

# From the Perspective of Land Economics, Discuss Whether "Young People Should Buy a House When They Get Married at The Current Stage"

Jiawei Gao

School of College of Land Science and Technology, China University of Geosciences, Beijing, Beijing 100083, China  
13995030370@163.com

**Abstract:** When discussing the topic of "whether young people should buy a house when they get married at the current stage," it is crucial to understand what real estate is, the role it plays in land economics, and its various impacts. What are the reasons that motivate or hinder contemporary young people from purchasing a home? In light of the relevant national regulations, how can we rationally view this issue?

**Keywords:** Young people, Real Estate, Land Economics.

## 1. The Multiplicity of Real Estate

First, let us examine the multiple attributes of real estate. Real estate is, first and foremost, a physical entity. It can be used for residential, commercial, and various human activities. Secondly, real estate is a commodity. Since it can be utilized, people are willing to buy and sell it, as well as lease it. Real estate is also an asset. It can be used as collateral for loans, enhancing personal and corporate credit. Owning assets has special significance for us. Finally, real estate possesses security attributes. It can be securitized through Mortgage-Backed Securities (MBS), Real Estate Investment Trusts (REITs), and corporate equity, among other forms.

These multiple attributes generate multiple values, and these values tend to amplify upward. A house that transitions from being unusable to being functional and then to playing a larger role will see its value as a commodity become more apparent. This increased value makes people more willing to buy or rent it. As the rental and purchase value of the house increases, using the house as collateral for a bank loan results in a higher valuation and thus, higher credit and loan amounts.

When the asset value of the house increases, it gains greater recognition in the market. If a house is included as an asset in a company's balance sheet, the company's value (reflected in its stock price) can significantly increase. This is why many publicly listed companies are interested in distressed real estate properties. By purchasing and renovating them, the asset value can be substantially enhanced. This asset, when included in the balance sheet, generates profit and boosts the stock price, often by a margin greater than the increase in asset value itself.

Therefore, good planning, excellent design, and effective rental and sales management can exponentially increase the fundamental value of real estate, leading to exponential growth in its other values [1].

## 2. The Importance of Real Estate

Real estate serves as the foundational infrastructure for people's living and working environments, providing housing and office space essential for daily activities. In the process of urbanization, the supply and demand dynamics of real

estate create a complex market relationship and drive urban development.

1) Economic Value Addition: As a significant asset, real estate brings substantial wealth to the economy, creates employment opportunities, and promotes economic growth.

2) Improving Urban Environment: Real estate development fosters urban growth, enhances urban environments, and improves the overall city image. This, in turn, attracts investments and residents, and supports modernization efforts in urban areas.

3) Promoting Land Use: Real estate development efficiently promotes land utilization, maximizing land value and improving land use efficiency.

4) Enhancing Urban Transportation: Real estate construction can also boost urban transportation development, increasing traffic efficiency and capacity, thereby contributing to urban prosperity and development.

The real estate industry has significantly driven the development of land economics over the past decade, contributing to GDP, employment, investment, and urban growth. In contemporary society, buying a house has become a norm for young people getting married. However, whether young people should buy a house in the current land economic situation remains a subject of debate. This article explores this issue from the perspective of land economics and offers some suggestions.

**Understanding Land Economics:** Land economics refers to economic activities based on land. In China's current economic context, land economics has become a critical component. Buying a house, as part of land economics, is influenced by the broader economic environment. China's land economy is marked by instability. On one hand, the booming land market presents opportunities for buying property. On the other hand, issues such as land supply shortages and policy regulations make purchasing a house challenging.

**Necessity of Buying a House:** It is crucial to recognize that buying a house is not a necessity. Although it has become a social trend, whether young people need to buy a house should be analyzed based on individual circumstances. From a personal financial standpoint, if young people can afford it, buying a house is beneficial. It provides a stable living

environment and increases family assets. However, if their financial situation does not permit it, buying a house is not essential. In such cases, young people should prioritize their quality of life and personal development over the pressure to purchase property.

**Impact of Land Economics:** In the current land economic climate, the cost of buying a house is rising. Increasing property prices, land scarcity, and regulatory policies make buying a house very challenging. Therefore, young people must consider practical realities before deciding to buy a house. If the cost is too high, renting or other housing solutions should be considered. It is also important to recognize that land economics is unpredictable, and significant changes may occur in the future land market. Hence, young people should carefully assess their situation before purchasing property.

Additionally, several other factors must be considered, such as family status, job stability, and life planning, all of which influence the decision to buy a house. When weighing these factors, young people need to balance their needs and practical circumstances to make the best decision [2].

Buying a house is not the only solution to housing issues. Renting has become an increasingly common choice in today's society. Renting offers flexibility and reduces financial pressure, providing a stable living environment and more freedom for young people to pursue their careers and personal lives. Other solutions, like shared living arrangements or buying smaller units, can also address housing needs while offering social and growth opportunities.

### **3. Analysis of Young People Buying Houses Today**

We need to deeply analyze the factors that have made the topic of whether young people should buy a house when they get married such a hot topic today. Due to the lack of property taxes, inheritance taxes, and other taxes on real estate in China, the government cannot redistribute social wealth through taxation. The appreciation of real estate has become the main channel for the redistribution of social wealth. The continuous rise in housing prices has resulted in two completely different wealth distribution effects among young people—those with property see their wealth increase automatically without much effort, while those without property find it increasingly difficult to catch up, no matter how excellent or hardworking they are, as the gap between wage increases and housing price increases widens.

Therefore, without family support, it is becoming increasingly difficult to acquire property in first-tier cities like Beijing, Shanghai, Guangzhou, and Shenzhen. Surveys show that among young people who already own housing, 66.53% received parental assistance. Parental financial support plays a significant role in helping young people acquire property, which also impacts their romantic relationships. Family resources leading to housing acquisition have exacerbated intergenerational disparities, hindering lower-class youth from improving their socio-economic status through their own efforts, and leading to various consequences in young people's marriage decisions.

Whether in a planned or market economy, housing has always been an important indicator of social stratification in China. Housing is closely linked to the social class of different groups and serves as a "mirror" and "reflection" of one's identity. Through housing, we can roughly determine the

social class and lifestyle of a group or individual. Thus, housing has become an external symbol reflecting different social classes. Influenced by this perception, the younger generation in China is also using housing ownership to shape their class boundaries. Young people from affluent families can differentiate themselves from other classes at a young age through housing. Housing ownership affects young people's socio-economic status, thereby influencing their marriage decisions.

Surveys show that 82.05% of young people believe owning a house makes it easier to find a partner, while only 13.98% and 3.97% disagree to varying degrees, indicating that young people themselves recognize the crucial role of housing in marriage. However, owning property in Beijing is not easy for the 25-36 age group, and the proportion of single young people without property is significantly higher than that of those with property. Rising housing prices inevitably add pressure to young people's romantic relationships and delay their marriage and childbirth ages. Due to the enormous pressure created by housing, renting has naturally become a potential solution to housing issues [3]. However, renting is seen by young people as a temporary, reluctant choice rather than a final solution for starting a family. The high expectations young people have for housing are reflected in their marriage decisions, with those without property being more likely to be squeezed out of the marriage market, especially young men. Marriage, as the most fundamental form of family combination, affects life goals, and unhappy marriages can lead to greater social issues and personal tragedies. From this perspective, the goal of urbanization should not just be economic indicators and skyscrapers, which should be the results rather than the objectives. The core goal of urbanization should be to provide dignified living conditions and a visible future for the city's creators and laborers—the young people—while maintaining their motivation to strive continuously.

But the relentless rise in housing prices in large cities forces many talented young people from lower backgrounds to adjust their romantic decisions, even giving up their loved ones. When they realize that no matter how hard they try, they cannot be with their loved ones because of a house, what motivation do they have to keep striving? Therefore, housing not only affects personal socio-economic status but also objectively determines a young person's position in the marriage market, thereby limiting their marriage decisions.

Furthermore, what macroeconomic policies can be implemented to address the aforementioned issues? The government can introduce policies to increase housing supply and reduce housing prices. Additionally, the government can encourage developers to construct small apartments, shared housing, and other forms of housing suitable for young people to meet their housing needs. Companies can help their employees solve housing problems by providing housing subsidies and benefits. Businesses can collaborate with developers to create housing options for employees, offering discounted rents and other perks.

Individuals can also explore various ways to address their housing issues. For instance, they can choose to live in areas around economically developed cities or emerging cities, where housing is more affordable. They can share housing with friends or colleagues to reduce housing costs. They can also opt to buy small apartments that meet their living needs while minimizing financial burdens.

In my view, whether it is choosing to buy a house, rent,

share housing, or buy small apartments, the ultimate goal is to solve the housing problems of young people. Housing issues are not only personal problems but also social issues. Therefore, solving these problems requires the joint efforts of the government, businesses, and individuals.

#### 4. Conclusion

In conclusion, whether young people should buy a house depends on various factors, including personal financial situation, the influence of the land economy, personal needs, and actual circumstances. For those with a stable financial status, clear life plans, and a definite need for homeownership, buying a house can be a good choice. However, for those facing financial difficulties, with more pressing needs, or without a clear demand for homeownership, considering alternative solutions for housing might be more appropriate.

We must also recognize that buying a house is not an absolute necessity. Young people should choose based on

their individual circumstances and make the decision that best suits their situation.

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