

## **Analysis and Research on the Residential Demand of Foreign Institutions and Individuals in China**

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**Abstract:** With China's sustained long-term economic growth and the gradual improvement of supporting facilities such as healthcare and education, an increasing number of foreigners are choosing to invest in property in China. However, there is a lack of in-depth analysis on the needs of this consumer group. This paper aims to explore the demand for residential products among foreigners in China by combining relevant literature, search engines, and AI-assisted analytical tools, while providing practical and feasible suggestions for future development. The study reveals that current discussions on this issue remain insufficient, particularly in terms of qualitative depth. Further efforts will be made to collect and analyze related data.

**Keywords:** Foreigners Purchasing Property; Architectural Design; Building Functions; Residential Preferences; Housing Products.

### **1. Introduction**

At present, the Chinese economy has shifted from a traditional export-oriented economy to an economic model driven by both domestic demand and foreign trade [1,2,3]. Foreign trade exports have gradually shifted from being dominated by traditional European and American markets to customers in hot regions or countries such as Latin America, Africa, India, Russia, and Central Asia. At the same time, it has become a trend for Chinese enterprises to invest and develop overseas, and to open up new markets around the world. With the occurrence of regional conflicts of various sizes around the

world, China's new economic development model and international trade pattern are gradually taking shape, accompanied by the steady improvement of the country's comprehensive strength, and the recognition of China by overseas institutions and individuals is gradually increasing. According to authoritative statistics, in the first three quarters of 2025 alone, the national immigration management agencies have verified and verified 178 million inbound and outbound personnel, an increase of 12.9% compared to last year. Among them, foreigners accounted for 2013.4 million people, a year-on-year increase of 22.3%, and the visa free policy had a significant effect [4]. The proportion of "foreign marriages" in China's foreign-related marriages is also gradually increasing, reaching 60.6% of the total by 2019 [5]. There have been cases of Sino Vietnamese and Sino Russian intermarriage in some border areas, such as Guangxi, Yunnan, Inner Mongolia, and Northeast China, and the trend of two-way integration is becoming increasingly evident [6,7,8]. Meanwhile, in recent years, China's stable political environment, excellent medical services, well-developed industrial chain, and booming macroeconomic growth have gradually attracted a group of international capital and individuals to invest in industries and purchase real estate in China. However, currently, people's habitual thinking mainly relies on international capital and individual purchases of luxury villas, lacking a basic understanding of the needs of foreign ordinary consumers in residential products, and unable to provide feedback on specific implementation aspects such as building functions. This article aims to explore the

demand of foreigners for purchasing residential properties in China based on relevant literature, and provide some feasible suggestions for future development.

## **2. Methods**

The methods of data collection are mainly influenced by case studies [9,10]. Chinese literature databases such as CNKI, Wanfang Data, and VIP Information will be used for retrieval, with keywords including architectural design, residential products, foreign home purchases, building functions, residential preferences, etc. The literature is limited to journal articles published between 2015 and 2025. Some online search engines such as Bing.com International Edition, AI analysis tools such as Doubao and DeepSeek will also be applied to our research, in order to obtain a relatively complete data model and auxiliary analysis results.

## **3. Results and Discussions**

Through searching and analyzing keywords in three Chinese databases and search engines, it was found that the number of articles meeting the criteria was extremely small. Currently, existing research mainly focuses on discussing some existing policies on foreigners purchasing houses, security services, and the compliance of overseas funds entering the country [11, 12]. Both domestically and internationally, research on foreigners' demand for residential products in China is seriously lacking. Similar results were also reflected on the international version of Bing.com, which mainly provides introductions and product information from real estate agents, without relevant academic research. Using tools such as Doubao and DeepSeek for auxiliary analysis, related discussions mainly center on the key conveniences brought by the new policies for overseas home buyers in 2025. In summary, research on specific aspects of foreigners' demand for residential products in China, such as construction needs, is seriously lacking. Currently, although the proportion of real estate in the national economic development is gradually decreasing, it cannot be denied that land transfer fees still account for a large proportion of local government fiscal revenue in China. Even considering the implementation of subsequent property taxes, referring to the internationally accepted annual real estate tax rate, which ranges from 0.4% to 4% of asset

valuation, there is some reason to believe that it still cannot meet current public expenditure. The construction of housing for foreign buyers and the adaptive modification of kitchen, bathroom, balcony, and other functional areas will create certain market opportunities. Incorrect product design will cause domestic developers to lose potential international buyers and reduce related development revenue. At the same time, it is necessary to consider the acceptance of different new materials and green building materials in different regions, and form differentiated strategies for various types of international markets. Finally, the operation of residential property management in China is relatively mature and is also at the forefront internationally, providing good services for residents. With the introduction of foreign capital and the policy constraint of purchasing only one property, it can alleviate the current sluggish real estate market to some extent. Real estate is the only commodity that has both residential and financial attributes and can also generate significant debt. This industry is also an industrial chain that can drive a large number of employment opportunities upstream and downstream. Currently, it is an important historical opportunity period for the internationalization of the RMB. With the gradual bursting of the US artificial intelligence bubble, international hot money urgently needs to find new targets in the market. It is suggested to consider referring to the development model of Singapore, constructing or purchasing existing residential properties from real estate developers to transform them into quasi-affordable housing. At the same time, it is suggested to consider designating specific geographic areas or even specific residential areas, allowing international hot money to enter without being restricted by purchase restrictions, that is, separating the residential and investment attributes of residential properties, thus achieving the goal of providing housing for residents and having investment targets. This can, to some extent, supplement local fiscal revenue and drive foreign individuals to purchase property in China. This has positive significance for alleviating the current balance challenge of "anti-inflation" and "maintaining growth". Finally, considering the self-use attribute of residential properties by foreigners, coupled with local credit and purchase restrictions policies, we have reason to believe that the net inflow of

foreign capital will not form a significant scale, nor will it produce imported inflation. Instead, it will be a structural supplement of incremental growth like a "small steady flow". This has certain positive significance for promoting the two-way flow of currency exchange and the internationalization of the RMB.

Currently, there have been instances of foreigners purchasing domestic residential properties in border areas. Taking Hunchun City in Jilin Province, located on the China-Russia border, as an example, the city enjoys a warm winter and cool summer, with an overall stable, clean, and peaceful environment. Moreover, the Yanbian Korean Autonomous Prefecture where it is located is connected to China by airports and high-speed railways [13]. Due to its proximity to Vladivostok (also known as Vladivostok) in Russia, foreigners, especially Russians, have a high overall enthusiasm for purchasing properties. In addition, Heihe City in Heilongjiang Province, Ruili City in Yunnan Province, and Dongxing City in Guangxi Zhuang Autonomous Region all exhibit similar phenomena of foreigners purchasing properties. China, relatively speaking, provides a relatively good living environment and a stable haven for capital for these international border personnel. Especially for countries such as Vietnam and Laos, their cultural customs and living habits are similar to those of China, leading to a relatively high degree of recognition. Considering the differences in economic development, they are also willing to come to China to study, live, and work. Having a deeper understanding of the architectural design needs of these property buyers can better facilitate sales for developers and increase local fiscal revenue.

With the implementation of further facilitative policies and measures for foreigners purchasing properties in places such as Guangzhou, Shenzhen, and Foshan, as well as the further optimization of foreign exchange management for cross-border investment and financing in 2025, the housing policy for foreigners in China has ushered in a phased breakthrough [14]. A significant portion of individuals coming to work and live in China are ordinary white-collar workers, blue-collar workers, or even students with long-term plans to develop in China. Their main demand is not entirely for luxurious mansions; a large part of them belong to the foreigners' rigid demand class. It is particularly necessary to conduct in-depth research on these

groups using various data collection and analysis methods. Most foreigners hold a non-positive attitude towards the huge and luxurious style of residential products. They relatively pay more attention to the living comfort of their small homes, whether the fitness facilities in the surrounding area are well connected, and whether facilities for children's education are more convenient in terms of transportation. This demand is similar to that of contemporary young people born in the 1990s and 2000s. To some extent, developing similar common products has positive significance. At the same time, foreign homes are generally delivered fully furnished, which is closely related to the higher cost of blue-collar workers abroad. There is also a large group of foreigners who decorate their homes themselves, such as laying cement floors, painting walls, and other basic tasks. Relevant suggestions for medical insurance, social security, and children's education can also be considered. Finally, further research is needed on legal aspects, such as how to define respective boundaries, how to handle disputes, and whether there are relevant cases to draw from.

Unlike the model of nation-building based on ethnic identity and national sovereignty unification that gradually emerged in the West from the 16th to the 19th century, known as the "Nation State", the Chinese nation possesses a significant natural advantage in the model of nation-building based on culture, commonly referred to as the "Civil State" [15,16,17]. Mutual recognition and integration among ethnic groups are no longer based on race, religion, or even clan, but primarily on cultural identity, meaning that recognition of Chinese culture equates to being a member of the Chinese nation. This vividly embodies the political philosophy of "All under heaven is the king's land, all along the king's coast are the king's subjects". The forging of a strong sense of community consciousness among the Chinese nation has blossomed across the vast expanse of our motherland. Currently, there are approximately 1 million foreigners living in China on a long-term basis. Taking the example of one million yuan for every three people purchasing a residential property, the total market size exceeds 300 billion yuan [18]. Moreover, these foreigners come from all over the world, bringing with them diverse cultures, customs, and technological styles. Currently, it seems that the

only nation in the world that can integrate such multidimensional and diverse factors and put them to good use is the Chinese nation. A deep understanding of this "integration" advantage of our Chinese nation is conducive to further enhancing and strengthening the country's politics, economy, and culture in all aspects, thereby increasing global competitiveness. It can also help us better open up markets in the competition with Europe and America in places like Latin America and Africa, thus enabling the Chinese nation to stand tall and proud among the world's nations for a long time to come.

#### 4. Conclusions

This article analyzes and explores the demand of foreigners for purchasing residential products in China, and provides some suggestions for future development directions. There are still deficiencies in the current research. Firstly, Google search engine and other platforms cannot be accessed, which leads to incomplete research data. At the same time, there is a serious lack of qualitative data, resulting in a certain degree of one-sidedness in this research, which is only exploratory in nature. Follow-up research will focus on the above two points, and further comprehensive analysis and collation will be conducted on the needs of foreigners for purchasing houses in China, such as architectural design.

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