

Discussion on the Innovation of Chinese Urban Real Estate Project – Home Plus Work Park Construction

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Abstract: This paper analyzes the current situation of the real estate enterprises in Chinese cities, using the office workers and companies as the main objects and the environment of all carriers. The conclusions are drawn as follows. (1) Real estate enterprises project products have high homogeneity and the project types tend to be saturated; therefore, the innovation is imperative. (2) Office workers spend too much time on long commute from their residence to workplace as well as the traffic congestion. It leads to health problems, lack of companionship, neighborhood strange, matrimony disharmony, loose bond with neighbors and a series of chain reaction. (3) Due to the above problems, many companies are facing high employee turnover rate, increment in labor cost and they even need to set up psychological counseling posts to appease staff and other family problems. (4) There are social problems involved such as traffic congestion, environmental pollution, waste of energy due to the distance between residence and workplace.

All the mentioned problems are occurred due to the time spent on the way between the residence and workplace. Therefore, this paper proposed an innovative concept of “Home plus Work” park construction. It means to build offices that can solve employee’s separation problems and communities including schools, hospitals and other related ancillary services that are suitable for employee’s life. It is intended to shorten the distance between the main objects’ residence and workplace, aimed for reasonable breakdown of the real estate market. In order to prove the impact on the innovative method on the market demand, a questionnaire survey is carried out. Spss 19.0 is conducted to analyze the reliability, validity and regression of the questionnaire data. It is learned that not only the innovative approach can satisfy the increasing consumer demand, but also raise consumer’s purchase intention because the enterprise shows more attachment to the society.

Therefore, the “Home plus Work” park construction is not only suitable for the current transformation concept in real estate units but improves the happiness index of real estate consumers, reduces environmental pollution and conserves energy. The park construction is better fulfilling the social responsibility of real estate units; hence, it will increase consumers’ purchase demand.

Keywords: Real Estate Innovation, Market Segmentation, Consumer Demand, Happiness Index, Social Responsibility.

1. INTRODUCTION

Research background:

With the rapid development of social and economic progress, China’s industrial structure needs to make appropriate adjustments. Real estate industry, a leading and fast-growing in the previous years, has experienced from golden age to silver age. The innovation becomes an urgent issued in terms of future development. Some situations that its main customer objects and overall environmental conditions are now facing are summarized as follows.

Background one: the situation of office workers:

Traffic congestion: According to traffic congestion delay statistics in the first quarter of 2016, it is shown that among 362 major cities nationwide, 60 of them are delayed for 1.5 hours or more and 5 are delayed for approximately 2 hours.

Health condition: People in modern society suffer from physical and mental health problems due to lack of exercise in daily life and pressure from work and life. People tend to become ill at very young age, especially those hard-working office workers. Their physical and mental health condition is really worrying.

Lack of companionship: The questionnaire data taken in 2015 reveals that there are more than 90% children think that their parents do not have enough time to play with them. Among them, another 22% of the children think that their parents seldom spend leisure time with them. From parents' perspective, whether children live in the same city with their parents, children are less likely to visit their parents.

Relations with neighbors: Even though people feel like living in the small community with more neighbors, they do not have close interactions with neighbors. It may occur that although living in the same community, neighbors still have very little interaction.

Matrimony status: There are more and more unmarried people with older age especially in white-collar class. They do not have much time and do not have frequent communication with friends; therefore, they are more likely to have late marriage.

Background two: high turnover rate:

Many companies are facing high employee turnover rate and the major reason is long office working hours. However, the main factor of causing long working hours is long commuting time.

Background three: environmental pollution:

Massive automobile exhaust emissions have resulted in climate warning, increasing air pollutants and other environmental problems. The harm that motor vehicles do to human is far greater than the harm that smoking makes to human. Based the above research backgrounds, in order to solve problems that real estate owners and office workers are facing, this paper hence puts forward an innovative concept of real estate enterprises, that is "Home plus Work" park construction.

Research goal, content and method:***Research goal:***

Based on the above research backgrounds, this paper intends to find an effective and feasible way that can not only solve the current problems real estate is encountering but can also improve office workers', the main object of real estate, happiness index. It is also hoped to solve the problem of high turnover rate, preserve green energy and reduce the pollution to the environment.

Research content and methods:**Research content:**

The effective solution that this paper proposed is "Home plus Work" park construction. As the main construction unit, the real estate company will build a community that encompasses the following features.

The real estate company will work with the construction company to build office buildings and employee residences that are adjacent the offices. The community will include several essential facilities such as hospital, school, shopping mall and restaurant to provide living necessities and health care.

For the office workers, the park construction can solve the traffic congestion problem and they have more time to spend with their families. As for the company, the park construction will retain employee to work at the company. Lastly but not least, the park construction can reduce the pollution to the environment and waste of energy.

The real estate company's social responsibility is fully reflected because its target customer's happiness index is increasing and the environmental problem is solved.

The "Home plus Work" park construction has proved the feasibility of market segmentation; it is now needed to confirm whether the product meets market demand. Therefore, the ultimate goal of this paper is to explore the construction factor

of “Home plus Work” park and the social responsibility factor of other additional developers and if the purchase intention and requirement can be improved. For the convenience of question arrangement and understanding, the factor generated from “Home plus Work” park is named as “adjacency of residence and workplace”. The paper is to investigate if “adjacency of residence and workplace” and “developer’s social responsibility” as independent variable can increase “purchase intention” as dependent factor.

Research method:

Qualitative and quantitative research:

Reading massive literature relating to the topic. What are the most current and innovative methods? What are the practical research conclusions? Data accessing and field interviews are conducted to analyze the influential factor of housing demand. This is qualitative research stage.

Collecting and collating data through questionnaire survey. Applying SPSS to carry on the analysis to the valid data. Comparing the general demand model with the data model after adding the factor of “Home plus Work” park construction. The research hypothesis is the verified afterward. This is quantitative research.

Research significance:

“Home plus Work” park construction is an innovative concept of real estate. It not only makes good market segmentation and planning to the current real estate condition but also have the following contributions.

If the office workers spend less time on commuting, they can have more time at their disposal. They can spend more time with their families, have the opportunity to exercise, establish social relationship with neighbors, attend social activities and consolidate matrimony relationship. Therefore, the overall happiness index of the main objects, office workers, will be increased.

If office workers spend less time on commuting, they will feel less tired with regards to working and are more willing to work at the same company. In this case, the employers need not to worry about the high turnover rate any more. Consequently, the personnel training costs will reduce and the company performance will improve.

If office workers can walk to the office without taking any transportation, it will help to release the traffic pressure, reduce the pollution and save gasoline, electricity and other resources.

If “Home plus Work” park construction is practical and successful, the social image of the real estate business will be improved and the customers’ needs are reached.

2. LITERATURE REVIEW

2.1 Literature review about innovation of real estate content:

There are many real estate innovation issues but they mainly are about real estate finance, brand, technology, marketing and other aspects. The available literature reviews about real estate innovation are shown below.

Guan (2005) introduces the real estate innovative products to the current situations include innovation of real estate products, innovation of planning and design, innovation of landscaping, innovation of buildings and innovation of supporting facilities. His article makes a detailed to the necessity of product innovation and customers’ requirements through a microcosmic way.

2.2. The innovative part of this paper:

Based on the research background, this paper puts forward the innovative concept of “Home plus Work” park construction from a broader perspective. This paper also verify consumers’ demanding situation and proves the innovative concept’s feasibility. The differences from previous real estate projects are as follows.

The motivation of construction is different. The “Home plus Work” park construction is no longer a construction with the simple leasing purpose. It aims for cooperating with companies that intend to think for the sake of employee and maintain long-term employment. With this purpose, the park construction will endeavor to fulfill the required demands.

The forming style is different. “Home plus Work” park construction is not necessary new built and may be a combination of old buildings.

The rental target is different. “Home plus Work” park construction is no longer open for everyone. Its target customer is like the company mentioned in item A and its employee.

The supporting measure is different. “Home plus Work” park construction have to provide supporting measures that are satisfy people’s living requirements, such as school, hospital, commercial and entertainment facilities.

The service is different. The purpose of “Home plus Work” park construction is to build a beautiful and safe living environment. Therefore, the security and service needs to be polished to a better and more harmonious level.

The social responsibility is different. “Home plus Work” park construction aims to enhance its customers happiness index, save the energy and reduce pollution.

2.3. A summary of the key factors affecting real estate purchase intention:

Learning from literature review and interview, the key factors affecting real estate purchase intention are geographical location, price, supporting facilities, school district, district quality and peripheral traffic etc. The “Home plus Work” park is an innovative concept in this paper and its influential factor is the adjacency of residence and workplace. It then produces the influential factor of developers’ social responsibilities.

2.4 Research hypothesis:

Assuming that the independent variables include district quality, peripheral supporting facilities, peripheral traffic, school district, geographic location and price, their correlation with the dependent variable, purchase intention, is named as (1).

On the basis of (1), after adding the independent variable “the adjacency of residence and workplace”, the correlation with the dependent variable, is named as (2). The independent variable in (2) can better explain its effect on dependent variable in (1). It means that after adding independent variable of the adjacency of residence and workplace, the customers’ purchase intentions increase.

After adding the independent variable of developers’ social responsibilities in the dependent variable of (2), the correlation with dependent variable of purchase intention is named as (3). The independent variable in (3) can better explain its effect on dependent variable in (2). It means that after adding independent variable of developers’ social responsibilities, the customers’ purchase intentions improve.

3. RESEARCH METHODS

3.1 The introduction of “Home plus Work” park concept:

(2) “Home plus Work” park item introduction:

The “Home plus Work” park construction aims to shorten the distance between employee’s workplace and residence. It can not only save the time in commuting but also reduce the pollution by walking to the office. It also provides a more convenient and favorable living environment to its target customers. The concrete ideas are displayed in the following figure.

Residence	Other Supporting Facilities		Residence
	Commercial Street		
	Hospital	Service Area	
	Workplace	Workplace	
	Workplace	Workplace	
	Service Area	School	
	Gourmet Court		
	Other supporting facilities		

3.2 The introduction of needed-to-be-certified hypothesis and method of “Home plus Work” park construction concepts:

“Home plus Work” park construction is an innovative and transformation model of real estate. What is the market demand for this new product? What will be the impact of project construction make on customers’ needs?

This paper proposes the hypothesis that “Home plus Work” park construction and its accompanying social responsibility of real estate. As previously mentioned, the factor of adjacency of residence and workplace that generated from the construction can increase customers’ consuming demands. Moreover, social responsibility can further enhance consumers’ demands on the basis of adjacency of residence and workplace.

Since the park construction is very unique and unprecedented, there are no related and practical data available. Therefore, questionnaire survey is used to obtain data and SPSS 19.0 is processed to study data to prove the hypothesis.

3.3 Questionnaire design:

Questionnaire is designed into two parts, namely basic information and the influence of specific conditions on consumers’ purchasing intention. The specific circumstances are described below.

Basic information. It includes gender, age, education background, years of service, occupation, monthly salary and working hours. There are total seven questions in this part.

The influence of specific conditions on consumers’ purchasing intention. Independent variables and dependent variables are included in this part. Independent variables include geographic location, price, peripheral supporting facilities, school district, district quality and peripheral traffic, the adjacency of residence and workplace, developers’ social responsibilities. All these items will have influence on the degree of purchasing intention. There are four options in the questionnaire which are very important, important, neither important nor not important, not important. When processing statistics and analysis, the corresponding values are 4, 3, 2, and 1. The dependent variable is the reason for purchasing intention. The corresponding options are children’s going to school, marriage, for children’s sake and parents have bought a house so there is no urgent need. When processing statistics and analysis, the corresponding values are 4, 3, 2, and 1.

4. EMPIRICAL RESULTS

Questionnaires are issued and received through We Chat. There are 300 copies of questionnaires issued in Beijing, Guangdong, Shanxi. Among 300 received questionnaires, 279 copies are valid. In this paper, SPSS 19.0 is used to analyze the reliability, validity, factor and regression of the data.

4.1 Research conclusions:

The conclusions are retrieved and summarized from the above analysis.

4.1.1 Direct conclusion:

(1) After the adjustment of the independent variables in the district quality, peripheral supporting facilities, peripheral traffic, school district, geographic location and price, the R square is 0.053. However, after adding the independent variables of adjacency of residence and workplace, the adjusted R square is 0.054. It means that the addition of the factor can increase the purchase intention.

(2) Because of the independent variable of adjacency of residence and workplace, the independent variable of developers’ social responsibilities and other independent factors are generated accordingly. After analysis, the R square is 0.059. The outcome is greater than the R square that is only adding the independent factor of adjacency of residence and workplace which is 0.054. It means that after adding the independent factor of adjacency of residence and workplace can definitely increase the purchasing intention.

Therefore, the independent factor of adjacency of residence and workplace can not only increase the consumers’ willingness to buy and its accompanying variables of the developers’ social responsibilities can also increase the consumers’ purchasing intention.

4.1.2 Indirect conclusions:

(1) Adding the factor of adjacency of residence and workplace with the basic factors in the first table, the influence to the dependent factor is not huge. The corresponding coefficient is 0.057. The influence is lower than school district and geographic location but higher than district quality, peripheral surrounding facilities, and peripheral traffic.

(2) If adding developers' social responsibilities to the independent factor in the second table, the effect of the adjacency of residence and workplace on the dependent factor is huge. The corresponding coefficient is 0.098. It can explain that both the adjacency of residence and workplace and social responsibility have great influence on consumers' purchasing intention. The importance is extraordinary.

(3) It is also noted that the school district and the geographic location have greater impact on consumers' purchasing intention. Hence, they should be viewed as importance factors while construction.

5. RESEARCH CONCLUSIONS AND SUGGESTIONS

5.1 Research conclusions and suggestions:

5.1.1. Research conclusions:

Through the analysis of real estate target customers, the innovative concept divides the market into segmentations. In order to approve the hypothesis, the questionnaire survey is conducted. SPSS 19.0 is utilized to analyze data's reliability, validity, regression analysis and the hypothesis is proven to be true. Therefore, the innovative real estate construction can actually increase customers' purchasing intention. Moreover, it is also noted that developers' social responsibilities can enhance the intention better than adjacency of residence and workplace.

"Home plus Work" park construction solve the transformation problem the real estate unit is now facing; at the same time, it raise customers' happiness index, reduce environmental pollution and save energy. It can not only better reflect the social responsibility of real estate units but also increase customers' purchasing intention.

5.1.2. Research suggestions:

(1) The social responsibility of real estate put a lot of emphasis on "Home plus Work" park construction's target customers. It should be fully reflected and heightened. School district and the geographic location also have huge influence on target customers' purchasing intention so they should be taken into serious consideration when implementing "Home plus Work" park construction.

(2) There are several drawback exist in the current real estate such as huge structure, lengthy and tedious system, and implementation difficulty. When adjusting developing strategies, it must be consistent with the corresponding organizational structure and marketing approach to adapt to its development. The implementation process should be fully monitored and avoid bullwhip effect which will result in waste of manpower, resource and time.

5.2 Research deficiencies and prospects:

5.2.1. Research deficiencies:

Due to time constraints and limited time allocation, this paper does not either elaborate more on the implementation of this innovative method or the practical problems it may encounter. It opens a room for further investigation. Every proposed method has its advantages and disadvantages, it requires constantly adjust and update in the process of implementation.

5.2.2. Prospects:

The development is always on the constantly innovation and transformation track in any industry. The real estate development is no exception. This is not accidental but an inevitable law of social development. Fortunately, the current and future development of real estate is no longer for basic needs but to better enhance the target customers' happiness index, to better express the sense of social responsibility and better serve the society.

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