

Macro-control, Micro-control and Real Estate Market Stability

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ABSTRACT. *Generally speaking, there are two main ways for the government to manage the real estate market, namely, macro-control and micro-control. The macro-control of the real estate market is the macro-economic management function of the government, which aims to promote the balance between the total supply and demand of the real estate market and ensure the basic housing needs of residents; the regulation of the real estate market is the micro-economic control function of the government, which aims to standardize the behavior of the microeconomic subjects of the real estate market and improve the efficiency of market operation. It is of great significance to correctly distinguish the macro-control of the real estate market from the real estate market control, reasonably define their respective policy boundaries, and coordinate the repeated contents of the two, in order to clarify the role of the government in the macro-control and micro-control of the real estate market, it is of great significance to realize the stable and healthy development of the real estate market.*

KEYWORDS: *real estate market, macro-control, micro-control, policy boundary*

1. Introduction

The macro-control of the real estate market refers to the macro-adjustment and control of the real estate market by the government. Specifically, the government comprehensively uses legal, economic, administrative and other means to guide and regulate the real estate market macroscopically, in order to promote the basic balance of supply and demand in the real estate market, adapt the supply structure to the demand structure, and ensure the basic housing demand of residents. In order to achieve the goal of regulation and control, China has begun to implement classified regulation and control of the real estate market since 2014, which emphasizes the need to resolve real estate inventory, stabilize the real estate market, and vigorously support residents' self-occupation and improved housing demand.

This paper intends to make a systematic comparison between the macro-control of the real estate market and the regulation of the real estate market, and define their respective policy boundaries, in order to explore how to effectively combine the macro-control of the real estate market with the regulation of the real estate market.

Creating a fair and orderly market competition environment, optimize the allocation of real estate resources, and then promote the coordinated development of the real estate industry and the national economy.

2. Comparison between Macro-Control and Real Estate Market Regulation in Real Estate Market

The reason for the regulation of the real estate market lies in the market failure, which is embodied in:

(1) There is a monopoly in the real estate market. The scarcity of land supply and the socialist public ownership of land determine that there is a certain degree of monopoly in China's land supply market. The strong regionality and heterogeneity of real estate commodities make China's real estate market show the pattern of oligopoly, which further weakens the market competitiveness.

(2) There is information asymmetry in the real estate market. The information on the transfer of state-owned land obtained by the development enterprises in the primary market of real estate is insufficient, intermediary agencies have more information than both sides of the real estate transaction.

(3) There are negative externalities in the real estate market. For example, noise and environmental pollution will occur in the process of construction; high-income people buy high-end housing, resulting in high housing prices and abnormal housing supply structure, harming the interests of low-and middle-income people.

(4) The main body of the real estate market has unfair competition behavior. For example, developers may obtain land use rights through illegal means, and there are also illegal acts such as Jerry-building and price fraud in the process of real estate development and transaction. Therefore, it is necessary for the government to regulate and restrict the economic behavior of the main body of the real estate market.

It can be seen that the reason for the macro-control of the real estate market lies in the imbalance between supply and demand, the fluctuation of investment and consumption and the inability of the market to solve the housing security problems. The specific reasons for the regulation of the real estate market lie in the existence of monopoly, information asymmetry, negative externalities and unfair competition.

3. The macro-control of the real estate market and the determination of the boundary of the real estate market regulation policy

(1) Give full play to the important role of the market mechanism and reduce the use of administrative means

Government intervention must respect the law of market operation and gradually reduce the use of administrative means. At present, there is the problem of excessive use of administrative means in the field of macro-control and micro-control of the

real estate market. In the field of macro-control, the purchase restriction policy has also mistakenly hurt some rigid demand when suppressing speculative investment demand. Macro-control should not be the government's direct intervention in the decision-making of the main body of the market, but should adjust the economic interests of all parties and let them make decisions freely. In the field of micro-control, it is mainly manifested in more administrative examination and approval. Layers of examination and approval increase the monopoly of the real estate market and increase the possibility of rent-seeking by the government. The third Plenary session of the 18th CPC Central Committee pointed out that the market should play a decisive role in the allocation of resources and give better play to the role of the government. The government's intervention in the real estate market should also meet the requirements of the economic system reform and make use of market-oriented means to promote the normal operation of the market.

(2) Reasonably define the policy boundary between the macro-control of the real estate market and the regulation of the real estate market

The macro-control of the real estate market focuses on the macro-objectives, and the policy implementation objects are holistic, general and non-specific, while the real estate market regulation aims to improve the efficiency of market resource allocation. It is to restrain the anomie behavior of specific microeconomic subjects.

Therefore, whether the policy focuses on macroeconomic objectives and the total amount of real estate economy can be regarded as the basic standard to distinguish between macro-control and micro-control. On this basis, we should clarify the policy boundaries between macro-control and micro-control of the real estate market, and formulate scientific and reasonable policies to prevent policy deviations.

4. Conclusion

Macro-control of the real estate market: implementing policies according to the city and constructing a long-term mechanism of regulation and control in the future, the macro-control of the real estate market should maintain policy continuity and stability, adhere to classified guidance and precise regulation, and pay more attention to the construction of long-term mechanism of the real estate market.

Under the situation of intensified differentiation of the real estate market, we will continue to implement differentiated macro-control policies while maintaining the flexibility, timeliness and accuracy of the policies.

First, the momentum of regulation and control in hot cities should not be reduced, it is necessary to appropriately increase the supply of land and the proportion of land for housing, and it is also necessary to rationally use the policies of purchase, loan and sale restrictions to curb speculative demand and curb the excessive rise in house prices.

Second, encourage migrant workers to buy houses in cities to eliminate inventory. In addition to providing financial subsidies, in the future, we can also strengthen the support for migrant workers to buy houses in cities by guiding migrant workers to

participate in provident fund deposit, organizing group purchase of housing, and introducing shared property rights housing and other policies.

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