

# ***Research on the Current Status of Real Estate Development in the Era of Epidemic Situation***

**Jinchunjie Zhang<sup>1,a,\*</sup>**

<sup>1</sup>*Chongqing DEPU Foreign language school, Chongqing, 401320, China*

a. *jinchunjiez@gmail.com*

*\*corresponding author*

**Abstract:** This paper mainly studies the impact of the epidemic on the real estate industry through consumer investment concepts, the reduction of rigid demand for real estate, insufficient housing production and supply, and other internal and external factors in the market to study the relationship between the economy and the development of the real estate industry in the post-epidemic era and propose solutions to some problems in the current traditional real estate industry and future development trends and directions. This paper adopts the literature review method and the survey method to demonstrate and elaborate on the above issues; conduct further research and discussion on the basis of existing views; make suggestions for the future development of real estate; and summarize and demonstrate the existing views. First of all, real estate enterprises need to combine the current trend of Internet development, integrate big data analysis and artificial intelligence and other high and new technologies into the future development to offset the impact of uncertainties such as the epidemic on the real estate industry. Additionally, practitioners in the traditional real estate industry usually show characteristics such as low education and low professionalism, so it is imperative for real estate companies to build a flat management structure in the post-epidemic era and realize the rejuvenation and specialization of sales personnel.

**Keywords:** Real estate, new marketing models, epidemic, China, big data analysis

## **1. Introduction**

In the context of the post-epidemic era, real estate sales have been reduced, people's consumption investment concepts have changed in the uncertain environment of the epidemic, and the changes in the entire economy have a huge impact on basic industries such as real estate. At present, there is an analysis of the changes in people's consumer psychology by the epidemic and the relationship and future development direction of real estate and Internet development. This paper mainly studies the current situation of real estate in the context of the epidemic in combination with the trend of more cautious investment among the general public under the background of the epidemic and the direct impact on housing production and construction due to strict epidemic prevention policies, including some solutions to the current problems in the industry and future development direction. The research in this paper mainly adopts the literature review method and the survey method. This research summarizes the existing problems of the real estate industry based on the macro economy and the epidemic background, and provides feasible problem solutions and future development directions for the real estate industry.

## **2. Analysis**

### **2.1. Consumers' Investment Perceptions Have Changed Due to the Pandemic**

The epidemic has brought people a strong uncertainty about the future, and has also changed the consumption patterns and consumption concepts of many people.

After the pandemic, consumers' consumption views have become more conservative, consumers are cautious about investing, especially for large inputs such as real estate, and people tend to save rather than invest due to the general lack of optimism about the economy[1]. Such a consumer trend has hindered the development of the entire real estate industry, which in turn has made marketing more difficult and greatly reduced the real estate transaction rate. The most immediate consequence of the COVID 19 is that the direct impact has reduced consumer incomes and even led to unemployment, which has also led to a sharp decline in non-essential home purchases. Moreover, the epidemic has made consumers have no confidence in the future economic situation, so some consumers believe that there may be room for decline and price decline trend in the future, so some consumers who need to buy a house but are not urgent will not buy a house in a short time. Due to the change of people's consumption concept and the general lack of confidence in China's domestic economy under the influence of the epidemic, the transaction rate has dropped significantly, which in turn has led to insufficient cash inflow in the real estate industry, and the return of funds from a large number of housing companies has been affected, which has also had an impact on the entire real estate industry[2]. At the same time, the income of the real estate industry has also fallen sharply due to rent-free or rent-reduction initiatives by a large number of tenants. And the expected income of most families has dropped unexpectedly, and most consumers no longer believe that real estate will bring them considerable investment income, so even under the epidemic, consumers still tend to invest, although it may not be mainly based on buying real estate.

### **2.2. Insufficient Demand for Real Estate**

At present, China's urbanization rate has slowed down, the growth rate of urban population has slowed down, and even some urban population has experienced negative growth. And the problem of aging is getting worse. Even in 2016, when the domestic two-child policy was fully opened, there was no expected growth in the newborn population, and in the case of a sharp decline in the newborn population, it was difficult for consumers to have a large increase in rigid demand for real estate. Under the influence of such factors, the real estate market needs to target customers more accurately and seek matching customers with housing needs under the reduced market demand. Due to the increasingly serious problem of aging in China, the demand for rigid demand for housing has decreased, which also means that the rigid demand purchase group of real estate is greatly reduced. Moreover, the development rate of urbanization is slowing down, the growth rate of the urban population is slowing down, the main audience for real estate has changed to a certain extent in the past, and the purpose of buying real estate is also different from before. In this context, the purchase volume of real estate has decreased, and it has also increased the marketing difficulty of the real estate industry.

### **2.3. The Impact of the Epidemic on Real Estate Supply**

Under the influence of the domestic epidemic, a variety of epidemic prevention policies have emerged, and in the context of policy implementation, the production and construction of a large number of real estate buildings have been affected to a certain extent. Due to the many restrictions on the construction of real estate, the supply of real estate is showing a phased shortage [3]. The circulation of workers has become a problem, and various transportation is also restricted, which

greatly reduces the efficiency of real estate production and also makes it possible to have excessive demand in the short term. At the same time, such an extended construction period has also increased the cost of housing companies, and due to the decline in sales volume and the increase in costs, this undoubtedly aggravates the financial pressure of housing companies and reduces the confidence of the entire market. This phased housing supply shortage makes the entire market more volatile and unstable, thus making more consumers have reservations about the future housing market, rather than spending money on consumer investment immediately. As one of the typical commodities in China, real estate has a very significant and far-reaching impact on the entire economy. The instability and downturn of the housing market will also make consumers less optimistic about the overall situation of the economy to some extent, thereby further deepening people's concept of saving money without consumption. The trend that makes the overall economic situation unfavorable is eventually projected on the real estate industry itself.

### **3. Recommendation**

From the above problems, it can be seen that the epidemic has indeed brought some changes to the real estate market, which also makes real estate companies need to try new methods and routes to break through some of the current difficulties. The paper will explain to readers the innovative reforms in the real estate industry from several directions.

#### **3.1. The Impact of Big Data Marketing on The Real Estate Industry**

The use of big data analysis technology to classify the preferences of network users, and push the corresponding matching real estate information to greatly improve marketing efficiency[4]. At the same time, in the process of gradual recovery from the epidemic, the traditional offline sales service is fully prepared, so that customers who are targeted by online precision marketing can strengthen their impression of the brand and improve the credibility of online marketing in the offline good service experience, so that the effectiveness of online marketing is guaranteed and the success rate and transaction rate of offline sales are improved, so as to cope with people's negative attitude towards real estate consumption in the post-epidemic era. Let new marketing methods and the Internet intervene in the traditional operation and marketing mode of real estate, take the opportunity of the epidemic to increase the anti-risk ability of the real estate industry, and at the same time update some outdated business methods.

#### **3.2. Problems in the Traditional Real Estate Industry**

In the traditional real estate industry, sales practitioners usually reflect that their education is generally not high, and they rely heavily on sales skills and experience[5]. In the past development of the real estate industry, these sales and technical employees have made great contributions to the development of the industry, but this personnel structure still shows some problems. The professionalism is not strong, and it is difficult to achieve the management process within the enterprise, which limits the sales efficiency of the real estate company, and the lack of professionalism of the sales staff often leads to various sales problems. In the post-epidemic era, real estate companies should look for more efficient production and sales models, so the streamlining and quality control of sales personnel are particularly important. Future salespeople should have younger, professionally trained, and property-related background knowledge so that the service is meticulous and unified to attract more customers, cultivate more loyal customers, and make the brand image more and more distinct in the external output of offline sales staff to achieve terminal marketing to customers[6].

## 4. Conclusion

The epidemic has caused difficulties for typical commodities such as real estate, but at the same time, it has also given the industry an opportunity to change its new business model. Now that the traditional business model has been hit, real estate companies are looking for a way to break the situational binds of this industry. Adding emerging industries such as the Internet to traditional real estate operations may become a huge turning point for the entire industry. In the process of slowly recovering from the epidemic, when there is no longer an intermittent shortage of real estate supply, people's desire for real estate consumption may gradually rise because the urbanization development of our country is still on the rise and the urban population of most cities is still showing positive growth. When the sales staff is gradually professionalized and the internal management of the enterprise is unified, the real estate industry may enter a new stage, and the development of real estate will be pushed to the peak again by using a new business model.

## Acknowledgment

I would like to thank the professors for their cultivation of me, and the teachers and parents for their encouragement and help to me. During the completion of my thesis, the school gave me a lot of time to concentrate on completing my research on the topic and writing my thesis. The TA teachers and the courses taught also provided me with multiple aspects of thinking and helping me in choosing a topic. Finally, I would like to thank my supervisor for giving me guidance in my thesis writing, and I also gave me a lot of pertinent advice during the writing process.

## Reference

- [1] Qiu H. 2020. *Analysis of the influencing factors and formation mechanism of real estate consumption in the post-epidemic era.* CHINA REAL ESTATE. Volume 18:14-22.
- [2] Qi Y. 2022. *Under the background of two rounds of the epidemic. a comparative analysis of national real estate-related policies. View of the premises.* 08:7-9.
- [3] Wang C. 2020. *China's real estate market in the post-pandemic era.* Construction & Design For Project:4-6
- [4] Pang Y. 2020. *Research on the application of big data in the field of land and real estate valuation.* China Academic Journal Electronic Publishing House. Volume 11:187-188
- [5] Dong R. 2021. *Optimization and integration of residential real estate marketing strategies in the post-epidemic era.* TECHNOLOGY AND INNOVATION MANAGEMENT. 42(6):669-673
- [6] Shen H. 2021. *Discussion on coping strategies for the development of real estate appraisal industry in the post-epidemic era. An analysis based on Porter's five forces model.* Real Estate Appraisal. Changsha. Hunan.