

A Housing Price Model for Determination of Control Indices in Regulatory Plans *

Ning Zhao^{1,2}, Chen Hua¹, Zhe Gu¹

(¹Department of Architecture, Zhejiang University, Hangzhou 310058, China)

(²Department of Town and Regional Planning, the University of Sheffield, Sheffield, South Yorkshire, UK)

Abstract: The paper describes the development of a model for analysing the relationship between the cost, value and profitability of different forms of residential development for medium-size and small-size towns in China. A key issue for Chinese planners is the control of building heights and plot densities in the small-sized and medium-sized towns. Developers are reluctant to comply with the planning policies that require high rise and high density construction. This is because of the trending for higher buildings to incur higher unit building costs and lower unit values, thus reducing profitability. Planners need to identify the building form that offers the best contribution of cost and value. Using the Qujiang District of Quzhou city as a case study, this paper investigates how effectively the different hierarchies of plans may be implemented, in relation to the building form by interviewing local government officers, residents and developers. The research suggests that planners' ignorance of the financial implication of policy for developers is a major problem. Model analysis demonstrates that there is a critical housing price below which development of certain built forms becomes commercially unviable. This is a key cause of contravention among planning policies.

Key words: Housing Critical Price, Control Indices, Regulatory Plan

* Project supported by the China Scholarship Council (No. 2008103582)