real estate industry is still the ballast and stabilizer of China's economy. Although the growth rate of China's urbanization rate has declined, there is still some room for growth, and it will still be the biggest dividend for the real estate industry. There is still room for further urban agglomeration and further transformation and upgrading of relevant industries. The current real estate products cannot fully meet people's yearning for a better life, and the demand for housing improvement is still a strong driving force for the upgrading of the real estate industry in the next few decades.

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