

# Later-stage Changes and Trends of Modern City Development -- Taking Shenzhen During the Period from Late 1990s Till Now as the Example

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## Abstract

Changes in urban renewal are inextricably linked to the stage and needs that cities are in. Taking Shenzhen as an example, based on the urban development characteristics of urban renewal at the advancing stage and the promoting stage, the research evaluated and analyzed different subject-led and different transformation methods conducted in a research problem-model way, and finally four aspects of change of management mechanism of urban renewal are proposed. A model for the urban renewal and reconstruction of old villages and old business districts is proposed in this research, which lays foundation on social management, and improves community harmony and public service. Unlike many urban renewal studies that start from the macro level, this study tries to analyze the cases from different stages and types, and enriches the later-stage changes and trends of modern city development creatively.

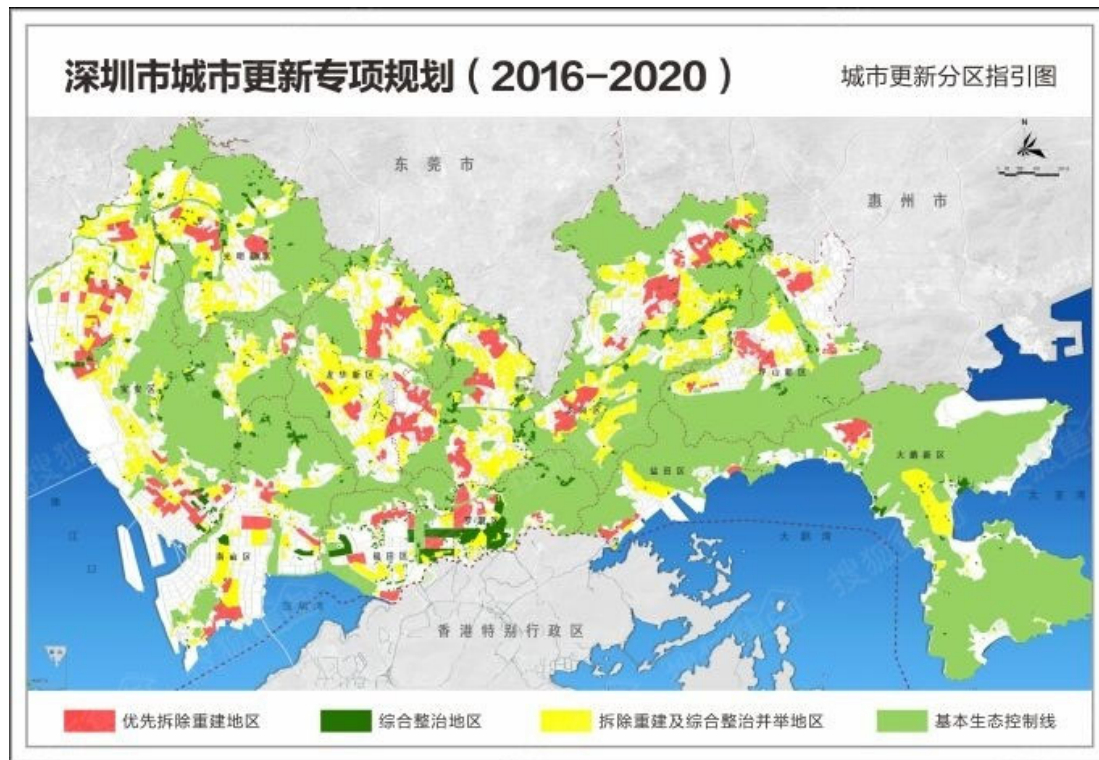
## Keywords

Changes; Trends; Urban renewal model; Shenzhen.

## 1. Introduction

### 1.1. Urban Development Characteristics in the Promotion Period: Urban Industrial Transformation and Structural Optimization Become the Main Body

After entering the 21st century, although the urban development still maintains a high speed, the policy advantages that Shenzhen mainly relied on in its early development basically no longer exist, and some inherent deficiencies of Shenzhen itself are increasingly exposed in such a background. The small scope of the city and the relative lack of development space make the further development of the city meet many obstacles. To this end, the municipal government put forward the slogan of "second entrepreneurship", comprehensively entered the stage of transformation and economic system improvement, and made efforts to improve the comprehensive competitiveness of the city. To this end, it supported some industries with key points, increased investment in education and scientific and technological research and development, and required the economic growth from quantitative expansion to qualitative improvement. On the premise of retaining the necessary high-tech enterprises, the industrial structure in the special zone is further reduced, and the industrial structure is inclined to high-tech, modern logistics and modern service industries. The real estate industry is appropriately controlled, which has a great impact on urban construction activities.



**Figure 1.** Shenzhen Urban Renewal Special Planning (2016-2020)

Characteristics of urban construction, urban morphology change, development of old areas: after entering the 21st century, with urban construction for years in Shenzhen to improve the overall quality of the city's comprehensive environment, there was almost no new land supply in the special administrative region, and the real estate market mainly relied on the stock of land previously held by units to supply, so there was an increasing demand for urban renewal. After the core clusters were basically formed, they began to extend to the surrounding built-up areas and the urban pattern tended to stabilize. At this stage, the government gradually realized the dilemma of differential benefits of land and began to moderately restrict industrial development within the special zone and consciously guide the transfer of industries outside the zone. By the end of the 1990s, the industrial areas and old residential areas had been built, and generally met the needs of urban renewal during the early development of city.

## 2. Characteristics of Urban Renewal in the Promotion Period: Comprehensive Renewal

### 2.1. Updating Objects: Old Commercial Centers, Old Industrial Zones, Old Villages, And the Most Important Ones Are Old Villages

At this stage, while continuing to renovate commercial centers and some old industrial areas, the issues mentioned above have become one of the government's primary concerns and determination to clean up the former, unlike the previous villagers' spontaneous renovation of comb-like, this is the government's large-scale preparation for the former in Shenzhen, a systemic reform.

### 2.2. Update Mode: Multiple Methods and Flexible Application

During this period, Shenzhen's urban renewal approach tends to be diverse. For old villages, the government consciously proposed the one-village-one-policy approach to regeneration. For old business district, the simple demolition and redevelopment approach has also been abandoned, with more consideration given to renovation and functional replacement. The

redevelopment methods include partial demolition and construction, comprehensive improvement, control and preservation, and off-site resettlement, which are adjustable according to different times and locations.

### **2.3. Government Operation: Start To Consider Economic Reconstruction and the Construction of Community Management Institutions**

In addition to generally censoring in the old district reconstruction, the government has to strengthen the development of industries and social benefits. In view of the urban village, from village to residential area, and from residential area to community, the government has also become more involved in the transformation of old areas, and the district has established the old reform or renewal administration and the urbanization promotion office to participate in all important aspects of the reconstruction.

## **3. Prominent Problems Existing in Urban Renewal During the Promotion Period**

### **3.1. Problem 1: The Market Demand Was Not Paid Attention to During the Transformation, And A Large Number of Blind Development Resulted in Backlog**

Real estate developers are now developing blindly with market demand detached from and often leaves an oversupply of certain types of commercial housing in the city, resulting in a large number of commercial homes being left vacant. Many poor families have difficulty in getting affordable housing. At the beginning of 21<sup>st</sup> century, a large number of office buildings in Shenzhen were left unused. A large part of the reason was that in the process of transformation and development, only the rationality of planning functions was emphasized, and the supply and demand situation in the market was not studied, resulting in the inability of the market to absorb the new supply, which was not conducive to the normal development of the real estate market and also caused a large backlog of capital.

### **3.2. Problem 2: Land Speculation**

The urban land development system establishes the principle of transferring land with fee, but does not clearly define the procedures for transfer, and the simple transfer system directly leads to land speculation. According to the Urban Real Estate Management Law, urban land can be transferred by means of auction, bidding and negotiation, of which negotiation has become the dominant method in practice. Behind the negotiation is actually a hotbed of rent-seeking from the government by real estate developers. Usually, the development right of the land accounts for one percent of the total investment, so the cost of the land increases by one percent before the land starts constructing, and this revenue is basically without the scope of the government. On the other hand, in order to save investment, land management departments often hand over the demolition and infrastructure support work in old urban areas to developers of residential renovation projects, automatically abandoning the primary development of the land. After the demolition and infrastructure support work is completed, the wasteland becomes prosperous land and the land is bound to appreciate in value, from which the developers make high profits, while inevitably leading to further loss of state-owned assets. The lax regulation of land development and management has caused many real estate companies to shift their business objects from property to land. Especially in traditional residential renewal projects, the cost of land transfer is relatively low. After obtaining a permission of land construction, developers do not develop the land, but rather plan and design the land, obtain a planning land use permit, and then flip the right to build on the land for a windfall profit. The company that takes over either does the same thing again or becomes the

ultimate builder. Both only increase the development cost of residential areas, pushing up the price of housing and causing builders to find ways to break through urban planning restrictions, or change the nature of land use, or increase the floor area ratio and building density, in order to get a return on their investment.

### **3.3. Problem 3: Ignoring Social Problems, Community Management, Cultural Construction, Public Security and Other Issues**

Whether relocated in the other place or in the original one, living conditions have been improved to varying degrees. However, the traditional living culture circle has been broken, and a new living culture environment is difficult to establish within short time. For instance, citizens lack a sense of identity and belonging and begin to miss the original neighborhood, security, and space that is facilitated for communication. In addition, the decline of the community structure caused by the development of commercial housing cannot be compensated by the improvement of the physical environment, and this has become one of the significant factors affecting social stability.

### **3.4. Overall Evaluation During the Promotion Period: The Updating Activities Are Facing Changes**

At this stage, the problems posed by urban renewal become more complex. Researchers and managers on planning this gradually realize that the difficulties of old transformation may not be limited to a unilateral problem of planning techniques, but a consideration of social background, making appropriate approach redevelopment with more caution needed greatly. For the commercial centers existing, there is an extremely contradictory dilemma of the choices of reform that may destroy the current good economic performance, and without change, the original commercial centers no longer meet the growing living demands, and this contradiction is getting worsen day by day. For the old village, the problems brought by its wide distribution and the large scale of it are also profound, therefore a comprehensive and systematic renovation is necessary. Given that the transformation is quite difficult in many ways, the introduction of the old village transformation policy and the preparation of old village planning has been on the agenda. Consequently, this period is critical for the transformation of the old city of Shenzhen as well as the development of Shenzhen.

## **4. The Trend of Urban Renewal in Shenzhen**

### **4.1. Changes in Material Objects of Urban Renewal -- The Scale Keeps Increasing and the Types of Reconstruction Are Increasingly Diversified**

Shenzhen urban renewal activities have gone through the process from scattered single buildings to piecemeal neighborhood transformation, then to comprehensive overall transformation. With the continuous development of Shenzhen, the scale of urban renewal has been increasing, and the types of transformation have been updated from a single, developed old industrial area, to a consolidation of various old residential area transformation, urban renewal, and commercial area remediation.

### **4.2. Changes of Interest Subjects of Urban Renewal -- The Subjects of Investment and Profit Tend to Be Diversified**

Urban renewal of the original is only former residents in improving the living conditions of the transformation, and some units, to improve their own living environment of the office environment, then the government stepped in to the construction of public facilities urban transformation, update, and then the real estate market gradually step in transforming, after transforming the property to the market to sell, some units involved in the real estate market operation and village co. LTD., insufficient funds into Individual fund-raising makes the types

of interest subjects more diversified, especially when it comes to the original owners of the business and office areas in the center of the city.

Urban renewal was originally only the transformation of former residents in improving living conditions, some units in order to improve their office environment of the living environment, and then the government intervened in the transformation of urban public facilities, renewal, and subsequently, the real estate market gradually entered the transition phase. When the transformation of the property enters into the market sales, some units get involved in real estate market with the aid of village associations. The Limited liability companies, and the lack of funds raised by individuals make the type of interest subjects more diverse, especially in terms of the original owners of commercial and office areas in the city center.

#### **4.3. Changes in the Operation Mode of Urban Renewal -- Marketization is the Main Operation with Increasing Government Participation and Guidance**

Shenzhen is different from other cities. For the historical reason, the market has been the main force of urban renewal since the beginning of urban construction. However, with the reconstruction involving a wide and deep area, the project is large and detailed, and there are many contradictions involved. The government has the necessity to get deeper involved in urban renewal activities, and carry out unified guidance and coordination. In addition to control in macro way, the government also needs to increase capital input and be responsible for organizing and coordinating, then effectively attracting social funds and relying on the complete strength of society to carry out the transformation in the way of market operation.

#### **4.4. Change of Management Mechanism of Urban Renewal -- Specialization and Standardization**

With the standardization of urban planning, the management mechanism of urban renewal is becoming specialized and standardized. Urban renewal is a complicated, tedious and systematic work, which needs to be implemented under the unified and standardized rules and regulations. Without standardized governance, urban renewal activities turn into chaos, which not only fail to achieve the purpose of renewal, but also cause huge waste, even affecting the normal development of the city. In terms of institutional construction, the old reform management institutions have gradually become independent from departments attached to the construction management departments. Similar institutions have been established in various districts to solve the staffing problem and gradually form a set of a system.

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