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The promise and reality of middle-class homeownership in China: housing assetisation, speculative urban (re)development and residential inequalities

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ABSTRACT

This paper offers a nuanced understanding of China's housing assetisation by (1) examining its role in supporting financialised urban (re)development after the global financial crisis, and (2) dissecting the contradictions between seemingly flourishing housing markets and deep-seated residential inequalities. Drawing on the case of Guangzhou, this paper first illustrates how housing assetisation internalizes financial norms within Chinese homeowner society, signifying a shift in the mode of social regulation from managerialism to entrepreneurialism. This shift is evident in the capitalization of priority access to public infrastructure and the prevailing culture of accumulation, investment and speculation. In the post-crisis era, housing has been repackaged as a lucrative investment by the local state through dazzling (sub)urban projects, large-scale infrastructure construction and ambitious urban-planning proposals, thereby fueling a home-buying frenzy. We argue that the assetisation-induced social ethos of capital accumulation and speculative investment, entwined with infrastructure-cum-property-led urban (re)development, has recast Chinese cities into shareholder-value machinery. As the local state leverages household savings and income streams to bolster land-based financialised urban development, homeowners/buyers are transformed into investor-citizens. This transformation implies that urban household balance sheets become intricately linked with China's urban fortunes. Moreover, residential inequalities are exacerbated, exemplified by prevalent gentrification "at a premium".

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Introduction

Recent years have witnessed an efflorescence of research on housing financialisation, with a growing body of literature developing under the rubric of "the variegated financialisation of housing" (Aalbers, 2017). This line of research attends to diverse institutional forms of financialisation in the housing sector across different politico-economic

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settings. The variegated configurations of housing financialisation, after all, share common trajectories (Aalbers, 2017). A fundamental approach is assetisation (Birch & Ward, 2024; Wu et al., 2020), which enables homeownership to become a form of asset-based wealth accumulation and provides an institutional precondition for developing mortgage markets. Mortgages expand access to homeownership and establish a creditor–debtor relationship between financial institutions and debt-financed homeowners, thereby subordinating the labor market and household livelihoods to the financial system (Hillig, 2019). Given that mortgages are considered high-quality collateral, the housing sector continues to gain traction in financial markets by way of securitization. Mortgage-backed securities are designed to absorb a global pool of capital seeking profitable investment (Aalbers, 2008). Recently, institutional investors have become financial giants who hold sway over the (rental) housing market through long-term investment (e.g. REITs, Wijburg et al., 2018). Overall, a spectrum of diversified avenues towards housing financialisation ranges from debt-driven to investor-driven modes, whereby the housing sector remains a frontier for financial expropriation and capital accumulation (Moreno, 2014).

This paper aims to place the Chinese case onto intellectual maps that chart the variegated financialisation of housing. In advanced market economies, housing assets and mortgages are deployed to serve financial markets (i.e. the quaternary circuit of capital, Aalbers, 2008). By contrast, housing assetisation in China acts as an institutional stimulus, propelling financialisation from the housing sector to the broader economy (Wu et al., 2020). Specifically, this state-orchestrated strategy repackages homeownership into a form of household investment, channeling a sheer volume of household savings/debts into the real estate industry. This approach has allowed the Chinese state to sustain property-driven urban growth (S. He et al., 2020), and support land-collateralised and debt-financed development since the global financial crisis in 2008 (Wu, 2022). Thus, China's housing assetisation is fundamentally a supply-side endeavor: household savings and mortgages are ultimately pooled in cities to underpin land-centred urban development and turbocharge the secondary circuit of capital (Shen & Wu, 2017). In this context, this paper seeks to gain a nuanced understanding of housing assetisation by exploring its connection with ongoing urban processes.

In recent years, Chinese cities have experienced a remarkable housing boom, marked by burgeoning property development and a concomitant home-buying frenzy. This intriguing process provides an entry point for probing the connections between housing assetisation and post-crisis urban (re)development. On the production side, state-led and land-based urban financialisation is the primary driver behind vigorous property development (Wu, 2023). Real estate developers align with the local state, ploughing large amounts of capital into land auctions and housing development for accumulation (Shen & Wu, 2017). On the consumption side, substantial family wealth has been anchored in the housing market through achieving homeownership, keeping the land-infrastructure-leverage wheel spinning (Lin et al., 2019; Tsui, 2011). However, the mechanisms by which Chinese households have been galvanized into such an investment spree in the real estate industry remain under-researched. Housing assetisation in China is far from its nascent state but has undergone long-term development alongside housing privatization since the late 1990s. By contrast, housing investment has not become a common practice among a wide range of Chinese households until 2008 and this

trend has intensified since 2016, when the central state called for destocking the housing inventory (Wu, 2023). Thus, housing assetisation alone cannot fully explain the overheated housing market in recent years, which is at best a necessary but insufficient condition. Additionally, the social implications of the housing boom for urban households and the city remain unclear. The use-value of housing has long been eclipsed by its exchange-value amidst pro-growth urban development (Logan & Molotch, 1987). Following this line of thought, a question arises regarding the additional effects that assetisation has had on the enduring tensions between the use-value and exchange-value of housing – or more fundamentally, between capital accumulation and social well-being in post-crisis urbanism.

To fill these gaps, this paper draws on the case of Guangzhou and seeks to address two research questions: (1) examining how housing assetisation works in tandem with post-crisis urban (re)development and feeds into the housing boom; and (2) interrogating the contradictions between seemingly flourishing housing markets and actually existing residential geographies at the confluence of housing assetisation and post-crisis urban (re)development. As with many other Chinese cities, the housing market in Guangzhou has been engulfed by an investment fever, leading to an upsurge in house prices. According to a real estate website (anjuke.com), from 2015 to 2021, the average house price in Guangzhou escalated from 18,792 to 33,420 RMB/m^2, an increase of 77.84%. To disentangle the connections between housing assetisation, urban (re)development, and changing residential landscapes, we embark on an in-depth investigation into Guangzhou's housing and urban geographies, taking middle-class homeowners/buyers[1] and their lived experience as a vantage point for examination. Before turning to the case study, the next section unpacks the underlying features of housing assetisation based on a literature review, with a focus on its relationship with the urban process and social fabric.

Housing assetisation, urban (re)development, and social implications

Urban growth machine in motion: the nexus between the state, land, and housing

The housing sector has long been integral to pro-growth urban (re)development, and therein lies the entrepreneurial local state as the driving force (S. He, 2019; Liu & Yau, 2020). The local state establishes growth coalitions with capital forces that have land-based interest, whereby both sides conspire to set the urban growth machine in motion through intensified land use (Logan & Molotch, 1987). This tendency prevails during the transition to deindustrialization, where property-led (sub)urban development is deemed a solution to the overaccumulation conundrum (Shen & Wu, 2017), with surplus capital being channeled into the built environment. Gentrification has been deployed as an urban strategy in this process (S. He, 2019). Housing development entails gentrifying landscapes and aesthetics and is supported by capital (re)investment and neoliberal urban policies.

Since the twenty-first century, with financialisation permeating the urban realm, there has been a dramatic shift in the mode of capital accumulation in urban (re)development and its housing sector, where financialisation exerts leverage effects in two directions. For

debtors, financialisation provides financing channels to fuel production activities. For creditors/rentiers, it means profiting by extracting value from investable subjects. In cities, land, housing and infrastructure have all been assetised (Chen & Wu, 2022), which serve as both collateral and investments. Under this circumstance, finance capital is allowed to get involved in the urban process, sustain accumulation by dispossession, and achieve profiting without producing (Moreno, 2014). The state is indeed implicated in financialised urban (re)development. It performs the speculative art of government (Goldman, 2011) by enacting an ambidextrous role. As a financier, it develops financial derivatives for sale (e.g. TIF) or leverages its assets with credit (e.g. land mortgage) to subsidize urban (re)development projects, and meanwhile reap investment profits from public land/housing via financial conduits (Peck & Whiteside, 2016; Wu, 2022). As a regulator, the state intervenes in the financial sector for crisis management (S. He et al., 2020) or exhibits entrepreneurial statecraft to empower finance capital in urban development (Goldman, 2011).

In the Chinese context, the state explicitly assumes a dominant role. Financialised urban development relies on land monetization, which works in conjunction with property development (Shatkin, 2017). In this process, the state facilitates fictious capital formation of land assets through carefully choreographed urban (re)development projects (Shatkin, 2017), with the intention of speculating on the future of cities. Correspondingly, property development has become a speculative outlet, through which the fictitious capital of land assets can be converted into tradeable exchange-values (Lin et al., 2019). In this light, housing is essential to financialised urban development. However, while the existing literature extensively documents the whole process of value creation, capture, and extraction in China's land financialisation (Jiang & Waley, 2022), the role of housing – especially the contribution of housing assetisation to the urban process – is largely underestimated. To address this concern, this paper suggests that the homeowners'/buyers' perspective and their lived experience would be heuristic for a nuanced understanding of housing assetisation.

The Chinese path to housing financialisation pivots on assetisation (Wu et al., 2020) – a consumption-oriented notion primarily pertaining to family wealth, mortgaged homeownership, and household investment, emphasizing the indispensable role of homeowners/buyers. Therefore, examining homeowners/buyers' lived experiences and behavior in the housing market, where multi-layered logics of housing consumption are exhibited, offers invaluable insight into housing assetisation. Assetisation redefines homeownership, shifting it from merely fulfilling the need for residence and quality of life to increasingly being viewed as a store of value or lucrative investment alongside house-price inflation (Adkins et al., 2021). However, China's housing assetisation is far from a spontaneous market process, but rather a state-formulated strategy to prop up the urban economy (Wu, 2023). Building on these premises, this paper investigates how housing assetisation has reshaped the motivation for homeownership among urban households and revitalized property-led urban (re)development since 2008. The case study will delineate how homeowners/buyers participate in the urban process by bidding their family wealth on the promise of exuberant urban (re)development and employing diverse financing strategies to achieve homeownership. To explore these

questions, the next section delves into the nature and social implications of housing assetisation.

Assetisation as a mode of social regulation reshaping the homeowner society

Housing assetisation not only reequips the urban accumulation regime, but also transforms the mode of social regulation by amplifying the financial nature of housing and reinforcing the asset-based welfare regime, which fundamentally undermines the social meaning of homeownership (Forrest & Hirayama, 2018). Housing assets constitute a significant portion of family wealth, symbolizing social status for many households (Adkins et al., 2021). Besides, assetisation imbues homeownership with additional financial connotations. For instance, housing wealth is commonly viewed as a precautionary saving mechanism for hedging against economic uncertainty (Yang et al., 2017). Some owner-occupiers evolve into investor-activists, ensuring the profitability of their housing assets by influencing the urban process (S. He & Cai, 2023). Persistent asset-price inflation and financial literacy campaigns jointly foster entrepreneurial subjectivity, thus igniting widespread enthusiasm for multiple property ownership (Watson, 2010). The emerging trend in private landlordism (e.g. buy-to-let activities) signifies that investment incentives now outweigh housing needs in motivating homeownership (Aalbers, 2017). All these trends reflect an investment ethos fermenting in society, underpinned by privatized Keynesianism, which mobilizes private debt (e.g. mortgages) to stimulate the economy, rather than relying on public debt/expenditure (Crouch, 2009).

The internalization of assetisation into homeowner society inevitably impinges on housing landscapes and reproduces multifaceted inequalities. A main form of housing inequality is asset-based (or equity-based) wealth inequality. Adkins et al. (2021) argue that asset-based capital gains play a more crucial role than wage income in determining the class positions and life chances of households. Wealth inequality exists not only between the haves and have-nots but also among homeowners from different social strata. Given the high debt levels and limited inflation rates of housing assets in medium-and-low-income neighborhoods, compared to the high levels of home equity in affluent neighborhoods, wealth segregation arises among neighborhoods (Walks, 2016). Over time, asset-based wealth disparity is exacerbated across generations due to hyperinflation in house prices and excessively uneven holdings of residential properties (Forrest & Hirayama, 2018). This leads to multiple tenure inequalities – severe unaffordability, rising vacancy rates, and homelessness. A third form of housing inequality stems from the predatory financial system, which prioritizes the interests of the rentier class. Homeowners burdened with mortgages often find themselves trapped in debt peonage and precarity (Hillig, 2019), facing threats of default, foreclosure and eviction. Meanwhile, mortgages are securitized into "shareholder value" in financial markets, where investors seek capital accumulation by dispossessing debt-laden households of their earnings, and even their homes (Aalbers, 2008).

Notably, extant research on housing assetisation is mostly confined to the financial domain. The bulk of the literature is preoccupied with the impact of housing assetisation and house-price inflation on wealth redistribution and economic well-being. Despite the prevalence of financial logic in the housing sector, housing retains its use-value as a residential space in the first place. This paper aims to incorporate relational thinking by

examining the inherent contradiction between "housing as a residential space" and "housing as a tradeable asset class". After a situated analysis of housing assetisation in post-crisis urban (re)development, the empirical study will turn its analytical gaze to the residential geographies within a financialised urban milieu. When housing assetisation is employed to fuel financialised and speculative urban (re)development, leading to a mania for housing consumption/investment, how will the housing boom change residential landscapes? This paper will flesh out detailed answers to this question.

Fieldwork sites and methods

This paper draws on ten months of fieldwork conducted in 2019, during which we continuously interacted with a local real estate agency and other stakeholders in Guangzhou. This agency provides brokerage services for the second-hand housing market, and collaborates with developers to promote new residential projects. The selection of fieldwork sites was based on discussions with employees at the agency, who proposed a location-based taxonomy. According to this taxonomy, the 11 districts of Guangzhou were classified into three types of housing submarkets (Table 2): urban centers (Tianhe, Yuexiu, Haizhu, and Liwan Districts), inner suburbs (Huangpu, Panyu, and Baiyun Districts) and the outskirts (Zengcheng, Conghua, Huadu, and Nansha Districts). The agency employees explained that "housing markets in different locations differ in terms of house price, consumer groups, and sales strategies" (fieldnote 7, April 2019). Finally, we chose one district from each submarket type as fieldwork sites: Tianhe, Huangpu and Zengcheng.

Moreover, the agency employees also recommended Guicheng, an exurb of Guangzhou, as an additional fieldwork site. Guicheng is a subdistrict jurisdictionally subordinate to Nanhai District, Foshan City, but geographically close to the urban centers of Guangzhou. Since 2010, the construction of a metro line connecting Guicheng to Guangzhou's urban centers has made Guicheng an attractive destination for people from Guangzhou who are looking to buy homes due to its relatively low prices. Thus, we included Guicheng Subdistrict in our fieldwork. In sum, the fieldwork sites recommended by real estate practitioners represent their professional perspectives on the diverse housing markets in and around Guangzhou, appropriately reflecting the uneven, contingent, and variegated housing geographies in this city.

As for data collection, firstly, we adopted participant observation throughout the fieldwork. We participated in the brokers' routine, and immersed ourselves in the dynamics of housing markets, collecting a whole raft of discursive but informative verbal data from fleeting contacts and everyday vignettes. Finally, we recorded 57 pieces of fieldnotes. Secondly, we conducted semi-structured interviews with 42 homebuyers and 11 landlords about their perceptions and experiences related to homeownership (see Table 1). We also interviewed 26 real estate practitioners, eliciting in-depth information about the housing market and urban projects. In the follow-up case studies, we recruited seven families to take part in this research, and followed their decision-making processes by conducting non-intrusive observations and semi-structured interviews. In doing so, we closely examined their pathways towards homeownership through the lens of their lived experience. Finally, to complement the on-the-spot investigation, we collected statistical data about land/

Table 1. Research methods and data sources.

Data source	Respondent (number)	Notes
Participant observation	–	Fieldnotes were based on in-situ observations in various settings (e.g. business consulting, real estate visits).
Semi-structured interview	Homebuyers (42) Landlords (11) Real estate practitioners, abbr. RP (26)	All interviewees have provided appropriate informed consent before interviews were conducted.
Follow-up cases (under pseudonyms)	Xing	Works in Zhujiang New Town, Tianhe, and wants to buy a home nearby.
	Ruo (with husband)	Already has a home in Nansha; intends to buy another one in Zengcheng for investment.
	Jia	Sells his home in Zengcheng before buying a new one in Tianhe.
	Ling (with wife and children)	Runs a business in Guangzhou, but intends to live in Guicheng Subdistrict, Foshan City.
	Yin (with husband and son)	Lives with her parents-in-law; vacillates on the residential location between Tianhe and Panyu.
	Miu (with wife)	Plans to buy a home in Huangpu with his family for household investment.
	Wan	Works at a university in Tianhe, and wants to buy a home nearby.

house prices, urban planning, and the built environment of residential neighborhoods. The data were extracted from government documents, real estate websites and on-site surveys.

How housing assetisation reconfigures the urban process

Facilitating the shift in the mode of social regulation from managerialism to entrepreneurialism

Before the advent of housing assetisation, Chinese homeowner society was largely shaped by non-economic institutions. During the planned economy era, housing functioned as a form of welfare, with the state controlling the distribution of public housing and other public goods/services under the logic of egalitarianism and managerialism. However, the allocation of housing and access to public infrastructure were not free of inequalities.

Table 2. The metro system and house prices in Guangzhou (as of January 2021).[a]

Market type	District	Area (km^2)	Number of metro routes	Number of metro stations	Number of interchange stations	Density of metro stations (per 10 km^2)	Average house price (RMB/m^2)
Urban Centres	Tianhe	96.33	7	39	9	4.05	52,379
	Yuexiu	33.80	4	20	6	5.92	59,054
	Haizhu	90.40	6	25	7	2.77	42,930
	Liwan	59.10	5	20	5	3.38	36,435
Inner Suburbs	Baiyun	795.79	6	34	2	0.43	29,916
	Huangpu	484.17	5	30	3	0.62	26,748
	Panyu	529.94	4	21	4	0.40	28,557
Outskirts	Nansha	783.86	1	12	0	0.15	22,762
	Huadu	970.04	2	12	0	0.12	16,781
	Zengcheng	1616.47	2	12	0	0.07	17,589
	Conghua	1974.50	1	5	0	0.03	13,283

[a]Source: Housing price data are from anjuke.com (https://www.anjuke.com/fangjia/guangzhou2021/, accessed 17 March 2021).

These inequalities were primarily linked to the performance of state-owned enterprises (a.k.a. work units) and individuals' political ranks within the work-unit system.

Since the late 1990s, assetisation has been introduced to the housing sector alongside the extensive privatization of public housing (Chen & Wu, 2022). Concomitantly, housing assetisation has transformed the previously politically differentiated priority in accessing housing and public infrastructure into a financially quantifiable one. In this context, housing has become capitalized property (Birch & Ward, 2024), with its asset value being calibrated by the accessibility of public infrastructure in its immediate vicinity. After two decades of practice, the capitalization of accessibility to public infrastructure seems to have become normalized in urban China, as one interviewee explains:

> The density of schools, hospitals, metros, and parks surrounding the residential property determines its price. These facilities are equally open to the public. However, if you live nearby, you have priority access. To enjoy the benefits brought by the proximity to these facilities, it is reasonable to bear a higher house price. (interview with RP5, June 2019)

The uneven distribution of public infrastructure has resulted in a disparity in house prices among different districts in Guangzhou. The high concentration of public infrastructure in urban centers substantially accounts for "their long-term stratospheric house prices" (fieldnote 39, October 2019). For example, considering Guangzhou's metro system (Table 2), urban centers are densely covered with metro routes and (interchange) stations, whereby house prices in these districts have been driving up the city-wide average (33,420 RMB/m^2 in January 2021).

As a typical result of housing assetisation, the privilege of accessing top-tier K-12 public schools has been considerably capitalized (S. He, 2022). Ostensibly, the public schooling system retains the logic of managerialism, with catchments for public schools designated by local education departments and admission qualifications predicated on students' *hukous*. With housing commodification in urban China, *hukou* has become intrinsically linked with homeownership, resulting in admission qualifications being tied to housing property rights. In other words, housing and education have become two intersecting fields reshaping the rationale of social (re)distribution (Q. He & He, 2024). Given the varying educational quality among different public schools, the division of school catchments has become a major concern for middle-class homeowners/buyers. Residential properties located within the catchment areas of higher-ranked public schools[2] are known as "*xuequ-fang*" (fieldnote 34, October 2019) or edu-apartments (Cai et al., 2022). Housing assetisation has monetized access to schools, with "*xuequ-fang*" commanding a high premium due to their access to superior educational resources.

To reveal the high premiums and inflated prices of "*xuequ-fang*" compared to "non-*xuequ-fang*", we demarcated a residential area of 0.5 km^2 within Tianhe District for observation, known as (part of) the "Tianhe North Area". Two public primary schools are located in this area: Huayang (a provincial-level school) and Huakang (a municipal-level school). Residential neighborhoods in this area equally share most public amenities, as these amenities are within walking distance. Apart from building conditions (e.g. building age and density), the main difference among these neighborhoods lies in the division of school catchments – Huayang and Huakang. We visited these neighborhoods in October 2019, recording their building conditions, school catchments and resale prices at the time (Figure 1). Here are some empirical findings:



Figure 1. Spatial distribution of school catchments and house prices in the Tianhe North Area.

> The catchment areas for public junior high schools are officially aligned with those for public primary schools in Tianhe. Hence, students graduating from Huayang Primary School will be enrolled directly in Guangzhou Junior High School – a provincial-level school, as the catchment areas for these two schools overlap. If parents own residential properties in this area, their children can enter top-tier public schools from K to 9. This kind of residential property is thus called "double-xuequ-fang". (interview with Landlord 8, November 2019)

> Residential properties in Huayang's catchment area command higher resale prices (double-xuequ-fang, over 60,000 RMB/m^2) than those in Huakang's catchment area (non-xuequ-fang, below 60,000 RMB/m^2), although the former ones are generally dilapidated. (fieldnote 35, October 2019)

Assetisation serves not only as an institutional reconfiguration by introducing monetary metrics to gauge accessibility to top-tier public schools and other public infrastructure, as well as the use-value of housing. More profoundly, it also establishes a social norm that instills a culture of accumulation and investment among middle-class households (S. He & Cai, 2023), thereby stimulating the production of the enterprising self (S. He, 2022). In this context, for middle-class homebuyers, purchasing a "*xuequ-fang*" represents not an "expenditure" but rather an "investment" endeavor. Investing not only in housing assets, but also in education, career prospects and individual well-being, has become the mainspring of homeownership. This sentiment is exemplified in a conversation with a homebuyer who intended to buy a home in Huayang's catchment area:

> Upon our visit to the neighbourhoods along Huayang Street, a significant price gap between Qiaoyi Yuan and Dushi Huating (❶ and ⑦ in Figure 1) was observed. Despite Dushi Huating boasting superior building conditions (built in 2004 with a plot ratio of 1.29) compared to Qiaoyi Yuan (built in 1991 with a plot ratio of 2.24), its average resale price is nearly 6,500 RMB/m^2 lower. (fieldnote 35, October 2019)

In this specific case, when informed that purchasing a 100-square-metre home in this block would require an additional 650,000 RMB to secure admission qualifications for the provincial-level public school for his children, the homebuyer responded:

> That's perfectly acceptable. Quality education is like a golden ticket to success. With a solid educational background, chances are you'll be raking in around 650,000 RMB per year from a decent job. This investment holds great potential profitability.
>
> … The school catchment is a reliable store of value for this property. After my children graduate, I can resell this home and most likely make a profit from it. (interview with Homebuyer 40, October 2019)

In this sense, not only housing but also an individual's life has become the subject of assetisation, where the pursuit of "*xuequ-fang*" and top-tier education essentially represents an accumulation of human capital driven by the enterprising self (S. He, 2022). Overall, assetisation reflects a fundamental shift in the mode of social regulation from managerialism to entrepreneurialism. Under this paradigm shift, the responsibility for ensuring social well-being is transferred from the public to the private sphere, which is "suited to new forms and paths of capital accumulation" (Harvey, 1989, p. 15).

Extracting value from infrastructure-cum-property-led (sub)urban development

It is well documented that post-crisis urban (re)development in China hinges upon financialisation, which plays a dual role in the urban process: it provides financing

channels for debtors and facilitates value extraction for rentiers, predicated on the assetisation of land, housing, and infrastructure. Land assets are regarded as reliable collateral in China due to state ownership of land (Chen & Wu, 2022). Since 2008, local governments have leveraged land assets to finance infrastructure-driven urban development. The financing process is engineered by "arm's-length quasi-municipal corporations" known as local government financing platforms (LGFPs) and urban investment and development corporations (UIDCs or *chengtou* in Chinese) (Jiang & Waley, 2022). However, the excessive reliance on land-collateralised urban development has led to mounting local debts, necessitating means of revenue generation for debt repayment and capital accumulation. In this context, property development remains a viable solution for local governments and developers.

Yet, compared to the previous wave of property-led urban (re)development, where gentrification was predominantly employed as a pro-growth strategy (S. He, 2019), the current wave of financialised urban (re)development prioritizes the creation and extraction of value from investable assets (e.g. land, infrastructure, and housing) as a panacea to sustain capital accumulation. Specifically, the local state is well versed in the infrastructure-led approach to land and housing value uplift. Contrary to city centers, suburbs are characterised by low land/housing value, inadequate infrastructure, and vast undeveloped land. Thus, Chinese suburbs emerge as a wonderland for value extraction (Shen & Wu, 2017), where large-scale infrastructure construction is in full swing, together with restless property development.

This section illustrates how the local state orchestrates the process of value creation and extraction by examining the dynamics of urban (re)development projects. Among the four fieldwork sites, Tianhe spearheads pro-growth urban development and has already developed into Guangzhou's central business district. In recent years, local governments launched various (re)development projects in the other three (sub)districts, packaging them as promising investment destinations. The "Sino – Singapore Knowledge City" in Huangpu, the "Xintang New Town" focusing on transit-oriented development (TOD) in Zengcheng, and the "Financial High-tech Zone" in Guicheng have been actively competing for capital investment and public attention.

The development trajectories of these projects (Figure 2) reveal a recursive and symbiotic relationship among infrastructure construction, urban planning, and property development. During our visit to "Tianyun" – a new-build residential neighborhood in the Knowledge City – we enquired about the sharp increase in its house price from 16,000 to 27,000 RMB/m^2 between 2017 and 2019. The salesman explained this surge by highlighting the new infrastructure developments nearby:

> The Hetangxia Station, adjacent to our neighbourhood, commenced operations in December 2017. It is seamlessly linked to the city centre via Metro Line 14. During peak hours, some metro trains bypass intermediate stations and travel directly to Tianhe in just 30 min. A public primary school, also named 'Tianyun,' is set to open soon. Phoenix Lake Park is just a five-minute walk from our neighbourhood. (interview with RP15, July 2019)

Conversations like this were the focal point of nearly every new-build residential project we visited. Consequently, suburban property development can be metaphorically seen as a form of parasitism on infrastructure construction, insofar as the latter drives escalating

	Sino–Singapore Knowledge City in Huangpu	Xintang TOD New Town in Zengcheng	Financial High-tech Zone in Guicheng
	[UP] In 2008, a cooperation agreement signed with Singapore on this project		**[UP] In 2007**, Financial High-tech Zone launched as a provincial-level project
	[UP] In 2010, construction plan of Metro Line 14 unveiled		**[RS] From 2004 to 2008**, 2 parcels leased, 1,043 RMB/m^2 on average
	[RS] From 2010 to 2011, 4 parcels leased, 438 RMB/m^2 on average		**[IC] In 2010**, these projects completed: •Poly Waterfront Commercial Plaza •Guangzhou–Foshan Metro Line •Qiandeng Lake Park (a landmark project)
	[UP] In 2011, the Master Plan of the Knowledge City 2010–2020 unveiled		
	[RS] In 2012, 10 parcels leased, 915 RMB/m^2 on average	**[RS] In 2013**, 2 parcels leased, 3,118 RMB/m^2 on average	**[RS] From 2012 to 2013**, 5 parcels leased, 6,387 RMB/m^2 on average
	[IC] In 2014, the Southern Start-up Area of the Knowledge City was built, with the Phoenix Lake Park as a landmark	**[UP] In 2014**, a transportation centre in eastern Guangzhou and a TOD new town in Xintang were planned	**[IC] In 2014**, (1) Wanda Plaza, Vanke Plaza, and their SOHO lofts opened; (2) Denghu public primary school opened
End of 2014	**8,600 RMB/m^2**	**8,643 RMB/m^2**	**12,833 RMB/m^2**
	[UP] In 2015, a high-calibre public school ('Huiyuan') was planned, sponsored by Vanke Group	**[UP] In 2016,** the Cadre International TOD Complex (Cadre ITC) was planned, where Xintang South Railway Station, Xintang Metro Station will be located	**[RS] In 2015**, 2 parcels leased, 10,449 RMB/m^2 on average
			[UP] In 2016, an upgrading plan of Qiandeng Lake Park unveiled
End of 2016	**12,419 RMB/m^2**	**11,147 RMB/m^2**	**22,214 RMB/m^2**
	[UP] In 2017, the government proposed: • to introduce two high-quality public hospitals • to open three new public primary schools, co-built by the government and developers	**[IC] In 2017**, the East Tower of Cadre ITC completed	**[IC] In 2017,** both The Universal City Plaza and IKEA were opened
		[RS] In 2017, 2 parcels leased, 6,949 RMB/m^2 on average	**[RS] From 2017 to 2018**, 2 parcels leased, 15,297 RMB/m^2 on average
		[IC] In 2017, Metro Line 13 opened (where Guanhu Metro Station is located)	**[IC] In 2018**, the iPark Commercial Plaza opened
	[IC] In 2018, Zhenlong middle school rebuilt by the government, with 200 million RMB ploughed into this project	**[RS] In December 2017**, 1 parcel (located next to Guanhu Metro Station) leased, 15,000 RMB/m^2	**[UP] In 2018**, The Strategic Development Plan of the Financial High-tech Zone (2018–2027) unveiled
End of 2018	**21,843 RMB/m^2**	**18,772 RMB/m^2**	**24,500 RMB/m^2**
	[IC] From 2018 to 2019, Metro Line 14 and Metro Line 21 opened	**[UP] In 2019,** 'The Master Plan of Developing Comprehensive Transportation Hubs in Guangzhou (2018–2035)' unveiled: three high-speed rail lines, two intercity rail lines, and four metro lines will be based in Xintang	**[IC] In 2019**, three new public schools opened: • Denghu No.3 Primary School • Denghu No.6 Primary School • Wenhan Primary School
	[RS] In 2019, 1 parcel leased, 10,203 RMB/m^2		
	[IC] In 2019, the aforementioned three co-built public primary schools opened: Tianyu, Tianjing, and Tianyun		
		[IC] In 2019, Xintang South Railway Station and the Guangzhou–Shenzhen Intercity Railway opened	**[IC] In 2019**, the 'Qiandeng Lake' Venture & Investment Town opened, which accommodates all sorts of institutional investors and start-ups
	[UP] In 2020, 'The Master Plan of the Knowledge City (2020–2035)' unveiled		
	[RS] In March 2021, 3 parcels leased, 27,165 RMB/m^2 on average	**[RS] From 2019 to 2020**, 3 parcels leased, 10,878 RMB/m^2 on average	
End of 2020	**29,906 RMB/m^2**	**22,679 RMB/m^2**	**28,000 RMB/m^2**

Categories: [UP] Urban Planning discourse unveiled; [IC] Infrastructure construction completed; [RS] Residential land leasing (real estate development); New-build house price, on average

Figure 2. Chronology of the three (re)development projects. Source: the authors.

land and housing values through the capitalization effect of assetisation. In this sense, infrastructure construction yields higher profits for both the local state and developers, keeping them in coalition within these (re)development projects. In the Knowledge City, most new-build public schools were co-constructed by the government and developers (interview with RP16, July 2019). In Xintang, the Cadre ITC project represents a public-private partnership between the government and Shenzhen Cadre Group (interview with RP21, September 2019). In the Financial High-tech Zone, developers contributed to gentrifying the area through commercial developments, thereby adding value to nearby residential neighborhoods and this urban project (interview with Landlord 10, December 2019). Acknowledging that infrastructure construction enhances the economic value of residential properties and (re)development projects, we further observe that urban planning often functions as a marketing strategy, signaling the promise of suburban development projects. This is accomplished by forecasting near-and-medium-term construction plans of infrastructure or by showcasing long-term visions of these projects. These planning discourses

serve as a "nudge", subtly encouraging prospective homebuyers to invest in advance, anticipating future appreciation in property value.

Considering the distinct roles that urban planning and infrastructure construction play in suburban development projects, we delineate how the local state and developers intentionally navigate the process of value extraction in property development. These projects typically progress in stages (Figure 2), allowing value extraction to be segmented into multiple phases. At each stage, land/house prices are deliberately increased alongside updates in urban planning or advancements in infrastructure construction. This multi-step approach to value uplift stretches the value extraction process while amplifying the magnitude of value extracted at each stage. Inspired by Phelps (2024), this endeavor can be viewed as an opportunistic expediency for the growth coalition to sustain accumulation and repay debts.

For instance, "Xingfu-Yu", another new-build residential project in the Knowledge City, exemplifies the developer's efforts to maximize value extraction through multi-stage sales tactics. According to government records, two land parcels in the location of "Xingfu-Yu" were auctioned off in 2012 at prices of 833.01 and 1063.92 RMB/m^2, respectively. Despite the fixed and low land cost, house prices continued to rise over time. The 90-square-metre apartments were released to the market in four batches. "The opening price was 8,600 RMB/m^2 in 2014, which increased to 12,000 RMB/m^2 in 2016 and further rose to 18,500 RMB/m^2 in 2017. By 2019, it exceeded 20,000 RMB/m^2" (interview with Homebuyer 29, July 2019). "Whenever there is a positive signal regarding new planning documents or completed infrastructure projects, a price increase will ensue" (interview with Homebuyer 27, July 2019). The land market follows the same arc. In Xintang, recognizing the potential economic value of a land parcel next to the newly completed metro station, the government raised its reservation price to 15,000 RMB/m^2 in 2017, doubling the average price in Zengcheng District (interview with RP20, September 2019).

Multi-stage progress in suburban development and stepwise house-price inflation have effectively packaged suburban residential properties into lucrative investments, sparking a stampede of housing investment. Most residential projects experienced rapid sell-outs at each stage (interview with RP7, June 2019). The unremitting investment sprees and the seemingly relentless rise in house prices together serve as a disciplinary mechanism, leaving hesitant homebuyers regretful for missing the profit opportunity. When the next stage of home sales arrives, they are often spurred into action regardless of potential debt pressure. This sentiment is encapsulated in one homebuyer's reflection on his past indecision:

> I feel like I've missed out on a big fortune. Last year, I had my sights set on this 72-square-metre apartment. It was priced at 12,000 RMB/m^2. I thought it was a bit steep back then, but it flew off the shelves. Now, for the same type, the new batch is selling for almost 20,000 RMB/m^2. I can't afford to miss out this time. (interview with Homebuyer 17, May 2019)

Securing shareholder value in urban (re)development through speculative homeownership

In this section, we delve deeper into the changing social mentality towards homeownership amidst infrastructure-cum-property-led (sub)urban development and ever-rising

house prices. The notable housing boom has thrown the housing market into both turmoil and triumph, often leading to regret and missed opportunities for hesitant homebuyers. Conversely, many homeowners have seen significant rewards, flushed with inflated housing wealth. Some homeowners in the Tianhe North Area (Figure 1) proudly showcased the soaring house values: "Longde Mansions and Hongjingtai went on sale in 2005 and 2006 at around 9,000 RMB/m^2. Now, the second-hand houses in these neighbourhoods fetch over 50,000 RMB/m^2" (interview with Landlord 6, October 2019).

Wan, a university lecturer, bought an apartment within the university campus of Tianhe. These apartments, built in the 1980s, were initially allocated to university staff as public rental housing. During the 1990s, they were privatized at a discounted price (about 20,000 RMB for an entire apartment). However, when Wan bought the 58-square-metre apartment from a retired employee in 2019, its total price had grown exponentially to 3.39 million RMB (interview, November 2019). Both Wan and residents in the Tianhe North Area attribute the soaring house prices to Tianhe's prime location. Xing, who also bought a home in Tianhe near her workplace at Zhujiang New Town, stated explicitly:

> I buy a home not only for residence but also as an investment to preserve my asset value. I have confidence in Tianhe. As a central district, it has a robust public infrastructure system and drives the economic growth of Guangzhou. Therefore, house prices here are expected to lead the market. (interview, November 2019)

In their view, Tianhe's superior position refers not just to its geographical location in the city center, but rather its role as a command center in the city's economy. They are convinced that local economic prosperity will fuel the appreciation in housing value.

If the perennially stratospheric house prices in Tianhe are attributed to its leading role in urban development, then the soaring prices in the suburbs are largely due to the promotion of their strategic positions in the urban economy by the local state. As demonstrated in Section 4.2, the launch of suburban development projects has significantly boosted property prices. The prosperity of the suburban housing market is often highlighted in the narratives shared by real estate practitioners, who frequently liken housing to bread and land to flour. They celebrate the escalating land-leasing prices in the suburbs, exclaiming that "the cost of flour is catching up with the price of bread" (fieldnote 28, August 2019). This analogy vividly illustrates the frenetic land auction process, where developers vie to bid for residential land, resulting in high premiums. As an immediate consequence, the dynamics of the land market serve as a benchmark for the second-hand housing market. New highs in land-leasing prices often lead to an immediate increase in second-hand house prices, as evidenced by Ling's and Jia's experiences. During our visit to the Wanjin Garden in the Financial High-tech Zone with Ling, the real estate broker called it "an increasingly valuable neighbourhood". He explained,

> Wanjin Garden was sold for 4,500 RMB/m^2 in 2005. Now, its resale price has reached 28,000 RMB/m^2. This price is fairly average in the area, driven by land prices. In 2017 and 2018, two parcels of residential land were leased out at hammer prices exceeding 15,000 RMB/m^2. Given the land costs, the prices for new-build residential projects are estimated to exceed 30,000 RMB/m^2. The second-hand house prices will definitely follow suit. (interview with RP25, December 2019)

At the end of our visit, the broker said to Ling: "if you bought it, you will make a fortune!" This prediction came true for Jia. In 2015, he bought a 102-square-metre apartment in Zengcheng at a price of 6,000 RMB/m^2. In 2019, he moved from Zengcheng to Tianhe due to a job transfer and decided to sell his apartment. Eventually, he managed to sell the apartment for 11,000 RMB/m^2, earning approximately 500,000 RMB from the transaction (interview, September 2019). He remarked, "I don't earn that much salary in a year".

For Jia, the resale profit could be considered a windfall, as he had not anticipated making money from the housing market. However, the dramatic inflation of house prices in the suburbs has attracted many speculative homebuyers, including Ruo and Miu. Ruo expressed confidence in Zengcheng, stating, "The government aims to develop Zengcheng into a transportation hub and is currently implementing various transit systems. House prices are likely to increase once these systems are completed" (interview, August 2019). Similarly, Miu, who worked in the Knowledge City, was optimistic about its prospects, arguing that "the government is investing heavily in infrastructure projects in the Knowledge City" (interview, July 2019). Both showed great faith in the suburban housing markets due to the strong involvement of the government in suburban development.

To pursue investment-oriented homeownership, Ruo and Miu employed different financing strategies. Ruo and her husband decided to purchase an apartment in Xintang TOD New Town, heavily relying on financial leverage to raise funds:

> Since this will be our second home in Guangzhou, we need to make a 70% down payment. However, we don't have that much cash on hand. Therefore, we plan to use our home in Nansha as collateral to borrow money for the down payment. We will also apply for a mortgage to cover the remaining 30% of the house payment. Both of us work in Tianhe, so we will rent out both homes. Rental income will help subsidise the mortgage repayment. (interview, August 2019)

Thus, Ruo's future household income streams will be crucial for supporting this investment. In contrast, Miu opted for an informal approach: he initiated a collective investment within his family by purchasing an apartment in the Knowledge City under Miu's name. Miu, his wife, parents, and younger brother contributed varying proportions of the house payment. "When the price increases, we will sell the apartment. Profits will be distributed in proportion to our contributions", Miu explained. He added, "The practice of family co-investment is quite common among my colleagues. After all, housing investment is difficult for one person to afford" (interview, July 2019).

For homeowners/buyers, the housing market in Guangzhou holds great promise due to the city's vibrancy and dynamism. The superiority of urban centers is self-evident, benefiting from a fully-fledged system of public infrastructure and/or a leading role in the urban economy. These ripe conditions, established over earlier developmental stages, contribute to the stratospheric and continually rising house prices. As a result, homeowners in urban centers, particularly privileged groups who acquired property rights during the privatization of public housing or those who entered the market early in housing reform, have amassed significant wealth. For recent buyers, residential properties in central districts remain a reliable store of value. In contrast, suburban prosperity is justified by escalating land and housing prices, extensive infrastructure projects,

and governmental plans for the city's future. Speculative homebuyers bet on the anticipated appreciation of house values when the promises outlined in governmental plans materialize. These trends indicate that speculative urban development involves not only the local state and developers but also numerous homeowners/buyers. Homeownership, therefore, serves as a means for individuals/households to secure a share of the city's future profitability. In this sense, housing wealth is intricately tied to urban fortunes for homeowners/buyers.

The afterlives at the confluence of housing assetisation and speculative urban (re)development: unequal residential geographies

En route to middle-class homeownership: trade-offs between use-value and exchange-value

In addition to speculative homeowners focused on accumulating housing wealth amidst post-crisis urban (re)development, many middle-class households prioritize homeownership to fulfill their housing needs. During our fieldwork, we identified three main considerations among these households: living space, commuting, and quality of life. The demand for living space is often determined by family size and structure. Multigenerational households, for example, prioritize "larger apartments" and "more bedrooms" to accommodate family members (interview with Homebuyer 24, June 2019). Yin, for instance, expressed the need to upgrade to a three-bedroom apartment to provide her son with his own space, especially as he begins elementary school (interview, October 2019). Ling shared a similar sentiment, citing the imminent arrival of a second child and the potential assistance of his parents in childcare (interview, December 2019). Commuting is also an important consideration: "Where to live, how to travel daily – these decisions will greatly affect the pace of life" (interview with Homebuyer 33, August 2019). Individuals like Wan and Xing, with busy work schedules, prefer homes close to their workplace to minimize commute times. Quality of life is another key factor, often reflected in the surrounding built environment, such as proximity to schools, hospitals, supermarkets, and public transportation (fieldnote 37, October 2019). Homebuyers, recognizing housing as an asset class, prioritize residences with well-equipped amenities, which offer dual benefits – both improved quality of life and potential housing value appreciation (interview with Xing, November 2019).

An upsurge in house prices is symptomatic of frenetic land and housing development. In this context, many middle-class homebuyers – especially first-time buyers, who have multiple housing needs but limited budgets – are facing financial pressure and thus making trade-offs between their ability to pay the exchange-value and their pursuit of greater use-value.

We identified two divergent options that middle-class homebuyers tend to vacillate between when making trade-offs: reducing housing needs or squeezing available funds. Ling prioritized living space decisively. Budget constraints led Ling to abandon the idea of buying a home in the city center, despite his workplace being in Tianhe. Instead, he set his sights on Guicheng – the exurb of Guangzhou, where a metro line connects to Tianhe. Finally, he purchased a 135-square-metre apartment through a mortgage, priced at 3.88 million RMB (about 28,700 RMB/m^2). Ling explained: "The main disadvantage of living here is the long commuting time to work, taking over an hour. But in Tianhe, you can

only buy a half-sized apartment at the same price" (interview, December 2019). In contrast, Wan made the opposite decision, buying a half-sized apartment in Tianhe at a similar price (a 58-square-metre apartment, for 3.39 million RMB). "This is a 30-year-old apartment with no elevator. This is one of the few choices that I can afford in this area. Fortunately, it offers convenient access to all facilities", Wan added. Mortgage repayments place pressure on Wan, who has to tighten her purse strings. The monthly repayment accounts for more than 70% of her monthly salary (interview, November 2019). Xing is also under huge financial pressure: the down payment for the apartment not only exhausted Xing's own savings but also relied on her parents' financial support (interview, November 2019; for more discussion on intergenerational support, see Meng et al., 2023).

Yin's housing journey is perhaps the most intricate and challenging. Alongside her desire for a three-bedroom apartment, Yin had additional housing requirements. "My husband and I both work in Tianhe, and many prestigious public schools are also located there. Our ideal plan is therefore to buy a *xuequ-fang* in Tianhe" (interview, October 2019). However, her family already owned two residential properties in Panyu District. Although they intended to sell their current residence to fund a down payment, they were classified as second-time homebuyers, subject to a 70% down payment requirement. Additionally, "the resale value of our current home is inadequate to cover the down payment on a three-bedroom apartment in Tianhe", Yin lamented (interview, November 2019). Faced with these challenges, Yin's family deliberated over alternative housing options:

> Option 1: Purchase a medium-sized three-bedroom xuequ-fang in Panyu (not Tianhe), which would increase their commute and require more family support from grandparents.
>
> Option 2: Acquire a small-sized three-bedroom non-xuequ-fang in Tianhe, sacrificing better education for their son. The down payment remains unbearable.
>
> Option 3: Sell both properties to bolster their budget and afford a small-sized three-bedroom xuequ-fang in Tianhe. (follow-up interviews with Yin, October to December 2019)

By December 2019, Yin's family had chosen "Option 3" and were in the process of selling their Panyu properties. In sum, faced with perennially high house prices, middle-class homebuyers endeavor to minimize their housing needs by compromising on living space, adjusting their lifestyle, or dampening expectations for quality of life. Simultaneously, they grapple with the challenge of obtaining adequate funds by allocating a larger portion of their income/savings, leveraging domestic financial resources (e.g. seeking intergenerational support or liquidating other household assets), or utilizing financial leverage.

Gentrification "at a premium": the exacerbation of residential inequality

China's housing boom, propelled by the confluence of housing assetisation and post-crisis urban (re)development, has significantly escalated the cost of land/urban development and urban living, revealing the valorization process of Chinese urbanism. This is evident not only in the trade-offs between use-value and exchange-value within the decision-making process of middle-class homeownership (as detailed in Section 5.1), but also in the exacerbation of residential inequality.

Specifically, the housing boom has diverged from the "trickle-down effect" envisioned in the "asset-based welfare" thesis, resulting in broader social disparity (Forrest & Hirayama,

2018). Upper(-middle)-class households, usually early-stage homeowners, maintain their privileged status due to accumulated housing wealth, with some transitioning into a petite rentier class. In contrast, lower(-middle)-class households aspiring to homeownership are confronted with ever-escalating house prices and mounting debt from mortgages. As financialised and speculative urban (re)development intensifies, an increasing number of lower (-middle)-class households find themselves priced out of the housing market, rendering them vulnerable in terms of housing tenure. For instance, despite making a fortune by selling his apartment in Zengcheng, Jia was unable to afford a home in Tianhe for self-occupation. He found his savings insufficient for the down payment (interview, December 2019), effectively relegating him to a "proletarian" status. In this regard, the housing boom operates as a filtering mechanism, barring households with lower socioeconomic status from achieving upward residential mobility through homeownership.

The "*xuequ-fang*" neighborhoods within Huayang's catchment area (Figure 1) exemplify the filtering and exclusionary effects. A resident in Qiaoyi Yuan stated:

> Residential properties within Huayang's catchment area are worth at least six million RMB. Homebuyers who can afford such high house prices must be in superior economic conditions. In fact, children enrolled in Huayang School are mostly from the same socioeconomic background. (interview with Homebuyer 38, October 2019)

Thus, the division between "*xuequ-fang*" and "non-*xuequ-fang*" emerges as a specific form of social segregation. "*Xuequ-fang*" neighborhoods – namely, edu-featured gate communities – have become upper-middle-class enclaves or educational clubs. The widespread pursuit of these edu-featured gated communities has further driven up their prices (Cai et al., 2022; S. He, 2022), leading to heightened housing and education stratification.

The suburbs have borne the brunt of financialised and speculative urban (re)development. The nexus between urban planning, infrastructure construction, and property development has transformed the suburbs into magnets for speculative housing investment, driving an upsurge in suburban house prices. Given the lower income levels in the suburbs, a widening gulf between income and house prices has marginalized suburban middle-class households who have genuine housing needs but are unable to afford homeownership. In Zengcheng and Conghua, for instance, the per capita disposable income of urban residents ranks among the lowest of all districts. Between 2015 and 2019, while the income growth rates for urban residents in these districts lagged behind the citywide average (38.40% in Zengcheng, 35.08% in Conghua, compared to the citywide average of 39.19%),[3] house prices in these districts saw significant increases, far exceeding the citywide average (82.35% in Zengcheng, 81.73% in Conghua, compared to the citywide average of 58.33%).[4]

The regulatory housing policy in Guangzhou has exacerbated tensions between housing investment and local affordability in the suburbs. As early as 2011, the municipal government divided the 11 districts into restricted-purchase and unrestricted-purchase zones, with only Zengcheng and Conghua remaining unrestricted. This policy allows all households, both within and outside Guangzhou, to purchase homes in Zengcheng and Conghua. Households with *hukou* in Guangzhou are even permitted to own multiple residential properties. Consequently, Zengcheng and Conghua have become hotspots for speculative housing investment, despite most investors not residing there. This has led to house-price inflation preceding the influx of potential gentrifiers, who would need to pay higher prices to become owner-occupiers.

Guicheng, an exurb of Guangzhou, serves as a pre-existing exemplar of gentrification "at a premium". The Financial High-tech Zone in Guicheng, a priority in Foshan's development agenda, has been catapulted into a central business district equipped with well-developed infrastructure. The Guangzhou – Foshan Metro Line facilitates intercity commuting, making Guicheng an attractive option for middle-class households from Guangzhou, such as Ling's family, to circumvent Guangzhou's daunting house prices and pursue high-quality living conditions there. Consequently, the Financial High-tech Zone has become a locally renowned residential enclave, often referred to as a "migratory-bird" enclave,[5] but at the expense of worsening unaffordability for many local households (fieldnote 54, December 2019).

Conclusion

Drawing on a case study of Guangzhou, this paper provides an updated and nuanced understanding of China's housing assetisation by delving into its intricate relationships with the urban (re)development process. This research agenda unfolds with two primary objectives. The first is to examine China's post-crisis urban (re)development through the lens of housing assetisation, thereby enriching insights into the nexus between the state, land, and housing. China's post-crisis urban (re)development has received significant scholarly attention, largely focused on the dynamics of the production side – revealing how the local state fuels urban growth through land financialisation. This form of urban development is encapsulated into a "land-infrastructure-leverage" trap, wherein the local state is enmeshed in a cycle of intensified land development, proliferating infrastructure projects, and accumulating debts. Concurrently, property development continues unabated, serving as a "shortcut" for the local state to generate revenue. However, property-led urban (re)development, under the influence of land financialisation, has undergone a subtle change in revenue generation. Unlike the prototype that predominantly relied on gentrification (associated with uneven development and class-based displacement) as a pro-growth strategy, property-led urban (re)development is now supported by relentless (re)development projects, perennial inflation in house prices, and ironically, a resultant home-buying spree among urban households. Yet, current inquiries into post-crisis urban (re)development often overlook the consumption side.

This paper aims to address this gap through the analytical lens of housing assetisation. Firstly, we examine how assetisation reshapes Chinese homeowner society. Under the influence of assetisation, housing, once a form of social welfare during the planned economy era, has transformed into capitalized property. Consequently, the use-value of housing, including the proximity-induced priority access to public infrastructure, now becomes financially measurable and tradable. Moreover, assetisation introduces a social norm that instills a culture of accumulation and investment among urban households. Homeownership is therefore perceived as a means of accumulating family wealth, investing in individual well-being and life chances, and potentially enabling upward social mobility. Overall, housing assetisation epitomizes the shift in the mode of social regulation from managerialism to entrepreneurialism in Chinese (homeowner) society.

Since 2008, housing assetisation, as a mode of social regulation, has been strategically embedded into land and urban (re)development, facilitating new forms of capital

accumulation in the financialised growth machine. To sustain the "land-infrastructure-leverage" cycle, the local state has a strong incentive to stimulate housing consumption, thereby channeling household savings and debts into the real estate industry and urban (re)development projects. Given that homeownership has been reframed as a vehicle for wealth accumulation and household investment under housing assetisation, the local state makes every endeavor to ensure the profitability of housing assets. Dazzling urban (re)development projects successively come into view, conjuring an image of a vibrant and ever-growing city through large-scale infrastructure construction and ambitious urban planning proposals. House-price inflation follows hot on the heels of such entrepreneurial initiatives, with the real estate industry emanating a bullish mood. The synergy between (sub)urban development progress and sustained house-price inflation subtly serves as a disciplinary mechanism within homeowner society, nurturing a perception of securing individual well-being through speculative investment in the urban future via homeownership. Consequently, any new initiative by the local state in urban development tends to signal positivity for homeowners/buyers, linking the profitability of housing investments to their perception of urban dynamics. Building upon these observations, we contend that the assetisation-induced social ethos of capital accumulation and speculative investment, entwined with infrastructure-cum-property-led urban (re)development, has recast Chinese cities into shareholder-value machinery. As the local state leverages household savings and income streams to bolster land-collateralised and debt-financed urban (re)development, homeowners/buyers transition into investor-citizens deeply embedded in the speculative urban (re)development. Through pursuing homeownership, many homebuyers are actually investing in a promising urban future as envisioned in planning discourses, with the expectation of realizing wealth accumulation and enhancing household well-being. Yet, the emergence of such shareholder-value machinery also implies that the household balance sheets in urban China, with housing wealth and debt as major components, become intricately linked with China's urban fortunes.

The second objective of this paper is to interrogate the contradictions between seemingly flourishing housing markets and actually existing residential geographies at the confluence of housing assetisation and post-crisis urban (re)development. We illustrate these residential geographies by examining two key settings. The first setting scrutinizes the decision-making process of middle-class homeownership within the financialised and speculative urban milieu. Middle-class families navigate asset accumulation, household livelihoods, and residential conditions based on their limited resources. These complex trade-offs highlight that the use-value of housing has been further overshadowed by its inflated exchange-value. The second setting explores the diverse forms of residential inequalities across urban and suburban areas, commonly referred to as gentrification "at a premium". Urban centers with well-developed built environments attract increasingly higher premiums, leading to the exclusion of lower-middle-class households from upward residential mobility through homeownership. This exclusion is exemplified by "*xuequ-fang*" neighborhoods, which epitomize the emerging spatial dynamics of social segregation and stratification. Suburbs experience an influx of speculative housing investment driven by diverse (re)development projects, marginalizing local homebuyers who have genuine housing needs but are unable to afford escalating prices. Ultimately, financialisation – ranging from land financialisation to housing assetisation – remains a predatory redistributive mechanism.

Overall, this paper delineates the contradictions between the promise and reality of middle-class homeownership in the context of housing assetisation and its intersection with post-crisis speculative urban (re)development. This mode of urban (re)development is prone to crisis. Apart from our research findings, we also observe that in the post-pandemic era, as the overleveraged challenges faced by both the local state and developers become apparent, many middle-class homebuyers find themselves facing uncertainties, including unfulfilled housing profit expectations, delayed delivery of presold homes, or even indebtedness without homeownership in some extreme cases. In response to these challenges, the central state is striving to regulate urban (re)development projects, stabilize land and housing prices, and introduce new national political mandates (Wu et al., 2022), aiming at reconfiguring the accumulation regime.

Notes

1. We distinguish middle-class homeowners/buyers from lower-class or upper-class households based on two considerations. First, the sustained housing boom serves as an incentive for both middle-class and upper-class households to engage in housing consumption/investment. In contrast, ever-increasing house prices hinder lower-class households from achieving homeownership due to unaffordability. As Forrest and Hirayama (2018) describes, lower-class households tend to be propertyless "perpetual-renter families". Second, compared to upper-class households who are capable of obtaining outright ownership and accumulating multiple property assets, middle-class homebuyers heavily rely on mortgages, with many being owner-occupiers (Adkins et al., 2021). Thus, middle-class homebuyers are more vulnerable to the volatile housing market churned by financialisation. Based on these considerations, this paper illustrates the incentives for, and struggles of, middle-class families in attaining homeownership under financialisation.
2. There is an officially defined hierarchy within the Chinese K-12 public school system, ranging from provincial-level, municipal-level to district-level schools according to their differentiated educational quality and performance. Higher-ranked public schools receive significantly more fiscal support and other privileges from the authorities, with provincial-level public schools being the top-tier institutions enjoying superior educational resources.
3. Source: Income data are from the "National Economic and Social Development Statistical Bulletins" annually issued by the municipal and district governments.
4. Source: Housing price data are from anjuke.com (https://www.anjuke.com/fangjia/guangzhou2019/, accessed 9 May 2021).
5. The term "migratory bird" is a locally coined term that refers to breadwinners who work in Guangzhou, live in Guicheng (Foshan), and commute daily via the Guangzhou–Foshan Metro Line.

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Ethical approval

This research has obtained Ethical Approval from the Human Research Ethics Committee, The University of Hong Kong, Reference No.: EA1802051. We confirm that informed consent has been obtained from participants of this study.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

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