The Structure of Restrictions:

A “Dual-domination” over the Customers in the Chinese Housing Market

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ABSTRACT

This research tries to explore the restraints imposed on customers in the contemporary Chinese housing market from the perspective of the customers. It adopts “power” as the core concept, uses the method of content analysis, and consults primarily theories of Max Weber, James Coleman, and Pierre Bourdieu. The research uses news reports as data to present the exercise of power on the customers by the Chinese state, and uses texts of housing advertisements as data to present the latent power the Chinese real-estate developers deploys to profit from trades with customers. Put together, the customers suffer from a “dual-domination” from the state and the developers in the contemporary Chinese housing market.
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1. Introduction

This research focuses on the exercises of power in the Chinese housing market from a perspective of the Chinese customers in the market. The housing market is considered as an important segment of the economy in almost every country, which can be a result of its connection to space production. Space is an essential resource for any human individuals to live, and is associated with socioeconomic status of individuals. Hence, in modern societies, production of space is one of the most concerned issues related to the well-being of the people. The People’s Republic of China (PRC) once adopted a planned residence production and distribution system, but has made attempts to let market mechanisms take over functions and responsibilities of the housing management. Today, a nominal housing market serves as the primary access to accommodations for most urban residents in the country; yet there are still many restraints on the market, especially regarding the customers’ freedom of choices. This is the topic that this research concerns.

In this research, I use content analysis of the materials gathered from two Chinese cities in the year 2013 to explore the situations that customers on the contemporary Chinese housing market confront, the strategies of actions adopted by the Chinese state, the Chinese developers, and the Chinese customers themselves in these interactions, and the powers being exercised on the customers in these interactions. As a beginning, I would like to introduce some background information in order to help the readers understand the Chinese context better.

1.1 The state in the contemporary Chinese residence development

The beginning of the current housing market of China can be traced back to the early 1980s, when the government under Deng Xiaoping launched reforms in the housing system of
Nonetheless, reforms in the housing sector of PRC took rather a long time to generate the current system of the urban residence production. Markets where lands and residences could be bought and sold were not established in mainland China until the late 1980s (Wu & Wang, 2005; Li & Gibson, 2014), and it was not until 1998 that the Chinese state confirmed officially that the communist “welfare housing distribution” should be completely replaced by the market (Yang & Chen, 2014: 23). As a housing market, the Chinese housing market is still in its infancy. Prior to the reforms in the housing sector, the communist Chinese state was the ultimate landlord and developer in the country, being responsible for housing production, supplement, distribution, and management in urban China. Urban residences were all state-owned and Chinese urban residents had no freedom to choose and purchase residences (see Yang & Chen, 2014: 15; Zhang, 2002; Yang & Meng, 2005). In this regard, the contemporary Chinese housing market has witnessed a significant reduction of the scope of the state’s power. Yet the state, especially the governments on the local level, continue to exercise a strong influence on the Chinese housing market.

The presence of the Chinese state can be proved in the first place by the fact that it retains legal ownerships of the lands. Unlike situations in some post-soviet countries where some lands are transferred to private sectors and individuals, in PRC all lands still remain public-owned even after the reform (Xie et al, 2002). There are two types of land ownership in PRC as prescribed by the laws: “state-owned” (guojia suoyou) lands, which are formally “owned by all people” (quanmin suoyou) while managed by governments “as representatives of the people” (daibiao renmin)1 (See Article 2, the Land Administration Law of the People’s Republic of China [known as LAL hereinafter];) and “collectively-owned” (jiti suoyou) lands, which are owned by “collectivities of rural residents” (nongmin jiti) namely and distributed to and managed by “village committees” (cunmin weiyuanhui) of different rural communities

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1 In fact, the word “guojia” in Chinese can be used to represent either “state”, “nation”, or “country”. 
(villages) in practice. (See Article 8, 9, 10, and 11, LAL.) According to the Chinese laws, all lands in urban area are state-owned. Real-estate developers in China cannot obtain ownership of lands, but can only obtain rights of using lands from local governments (Xie et al, 2002) in transactions known as “transfers of the land use rights”\(^2\) (tudi shiyongquan churang, “transfers of lands” for short\(^3\)). In this sense, it can be said that, in PRC, land cannot be sold, but can only be leased, according to legal definitions.

The proactive role played by local governments in contemporary residence developments is associated with the local governments’ control over the ownership of land. Chinese real-estate developers cannot obtain lands for constructions by themselves, but can only receive pieces of land designated for urban residential developments from the local governments, as such lands are de jure owned by the state\(^4\). Usage of particular pieces of land are also designated by the local governments in the governments’ local urban plans. Transfers of land use rights also involve monetary transactions that benefits the local governments. The Chinese legal system prescribes three methods of transferring rights of using state-owned land pieces designated for urban residential developments to real-estate developers: auction (paimai), tender (zhaobiao), and listing (guapai, See Article 13, UREAL and Article 15, Regulations of Transferring Land Use Rights by Tender, Auction, or Listing [known as RBAL hereinafter]), all of which involve price-competing in land prices\(^5\) quotation. (See Article 14 and 17, RBAL; Yang & Chen, 2014: 27-28.) Going through auction/tender/listing system has been a must for any party to obtain lands in China since 2004. (Peng & Thibodeau, 2011) Developers can only obtain pieces of lands by winning bids and paying the amount of their winning-bid prices to local governments. Sums paid in this way are called “fees of transferring state-owned land use

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\(^2\) Some sources translate “land use rights” as “right of land using / using land / right of land usage”.

\(^3\) Because of the legal ownership of lands remain absolutely unchanged, omitting the “rights of using” part in terms are common practices in Chinese. In this case, “tudi shiyongquan churang” is simplified as “tudi churang” (transfers of land[s]).

\(^4\) In this research, a “piece of land” refer to a piece of land with explicit boundaries drawn; the original word in Chinese is dikuai, literally “land square” or “land block”. I choose the word “piece” to avoid confusion with “residential block”.

\(^5\) Similar to “land transfer”, the phrase “land prices” in this research is an abbreviation of “price of land use rights”.

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right” (guoyou tudi shiyong quan churang jin; see 2006: Notification of General Office of the State Council on Normalizing Managements of Receipt and Payment of Fees of Transferring State-owned Land Use Rights by General Office of State Council of PRC), also known as “land transfer fee” [tudi churang jin] for short), and are considered as financial incomes of the local governments.

However, it is worth pointing out here that the power of contemporary Chinese local governments is a result of power redistribution within the system of the state rather than an artifact of the planned housing system. Many researchers point out that during and after the reforms, there was a power struggle between the national and local governments. Lin (1999, cited in Logan, 2002: 12) believes that the Chinese reform of housing sector eroded the capacity of the central state yet favored the local governments. Zhou (2007) points out that the extent of PRC central government’s control on the local governments in term of the financial affairs is greatly reduced. Paik (2014) argues that while local governments in PRC enter into patron-client relations with real-estate developers, top leaders of Chinese Communist Party (CCP) regime cannot restrain such interest exchanges effectively, and can only condemn those patron-client relations as collusions and corruptions. Similar power struggles are also recorded by Fu and Lin (2013). This phenomenon suggests that the current presence of the Chinese state in the housing market is not of an old planned-economic pattern, but rather roots in the contemporary residence production mechanisms.

1.2 Residences as products on the Chinese housing market

When discussing contemporary residential developments in China, the design of those residences developed is hard to ignore. The Chinese residences in urban areas are produced primarily in the form of residential compounds, also known as “microdistrict” (xiaoqu), whose
origin can be found in PRC’s Maoist period. The Chinese residential compounds under Mao’s regime are mostly consisted of residential structures of three to five floors, and were often “multifunctional” – with amenities such as social services, subsistence goods, recreation, and other services provided on the compounds. (Gaubatz, 1995: 32) In reforms of the housing systems of PRC, however, the prevailing type of Chinese residential compounds gradually transformed. Brazier, Fan, and Lam (2009) believe that the transformation of “microdistrict” primarily began with the capitalization of state-owned enterprises and private sector capitals’ entrances into Chinese market during Deng’s reforms. Today, Chinese residential compounds are built on pieces of lands that developers obtained from local governments. Residential structures, as well as infrastructures (roads, parking lots, etc.) and garden landscapes, are constructed in the delimited spaces set by boundaries of land pieces. A residential compound, or “microdistrict” ⁶, is a key category in marketing. To purchase a residence, a customer would choose a microdistrict first, then choose from residential units available in the chosen microdistrict. Contemporary microdistrict in China are usually enclosed for the convenience of management with only a few staffed entrances as accesses to the compound. Therefore, some researchers (for example, Fleischer [2010: 38]) call the new Chinese microdistricts “gated communities”. The primary effect of Chinese city landscapes formed by residential blocks and enclosed microdistricts on the housing market is on the mechanisms of marketing. The developers compete on the inter-microdistrict level, and customers choose microdistricts as well as choose dwelling units. As can be seen shortly after, contemporary Chinese housing advertisements are typically about microdistricts, rather than about specific dwelling units.

Since this research focuses on contemporary situations in the Chinese housing market, it

⁶ There are multiple expressions for “microdistricts” in Chinese. Apart from “xiaoqu”, it can also be called – especially for relatively newer microdistricts, and especially in their selling phases, “loupan” (literally “set of buildings”, or “plate of buildings”). A new microdistrict, in abbreviation, can be called “xin pan”, (new “pan”; abbreviation of xin loupan [new “loupan”]). A microdistrict can also be called a “project” (xiangmu). In this dissertation, I would translate xiaoqu as “microdistrict”, loupan as “residential plot” (“pan” as “plot”; “xin pan” as “new plot”), and “xiangmu” as “project”.
is vital to outline the general shape and taxonomy of residences on the contemporary Chinese housing market here. Appearances of residences developed in China are highly distinctive. The most prevalent type of residences found on the Chinese housing market are dwelling units in multiple-floor buildings (residential blocks). They greatly resemble the “condos” in North America, as the dwelling units\(^7\) are similar to North American apartments in design, and are sold with legal ownership and can be recognized as private-owned\(^8\) properties. Detached houses, semi-detached houses, and townhouses are not frequently seen in Chinese housing market. These literal “houses” are commonly identified as “villa” (bieshu) in Chinese. Often recognized as luxuries, “villas” in China are marked by limited supplies and high selling prices. A clear comparison of the market share of villa can been seen in figure 1. Please notice that the category that contains “villa” also includes “luxury apartments”, and the statistics refer to revenues from sales. As the villa and luxury apartments have higher average prices per area unit, the total area of these luxury homes is likely to have a proportion in market supply even smaller than what are shown in figure 1.

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\(^7\) The word “unit” here is translated from “danyuan” in Chinese. In China, residential blocks that have private kitchens and bathrooms in each suite are sometimes called “unites building” (“danyuantou”).

\(^8\) The Chinese property owners are recognized as having ownership of their dwellings. However, as stated above, they cannot legally own any piece of land because urban lands are all owned by the state.
The caption of figure 1 refers to a taxonomy of residences on the Chinese housing market: “commercial residence” (shangpin fang⁹). Residences sold on Chinese housing market fall in multiple types. For the residences on the Chinese housing market that are sold as private properties to the public¹⁰, there are two primary types that are differentiated by price setting mechanisms. “Commercial residences” have prices set around “reasonable prices” (or “normal prices”). The “reasonableness” (or “normality”) here is evaluated with market conditions. “Subsidized residences” (baozhang fang), the other major type, have prices reduced to a certain percentage lower than “reasonable prices”. Such reductions are compulsory, stipulated by regulations issued by the state. It should be pointed out here that not all sub-types of “subsidized residences” are sold as properties. For instance, some types like “public rental residences” (gong zu fang) and “low rent residences” (lian zu fang) are subsidized residences leased at lower prices. Types of subsidized residences that are sold as properties, such as “economical practical residences” (jingji shiyong fang) and “double-limited residences” (liangxian fang¹¹), usually provide only partial property ownerships. As the “subsidized” in the title implies, subsidized residences are considered as a part of welfare system rather than common commodities on the housing market. Along with prices, two other aspects of subsidized residences are usually restricted. The first aspect is the social groups as targets of these residences’ provision. Subsidized residences can only be purchased by people or households with annual income less than a prescribed amount. The second aspect is the standard of designs. Subsidized residences are typically not of high qualities, as they are not produced as luxuries in the first place (Feng et al, 2007).

⁹ “Fang”, in Chinese, means “house”. However, as most residences on the contemporary Chinese housing market are not houses (detached, semi-detached, or townhouses), I would use the word “residences” in this manuscript to avoid confusions.

¹⁰ In this research, I define “public” as “most of common customers on the market”. Purchases that accept applications of any customers in the market can be classified as “open to the public”, even if those purchases check eligibility of applicants afterwards. This classification excludes purchases that requires purchasers to have highly specific, exclusive social experiences. Counterexamples of residences not “sold to the public” include “settling residences” (anzhi fang) and “relocating residences” (huiqian fang): their sales are only open to people whose original dwellings are demolished for spaces of urban constructions, a process commonly known as chaiqian (“demolition and move”) in Chinese.

¹¹ Residences of this type are called “double limit” because although the prices of these residence is limited, the total areas of the suites of these residences are restricted as well.
2. Conceptual framework of analysis

The conceptual framework of this research is constructed mostly on theories of power by Weber and Foucault, and rational choice theories by James Coleman. The core concept in this research is “power relationship”, a notion directly connected with and derived from, but not equal to, the concept of “power”. In the social sciences, definitions of power have been changing and evolving. According to Haugaard & Clegg (2009: 2), Machiavelli simply viewed power as domination and control that works in subtle ways over others. Thomas Hobbes believed that power “flows from society to the individuals”, with violence and coercion as its ultimate backing, where the Sovereign holds a monopoly on these techniques (ibid: 2). In 19th century, Nietzsche, the famous philosopher, proposed a theory claiming power as a capacity of defining reality (ibid: 2). Definitions of power shown here diverge. Power can be defined referring to particular subjects and objects, as Hobbes did; or it can be defined to either deal with facts, or take its effect on what is called “subjective realities”, as suggested by Nietzsche. To make a definition applicable for a particular research, the researcher should find definitions that can fit to the context of that research.

Gohler (2009: 28) proposes a distinction of power over and power to. According to Gohler, this division refers to “two fundamental dimensions of power”. Gohler considers power over as power over other individuals and power to as an ability to do or achieve something independent of others. Gohler’s division implies two fundamental orientations of the concept of “power” in English: one is vertical (power over) indicating submission of one side to the other in a bilateral relationship; another one is horizontal (power to) where actions of actors do not necessarily create any overriding or obedience. The two different orientations enlarges the scope that a conceptual framework centered by the notion “power” can cover.

The Chinese housing market as a “quasi-market unilaterally controlled by the state” (see
Logan, 2002: 141 and Logan et al. 2009), also composes two domains, a “horizontal” one and a “vertical” one. The horizontal domain is the market, which is composed of sellers, or providers of the products, and the customers, or consumers. It is where trades of residences are made. I consider the market “horizontal” because the developers and customers typically find themselves on formally equal footing in trades. The vertical domain is the governance of the state, which includes the state and the objects of the state’s governance – actors in the market – connected by the state’s governmental behaviors. The state is found on a transcendent position here and regulates, limits, interferes, or prohibits behaviors of its objects; its objects, on the contrary, in predominately most occasions cannot fight back. Consequently, I consider the system of governance a vertical domain. The two types of power identified above exercise in domains with corresponding orientations. Consequently, powers of both orientations are adopted for this research, and should be defined.

Clegg’s *power to*, as a definition of horizontal power, does not fit into discussions over market issues, since this definition excludes one’s interactions with other individuals. James Coleman’s rational choice theories, on the contrary, emphasize social interactions. Coleman’s definition considers “power” as a measure of the value of resources that each actor begins with (or value of events that actor controls) in a transactional system. “Transactional system” here is defined with three elements: the actors; the resources or events; and the initial distribution of control of resources among the actors (Coleman, 1990: 132-133). Coleman’s interpretation of power and value in his own words forms a pair of “circular definitions”:

*The power of an actor resides in his control of valuable events.*
*The value of an event lies in the interests powerful actors have in that event.*
*(Coleman, 1990: 133)*

This circulation seems void in a stationary imagination, but is easy to understand if interpreted in a dynamic way. The value is, at any moment, being shaped by wills and interests
of all actors in a particular system (but is also affecting those wills and interest in return at the same time), while the degree of influence that a particular actor has on the definition of value is determined by his power in that particular system at that particular moment. In this approach, power is converted into an attribute of actors and is connected to the competitiveness of actors in transactions.

Coleman’s definition of power has the following characteristics: on one hand, it fits with a usual interpretation of power that the greater the power an individual has, the greater the influence he can impose on others. On the other hand, as an attribute of actors, it is not monopolized by one part of a transaction. While the dominating side of a transaction has power, the dominated side also has it, although less. Power as an attribute is constantly shared by all actors in a particular system, in contrast with some “vertical” definitions of power. Hence Coleman’s definition of power fits better to discussions about trades and markets, as trades on markets forms no hierarchies and creates no superordinates and subordinates among actors on most occasions.

For the definition of vertical power, I consulted Max Weber. Weber’s definition bears great similarity with Machiavelli’s and Hobbs’s, considering power to be a probability that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this probability rests. (Weber, 1969: 53) Weber’s definition is actually milder than Machiavelli’s “control over the others”, and the idea of “carry out his own will” resonate with not only Clegg’s power over, but also somehow with Clegg’s power to. Yet the two words “despite resistance” indicates interactions with – namely forcing – other actors. Therefore, Weber’s definition of “power” is more of the “vertical” type. Weber’s power is not perfect for my research, but it contours a basic feature of the vertical power: forcing, or compulsive. Obviously, this is the type of power that can be found deployed by the state in its enforcements of policies, which can be found in the context of Chinese housing market, where
the state plays an active role.

In summary, some characteristics of the two types of power are as follows:

Vertical power: one side forcing another side’s choice of behavior for a target; unilateral; apply for hierarchies and state’s governances.

Horizontal power: each side imposing its own influence on the whole system; bilateral or multilateral; applies to trades and exchanges on the market.

These characteristics provide basic definitions of power and its two types for my research. I would call horizontal power “transactional power” (as it is found in and takes effects through trades) and call vertical power “governmental power” (as it is deployed by government in its operation), in accordance to the two domains where they are exercised respectively.

Now that “power” is defined, it is time to think about the concept of “power relationship”. Literally, “power relationship” is a combination of power and social relationship. It can be either about how power operates in a social relationship, or refers to how a social relationship is driven by the power. In *Security, Territory, Population*, Foucault believes that mechanisms of power can be found in nearly all social relationships – relationship of productions, family relationship, sexual relationships, etc. Mechanism of power, according to Foucault, is “where and how, between whom, between what points, according to what processes, and with what effects, power is applied”. In Foucault’s opinion, a mechanism of power is intrinsic to a social relationship, serving as both the effect of the relationship and the cause of that relationship (Foucault, 2007: 2). These ideas suggest that a definition of two dimensions of power reveals that power (of any type) can always be found in social relationships. For this analysis, a power relationship is in essence a common social relationship, but by addressing it with a prefix “power”, this paper focuses on what kind of power lies in that relationship, how power operates in that relationship, and how that relationship shapes the power being exercised in that relationship. Although simple, “power relationship” is a vital concept in studying about power.
Foucault’s interpretation of power and mechanism of power is that both concepts are not self-generated (Foucault, 2007: 2). They support each other: power is enforced by mechanisms of power in social relationships, and the enforced power ensures sustained mechanisms of power. Power relationships are what power relies on to take effects and enhance itself. They are incarnations of power. Delving into the mechanism of power out from social relationships is an effective method to study about power.

“Domination” is a word frequently associated with power. Weber identifies the concept of domination as: “probability that a command with a given specific content will be obeyed by a given group of persons” (Weber, 1969: 53). Considering Weber’s definition of power, it seems that Weber believes domination is what power brings about. Power manifests its existence by creating domination. If this perspective of Weber is accepted, then domination is part of a “power relationship”: it is a characteristic of power relationship that demonstrates existence and operations of power. Henceforth, “domination” is defined as: all phenomena in a power relationship that the actor with greatest power deploys the power to influence the social system.

Now, a taxonomy of the two basic types of power in this research as well as their important attributes can be outlined. See table 1.

However, before proceeding, two other concepts should be introduced: authority and trust. “Trust” serves as an important motivation in making choices, especially for consumers on a housing market. As products on housing markets are always expensive and have long duration, a wrong pick-up can cause a consumer to pay a high opportunity cost. As a result, customers on housing markets are often extraordinarily picky. A provider of products on the investment market must make himself trustworthy enough to entice the customers to pick his product. Coleman’s work implies that the mechanism of trust is based on the rational calculations of personal utilities: it is like placing a bet, the actor decides on how much might be lost, how much might be gained, and the chance of winning. When the estimated gain (a product of the
chance of winning and the amount one could gain) outweighs the potential loss (a product of the chance of losing and the amount that might be lost), the actor as trustor would choose to trust the trustee (Coleman, 1990: 99). Consequently, a product provider who wants to become a trustee of consumers may utilize some strategies to manipulate customers’ estimations on the variables defining potential gains and losses. This is a useful perspective when studying a housing market.

Table 1 A taxonomy of two types of power in this research

<table>
<thead>
<tr>
<th>Type of power</th>
<th>Governmental power</th>
<th>Transactional power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation</td>
<td>Vertical (the dominating side establishes complete or partial control on the dominated side’s actions)</td>
<td>Horizontal (the dominating side influences mainly the system and the dominated side retains full control on his actions)</td>
</tr>
<tr>
<td>Deployment of power</td>
<td>Could be considered as unilateral, as dominated side usually cannot establish control on the dominating side in return</td>
<td>Bilateral (a one-to-one relationship) or multilateral (in a whole system), as it is an attribute that all actors in a system have</td>
</tr>
<tr>
<td>Domain that the power applies for</td>
<td>Governance - the vertical domain</td>
<td>Market - the horizontal domain</td>
</tr>
<tr>
<td>Power's deployer in the context of research topic</td>
<td>The state</td>
<td>The providers of products on the market</td>
</tr>
<tr>
<td>Type of power relationship that the power lies in</td>
<td>The state's governmental behaviors on the objects of governance: regulations, sanctions, interferes, prohibitions, etc.</td>
<td>The trades on the market, especially processes for the actors to meet agreements for conducting transactions</td>
</tr>
<tr>
<td>Appearance of domination</td>
<td>The state forces its objects to obey its will</td>
<td>The providers of products use their advantage of controlling more resources to set values in the transactional systems, hence further influence the choices of customers in the future</td>
</tr>
</tbody>
</table>

Authority is introduced here because it is a role that the Chinese state plays in the housing market. Weber sees “authority” as “legitimate domination” (Weber: 215), where legitimate can be explained as “the probability that to a relevant degree the appropriate attitudes will exist and the corresponding practical conduct ensured” (ibid: 213). This definition of legitimating can be
explained as “being accepted and followed”. Therefore, Weber’s authority can be considered as “power being exercised with the acceptance and cooperation of others.” James Coleman reaches a similar definition of authority, yet his definition is more adaptable with versatile situations when compared with Weber’s definition. Coleman first identifies the concept of “rights” as: all individuals that would be affected by an act accept that act without dispute (Coleman, 1990: 50); then defines authorities as power elites’ rights to control the action of other individuals, formed by other individuals transferring some of their rights to the power elites (ibid: 66). Hence, Coleman’s definition of authorities also implies “controlling the action of others with their acceptance”. Nevertheless, Coleman provides more discussions on authority relations and authority systems from an actor’s perspective. For instance, Coleman points out that if the power of an authority is hard to divest, actors may try to escape from the authority or disobey it (ibid: 70). A state, according to Coleman, is exactly an authority that is hard to have its power divested. Theories of authorities help in observing interactions between the people and the state.
3. Research question and model of analysis

3.1 Research question and outline of the model

With the conceptual framework constructed in the last chapter, I define the core research question for this research as follows:

*What are the features of key power relationships in the Chinese housing market that the customers find themselves in?*

“Housing market” in this research is limited to the scope of urban China. In fact, this scope is defined according to a fact that markets in which residence developments in urban and rural China take remarkably different forms, which is based on the division of two types of land ownership (Li & Gibson, 2014). Synonyms of “housing market” in Chinese (fangshi [house market], loushi [building market], dichan shichang [real estate market], etc.) appear mostly in urban contexts and rarely appear in rural contexts in PRC. Therefore, the scope of this research is defined as urban China only.

By defining two domains above, it is easy to know that the “key power relationships” refer to the two relationships that the customers have to deal with: the relationship between the state and the customers and the relationship between the developers and the customers. Referring to the dualities of horizontal and vertical, politic and economy, the two power relationships are at the origin of great disadvantages that customers have to confront in the Chinese housing market.

For the purpose of discussing the two power relationships in depth, I construct a model of analysis to explain the positions of the actors and their connections in the Chinese housing market. As this research concentrates on the perspective of the customers, I call this model a “dual-domination model”, as the customers are dominated – being restrained by the effects of power – in two power relationships at the same time. Inspiration of this model comes from a
“power triad” model contributed by Anton Oleinik (2011) in his studies on delimited spaces of transactions in the Russian markets. Oleinik’s model is constructed on the basis of a bilateral power relationship in a market – a transaction, or a trade – where A, the principal, exercises his power over B, the agent. Oleinik adds a third actor C into the model. C is an actor able to create a delimited space of transaction, and puts the bilateral power relationship of A-B into that delimited space he created. C would then put control on access to the delimited transaction space (which leads to label C as “the gatekeeper” in the triad). By controlling the access to the transactional space, C attains domination over A; and by dominating A, C further achieves domination over B (Oleinik 2011: 154-156). The power triad model fits to the situation of the Chinese housing market, as the following correspondence can be found: C, the holder of transcendental power, is the Chinese state; A, the dominating side in the original transaction, finds its equivalent in the residence developers in the Chinese housing market, who hold more resources and information in general; B, the actor that found at the end of the domination chains, finds its counterpart in the customers in the Chinese housing market, apparently. Therefore, if the power triad model is applied on the Chinese housing market, the three power relationships in the triad are as follows:

Actor A on actor B (A-B): transactions between the developers and the customers; namely sales of residences by the developers to the customers;

Actor C on actor A (C-A): the control of the state on real-estate developers;

Actor C on actor B (C-B): aside from the indirect influence of the state on the customers by regulating developers, the state also directly regulates the customers in many ways.

Hence, the “dual-domination” in my model refers to the power relationships C-B and A-B in the power triad. In fact, the “dual-domination” model can be considered as a reinterpreted Oleinik’s power triad model, applying a perspective from the position of actor B (in the reality, the customers in the Chinese housing market). I do not directly use “power triad” because
limitations of the data (see chapter 4) make detailed discussions on the power relationship C-A hard to conduct. However, the C-A relationship does exist in the space of transaction (the housing market) and can sometimes be seen in analyses below.

3.2 The three actors: definition in details

In this part I define the three actors to show how I apply my model to the Chinese housing market. All three “actors” (the state, the developer, and the customer) in the model of analysis are in fact personifications of collections of actors who play a respectively similar roles in the interactions within the delimited transaction space of the Chinese housing market. In this regard, the three “actors” are actually three categories of actors. Similar attributes can be found in the actors who belong to a same category.

3.2.1. The state

The Chinese state is composed of numerous institutions and agents that together form a hierarchy. In this research, actors who are seen serving this hierarchy in the data may be defined as the “state” category. An actor of the state category can be an individual working for the state, like a bureaucrat or an office spokesperson; that actor can also be an institution, an office, a committee, or a body of any other type, within the hierarchy of the state. Actors have an additional requirement to be defined as “the state” category: he/it is seen deploying his/its position in the hierarchy and exercising power that he/it is endowed with by holding that position. This additional criterion applies even if the actor carries out an action that does not favors the interest of hierarchy or the state with the power; for example, rent seeking behaviors.

Unlike the cases with “developers” and “customers”, actors on different levels or in different sub-systems of the hierarchy of state may confront remarkably varied situations.
Therefore, actors of the category “state” fall further into subtypes. In this research, I consider three subtypes of the “state” actors vital to be distinguished for following analyses.

The first subtype is the “high-levels” (gaoceng). This subtype is composed by institutions, committees, offices, and other types of political bodies of national level, and also prominent political figures working in these political bodies. Political bodies and figures of this type are mostly found in the system of CCP (Central Committee of CPC, Central Politburo of CPC, etc.) or in the government system of PRC (namely the State Council of PRC and its subsidiary ministries). As discussed before, actors of “high-level” subtype no longer interact directly with developers and customers after reforms in the housing sector of PRC. Instead, they issue regulations and commands to agents on lower levels of the hierarchy. Discourses of the “high-levels” are effective nationwide, and therefore actors of the developer type and of the customer type usually treat voices of high-levels as harbingers of transitions on the market.

The second subtype is “low level executive branches”, or the “executive” (xingzheng) type. This subtype refers to the local governments and their agents, and hence can also be labeled simply as “governments” (zhengfu). As previous discussions suggest, actors of executive type perform most transactions with developers and customers among all agents in the state hierarchy. In the housing market, their primary tasks are execution of the policies issued by the “high-levels”, which is usually done by carrying out detailed regulations against transactions on the market within designated geographical scopes. They are also the “state” type actors who directly transact with developers in the production of housing market supply, being in charges of city planning, land requisitions, and land transfers. Occasionally, they also serve as executors of sanctions on actors that trespass legal boundary of choices drawn by the state.

The third subtype of the state category is “judicial branches”, the “judicial” (sifa) for short. This subtype is composed by judicial branches of the state, namely courts and judges from all levels of the state hierarchy. Voices of judicial actors are most authentic and verifiable proofs
that the legal boundary drawn by the state is in effect and hard to trespass.

3.2.2. The developers

“Developers”, of course, refers to the actors who develop the real-estates sold on the Chinese housing market. Currently in urban China, most development of residences are performed by large real-estate companies. Real-estate firms purchase pieces of land (rights of using those pieces of land to be precise) from local governments, then construct “microdistricts” on those pieces of land, and in the end organize the sales of completed microdistricts. Hence they are also builders and sellers at the same time. Sometimes the large real-estate companies do not manage the construction and/or marketing works directly, but establish and fund small branches and let these branches take over the works. In this research, I define “developer” as both real-estate firms in charge of production and sales of residences and their agents (clerks or branch companies). Nevertheless, the mostly often seen “developer” type actors in the data are still the large real-estate companies that are ultimate supervisors of the construction and marketing of residences. Hence, if there are no particular references, the word “developers” in this dissertation refers to those large real-estate companies.

Some real-estate companies in China are state-owned, or have shares held by the state. State-owned real-estate companies are not only owned but also managed by the state, as the state has power to appoint and fire executives of these companies. These executives are also mostly cadres, who have worked and will work for party-state apparatuses (Paik, 2014). Nevertheless, since the state-owned real-estate companies act as builders and sellers of residences rather than administrative apparatuses on the Chinese housing market, I identify these state-owned real-estate enterprises and their agents as “developers” instead of “the state”. “Brokers”, companies and individuals who profit by selling residences to customers but are not involved in production of the residences, are excluded from “developers” in this research due
to methodological considerations. Including these secondary sellers of products into the model may introduce at least another two power relationships (broker-developers and broker-customers). To discuss these power relationships would require a considerable amount of new data, which can be hard to collect.

3.2.3. The customers

Just as this word suggests, “customers” in the Chinese housing market are investors or intentional investors of residences. To simplify the analysis model, the scope of “customers” in this research is limited to individuals whose intentions are to purchase new residences as properties that they can legally own. In other words, they have to meet the following requirements: they go after only new products, not second-handed estates; they want to obtain legal ownerships of the properties, not just temporary rights of using the properties (like in cases of renting or leasing).

Now, after basic descriptions of the three actors it should be easy to understand graphs I drew that show the structure of the dual-domination model. See figure 2:

![Figure 2 The structure of the dual-domination model](image)
4. Methodology and data

4.1 Choice of method

For this research, I chose to use the method of content analysis on second-hand data, including housing advertisements and news reports, to carry out my analysis. In comparison with first-hand data, second-hand data has a significant advantage in availability from distance, which offsets the biggest limitation on finishing this research: the time. For a master student who has only approximately one year for this dissertation, collecting first-handed data seemed to be unfeasible, as it required me to return to China and spend considerable time on fieldworks in order to gather enough information for the research. Second-hand data, in contrast, can be easily reached from the internet. Henceforth, using second-hand data became a preferable choice for me. By using second-hand data, I did not need to return to China for data collection, which saved me a great amount of time. To utilize the second-hand data, I chose the method of content analysis, which is a great method to discover correlations among the fragmented information contained in housing advertisements and news reports.

My content analysis includes two parts, with each part referring to one of the two major power relationships in the dual-domination model. For the A-B power relationship (developers-customers), the content analysis is carried out on selling advertisements of legally developed microdistricts. I chose advertisements as a source of data primarily because they are the most common materials relevant to this power relationship that can be collected online. They are also qualified as data; according to Bourdieu, advertisements are used by real-estate firms as “weapons of symbolic campaigns”, in which campaigns the firms want to mitigate the potential gap between the products as actually supplied and perceived and the expectation of that product. (Bourdieu, 2005: 54) That is to say, designs of advertisements are influenced by the customers’
expectations on the products, which means that the advertisements reflect mechanisms of interactions between the developers and the customers latently.

Content analysis for C-B relationship (state-customer) is done on news reports. News reports as a source of data are very easy to collect, thanks to the fact that actors in this power relationship are commonly seen in reports. Yet, to do content analysis with reports, I have to be aware of the nature of reports. Information in news reports may not always be objective, comprehensive, and neutral; quite often, attitudes of reporters and editors may distort or conceal some facts. Information in the reports that shows primarily not facts but preferences of reporters and editors may depict distorted realities. Therefore, my strategy is concerning only information about established facts in the reports while ignoring voices that comment, speculate, or predict the facts. My analysis is conducted only with facts retrieved from the data after such screening.

4.2 Data Collection

My data collection began with delimiting the scope of research. Nationwide ranges like “in China” and “Chinese housing market” are far too vast to be “doable”. Eventually I chose Beijing, the capital of the country, and Wuhan, the largest city in central China, as the sample cities. I have lived in both cities for several years respectively, which gives me some basic knowledge about landscapes of both metropolitans. The two cities vary in political, economic, and social statuses. Beijing is recognized as a “first tier city” (yixian chengshi) in China. Being the capital of the country, it has abundant political resources that no other city in China can rival, and is considered to have one of the most optimistic economic growth expectancies in China. Wuhan is a “second tier city” (erxian chengshi), the capital of Hubei province, and the
largest city in central China. Due to relatively lower regional competitiveness, Wuhan’s economic condition is less favorable than Beijing. The two cities’ differences helps in spotting commonalities among features of housing markets in the two cities, avoiding too much regional particularity in analysis results.

Alongside with narrowing down the geographical scope to sample cities, I also limited the time range. I found that the amount of data in a given year suffices in supporting my analysis, so I determined to define the time scope of my research in one single year. I eventually chose the year 2013. This year was relatively close to the time when I was planning this research (2015), and many microdistricts sold on the market in 2013 were still on sale by 2015, which guaranteed availability of advertisements as data. Yet it was also not the “last year” for 2015, which means that I may gather some other information that requires sometime to be produced, annual statistics for instance, if I needed. Collection of data was conducted completely online while I stayed in Canada. For the collection of news reports, I relied on search engines. I chose Baidu (www.baidu.com), a major mainland Chinese search engine, as a most preferred tool of finding news reports. Google was not my first choice because searching results using Google contains reports published by overseas Chinese language media. I considered reports conducted in mainland Chinese society to be the most relevant choices as data because they reflect the context of the mainland Chinese society best. Therefore, my plan of collecting news reports as data was “mainland reports first, overseas reports as supplements”. Later I found that news reports by media based in (as well as have the majority of their audiences in) PRC already contains enough information, and henceforth I did not collect overseas reports.

Baidu has a function of news search similar with the Google’s one that can be accessed from Canada. Reports I looked for are of relevant topics, and first published in reliable media in 2013. In regards to geographical relevance, all reports collected are either about events

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12 “Central China” usually refers to the three Chinese provinces Henan, Hubei, and Hunan. Sometimes the provinces Jiangxi and Anhui is also included. Wuhan remains as the most populous city in either scopes.
happened in or affecting at least one of the two sample metropolitans, or about situations that occurred all over the country or will have nationwide effects. With these criteria, I collected a total of 175 reports. The cases are numbered with an “N” prefix (standing for “news”), from N01 to N175.

The advertisements as data were also collected online. Many Chinese websites offer information about microdistricts on sale in major Chinese cities. Most of them cooperate with the developers: the developers pay the websites and have the websites to show advertisements of microdistricts they developed online. The websites where I obtain most materials are Leju (house.sina.com.cn) and Jiaodian (www.focus.cn) because they typically provide the most amount of information of microdistricts on sold. At the same time, I also consulted other Chinese real-estate websites (including Soufang [www.fang.com], Yifang [www.fdc.com.cn], Tengxun fangchan [house.qq.com], Wangyi fangchan [house.163.com], and etc., all of which are accessible in Canada) to find more information about microdistricts on sold that are not recorded by Leju and Jiaodian. With the “city selection” function provided by nearly every real-estate website, it was easy to find microdistricts on sale in the two cities. In terms of the delimited scope of time, I looked at marketing history of every microdistrict I found. Microdistricts in China today are often developed and sold in multiple phases; in each phase, some residential blocks among all planned blocks are built and put onto market. Information of most microdistrict I found contain several dates of “beginning of sales of a new phase”. If the earliest date among these “beginning sale dates” of a microdistrict was after the year 2013, that microdistrict was dropped; if the latest “beginning sale date” was in 2011 or earlier, that microdistrict was also dropped, since that microdistrict may had already been sold out in 2013. I also checked the correspondence of the descriptions of microdistricts and the phases on sale in 2013. If a description of a microdistrict did not match the products sold in that microdistrict in 2013, the microdistrict was dropped as well. After meticulous selections I collected
advertisements of 110 microdistricts in Beijing and 113 in Wuhan in total. The 110 cases of Beijing are numbered with prefix “B”, from B01 to B110; cases of Wuhan have numbers with prefix “W”, from W01 to W113.

The most crucial part of the data that I recorded for microdistricts were the introductions or descriptions of them, which I identify as “promotional discourses”. Additionally, I also recorded two features of microdistricts that describes their appearances. The first feature is “floor space ratio” (FSR, also known as “floor area ratios”), a ratio of total covered area on all floors of all buildings on a certain pieces of land divided by the area of the piece of land. It shows the density of structures built in a delimited area. The other feature is “type of structures”, a description of the designs of residential structures in microdistricts. Taxonomy of structure type is: for all villas, they are defined as “villa” type; for apartment buildings, they are sorted into “low” (mostly less than 7 floors), “medium” (mostly 8-15 floors), “high” (mostly 16-25 floors), and “mega high” (or “mega” for short, mostly 26 or more floors), depending on the number of floors they have. With each microdistrict, I recorded the type of structure that most residential blocks in that microdistrict belongs to. If two types of structure coexist with similar portions in a microdistrict, both types of structures were recorded, forming a combination of the two types. If apartment building and villa coexist in a microdistrict, then the type of structure was recorded as a combination of villa and the most prevalent type of apartment buildings in the microdistrict.

The appearances of microdistricts collected as data can be roughly outlined with FSRs and types of structures I recorded. The distributions of structure type for the two cities are seen

13 “Apartment buildings” here refers to multi-story residential blocks composed by suites that could be sold for full property status, the mainstream form of residence sold on Chinese market. In Chinese these blocks are commonly called gongyu lou (“apartment building”) or jumin lou (“resident building”). Gongyu is the Chinese word commonly used as counterpart of “apartment” or “apartment suites” in Canada (but not translation of basement “apartment” in Newfoundland).

14 This taxonomy is roughly based on a commonly used taxonomy of apartment buildings in Chinese: duoceng (“multiple floors”); usually less than 7 floors; xiao gaooceng (“minor high floors”): commonly 7-15 floors; gaooceng (“high floors”): can be used for any building with more than 7 floors, but in the presence of the types xiao gaooceng and chaogaoceng, mostly with 15-30 floors; chaogaoceng (“super high floors” or “mega high floors”): usually with more than 30 floors.
in table 2, which table shows that Beijing’s microdistricts collected as cases have medium height apartment buildings (about 7-15 floors) as the most prevalent type of structure, while in Wuhan the most popular type is the mega type (over 25 floors).

<table>
<thead>
<tr>
<th>Beijing</th>
<th>Frequency</th>
<th>Total percent</th>
<th>Structure types</th>
<th>Wuhan</th>
<th>Frequency</th>
<th>Total percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Villa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>7.3%</td>
<td></td>
<td></td>
<td>3</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>10.0%</td>
<td></td>
<td>Low</td>
<td>2</td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1.8%</td>
<td></td>
<td>Low/Villa</td>
<td>1</td>
<td>0.9%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>3.6%</td>
<td></td>
<td>Low/Medium</td>
<td>/</td>
<td>/</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>30.9%</td>
<td></td>
<td>Medium</td>
<td>/</td>
<td>/</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1.8%</td>
<td></td>
<td>Medium/Villa</td>
<td>3</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>6.4%</td>
<td></td>
<td>Medium/High</td>
<td>6</td>
<td>5.3%</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>28.2%</td>
<td></td>
<td>High</td>
<td>23</td>
<td>20.4%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>4.5%</td>
<td></td>
<td>High/Villa</td>
<td>11</td>
<td>9.7%</td>
<td></td>
</tr>
<tr>
<td>/</td>
<td>/</td>
<td></td>
<td>High/Low</td>
<td>3</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>4.5%</td>
<td></td>
<td>Mega</td>
<td>37</td>
<td>32.7%</td>
<td></td>
</tr>
<tr>
<td>/</td>
<td>/</td>
<td></td>
<td>Mega/Villa</td>
<td>5</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>/</td>
<td>/</td>
<td></td>
<td>Mega/Low</td>
<td>5</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>0.9%</td>
<td></td>
<td>Mega/Medium</td>
<td>2</td>
<td>1.8%</td>
<td></td>
</tr>
<tr>
<td>/</td>
<td>/</td>
<td></td>
<td>Mega/High</td>
<td>12</td>
<td>10.6%</td>
<td></td>
</tr>
</tbody>
</table>

For FSR, I divided the range of value into seven intervals, then drew bar charts of FSR distributions on these intervals in the two sample cities. Generally, the higher or denser the residential structures in a microdistricts are, the greater the FSR of that microdistrict. According to my data, a contemporary Chinese microdistrict that is only composed of villas usually has a FSR around 1, while a microdistrict with all blocks in “mega” structure type typically has an FSR between 3.5 and 4. The bar charts are presented in figure 3.1 and 3.2, which reveal that most microdistricts as cases collected from Beijing have FSRs between 1.5 and 3, while in
Wuhan a considerable proportion of those cases have FSRs above 3. Nevertheless, in both cities, only less than 20 cases are seen having FSR lower than 1.5. This indicates that villas are limited in supply indeed in both cities, while apartment blocks of medium-high structure type or higher
compose mainstreams of products supplied on housing markets in both metropolitan. This phenomenon in designs of contemporary Chinese microdistricts is critical for understanding some of my analyses in chapter 6 below.

4.3 Coding and analysis

I conducted my content analysis with the help of the software QDA Miner. I created three projects: one for news reports, one for advertisements collected from Beijing, and one for advertisements collected from Wuhan. The advertisements were not put together to prevent the project from becoming too large, thus making coding and information retrieving challenging. QDA miner does not fully support Chinese as a language. It cannot automatically count Chinese words or split Chinese sentences, and even cannot show Chinese characters properly when contents written in Chinese are highlighted, which is disruptive for coding specific contents. My solution for locating contents was splitting all sentences in my data manually and have each sentence to occupy a separate row. Other functions that cannot work for Chinese, such as counting words, sentences, or paragraphs, were avoided in my analysis.

Two code books were created for the two types of data, with the two advertisement projects sharing the same code book. The codes were identified on the basis of my impressions on the contents of data during the data collection as well as some of my expectations of analysis, with some adjustments made in the later process of coding (mostly creation of new codes for topics that frequently reoccur in the data but were not included in my codebooks by that time). Since the number of cases in all three projects exceed 100, I found in my early coding process that using simple codes cause information searching with content retrieving very challenging. Consequently, I decided to place the codes in each codebook under two different categories, with each category representing an aspect of a strategy of action. When searching for texts with
specific types of contents, I conduct cross retrieving of multiple relevant codes to locate those contents.

In the codebook for news reports, the two categories are “subjects”, referring to the actors that take specific actions, and “objects”, referring to the targets of those actions. The actors are the state, the developers, and the customers defined for this research. I split the state into “high level”, “executive branches”, and “judicial branches” in the code book. On the “target” side, I identify the most important orientations of targets in this research as “benefit customers” and “restraint customers”. Additionally, I defined “benefit developers” and “restraint developers” as targets, since developers also frequently show up in the data. I also added a “hierarchical” code for actors of the state type, applies to their actions that deal with agents of the state on other levels. Finally, along with codes in the two categories, I created a code for descriptions of market conditions in the reports that are not explicitly shown to be caused by actions of any actor. For a complete list of code for news reports and their descriptions, see Table 3.

The two categories in the code book of advertisements are “topics” and “themes”. “Topics” stand for explicit, external attributes of the products; “themes” are some latently identified attributes of the residences, constructed by promotion discourses as techniques of appealing clients and representing what the developers want customers to believe the products to be. In other words, topics are reflections of realities and themes are indications of intentions of the developers. I identify eight codes in “topics” category and six codes in “themes” category. For a complete list of code for advertisements and their descriptions, see Table 4.
### Table 3 Code book used for news reports analysis

<table>
<thead>
<tr>
<th>Code category</th>
<th>Code name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subjects</td>
<td>State-High level</td>
<td>Actions or discourses of political bodies (institutions, organizations, committees, etc.) or agents on the national level of the state hierarchy.</td>
</tr>
<tr>
<td></td>
<td>State-Government</td>
<td>Actions or discourses of lower level executional branches of the Chinese state or of agents of those branches.</td>
</tr>
<tr>
<td></td>
<td>State-Judiciary</td>
<td>Actions or discourses of juridical branches of the Chinese state or of agents of those branches.</td>
</tr>
<tr>
<td></td>
<td>Customers</td>
<td>Actions or discourses of the customers.</td>
</tr>
<tr>
<td></td>
<td>Developers</td>
<td>Actions or discourses of the developers.</td>
</tr>
<tr>
<td>Objects</td>
<td>Benefit Customers</td>
<td>Actions or discourses with intentions or effects of enriching the customers’ benefits or enlarging their freedom of choice. This code applies to situations where customers try to enhance their own benefits.</td>
</tr>
<tr>
<td></td>
<td>Restrain Customers</td>
<td>Actions or discourses with intentions or effects of reducing the customers’ ranges of choice and/or benefits. This code applies to situations where the customers’ behaviors turn out to restrict or harm themselves eventually.</td>
</tr>
<tr>
<td></td>
<td>Benefit Developers</td>
<td>Actions or discourses with intentions or effects of enriching the developers’ benefits or enlarging their freedom of choice. This code applies to situations where developers try to enhance their own benefits.</td>
</tr>
<tr>
<td></td>
<td>Restrain Developers</td>
<td>Actions or discourses with intentions or effects of reducing the developers’ ranges of choice and/or benefits. This code applies to situations where developers’ behaviors turn out to restrict or harm themselves eventually.</td>
</tr>
<tr>
<td></td>
<td>Hierarchical</td>
<td>Actions or discourses of political bodies or agents with the state hierarchy that deal with superordinates or subordinates.</td>
</tr>
<tr>
<td>Market Conditions</td>
<td></td>
<td>Situations on the Chinese housing market (like those with supply or prices) being mentioned in the news reports that are not explicitly caused by any action of the three actors.</td>
</tr>
</tbody>
</table>
Table 4 Code book used for housing advertisements analysis

<table>
<thead>
<tr>
<th>Code category</th>
<th>Code name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topics</td>
<td>Architecture</td>
<td>Contents about designs and constructions of the microdistricts, the residential blocks, or the residential units.</td>
</tr>
<tr>
<td></td>
<td>Location</td>
<td>Contents about the geographical locations of the microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Transportation</td>
<td>Contents about transportation facilities and services available for residents (present or future ones) in the microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Commerce</td>
<td>Contents about shopping and/or recreational amenities in or around the microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td>Contents about educational facilities in or around microdistricts and programs that may be available to estate owners of microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Health care</td>
<td>Contents about health care facilities in or around microdistricts or health services available to estate owners in microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td>Contents about composition of residents in the microdistrict (present or future, imagined or actual), or communication and interactions between residents in the neighborhood.</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
<td>Contents about environment of microdistricts, include: natural landscapes, ecologies, gardens, or parks in, around, or near microdistricts; and natural elements can be experienced during indoor living.</td>
</tr>
<tr>
<td>Themes</td>
<td>Culture/Spirit (Culture for short)</td>
<td>Contents claiming that the residences carry specific “cultures” or “spirits”, indicating that the customers can “live a spiritually contented life here”. Contents coded with “Cultural Elitism” do not have to be coded with this code simultaneously.</td>
</tr>
<tr>
<td></td>
<td>Superiority/Scarcity (Superiority for short)</td>
<td>Contents claiming that a microdistrict offers resources or conveniences that cannot be provided by other microdistricts.</td>
</tr>
<tr>
<td></td>
<td>Expertise</td>
<td>Contents in the advertisements that claim that the creation of the product is under the guidance of professional knowledge and skills, including claims about using certain concepts in the designs but does not directly claims any spiritual benefits of them (otherwise will be coded with Culture/Spirit).</td>
</tr>
<tr>
<td></td>
<td>Customized</td>
<td>Contents in the advertisement that indicate some aspects of the products fit to, especially “being made to fit to”, the needs of customers.</td>
</tr>
<tr>
<td></td>
<td>Social Elitism</td>
<td>Contents indicate that owners of estates in this microdistrict, present or future ones, are or can become political elites, economical elites, or elites without specifications.</td>
</tr>
<tr>
<td></td>
<td>Cultural Elitism</td>
<td>Contents in advertisements that indicate that owners of estates in this microdistrict, present or future ones, are superior or can be superior than other social members on the features like erudite, cultured, intelligent, elegant, or well-educated; or claim that microdistricts provide cultural spheres, spirits or tastes associated with superior tastes.</td>
</tr>
</tbody>
</table>
5. State over customers: straightforward interference

Although the Chinese state has withdrawn some of its power from the housing sector, the state will still have decisive effects on the interactions between the two actors in this highly one-sided power relationship today. This chapter discusses how the state exercise power over the customers, which can be easily illustrated by retrieved contents from the data. Please notice that I use one quotation to support each argument in this chapter only to reduce the length of this dissertation. In fact, most arguments in this chapter can be supported by multiple cases in the data.

5.1. Strategy of the state: two approaches of enforcing equality

On February 20th, 2013, Wen Jiaobao15, then prime minister of PRC, hosted an executive meeting of the State Council (guowuyuan changwu huiyi). At the meeting, the state explicitly expressed a will for enforcing equality:

...The meeting points out: our country is experiencing rapid urbanization in recent period, tension between supply and demand of residences in hot point cities {redian chengshi, means cities popular for real-estate investors}16 is hard to be changed on the level of fundamental causes {hard to be alleviated by solving fundamental problems}. Supporting demands of self-residing {zizhu xuqiu, means customers purchasing residences to accommodate themselves} and suppressing speculative investments on residences are fundamental policies that controls on real-estate market have to adhere to. (N94)

I describe the motivations of the state as “to enforce equality” because the state’s voices shown here notably favors customers with lower socioeconomic status. “Self-residing” are

15 Unless specifically identified, all Chinese names in this paper are written in the order in Chinese: the family name is placed before the given name.
16 In quotations of this dissertation, I use square brackets “[ ]” to identify ideas that are not covered in original Chinese texts (mostly due to grammar differences), curly brackets “{ }” as notations of contents, and parentheses “()” only where parentheses are used in original contents.
commonly seen among social groups with lower socioeconomic conditions; meanwhile the speculators, the group that the state intends to control against, are likely to possess enough disposable wealth to invest into residences in addition to owing residences satisfying their own living demands. While this appears to be a good will on the part of the state, the state’s practices guided by this will is not as friendly as the will itself appears to be. Analysis on my data shows two major approaches exploited by the state to enforce the equality it wants to bring about, both of which approaches are about restrictions. The first approach is to restrict the customers’ ability to purchase residences, most noticeable a quota-alike residence-purchase-qualification distribution system. The second is to directly control the prices of residences, including providing subsidized residences and setting up price limits for developers. This is in accordance with Bourdieu’s interpretation of the state’s “two-fold construction” of the housing market: a combination of “constructions of demands” and “constructions of supplies”. (Bourdieu, 2005: 16)

5.1.1 Purchase restrictions

Limitations on residence purchases is shown as a long term policy of PRC in the data, had already been launched a few years prior to 2013:

...April 2010. State Council issued Notification about Firmly Stopping Excessive Growth of Residence Prices in Some Cities {guanyu jianjue ezhi bufen chengshi fangjia guokuai shangzhang de tongzhi}, [in which stated that] percentage of down payment for [financing] the second residence should not be less than 50%, and the interest of loan [for the second residence] should not be lower than 1.1 time of benchmark interest rate. Some cities with excessive residence prices issued “orders of purchase restriction” one after another.

...January 2011. Office of the State Council issued Notification on Further Doing a Good Job in the Control of the Real Estate Market {guanyu jinyibu zuohao fangdichan shichang tiaokong gongzuan youguan wenti de tongzhi}, [in which stated that] percentage of down payment for [financing] the second residence should not be less than 60%, and the interest of loan [for the second residence] should not be lower than 1.1 time of benchmark interest rate... (N26)
Therefore, in the first season of 2013, policies of restricting residence purchases were not something new, but something being adhered to and strengthened. Voices from the meeting of State Council in early 2013 identified a few techniques of purchase limitation:

... [Wen] restated the three “weapons” of restricting purchases {refers to quota policies}, restricting loans, and property taxation... The meeting reiterated that regulating policies with restricting purchases and restricting loans should be continued and suppressions on speculative residence purchases should be insisted... (N09)

This meeting marked a key point of policy transition throughout the year. Five articles as specific measures of regulating and controlling housing market were prescribed in the meeting, and were together dubbed as “national five articles” (guo wu tiao) in the media. Among the five articles, the second article prescribes some restrictions on residence purchases in detail:

... Second, steadily suppress speculative residence purchases. Implement measures of restricting purchases of commercial residences rigorously. For direct-controlled municipalities, listed cities17, and provincial capital cities that have carried out purchase-restricting measures, [the city governments] should enhance the purchase-restricting measures ... In other cities with excessive rises in prices of residences, the provincial governments should require the city [governments] to implement purchase-restricting measures in time. Implement differentiated policies on residential credits rigorously. Enlarge the range of “experimental units” [having experiments carried out in more cities] of private-residences-property-taxation reformations. (N94)

“National five articles” served as instructions given by the central government that were expected to be followed by low level executive branches. Chinese government offices on national level actually gave deadlines to city governments:

...There are not many days left before the deadline that Ministry of Housing and Urban-Rural Development (known as MOHURD hereinafter18) gave to local governments to formulate detailed plans of executing “national five articles”; yet [governments of] megacities like Beijing and Shanghai appear as still “waiting and seeing”.

“Our request to local governments is to introduce detailed plans of local executions of ‘national five articles’ before end of March.” An official of MOHURD who did not want to be

17 Jihua danlie shi (“cities separately listed in the plans”), refers to five large non-provincial-capital cities in China: Dalian, Qingdao, Ningbo, Xiamen, and Shenzhen. As important sea ports and industrial centers, these cities enjoy sub-provincial treatments in administrative system and have larger discretions in local economic affairs than regular prefecture-level cities.

18 Abbreviation is used in the original report.
In Wuhan, not much actions were taken by local governments, as existing regulations and policies in Wuhan by that time were believed by the city government to meet most requirement proposed by national government:

...Reporter acknowledged from housing management bureau yesterday [March 1st, 2013] that many policies mentioned by detailed rules\(^{19}\) of the “national five articles” have already be implemented in Wuhan. Nonetheless, some existing policies will be upgraded with introduction of new detailed rules. (N138)

What policies were already launched on the Wuhan housing market at the beginning of the year 2013 then? Data shows that numeral limits on citizens’ residence ownership was implemented in Wuhan no later than 2009:

...In 2009, this residence at Zhoujiadawan was designated for demolition \{chaiqian\} too. Chen Jinfeng chose two small suites as “returned residences”\(^{20}\). But when she was going through procedures on the second suite of returned residence, she was told that she was subject to purchase limitation policies because she already owned two residences when counting her first returned residence: she also had \{owned\} a pingfang \{single floor bungalow\} of 22.84 square meters under her name, at Building No.75, 50 Xudong Road, Wuchang district... (N131)

Also, an upgrade in purchase restriction policies is noted to happen in 2011 in Wuhan:

... During late February of 2011, Wuhan implemented the “order of purchase restriction”, \{from that time\} if one with household registration \{hukou\} in other places want to purchase residence in Wuhan, he needs to provide verification for \{local\} taxation or pension fund \{shebao\} payment for longer than 1 year... (N152)

Case N152 shows that household registration \(\textit{hukou}\)\(^{21}\) information was also engaged in

\(^{19}\) The “detailed rules” here refers to explanations of “national five articles” issued by the central government, e.g. the State Council. It shares the same original Chinese word with “detailed plans” in previous quotations: “xize”. To distinguish the local level and the national level, I use “detailed plans” to refer to policies issued by local governments.

\(^{20}\) \textit{Huan jian fang} (“construct in-return houses”) in original report. This is a type of residences sold with low prices as compensations for residences whose original dwellings are demolished for spaces of urban constructions – similar to “settling residences” and “relocating residences” mentioned above.

\(^{21}\) In the rest of this dissertation, I use “household” only when the contents are referring to actual households. Otherwise, for all contents about household registration status, I simply use “hukou”. Households, or nuclear families in precise, are the basic units used for calculations of numbers of residence purchased.
definition of residence purchase eligibilities in Wuhan in the year 2013. Similar restriction on “hukou registered elsewhere” customers also could be seen in the other sample city, Beijing. And in Beijing, this restriction is even more severe:

...According to the residence purchase restriction policies issued by the [city government of] Beijing on February 17th, 2011, people who have hukou not in Beijing need to provide proof of payments of tax or pension fund in Beijing for 5 consecutive years... (N09)

Existence of quota policies in Beijing can be dated back to at least 2010. Quota policies in Beijing are also discriminative toward customers with non-local hukou registrations:

...April 2010 ... Some cities with excessive residence prices issued “orders of purchase restriction” one after another. For instance, Beijing prescribes that: sales of residences to households registered in Beijing are suspended; those households registered not in Beijing but have paid pension funds or income taxes in Beijing for [equal to or more than] 5 consecutive years can purchase utmost 1 residence each... (N26)

Albeit much restrictions had been placed in Beijing’s housing market, the data show that the city government still made some adjustments on purchase restriction policies as a follow-up to the State Council’s February 20th meeting. The new measures of Beijing show that the city government begin to set up restrictions on the basis of marital status of the customers:

...On [March] 30th, city government of Beijing issued “Notification of Implementing State Council’s Real-estate Market Regulations, Notification of Further Improving Local Real-estate Market Regulations” ...Starting from March 31st, single adults having hukou registered in Beijing who do not own a residence in Beijing are limited to purchase one residence each; for those [single adults having hukou registered in Beijing] who owns one or more residences in Beijing, sales of residences in Beijing to them are suspended...(N11)

The State Council’s meeting, the “national five articles”, and subsequent upgrades of policies in major cities became a hot spot in the news. That was the first time in the year 2013 that policies of housing market regulation became a focus of the media attention. There were

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22 The original report lists two names of notification here in the quotations marks, separated by a comma. It is likely that this is a mistake made on: “city government of Beijing issued a notification of implementing State Council’s real-estate market regulations, ‘Notification of Further Improving Local Real-estate Market Regulations’…”
two periods throughout the year 2013 that policies of housing market regulations became hot spots in the media; the second one was close to the end of that year, during which period new interpretations and intensifications on housing market regulation policies appeared prevalently all over the country. Upgrades of policies at the end of the year were not shown as a result of new instructions given by the “high level”, but as a consequence of spontaneous actions of the local governments. Incentives of the city governments were similar: to finish their annual work plans. According to the data, the annual work plans of city governments used the prices of residences as a major index:

...the end of the year is pending23; in the wake of constant rising in residence prices, whether or not [local governments of] each place24 could achieve their goals of residence price control that they formulated in early 2013 has become a focal point of all social circles’ attentions. According to latest statistics of Nation Bureau of Statistics, number of cities where residence prices raised by 10% (vs SPLY)25 reached 14. On this [statistic result], many experts and insiders of real-estate industry consider that “some cities cannot achieve their annual goals of residence price control” is already a foregone conclusion... (N105)

The state seems to consider that putting limitations on customer’s purchases contributes to controlling rises in residence prices. A confirmation can be found in the second article of the “national five articles” quoted above:

...In other cities with excessive rises in prices of residences, the provincial governments should require the city [governments] to implement purchase-restricting measures in time… (N94)

Therefore, it does not come as a surprise that local regulations were also developed by cities across China. In Late November, Wuhan moved to adopt its own policies in line with several other cities:

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23 Translation of this sentence follows the composition and order of words in the original Chinese sentence.
24 “Gedi” (“every place”) in original report. In Chinese, this word is a pronoun used to emphasize the places that compose the conceptual set of “every place” as the subjects.
25 Abbreviation of “versus same period last year”. Originally “tongbi”, a statistical method frequently used in China: comparing statistics at one time point to statistics of one year ago.
...Following “Shen eight articles”, “Jing seven articles”, “Hu seven articles”\(^{26}\), [city government of] Wuhan officially launched Work Advices about Further Reinforce Regulation and Control on Real-estate Market (abbreviated as Advice hereinafter)\(^{27}\) on November 22\(^{nd}\) in order to quell down the real-estate market.

Advice prescribes: for residents with hukou registered out of Wuhan [who want to] apply for purchasing residences [in Wuhan], the required amount of years of paying taxes or pension funds (assured insurance)\(^{28}\) in Wuhan is changed from 1 year, as in previous prescriptions, to 2 years; furthermore, [these residents] are restricted to purchase 1 set of residence (new or used) only. (N114)

In the meantime, Beijing reiterated the importance of adhering to purchase restriction policies, and expressed an attitude of implementing restriction policies more seriously. Actions were taken by government of Beijing earlier than those taken in Wuhan:

\textit{On October 23}\(^{rd}\), city government of Beijing launched the widely concerned “Jing seven articles” (Opinions about Accelerating Constructions of Medium-low Priced, Self-residing, Improving Type Residences\(^{29}\)). On the day before the launch of these policies, National Bureau of Statistics published residence price indexes of 70 middle and large cities, [which shows that] real-estates in Beijing lead [price rises on the markets] nationwide with a price increase of 20.6\%. (N55)

Beijing’s new policy did not add new requirement for the customers to purchase residences on the housing market. Nevertheless, it expressed explicitly the city government’s serious determination to implement purchase restriction policies:


\textit{Purchase inspection committees ... spot check verifications of residence purchase...}

\(^{26}\) These “seven/eight articles” refers to local regulations on real-estate market by city markets, identified by abbreviations of the cities. “Shen eight articles” are regulations of Shenzhen launched on October 11\(^{th}\), 2013; “Jing seven articles” are regulations of Beijing, launched on October 23\(^{rd}\), 2013, as seen in quotations below; “Hu seven articles” are regulations of Shanghai, identified by Shanghai’s one character abbreviation “hu”, and were launched on November 8\(^{th}\), 2013. Similarly, the regulations issued by city government of Wuhan (seen here) is called as “Han seven articles” in quotations below, which is identified by Wuhan’s abbreviation “han”.

\(^{27}\) Abbreviation is used in original report.

\(^{28}\) “Fangxin bao” in original report. It is a type of medical social insurance in Wuhan. It can cover some medical fees of serious illnesses for citizens. The citizens are required to pay for pensions monthly for this service.

\(^{29}\) “Zhong di jiawei zizhu xing gaishan xing shangpin fang” in original report, literally “middle-low priced self-residing type improving type commercial residence”; the three phrases of “middle-low priced” (zhong di jiawei), “self-residing type” (zizhu xing; can be interpreted as “the major or only residence of households/families”), “improving type” (gaishan xing; generally refer to average sized residences may be purchased by households/families living in small residences previously as improvements of life condition) are juxtaposed here. No explicit distinctions between these three types can be told by judging original Chinese words. I cannot find a pertinent translation, so I just translate literally.

\(^{30}\) This is the content of the first article of “Jing seven articles”.
eligibilities. Residence purchasers found to purchase illegally by fraudulence are added to black lists and prohibited to purchase residence in Beijing within 5 years; enterprises\textsuperscript{31} that assist [purchasers] in fraudulence have all procedures frozen in Beijing; those who alleged crimes\textsuperscript{32} are transferred to public security institutions\textsuperscript{33} for investigations. (N46)

With information extracted from quotations above, a rough yet panoramic view of the purchase restriction policies in Chinese housing market is presented: quota policies (a maximum number of residences that a customer may purchase); restrictions when a customer’s purchases of residences exceed a given number (for example, harder financing); and discriminations on customers without local hukou registrations and/or particular marital statuses. In my view, these measures compose the first approach of the state’s enforcement of “social equality” on the housing market is: to reduce the customer’s ability, most noticeably eligibility, to purchase new residences.

5.1.2 Controls on residence prices

The second approach of the state to enforce equality is to directly control the prices of residences on the market. While the state seems to consider cutting down demands on the housing market – by reducing the ability of customers to purchase multiple residences – an indirect path toward price controls, it also practices measures to control prices directly. These measures, in my opinion fall in another two major subtypes.

The first major subtype is to press the developers in order to ensure they do not sell residences at extravagant prices. Measures of this subtype are directly against the developers, to be precise; yet arguably, they indirectly bring potential profits to the customers.

Controlling residence prices is a guiding ideology of Chinese state’s governance and is

\textsuperscript{31} It is not explicitly stated which type of enterprise in the original report. Presumably, it can cover enterprise of any type that assist customers in fraudulences.

\textsuperscript{32} It is not explicitly stated “those” here refers to customers, enterprises, or both in original report; presumptively it means both.

\textsuperscript{33} “Gong’an jiguan” in original report. This is a formal title of Chinese police forces.
upheld by “high level” actors. It is reflected in the “national five articles”:

...First, consummate accountability of residence price stabilization. Direct-controlled municipalities, listed cities, and provincial capital cities except for Lhasa should, according to the principle of keeping residence prices [at a] stable [level], formulate and publish annual targets of newly-constructed commercial residence price control. Establish and consummate assessments and accountabilities of [governments’/officials’] works of residence price stabilizations.

...Fifth, reinforce market inspection. Reinforce managements of pre-sales\textsuperscript{34} of commercial residences; strictly execute regulations of explicit mark price quotations in commercial residence sales; reinforce managements of enterprise credibility .... (N94)

In article 1, price controls as local governments’ annual tasks are officially certified. In article 5, the national government’s requirement of quoting residence price explicitly may also serve as a means of controlling residence prices.

In the data, measures that restrain developers in order to control residence prices are reflected in contents about local governances. Restraints placed on developers in the detailed plans of executing “national five articles” of Beijing are shown to be strict:

...In terms of inspection on real-estate markets, the Notification\textsuperscript{35} requires: reinforce management of commercial residence sales, raise threshold of issuing commercial residence pre-sale permissions; for those commercial residence projects that quote prices evidently higher than price of deals during earlier phases of same projects or than price quoted by surrounding on-sale projects, and do not accept price guidance [of the government], temporarily do not issue permissions of pre-sale or temporarily refuse records on their sales of completed residences\textsuperscript{36}. If [real-estate] developing enterprises are found to conduct illegal behaviors like leaving lands idle, speculating lands, hiding completed projects from selling, or artificially forcing up\textsuperscript{37} residence prices, they are prohibited in any of following activities: land transfer bidding; new project loaning; public offering [securities]; refinancing; significant asset restructuring; financing by trust plans... (N11)

\textsuperscript{34} “Yushou” in original report. Refers to sales take place before construction of the residences are finished. It could be interpreted as residences being sold as futures.

\textsuperscript{35} Refers to the notification of Beijing’s city government on executions of “national five articles”, with name most likely to be Notification of Further Improving Local Real-estate Market Regulations. See footnote 22 on page 36.

\textsuperscript{36} “Xianfang xiaoshou bei’an” in original report; literally “leaving record on sales of completed [constructions] residences”. This is a procedure finished after deals on completed residences (“xianfang”) have been made. If the developers cannot finish this procedure due to legal issues, the customers can cancel the deals and ask for compensations from the customers.

\textsuperscript{37} “Hongtai” in original report. This word represents behaviors of commodity sellers deliberately marking prices higher than normal level (judging by qualities of the commodities) on commodities to maximize profits, usually conducted on seller’s markets.
In the middle of the year 2013, city government of Beijing further tightened up the controls on the developers:

...Following intensifications of real-estate pre-sale permission verifications’ severities that began in April, “order of price control” of Beijing was upgraded once again in these days: pre-sale permissions that have passed verifications of Commission of Housing and Development38 have a new “checkpoint” added [on their way] – to be submitted to the mayor’s office to be examined by Chen Gang, the vice mayor in charge [of real-estate affairs]; only after being examined and “ticked” [by the vice mayor that issuances of] these permissions are confirmed eventually... (N28)

Regulations on the developers that prevent raising residence prices reappeared in the “Jing seven articles” in the late October:

...Third, intensify price guidance, rigorously investigate projects that raise prices in disguises. Guide the developers to quote prices [of projects] reasonably by consulting prices of earlier phases [of same projects] and [other] projects in periphery; projects that quote high prices [and/or] prices with excessive raises and do not accept guidance of the government will be postponed with sales.

... Sixth, reinforce market inspections; different offices [should] act jointly [to] severely punish illegal actions of all types. For real-estate developing enterprises found to conduct illegal behaviors like leaving lands idle, speculate lands, hiding completed projects from selling, artificially forcing up residence prices, etc., measures like prohibition of land bidding participations, rejection of offering loans for their new projects, intensification in managements of their land value-added taxations will be taken on them. (N46)

In the other sample city, Wuhan, the February 20th meeting of State Council and “national five articles” did not bring about evident new policies that restrain the developers for the purpose of price control. Yet according to the data, this “calmness” in Wuhan was because the city government went ahead of the national government again:

...What’s more, in the recent two years, for the purpose of suppressing excessive raises in residence prices, [city government of] Wuhan conducted “special attention and control”39 on high price residential plots; if a plot quote prices evidently higher than plots in periphery, then it cannot obtain certification of pre-sales. (N138)

38 An abbreviation of Beijing Municipal Commission of Housing and Urban-Rural Development. Abbreviation is used in the content of original case. I will continue using the same abbreviation hereinafter.

39 “Dingkong” in original sentence. Literally “to (keep) stare on and control".
Nevertheless, agents of city government of Wuhan still restated the resolution of imposing direct controls on the developers to prevent rise in residence prices as a response to instructions of the central government:

...In respond to these phenomena, officials of real-estate management offices declared that [the government] will throw fierce punches this year once again on developers’ illegal actions like quoting fraudulent prices, hoarding residences as stocks, forcing up residence prices\(^\text{40}\), etc., and will also properly control the amount of high-price residences that enter the market [during the year] in order to avoid formation of “following-trend rises” in residence prices. (N136)

Controls on the developers were also included in the late year regulation policy upgrades of the city government of Wuhan, “Han seven articles”:

...Sixth, comprehensively reinforce market inspections. Guiding real-estate developing firms to quote prices reasonably; provisionally suspend issuance of pre-sale permissions for projects that do not accept guidance of the governments; further normalize open price quotations in commercial residence sales; severely investigate and sanction illegal actions such as hiding new plots for sales, hoarding residences as stocks, artificially forcing up residence prices, abetting and assisting residence purchasers to forge certificate materials and to attain eligibilities of residence purchases fraudulently, etc. (N166)

The second subtype of direct price control measures implemented by the state is serving the market with cheap residences that have prescribed price maximums. An official name of these cheap residences has already been mentioned above: subsidized residences, or baozhang fang in Chinese.

In the “national five articles”, subsidized residences show up in the fourth article:

...Fourth, accelerate designs and constructions of affordable housing projects.\(^\text{41}\) Fully implement\(^\text{42}\) the 2013 task of affordable housing projects: finishing 4.7 million tao\(^\text{43}\), starting

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\(^{40}\)“Zuo di qi jia” (“sit on the ground and raise prices”) in original sentence. This phrase means sellers quote excessive prices for commodities deliberately relying on their control on those commodities.

\(^{41}\) This seems to be a borrowed translation; existence of official translation has not yet been confirmed. Name of this project in Chinese is “baozhangxing anju gongcheng” (literally “subsidized assured accommodation project”).

\(^{42}\)“Luoshi” in original content. Literally “to make it fall on the ground soundly” or “to make it fall onto substantial/genuine implements”.

\(^{43}\) A classifier in Chinese for apartment suites. “2 apartment suites” is expressed in Chinese in the (continue on next page)
construction of 6.3 million tao. Supporting facilities should be designed, constructed, and put into use simultaneously with [residences of] affordable housing projects. Consummate and strictly implement admittance and withdrawal systems\textsuperscript{44}, ensure equality of distributions. Before the end of the year 2013, cities of prefecture level or higher levels should enclose migrate workers\textsuperscript{45} that meet criteria [of local subsidized residence applications {other than requirements about hukou registrations presumptively}] into coverage of local subsidized residences. (N94)

By the content of the fourth article, it is revealed that supplement of subsidized residences was also a task assigned by the national government to local governments. The data also shows that the number of suites (tao) and the total area of “land for subsidized residences” (specific pieces of land designated for constructions of subsidized residences in city plans of local governments) transferred are major indexes used in calculations of subsidized residences’ supplements as “governmental assignments”:

...Land supplement in the year 2012 [in Beijing] reflects the principle of “subsidized residences first” ... According to depiction, supplement of 850 ha of land for affordable housing projects [scheduled for] the year 2012 has been fully completed. 166 ha of land has been supplied for public rental residences, 104% of the annual plan; 156 ha of land has been supplied for economical practical residences, 111% of the annual plan; 78 ha for price limited residences, 78% of the annual plan; 450 ha for orientated [to particular customers] settling residences, 100% of the annual plan. (N05)

...Wuhan will continue to emphasize and amplify constructions of affordable housing projects in order to solve the hard-to-reside problems of middle-low income households and newly employed workers. By the end of October, in [Wuhan] municipality, 79 new subsidized residence projects begin with constructions, a total of 50.3 thousand tao, completing 92.1% of annual target; 52 projects reached completion, a total of 40.5 thousand tao, 99.75% of annual plan; 28 projects were allocated for residents, 99.38% of annual plan. In next year [the government] plans to begin construct another 80 thousand tao of subsidized residences, complete 48 thousand tao, and put 35 thousand tao into use. (N167)

\textsuperscript{44} “Zhunru tuichu jizhi” in original report. This system is for regulating selections of low incomers to be provided with subsidized residence supplies, and to ensure the occupants of subsidized residences that have their socioeconomic statuses improved moving out from subsidized residence (so that the same residence can shelter other “low incomers”). Subsidized residences sold with properties usually have only admittance systems; withdrawal systems are more commonly seen for subsidized residences of leasing types.

\textsuperscript{45} “Wailai wugong renyuan” (“working people who came from elsewhere”) in original article. Refers to workers in a Chinese city that have household registered elsewhere. Workers of this type usually migrate from hometown to larger cities to earn their lives, hence the title “migrate workers”. 

\textsuperscript{...}
The data shows that the city governments of the two sample cities had developed different ideas on future plans of subsidized residences in the year 2013. In Beijing, the year 2013 witnessed the birth a new type of price-delimited residences that can become full properties. The new type of price-delimited residence is not officially called as “subsidized residences”, but shares some characteristics with subsidized residences (low prices; strict quotas; restricted ownership transferring; priority of purchase given to households that are eligible for subsidized residence purchasing, etc.). Meanwhile, in Wuhan, the city government officially announced the decision of gradually withdrawing supplement of subsidized residences of sold-as-property types from the market. In the city government’s expectations, leasing to the public (instead of selling) would become the major function of subsidized residences constructed in Wuhan in the future.

In Beijing, the new type of residences was substantially launched at the end of the year, yet was harbingered in the end of March:

...On [March] 30th, city government of Beijing issued “Notification of Implementing State Council’s Real-estate Market Regulations, Notification of Further Improving Local Real-estate Market Regulations”. {See footnote 22 on page 36} ... Notification intend to combine short-term regulations and controls and constructions of long-term mechanisms [in governance] by declaring that [the governments] should further reduce prices of self-residing type [and] improving type commercial residences, and progressively have [residences of these types] added into the series of price-limited residence in management46 ... (N11)

In April 2013, a Beijing government official confirmed that research for installing the new residence type was in progress:

Yesterday {April 10th, 2013}, Yang Bin, zhuren {director/chairman} of Beijing Municipal Commission of Housing and Development attended Beijing Public Service Radio. He noted that [city government of] Beijing is researching 47 about policy of adding commercial residences of self-residing type and improving type into the series of price-limited residence in management; the policy will be disclosed in a short time. (N12)

46 Means “treating as the same in term of management, and apply similar managements”.
47 In Chinese context, “research on policy” can indicate evaluations on feasibility of implementation or execution.
A first example of the local government offering lands for the new type of price-delimited residences for transfer was seen in July:

The reporter learned from Municipal Bureau of Land\(^{48}\) on 4\(^{th}\) [July 2013]: 4 deals were reached on Beijing land market\(^{49}\) on [July] 3\(^{rd}\), with a total turnover of 6.69 billion yuan. One of the residential pieces of land reached for a deal is the first ever supplement of land for “self-residing, improving type residence” [development] after implement of Beijing’s detailed plans of “national five articles”... (N34)

In the “Jing seven articles” issued at the end of the year, detailed rules for purchasing the new type of price-delimited residences, “self-reside commercial residences”, were launched. Although called “commercial residences”, prices of this type of residence are compulsively lowered in a way not unlike subsidized residences:

...Opinions about Accelerating Constructions of Medium-low Priced, Self-residing, Improving Type Residence, jointly issued by Commission of Housing and Development, Commission of Development and Reform, Commission of Municipal Planning, Bureau of Land and Resources, Bureau of Finance, etc., assured that Beijing will accelerate development of self-residing commercial residences\(^{50}\) ... [Developments of self-residing residences] will construct residences with most suites’ areas less than 90 square meters; average sale prices in principle are set as approximately 30% lower than [prices of] commercial residences of similar qualities in similar locations. (N46)

Severity of the rules of purchasing these “self-reside commercial residences” were not less than those for purchasing “subsidized residences”:

...According to the [conceived] positions of self-residing commercial residences [in the structure of residence supplement], Opinions [about Accelerating Constructions of Medium-low Priced, Self-residing, Improving Type Residences] prescribes: all households conform to [prescriptions of] restriction policies and thus qualified for residence purchases in Beijing are eligible to purchase self-residing commercial residences; two types of household among [all these households] have priorities in purchase: 1. Households [nuclear families] registered in Beijing {in hukou system} that do not own any residences; single citizens that purchases [self-residing commercial residences] have to be aged 25 or older. 2. Households that have joined

\(^{48}\) Full name is “Beijing Municipal Bureau of Land and Resource” (Beijing shi guotu ziyuan ju). Abbreviation used in original report (shi guotu ju). The same abbreviation would be used hereinafter.

\(^{49}\) “Beijing tudi jiaoyi shichang” (literally “Beijing’s land trading market”) in Chinese. It is hosted by Beijing Municipal Bureau of Land and Resource.

\(^{50}\) Judging from the data as well as some later sources online, this title, “zizhu xing shangpin zhufang” in Chinese (also can be “zizhu xing shangpin fang”), is likely to be the official title of the new type of price limited residence in Beijing.
the lines of waiting for economical practical residences or limit-price residences\textsuperscript{51}.

Every household can purchase at maximum 1 tao of self-residing commercial residences; should the household have that residence sold, [that household] cannot purchase self-residing commercial residences in the future. To prevent very few purchasers that profit by transferring self-residing commercial residences\textsuperscript{52}, Opinions prescribe: after purchaser of self-residing commercial residences obtain residence ownership certificates, they are, in principle, forbidden for transferring [their self-residing commercial residences] for five years; for purchases who transfer [their self-residing commercial residences] after 5 years from [the date on which] their ownership certificates were issued, if there are appreciation in values [of their residences], they should pay 30\% of the differences of prices as land revenue.\textsuperscript{53}  

Judging from these rules of purchase, the new type of residence is more like subsidized residence, rather than a type of “commercial residence”, in the customers’ eyes. In fact, some reports pointed out this:

...Although still titled as “commercial residence [shangpin fang]”, they are managed in some manners resembling subsidized residences. From views of [people in real-estate] industry, “self-residing commercial residences” are not that different from previously implemented types “economical practical residences” and “limit-price residences”, as it is also a type of commercial residence with political subsidy attributes and orientated to [sold for] particular social groups. In terms of price determinations and quitting mechanics, “self-residing commercial residences” is even like a duplication of “limit-price residences”... (N55)

City government of Beijing and its subordinates seemed to be quite enthusiastic about this newly introduced type of residence, as it made a public guarantee about amount of supply just at the scene of the new residence type’s launching. Forced reductions on prices of residences of this type was also revealed:

...Yesterday [October 23rd, 2013] afternoon, Beijing Municipal Commission of Housing and Urban-Rural Development (known as Commission of Housing and Development hereinafter)\textsuperscript{55} posted on its website Opinions about Accelerating Constructions of Medium-  

\textsuperscript{51} “Xianjia fang” in original content. This is an alternative name of “double-limited residences”, not referring to all residences with prices limited.

\textsuperscript{52} This is a literal translation. Actual meaning of this sentence is more close to “to suppress those individuals that purchase self-residing residences primarily for transferring them and gain profits later”.

\textsuperscript{53} This fee is paid to financial offices of governments. The original sentence has three characters after “land revenue” (tudi shouyi): “deng jia kuai”. Due to words are not separated by spaces in Chinese, the seven characters may have two possible interpretations when put together: “tudi shouyi deng jia kuai”, means “a fee equivalent to land revenue”; or “tudi shouyi deng jia kuai”, means “fees such as land revenue”. By the content of original report I cannot tell which interpretation is correct. Since both interpretation implies “should pay land revenue”, I decide to translate just as that.

\textsuperscript{54} “Limit-price residences” or “double-limited residences” cannot be transferred within 5 years; when transferred, 35\% of the differences of prices should be paid as land revenue.

\textsuperscript{55} Abbreviation is used in original report.
low Priced, Self-residing, Improving Type Residences (Jing Jian Fa [2013] No. 510, known as Opinions hereinafter)\(^{56}\) [which] claims that Beijing will accelerate self-residing commercial residence constructions, [and will] supply lands for [construction of] no less than 20 thousand tao self-residing commercial residences before end of the year 2013… (N50)

Pieces of land for the new type of residence swarmed into the land market soon after:

...Yesterday (November 4th, 2013), Municipal Bureau of Land transferred 8 residential purpose pieces of land altogether, 6 of them were pieces of land for self-residing commercial residence constructions. This is the first time “self-residing residence lands” transferred in a “batch” after “Jing seven articles”; amount of self-residing commercial residences planned to be developed [on these pieces of land] was approximately 510 thousand square meter. (N56)

Furthermore, as the end of the year 2013 was pending by that time, the city government of Beijing began to make plans covering the upcoming years:

...Beijing’s “Jing seven article” even put forward that accelerating developments of self-residing commercial residences, [for that the city government] will complete supplement of lands for 70 thousand tao self-residing commercial residences during this year [2013] and next year [2014]. (N111)

Such enthusiasm seems to come from anxiety of the city government of Beijing that the prices of residences on the housing market may lose control, which would instantly declare the city government’s “dereliction of duties”. Facing such risks, the choice of city government is to suppress prices with blatant governmental power. In the case of introducing “self-residing commercial residences”, the city government forcing the developers on the one hand to ensure lower prices and enough supplies, while placing restrictions of purchases on the customers on the other hand to prevent excessive demands.

While Beijing’s government tried to blur the boundary between “commercial residences” and “(property-type) subsidized residences” sold on the housing market, city government of Wuhan was attempting to segregate the two types thoroughly. The city government’s first

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\(^{56}\) “Jing Jian Fa [2013] No.510” is the official number of this paper (Opinions) used within the Chinese administration system. Abbreviation is used in original report.
expression of this intention in 2013 was seen in late May:

Message came from residence management of Wuhan yesterday [May 23rd, 2013]: Wuhan will launch applications for public rental residence qualifications as early as beginning of June. Public rental residence will officially debut on the stage of Wuhan’s subsidized residence series, and become the crucial solution for the middle and low income social groups’ residence deficiencies. Meanwhile, economical practical residences, the more renowned type of subsidized residence, will gradually exit [the series of subsidized residence]. Applications of eco-practical residence qualification certificates will be terminated soon… (N150)

The new system began to operate only days later:

On June 3rd [2013], Wuhan will officially launch applications for public rental residence qualifications and suspend applications for economical practical residences qualifications. Subsidized residence system of the city of Yangtze58 transform officially from “property type” to “renting type”… (N151)

Agent of the city government’s housing management department expressed in the reports about reasons for such decisions:

An agent of house management system explained: “property ownership of an eco-practical residence belongs to its residents; even though household income of its owner may increase in the future, this set of residence is hard to vacate and allocated to other middle or low income households. One residence may only accommodate one household. That is inefficient.” But rental residences like public rental residences is different: the tenants do not obtain property ownerships; when a tenant moves in, he leases the residence with market prices; [in the future,] the government could adjust his subsidy flexibly in accordance with changes in his income.59 With this method, limited funds and residence could be used to offer residences for more middle and low income households. “Inefficiency is the most fundamental reason of eco-practical residences ’withdrawal from city of Yangtze.” (N150)

With sold-as-property type of subsidized residences withdrawn from the market, Wuhan’s reformation secluded some customers from the delimited transaction space defined as the scope of this research. It is a change on the boundary of the space. In this sense, it is hard to discuss

57 “Jing shi fang” in Chinese. An abbreviation of “jingji shiyong fang” (economical practical residence). Abbreviation is used in original report here. The same abbreviation will be used hereinafter.

58 “City of Yangtze”, or “city of jiang” (jiangcheng) is a commonly known nickname of Wuhan within China.

59 A tenant of rental type subsidized residences in China will have part of his rent covered by the government; the amount covered is determined by his personal/household income. That is how they are “subsidized”.

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“the meanings of this revision of policy” within the delimited transaction space. Yet the exercise of governmental power is still notable here: the old system was abolished and the new system was launched in merely two weeks. The customers have no other choices but to adapt to the new policies. This manifested that the state has few rivals in transactional spaces, and it can carry out its will with little resistance from the other actors in transactional systems, providing a perfect example for Weber’s theories.

In conclusion of all discussions in part 5.1, the strategy of the state dealing with the customers on the housing market in the two sample cities is like a “carrot and stick” approach. On the one hand, the state shows the customers promises of benefit; on the other, it exercises its power to put restraints on actions and strategies of the customers. On its benign side, the state is a dedicated enforcer of residence prices controls and philanthropic provider of low price residences for customers with low socioeconomic status. On the severe side, the state puts strict limitations, most notably quota policies, on customers purchasing commercial residences, and even stricter limitations on customers purchasing price-delimited residences. The customers on the housing market can always get hope from the voices and the actions of the state, but they must sacrifice some of their freedom of choice in exchange.

Nonetheless, a general strategy of the state’s governance cannot fully compose a “carrot and stick” approach, as this idiom refers to a tactic of sanctions. The Chinese state also has strategy of sanctions aside from the general strategy of governance, but to discuss this, I have to go through the strategy of the customers in the relationship with the state first.

5.2. Strategy of the customers: maneuver, or withdraw the authority

The state’s strategy of regulating the housing market has a mixed result. Albeit restrictions
may prevent situations on the market from developing worse, aforementioned policies cannot mitigate a fundamental contradiction in the housing market: a tension between demand and supply on the market. After all, the Chinese housing market is widely believed to be a “seller’s market”, since the country has a large population and is on a path of rapid urbanization. This may explain why the state cannot stop the rise of the prices even though enforcing controls on prices all the time. The “futility” of price control measures frequently appear in the reports:

...Today [May 20th, 2013], National Bureau of Statistics published statistical results of changes in residence sale prices in 70 large and middle sized cities in April 2013. For prices of newly constructed commercial residences, compared with the same month last year, only 2 cities observed declines; a grand total of 68 cities are reported with price raise ... This is the second consecutive month of constant rise in residence prices after State Council’s introduction of national five articles in February 2013... (N26)

...China Index Academy published a report that showed: in October, in 100 cities nationwide, average price of (newly constructed) residences was 10,865 yuan per square meter, increased 1.24% (vs. SPLM) 60, marking a 17th month of vs. SPLM increase since June 2012. Examining by vs. SPLY, average price of residences in 100 cities nationwide increased by 10.69% [compared with October 2012]. Average price of residences in 10 large cities led by Beijing and Shanghai is 18,533 yuan per square meter, increased by 1.95% vs. SPLM and 15.69% vs. SPLY. (N111)

In terms of subsidized residences, apart from issues of stricter requirements for purchase eligibilities (usually no less than requirements for commercial residence purchase eligibilities plus proofs of lower-than-prescribed household assets and household incomes), there was also a reported deficiency of supply. According to the data, many customers have to wait for a long time for their purchases because there were too many applications. Beijing’s situation in 2013 was particularly terrible:

...Up to the end of the last year [2012], there were 132 thousand households in Beijing waiting for subsidized residences]. City government of Beijing had promised to solve the waiting households’ difficulties of residing during the 12th five-year plan period62. (N15)

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60 Abbreviation of “same period last month”, just like “vs SPLY”. In original contents, another statistical method frequently used in China, “huanbi”, is used here. This method is to compare statistics at one time point to statistics of one month or one season (three months) ago.

61 Original news report does not identify which 10 large cities.

62 PRC’s 12th five year plan last for a duration from the year 2011 to the year 2015.
Compared to a-Yong, xiao Yu\textsuperscript{63} was not that fortunate. Since his entry into the waiting list [of double-limited residences that was] published by Housing Security Office\textsuperscript{64} in April 2010, he has been waiting for 42 months… (N44)

Wuhan’s situation in 2013, in comparison to Beijing, seems to be better. Nonetheless, there were still a considerable number of customers waiting in the line.

...Inquiry of reporters shows that there are 5176 households holding certificates of eco-practical residence purchase qualifications at present. Compared with the number of nearly 7000 in middle of last year (2012), number of household holding eco-practical residence purchase certificates has decreased evidently. (N150)

Please notice that the number of waiting households in the quotation above is only the number of households waiting for one type of subsidized residences (eco-practical residences in this case) in Wuhan. Taking that into account, the total number of customers waiting for subsidized residences in Wuhan should still be considerable.

Spending years waiting for a subsidized residence has a significant downside: changes in market conditions during the years may lead to unexpected results, sometimes results the customers found unaffordable:

...Ms. Liu and many others got quotas from the lottery in 2008 and chose their residences in 2012; but the average price of 7351.41 yuan per square meter announced in the end of the year 2013, which was 70% higher than average prices of the first batch of residence allocated for quotas of the same lottery, was so much higher than expected, many were no longer able to afford those units. Changes in policies and market during the five years offer them little leeway. The options in front of them are: get into heavy debt for purchase, or abandon their quotas and turn to [going after] public rental residences or low rent residences. (N77)

From these quotations, it could be seen that the “carrots” the state gave to the customers taste not as good as the customers expected. Yet as the customers cannot rival the state in most

\textsuperscript{63} “A” in “a-Yong” is a common prefix for nicknames of young people. “Xiao” in “xiao Yu” is of the same. “aYong” and “xiao Yu” are pseudonyms used in reports.

\textsuperscript{64} Not an official translation. Name of the office in Chinese is “beijing shi zhufang baozhang bangongshi”, abbreviated as “beijing shi zhu bao ban”. It is a subordinate of Commission of Housing and Development.
occasions, they regularly do not conflict with the state or its agents. Instead, they find their own paths to satisfy their own needs. No cases in my data show direct conflicts between the customers and the state; yet multiple cases show that some customers deploy their own method to satisfy their own desires. I classify these methods into two types: “maneuver” and “revoking authority”. “Maneuver” refers to customer’s tactics to access legal products on the legal market, while “revoking authority”, as the name implies, means tactics that deny the legal market created by the state as an authority and turn to the informal market.

“Maneuvers” shown in my data also have multiple approaches. A common approach is to use the loopholes, flaws, or weaknesses in the policies or in the executions of the policies. A popular tactic that utilizes the loopholes in the rules and policies, as seen in the data, refers to “fake divorce”. “Fake divorces” are real divorces in term of legality concerns; describing this kind of divorce with “fake” is because couples using this tactic do not really want to split up. The divorces are solely for beneficial purposes – for purchasing new residences. This method takes advantage of a particularity of the policies: calculations of residences under customers’ ownerships use “households” as subjects of ownership rather than individuals.

...When he thinks he cannot come up with any feasible tactics, one of his friend’s words reminded him: “if there are no better ways, just do a fake divorce hey.” His friend told him that when purchases begin to be restricted in housing market last year, two couples he was familiar with were persuaded and faked their divorce, and bought residences successfully in the end.

Xia Fei discussed with his wife. Seemingly the worst tactic, fake divorce turned out to be the best solution for them. By faking divorce, he could put the residence they want to sell under his wife’s name {making his wife the sole owner of that residence}, leaving only the residence they want to be kept for self-residing under his name. After the fake divorce, his wife sells the small residence first, which can evade the 20% personal income tax; then she purchases a large residence. Because his wife does not have any residence finance record, her purchase can be recognized as a first time. When financing, she can pay only 30% as down payment, which can be covered solely with income of selling the small residence.

“Who will divorce for a residence, my son?” In the beginning, Xia Fei’s parents strongly opposed his plan. Divorce, disbanding a family – all these are not dignified things in the opinions of the older generation. After several rounds of “mental works {persuasions}”, the elders consented reluctantly. “With more honorable ways, it is indeed impossible to change to a larger residence with our family’s economic conditions.” (N39)
Fake divorce is shown to be popular in large cities nationwide:

On February 20th, 2013, the executive meeting of the State Council launched real-estate market regulation and control policies “nation five articles”. Like a stone thrown into a pond of water, the new policies immediately set off thousands of layers of waves. Cities including Shanghai, Nanjing, and Xiamen witnessed a dramatic rise in divorce ratios in March.

Recently, our reporters learned from Wuhan Civil Affairs Bureau: divorce ratio of Wuhan suddenly increased by approximately 30% in this March. “‘Divorce in mirth’, ‘coming for divorce while holding each other’s hand’ are very commonly seen.” (N145)

Now that there are fake divorces, one may be curious about existence of fake marriages. In fact, fake marriages do appear in the data as a method of evading the restraints on hukou statuses. This case is seen in Beijing, which shows that the possibility of utilizing fake marriages even brings about informal intermediary industries:

So-called “marriage tuo”, refers to the following action: a real-estate intermediary institution introduce and assist someone from somewhere out of Beijing that is not eligible to purchase residences [in Beijing] to get married with someone who has hukou registered in Beijing [which offers that people from elsewhere Beijing’s residence purchase quota]; then help them to buy residence; and then divorce. The “Beijing hukouer” who successfully assists the “non-Beijing hukouer” to obtain Beijing’s residence purchase quota and buy residence will receive a considerable “reward” afterward.

Previously, there were [reporters of] media who tracked the whole process of [tracked from the beginning to the end of the following events]: a “non-Beijing hukouer”, who do not have eligibility to purchase residence in Beijing, introduced by clerks of an intermediary company to a “Beijing hukouer”. The two people met, signed a contract, went to civil affair bureau to get marriage certificates in one hour, and then purchased a residence. (N37)

The logics of fake divorces and fake marriages seen here are apparent: to deliberately create marginal events that meet the requirements of the policies. Traditionally, the Chinese people treats marriage as “a big issue in one’s life”. This idea could be seen in the way Xia Fei’s parents reacted in the case N39 quoted above. But Xia Fei was actually quite lucky as he persuaded his parents successfully in the end. In another case, the protagonist’s parents fall into illness because of the protagonist’s fake divorce decision:

... After knowing their son was about to divorce, Cheng Qing’s parent fell ill due to worry. Cheng Qing explained for several times, but his parents still cannot understand, “you were
living together happily, why divorce for a residence?” (N145).

The reason for such a great cross-generational difference in ideas and actions is evident: interests. For some customers of the younger generation, the restrictions on the market impede their pursuits of properties that they can afford and force them to choose between downgrading living qualities and abolishing the morality of their parents temporarily. Evidently, some of them may choose the latter. Xia Fei’s words serves a best explanation for this:

“...Some experts say that our society steps into confusion now, with economic interests overwhelming kinship affinities blatantly and moral integrity broken and scattered all over the ground. But, if prices of residences were not this high and everyone could afford residences with their own strengths and efforts, who would like to take detours? Integrity and living, well, we have to live in the first place and above all.” (N39)

Using loopholes in policies employs tricks, yet this type of strategy stays legal as long as the loopholes are not amended by new policies or rules. There are also illegal types of “maneuver” strategies, most notably bribes. One may expect the occurrence of bribes on Chinese housing market, as extremely high marginal costs for customers to buy new residences provide perfect space for the power holders to seek for rents.

...Prosecutor accused that: during Wang mou[65] serve as clerk of Residence Property Registration Office under Chaoyang District Residence Management Bureau, Beijing, in the years 2011 and 2012, he utilized conveniences [brought about by] his position – in charge of registration, certificate making, and certificate issuance for residence property ownership – and colluded with two real-estate intermediary agents including Zhao [pseudonym] in illegally accepting and finishing dozens of residence ownership registrations for purchasers not eligible to purchase residences in Beijing, which offended Beijing’s residence purchase restriction policies, in the process of residence ownership transfer registrations; and accepted illegal rewards of 600 thousand yuan in total from the two intermediary agents. (N01)

But the civil servants are not the only targets of the customer’s bribes on the housing market. Agents of developers, as the actors who are actually in charge of the finished products,

[65] In Chinese news reporting lawsuits, for criminals, suspects, accomplices, or other individuals related with crimes that are not suitable to be fully named, their full names are substituted with their family names plus “mou” (“someone”). In each quotation of this research, I would only translate the first “mou” and omit the rest.
can also become targets of the bribes:

...In August 2012, customer Zhang Yong (pseudonym) found Yu mou, asked Yu whether or not there are still economical practical residences [in the project Yu worked for] left unsold, and implied that he [Zhang] can offer some “reward money” [if Yu can assist him to purchase an eco-practical residence successfully]. At that moment, Yu happened to be fretting about lacking money to buy and decorate a residence for his own marriage, so he replied instantly: “I can make a transfer sheet and get the keys [of residence for you], but for the [ownership] certifications [of the residence] you have to wait for some time.” Zhang Yong, anxious to buy a residence, expressed no opposition, and [later] transferred 270 thousand yuan to a bank account under Yu’s name according to Yu’s requests.

Soon afterward, Yu covertly took out some residence purchase receipts from finance office of his company, forged a residence transfer sheet, and imitated a signature of clerks of finance office on the sheet. Then, Yu led Zhang Yong to the microdistrict’s property management company and finished with residence transfer procedure. Zhang Yong successfully obtained keys of a residence. (N149)

Some customers would try to find access to residences by seeking help from anyone who appears to be substantially in charge of residences. By doing so, those customers may become victims of fraud eventually:

...In May last year [2012], Wang mou [an acquaintance of criminal Hu mou] told Cheng Jun that Hu had unsold double-limited residences on his hands ... Cheng Jun was tempted. “My hukou is registered in Macheng City, and I have never paid pension funds in Wuhan, I am even not eligible to buy an ordinary commercial residence [in Wuhan]. Can I really buy a double-limited residence?” He asked. Hu patted his chest and guaranteed that he obtained those unsold residences with “inner guanxi66”, and hence there would be no difficulties [for Cheng] to get “two certificates”.

In the second half of last year, message came from Wang again: Hu still had unsold [double-limited] residences on his hands...

Wang led Cheng Jun and his wife to take a look at the residences. “So-called taking a look at residences was actually looking at layouts of other people’s home.” [Cheng Jun recalled.]

Back from visiting the residence, Cheng Jun began to raise money. 370 thousand yuan was not a small amount for him, not to mention he had to pay the full amount at once. Tried his best to persuade himself that he needed to “be cruel to himself”, he sold his residence in his hometown for 100 thousand yuan. Added to this amount the funds he borrowed from his relatives and his own deposits saved for years, Cheng finally succeed in raising the money.

66 Literally “relationship”. In Chinese context, this word usually represents social relationships involving interest exchanges. When someone claims he have “guanxi”, he means that he can get some profits from some social relationships. “Guanxi” is typically used for someone out of the state’s hierarchy forming alliance of interest with an agent of the state in order to obtain convenience with aids from his ally’s political power. In this sense, I consider guanxi to be both a product and a technique of bribe (informal transactions of interests), and therefore I would not distinguish them in this part of analysis.
On March 28th this year (2013), Cheng Jun invited Hu to his own store and paid off the price of residence face to face there...

... Until late May, Cheng called Hu multiple times, intending to ask about progress of the purchase, but Hu’s phone was always turned off. This time, the couple panicked.

After rounds of inquiries, Cheng Jun discovered more than a dozen of other victims of [Hu’s] cheating... (N165)

By definition of revoking authorities, bribing is in fact an action of authority revoking, as the actor does not trust the rules set up by the state. Yet the most authentic authority revoking strategy of the customers shown in the data is to turn to the illegal Chinese housing market, namely “small property residences”67 (xiao chanquan fang). Residences of this type are developed on collectively-owned lands; according to the laws, it is illegal to sell residences of this type to urban residents, nor is it legal for urban residents to purchase them. Hernando de Soto introduced a concept in his work on Peruvian illegal (or in his own word, “extralegal”) economies that seems help here: “cost of formality”, which can be further divided into “cost of access” and “cost of remaining” (De Soto, 2002: 132). In discussions about how people determine their purchases, the concept of “cost of access” is more relevant. According to de Soto’s idea, the “cost of access” of an economy refers to all requirements that have to be met before that action can be legally conducted (ibid: 132-133). In the case of the Chinese housing market, all requirements for legal purchases compose the “cost of access”. Evidently, if a customer finds “cost of access” unaffordable, he may choose to abandon entering the legal market and to seek for options in illegal market. A typical, detailed story in data collected from Beijing explains how a customer decided to revoke authority of the state because he is unwilling to pay high “cost of access”:

...After his graduation from university 4 years ago, Zhou Peng was unwilling to be stuck together with his parents in a cold, small, less than 20 square meter pingfang, so he rented in

67 “Small” here is in contrast with “large properties”, which is the legal ownership of residences. Owners of residences of this type sometimes have property ownership certificates issued by county governments, township governments, or village committees. These certificates are not recognized by the national government or the laws (which is another proof of the internal power struggle within the Chinese state), and thus are called “small properties”.
a peasant’s residence in far suburbs. One room, 500 yuan per month. When his girlfriend proposed marriage, Zhou Peng found himself stumped. He discovered that his family cannot meet Beijing’s requirements for subsidized residence application.

The situation was: according to stipulations of Beijing’s policy, if residents in central city want to apply for subsidized residences, they need to vacate their original residence. However, in perspective of many residents of central city, such stipulations precluded them from subsidized residences. “In the era of welfare housing, if the danwei have available residences, we can vacate our pingfang for a residence in [apartment] building. Even after welfare housing, we can still obtain settling residences or monetary compensations calculated by areas [of our present residence].” Zhou Peng’s father explained.

In contrast, compensations of vacating original residence, allocated by governments of districts, would be calculated into total assets of the household. That is to say, however large their original residences are, the compensation that Zhou’s household can get [from vacating their pingfang] cannot exceed the 570 thousand yuan asset maximum prescribed by double-limited residence application requirements. But on the illegal market of rights of using residence, right of renting a collective residence in central city can be sold for 1.2 million yuan; as for two bedroom relocating residences allocated for households that had their pingfang demolished in reforms, these residences usually have estimated values around 6 million yuan.

Zhou Peng also cannot apply for subsidized residence on behalf of himself, since Beijing stipulate that single citizen must be aged 30 or older for applying subsidized residence. “Who can wait until 30 years old to get married? [If] get married first and then apply, who knows how many years we have to wait?”

[They] waited for easing relocation every year, but relocation never came. [Due to] rigid stipulations, subsidized residences were impossible to reach just like palaces in the sky. Commercial residences were out of their affordability.

Zhou Peng began to prepare purchasing small property. “I’m forced on this way. All other doors are shut for me now.”

5.3. Sanctions of the state on the customer’s strategy

In response to the customers’ strategies, the state doubtlessly tried to punish customers

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68 Central city (zhongxin chengqu) of Beijing refer to the two administrative districts of Dongcheng and Xicheng, approximately a small area inside or close to 2nd Ring Road. This area is roughly the old city fortification of Beijing.

69 Welfare housing (fali fenfang) was the residence allocation system used by PRC in the era of planned economy. Allocations was practiced by state-organized productive institutions or bodies, known as “work-units” (danwei). The welfare housing system, or housing allocation system, was abolished by PRC in 1998 and replaced by housing market.

70 To make it clearer: if Zhou’s household vacate their single floor bungalow (pingfang) for double-limited residence application, compensation they receive for vacating will be calculated as assets of the household. Beijing prescribe a 570 thousand maximum household asset amount for each 3 member household (like Zhou’s) applying for double-limited residences. Therefore, to keep Zhou’s household’s total asset within this prescribed range of double-limited residence eligibility, the compensation they can receive must be equal to or less than 570 thousand yuan.

71 “Gongfang” in original report, an abbreviation of “gongyou zhufang” (collectively-owned residences), are residences owned by governments or former danwei and renting to individuals. This is the major type of residence existed in PRC’s welfare housing era.

72 “Bungalow area reforms” (penghu qu gaizao) is a type of governmental practice in China, usually involves demolishing initial bungalows (pingfang) in an area and then carry out new constructions on the land vacated by demolition.

73 Easing relocation (waiguan shujie) is a type of policy in Beijing, refers to relocating residents of central city to suburbs in order to ease off the population pressure in central metropolitan. Households being “easing relocated” usually obtain settling residences much better than their original bungalows, and that is the reason why Zhou Peng’s family “wait for it every year”.

57
who violated the rules set up by the state. City government of Beijing wrote anti-deceitful-customer measures into the first article of “Jing seven articles”, which is against not only the customers, but also developers that cooperate with the customers’ sham strategies:

...Residence purchasers found to purchase illegally by fraudulence are added to black lists and prohibited to purchase residence in Beijing within 5 years; enterprises that assist [purchasers] in fraudulence have all procedures frozen in Beijing; those who allegedly committed crimes are transferred to public security institutions for investigations. (N46)

Wuhan also have regulations in the first article of “Han seven articles”:

...Strengthen cooperation between offices; reinforce mechanism of joint investigations on residence purchase qualifications; seriously investigate and dispose real-estate developing enterprises, intermediary institutions, and individuals that are suspected to defraud residence purchase eligibilities. (N166)

And also reiterated sanction policies against developers that helps the customers with their strategies in the sixth article, which has been quoted once above:

...Severely investigate and sanction illegal actions such as hiding new plots for sales, hoarding residences as stocks, artificially forcing up residence prices, abetting and assisting residence purchasers to forge certificate materials {files required for obtaining certifications} and to attain eligibilities of residence purchases fraudulently, etc. (N166)

The judiciary branches of the state also expressed its firm support to the state on punishing customers and developers who violated the rules:

...In response to a series of disputes and lawsuit cases, people's court have established precedents: clearly knowing that [the purchaser] was ineligible to purchase but still made down payment, both [buying and selling] parties have liability. (N139)

For specific affairs, all strategies discussed in section 5.2 are shown to be noticed by the state. Loopholes are seen mended by the state, and punishments on some actors that uses those strategies are reported. Runners of intermediary businesses for fake marriages were ordered to rectify:
...In investigations on yesterday [July 16th, 2013], two intermediary institutions that were often subjected to exposures [of improper activities] and complains in Shunyi District, Jinseshiguang and Jinziyan, was issued notifications of rectification; [officials] instructed intermediary institutions to correct their activities immediately and to submit written reports of correction [afterwards]... (N37)

In cases of bribes, the sides that accepted the bribes were punished by the law:

...Prosecutor consider: Wang mou, being an agent of the state, carried out registrations of residence ownerships in violation of stipulations of residence purchase restrictions, which seriously impeded implementation of the state’s real-estate regulations and controls; illegally accepting others’ properties and profit others. [He] shall be prosecuted for his criminal liabilities with the crime of abuse of authority and the bribery crime. (N01)

The reporters learned from Procuratorate of Jianghan District that Yu mou’s arrest has been approved due to suspicion of cheating on Yu. (N149)

Fake divorces, nevertheless, are not seen to be substantially confined by the state during the year 2013. But in Beijing, people who fake divorce are somehow restricted by the new, stricter quota for single customers mentioned on page 36. In Wuhan, restrictions on fake divorces that do not directly come from the state and its agents is recorded:

...However, Ms. Liu, a personal loan manager of a large state owned bank’s Jianghan branch, told reporters that there was unified stipulation on residence purchases after divorce [in their bank]: financing for residence purchases requires half year from obtain of a divorce certificate. She explained that due to expansion of the size of “divorce to evade restriction” social group, this stipulation was executed in all branches of the same bank in Wuhan.

... A personal loan clerk of a bank’s Jiangan branch noted: if a former household that owned multiple residences in the past is found to have all residences under either husband’s or wife’s name, leaving the other side without any residence under his/her name, then this former couple are unlikely to pass investigations of credit applications. (N161)

There are no evidences in the data that the state or its agents issued orders to financial institutions that generate these restricting measure, but I consider these measures as possible results of the political atmosphere created by the state. After all, as seen in the quotation from case N46, Beijing’s government had begun to punish those institutions that help customers in
fraudulent behaviors. Although not directly revealed in the data, it is possible that the local
governments of Wuhan had already launched similar policies, or the financial institutions
anticipated that the local governments in Wuhan would follow in launching those policies.

As for the customers using “revoking authority” strategies, the state’s response is to
exclude them from the legal domain of Chinese housing market by not recognizing residences
they bought from illegal markets as properties. In the data, customers who revoke the authority
and choose products on the illegal market never got acceptance from the state:

... On November 22nd, Ministry of Land and Resource and Ministry of Housing and
Urban-Rural Development jointly issued Urgent Notification of Firmly Containing Illegal
Constructions and Sales of “Small Property Residences” (known as Notification hereinafter)
to request local governments to steadily oppose the issue of illegal constructions and sales of
“small properties” that appears recently in some places.

Notification emphasizes: constructions and sales of “small property residences” seriously
violate laws and regulations against land usages and urban and rural constructions ... Constructions, sales, and purchases of “small property residences” are not protected by the
laws ... (N114)

Hence, according to the data, at least until the year 2013, the Chinese state reinforces the
legal boundary of the housing market constantly to maintain the “purity” of the legal market.
If a customer choose to withdraw the authority from the state, the state would expel him from
the system of governance in return.

To summarize all discussions above in part 6, the power relationship between the state
and the customers as shown in my data is truly highly dominated by the state’s will, which is
supported by the state’s governmental power. The state can carry out its will with the power it
has and, as a result, the customers have their freedoms of choices greatly restricted. Although
the state attempts to offer benefits to the customers who follow the rules it sets, the effect of
these rules cannot satisfy all customers. Therefore, some customers that do not trust the rules
of the state would withdraw the authority of the state by disobedience. The state in return
amends the regulation system, punishes those partly revoke the authority, and expels those completely revoke the authority of the state.
6. Developers over customers: intimates in advertisements

The power relationship between the developers and the customers on the Chinese housing market is significantly different from the one between the state and the customers: compared to those of the state, the developer’s exercises of power are latent. Advertisement is a type of data that cannot present direct interactions between the developers and the customers. To deal with data of this type, I have to adopt a different perspective of analysis and construct a framework of explanation first.

6.1 Framework of explanation on developer-customer power relationship

Pierre Bourdieu’s *the Social Structures of the Economy* is an important source of theories for this part of analysis. This monograph focuses on the French housing market, but many of its contents fit into the Chinese situations, especially the developer-customer relationship where the state is mostly absent. In this book, Bourdieu reckons that developers of residences have intrinsic advantages over customers due to the mechanisms of the market: the developers normally can gather abundant experience from thousands of customers it had dealt with; but for most of the customers their investments are just unique, singular experiences. (Bourdieu, 2005: 165) A notable effect of this asymmetry in experiences is the developers’ monopoly of information, which is an advantage of the developers that may be harnessed in real-estate advertising. Douglas North believes that the party with more information in a transaction may try to gain by concealing the information they monopolize (North, 1990: 30). That is to say, the developers may manipulate the information conveyed by their advertisements in order to maximize their interests.

As aforementioned, Bourdieu considers housing advertisements as weapons of symbolic
campaigns used by real-estate companies. In advertising campaigns, real-estate firms as sellers want to “make good the potential gap between the products as actually supplied and perceived and the expectation of that product.” (Bourdieu, 2005: 54) Bourdieu considers advertisement to be most successful when they play up, stimulate, or arouse pre-existing dispositions (ibid: 55). By advertising, the developers try to let the customers believe that the residences advertised meet the customers’ demands, and may even exceed the customers’ expectations. I use this proposition as a basic premise in analyses of this part.

Bourdieu also presents other inspiring ideas in his book. One of these ideas refers to the “production of the product”: the developers offer to the customers not only residences, but also whole sets of discourse around those residences (ibid: 169). This notion applies well to the Chinese situations: Chinese housing advertisements tend to cover a lot of topics of the microdistricts, most notably the topics I identified in the codebook. Many of them are not about the residences themselves or even not about microdistricts themselves, but about their surroundings. In such cases, the advertisements’ narrations are far beyond “introductions of the products”; rather, they are better described as “fabrications of discourses”. A possible reason for this fashion of the production of product is the high opportunity costs of investments for customers on Chinese housing market. As illustrated in chapter 5, most Chinese customers have few opportunities to select residences to buy, yet after making choices they may have to be bound with that choice for years. The Chinese culture also encourage investment strategies with long-term orientations; that is to say, strategies that are more likely to foster future rewards. In fact, the work of Hofstede and Hofstede (2005: 210-211) suggests that the culture of mainland China is by far the most long-term oriented culture in the world. Consequently, what Chinese customers tend to make are choices “for a life time”. In order to ingratiate this prevalent disposition held by the customers, developers try to illustrate their products as “perfect” in their promotional discourses. After all, the developers have to produce products
that fulfill expectations of the customers to maintain their positions on the market. This is actually demonstrated by the data:

...Zhongliang Wanke Changyangbandao want to forge such a city; see constructing most reside-suitable ideal residences as duty; adopt advanced green low-carbon technologies; one million square meters of fully decorated ecological residences announce commencement of livable era. Change urban people’s live patterns, construct new healthy fashionable lives in national capital ... Truly achieve perfect living, forge a beloved “city of a life time”. (B93)

Coleman’s interpretation of trust mentioned in Chapter 2 is also an inspiring approach to explain the Chinese customers’ pickiness in offering their trust. Coleman (1990: 99) uses a formula to explain the mechanism that people decide to offer trust to a potential trustee (receiver of trust) or not. There are three factors in the formula: P, for the chance of receiving gain (or the estimated probability that the trustee is trustworthy); L, for the potential loss if the potential trustee is untrustworthy; and G, for the potential gain if the potential trustee is trustworthy. Coleman’s formula points out that: if relationships of a potential trustor’s P, L, and G fit in the pattern that the estimated gain (product of P and G) is greater than estimated loss (product of 1-P and L), then that individual would choose to offer the trust to the potential trustee. In the case of customers on the Chinese housing market, as potential trustors, they have little idea about G due to their inexperience, but they can see an extremely high L (waste of a quota on both purchase and financing; years stuck in an unsatisfactory residences and paying its loans; etc.). Therefore, if a developer (a company) as a potential trustee wants to receive trust from the potential trustor, it should try to improve the estimated P and G in the formula. In the context of promotional discourses, showing expertise is a method of increasing P, and giving tempting information is a method of improving G. Admittedly, in the process of reaching a deal, promotional discourse is just a “front line battle” in the symbolical campaign of the developers with the customers, and its effect on the customers’ estimations of P and G may not be as crucial and effective as subsequent face-to-face negotiations. However, in circumstances
of customers reading advertisements, the customers do not have any duty to react. They possess discretions on whether or not to proceed to the face-to-face negotiations. In this regard, posting good promotional discourses to attract customers are still necessary.

Bourdieu’s ideas offer me some inspiring ideas for the analysis of the developer-customer power relationship. However, the concept of power I would use in this part is still the concept of “transactional power” defined in chapter 2. “Transactional power” can be combined with Bourdieu’s idea in the following approach: as the definition of “transactional power” suggests, transactional power in a transactional system comes from the value in that system, which is defined by all actors’ needs; however, the most “transactionally powerful” actor has the largest influence on value definitions. The primary goal of advertising is exactly to define values – to demonstrate that advertised products are “valuable”. In the housing market, turning produced residences into incarnations of values help developers to control more resources (as products sell better) and helps to maintain developer’s power in the market as a transaction system. In this sense, the developers attempt not only to persuade the customers that their products meet the customers’ expectations in advertising, but also to affect the customers’ expectations to an extent that their actual products can match with those expectations. This means that power of developers come from and lies in their abilities of affecting demands of the customers. Consequently, my primary perspective for this part of analysis is to see how the developers try to define the value of residences in the advertisements.

6.2 Distributions and correlations of codes

I began my data analysis of the developer-customer power relationship part with the frequencies of codes being coded in the data. The frequencies show how “fierce” the symbolic campaign in the form promotional discourses is. I combined the frequencies in the two sample
cities in the same form for the sake of convenience in comparisons. See table 5.

Table 5 Coding frequencies in housing advertisements as data collected in two sample cities

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Beijing</th>
<th>Wuhan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count&lt;sup&gt;74&lt;/sup&gt;</td>
<td>Cases&lt;sup&gt;74&lt;/sup&gt;</td>
<td>%Cases&lt;sup&gt;74&lt;/sup&gt;</td>
</tr>
<tr>
<td>Topics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Architecture</td>
<td>144</td>
<td>99</td>
<td>90.0%</td>
</tr>
<tr>
<td>Commerce</td>
<td>101</td>
<td>65</td>
<td>59.1%</td>
</tr>
<tr>
<td>Community</td>
<td>21</td>
<td>18</td>
<td>16.4%</td>
</tr>
<tr>
<td>Education</td>
<td>77</td>
<td>59</td>
<td>53.6%</td>
</tr>
<tr>
<td>Environment</td>
<td>191</td>
<td>99</td>
<td>90.0%</td>
</tr>
<tr>
<td>Health Care</td>
<td>31</td>
<td>28</td>
<td>25.5%</td>
</tr>
<tr>
<td>Location</td>
<td>117</td>
<td>89</td>
<td>80.9%</td>
</tr>
<tr>
<td>Transportation</td>
<td>93</td>
<td>77</td>
<td>70.0%</td>
</tr>
<tr>
<td>Themes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture/Spirit</td>
<td>190</td>
<td>90</td>
<td>81.8%</td>
</tr>
<tr>
<td>Superiority/Scarcity</td>
<td>114</td>
<td>63</td>
<td>57.3%</td>
</tr>
<tr>
<td>Expertise</td>
<td>96</td>
<td>66</td>
<td>60.0%</td>
</tr>
<tr>
<td>Customized</td>
<td>56</td>
<td>42</td>
<td>38.2%</td>
</tr>
<tr>
<td>Social Elitism</td>
<td>130</td>
<td>68</td>
<td>61.8%</td>
</tr>
<tr>
<td>Cultural Elitism</td>
<td>69</td>
<td>51</td>
<td>46.4%</td>
</tr>
</tbody>
</table>

Table 5 alone contains quite a lot information. First of all, it seems that most of the cases contain multiple segment of contents that are coded by different codes, as indicated by the high total counts of the codes in both sample cities. In fact, 10 out of 14 codes appears in more than half of the cases in both cities. This suggests that the advertisements collected as data contain quite a large amount of information about multiple topics. This is actually supported by works of some other researchers. Luo et al. (2006) analyzed the contents of housing advertisements as samples collected from a Chinese newspaper. They found that those advertisements, in general, have relatively long texts and usually have multiple advertising appeals (emphasized

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<sup>74</sup> Because of the limited size of the page, I cannot explain the meaning of the numbers in each column in details in the table. “Counts” refers to the total numbers of each code’s appearance in all cases collected from the corresponding sample city. “Cases” shows how many cases in the corresponding sample city that each code appears (being coded on some contents of those cases). “%Cases” is the percentage of the count of “cases” in the total number of cases collected from the corresponding sample city. That is to say: in Wuhan, this percentage is the count of cases divided by 113; in Beijing, it is the count of cases divided by 110.
topics; more than half of the advertisements they analyzed contain more than three appeals, which is a quite high number for advertisements in the newspapers [Luo et al., 2006]). This supports Bourdieu’s idea (2005: 169) that the real-estate developers would offer whole sets of discourses in addition to the residences themselves. The Chinese real-estate developers seems like to produce discourses accompanying the residences they produce indeed.

Separate counts of different codes also provide lots of information. The code with the highest count of frequency in both sample cities is Environment, which is also the code which appears in most cases in Beijing (tied with Architecture) and the fourth most common code in Wuhan in term of number of cases that the codes appear in total, following the three most common codes narrowly. This suggests that natural attributes of the residences is seen by the developers as a leading customer concern. According to Fleischer, concerns about environment are increasingly important discursive keywords that in many ways influence new middle- and upper-class urban residents’ residential choices (Fleischer, 2010: xxiii). Culture/Spirit75 is the second most common code in both sample cities. Being a code about purely subjective perceptions, its frequent appearance in the data indicates a ubiquity of “productions of the products (with discourses, as Bourdieu notices)” in advertisements. Architecture is the third most common code in term of coding frequency and the most prevalent in regard to the case frequencies in both cities. The synchronicity of the “top three most common codes” in the two sample cities as well as the distributions of these codes imply a nationwide tactic of advertising.

Among other codes, Location is also a quite common one, being in the “top four” of codes

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75 Initially, I created this code to refer to “cultural atmosphere” (wenhua fenwei), which is a very Chinese-styled concept. I tried to identify some meanings that can be associated with “culture” (wenhua) in Chinese in description of the code “cultural elitism”: erudite (most basic meaning), intelligent (either “clever” or “wise”), cultured [in Chinese, “wenhua” have no meaning of “education”], elegant, well-educated (some meanings associated with socioeconomic statuses). Nonetheless, there are more meanings that can be associated with “wenhua” in Chinese, depending on specific contexts. The thing should be noticed here is that: in Chinese, the word “wenhua” is traditionally associated with social status, which is a result of the cultural elitism tradition in traditional Chinese politics (Chinese feudal dynasties had used imperial examinations as method to nominate political elites for more than one thousand years prior to termination of Qing dynasty). That is to say, merely mentioning “culture” or any “cultural” things in advertisements can indicate elitism. In this research, I defined the code “cultural elitism” as “explicitly expressed elitism associated with culture”; nevertheless, in a Chinese context, most contents coded by “culture/spirit” could be seen as indications of elitism.

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that appear in most cases in both sample cities, in addition to the three codes commented above. Customized appears less common compared with Expertise. This may reflect that the essence of the most microdistricts on the Chinese housing market are products of mass productions, which means that single residential units in these microdistricts can hardly be “customized”. The code that is least frequently seen – in both counts of codes and counts of cases, and in both sample cities as well – is Community. Given that the developers are likely to present in the advertisements what the customers care about, the low coding frequencies of Community indicates that: the customers do not care, or do not want to care, about who would live together with them in a same microdistrict in the end. This may be another indication of the developers’ avoidance of discussing the “mass production essence” of the products: they do not want the customers to be aware of the fact that they would only occupy a small dwelling unit among hundreds or thousands of units in the microdistrict eventually. But the reason might also be as simple as that the developers cannot foretell the compositions of future residents of the microdistricts in the advertising phase.

In table 5, it could be seen that a same code normally appears in more cases and in higher total frequencies in Wuhan’s cases than in Beijing’s cases, which means that cases collected from Wuhan are more likely to give comprehensive descriptions than cases collected from Beijing. If that is the case, it would be worthy to pay some attention on codes that show higher coding frequencies among Beijing’s cases. Most notably, there are three “theme” codes more commonly seen in Beijing: Customized, Social Elitism, and Cultural Elitism. These three codes are all associated with the issue of elitism, or the issue of “social recognize” demands. This may be explained by a fact that customers in Beijing’s housing market have relatively better socioeconomic statuses than customers in Wuhan’s housing market.

Co-occurrences in coding can provide some additional information about the relationships between the codes. I drew 2D maps with the help of the QDA Miner software for both sample
cities, and find similar patterns of co-occurrences in coding in the two projects. The 2D maps are shown in figure 4.1 and 4.2. I color both maps in three clusters, which is the best color plan to show similarities in clusters of co-occurrences. The size of the circle of a code represents the frequency of the code appears in the project. The lines connecting different circles indicates high co-occurring frequency of the two connected codes.

In figure 4.1 and 4.2, division of clusters of codes in two sample cities highly resembles each other. The only difference in cluster division is that Cultural Elitism in Beijing is shown on the edge of the largest cluster, but in Wuhan it is found in the smallest cluster. Community is marginalized in both of the two figures, being in the smallest cluster in both cities (and alone in the smallest cluster of Beijing). The three codes of Commerce, Education, and Health Care form the middle-sized cluster in both projects. Along with the other two groups of three codes showing internal connections in the largest cluster – Architecture, Environment, Culture/Spirit; Location, Transportation, Superiority/Scarcity – they form the three major “triangles” seen in both graphs. All codes outside of these three code triads have no lines connected to each other on the graphs, and henceforth I would call these unconnected codes “isolated codes”. The triad of Architecture, Environment, and Culture (/Spirit; the latter half of this code’s name is omitted for simplification hereinafter) is undoubtedly the most important code triad, as the three codes in this triad are the three most frequently appeared codes in both sample cities. For that reason, I call this code triad “the main triad”. For the other two triads, I would call the triad of Location, Transportation, and Superiority (/Scarcity; the latter half of this code’s name is omitted too hereinafter) “location triad”; the triad of Commerce, Education, and Health Care “service triad”. In my analysis on the advertisements, I found that strategies of value definition used by Chinese developers in advertising are mostly concentrated on the codes belonging to the three triads. Henceforth, I would like to organize my discussion around the three codes triads in this chapter.
For most of the arguments in this chapter, I quote two cases (one from each sample city respectively) to support each of them. Like in the case of the previous chapter, this is to control the length of the paper. Nearly all arguments in this chapter can be supported by multiple cases in my data. I always quote cases in both sample cities for each argument (if applicable) to show
the commonalities in the advertising strategies of the real-estate developers in the two cities.

6.3 Two minor code triads and value assignment strategy

My discussion covers both “location triad” and “service triad” in this part because both minor code triads are associated with services (in or around microdistricts). Creation of location triad is, on a large extent, due to the connection between the codes Superiority and Location, since the connection between the codes Location and Transportation is not surprising to be found. Frequent co-occurrences of Location and Superiority indicate that at least a considerable proportion of the practical superiorities of the microdistricts described in advertisements are relevant to the geographical location. Delving into the data, I find two types of logical connections between “location” and “superiority (or scarcity)” in the contents. The first type is that: “the location of the microdistrict is superior or scarce”:

_Platinum location – in the context of Beijing’s leap-and-bound super-rapid urbanization, the East 3<sup>rd</sup> Ring Road sparkles lustrously like a diamond necklace. Opportunity of purchasing premises on East 3<sup>rd</sup> Ring Road is on the verge of extinct. Rare location, hard to be replicated again in next three years ... location establishes highly valued linage and unlimited potentials [for our project]. (B51)_

_...East Lake High-tech Development Zone is a national level development zone. The zone gathers many high-tech enterprises and higher education institutions; with an environment specially rewarded by nature, industry clusters forming scales, it became one of the districts with most potential of internationalized developments in Wuhan. (W82)_

Another type of logical connection is indicating “the microdistrict has superiority or rarity within a geographic scope (the location)”:

_...With 218 detached villas in total, [the project] is an extremely rare “comprehensively_
low density” residential community\(^{77}\) in central villa zone\(^{78}\). (B02)

Our project, with an ultra-low space ratio in Wangjiawan district – at 2.2 – and a “high end to low end” product line – featuring a hybrid of yangfang, little high floors and high floors [see footnote 14 on page 25] – becomes a “star of scarcity” in the district. (W40)

Differences between the two types of logic are about scopes on which comparisons are made. For the first type of logic, the scope is “citywide” or “metropolitan-wide”; for the second type of logic, the scope is territorial, or within a part of a city. Yet they share the same type of strategy: when praising the competitiveness of the microdistricts, the developers define competitiveness with the help of geographical locations.

When would the geographical locations matter? As advertisements should meet with the customers’ expectations, the strategy of advertising locations can only make senses as long as the customers care about the locations of the microdistricts. In China, customers seems to have a need to pick districts in which to move. This need of Chinese customers may be relevant to concerns about reputations of neighborhoods and districts in the city, which affect the social identities and status of residents (Wang & Li, 2004). Such needs may be attributed to harsh commuting experiences, as high population densities in Chinese cities often cause transportation facilities to be routinely overcrowded, especially during rush hours. This may be proved by the correlation of the codes Transportation and Location shown in both projects. In fact, in the data, quite a lot of cases use transportation infrastructures and services to show advantages of the products’ locations:

...Road network around the project is unimpeded and far reaching; Airport Express, Jingcheng Express, 6th Ring Road, Jingmi Road – multiple express ways and trunk roads extend directly to our project. The project is 1.3 kilometer from Shimen station of metro Line 15, 5 kilometer from Airport Expressway; with its uniquely rewarded\(^{79}\) geographical advantages,\(^{77}\) In Chinese housing advertisements, Chinese developers like to address the microdistricts they advertise for as “communities” (\textit{shequ}). Please notice that my code Community in the code book does not intend to be used for this rhetoric, so these “communities” in promotional discourses are never counted for frequencies of Community shown in coding results.\(^{78}\) Beijing’s “central villa zone” lies in Shunyi District, adjacent to Beijing Capital International airport. Although it is called “villa zone”, not all microdistricts in this district are composed by villas; instead, there are just simply more villas in this district when compared than other districts.\(^{79}\) “Detianduhou” in original advertisement. This is a Chinese Chengyu meaning (continue on next page)
...[Our project is] located at south of Shouyi area and on the shore of Yangtze, adjacent to about-to-be-completed Yingwuzhou Yangtze River Bridge and under-construction Yangsigang Yangtze River Bridge; a superior geographical location. (W106)

If that is the case, then in these advertisements the developers can be considered exploiting a weakness of Chinese customers: they lack the power to be mobile; therefore, using location and transportation may be seen as responses to the customers’ actual demands. However, it can still be seen in quotations above that the developers define some values on specific locations and transportation facilities and services in the advertisements regardless of the actual needs of the customers. Take the contents of case W106 quoted above as an example: is the location of being adjacent to two Yangtze River bridges always “valuable” for a customer? Certainly, for customers who own their private cars, especially for those who need to commute across Yangtze River as well as owning cars, “adjacent to two bridges” is a great advantage. But for a random customer, that feature may not always be valuable. Yet, by associating that feature with discourses of value judgements (“a superior geographical location”), “adjacent to two bridges” is endowed with a “value” that is bound with that feature. With this rhetoric, “adjacent to two bridges” now can stand for, can be converted into, and can be recognized as a value solely in itself. Hence, in this advertisement, the developer is making a value judgement for customers reading the advertisement, imposing a concept of “valuable” on the readers before the readers make their own value judgments. I identify such advertising strategy as “value assignment”. It is by all means not simple as duplicating customers’ dispositions, but is a latent attempt of altering the customers’ expectations. It fits with the idea I proposed in part 6.1: with the customers’ expectations being modified in this way, the actual products may now fit to those expectations. This has at least two benefits for the developers in Coleman’s approaches:

“uniquely/exclusively rewarded by the sky”. Out of cultural considerations, I would not translate this word as “uniquely rewarded by heaven”.
first, holding more values arguably reinforces the developers’ transactional power. Second, showing the customers more “values of the product” may help to increase customers’ estimations of G for purchasing that product in Coleman’s formula, which means customers are more likely to offer their trust.

A similar situation occurs with the codes of “service triad”. The three codes of Commerce, Education, and Health Care often appear as clusters in the advertisements collected as data. Although Health Care is not shown linked with the other two codes by lines in Wuhan’s correlation 2D map, coding frequencies show that predominantly most Health Care coding in Wuhan’s cases co-occurrence with either Commerce or Education (17 out of 24 [71%] for both codes, although which 17 cases may vary). Appearances of services in the advertisements may also reflect demands of the customers in the contemporary Chinese housing market, which demands are actually proved by Fleischer’s field works (2010: 116). Yet, similar to the case of transportation services, value assignments are still required in advertising, because the specific services provided by the developers may not fulfill the customers’ actual expectations. Examples with assigning values to services are not hard to be found:

...in the grand blueprint of 3 million square meter construction [of the project] in the future, services and industry formats such as ultra-large emporium, land-marking complex, seven stared hotel, creativity industry SOHO, 5A international office building, international education supports, all life span medical care system, and intelligent high-end living areas distribute perfectly, making every new day in Shouer Tiancheng enchanting and colorful, with intelligent lives can be touched by reaching out your hand... (B63)

...Jinyinhu No.1, adjacent to Wangjiadun central business district, embark international business platform; metro Line 2, 6, and 7 connect the whole metropolitan in your network; aggregate diversified life supports: commercial, education, health care, business, entertainment, etc. High-end urban supporting services such as golf club, Orient Lucky City racecourse, Polar Maritime World [park], Shengshan Merriment World [theme park], Tianhe International Airport, and expo center comprehensively fabricate high-classed lives of residents. (W54)

It could be seen that some services presented in these advertisements, like spa clubs, karaoke, and golf clubs, may be out of awareness of most customers on a housing market. But
as the developers assign value to them with these promotional discourses, they are successfully converted to advantages now. It is like presenting customers with surprises: “your lives can have far more possibilities that you never expected here!”

One may argue that not all housing advertisements would introduce services as “grand” as those presented in the two quotations above. Indeed, many contents just nominate ordinary services that every customer in the market may need. Nonetheless, rhetoric that contains value judgements can still be observed in contents about ordinary services:

...In addition to your enjoyment of convenient transportations, in periphery of the project there are also large scale commercial supporting services like Walmart, B&Q, Decathlon, and medical institutions like Tongren Hospital and Yizhuang Hospital, which provide further protections for your comfortable life. (B56)

...Supporting services around Baoye Guanggu Lidu are mature and consummate. Embracing the two large supermarkets of Zhongbai and Washang, you can enjoy a maturely fashioned commercial street of 20 thousand square meters by merely going downstairs. In 10 minutes of driving, large scale emporiums and supermarkets such as Guanggu pedestrian zone, New World Department Store, Guanggu World, Walmart, Carrefour fully equipped for all your wishes; medical resources like Provincial Chinese Medicine Hospital, Wuhan 3rd Hospital are as easy for you to reach as the back of your hand; even more than these, you enjoy first-rank education resources in the country including 5th Primary School of Guanggu, The No.1 Middle School Affiliated To Central China Normal University, Canadian Maple International School on the site [of the project]. It could be said that Baoye Guanggu Lidu is born to be gorgeousness, fully demonstrating exquisite lives and enjoyments in international metropolitans. (W06)

Ordinary services mentioned in the quotations above are what customers need to utilize in their daily lives. It is probable that the customers have taken services of those types into their accounts when they begin seeking for new dwellings, before they read these advertisements. In my opinion, value judgements on ordinary services in these advertisements are also value assignments, yet they are of a different approach. Instead of “pointing out things unaware of for customers and introduce their goodness”, value assignment of this type is like indicating “you may never expect that these routines of life could be this good”. Such “values” being assigned in this approach are based on possible elevations of daily lives rather than more possible choices. This may be manifested by inclinations of elitism that are shown in some
value assignments on regular services in some contents quoted above, which is, in essence, indications of “more elevated than ordinaries”:

...fully demonstrating exquisite lives and enjoyments in international metropolitans. (W06)
...comprehensively fabricate high-classed lives of residents. (W54)

However, values assigned in these advertisements are ultimately carried by resources that developers can offer to the customers – services that can be provided by or can be easily accessed from the microdistricts. “Value” in the developer-customer transaction is guided to fit with resources that the developers control, which means that the developers’ advantage in transactional power is reproduced. Contents coded by the three codes in service triad also manifest that the developers are playing up “preexisted dispositions of the customers”: developers create grand imaginations for customers and telling customers that “these (things depicted in imaginations) are what you need”, or “these are what you should longing for”, to best fulfill their own interests. This is an iconic feature of value assignment strategy. Either the strategy of presenting new choices of lives or the strategy of indicating elevations in lives relies on generating imaginations for the customers. Imaginations generated in value assignments compose the only sphere where the value assigned to features of products can be verified.

The difference of generated imagination and reality is not that conspicuous in value assignments shown by contents coded by the two minor code triads, as the primary sources of value assigned to services related with the products are (depicted or real) practical superiorities. However, in part 6.4, contents retrieved by codes of the main triad are discussed, where notion of generation of imagination, is crucial for discussions of the next part.

6.4 Value assignments shown by the main code triad

The main code triad is composed by the three most frequently appeared codes in both
sample cities: Architecture, Environment, and Culture/Spirit (Culture for short). As shown by figure 4.1 and 4.2, this triad is formed with the co-occurrences of Culture and each of the other two codes respectively, although a connection between Architecture and Environment is also observed in Wuhan’s 2D correlation map. The main triad is different from the two minor triads in one aspect: the three codes composing it do not have any presumptive inherent connections that may explain why they are mentioned together in the advertisements. In contrast, all three codes of service triad represent services; Location and Transportation in location triad also have inherent relations that can explain their co-occurrence. Given that Culture is the code that joins the three codes in the triad together, the birth of the main triad can be conceived as: the theme-type code Culture/Spirit (claiming that the residences embody specific “cultures” or “spirits” and/or indicating that the customers can “live a spiritually contented life here”) is frequently associated with the two topics Architecture and Environment.

Consulting specific contents in the data, I find that the co-occurrence of Architecture and Culture is mostly due to high frequency of architecture style’s recurrence in the advertisements, For sure, not all the contents coded as Architecture in the data are about architecture styles, but most contents coded simultaneously by Architecture and Culture are. Western styles and modern styles are most frequently mentioned amid these contents:

...Our project adopts free, bold, untrammeled Baroque architecture style; the main part of outer surfaces choose sandstone as material, emphasizing elegant Italian styles. (B25)

...The general architecture style of Shunmin Yisheng Huayuan microdistrict is modernist, combine with fashions from Northern Europe, bright and simple. (W79)

Architecture styles of Chinese and other parts of Asia are also seen in the cases:

... The project uses an enclosed design, in concert with layout of traditional courtyard houses {siheyuan}; in designs of details of structures, [the project] use modern techniques to refine traditional Chinese symbols, ensuring the project’s thick cultural foundations and high

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80 The word in original advertisement literally means “façade” in Chinese. However, as this word here refers to outer surfaces of residential blocks (apartment buildings), I would not like to use “façade” in translation.
quality images get full representations, and aiming to manufacture the flagship and leading figure of neo Chinese architecture in the district. (B68)

...In terms of residence layout design, [the project] use Chinese styled conjoining corridors running through three layers of Southeast Asian styled wide surface courtyards, supplemented by delicate landscape pieces; in skilled harness of multiple scene lending techniques, highlighting generosity of scenes of guest-welcoming mansions. (W33)

Introductions of architecture styles, however, do not usually cover all aspects of the residential blocks. In fact, most introductions about styles of residential blocks in the data concentrate on the exterior features of the residential blocks, especially exterior decorations of the buildings:

... [The project adopts an] elegant European architecture style, inheriting temperaments of classicism; sculpted with a “tri-sectioned” design conducted with bottom part, middle part, and top part. Outer surfaces of the three parts are decorated with horizontal and vertical lines; the surfaces themselves are perfectly assembled by wall tiles, stone materials, and coating, conveying fashion, elegance, and calmness and showing blatant modern textures and lavish sense of stratifications. (B99)

...Mingshi No. 1 followed the tradition of Nanyi Bali Haoting’s excellent qualities; using modern architecture ideas, engineering techniques, and materials, [the project] presents simple yet extremely modern-feeling architecture style. Using delicate outer wall decorations and outer surface balcony designs to compose a vocabulary of architecture symbols, and using imposing block appearances formed by concavities and bulges in the general shape and “classical art-deco” styled outer surface to limitlessly improve fashion degrees of the structure... (W67)

I consider references of “styles and cultural attributes” of exterior decorations to represent one of the most extreme forms of value assignments in my data. Although good exterior decorations can promote the market values of the premises, these decorations may not always create “cultural atmospheres” in property owners’ lives. This is particularly true for exterior decorations of residential blocks: they remain unseen during most of the times that property owners live inside the blocks. However, as have been illustrated above, predominately most residences sold on the Chinese housing market are found in residential blocks. Both of the two

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81 Another microdistrict project finished by a same developer ahead of the case W67.
cases $B99$ and $W67$ presented in quotations above, for instance, containing no villas but only apartment buildings. Quite often, styles of exterior designs and decorations usually do not cover the interior of the residential blocks. Take $B99$ and $W67$ as examples again: residences sold in the two microdistricts are “maopi fang”, which means newly finished residences with little or no interior decorations at all in Chinese. So for residents of these blocks, they have the freedom to decorate interiors of their dwelling units as whatever styles they like. Thus a question occurs: how much sense do exterior decorations of residential blocks really make on the residents’ lives inside those blocks? Nonetheless, Chinese developers really like to talk about exterior decorations in advertisements.

Henceforth, I define these descriptions of architecture styles as practices of one of most extreme forms of value assignments in the data. Value assignments of this type do not provide imagined elevation on daily lives or imagined possible new life choices, but try to draw illusions of spirits or tastes superior to other people for the customers. In fact, some researchers have also noticed this phenomenon of the Chinese developers using “styles” in their housing advertisements to create an “international” imagination. For example, Li (2012) specifically studied real-estate advertisements in China that contains contents written in English. He found that those contents written in English often shows “an expressed orientation towards a global community”, which matches my findings discussed above. Li also considers that those contents written in English express an elitism altitude, “an aspiration of becoming powerful” (Li, 2012), and as a matter of fact, this is demonstrated by some contents of advertisements in my data that describe exterior decorations of the residential blocks as well:

...Baoli Shidai adopt “the classic for a century” art-deco architecture style, deploying novel, unique structure modeling, oriental-wisdom-infused structure substances, strong-texture-feeling marble materials, immaculate reliefs, and ingenious, exclusive lines and shapes as carriers of spirit, not only to express a noble feeling of not surrender to ordinariness, but also to perfectly reproduce those eras of flourishment [in the past] and to epitomize a revive of urban spirit. (W08)
Li (2012) considers that the Chinese developers’ practices of using internationalism and elitism discourses in advertising is associated with the transitions in the Chinese identities. In my opinion, the developers do utilize the Chinese customers’ desire of forging social, national, and cultural identities, but they utilize this desire in the way that Bourdieu (2009: 55) indicates: stimulate and arouse that disposition. The developers appear to offer the customers “identities” with the “styles” in the promotional discourses in the advertisements; however, these seeming offers are in essence rebranding of the products of the developers as “proofs of identities”. Using the “architecture styles” advertising strategy as an example: as building enclosed residential compounds composed of high rise apartment buildings is not a common practice worldwide, building apartment blocks and then decorate those blocks with elements of foreign or traditional architecture styles is in fact a highly “contemporary Chinese style” practice. Its recognition as a “foreign practice” or “traditional pattern” in the Chinese housing market can only be justified by the prevalent promotional discourses in the market. In this sense, values assigned with this strategy can only be verified by the promotional discourses in the housing advertisements. Consequently, I would like to classify this strategy as a new type, in order to tell it apart with the aforementioned “imagination generation”, which is based on realities or possible realities. I would like to call this newly introduced strategy “offering tempting illusion”. This new strategy still reproduces transactional power advantages of the developers, as the developers lead the customers with this strategy to believe that what the products provided by the developers are what being wanted, or should be wanted, by the customers.

Value assignment strategies of showing plausible yet false “foreign styles” also appear in descriptions about microdistricts’ greening designs, which came to my eyes when I did cross retrievals of contents with Environment and Culture with QDA Miner, the pair of codes that shows the other co-occurrence in the main triad:

...A panoramic presentation of Toscana styles, an authentic atmosphere of French
townships. [Our garden features] staggered higher and lower roof ridges, artificially-antiqued stone structures in cream color, arched windows with elegant curves, wood corridors can provide private times, quaint yet untrammelled styled iron-art fences, retro-European styled lanterns, and more than 120 types of rare flowers and grasses, more than 30 types of trees, and more than 50 types of bushes. (B28)

...uphold the integrity of European imperial garden style, all patterned land tiles, iron arts, stone sculptures, outfalls, iron lantern arts, and garden scene pieces have to be customized according to designs of architecture. Sunshine lawns, multicolored blooms, evergreen bushes, tidily pruned short trees, and towering tall trees – meticulously coined three-dimensional five-layer scenes and customized style making villa district presenting decorous, artistic senses as if a manor of 18th century. (W11)

Obviously, the same strategy is used by the developers in these advertisements. What an authentic royal garden or modern garden looks like does not matter (in fact, an example of an indifferent developer is shown in case B28: Toscana is not in France); the only thing matters here is that: customers may find “royal” and “modernism” of superior classes or tastes, and may subsequently believe the designs of gardens are “valuable”.

Nonetheless, “offering illusions” is not the only type of value assignment shown in the co-occurrence of Environment and Culture. Contents coded by Environment while also coded by Culture usually refer to either natural landscapes outside of the microdistricts or artificial gardens views and/or waterscapes in the microdistricts. In both cases, the “Environment” can actually be touched and experienced by residents (present or future ones), which is of great difference with exterior decorations of residential blocks. Therefore, imagination generated in these cases is based on realities or possible realities:

... With the bluish green, rippling ancient Yan Lake steps away in [the project’s] back, a lifestyle like idylls determines that communications between people are more harmonious [than elsewhere]. The community is totally infused by water; in leisure time, fetch a stool, take a rod, make a pot of tea, and enjoy pleasures of free fishing, isn’t that wonderful! (B19)

...Step forward to change the views, let scenes change floor by floor. Exclusively enjoy private home garden on the first floor; moving up to hear songs of birds and smell scents of flowers in European styled gardens in the courtyards; then reaching top floor and enjoy natural sceneries of Lujia Hill and Tangrenhai Lake there. (W62)
In fact, imagination generation based on realities is also observed in the contents referred to architectures of the microdistrict. After all, exterior decoration is only one aspect of architecture; on some other aspects, using possible realities to generate life imaginations is an ideal approach of value assignment. For instance, introductions of suites (dwelling units) in the microdistricts sometimes come with contents generating life imagination in the advertisements:

...Our project specially designs micro 1 bedroom suites of 50-58 square meters; micro 2 bedroom suites of 70-78 square meters; micro 3 bedroom suites of 100-118 square meters {numbers listed above are all usable structural areas}; compact rooms show considerate cares on residents’ life arrangements, ultra-low total price help property owners easily realize 1st desired dreams of lives. (B39)

...73 to 136 square meter 3 to 4 bedrooms, all-purpose flexible spaces, zero waste with scientific designs. 74 square meter delicate 3 bedrooms, 85 square meter cozy 4 bedrooms, 129 square meter comfortable 4 bedrooms, every suite is upright and air permeable, every room is adequately lighted. Making you discover unexpected surprise on every turning around, marvel ingenious designs on every reaching out [your hands]. (W29)

Generation of life imagination can also be found in contents that are coded simultaneously by the two topic codes in the main triad, Architecture and Environment. As I coded all natural elements with the code Environment, this combination of code can retrieve contents of “natural elements that can be experienced in your home” in data. Value assignments conducted by generating life imagination are frequently seen in contents of that type:

Dongya Yinxiang Taihu, explaining pursues of classes and tastes in delicate spaces. 52 to 57 square meter exquisite 1 bedroom, 63 to 70 square meter delicate 2 bedrooms, 76 to 78 square meter practical 3 bedrooms, free choices from 6 layouts; south-faced, north-south-faced layouts with elaborate and practical designs, wide faces, flowing air and warm sunshine are no longer luxuries; they are going to become part of your life, subject to your touch and taste. (B11)

...Area range of suites in blocks no. 4, 5, and 6 of Xinchangjiang Xiangxie Qintai is 49 to 222 square meter. Layouts are upright and air permeable, high in usable percentage, and more considered on scene enjoyment. Wide face, big views, let scenes of hill and lake and views of exquisite gardens frozen within frameworks of the windows. Most dwelling units have private in suite gardens. Entering first into gardens when returning home offers great pleasant on body and mind, and obtain more spaces at the same time. (W96)
Conclusively, I think there are two major types of value assignments shown by co-occurrences of the three codes of the main triad: generating imaginations of lives based on realities, which is discussed once above in part 6.3; and, offering tempting illusion, which is newly introduced in this part. Alongside the “presenting possible life choices for the future” strategy discussed in part 6.3, they are the three major approaches to conduct value assignments that I observed in the data. I think a spectrum of value assignment approaches with practical and illusory as the two poles explains the differences between these approaches better. Offering tempting illusion assign values that are only justifiable in the promotional discourses presented by advertisements, therefore is the least practical and most illusory approach. Presenting possible options of lives, on the other hand, are based on descriptions of realities, and hence is the most practical approach. Generating imagination of lives with realities or possible realities is based on facts, but scenes depicted in imagination generated in this way happen by limited probabilities. Therefore, this approach of value assignment should situate between the other two approaches on the spectrum.

Despite these differences, the three approaches nonetheless share common features of value assignments as an advertising strategy: they begin with pre-existing dispositions or desires of the customers; they make value judgements for readers of the advertisements, thus latently affect the customers’ expectances on residences; values assigned by these approaches can be justified, and can only be justified in the imagination generated by these approaches. The values they assigned to certain contents in advertisements are not often pointed to facts in realities, but always represents the resources controlled by the developers, which helps the developers to reproduce their advantage in transactional power over, or their domination on, the customers.

So in conclusion of this chapter, I consider the most crucial advertising strategy in term
of transactional power used by the developers on the Chinese housing market to be what I call “value assignment”: to define values for features of the residences as products with promotional discourses in advertisements. By value assignments, the developers define features of their products as “valuable”, thus satisfy their own interests, gain and keep control on resources, and therefore retain their transactional power, which further ensures their capacity of defining values at the next instance. As an advertising strategy, value assignment could increase the customers’ estimated gains. Hence, the customers are more likely to offer trust to the developers according to Coleman’s formula. As a part of reproduction of transactional power, value assignment helps developers to define the concept of value in the Chinese housing market as a transactional system. Since the developers possess the ability of value definition, the customers are guided to accept the actual features of the products that could be provided by the developers, and are less likely to have opportunities to express their own opinions on values in the transactional system of Chinese housing market.
7. Conclusion

7.1 Conclusion: a dual domination

Analyses in chapter 5 and 6 outline the “dual-domination” faced by Chinese residence buyers: in the political domain, the state deploys its governmental power to suppress the customers’ freedom of choosing strategies of actions, imposing a first domination on the customers; in the economic domain, the developers monopolize the rights of defining what are “valuable” for residences as commodities and induce the customers to latently accept the residences they produced to be incarnations of “valuableness”, imposing a second domination on the customers. Additionally, I would like to reiterate a fact: predominately most Chinese urban residents are not able to produce residences legally on their own, because Chinese local governments normally transfer lands to real-estate developing companies only. Hence, most Chinese customers can only obtain residences legally by: entering the legal market, meeting all requirements posed by the policies (some of them can be hindered in this step for their whole lives), choosing from the products that the developers supply, and forming long-term bonds with the residences they choose (thanks to the purchase restricting policies). Their freedom of making decisions are reduced by the state and the developers (via mass production instead of customized production) in addition to the laws of a seller’s market (constantly rising prices). Subjected to this structure of restrictions, the Chinese customers are unlikely to have a good time. Indeed, some problems of housing accessibilities in China that are noted by the work of Yang and Chen (2014: 130-132) – the high housing expenditures; the housing affordability problem for rural to urban migrants (reflected in the discriminations based on hukou statuses); and the disparity between the subsidized residences as supplied and the needs of the Chinese customers – remain to be unsolved in 2013, as demonstrated by my data.
In my opinion, this structure of restrictions supports the idea that the Chinese state and the real-estate developers form a “community of interest” that Paik (2014) discusses. The state’s motivation of maintaining this structure has been pointed out by other researchers: it profit in the transactions with the developers, especially in the land transfers. Some researchers believe that land transfer is the major source of financial incomes of Chinese local governments (Li & Huang, 2006). Statistics shows that, back in 2006, land transfer fees composed approximately 40% of annual financial income for Chinese local governments; by 2010, this percentage had already raised to 71.7% (Wang, 2012). Thus, maintaining the established order of the housing market offers lots of benefits for the Chinese state, which actually generates a somewhat pejorative phrase “land finance” (tudi caizheng) in Chinese. This research, on the other hand, explains how the Chinese developers integrate their strategies into the order of the contemporary Chinese housing market albeit subjecting to the state’s domination: they profit from the mechanism of transactional power’s reproduction. Within the structure of restrictions placed by the state on all actors in the market, the developers manage to fabricate and monopolize a discursive system of “value-judging” residences. And, in fact, this system of value judgement not only guarantees the interests of the developers, but also reinforces the contemporary pattern of operations of the Chinese housing sector. Since this system of value judgement tells the customers “this is what you should look for” instead of “this is what we can provide”, the customers are less likely to question the order of residence production in the Chinese housing market. As the developers find themselves in a stable position in the current order of the market – from which position they can also satisfy themselves – naturally they may choose to support the current order of the market and the creator of that order: the state.

However, this research also reveals that the Chinese state is dominating the developers as well, and the state does not always treat the developers as allies. When the state claims that regulations on developers is aimed at controlling residence prices (see part 5.1.2), it actually
conveys a message: the developers are responsible for rises in residence prices. Ironically, my data actually reveals that the developers also denounce the state occasionally as not fulfilling obligations of governances. An example in my data is a comment of on Beijing’s introduction of “self-residing commercial residences” (see part 5.1.2) from Ren Zhiqiang, a Chinese real-estate tycoon who was also often recognized for his criticisms on the Chinese real-estate policies:

...“Using such method of transfer lands [and] let the developers construct self-residing commercial residences [on the transferred lands] – essence of this [method] is the government shirking things it should do and burden them on the market.” Ren Zhiqiang pointed out, [to] solve the dilemma [of inadequate supply] on residence [markets], [it should,] as the “old saying” goes: “subsidized [managed] by the governments, market affairs [managed] by the market”. (N53)

Ren’s attitude seems to be in accordance with his identity as a developer; nevertheless, his proposition of “using laws of markets to solve the problem of inadequate supply” is hard to defend, especially in a seller’s market. Perhaps the primary effect of Ren’s words is to accuse the state. Interestingly, Ren was an executive of a state-owned real-estate company rather than a private-owned company, which means he was actually a cadre appointed by some agents of the state. Hence, from my point of view, his criticism arouses concern about the power struggles between the developers and the state and in the hierarchy of the state.

Nevertheless, I cannot further discuss Ren’s intentions and strategies with the discoveries of this research as I did not focus on the relationship between the state and the developers in my analysis. What should be noticed here, in my opinion, is that the “dual-domination” is a game between three parties (at least; with a more detailed taxonomy of actors, more participants in the game can be defined; and by doing so, a more complex structure of the game would be drawn) in addition to a system of dominations and exploitations. The state and the developers diverge in identities, roles, targets, and interests, which unavoidably leads to disagreements and conflicts between the two parties. An effect of these disagreements and conflicts is that the
structure of the restrictions in the Chinese housing market may become somehow obscure in the perspective of the customers. Explicit, resolute common visions about the restraints in the market, in this way, are hard to form among the customers. Consequently, the customers are less likely to carry out united oppositions toward any of the dominating parties (the state or the developers), which further strengthens the dual-domination. In other words, in this three-party-game, the customer suffers from domination in two power relationships, but is incapacitated in fighting back at the same time due to the complex structure of the transactional system. The “dual-domination” is by far not a simple sum of the two separate power relationships.

The topic of “purchase restrictions” in the Chinese housing market seemingly has not received enough attentions from the overseas researchers, and also has not been sufficiently studied with sociological approaches. A possible reason is that the controls on purchases is a relatively new phenomenon in the Chinese housing market. Analysis of the historical development of the Chinese housing market made by Wu and Wang (2005) notices that the Chinese housing prices began to show a trend of excessive growth in 2001, but does not record any purchase restrictions placed on the Chinese customers, which indicates that those restrictions had not taken shapes in 2005. Many works on the “purchase restrictions” have been completed by the mainland Chinese researchers, but mostly from economic and juristic perspectives. More analyses on the evolution of the state power in the Chinese housing market in recent years would be definitely welcomed. The new forms and effects of the Chinese state power in the housing market not only reflect the still ongoing Chinese reform in the housing sector, but also indicates a substantial change in the Chinese state’s role. After stepping down from the position of “ultimate planner in housing sector”, the Chinese state is adopting new techniques of power in order to maximize its own interests. This transition of the state’s strategies is an issue of significant importance, as it may decide the evolutions of the Chinese housing market in the following years.
Likewise, the topic of “offering discourses as part of the product” in the Chinese housing advertising strategies also deserves more explorations. Although there are researchers who have paid attention to the contents of the Chinese real-estate advertisements (for instance, Luo et al. [2006] and Li [2012]. Fleischer also notices the imaginations fabricated by the textures in the Chinese real-estate advertisements [2010: 132]; however, she mainly focused on the meaning of that generation of imagination in the regards of stratifications of the Chinese society in her work, and discussed little about the relationship between the imaginations generated by the advertisements and the actual demands of the Chinese customers), more probes could be made on the issue of how the real-estate developers manipulate the demands of the customers via those contents. The advertising strategies of the Chinese real-estate developers show that the developers play highly proactive roles in the Chinese housing market, and are even capable of defining some latent rules of transactions in the market. My analysis of the dual-domination suggests that “the developer” is a vital actor in the Chinese housing market as a transaction system, and it is impossible to discuss the state’s role, interests, and strategies in that system without taking the developers’ actions into considerations. Furthermore, it should be noted that the developers have become the de facto possessors of the legalities and capabilities of residence productions in the Chinese housing market. Although still subject to the state’s power right now, they probably would play even more proactive roles in the market in the future, which may further change the patterns of transactions in the market significantly. In this sense, the roles of the Chinese real-estate developers in the Chinese housing market deserves future inquiries.

7.2 Methodology reviews

This was the first time that I conducted a research with a large amount of data in this field.
My inexperience, as well as limitations on time and data accessibilities, restrained the outcome of this research greatly. When I was writing this dissertation, I also reviewed my methodology. I consider that many aspects of this research can be improved.

My first consideration of the methodology is of the data choice. I chose to use second-hand data primarily due to the limitation of time. News reports, the data I use for state-customer power relationship analysis, have their advantages when used as data: they can provide relatively large amount of information, and can also offer information that are hard to obtain in fieldworks – in the case of this research, the behaviors of the Chinese state and its agents. However, the fact that the information in news reports are selected and manipulated by the media remains a concern. For the state-customer power relationship, the news reports cannot illustrate all interactions between the two actors and all strategies used by the two actors. On the contrary, the media may tend to select information about rare occasions to disseminate via their reports. My discoveries demonstrate that some of the customers are using their own methods to evade the purchase restrictions; yet my data cannot tell that how many customers are using those methods exactly. The news reports in my data also cannot tell much about the strategies of the customers who follow the rules set up by the state. Furthermore, they cannot provide much information about the power struggles in the hierarchy of the state as well, and that is the reason why I created a code for this phenomenon in the codebook but eventually do not carry out some discussions on this topic, albeit the topic has already been explored by many other researchers. For further explorations of these aspects of the state-customer relationship, I think that using first-hand data is definitely required.

The housing advertisements, similarly, also reveal only one aspect of the developer-customer power relationship, and cannot illustrate may other aspects of that relationship. Most noticeably, they do not contain information about the face-to-face negotiations between the developers and the customers, one the most crucial parts of the developer-customer relationship.
First-hand data, on the contrary, can record the details of the direct interactions between the two parties, and would be an ideal choice for analyses on that part of the developer-customer relationship. Bourdieu’s work (2009: 148-175) on the developer-customer relationship in the French housing market, for instance, uses multiple conversations between the sales agents of real-estate companies and the customers to present how the two parties reach agreements on residence sales. However, I think that studies of the real-estate advertising strategies can be good supplements for researches of direct transactions between the developers and customers that are conducted with first-hand data. For example, I speculate that the context of residence value judgments fabricated by the “value assignments” in the Chinese housing advertisements would also shape the context of the face-to-face negotiations between the agents of developers and the clients in the Chinese housing market.

My second consideration of the methodology is of the scope of the research, especially the scope of time. Data from one single year does not show the changes in the Chinese housing market very well, especially in the regards of policy changes. I collected only news reports published in 2013, henceforth the data turned out to show only the policy changes took place in 2013. If I would focus on the changes in the policies only, I suggest that expand time scope slightly (for example, to three consecutive years) can be a better choice.

Conclusively, methodology of this research is imperfect in many aspects. I sincerely hope that the discoveries as well as the shortcomings of this research could inspire other researchers who would study the Chinese housing market in the future.


Peng, L & Thibodeau, T. G. 2012. Government interference and the efficiency of the land


