

## 《小城市面临过度开发与需求不足问题》

China's oversupply of unsold homes was one of the heatedly discussed topics at the Central Economic Working Conference. The problem is suppressing investment in property, which is traditionally a main driver of the country's growth.

As of November, China's unsold housing hit nearly seven hundred million square meters. If the average housing space for a person is 35 square meters, the inventory can hold 20 million people. And according to monthly sales in 2014, it takes seven months to run down the stocks. But the problem does not only lie in the number of houses.

While home sales in first and second tier cities are recovering nicely, third and fourth tier cities are telling a different story. Small cities have high housing stocks because of over-building and insufficient demand. According to a survey among the 35 major cities in China, it takes twice the time for some third-tier cities to sell new commodity housing compared with first tier cities.

China's rapid urbanization had led to the creation of many so-called "ghost towns." Most of them are in the country's remote north and west areas of Xinjiang, Inner Mongolia, and Gansu, with an average of only three people living in each 1,000 square meter area.