

Urban villages to receive makeovers

Renovations are meant to improve livelihoods, promote development

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China recently rolled out a package of policy measures to spur the renovations of villages in super-large and mega cities, which experts said will greatly improve local residents' living conditions and further contribute to high-quality urban development.

The renovation projects will also help catalyze effective investment, boost consumption and stabilize the property sector — key to buoying the real economy — in a bid to sustain the sound momentum of economic recovery and growth, they added.

In late July, the State Council Executive Meeting adopted a guideline on rebuilding villages in super-large and mega cities in a proactive yet prudent manner to improve people's well-being, expand domestic consumption and promote high-quality urban development.

The initiative was first put forward at a meeting of the Political Bureau of the Communist Party of China Central Committee that was presided over by President Xi Jinping, also general secretary of the Communist Party of China Central Committee, on April 28.

According to the criteria for classifying the size of cities issued by the State Council in 2014, those with a permanent urban population of more than 10 million are identified as mega cities, and those between 5 million and 10 million are categorized as super-large cities.

According to the Urban Construction Statistical Yearbook 2021, released by the Ministry of Housing and Urban-Rural Development in late 2022, China had eight mega cities by the end of 2021: Shanghai; Beijing; Chongqing; Tianjin; Guangzhou and Shenzhen, both in Guangdong province; Chengdu, Sichuan province; and Wuhan, Hubei province.

The nation also had 11 super-large cities, including Hangzhou in Zhejiang province, Dongguan in Guangdong, Zhengzhou in Henan province and Shenyang in Liaoning province.

In these cities, social governance and renovations of urban villages with hidden public safety hazards will be advanced in order to meet people's urgent needs. Localities should adhere to the principle of seeking progress while maintaining stability, according to the guideline.

Li Yujia, chief researcher at the residential policy research center of the Guangdong Planning Institute, said most urban villages are characterized by low-quality, chaotic living environments, high population density and spatial congestion, and public facilities in these places are generally inadequate and poorly maintained.

That said, many new urban residents, young people and migrant workers still choose to live in urban villages which, despite the aforementioned drawbacks, are able to meet their essential needs because they are cheaper places to live in. As renovation projects cover more public facilities and services in these urban villages, residents' living standards can be improved dramatically, Li said.

The guideline made it clear that village renovations will be carried out on a case-by-case basis and will be better aligned with government-subsidized housing to deliver concrete benefits to residents.

Yan Yuejin, director of the E-house China Research and Development Institution in Shanghai, said that China has put an end to the demolition and large-scale construction of buildings as part of urban renewal projects. Now, a steady, step-by-step approach will be adopted to tear down dilapidated houses, better harness the capabilities of existing facilities and build new ones in light of local needs.

The initiative will help address issues like fragmented spatial planning, inefficient land use and uneven development within super-large and mega cities, as well as facilitate high-quality and sustainable urban develop-



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ment in the long run, Yan said.

The renovation projects do not necessitate a massive expansion of investment from private property developers, and government support will inject more confidence into the real estate sector and anchor the market expectations of the developers, he added.

The guideline stressed the need to let the market play a decisive role in resource allocation and allow the government to better fulfill its responsibilities. Policy support will be beefed up in this regard, and innovative approaches will be explored. Private investment in the projects will be encouraged, and new types of businesses will be developed to ensure sound and sustained progress, according to the guideline.

The guideline noted that local governments will assume major responsibilities, including drafting renewal plans in a well-calibrated manner and raising funds through multiple

channels to efficiently utilize land resources and meet the needs of various stakeholders.

Zhang Dawei, chief analyst at the Centaline Property Agency, said that renovating urban villages involves long development cycles and large capital input. Compared with State-owned enterprises, private businesses are in a weaker position to acquire loans from banks.

Currently, common problems such as interest disputes, coupled with high compensation given to building owners for demolition, could delay renovations and pose considerable challenges for the cash flow of private businesses, Zhang said, adding that more favorable policies should be rolled out to better mobilize private investment.

Special lending facilities, deeper tax breaks and other government support should be provided to facilitate the participation of private investors to expedite the vil-

lage renovation projects, he added.

According to Sinolink Securities, the market size of urban village rebuilding programs across the nation stood at 1.24 trillion yuan (\$172.4 billion) in 2020, 1.36 trillion yuan in 2021 and 655.9 billion yuan in 2022, and is expected to top 1 trillion yuan over the next three years with relevant policies kicking in.

Wen Bin, chief economist at China Minsheng Bank, said the transformation of urban villages will further promote the consumption of big-ticket items, including construction materials and home appliances, as well as the development of public service venues related to healthcare, express delivery and entertainment, among others.

With greater consumer spending and effective investment, the country will be better-positioned to sustain its sound momentum of economic recovery and growth, Wen said.

Shanghai, other mega cities roll out efforts to promote renewal

By WANG KEJU

Various localities in China have been exploring region-specific approaches to push urban village renovations to better meet people's demands for a better life and improve public services.

Shanghai, the country's financial hub, rolled out a three-year roadmap last month. The plan laid out 30 renovation projects in villages and in old residential communities covering an area of at least 4 million square meters. The projects, which will occur from 2023 to 2025, are expected to benefit some 13,000 households.

Data from the Shanghai Municipal Commission of Housing and Urban-Rural Development showed that as many as 679 such projects are being planned in urban villages, involving about 107,000 households.

Zhuanqiao township is one area of Shanghai that is successfully undergoing urban renewal.

The township in Shanghai's Minhang district used to be an urban village, where over 7,000 migrant workers lived. Since renovation projects began there in 2015, tremendous changes have taken place.

Besides the customary tearing down of haz-

ardous buildings and the development of new residential communities that all urban villages are undertaking, an ecological park is also being constructed in Zhuanqiao.

Xie Wei, deputy head of the township, said that the park, scheduled to be completed by 2026, will seamlessly blend Zhuanqiao's historic architecture and cultural facilities and contribute to the township's economy, which will be driven by sightseeing, homestays and leisure activities that will enable more people to work close to their homes.

"Residents have been living here for generations. Retaining old buildings can serve as an important way to feed their sense of nostalgia," Xie said, adding that the construction of roads, schools and other infrastructure will greatly raise their living standards.

To meet the pressing need for capital, the city has put in place urban renewal funds jointly financed by property developers and insurance companies to support the renovations.

Moreover, Shanghai has been attracting investments from the private sector through multiple channels, including construction contractors and commercial banks. By the end of 2022, the city's 62 approved urban village reno-

vation projects had attracted private investments amounting to more than 550 billion yuan (\$76.5 billion).

Guangzhou, the provincial capital of East China's Guangdong province, has also been exploring urban village renovation projects that best suit its local conditions. Compared with other super-large and mega cities across the country, Guangzhou has seen more villages mushroom in its urban areas rather than in the outskirts. Among 1,000 administrative villages in Guangzhou, 272 have been deemed urban villages, according to Tang Yixing, chief engineer at the Guangzhou Municipal Housing and Urban-Rural Development Bureau.

Urban villages in the provincial capital cover 743 square kilometers, accounting for one-tenth of the city total area. They are home to more than 1.1 million permanent residents as well as over one-third of the city's total migrant population, Tang added.

As urban village renovations involve a variety of stakeholders, including local governments, real estate developers and urban village landowners and residents, the city issued a draft version of the Regulations on Rebuilding Villages in Guangzhou in mid-July to solicit

public opinion. The regulations will become the first to focus on urban village renewal in the city.

Shenzhen, the southern Guangdong metropolis known as China's Silicon Valley, has been working to align its plans for the renovation of its urban villages with government-subsidized rental housing to address the difficulties that new urban residents and young people have with finding affordable accommodations.

Shenzhen plans to upgrade 49,000 units of government-subsidized housing in urban villages throughout this year, with rents remaining basically unchanged, according to the Shenzhen Municipal Housing and Urban-Rural Development Bureau. In the long run, it is expected that government-subsidized housing will accommodate 5 million people by 2035, accounting for about 26 percent of the city's permanent residents, the bureau said.

Xu Hongcai, deputy director of the economic policy committee of the China Association of Policy Science, said renovations of urban villages is a complex and long-term task. Localities should share their experiences with other regions so that they can avoid making costly errors and succeed in their efforts.

Policy Digest

Training courses target work injury prevention

The central government will provide training courses on better preventing occupational injuries in mining, machinery manufacturing, railway transportation and railway construction.

In a notice published on Friday, the Ministry of Human Resources and Social Security and four other central government agencies said all workers at key enterprises in the aforementioned industries must receive training before the end of 2025. Priority should be given to frontline workers, it said.

Training courses include policies and regulations related to safety in production, work-related injury prevention and education about accidents that cause such injuries, with targeted training for different categories of personnel. The courses will be conducted both online and offline, the notice said.

Policies extended to aid small businesses

Financial authorities have decided to extend several favorable measures such as loan support and tax reductions for small- and micro-enterprises in an effort to help boost their growth.

Taxpayers with monthly sales revenues of no more than 100,000 yuan (\$14,000) will continue to be exempt from value-added tax, according to statements jointly released by the Ministry of Finance and the State Taxation Administration on Aug 2.

Meanwhile, a policy that provided small- and micro-enterprises and self-employed households with a 1 percent value-added tax rate — down from 3 percent — will remain in effect.

Relevant financial support will also be maintained. Lender income stemming from loan interest and guarantee fees related to these small business entities will remain exempt from value-added tax, and their loan contracts will continue to be exempt from stamp duty.

All the policies mentioned above will be effective until the end of 2027, the statements said.

Officials seek solutions as bus stations struggle

Transportation officials are considering ways to transform the country's passenger bus services to better adapt to people's travel habits and secure the sector's healthy and orderly development, according to a notice published on Aug 2.

The notice was jointly issued by the Ministry of Transport and nine other central government agencies as bus stations are witnessing a significant decline in the number of passengers and a remarkable decrease in the efficiency of the facilities' usage.

According to the notice, transportation departments nationwide are required to optimize the layout and functions of bus stations, reasonably adjust the number of bus stations and increase the number of stops.

Such transformations should take the local population distribution and the needs of passengers into consideration, it said.

New bus stations must be developed into integrated passenger transport hubs connected to railway stations and airports, the notice said.

Transportation, culture and tourism authorities are required to encourage the operators of bus stations to increase cooperation with travel agencies in order to expand tourism and business services in the stations.

The notice also said that redundant personnel in bus stations should be transferred to appropriate posts in railways, logistics, postal services, express delivery and other industries.