

Macro Roundup Article

Headline: [A Chinese Bubble Long in the Making](#)

Article Link: <https://www.project-syndicate.org/onpoint/china-property-bubble-born-of-policy-mistakes-broader-demographic-crisis-by-yi-fuxian-2023-09>

Author(s)	Yi Fuxian
Publication	Project Syndicate
Publication Date	October 02, 2023

Tweet: [@fuxianyi](#) argues that the correction in Chinese real estate markets is only just getting underway. The value of China's housing market is 4x GDP, relative to 1.6x in the US and 2.1x in Japan.

Summary: By 2022, the prices of new homes sold in Beijing, Shanghai, Guangzhou, and Shenzhen were 1.73 times, 1.81 times, 1.80 times, and 1.97 times their 2014 levels, respectively. The value of China's housing market is four times the country's GDP, compared to 1.6 in the US and 2.1 in Japan. Accounting for more than one-quarter of all economic activity and two-thirds of household wealth. Now that China's total population is shrinking, especially the home-buying-age cohort, the collapse of the property dam seems inevitable. Related: [How China Can Avoid the Japan Trap](#) and [Can China's Long-Term Growth Rate Exceed 2–3 Percent?](#) and [The Neoclassical Growth of China](#)

Primary Topic: Housing

Topics: China, GDP, Growth, Housing, Op-Ed/Blog Post

Permalink: <https://www.edwardconard.com/macro-roundup/fuxianyi-argues-that-the-correction-in-chinese-real-estate-markets-is-only-just-getting-underway-the-value-of-chinas-housing-market-is-4x-gdp-relative-to-1-6x-in-the-us-and-2-1x-in-japan?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/10/Yi-Fuxian-Chart.png>