The Road to Homeownership under Market Transition: Beijing 1980-2001

Si-ming Li and Zheng Yi

The gradualist housing reform over the past quarter century has produced a highly complex mix of housing tenure forms and consumption patterns in urban China. Using a sample of 1600 residential histories derived from a survey conducted in 2001, this paper traces how individuals and households in Beijing responded to the different phases of the urban housing reform and gradually moved from renting work unit housing to owner occupation over the period 1980-2001. The proportional hazards model is used to analyse the factors that affected the tenure change at different points in time. The findings show that, despite gradual introduction of market mechanisms, established rules that favoured seniority in the workplace and people holding redistributive powers continued to be practiced in reform China. Cadres in Party and government organizations and state-owned enterprises, and people with long serving years in the work unit were those who were most likely to experience the ownership switch in recent years.