Risk Management Innovation Mechanism of China's Real Estate Enterprises under the Current Macro Background

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Abstract: Since the reform and opening up, China's real estate industry has been developing rapidly. The Chinese government has begun to carry out macro-control on real estate, planning and construction from various aspects including finance, people's livelihood and social security. Real estate enterprises, like the speed of the rocket into the sky, have gone bankrupt in the fierce market competition, and some lucky people choose merger and reorganization. Springing up, the continuous development of national economy, real estate enterprises to pour money into a variety of real estate enterprises, the reasonable management of real estate investment, identify risks, cultivate the spirit of safety, is a real estate enterprise top priority, reasonable research the risk of real estate enterprise case, well data and forward-looking consciousness. The experimental results show that the risk management efficiency of Real estate enterprises in China has been improved by 9.6% based on the research of risk management innovation mechanism under the macro background. The risk of real estate enterprises can be attributed to the following a few local governments for infrastructure, the construction is reasonable, is there any area to maximize utilization of land, urban road traffic conditions, the greening situation of living environment, reasonable collocation, green belts, improve housing, for building the height and size of the restrictions and management. If real estate enterprises do not understand these information and lead to unreasonable development and ultimately lead to financial crisis risk. For the financial risk analysis, discussion and summary, so as to the real estate risk prediction rich research results.

Keywords: Macro Background, Real Estate Enterprise, Risk Management, Innovation Mechanism

1. Introduction

Theoretically, there are still disputes on the definition, formation mechanism, monitoring and early warning indicators (such as the calculation of real estate vacancy rate), judgment criteria and test research of real estate economic fluctuation [1-2]. In practice, people have different opinions on the judgment of economic phenomena. The fuzzy concept makes the sustainable development of the real estate industry and the prevention of financial risks lack of scientific basis [3-4]. Financial risk is common to the company. It lies in the whole operation and management process of the enterprise. Managers can only try their best to reduce its harm, but can not completely eliminate it. Therefore, the level of financial risk management ability has also become a major factor restricting the development and growth of the company [5-6].

The inflation is serious, the macro-control policy is strengthened, the cost of building materials, materials and labor closely related to the real estate industry increases sharply, and more and more project losses lead to the decline of the overall profit margin of the real estate industry. Some companies are paralyzed because the operation cost of a project is out of control. Therefore, strengthen the understanding of enterprise operation risk, reasonably identify the level of enterprise system construction of each real estate, apply the innovation mechanism to analyze the potential financial risks of the enterprise in all aspects of the enterprise, simulate and formulate various response plans, and constantly optimize and guide the enterprise operation management system [7-8]. How to correctly prevent various enterprise risks in real estate enterprises, we need to reasonably control all capital flow links of the company, reinterpret the company's financial risks, that is, from the aspects of financing and return of investment funds, we put forward more detailed and perfect preventive measures for the

financial risks caused by improper human operation and other factors.

The innovation of this paper is to put forward the research on the risk management innovation mechanism of China's real estate enterprises under the current macro background. Real estate development risk when a real estate enterprise carries out a new real estate development project, it includes land approval and project approval. After financing, many real estate enterprises have not been supervised by the regulatory authorities in terms of land approval and project legitimacy. The purpose of this study is to find a new way for transaction risk prediction in financial market based on neural network model.

2. Risk Management Analysis of Real Estate Enterprises

2.1 Risk Analysis of Real Estate Enterprises

It is caused by poor operation and management in the process of enterprise investment and development. Secondly, it is also affected by market supply and demand and national economic policy environment. Needhi also pointed out that due to the high vacancy rate of houses in China, many house sales or lease contracts were forced to terminate, further prolonging the investment payback period. Sometimes, the emergence of some uncontrollable factors or some problems in the details of contract performance lead to the dissatisfaction of investors and delay the house payment [9]. Yuanyao m thinks that the specific risk types for real estate credit should be distinguished from the macro and micro levels. The transmission factors of real estate credit risk are real estate price, credit scale and loan interest rate. The types of real estate credit risk are divided into macro risk and micro risk. Macro risk mainly includes policy regulation risk and market risk; micro risk mainly includes real estate development risk [10].

From the proposal of housing commercialization in 1978 to the present, the enterprise's capital structure is not perfect, and the investment and financing ratio is inappropriate, which makes it difficult for the company to repay its debts due, resulting in the risk of reducing the future return on investment of stakeholders. Financial risk is common to the company. It lies in the whole operation and management process of the enterprise, and managers can only try their best to reduce its harm, Because of this, the level of financial risk management ability has also become a major factor restricting the development and growth of the company. The systematic research and analysis of it has strong theoretical and practical significance. Through theoretical analysis and empirical analysis, this paper makes a statistical analysis on the financial indicators of some listed real estate enterprises in China on the basis of data and models, so as to obtain the indicators that contribute greatly to the establishment of real estate enterprise default model, and then obtain the model that is helpful to the risk management of commercial banks. So as to check the loan of commercial banks together with other methods. Proper application of this function can design an effective algorithm for real estate market transaction risk prediction in risk management model, which has the following forms.

$$Cost = \frac{1}{2N} \sum_{x} [y（x）- a(x)]^2 \tag{1}$$

The calculated value of the algorithm is, and the formula is as follows;

$$\begin{cases} z = \varpi x + b \\ a = \vartheta（z） \end{cases} \tag{2}$$

2.2 Real Estate Investment Risk

Real estate investment risk refers to the risk that it is difficult to accurately estimate the future income of investment projects, resulting in imbalance of revenue and expenditure and even complete sinking of invested capital. The development of China's real estate market is not perfect. In order to increase the concealment of related party transactions, there is no correlation between the names of construction industry and household factories and group real estate companies. Through the above analysis, it can be found that for real estate companies of different natures, although their scale and business are similar, due to different motives for tax avoidance, the objectives of tax risk management are different. The purpose of tax risk management finally determines that the company's organization,

place of registration, company name and equity ratio are different. The goal of tax risk management is related to the risk tolerance of tax risk management.The following formula shall be used for the test:

$$a = a_0 / (1 + kt)$$

(3)

3. Real Estate Enterprises under the Macro Background

3.1 Current Situation Analysis of Real Estate Enterprises

Real estate enterprises choose to carry out multi business development mode, select various residential development directions, commercial, household, modular and other multi-form real estate modes, develop elderly care facilities and related services, deeply cultivate the domestic real estate market, at the same time, they can also develop overseas markets and improve brand awareness: related party transactions between home factories and real estate companies. From the perspective of the whole group, it can actually reduce the two tax burdens of land value-added tax and enterprise income tax of real estate companies, and undertake the task of heavier tax tools, which is not only conducive to controlling the non-performing loan rate of commercial banks, but also plays a good role in promoting the stability of the real estate market and even the whole financial system.

3.2 Risk Prediction in Real Estate Risk Management

On the premise that the general environment tends to be relaxed, commercial banks need to prevent and control real estate credit risks. They should not relax the review and management in order to expand their business. China's real estate market is not very perfect and there are a large number of speculators. Reasonable risk planning and the creation of risk avoidance model are particularly important for controlling the default risk of real estate enterprises. Due to the limited self owned capital of real estate enterprises, most enterprises choose to operate in debt. However, the production cycle of real estate projects is long, the return of funds is slow, and the risk of repaying debts on schedule increases, resulting in the reduction of credit rating and the difficulty of obtaining capital again from the capital market.

4. Environmental and Risk Prediction Analysis of Real Estate Project

4.1 Risk Analysis of Real Estate Project

According to relevant statistics, the asset liability ratio far exceeds 75% and the solvency drops sharply. Once the capital chain breaks, the whole enterprise will face the risk of bankruptcy. Real estate enterprises get funds far beyond their repayment ability and do not invest cautiously. Instead, they run around to enclose land and develop blind days. Once they are insolvent, they cannot repay their due debts. The loss of bankruptcy will be transferred to the financial institutions that provide loans. The operation process of the real estate economic fluctuation and financial risk monitoring and early warning system can be summarized as follows: through the real-time monitoring and early warning object of the financial market, for the root causes of various real estate problems, select the monitoring and early warning indicators, determine the critical value of early warning and relevant risk coefficient, calculate the comprehensive early warning value, divide the alarm level and forecast the alarm degree. The generation of real estate credit risk is closely related to the development of a country's real estate financial market, and is affected by a series of factors such as interest rate and exchange rate. For China's real estate market, the national macro-control policy plays a key role, and the stability of the national control policy is related to the development trend of the whole real estate industry. Then it affects the real estate credit risk of commercial banks. The specific results are shown in Figure 1.

Figure 1: the optimal capacity allocation

4.2 Modeling of Enterprise Risk Prediction

Chinese scholars have studied risk management for a relatively short time, mainly on the basis of the existing mature risk management theory abroad. Affected by market supply and demand and national economic policy environment. Moreover, due to the high housing vacancy rate in China, many housing sales or lease contracts have been forced to terminate, which further lengthens the investment payback period. Sometimes, due to the emergence of some uncontrollable factors or some problems in the details of contract performance, investors are dissatisfied and delay the housing payment. Especially recently, macro-control has been strengthened, house prices fluctuate violently, and buyers hold a wait-and-see attitude, which makes the risk of investment recovery stronger. Although the rate of return on investment has been maintained at a high level in the past 30 years, due to the huge amount of funds required for real estate development and the low capital turnover rate, coupled with the increase of national macro-control, the introduction of relevant fiscal, tax and other policies and the changes of international economic situation, it is more difficult to predict the future market development prospect. The specific results are shown in Figure 2.
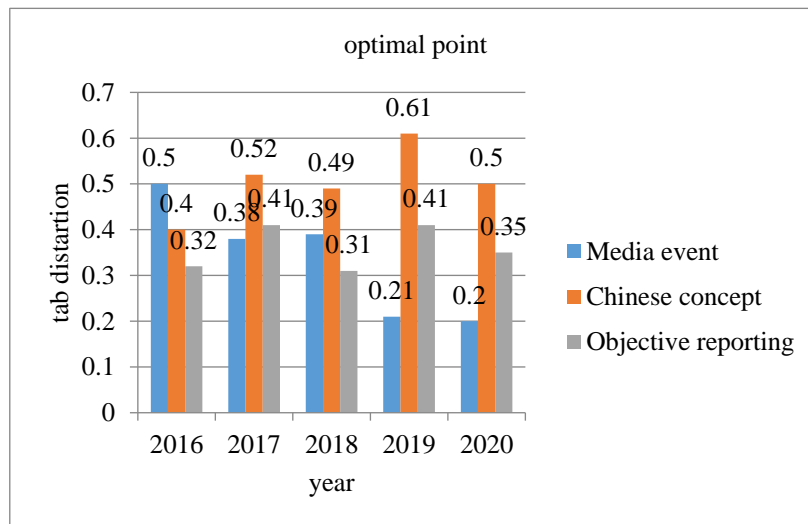

Figure 2: Comparison of running time

In the early 1980s, some economists in China introduced the concept of real estate investment analysis into China, which aroused heated discussion in the academic circles. It is affected by market supply and demand and national economic policy environment. Moreover, due to the high housing vacancy rate in China, many housing sales or lease contracts have been forced to terminate, which further lengthens the investment payback period. Sometimes, due to the emergence of some uncontrollable factors or some problems in the details of contract performance, investors are dissatisfied and delay the housing payment. With the more and more extensive application of the risk theory of real estate investment in China, China's real estate risk management has also begun to develop gradually. At present, the application of the concept of risk research has penetrated into various

industries, including banking, finance, insurance, securities and so on. The specific results are shown in Table 1. Similar to the problem of semantic segmentation, building extraction methods from remote sensing images can be divided into learning based and non-learning methods.

Table 1: Statistical table of sample library

	Normal	Ageing	Transformers	Malfunction
Number of Transformers	173.928	45.939	124.659	32.658
Total Sample	177.198	40.825	129.621	33.564
Training Samples	169.356	39.014	122.265	31.794
Validation Sample	170.356	46.998	127.851	29.7541

5. Conclusions

Although this paper studies the risk management innovation mechanism of real estate enterprises, due to the one-sided data that may be collected, there are great deficiencies in the content of the article. Real estate developers only think about how to raise prices and cannot participate in the reasonable regulation of national management. After the state adjusts various economic policies, just like buying a car, they need to queue and wave numbers before they can buy a house. It can appropriately reduce the investment in real estate, avoid a certain high financing risk, achieve quick results, and greatly shorten the capital return cycle of developers. Based on this factor, this paper discusses it from both macro and micro aspects. There are still many steps to study the current risk management innovation mechanism of real estate enterprises, which cannot be involved because of space and personal ability. In addition, the practical application effect of the relevant experiments of real estate risk prediction can only be compared with the traditional model from the level of theory and simulation.

Acknowledgements

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