



Shenzhen's Residential Housing Landscape to Address Housing Inequalities

- Since the start of the Reform era in 1978, mainland China has moved toward a market-oriented economy, fundamentally reshaping urbanisation patterns that were previously directed by a planned economy. **As an officially designated pilot city for market reforms, Shenzhen emerged as a focal point of this transformation.**
- Over the past four decades, its rapid urbanisation has produced three main types of residential spaces: **commercial gated communities, urban villages, and factory dormitories.** These distinct housing forms accommodate diverse migrant populations from across the country and together form **Shenzhen's complex residential landscape.**
- Their development has been shaped by a combination of top-down policies and grassroots initiatives, **reflecting both the city's—and China's—economic success and the growing housing inequalities within Shenzhen.**

This study highlights the significant roles of Shenzhen's three major residential types, which reflect both mainland China's economic achievements and **the deepening of social inequality.** To more effectively manage this dual process—of increasing overall societal wealth while reducing inequality—it **is crucial to reassess the city's developmental trajectory.** **This requires examining the evolution of relevant policies over time** and evaluating their impact on the formation and transformation of these residential spaces.

Shenzhen's three key residential areas:

- Commercial Gated Neighbourhoods
- Urban Villages
- Factory Dormitories

Policy Recommendations to inequalities

Economic Income:

Shenzhen's housing development suggests that future policy should continue market-based practices while improving overall income levels. This would make higher-quality commercial housing more affordable for the general public and help reduce housing inequality rooted in income disparity.

Diversity of Housing Types:

Shenzhen's main housing types—commercial gated neighbourhood, urban villages, and factory dormitories—have long served different social groups, reflecting varied levels of quality, experience, and affordability. This diversity allows residents across income levels to find a place to live. Future housing policy should further support diversified supply and implement inclusive measures

Migrant Policy:

To strengthen migrants' sense of urban belonging, the government should reduce household registration (hukou) restrictions that limit access to social welfare for those living in urban villages. Improving migrants' access to healthcare, education, and housing support will help them better integrate and settle in Shenzhen.

Key findings

This research compares Shenzhen's three major residential types—commercial housing, urban villages, and factory dormitories. By examining their historical development through economic, political, and social lenses, the study reveals how each housing type serves distinct social groups and contributes to the structure of housing inequality in the city.

Commercial housing estates have undergone a shift in resident composition. Initially targeting the Hong Kong market, they were occupied by those with special purchasing channels. Over time, high-income groups moved in, and eventually these estates became the dominant housing choice for the urban middle class in Shenzhen.

Urban villages originated as rural settlements of Shenzhen's indigenous villagers. During urban expansion, they were encircled by city development without substantial compensation or redevelopment. With poor housing conditions and low rents, they became key housing for both local villagers and low-income migrants. In the past, many migrants were excluded from social welfare due to household registration barriers—a situation now slowly improving.

Factory dormitories provide low-cost housing for migrant labourers, often at no or minimal rent. Though living conditions are poor, they meet the needs of low-income workers focused on saving money. This type of housing reinforces Shenzhen's role as a temporary work destination, with most migrants returning to their hometowns after several years, lacking a strong sense of long-term belonging.

The rationale of case study selection

This study primarily employs on-site observations, archival research, and desk-based reviews of relevant documents and literature. This research chooses three cases in Shenzhen for a further detailed study:

- Donghuliyuan (东湖丽苑) which is one of the earliest commercial gated neighbourhoods in mainland China (housing high and middle-income group).
- Pingshan Urban Village (平山村) which shows a historical layout (mainly housing low-income migrants)
- Honghualing Industrial Zone (红花岭工业园) which is under functional transformation (mainly housing low-income migrants)



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Figure 1. Donghuliyuan

Figure 2. Pingshan Urban Village;

Figure 3. Honghualing Industrial Zone

Source: Author's photos.

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This policy note is based on the research of Tiancheng Ren, a PhD researcher in the School of Architecture, Planning and Landscape. His work focuses on China's Reform era, housing policy, the adaptive reuse of industrial heritage, and the evolving housing landscape in China.

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