

**Japan International Cooperation Agency (JICA)**

**People's Bank of China  
Ministry of Construction of People's Republic of China**

**The Study  
on  
Reforms of Housing Finance Systems  
in  
China**

**Final Report**

**March 2002**

**Nomura Research Institute, Ltd.**

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One US dollar = 133.90 円

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## Preface

In response to a request from the Government of People's Republic of China, the Government of Japan decided to conduct a "Study on Reforms of Housing Finance Systems in People's Republic of China", and entrusted the study to the Japan International Cooperation Agency.

JICA selected and dispatched a study team headed by Mr. Keiichi KUSANO of the Nomura Research Institute, Ltd., to China from March 2000 to March 2002.

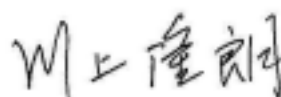
In addition, JICA set up an Advisory Committee headed by Prof. Tsutomu MURAMOTO, Dean of Graduate School of Economics, Seijo University, which examined the Study from specialists and technical points of view.

The team held discussions with the officials concerned of the Government of China and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to promoting reforms of housing finance system and development of housing market in China, and to the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of China for their close cooperation extended to the study.

March 2002



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Takao Kawakami

President

Japan International Cooperation Agency

March 2002

Mr. Takao Kawakami  
President,  
Japan International Cooperation Agency

### **Note of Transfer**

We, the members of the JICA Study Team, hereby submit the final report on, “The Findings of the Study on Reforms of Housing Finance Systems in China.” Studies commenced in March 2000, and were completed in March 2002.

The report sets forth the proposed measures for mid-term and long-term reforms to the housing finance systems of China. Concretely, we proposed three basic measures, namely: (1) The reform of the Housing Provident Fund as the housing finance system, (2) Correspondence to increase in housing finance of the Commercial Bank; and (3) Establishment of the Mortgage/Guarantee System. Maintenance of housing-related information systems, Cultivation of Human Resources concerned with housing finance, and establishment of Qualification System and raising/activation of the rental house market were likewise proposed as relevant measures. All measures were based on the estimation and analysis of housing demand. We are convinced that their implementation will make a great contribution to promoting reforms to the housing finance systems and enhance the development of the housing market in China.

We are deeply indebted to the personnel at JICA, the Ministry of Foreign Affairs, the Ministry of Land, Infrastructure and Transport in Japan, and all lecturers for the technology transfer seminars, including the ones from the Government Housing Loan Corporation, for their invaluable guidance and support in the execution of the study. In China, we wish to thank the concerned personnel at the People’s Bank of China and the Ministry of Construction of People’s Republic of China for their kind cooperation and assistance with our activities.



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Mr. Keiichi Kusano

Leader

JICA Team for the Study on Reforms of  
Housing Finance Systems in China

## **Executive Summary**

### **1. Chinese Housing Finance System Reform: Focal Points**

#### **1.1. Understanding Growth of Housing Market and Demand for Housing**

China is experiencing the first housing consumption boom in its history. Chinese housing market has shifted to an era where it is now dominated by the construction and sales of “commercial housing” by real estate companies. The total floor space of houses sold in China has increased by six times within the past ten years. Majority of commercial housing was purchased by individual homebuyers. This indicates that “economization of housing market” is certainly taking place in China.

Formation and development of “filtering system” (“advancement of living standard through filtering”) are very likely to occur in China. Therefore, the policy-related tasks for the Chinese government with regard to housing should include: a) developing a framework to increase the demand for housing by mid-level income earners who are cautious about purchasing houses; and b) encourage a vitalization of the various housing markets, (including markets for existing housing and rental housing,) in order to promote filtering.

In order to respond to demand for housing/housing fund, which is expected to grow in both for mid-and-long term period, public housing finance system has to be improved by utilizing existing Housing Provident Fund System (HPF System). Low-cost and high quality housing fund should to be provided. Private financial institutions should develop commercial finance system equipped with diverse and attractive financial products.

#### **1.2. Housing Finance: Its Role in Promotion of Housing and Basic Framework**

Key objectives of housing finance system reform can be summarized as following: a) to help people form assets; b) motivate people to purchase their own houses and; c) stimulate growth of the economy.

Housing loan programs with long-term, fixed, low interest rate should be promoted as a support system for asset formation. As a result, various new measures have to be established in Chinese housing finance system, such as the diversification of risks, advanced analytical technique for interest rate risks, and financing methodologies. Also, administration procedures have to be standardized in order to increase the efficiency in processing documents and forms.

Private housing finance systems alone, are not sufficient to boost the people’s

demand for housing, since these systems tend to be influenced easily by the economy. Therefore, various measures such as preferential tax treatment, interest subsidy, housing allowance should be provided as part of public housing finance systems. It is important for people to form assets and gradually increase their housing purchasing abilities. China needs to establish more comprehensive and stable housing market structures, including secondary market (existing home market) and rental housing market.

Housing finance system is expected to vitalize the economy by an enlarged circulation of houses. Boosted economy will result in even greater circulation of houses. Therefore, housing policies designed to increase the number of people with housing purchasing abilities, should be included in housing financing system.

### **1.3. Financing for Housing Policies: Basic Directions**

Financing systems for housing policies with various fundraising/operation frameworks, have to play a central role as support systems for the accurate execution of housing policies in all parts of China.

Measures by the supply side, such as a provision for housing by government organizations, are significant. In addition, demand side should also promote the establishment of housing policies and relevant legal system. For example, purchasing appropriate houses and promoting moving-in by diverse levels of private corporations can be useful. Through the provision of various incentives to each player in the housing market, the government (administration) will achieve policy objectives utilizing housing market, as well as intervene in, guide, and supplement housing market.

For the continuous improvement of housing stock through filtering, vitalization of mobile housing market (for not only new houses, but existing houses and rental houses also) is imperative. In addition, financing framework for housing policies that support acquisition of politically-guided housing, (which is designed to meet diverse demands,) should be developed.

In order to promote the measures from demand-side, various system infrastructures which will help individuals and corporations navigate housing market, should be developed. This includes, establishing housing appraisal systems, display systems, and guarantee systems, developing housing quality standards, as well as expanding mortgage, guarantee and insurance systems.

China needs to accurately forecast demand for housing and housing fund, considering not only objectives in social and economic development, but people's needs toward housing, and changing economic structure also. In addition, a structure to

incorporate these issues in housing plans in a flexible and prompt manner has to be constructed.

In Japan and major western countries, there are clearly defined roles for the public and the private sectors, in saving programs/organization and housing finance system, in order to secure stable funds and to allocate sufficient funds. This is supplemented by the government's finance and tax subsidy device. In China, too, financing systems for housing policies, which will support housing policies designed to solve various national issues, must be developed immediately.

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## **2. Housing Provident Fund Reform: Basic Directions and Strategies**

### **2.1. Housing Provident Fund System and its Challenges**

A mandatory housing saving program, which is directly linked to housing loans, such as the Housing Provident Fund System (HPF System) in China, is unique and does not exist in any other countries including Japan and European countries. Chinese government positions the HPF System as a core of allocation policies of monetized housing. Yet, there are numerous issues in the current HPF System, mainly in its operation.

### **2.2. Housing Provident Fund System Reform: Basic Direction**

The HPF System will be positioned as a core of Chinese public housing finance system. Drastic changes will be made to the organization, its structure and operation, since main objective of the HPF System is to lead China's financing system for housing policies. In addition, various functions in the HPF System will be strengthened.

### **2.3 . Basic Directions for the Reform**

The organization structure of the HPF System should be restructured based on the following nine points. While points (1) to (4) relate to short-term and urgent issues, points (5) to (9) concern mid-term and policy-related issues.

- (1) Integration of small HPFMCs.
- (2) Development and reinforcement of training programs.
- (3) Standardization of HPFMCs' administration procedures, and development of a comprehensive and integrated computerized management systems.

- (4) Promotion of ALM in HPFMCs and reinforcement of the supervising/auditing functions by the central government.
- (5) Accommodation of funds in larger area, and fund linkage with financial market.
- (6) Independent operation of HPFMCs, establishing division between administration and finance, and reorganization of administration work.
- (7) Increased control of housing policy by the central government.
- (8) Increased housing policy funds and political loans by the central government.
- (9) Aligning HPFMCs with local governments' housing plans, and providing finance/tax assistance to local governments.

#### **2.4. Directions for Organizational Reform: Phased Organizational Reform**

The main objectives of organizational reform proposed in this study are to develop a new organizational structure which will oversee the entire China, and solve issues which cannot be addressed by individual HPFMC. Reform should be executed gradually by following phases described below.

##### **Phase 1: Transition to Administrative Function Model**

The goal of nationwide integration and reorganization of HPFMCs, based on the viewpoints (1) to (4) is to address issues related to organization management, which is one of the most urgent issues.

A new organization structure of the HPF System will consist of the following three layers. The Central Housing Provident Fund Management Center will be established at the national level. The Provincial Housing Provident Fund Management Center will be developed regional level. The Urban Housing Provident Management Centers' will be built at the district level. This three-layer structure is the same as in the current HPF System. However, the new system is designed to solve managerial and financial issues, that the current HPFMCs face at the national level, in extensive area.

- Establishment of provident fund management mechanisms (Central and Provincial Housing Provident Fund Management Centers).
- Integration and reorganization of existing HPFMCs to Urban Housing Provident Management Centers.
- Development of monitoring systems for HPFMCs.
- Development of training systems and certification systems for housing finance professionals.



- Establishment of information system to improve the efficiency of administration work and customer management.

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### **Phase Two: Transition to Systemized Finance Model**

The main objective of a new organization structure, based on points (5) and (6) is to reinforce financial functions (mainly fundraising), including modification of operations at HPFMCs.

In order to shift the organizational structure of the HPF System to a three-layer integrated financial system, following new organizations will be created as non-profit organizations independent from administration divisions. “Central Housing Finance Mechanism (CHFM)” will be established at the central (national) level, and “Regional Housing Finance Mechanism (RHFM)” will be built at the regional level.

The CHFM will keep and operate funds as a central finance institution. CHFM should possess diverse functions, such as issuing debenture when it is required. Also, under the new organizational structure, RHFM should exert influence in the regional financial market, through the accommodation of funds. At the district level, HPFMCs should function as a community-based financial institution designed to promote mutual aid, while providing support to the HPF participants.

- Reorganization of HPFMCs to housing system finance mechanism.
- Accommodation of loan funds by the Regional Housing Finance Mechanism.
- Development of fundraising measures unique to the Central Housing Finance Mechanism, such as the issuance of debentures.
- Expansion of political loans, and provision of political loans to housing suppliers, including suppliers of houses for sale and rental.

### **Phase Three: Transition to Specialized Financial Institution Model**

The main objective of a new organization structure, based on points (7) and (9) above, is to expand Chinese financing systems for housing policies, to achieve “specialized financial institution” reform.

Drastic changes will be made to the current HPF System. “Central Housing Bank of China (CHBC)” (tentative name) will be established as a specialized financial institution, responsible for financing for housing policies.

CHBC will directly raise its own funds by collecting housing savings and issuing debentures. In addition, the HPF funds and postal savings that are currently managed by the government will be pooled in the fund operation division of Central Housing Bank of China. (It must be beneficial to investigate whether a special account should be established in the

Ministry of Construction or not.) The bank will use these funds as financial resources to execute housing finance in accordance with the state's housing policies.

- Establishment of the CHBC: transition to specialized housing policy financial institution.
- Formation of Central Housing Committee, which will provide consultations to the CHBC management.
- Introduction of voluntary housing saving program.
- Introduction of housing-related taxes (local tax, housing policy foundation).
- Reinforcement of the housing political loan function.
- Introduction of housing policy information systems to provide information on prospect of housing demand and supply, etc.

### **3. Private Housing Finance System Reform: Directions**

#### **3.1. Expansion of Housing Finance and Challenges for Public Commercial Finance Institutions**

Housing loans by the state commercial banks have shown a significant increase since 1998. Particularly, housing loans for individual borrowers have risen sharply. Housing loans by the financial institutions in the private sector are expected to play a significant role. In addition, the ratio of housing-related loans in commercial banks' total amount of loans has been rapidly expanding. In the future the ratio could be as high as 15%.

Unlike corporate loans, housing-related loans and housing loans for individual borrowers present numerous risk management issues, such as gathering personal credit information, securing deed of warranty, appraising mortgage, handling changes in mortgage prices, assessing personal credit, and investigating deed of warranty. In addition, the efficiency of administration work could be a problem in personal housing loans because the number of loans and the volume of administration work are large, although the amount of each loan is small.

The larger the Chinese housing market grows, the more significant solutions for these problems become. One of the issues relate to risk management and the protection of account receivables. Another issue concerns banks' cost management and profitability.

#### **3.2. Private Housing Finance System Reform: Basis Directions**

In western countries, the competition in banking has become increasingly fierce.

The banks' deposit-loan spread has been decreasing because corporate fund raising methods are more diversified. Individuals nowadays are more selective about interest rates for personal savings. In China, too, credit risk management and cost management have become increasingly significant for banks.

Breach rate of personal housing loans is currently quite low in China and it remains as a small issue. However, if housing loan-related business expands, accident rate is expected to increase also. Therefore, guarantee/insurance systems such as institutional guarantee systems need to be established immediately.

Japanese commercial banks have longer history in the area of loan screening, compared to their Chinese counterpart. Chinese commercial banks can learn from Japanese practices, (such as internal control, double check, asset appraisal, confirmation of deed of warranty).

Chinese banks' finances could be negatively impacted unless cost management in housing loans is pursued, such as standardization of administration documents, and development of information system. With China's membership to WTO, foreign financial institutions are likewise expected to enter Chinese market. Therefore, Chinese banks must implement cost management structures that can compete globally.

Breach rate of personal housing loans is currently quite low in China. However, China's new challenge is to balance a relationship between risk management and the improvement of service through product diversification. There are a number of aspects in Japanese commercial banks' housing loans that Chinese counterparts can learn from. In particular, studying reinforcement measures for personal housing loan management and customer services by Japanese banks can be very useful.

### **3.3. Establishing Credit Risk Management Systems: Learning from Japanese Examples**

One of the most significant issues for Chinese banks is risk management. Particularly, the development of credit risk management systems is particularly important, since credit risk is supposed to occupy 60% of all types of risk that exist in banks.

Various risk management measures in Japanese financial institutions can be informative for Chinese banks. These include: a) development of credit rating systems; b) establishment of risk management organizations; c) quantification of credit risk; d) portfolio management; e) asset allocation systems (allocation of risk capital, management by risk management) and; f) creating regulations and manuals.

## **4. Establishing Mortgage/Guarantee Systems: Basic Directions**

### **4.1. Necessity for Establishing Mortgage/Guarantee Systems**

In order to maximize purchasing abilities of the people who have a desire to buy a house, (and to minimize risk of individuals and financial institutions,) guarantee systems designed to meet specific needs of each loan user and matching guarantee institutions, have to be established. In addition, developing appropriate risk management structures/methods is also imperative in housing finance system.

In China, guarantee systems for housing loans are still underdeveloped. Therefore, new mortgage/guarantee systems should be developed to achieve following objectives.

- (1) Supplement credit capability of housing loan users (developing credit systems.)
- (2) Support lower-mid income earners who request for housing loans (improving housing finance system.)
- (3) Assist housing loan users who have difficulty in repaying loans (securing and stabilizing individuals' lives.)

### **4.2. Establishing Mortgage/Guarantee Systems: Directions**

One of the major directions in designing mortgage/guarantee systems is to implement a framework to supplement credit by guarantee institutions, and not by individual guarantors. In addition, guarantee supplement business is linked closely to loan business. Therefore, these two must be coordinated as one. Guarantee business should be part of financial business, and mortgage guarantee organizations should have finance functions as well.

Guarantee systems by both public and private sectors should be established simultaneously. Roles for the public sector and the private sector should be clearly defined.

Guarantee institutions should be established throughout China. The size of each guarantee institution should match each region's specific conditions. This will maximize economies of scale and minimize total risk. At the same time, it will enable centralized management/supervision by relevant government institutions

Risk management is a core of guarantee business. For reliable risk diversification and to secure debenture, implementation of reinsurance system, as well as requesting mortgage and guarantee should also be investigated.

### 4.3. Strategies for Establishing Mortgage/Guarantee Systems

#### (1) Establishment of Public Guarantee Institutions

Characteristics	Details
Name (tentative)	• Central Housing Guarantee Organization
Characteristics	• Public service institutions • Tax-exempt organization • Finance industry
Service lines	• Provide guarantee/insurance services for housing loans • Broker politically-guided housing
Supervisory organizations	• Supervised jointly by the Ministry of Construction, People's Bank of China and the Ministry of Finance.
Structure	• Nation-wide operation with regional emphasis • Central headquarters Regional headquarters Branches
Main functions	• Politically-guided loans • Political coordination for guarantee for general loans • Coordinate mortgage guarantee systems/policies (quality assessment, property appraisal, quality guarantee, completion guarantee, etc.) • Coordinate with relevant organizations, such as consigned financial institutions and affiliate insurance companies. • Issue debentures • Collect guarantee fees • Collect debentures ( management of parties entitled to recourse )

Source : JICA Study Team

#### (2) Establishing Guarantee Organizations by Commercial Banks

Major objective in establishing guarantee organizations by public sector is to develop guarantee organizations affiliated with commercial banks.

Leading commercial banks in China are large and have operations throughout the nation. If guarantee organizations affiliated with these banks are established, economies of scale within the same group can be expected (as a guarantee organization as a parent bank and subsidiary). It will also be possible to build branches with different functions depending on specific conditions of each region.

It will be almost impossible for all the Chinese commercial banks to start developing affiliate guarantee organizations simultaneously. Therefore, banks with enough demands and which meet required conditions, should start first. In addition, relatively small commercial banks with limited area of operation might have difficulty in developing affiliate guarantee institutions on their own. Therefore, it might be better to launch joint-guarantee

organizations with other banks, as required.

### (3) Establishing Reassurance Systems (Implementing Reinsurance Systems)

Under the socioeconomic system where there are constant structural changes in social environment, financial environment and labor market, risks exceeding the range granted in the guarantee system design (accident rate), should also be considered. Reassurance systems to hedge abnormal risks that are difficult predict should be established.

It is possible to include insurance premium for reassurance in guarantee fees paid by loan users. However, a scheme that is linked to group credit insurance, such as group life insurance or accidental insurance, will be more effective, considering actual conditions of current insurance industry in China.

Group credit life insurance systems should be developed to handle unexpected accidents, such as debtors' death or serious injuries. Also, accidental insurance systems should be established to handle the cases where loan properties are damaged by fire or natural disaster.

Insurance institutions that provide insurance services/products for reassurance purposes should have politically-guided functions. If there is excessive budget, the possibility of establishing of public insurance institutions specializing in reassurance services should be investigated. The same objectives can be achieved by launching new reassurance/reinsurance products for housing loans while utilizing insurance companies' existing infrastructure and network.

## **5. Building Support Infrastructure for Housing Finance System Reform: Directions**

### **5.1. Strategies for Developing Housing-Related Information System**

#### (1) Establishing Housing Finance Information System

For the efficient operation of the HPF System, information system linking the HPF and commercial bank on-line has to be built. Strategic development of housing finance information system, which fits each phase of the HPF System reform, is imperative. Investigating the total on-line system by the Japanese Housing Loan Corporation can be very useful.

For the development of housing loan information system, various issues such as which administrative organizations should be in charge, of developing a new system and creating concrete plans for immediate implementation, must be examined.

## (2) Establishing Personal Credit Information System

• Developing and utilizing personal credit information system is quite important in risk/lending management of housing loans. Shanghai Zixin Corporation is a pioneer in this field. A greater number of regional-based personal credit information corporations should be established. In addition, a large-scale credit information network between multiple regions should be launched to link and manage several personal credit information systems.

## (3) Building Housing Distribution Information System

Housing distribution information system is a basic infrastructure for the vitalization of housing market. The system should have multiple functions such as: registering/posting/advertising properties, property brokerage, search engines, budget-planning system for homeseekers, and appraisal system for posted information.

Housing distribution information system will be operated via Internet or magazines. The cost will be covered by fees from construction companies, real estate companies, and loan companies including banks, for posting information or when deals are made. Its maintenance and operation should be managed continuously by private corporations.

## **5-2. Training Professionals and Certification Systems in Housing finance**

Training specialists with professional knowledge/abilities and placing these individuals in appropriate, relevant organizations is critical, as a basis of housing finance system. Sustainable personal development can be made possible by developing the right training programs. Also, staffing can be made more successful by introducing a certification system which can systematically and accurately places certified employees in the organization.

One of the ways to make real estate transactions safer and to develop housing finance system soundly and effectively is escrow system.

In order to establish an escrow system, (which requires professional abilities and credibility of third parties,) the existing national certifications should be utilized. In addition, comprehensive housing finance-related certifications should be newly established.

Certification system for “Housing Finance Manager” that tests knowledge in loans (screening, loans, debenture management, collection), escrow (commission a reliable third party to sell/buy houses, which is subject of loans, and ensure that transaction is conducted accurately) is recommended.

There should be a linkage between training programs and certification system.

### **5.3. For the Vitalization of Housing Market**

For the mid-and-long-term, and sustainable vitalization of housing market in China, formation of markets for existing houses and private rental houses is significant. Implementation of various measures to private sector should be examined in order to indirectly guide/stimulate market. These measures include creating, maintaining, improving high quality housing stock in rental housing market, reinforcement of filtering functions in housing market, creating environment for organizing and disclosing information on individual property, providing tax and financial incentives.

In addition, following measures should be examined also: a) establishment of information system, temporary procurement, preservation/maintenance of existing housing stock by the government; and b) re-injection of current housing stock into existing housing market or private rental housing market.

#### **(1) Establishing Basic Housing information Registration System and Utilizing Database**

It is important for "main consumers", "main suppliers (constructors)", "information/service providers" to be able to search and utilize high quality information when trading housing, conducting transactions for rental housing, or providing brokerage/information services. In order to achieve these objectives, information system on housing asset, such as exiting housing stock and newly-built commercial housing (which is rapidly increasing), should be developed and utilized. This will be executed through the establishment of "Basic Housing Information Registration System" and development and operation of relevant database.

Basic Housing Information Registration Organization will be founded to manage this database. The organization will be responsible for designing and developing a database and its operation method/standards, while assessing the public needs of main consumers and main suppliers.

#### **(2) Establishing Housing Distribution Promotion System**

The objective of housing quality examination and technical appraisal system is to: a) accurately evaluate and judge safety standards of existing and new houses and; b) provide/establish high quality basic housing information to vitalize housing market. Technical standards and matching certification system, (which consist of several levels of certifications,) should be designed and established by the central or regional government. This will enable cultivation of a large number of housing quality appraisers comparable to the volume of housing construction, sales, and distribution.



Competent employees in real estate brokerage companies are imperative for the smooth trading of existing house or transaction of rental housing, by utilizing basic housing information including housing quality examination, and technical appraisal system. These employees should have the knowledge and skills in construction technology, market value appraisal, housing finance system, IT, and contractual issues.

### (3) Promoting the Distribution of Existing Stock and Utilization of SPC

“Housing rating” will be conducted based on certain appraisal standards, by understanding quality and quantity of existing housing stock by using basic housing information database, which includes housing quality examination and appraisal information. Based on the rating, various measures for the promotion of trading existing houses and distribution rental houses, or for preservation, maintenance, and redevelopment (“scrap and build”), should be examined.

Introduction of legal, tax, financial systems should be examined, to allow establishment/operation of SPCs which will buy, preserve, renew, resell or rent block(s) of housing complexes.

### (4) Establishing Systems to Promote Construction/Consumption of Quality Public Rental Housing

Promotion measures for rental housing which match the conditions unique to China should be established. Examining “Quality Rental Housing System” in Japan or similar systems in other countries can be useful. By clearly defining requirements to receive preferential treatment, only certain groups of people (income level, age, etc.) can be made eligible for the preferential treatment. At the same time, this will help shape housing market to meet various consumer needs, (by supplementing supply systems of newly established commercial housing,) which tend to focus only on satisfying high income earners’ needs.

## **5.4. For the Establishment of Infrastructure for Promoting Housing Policies**

For the promotion of housing policies in China, following objectives should to be achieved:

- (1) Accurately grasp changes in people’s needs toward housing and establish housing plans based on quantitative prospects of demand for housing;
- (2) Investigate the effectiveness of housing plans/policies on a periodical basis, and establish a system to incorporate the results of investigation in the subsequent plans and;

- (3) Develop housing plans which consider the total number of houses required in public/private sectors, in regional/national level, and the amount of public fund needed.

Developing and utilizing housing-related statistical system, and establishing a process for housing plan (housing fund plan) are required as an infrastructure to achieve the above objectives.

#### 1) Developing and Utilizing Housing-Related Statistical System

Currently, numerous types of statistics are being developed in China, (such as statistics for investment and sales,) and are provided on-line. However, utilization/usage of these data is extremely limited, and a wide-range of information required for building housing plans has not been created.

Therefore, housing statistics system, which shows current situations of housing (amenities), people's needs toward housing, and effects of establishing houses, should be developed as system infrastructure to help affiliate organizations build plans that meets consumer needs. In addition, a method that systematically incorporates these matters into housing plans should be established.

#### 2) Establishing Process for Developing Housing Plans (Housing Fund Plans)

In order to cope with rapidly changing housing market, and to promote effective housing policies (which are in line with housing finance) for mid-and-long period of time, current mid-and-long term housing plans need to be elaborated and looked at from a different angle. Particularly, the Five-Year Plan for each city (plan period is five years) and the Housing Development Plans (plan period is 5 years and 20 years) need further review and modification.

Traditionally, developing plans and relevant fundraising/financing measures have not been properly linked in Chinese housing plans. A framework and process, which will help forecast demands for housing/housing fund accurately, and to incorporate results of forecast in housing (construction) plans flexibly and promptly should be developed.

Specific measures that should be investigated include: a) developing and utilizing forecast method for housing demand; b) establishing organization structure for cross-sectional housing policy development and assessment; c) building information network to support housing plan development; and d) retaining and training professionals.

# CONTENTS

## I.

1.	Basic Points in the Reform of Housing Finance System.....	1
1.1.	Housing Promotion, and Grasping of Demand for Housing.....	1
1.1.1.	Changing Housing Market Structure.....	1
1.1.2.	Changing Market Structure and Necessity of Grasping Housing Demand....	2
1.1.3.	Outlook of Demand for Housing/Housing Fund, and Future Recommendations.....	3
1.2.	Role of Housing Finance in Housing Promotion Activities, and the Required Basic Framework.....	4
1.2.1.	Importance of Housing Promotion in the Development of China .....	4
1.2.2.	Housing Industry Supports Domestic Demand and Economic Growth in China.....	5
1.2.3.	Finance System Reform and Housing Finance .....	7
1.2.4.	Housing Policy Finance Should Aid in Benign Circulation of Economy .....	8
1.2.5.	Focal Point of Housing Finance System Reform: Support Common People to Form Assets, Boost the Purchase of Privately Owned Housing, Framework to Stimulate Benign Circulation of Economy .....	9
1.3.	Basic Direction of Housing Policy Finance.....	12
1.3.1.	Purpose of Housing Policy and Basic Tasks .....	12
1.3.2.	Basic Concept of Housing Policy .....	12
1.3.3.	Basic Direction of Housing Policy Finance.....	13
2.	Basic Direction and Measures for Reform of Housing Provident Fund System .....	16
2.1.	Housing Provident Fund System and its Tasks .....	16
2.2.	Basic Direction of Housing Provident Fund System Reform .....	20
2.2.1.	Housing Provident Fund System Reform from the Viewpoint of Policy Finance.....	20
2.2.2.	Housing Provident Fund Loan Conditions to Be Linked to Housing Policy .....	21
2.2.3.	Reduction of Loan Interest Rate and Operation Management.....	21
2.2.4.	Diverse Methods of Fund Procurement as a Public Policy Finance Function .....	22

2.3.	Basic Measures for Reform.....	23
2.3.1.	Basic Viewpoints for Reconstruction of Organization.....	23
2.3.2.	Direction of Organizational Reform: Phased Organizational Reform .....	23
2.3.3.	Details of Reform in Each Phase .....	26
3.	Direction of Reform of Private Housing Finance System .....	33
3.1.	Expansion of Housing Finance and Tasks of Private Commercial Finance.....	33
3.1.1.	Current Status of Housing Loans .....	33
3.1.2.	Lending Management by Private Housing Loan Institutions.....	34
3.1.3.	Housing Finance and Management of Banks.....	34
3.1.4.	Expansion of Housing Loans and Necessity for Risk/Cost Management.....	37
3.2.	Basic Direction of Reform of Private-sector Housing Finance and Action to Be Taken .....	38
3.2.1.	Risk Management and Credit Protection .....	38
3.2.2.	Cost Management .....	39
3.2.3.	Reinforcement of Management Potential.....	39
3.2.4.	Reinforcement of Personal Housing Loan Management: Housing Loan Management by Japanese Commercial Banks .....	40
3.3.	Establishment of a Credit Risk Management System - Reference to Examples in Japan .....	41
3.3.1.	Credit Rating System .....	42
3.3.2.	Management System .....	42
3.3.3.	Credit Risk Metrics .....	43
3.3.4.	Portfolio Management.....	44
3.3.5.	Capital Appropriation System (Allocation of Risk Capital, Management by Risk Capital) .....	44
3.3.6.	Rules and Manuals .....	44
4.	Fundamental Policy to Establish a Mortgage/Guarantee System .....	46
4.1.	Necessity to Build the Mortgage/Guarantee System .....	46
4.1.1.	Objective of the Mortgage/Guarantee System .....	46
4.1.2.	Necessity to Build the Mortgage/Guarantee System.....	46
4.2.	Direction in which Mortgage/Guarantee System be Established.....	47
4.2.1.	Constructing Mortgage/Guarantee System .....	47
4.2.2.	Building up Mortgage/Guarantee System Infrastructure .....	49
4.3.	Measures to Establish Mortgage/Guarantee System.....	50

4.3.1.	Establishing Public Guarantee Organization.....	50
4.3.2.	Building up Commercial Bank-affiliated Guarantee Agencies.....	52
4.3.3.	Building up Re-guarantee System.....	55
4.3.4.	Overall Image of Mortgage/guarantee System (Organization) involved in Housing Finance in China.....	58
5.	Direction in which Infrastructure Supporting Housing Finance-related Systems Reform should be Built up.....	59
5.1.	Housing-related Information Systems and their Buildup Measures .....	59
5.1.1.	Building up Housing Finance Information Systems .....	59
5.1.2.	Building up Personal Credit Information System .....	61
5.1.3.	Building up Housing Distribution Information System .....	63
5.2.	Cultivating Human Resources Concerned with Housing Finance and Establishing Certification System.....	66
5.2.1.	Direction in which Human Resources Concerned with Housing Finance should be Cultivated and Certification System should be Established .....	66
5.2.2.	Methods of Cultivating Human Resources concerned with Housing Finance and of Establishing Certification System .....	67
5.2.3.	Building Certification System in Housing Finance.....	69
5.3.	Aiming at Activation Housing Market.....	71
5.3.1.	Necessity of Studying the Measures for Activation of Used/Rented Housing Market.....	71
5.3.2.	Housing Activation Measures .....	72
5.4.	Establishing Infrastructure for Promoting Housing Policy .....	78
5.4.1.	Developing and Utilizing Housing-Related Statistical System.....	79
5.4.2.	Establishing Process for Building Housing Plans (Housing Fund Plans).....	81

## II.

1. Socioeconomic Development and Housing Finance's Roles and Positioning in China .....	1
1.1. Promotion of Housing Development in the Process of Social Development in China Is the Symbol of Enhancement of the Quality of National Life.....	1
1.1.1. Acquisition of Housing of Fine Quality As a National Goal .....	1
1.1.2. Due Consideration Should Be Given to the Needs of the Low-Income Group in the Process of Monetization of Housing .....	1
1.1.3. Cost Bearing by the People and Financial Support Require Comprehensive Policy Measures and Policy Adjustment.....	2
1.1.4. System of Economical Housing for the Low- to Medium-Income Group and Its Problems.....	3
1.1.5. Challenges Facing the Central Government's Housing Development Promotion Policy.....	4
1.2. Promotion of the Growth of the Housing Industry Shoulders Long-term Responsibilities for the Expansion of Domestic Demand and Economic Growth in China.....	6
1.2.1. Promotion of the Growth of the Housing Industry Is Going to Play a Very Important Role in Stimulating Investment and Domestic Demand for a Long Period of Time .....	6
1.2.2. Housing Investment Has Great Ripple Effects on Industrial Development.....	6
1.2.3. Growth of the Housing Industry Has Great Ripple Effects on Job Creation ....	7
1.3. Housing Finance Contributes to the Drastic Reforms of the Financial System.....	8
1.3.1. Banks Take a Positive Attitude Toward Loan Business and There Are No Fears of Fund Shortage .....	8
1.3.2. One of the Financial Challenges Is Collection of Bad Loans .....	9
1.3.3. It Is Necessary to Enhance the Quality of Claimable Assets Arising from Loans.....	10
1.3.4. China's Entry into the WTO and the Challenges Facing China's Financial Circles .....	10
1.3.5. Importance of Development of Operational Manuals of Coordination and Collaboration Among Banks in China.....	12
1.4. Guidance Policy Housing Finance Accelerates a Good Circular Flow of the Economy .....	12

1.4.1.	Guidance Policy Housing Enhances Consumers' Motivation to Acquire Housing .....	12
1.4.2.	Government Spending as a Cost of Reforms of the Economic System .....	13
1.4.3.	To Minimize the Central Government's Cost Payments .....	14
1.4.4.	The Central Government's Policy Support Promotes Private Housing Construction and Reduces Adjustment Costs During a Transitional Period .....	15
1.4.5.	Use of Fixed Property Tax Revenues as Fund to Give Relief to the Weak Is Worth Considering .....	15
1.5.	Ultimate Goal of Reforms of the Housing Finance System--Creation of the Framework for Supporting Consumers' Asset Formation, Enhancing Consumers' Motivation to Acquire Private Home, and Accelerating a Good Circular Flow of the Economy .....	16
1.5.1.	Limitations of Private Housing Finance--Experiences in Japan .....	17
1.5.2.	Policies to Promote Private Home Ownership in Western Industrialized Nations .....	18
1.5.3.	Three Pillars of the Chinese Government's Housing Policy and "New Urban Housing System" .....	19
1.5.4.	Creation of a Comprehensive Housing Market System .....	20
1.5.5.	Provision of Housing Loans by Public and Private Organizations Is Worth Considering .....	21
1.5.6.	Lessons to Be Learned from the United States for the Future Securitization of Housing Loans .....	22
1.5.7.	The Housing Provident Fund System Should Be More Supportive of Consumers' Asset Formation .....	23
1.5.8.	Improvement of the Housing Provident Fund and Establishment of Guidance Policy Finance Organizations .....	23
2.	Housing Policy, Legislation, and Housing Finance: Directions .....	26
2.1.	Housing Policy and Legislation: Objectives and Challenges .....	26
2.1.1.	Housing Policy and Legislation: Current Issues .....	26
2.1.2.	Objective of Housing Policy .....	28
2.2.	Housing Policy: Basic Concepts .....	29
2.2.1.	Housing Policy: Basic Concepts .....	29
2.2.2.	Housing Policy with Effective Political Housing Finance .....	31
2.3.	Basic Direction of Housing Policy with Effective Financing for Housing Policy .....	32
2.3.1.	Filtering Policy and Financing for housing policy .....	32

2.3.2.	Political Housing and Financing for Housing Policy .....	38
2.3.3.	Development of System Infrastructure to Promote Housing Policy .....	44
2.3.4.	Developing Housing Plans, Building and Utilizing Statistical Infrastructure...50	
Data 1.	Housing Construction Planning Law and Housing 5-year Plans in Japan .....	53
Data 1.1.	Housing Construction Planning Law and Housing Construction 5-year Plans .....	53
Data 1.2.	Framework of Housing Construction Plans.....	53
Data 1.3.	Role Played by Housing Construction 5-year Plans.....	55
Data 1.4.	Finance and Monetary Scheme for Implementing Housing Plans .....	55
Data 1.5.	Helpful features for China .....	56
Data 2.	Public Role in Housing Finance Systems in Major Western Countries .....	59
Data 2.1.	Features of Housing Finance System .....	59
Data 2.2.	Complementary Relationship between Private Sector Housing Finance and Public Housing Finance Supporting Housing Policy .....	59
Data 2.3.	Role of Public Sector in Major Western Countries' Housing Finance System.....	60
3.	Public Housing Finance System Reform: Directions and Strategies.....	63
3.1.	Housing Provident Fund System and Its Challenges .....	63
3.1.1.	Weakening Growth of Housing Provident Fund Balance, Decreasing Ratio of HPF in Housing Loans.....	63
3.1.2.	Housing Loan: Issues in Lending.....	64
3.1.3.	HPF's Financial Management: Issues .....	67
3.1.4.	Issues on HPF system based on the Result of Interviews .....	70
3.2.	The Necessity of Enhancement of Functions for Fund as Public Finance.....	72
3.2.1.	Basic Roles That Housing Finance Policies Need To Play .....	72
3.2.2.	The Necessity of Enhancement of Functions for HPF System as Public Housing Finance: .....	74
3.2.3.	Direction of Improving Terms and Conditions for Loans :.....	77
3.3.	Frameworks for Restructuring the HPF System .....	87
3.3.1.	Improving HPF Management Control: .....	87
3.3.2.	Proposition for Solution to Problems --- Referring to Financial Management Model in Government Housing Loan Corporation in Japan:.....	91
3.3.3.	Funds Raised by HPFMCs.....	94
3.3.4.	Fundamentals to Design of Financial Goods .....	101
3.4.	Housing Provident Fund System Reform: Basic Directions.....	102



3.4.1.	Basic Viewpoint of Restructuring of the Organizational System.....	102
3.4.2.	Direction of Organizational Innovation: Phased Organizational Innovation ....	103
3.4.3.	First Reform (Shift to Management Organization) .....	106
3.4.4.	Second Reform (Shift from Management Organization to Systematized Finance).....	111
3.4.5.	Third Reform (Shift from Systematized Finance to Guidance Policy Finance)	115
Appendix 1.	Overview of Housing Provident Fund system:.....	119
Appendix 1.1.	Objective of Housing Provident Fund System: .....	119
Appendix 1.2.	Housing Provident Fund System.....	120
Appendix 2.	Housing finance systems in Japan, Europe and America, and Housing Provident Fund system in China: .....	122
Appendix 2.1.	Housing Saving Deposit System and Types of Housing Finance Organizations.....	122
Appendix 2.2.	Mandatory Housing Fund Contribution System in Foreign Countries	128
Appendix 2.3.	Features of Housing Provident Fund system:.....	131
4.	Direction in which Private Housing Finance be Reformed .....	133
4.1.	Basic Viewpoint .....	133
4.1.1.	Indirect Finance and Direct Finance .....	133
4.1.2.	Qualities of Banking Business .....	134
4.1.3.	Credit Risk Management .....	135
4.2.	Present Situations of Housing Finance in China.....	137
4.2.1.	Private Housing Finance with Lead Taken by Indirect Financing .....	137
4.2.2.	Housing-related Lendings Rapidly Extended .....	138
4.2.3.	Present Situations of Personal Housing Loans.....	139
4.2.4.	Status Quo of Development-oriented Lendings .....	141
4.3.	Status Quo of Control over Private Housing Finance .....	144
4.3.1.	Status Quo of control over Loans by Commercial bank.....	144
4.3.2.	Personal Credit Assessment .....	150
4.3.3.	Bad Debts in Housing-related Lendings .....	153
4.4.	Loan Examination Enhancement - Risk Management in Advance.....	156
4.4.1.	Risk Management Scheme .....	156
4.4.2.	Personal Housing Loan Management by Commercial Banks in Japan.....	160
4.4.3.	Examination of Lendings by Housing-related Business Line .....	172
4.5.	Bad Debt Management - Ex-Post-Facto Risk Management .....	186
4.5.1.	Discovering a Bad Debt in its Earlier Stages: .....	186

4.5.2.	Loan Credit Classification Standards .....	187
4.6.	Managing a Bank in Private Housing Finance.....	190
4.6.1.	ALM by a Commercial Bank.....	190
4.6.2.	Appropriate Net Worth Ratio .....	193
4.6.3.	Cost Control by Commercial Banks .....	202
4.7.	Changing Real Estate into Securities ---- as a challenge in the future.....	208
4.7.1.	Real Estate Evaluation and Investment Return .....	208
4.7.2.	Changeover of Real Estate to Securities, and Risks.....	209
4.7.3.	Changeover to Securities and Infrastructure Buildup .....	210
4.8.	Specific Measures to Orderly Establish Credit Risk Management System - with Exemplar Cases in Japan Taken for Reference .....	212
4.8.1.	Building up Credit Rating System .....	214
4.8.2.	Building up Risk Management Organization/Scheme .....	218
4.8.3.	Measuring a Credit Risk .....	222
4.8.4.	Portfolio Management.....	224
4.8.5.	Implementing an Assigned Capital System (to distribute the risk capital; to manage by means of risk capital).....	226
4.8.6.	Establishing Regulations/Manual.....	226
5.	Basic Policy and Policy Measures for the Development of Viable Security/ Guarantee Systems .....	228
5.1.	Necessity for Development of Viable Security/Guarantee Systems .....	228
5.1.1.	Present State of the Existing Security/Guarantee Systems for Housing Loans.....	228
5.1.2.	Necessity for Development of Viable Security/Guarantee Systems .....	231
5.2.	Basic Policy for the Development of Viable Security/Guarantee Systems.....	233
5.2.1.	Development of Viable Security/Guarantee Systems .....	233
5.2.2.	Establishing the Foundation of Viable Security/Guarantee Systems .....	236
5.3.	Basic Policy for the Establishment of Viable Security/Guarantee Systems.....	236
5.3.1.	Development of Viable Guarantee Systems .....	236
5.3.2.	Establishment of a Firm Basis of Development of Guarantee Systems.....	254
Data 1.	Overview of Credit Supplement System in Japan.....	259
Data 1.1.	Status Quo of Credit Supplement System and its Characteristics .....	259
Data 1.2.	Credit Supplement System by Public Institutions .....	263
Data 1.3.	Credit Supplement System by Private Institutions .....	279
Data 2.	Public Loan Security and Guarantee System in Japan .....	285
Data 2.1.	System and its Mechanism .....	285

Data 2.2. Guarantee Business .....	285
Data 2.3. Requesting Financial Institutions to Render Guarantee Services on Behalf of the Guarantee Association .....	295
Data 3. Credit Supplement System in the United States.....	297
Data 3.1. Credit Supplement System (Mortgage Insurance, Guarantee) in the First Market.....	297
Data 3.2. VA Guarantee.....	299
6. Construction of Infrastructure to Support Innovation of Housing Finance System .....	303
6.1. Construction of Housing Information System .....	303
6.1.1. Importance of Housing Information System.....	303
6.1.2. Construction of Housing Finance Information System.....	306
6.1.3. Construction of Personal Credit Information System .....	314
6.1.4. Construction of Housing Distribution Information System .....	318
6.2. People Development and Qualification System for Housing Finance .....	326
6.2.1. Necessity of People Development Systems .....	326
6.2.2. Construction of People Development System.....	327
6.2.3. Development of Housing Finance-related Human Resources and Qualification System.....	330

### III.

1. Demand for Housing and the Structure .....	1
1.1. Status Quo of Housing Market in Three Model Cities.....	1
1.1.1. Time-series of Changes in Stock and Flow of Housing.....	1
1.1.2. Trends in the Housing Market of Shanghai.....	3
1.1.3. Trends in the Housing Market of Wuhan .....	5
1.1.4. Trends in the Housing Market of Chengdu.....	7
1.1.5. Background of the Current Housing Boom and where it Emerged .....	8
1.1.6. Framework for Housing Markets, and How To View It.....	11
1.2. Features of the Housing Demand Principal and Trends of the Demand for Housing.....	14
1.3. Features of the Housing Supply/Distribution Principals (developer/enterprise) and Trends of Housing Supplies .....	21
1.4. Status Quo of Existing Housing, Economical Housing and Rental Housing of the Housing Market.....	30
1.4.1. Status Quo and Challenges on Existing Housing.....	30
1.4.2. Status Quo and Challenges on Economical Housing.....	33
1.4.3. Status Quo and Challenges on Rental Housing Market .....	34
1.5. Issues Encountered by the Existing Housing Market (policy issues) .....	39
1.6. Outlook of Future on Housing Market.....	42
1.6.1. Requirements to Be Provided by the Chinese Housing Market in the Future ..	42
1.6.2. Direction of Action Intended to Activate the Housing Market .....	44
2. Changes in Environment Surrounding Housing Market and Their Effects on Demand for Housing.....	45
2.1. The Demand for Housing.....	45
2.1.1. Quantitative Demand for Housing .....	45
2.1.2. Qualitative Demand for Housing .....	45
2.1.3. Accessibility to Housing .....	45
2.2. Changes in Environment surrounding Housing Market and Their Effects on Demand for Housing.....	46
2.2.1. Increase in Population and in Number of Households.....	47
2.2.2. Changes in Living Structure.....	51
2.2.3. Development of Macro-economy .....	53

2.2.4.	Progress of Internationalization .....	57
2.2.5.	Advancement of Industrial Structure, and Technological Innovations .....	58
2.2.6.	Changes in Urban Structures.....	60
2.3.	Objective of Predicting Demand for Housing.....	62
2.4.	How to Grasp Demand for Housing, and Structure of Demand Prediction Model...62	
2.4.1.	Main Factors Composing Demand for Housing .....	62
2.4.2.	Definition of Demand for Housing .....	63
2.5.	Handling Factors Individually, and Outlook in the Future.....	64
2.5.1.	Population/Number of Households .....	64
2.5.2.	Population per House (number of members per house) and Per-capita Housing Area (effective construction area).....	65
2.5.3.	Handling Administrative District Demarcation, and Outlook of Population in Municipal Wards in the Future.....	68
2.5.4.	Outlook of Housing Area Stock (effective construction area) and Number-of-houses Stock in the Future.....	72
2.5.5.	Outlook of Housing Area (flow) and Number of Houses (flow) by Reconstruction/Redevelopment Factor .....	74
2.6.	Outlook of Housing Demand Area and Number of Houses Demanded (summary).77	
2.6.1.	Demand Prediction Results (base case) .....	77
2.7.	How to Define “Re-housing Behavior” and “Fluidized Population” in Demand for Housing .....	81
2.7.1.	How to Define “Re-housing Behavior” .....	81
2.7.2.	How to Grasp Demand for Rental Housing, in the Context of a Fluidized Population .....	84
2.7.3.	Outlook of Privately Owned Housing and Rental Housing in the Future, with Re-housing Behavior and Fluidized Population Reflected .....	85
2.7.4.	Re-housing Behaviors Actualized.....	87
2.8.	Challenges in the Future and Direction of Action.....	88
2.8.1.	Challenges to Improve the Prediction Accuracy and Direction of Action .....	88
2.8.2.	Housing Demand Prediction Process and Effective Utilization of Prediction Results .....	90
3.	Estimation of Demand for Housing Fund.....	91
3.1.	Estimation of Demand for Housing Fund .....	91
3.1.1.	Basic Concepts of Demand for Fund .....	91
3.1.2.	Estimation of Individuals’ Demand for Housing Purchasing Fund .....	92

3.1.3.	Estimation of Demand for Housing Construction and Development by Real Estate Developing Companies (Developers) .....	123
3.1.4.	Summary of Demand for Housing Fund .....	131
3.2.	Effect of Policy Implementation on Demand for Funds .....	133
3.2.1.	Political Demand for Funds and Its Coverage .....	133
3.2.2.	Effect of Housing Finance Policy (Sensitivity Analysis) .....	135
3.2.3.	Estimation of Demand for Housing Fund Occurring in the Desirable Housing Market.....	144
3.3.	A Study of Demand and Supply Balance of Housing Provident Fund .....	148
3.3.1.	Housing Provident Fund Flow and Study .....	148
3.3.2.	Calculation with Model Cases .....	150
3.4.	Problems of Supply of Fund to Demand for Housing Fund .....	155
3.4.1.	Problems of Housing Provident Fund System .....	155
3.4.2.	Problems Related to Commercial Bank Loans .....	157
3.4.3.	Problems with Political Loans .....	158
4.	Direction in which Infrastructure be Built up to Activate Housing Market and Promote Housing Policy .....	160
4.1.	To Activate Housing Market .....	160
4.1.1.	Basic Recognition on Housing Market Activated, with Used/Rented Housing Market Formed .....	160
4.1.2.	Building up Housing Basic Information Registration System and Making Effective Use of Database.....	162
4.1.3.	Building up Housing Distribution Promoting System .....	167
4.1.4.	Promoting Existing Stock Distribution and Making Effective Use of Specific-purpose Company.....	169
4.1.5.	Building up Systems to Promote New Construction/Consumption of Quality Private Rental Housing .....	172
4.1.6.	Studying Measures in Detail to Activate Housing Market.....	176
4.2.	Toward Establishment of Infrastructure to Promote Housing Policies .....	178
4.2.1.	Building up Housing-related Statistic System and Establishing Measures to Make Effective Use of the System.....	179
4.2.2.	Establishing Process of Mapping out Housing Plan (Housing Fund Plan).....	186

# Tables

## I.

	<b>Title</b>	<b>Page</b>
Table 1-1	Commercial Housing Sales all over the Chinese Territory	1
Table 4-1	The Framework of a Public Guarantee Organization	51
Table 4-2	Framework of Commercial Bank-affiliated Guarantee Organization	54
Table 4-3	An Image of The Re-guarantee Agency (services)	57
Table 5-1	Building up Certification System at Three Levels	70
Table 5-2	Outline (Draft) of Used/Rented Housing Management Public Corporation (tentatively named) in Local Large Cities (1st Phase 2002 thru 2005)	75
Table 5-3	Measures to Promote Fluidization, based on Quality Evaluation of Existing Housing Stock (example)	77

## II.

	<b>Title</b>	<b>Page</b>
Table 2-1	Application of Concept of Filtering in China	32
Table 2-2	Housing Type, Demand and Supply Problems	34
Table 2-3	Incentives for Players in the Housing Market	36
Table 2-4	Limitation on Applicants' Qualification for Public Housing Loans in Foreign Countries	40
Table 2-5	Important Loan Conditions in Foreign Countries	40
Table 2-6	Housing Finance Systems in China and Major Western Countries	43
Table 2-7	Incentives by Quality Level	46
Table 2-8	Sample of performance grade setting according to the Japanese housing performance rating system	47
Table 2-9	Incentives for Maintaining and Improving Quality of Existing Housing	48
Table 2-10	Living Standard in 7th Housing Construction 5-year Plan of Japan	58
Table 2-11	Housing Finance Systems in Major Western Countries	60
Table 2-12	Public Involvement and Guidance in Housing Finance Systems in Major Western Countries	62
Table 3-1	Balance of Private Housing Loans in the Four Major State-owned Commercial Banks as of the end of 1999	64
Table 3-2	Financial Goods available at Private Banking Institutions in Japan	82
Table 3-3	Savings-linked Finance Systems in Japan	130
Table 3-4	Savings-linked Finance Systems in France	130
Table 3-5	Construction Saving Loan System in Germany	131
Table 4-1	Growth Rates of Personal Housing Loans by Commercial Bank	140
Table 4-2	Statistics on Housing-related Lendings by Commercial Bank (in 000 RMB)	143
Table 4-3	Major check-points of loans to corporations	145
Table 4-4	Screening of housing loans to individuals	149
Table 4-5	Personal credit investigation	150
Table 4-6	Example of Personal Credit Inquiry Report	152
Table 4-7	Examples of Lendings in Arrears (unrecoverable) - Real Estate Mortgage Loans	154
Table 4-8	Rate in Arrears of Personal Housing Loans by Bank	155
Table 4-9	Lendings-by-Business-Line Examination Chart	172
Table 4-10	Credited loans classification in China	187
Table 4-11	Credit Classification Standards in Japan	188



Table 4-12	Sensitivity of Assets and Liabilities to Interest Rates and Direction in which Expenses and Profits are Changing	193
Table 4-13	Ratios of Net Worth in 2 Banks (I&CoB and CCB) for Latest 3 Years	194
Table 4-14	A Time-Series of Changes in Ratio of lendings, Obligations and Net Worth in State-owned Banks (as averaged)	194
Table 4-15	Net Worth Ratio Definition	195
Table 4-16	Net worth ratios of banks, Credit/Finance/Trust Companies	196
Table 4-17	Balance Sheet – Industrial and Commercial Bank of China	200
Table 4-18	Balance Sheet – China Construction Bank	201
Table 4-19	Profit and Loss Statement – I&CBoC	206
Table 4-20	Profit and Loss Statement -- CCB	207
Table 5-1	The Main Points of the Existing Security/Guarantee Systems in China	229
Table 5-2	The Main Points of the Framework of Public Guarantee Organizations.	242
Table 5-3	The Main Points of The Framework of Private Guarantee Organizations	246
Table 5-4	The Main Points of Establishment of Viable Additional Guarantee Insurance Organizations.	251
Table 5-5	An Outline of Development of Personal Credit Information Systems in Japan.	256
Table 5-6	Schedule of (Major) Institutional Guarantee System	260
Table 5-7	Comparison between Housing Loan Insurance System and Private Security Institution System	261
Table 5-8	Summary of Housing Loan Insurance	264
Table 5-9	Performance of Housing Loan Insurance (Units: Number of cases; In million yen)	269
Table 5-10	Use of Housing Loans by Private Guarantee Companies by Business Status (Average)	275
Table 5-11	Private Guarantee Companies' Underwriting of Guarantee of Housing Loans	276
Table 5-12	Housing Loan Subrogation by Private Guarantee Companies	277
Table 5-13	Collection of Housing Loans by Subrogation in Private Guarantee Companies	278
Table 5-14	Current Condition of Guarantee Consignment Contracts and Group Credit Debt Liquidation Consignment Contracts	287
Table 5-15	Development of Performance of Guarantee Obligations (Subrogation)	288
Table 5-16	Causes for Arrears (Subrogation during the period from '99/4 to '00/3)	288
Table 5-17	Development of Collection of Claimable Rights	288
Table 5-18	Performance of Group Credit Life Insurance	290

Table 5-19	Statement of Income and Expenditure	293
Table 5-20	Balance Sheets	294
Table 5-21	Statement of Changes in Net Assets	294
Table 5-22	Schedule of Commissions	295
Table 5-23	Insurance Premium of FHA (Section 203 (b))	298
Table 5-24	Finance Amount Covered by VA Guarantee	301
Table 5-25	Fees for VA Guarantee	301
Table 6-1	Integrated Online System Network of The Government Housing Loan Corporation (4)	312
Table 6-2	Present Method of Personal Credit Investigation (cited again)	314
Table 6-3	The Basic Items of the Expert Knowledge and Ability	328
Table 6-4	Typical Topics of the Expert Training	333
Table 6-5	The Fields, the Contents and the Official Qualifications acquired by Staffs at Banks Engaged in Housing Finance Business in Japan	334
Table 6-6	Qualification Systems of Three Different Levels	335

### III.

	<b>Title</b>	<b>Page</b>
Table 1-1	Commercial Housing Sales all over the Chinese Territory	1
Table 1-2	Time-Series of Housing Stock Flow in Shanghai	4
Table 1-3	Time-Series of Housing Stock Flow in Wuhan	7
Table 1-4	Time-Series of Housing Stock Flow in Chengdu	8
Table 1-5	Main Attributes to Consumers (individuals and households) in Three Model Cities	15
Table 1-6	Area of Housing Desired (m <sup>2</sup> , weighted average)	19
Table 1-7	Issues in Planning to Purchase Housing (most significant five answers: % answer)	21
Table 1-8	Most Significant Five Housing Supply Plans in the Future by Developers (% answer)	23
Table 1-9	Most Significant Five Inductive Factors in Housing Developed as Pointed out by Developers (% answer)	29
Table 1-10	Positioning Existing Housing Sales on Housing Market	32
Table 1-11	Economical Housing Constructed all over China (a portion of the housing developed in real estate development)	34
Table 1-12	Positioning Rental Housing in Developed Countries	37
Table 2-1	Nationwide Population Projection	48
Table 2-2	Population Projections in Three Cities	49
Table 2-3	Projection of Aged Population in Three Cities	50
Table 2-4	Aged Dependent Coefficient and Aged Population Ratio in Shanghai	51
Table 2-5	Increase in Gross Expenditure for 2010	52
Table 2-6	Projection of Highly Educated Population in Three Cities	53
Table 2-7	Changes in Nationwide Industrial Structure	54
Table 2-8	Prerequisites for Economic Growth Projection in Three Cities	55
Table 2-9	Projection of Economic Growth in Three Cities	56
Table 2-10	Household Income Projections in Three Cities (wards/municipal districts)	57
Table 2-11	Export Competitiveness Indices on Sewing Materials in China	58
Table 2-12	Populations in Three Cities and Estimation of their Floating Populations	61
Table 2-13	A Time-Series of Changes in Population of the Three Cities, and Estimations for the Future (reinserted)	65
Table 2-14	A Time-series of Changes in Municipal Ward Population of all the Three Cities (reinserted)	65

Table 2-15	Time-series of Changes in Per-capita Housing Area (effective construction area)	66
Table 2-16	Outlook of Per-capita Housing Area (effective construction area) in the Future	67
Table 2-17	Time-series of Changes in per-House Population (number of members per house) in Municipal Wards (field-proven)	68
Table 2-18	Outlook of per-House Population (number of members per house) in Municipal Wards in the Future (prediction)	68
Table 2-19	Changes in Municipal Ward Population and in Municipal Ward Area	69
Table 2-20	Outlook of Municipal Ward Population in the Future, with Administrative District Incorporation Factor Taken into Account	71
Table 2-21	Outlook of Housing Stock Area (effective construction area) in the Future	73
Table 2-22	Outlook of Number-of-Houses in the Future	74
Table 2-23	Prediction of Reconstruction/Redevelopment Area in the Future	75
Table 2-24	Prediction of Housing Area per House in the Future	75
Table 2-25	Outlook of Number of Houses (flow) by Reconstruction/Redevelopment Factor	76
Table 2-26	Outlook of Housing Demand Area and Housing Demand Number of Houses (Shanghai)	78
Table 2-27	Outlook of Housing Demand Area and Housing Demand Number of Houses (Chengdu)	79
Table 2-28	Outlook of Housing Demand Area and Housing Demand Number of Houses (Wuhan)	80
Table 2-29	Types of Ownership in Dwellings Currently Occupied	81
Table 2-30	Re-housing Transfer Probability from Entails to Privately Owned Housing	82
Table 2-31	Outlook of Long-term Staying Non-registered Population and Demand for Rental Housing as Seen in Each City	85
Table 2-32	Outlook of Privately Owned Housing and Rental Housing in the Future, with Re-housing Behavior and Fluidized Population Reflected	86
Table 2-33	Outlook of Demand for Housing in the Future, with Re-housing Taken into Consideration (with the transfer from rentals to privately owned housing actualized at 50%)	88
Table 3-1	Calculated Housing Price in Three Model Cities (New and Existing Houses)	97
Table 3-2	New and Existing Housing Unit Price in Wuhan and Chengdu	98
Table 3-3	Estimated Future Housing Price in Shanghai	98
Table 3-4	Estimated Future Housing Price in Wuhan	99

Table 3-5	Estimated Future Housing Price in Chengdu	99
Table 3-6	Housing Selling Price (New House) and Purchasable Annual Income <Year 2000 standard>	102
Table 3-7	Actualization Rate	106
Table 3-8	Rate of Persons Eligible to the Housing Provident Fund	107
Table 3-9	New Deposits in Amount and Indices in Three Cities	108
Table 3-10	Rate of Persons Qualified for the Housing Provident Fund Loans	108
Table 3-11	Average Housing Purchasing Financial Plan (Top) and Loans Available from the Housing Provident Fund (Bottom) per Household	109
Table 3-12	Estimation of Future Housing Purchasing Financial Plan in Shanghai (New Housing)	111
Table 3-13	Estimation of Future Housing Purchasing Financial Plan in Shanghai (Existing Housing)	111
Table 3-14	Estimation of Future Housing Purchasing Financial Plan in Wuhan (New Housing)	112
Table 3-15	Estimation of Future Housing Purchasing Financial Plan in Wuhan (Existing Housing)	112
Table 3-16	Estimation of Future Housing Purchasing Financial Plan in Chengdu (New Housing)	113
Table 3-17	Estimation of Future Housing Purchasing Financial Plan in Chengdu (Existing Housing)	113
Table 3-18	Demand for Housing Purchasing Funds in Shanghai (New Housing)	116
Table 3-19	Demand for Housing Purchasing Funds in Shanghai (Existing Housing)	116
Table 3-20	Demand for Housing Purchasing Funds in Wuhan (New Housing)	119
Table 3-21	Demand for Housing Purchasing Funds in Wuhan (Existing Housing)	119
Table 3-22	Demand for Housing Purchasing Funds in Chengdu (New Housing)	122
Table 3-23	Demand for Housing Purchasing Funds in Chengdu (Existing Housing)	122
Table 3-24	Selling Rate (%)	124
Table 3-25	Effect of Financial Policy on Demand for Funds - Shanghai	145
Table 3-26	Effect of Financial Policy on Demand for Funds - Wuhan	147
Table 3-27	Effect of Financial Policy on Demand for Funds - Chengdu	148
Table 4-1	Outline (Draft) of Used/Rented Housing Management Public Coporation (tentatively named) in Local Large Cities (1st Phase 2002 thru 2005)	169
Table 4-2	Measures to Promote Fluidization, based on Quality Evaluation of Existing Housing Stock (example)	170

Table 4-3	Requirements for Japan to Organize Specific Quality Rental Housing System	174
Table 4-4	An International Comparison of Housing-related Financial Burdens and Housing Subsidies	175
Table 4-5	Types of Statistical Mechanisms	183
Table 4-6	Specific Items to be Studied toward Materialization of Measures	185
Table 4-7	Specific Items to be Studied toward Materialization of Measures	189

# Figures

## I.

	<b>Title</b>	<b>Page</b>
Figure 2-1	Phased promotion of Organizational Innovation	25
Figure 2-2	Image of Management Organization	28
Figure 2-3	Image of Systematized Finance	29
Figure 2-4	Image of Guidance Policy Housing Finance Organization	30
Figure 3-1	Changes in Weight of Housing-related Lending in Two Banks, %	35
Figure 3-2	ROA and ROE in 2 Banks, I&CBoC and CCB	37
Figure 4-1	Image of Guarantee System/Mechanism	58
Figure 5-1	Integrated Online System Network of The Government Housing Loan Corporation	60
Figure 5-2	Personal Credit Enquiry System in Shanghai (cited again)	62
Figure 5-3	A Business Model of Housing Distribution Information System	64
Figure 5-4	Recruit Business Model	65
Figure 5-5	Measures to Activate Housing Market and their Flow	73
Figure 5-6	Image of the Housing Basic Information Registration System to Activate Housing Distribution/Rental Market	74
Figure 5-7	What is Specifically Contained in Housing Statistics	80

## II.

	<b>Title</b>	<b>Page</b>
Figure 3-1	Time-series of Changes in Balance of Reserves in HPF all over the Nation	63
Figure 3-2	Evaluation on HPF System	70
Figure 3-3	Difference in Annual Income Distribution between Households and Housing Purchasers' Annual Income Distribution	71
Figure 3-4	Points to be Improved in HPF System	72
Figure 3-5	Architecture of Loans offered by Government Housing Loan Corporation in Japan	81
Figure 3-6	Politically Guided Interest Rate Structure by the Government Housing Loan Corporation in Japan	86
Figure 3-7	Loan Ratio and Minimum Profit Margin	90
Figure 3-8	Financial Accounting (Closing) by the Japanese Government Housing Loan Corporation: Rules and Flow	94
Figure 3-9	The general idea figure of ALM in The Government Housing Loan Corporation	97
Figure 3-10	Phased promotion of Organizational Innovation	106
Figure 3-11	Image of Management Organization	111
Figure 3-12	Image of Systematized Finance	115
Figure 3-13	Image of Guidance Policy Housing Finance Organization	119
Figure 3-14	Housing Provident Fund Administration Scheme	122
Figure 3-15	Classification of Housing Finance Systems	123
Figure 3-16	Primary Market and Main Banking Institutions in the USA	125
Figure 3-17	Housing Finance Systems in Germany	127
Figure 3-18	Overview of Second Market and of Government Support Organs in the USA	128
Figure 3-19	Outline of Housing Finance Market in France	129
Figure 4-1	Banking system in China	134
Figure 4-2	A Classification of Bank Risks	136
Figure 4-3	Private Housing Finance, Savings and Investment Structure	138
Figure 4-4	A Time-Series of Changes in Housing-related Lending Balances by Commercial Bank (in 00 million RMB, with table in 0 thousand RMB)	139
Figure 4-5	A Time-Series of Changes in Balance of Personal Housing Loan Balances by Commercial Bank (in 00 million RMB, with table in 0 thousand RMB)	140
Figure 4-6	A Time-Series of Changes in Balance of s by Commercial Bank (in 00 million RMB, with table in 0 thousand RMB)	141



Figure 4-7	Stopgap Finance System in Industrial and Commercial Bank of China	142
Figure 4-8	Flowchart of borrowers' overall solvency	146
Figure 4-9	Flow chart of procedures for mortgaged loans to individuals	148
Figure 4-10	Shanghai Personal Credit inquiry System	151
Figure 4-11	Changes in Weight of Housing-related Lendings in Two Banks, %	191
Figure 4-12	Interest Sensitivity Analysis	192
Figure 4-13	Changes in Configuration of Lending Assets and Liabilities in I&CboC	197
Figure 4-14	Changes in Configuration of Lending Assets and Liabilities in CCB	198
Figure 4-15	ROA and ROE in 2 Banks, I&CBoC and CCB	202
Figure 4-16	Revenue Structure in 2 Banks, I&CBoC and CCB	203
Figure 4-17	Ratio of Revenue to Expenditure in CCB	204
Figure 4-18	Ratio of Revenue to Expenditure in I&CboC	205
Figure 5-1	Mechanism of Additional Guarantee Group Insurance	249
Figure 5-2	Image of Guarantee System/Mechanism	253
Figure 5-3	Data Bank Image	258
Figure 5-4	Mechanism of Housing Loan Insurance	267
Figure 5-5	Insurance having 100% Repletion Ratio for Loans Jointly Executed by Private Financial Institution and the Government Housing Loan Corporation	268
Figure 5-6	Guarantee Institutions in the Private Sector	273
Figure 5-7	Private Guarantee Products	274
Figure 5-8	Mechanism of Housing Loan Guarantee Insurance	280
Figure 5-9	Tie-up loans	283
Figure 5-10	Non tie-up housing loans	284
Figure 5-11	Guarantee Service: Workflow	286
Figure 5-12	Mechanism of Group Credit Life Insurance System of the Government Housing Loan Corporation	291
Figure 5-13	Organization of the Guarantee Association	292
Figure 6-1	Information Systems Used in Housing Activities	303
Figure 6-2	Construction of Housing Finance Information System Triggers Increased Setup of Housing Information Systems through Chain Reaction	304
Figure 6-3	"Housing" Stimulates Development of Basic and Information-oriented Solution Providing Businesses in the Related Industries	305
Figure 6-4	Functions Required for Housing Finance Information System (summary)	308
Figure 6-5	Business Model for Construction, Operation, and Maintenance of Housing Finance Information System	309

Figure 6-6	Integrated Online System Network of The Government Housing Loan Corporation (1)	310
Figure 6-7	Integrated Online System Network of The Government Housing Loan Corporation (2)	311
Figure 6-8	Integrated Online System Network of The Government Housing Loan Corporation (3)	311
Figure 6-9	Personal Credit Enquiry System in Shanghai (cited again)	315
Figure 6-10	Information Exchange among Personal Credit Information Organs	317
Figure 6-11	A Business Model of Housing Distribution Information System	319
Figure 6-12	Business Model	321
Figure 6-13	ISIZE Housing Information	322
Figure 6-14	Finding the Clients (Customers)	323
Figure 6-15	Contents of Information to Be Posted (existing houses and rental offerings)	323
Figure 6-16	Contents of Information to Be Posted (new houses)	324
Figure 6-17	Examination of Information	325

### III.

	<b>Title</b>	<b>Page</b>
Figure 1-1	Ratio of Completed Housing Area to Housing Stock (effective building area)	2
Figure 1-2	Internal Changes in the Shanghai Housing Stock	5
Figure 1-3	Time-Series of Changes in Savings and Housing Prices (Shanghai and Wuhan)	9
Figure 1-4	Main Players on Housing Market, and Market Activities (status quo and direction in the future)	12
Figure 1-5	Filtering and Privately Owned/Rental Housing Market	14
Figure 1-6	Housing Usage according to Questionnaire	15
Figure 1-7	Intent to Acquire Housing	17
Figure 1-8	Housing Acquisition Intent by Annual Income	18
Figure 1-9	Area of Housing Desired to Acquire by Style in Shanghai	20
Figure 1-10	Comparison of “Better Selling” Price Zone Envisaged by Developers, and their Comparison with Field-proven Values in 1998	22
Figure 1-11	Gaps between 6 Times Annual Income and Developer-envisaged Selling Prices for Housing in Findings of Questionnaire Survey	24
Figure 1-12	Gaps between Distributions of Annual Income among Households and of Annual Income among Ordinary Housing Purchaser Households according to Findings in Questionnaire Survey	25
Figure 1-13	Upper Limits of Consumers’ House-purchasing Prices, and Developer- envisaged Selling Prices for Housing (in 0,000 RMB)	26
Figure 1-14	Time-Series of Changes in Per-capita GDP and Housing Price Index–	27
Figure 1-15	Time-Series of Changes in Commercial Housing Prices (unit prices) all over the Chinese Territory	28
Figure 1-16	Time-Series of Changes in Ratio of Housing Investment (value) to Nominal GDP	30
Figure 1-17	Nominal GDP Share in Real Estate Industry	30
Figure 1-18	Distribution of Existing Housing in Shanghai (0 thousand m <sup>2</sup> )	31
Figure 1-19	Status Quo of Rental Houses Registered on the Market in Shanghai (0,000 m <sup>2</sup> )	35
Figure 1-20	Number of Publicly Owned Houses Sublet in Wuhan (cumulative)	36
Figure 1-21	Private Ownership Ratio in Housing Stock, China, and Private Usage (homeowner use) Ratio (image)	38

Figure 1-22	Status Quo and Challenges on Housing Market	40
Figure 2-1	The Demand for Housing	46
Figure 2-2	Changes in Environment surrounding Housing Market and their Effects on Demand for Housing	47
Figure 2-3	Image to Upgrade “Search for Housing” with Development of IT (information technology) related Techniques	59
Figure 2-4	Housing Demand Configuration Factors	64
Figure 2-5	How to Grasp Privately Owned and Rental Housing, with Re-housing Behavior and Inflow Population Reflected (Image Schematic)	83
Figure 3-1	Concept of Demand for Housing Fund	92
Figure 3-2	Flow of Demand for Housing Purchasing Fund	93
Figure 3-3	Calculation of Demand for Housing Purchasing Funds	95
Figure 3-4	Calculation of household loan plan]	96
Figure 3-5	Calculation of Demand for Housing Fund	96
Figure 3-6	Housing Purchasing Ratio by Annual Income (top) and Annual Income Used as Reference in Setting the Ratio (Bottom)	102
Figure 3-7	Housing Purchasing Ratio by Annual Income (top) and Annual Income Used as Reference in Setting the Ratio (Bottom)	103
Figure 3-8	Housing Purchasing Ratio by Annual Income (top) and Annual Income Used as Reference in Setting the Ratio (Bottom)	104
Figure 3-9	Potential-purchase Group by Annual Income	105
Figure 3-10	Potential-purchase Group by Annual Income	105
Figure 3-11	Demand for Housing Purchasing Funds in Shanghai (100 million RMB)	115
Figure 3-12	Demand for Housing Purchasing Funds in Wuhan (100 million RMB)	118
Figure 3-13	Demand for Housing Purchasing Funds in Chengdu (100 million RMB)	121
Figure 3-14	Basic concept of Estimation of Demand for Housing Construction and Development	123
Figure 3-15	Developers’ Profits from Housing Development (Profit Rate)	125
Figure 3-16	Borrowings in Total Development Funds	126
Figure 3-17	Estimated Demand for Housing Construction Fund in Shanghai	128
Figure 3-18	Estimated Demand for Funds for Construction and Development of Ready-built Housing in Wuhan	129
Figure 3-19	Estimated Demand for Funds for Construction and Development of Ready-built Housing in Chengdu	130
Figure 3-20	Summary of Demand for Housing Fund in Shanghai	131
Figure 3-21	Summary of Demand for Housing Fund in Wuhan	132

Figure 3-22	Summary of Demand for Housing Fund in Chengdu	133
Figure 3-23	Effect of Policy Implementation on Demand for Funds	134
Figure 3-24	Result of Sensitivity Analysis (Cases of using only Housing Provident Fund loans; 10 years term)	136
Figure 3-25	Result of Sensitivity Analysis (Cases of using only commercial loans; 10 years term)	137
Figure 3-26	Result of Sensitivity Analysis (Cases of using only Housing Provident Fund loans; 20 years term)	138
Figure 3-27	Result of Sensitivity Analysis (Cases of using only commercial loans; 20 years term)	139
Figure 3-28	Result of Sensitivity Analysis (Cases of using only Housing Provident Fund loans; 10 years term)	141
Figure 3-29	Result of Sensitivity Analysis (Cases of using only commercial loans; 10 years term)	142
Figure 3-30	Result of Sensitivity Analysis (Cases of using only Housing Provident Fund loans; 20 years term)	143
Figure 3-31	Result of Sensitivity Analysis (Cases of using only commercial loans; 20 years term)	144
Figure 3-32	Flow of Housing Provident Funds (Assuming 100% Subscription)	149
Figure 3-33	Result of Model Simulation of Housing Provident Funds	151
Figure 3-34	Result of Sensitivity Analysis (Varying the Number of Households)	153
Figure 3-35	Result of Sensitivity Analysis (Varying Deposit Rate)	154
Figure 3-36	Result of Sensitivity Analysis (Varying Annual Income)	154
Figure 3-37	Result of Sensitivity Analysis (Varying Annual Income)	155
Figure 4-1	Rental Houses Occupying a Critical Position in Large Cities (Paris and Tokyo)	161
Figure 4-2	An Image of the Housing Basic Information Registration System to Activate Housing Distribution/Rental Market	163
Figure 4-3	Mechanisms and Advantages of Ministry Housing Information Registration System in Japan	164
Figure 4-4	Multistory Housing Information Registration System Application Procedure in Japan	165
Figure 4-5	Mechanisms of Specific Preferred Quality Rental Housing System in Japan	173
Figure 4-6	Rental Housing Market Services to be Enhanced from Now On	176
Figure 4-7	Measures to Activate Housing Market and their Flow	177
Figure 4-8	A View (image) of the Schedule to Deploy Housing Market Activation	

	Measures	178
Figure 4-9	What is Specifically Contained in Housing Statistics	181
Figure 4-10	Correlation between Housing Demand Projection and Housing-related Statistics	184