

Article

An Analysis of Development Strategies for the Construction and Real Estate Industries under New Circumstances

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Abstract: China's macroeconomy has entered a critical phase of structural transformation, wherein the traditional growth model of the construction and real estate sectors—historically driven by rapid scale growth and high asset turnover—no longer aligns with prevailing economic fundamentals or evolving policy frameworks. With the implementation of long-term regulatory mechanisms for the property market, tightening requirements for low-carbon development, and ongoing deleveraging efforts within the financial system, the industry's dependence on large-scale growth and high-turnover operational models has gradually diminished as the primary driver of sectoral performance. Challenges such as declining total investment volumes, narrowing corporate profit margins, and structural imbalances between supply and demand have become increasingly pronounced. Drawing on industry data published by the National Bureau of Statistics from 2023 to 2025, this study systematically examines the phased operational characteristics of the construction and real estate sectors, identifies deep-seated structural contradictions accumulated during the course of industrial transformation, and proposes tailored transition pathways that integrate principles of industrial upgrading, technological innovation, and market governance. The findings provide empirical insights and actionable recommendations for achieving sustainable transformation and high-quality development within the construction and real estate industries, contributing to the broader discourse on economic restructuring and sectoral resilience in emerging markets.

Keywords: construction industry; real estate; economic transformation; high-quality development; industrial upgrading

1. Introduction

The construction and real estate sector constitutes a foundational component of the national economy, integrating upstream material production, midstream development and project execution, and downstream property management and service provision. Its extensive industrial chain and high degree of interdependence with sectors such as finance, manufacturing, and infrastructure investment underscore its systemic importance to macroeconomic stability, coordinated urban-rural spatial development, and the provision of essential living conditions for the population. In recent years, market dynamics have undergone profound adjustment: growth patterns have shifted away from scale-driven expansion toward quality-oriented, demand-responsive models grounded in long-term sustainability. The principle that housing serves residential needs rather than speculative purposes has been institutionalized through consistent policy frameworks and regulatory enforcement. Consequently, household demand has evolved from quantitative sufficiency—focused on access and affordability—to qualitative enhancement—emphasizing spatial efficiency, environmental performance, health-conscious design, and digital integration. Concurrently, national development strategies increasingly prioritize ecological civilization objectives, mandating green building standards, energy-efficient retrofitting, and low-carbon construction methodologies across all project phases [1, 2]. Digital technologies—including Building Information Modeling (BIM), smart construction platforms, and AI-enabled project analytics—are

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now integral to operational optimization and risk mitigation. Internally, the industry confronts structural constraints including regional overcapacity in certain housing segments, inflexible supply chains, and legacy governance mechanisms ill-suited to agile, data-informed decision-making. These converging pressures collectively define a transitional phase characterized by recalibration of business models, reconfiguration of value chains, and institutional innovation aimed at achieving resilient, inclusive, and environmentally sound development pathways.

2. New Trends in the Development of Construction and Real Estate Economy (Based on Industry Data from 2023--2025)

From 2023 to 2025, China's construction and real estate sectors underwent a sustained phase of structural recalibration, characterized by measurable contractions in fixed asset investment, new construction starts, and project completion volumes. Operational metrics—including capital turnover rates, profit margins per unit area, and labor productivity—exhibited downward pressure across multiple subsectors. Official macroeconomic data consistently reflect a deceleration in year-on-year growth rates, underscoring the maturation of the industry lifecycle stage. Market segmentation has intensified: large-scale state-owned enterprises demonstrated relative resilience through diversified portfolios and policy-aligned infrastructure participation, whereas private developers faced heightened liquidity constraints and accelerated portfolio rationalization [3, 4]. Regional disparities widened, with Tier-1 and core metropolitan clusters maintaining relatively stable transaction volumes and pricing stability, while lower-tier cities experienced prolonged inventory overhang and slower absorption rates. Business model innovation emerged as a critical adaptive response, including greater integration of digital twin technologies in project management, adoption of modular prefabrication to improve cost predictability, and expanded emphasis on lifecycle asset performance rather than short-term transactional gains. This evolution signals a systemic transition from scale-driven growth paradigms toward capability-oriented, risk-aware, and resource-efficient development pathways.

2.1. Characteristics of Changes in Key Operational Data Across Industries

To objectively reflect the industry's adjustment trends over the past three years and avoid the bias inherent in subjective qualitative analyses, this study selects key macroeconomic indicators—including real estate development investment, residential investment, construction sector value-added output, and profits of large-scale construction enterprises—as quantitative proxies for industry health. These indicators collectively capture both demand-side dynamics (e.g., investment flows into housing) and supply-side capacity utilization (e.g., value-added output and enterprise profitability), enabling a multidimensional assessment of structural evolution [5]. Real estate development investment serves as a leading indicator of future housing supply and reflects developers' forward-looking expectations; residential investment specifically isolates activity tied to dwellings for end users, distinguishing it from commercial or industrial construction. Value-added output in the construction sector measures productive efficiency and scale of economic contribution, while profit performance of large-scale enterprises offers insight into operational sustainability amid shifting cost structures and market conditions. Together, these metrics form an integrated empirical foundation that supports rigorous diagnosis of underlying drivers, facilitates comparative analysis across subsectors, and strengthens the evidentiary basis for evaluating policy effectiveness and identifying pathways toward long-term stability and quality-oriented development.

According to Table 1, national real estate development investment has experienced negative growth for three consecutive years since 2023, with the decline intensifying annually. By 2025, industry investment volume had decreased by more than one-quarter compared to 2023, accompanied by a simultaneous downturn in residential investment [4, 6]. This sustained contraction reflects developers' growing caution regarding medium-to-

long-term industry prospects, indicating that the growth drivers associated with rapid scale accumulation have largely lost their effectiveness. A comparison of overall investment and residential investment declines reveals that the latter has shown relatively smaller declines, demonstrating strong market resilience in terms of residents' rigid housing needs and demand for improved living conditions. This market adjustment primarily targets speculative developments and irrational scale increases, representing a structural recalibration driven by internal market mechanisms. The observed pattern aligns with broader macroeconomic transitions toward consumption-led growth and higher-quality urbanization, where housing functions increasingly as a livelihood asset rather than a financial instrument. Consequently, investment behavior is becoming more aligned with demographic trends, household income levels, and regional population distribution—factors that underpin sustainable demand formation. Such recalibration also underscores the importance of differentiated policy responses across city tiers and housing segments, particularly in balancing market vitality with social housing provision and urban renewal imperatives.

Table 1. Core Data on National Real Estate Development Investment (2023--2025) (Source: National Bureau of Statistics, 2026)

a particular year	Value Added of the Construction Industry (in billions of yuan)	Construction industry value-added growth rate	Total Profit of Qualified Construction Enterprises (in billions of yuan)	Profit increase compared to the same period last year
2023	88995	2.1%	7418	-5.2%
2024	87316	-0.8%	6928	-6.6%
2025	86425	-1.1%	6355	-14.1%

Table 2 statistics indicate that the growth momentum of the construction industry has weakened simultaneously. In 2024, the sector's value-added ended its multi-year positive growth trend, and its scale expansion rate turned negative. The pressure on construction companies' operating performance has become more pronounced, with total profits of large-scale enterprises declining for three consecutive years, and the profit contraction further intensifying in 2025. Analysis of actual industry conditions reveals that factors such as fluctuations in building material prices, steady increases in workforce compensation, and extended project settlement cycles continue to squeeze corporate profit margins. Additionally, low entry barriers and intense homogeneous competition have made low-price bidding and thin-margin operations the norm, marking the industry's formal transition into a new phase characterized by quality improvement within existing capacity and slower, more stable growth rates. This shift necessitates enhanced capabilities in project management, digital integration, green construction technologies, and lifecycle service delivery. It also highlights the strategic importance of upgrading labor productivity through mechanization, prefabrication, and intelligent site management—approaches that reduce dependency on manual inputs while improving safety, precision, and environmental performance. Furthermore, evolving financing models, including public-private partnerships and infrastructure asset securitization, are gaining relevance as tools to stabilize cash flow and support long-term investment in human capital and technological modernization [7, 8].

Table 2. National Construction Industry Development Performance Data (2023--2025) (Source: National Bureau of Statistics, 2026)

a particular year	Real estate development investment (in billions of yuan)	Year-over-year growth rate	Residential Investment (in billions of yuan)	Year-on-year growth rate of residential investment
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2023	110913	-9.6%	83663	-7.9%
2024	99062	-10.7%	73215	-9.8%
2025	82788	-17.2%	63514	-16.3%

2.2. Analysis of Industry Growth Trend Data

To further refine the pace of industry adjustment and distinguish market evolution patterns across different years, this study employs the real estate investment growth rate and construction company profit growth rate as primary quantitative indicators to analyze dynamic trends during the industry's cyclical downturn phase. These metrics serve as robust proxies for macro-level capital allocation behavior and micro-level operational health, enabling a granular assessment of sectoral resilience and adaptive capacity [4, 9]. The selection of these indicators is grounded in their empirical responsiveness to policy shifts, financing conditions, and end-user demand fluctuations, thereby offering a multidimensional lens through which structural transitions can be systematically observed and interpreted (As shown in Figure 1).

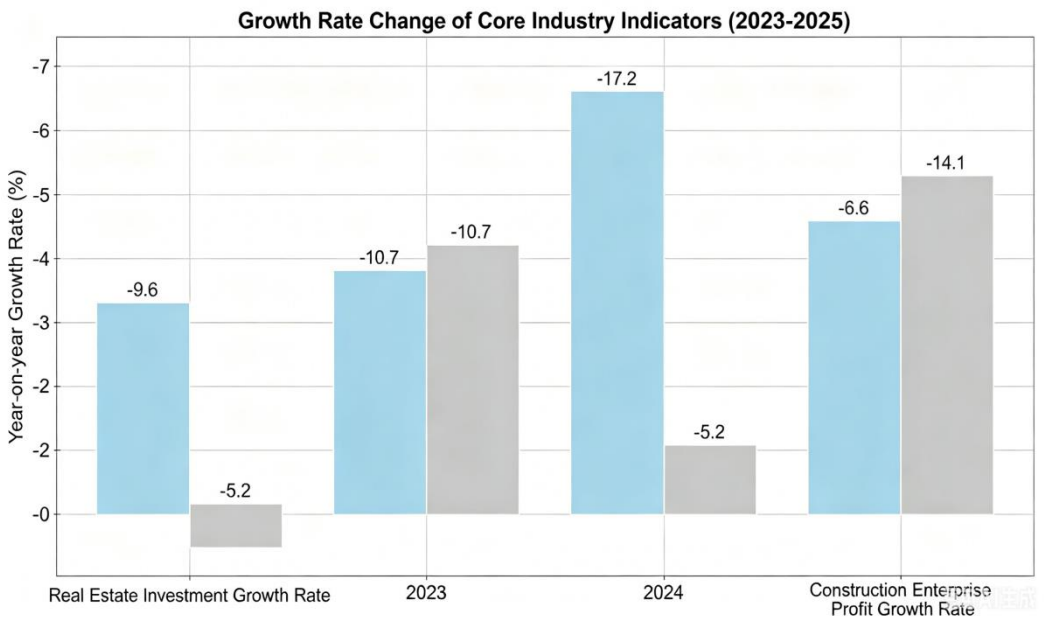


Figure 1. Growth Trend Chart of Key Industry Indicators (2023--2025)

Trend analysis of key indicators reveals a strong temporal correlation between the contraction in real estate investment and declining profitability in the construction sector. From 2023 to 2024, industry adjustments proceeded at a relatively moderate pace, characterized by gradual optimization of existing resources, measured improvements in asset turnover efficiency, and overall stable financial performance across large- and medium-sized enterprises; from 2024 to 2025, adjustment efforts intensified significantly, with major indicators declining rapidly as the industry entered a phase of profound structural restructuring involving enterprise consolidation, business model diversification, and accelerated digital transformation. The combination of factors—including diminishing returns from land development activities, enhanced prudential oversight of credit deployment, and more rationalized, quality-oriented market demand—fundamentally altered the industry's previous growth trajectory predicated on scale expansion. Against this backdrop, urban differentiation has become increasingly pronounced: core cities maintain market vitality through sustained population inflows, high-value industrial agglomeration, and infrastructure-led upgrading, while most third- and fourth-tier cities face persistent challenges such as elevated inventory levels, subdued transaction volumes, and limited fiscal capacity for public investment, thereby exacerbating regional market disparities and prompting differentiated local policy responses.

3. The Core Challenges in the Development of Construction and Real Estate Economics under New Circumstances

The aforementioned quantitative analysis reveals that the current development pressures facing the construction and real estate sector stem not from transient market volatility, but rather reflect deep-seated structural contradictions and systemic inefficiencies accumulated over decades of extensive, scale-driven growth. A rigid development model—characterized by heavy reliance on land finance, high leverage, and standardized large-scale projects—has increasingly diverged from evolving urbanization needs and demographic realities. Persistent supply-demand mismatches manifest across multiple dimensions: geographic imbalances between first-tier cities and smaller urban centers, functional mismatches between housing stock composition and household structure changes, and quality gaps between built environments and rising expectations for sustainability, safety, and livability. Technological adoption remains uneven, with digital tools such as building information modeling (BIM), prefabrication, and smart construction management systems still underutilized in mainstream project delivery. Furthermore, risk governance mechanisms—including financial oversight, project lifecycle monitoring, and cross-sectoral coordination—have not kept pace with industry complexity, resulting in delayed response to emerging vulnerabilities. These interrelated factors jointly constrain the sector's capacity to achieve high-quality, sustainable, and people-centered development.

3.1. The Traditional Development Model Has Failed, and Growth Momentum Has Exhausted

Over the past few decades, the real estate sector experienced rapid scale expansion, largely sustained by appreciating land values and broadened access to credit financing. This trajectory fostered a development paradigm prioritizing volume growth and transaction velocity, often at the expense of long-term operational sustainability, asset quality, and strategic investment in technological innovation. As land market dynamics have matured and stabilized, and as financial oversight mechanisms have been progressively refined to enhance systemic resilience, the foundational external enablers of this model have substantially diminished. Concurrently, evolving consumer expectations—marked by heightened awareness of housing quality, environmental performance, and service integration—further constrain reliance on legacy approaches. The structural challenges associated with high-leverage growth strategies have become increasingly evident, manifesting in constrained capital availability and persistent liquidity management pressures across multiple enterprise tiers. Moreover, the construction industry's production systems remain underdeveloped relative to broader industrial modernization standards: mechanization rates remain suboptimal, intelligent construction technologies—including building information modeling (BIM), prefabricated modular systems, and digital twin applications—are unevenly deployed, and workforce upskilling pathways lack institutional coherence. Consequently, productivity gains have stagnated, failing to align with the efficiency, precision, safety, and sustainability benchmarks required for contemporary urban and rural infrastructure development. These interlocking constraints collectively signal the exhaustion of conventional growth levers, necessitating a fundamental recalibration toward value-driven, technology-integrated, and resource-efficient development pathways.

3.2. Imbalance in Supply-Demand Structure and Insufficient Product Compatibility

The structural imbalance between housing supply and demand remains a fundamental constraint on the sustainable development of the real estate market, reflecting deep-seated mismatches across both geographic distribution and product typology. Regionally, disparities in demographic dynamics—particularly population mobility patterns—have intensified spatial misallocation: third- and fourth-tier cities, confronting sustained outmigration and slowing economic activity, accumulate substantial overhangs of unsold commercial residential units, resulting in extended inventory turnover periods, depressed asset utilization rates, and downward pressure on land value realization; conversely, core metropolitan areas continue to absorb large-scale

population inflows driven by employment opportunities and public service advantages, yet their housing supply pipelines remain inadequately calibrated to serve entry-level homebuyers and families seeking upward mobility, thereby exacerbating affordability challenges and contributing to secondary market distortions. At the product level, the industry exhibits pronounced homogeneity, with limited diversification in functional design, energy performance, and demographic responsiveness. Notably, there is a marked shortfall in dwellings incorporating universal accessibility features for older adults, certified low-carbon construction systems aligned with national carbon neutrality goals, and integrated digital infrastructure supporting intelligent property management and resident well-being. Furthermore, the construction sector itself reflects persistent structural asymmetries: conventional cast-in-place methods operate under significant excess capacity, while advanced modalities—including industrialized prefabrication, modular assembly, and high-performance green building delivery—face constraints in skilled labor availability, standardized technical protocols, and scalable financing mechanisms, collectively impeding timely adaptation to evolving societal expectations and policy imperatives [10, 11].

3.3. Lagging Technological Innovation and Slow Green Transformation

Insufficient technological innovation capabilities and slow progress in green transformation continue to represent significant structural challenges confronting the construction and real estate sector. Domestic enterprises—particularly small and medium-sized firms—typically allocate limited resources to research and development, resulting in constrained capacity for core technology breakthroughs and systemic digital upgrading. Motivation for adopting advanced construction methodologies remains uneven, often hindered by fragmented industry standards, insufficient technical training infrastructure, and limited access to financing mechanisms that support innovation adoption. While digital tools such as Building Information Modeling (BIM), intelligent site monitoring systems, and prefabricated modular construction have demonstrated measurable improvements in precision, safety, schedule adherence, and material efficiency, their deployment remains largely confined to pilot projects, state-led demonstration zones, and large-scale infrastructure initiatives [12]. Widespread integration across the broader industry ecosystem—including supply chains, subcontracting networks, and regulatory compliance frameworks—has yet to materialize. Under the national dual-carbon strategic framework, efforts to decarbonize construction activities face multifaceted implementation barriers: persistent reliance on energy-intensive materials like conventional concrete and steel, underdeveloped circular economy practices for construction waste recovery, and incomplete institutional mechanisms for lifecycle carbon accounting. A holistic low-carbon governance system—spanning design, procurement, construction, operation, and end-of-life deconstruction—remains under active development rather than full operational maturity, underscoring that the sector's green transition is still evolving through foundational policy alignment, technological piloting, and capacity-building phases.

3.4. The Risk Prevention and Control System Is Inadequate, Resulting in Insufficient Operational Resilience

The current industry-wide risk prevention and control system exhibits structural deficiencies that significantly constrain operational resilience and long-term sustainability. Specifically, many enterprises lack standardized financial governance frameworks, leading to inconsistent cash flow management, delayed project implementation timelines, and, in severe cases, temporary production suspensions. These challenges stem not only from internal capability gaps—such as insufficient expertise in integrated risk assessment, inadequate digital monitoring tools, and fragmented interdepartmental coordination—but also from systemic shortcomings in regulatory oversight and industry-wide benchmarking standards. From a macrostructural standpoint, financing patterns remain heavily concentrated in conventional bank lending, with underdeveloped capital market instruments, limited access to equity-based funding, and insufficient institutional support

for alternative financing vehicles such as green bonds or supply chain finance platforms. Consequently, market participants demonstrate low adaptive capacity when confronted with macroeconomic volatility, sectoral demand shifts, or exogenous disruptions, thereby impeding the smooth progression of industrial upgrading and high-quality development objectives. Strengthening resilience requires coordinated policy interventions, enhanced enterprise-level risk literacy, and the institutionalization of dynamic, data-informed early-warning mechanisms across the value chain.

4. Strategies for High-Quality Development of the Construction and Real Estate Economies under New Circumstances

In response to the current structural challenges facing the construction and real estate sectors—including imbalances between supply and demand, regional disparities in market performance, aging infrastructure stock, and evolving regulatory expectations—the industry must shift decisively away from growth models predicated solely on quantitative metrics. A more sustainable trajectory requires prioritizing qualitative advancement: systematically upgrading the functional, environmental, and social performance of built assets; accelerating the adoption of digital tools such as building information modeling (BIM), artificial intelligence-enabled project management, and smart building systems; deepening integration across design, construction, operation, and decommissioning phases; and strengthening governance frameworks to ensure financial prudence, ecological responsibility, and long-term asset resilience. This paradigm emphasizes resource efficiency, lifecycle optimization, technological sophistication, and adaptive capacity—elements essential for aligning sectoral development with national goals of innovation-driven growth, green transition, and urban-rural coordination [13]. Crucially, risk mitigation must be embedded proactively—not as an afterthought—through enhanced data transparency, diversified financing mechanisms, standardized quality assurance protocols, and forward-looking scenario planning that anticipates demographic shifts, climate-related stressors, and macroeconomic volatility.

4.1. Reconstructing Development Models to Enhance Quality and Drive Transformation of Existing Resources

The primary task in industrial transformation is to fundamentally reconstruct the development model, shifting emphasis from quantitative growth patterns toward qualitative enhancement and efficient utilization of existing resources. Real estate enterprises are required to progressively lower financial leverage ratios, move away from operational paradigms reliant on rapid asset turnover and scale-driven revenue generation, and instead cultivate capabilities in long-term urban space stewardship and integrated public service delivery. A sustainable business architecture should be anchored in mature, operationally grounded domains—including comprehensive urban renewal initiatives, systematic renovation of aging residential communities, professionalized management of government-subsidized housing stock, and value-added property service innovation. Through regionally calibrated strategies—accounting for demographic structure, infrastructure maturity, housing demand elasticity, and local fiscal capacity—firms can methodically reduce overhang inventory in lower-tier cities while simultaneously unlocking latent value in underutilized built assets via physical upgrading, adaptive reuse, and functional diversification. Concurrently, targeted expansion of affordable housing supply in high-density metropolitan cores must be aligned with evolving household composition trends, commuting patterns, and accessibility requirements to ensure equitable access to decent, safe, and sustainable living environments. Construction enterprises, meanwhile, must undertake structural optimization by phasing out outdated production methods, reallocating human and capital resources toward high-efficiency segments such as building retrofitting, green infrastructure modernization, smart city integration, and lifecycle-oriented project delivery models [5, 14]. This strategic recalibration supports systemic resilience, resource

efficiency, and long-term socio-economic sustainability across the built environment sector.

4.2. Strengthen Technological Innovation to Empower Industrial Upgrading

Technological iteration constitutes a fundamental driver for industrial upgrading, necessitating sustained advancement in digitalization, intelligentization, and green transformation across all operational domains. Within the construction sector, systematic implementation of Building Information Modeling (BIM) across the entire project lifecycle—from design and procurement to construction execution and facility management—enables enhanced interoperability, data transparency, and decision-making precision. Complementing BIM, smart site management systems integrate Internet of Things (IoT) sensors, real-time monitoring dashboards, and predictive analytics to optimize labor allocation, equipment utilization, and hazard identification. Prefabricated and modular construction methods further improve quality consistency, reduce on-site waste, and shorten project timelines through factory-controlled manufacturing environments. Enterprises are encouraged to institutionalize R&D investment mechanisms, establish dedicated innovation centers, and foster cross-sectoral collaboration with research institutions and technology providers to accelerate the adoption of advanced construction robotics, digital twin platforms, and AI-powered scheduling tools [15]. In alignment with national ecological civilization objectives and carbon peak/carbon neutrality commitments, priority must be given to developing and scaling green building materials with low embodied energy, deploying low-carbon construction techniques such as electric-powered machinery and carbon-capturing concrete formulations, and implementing energy-efficient operation and maintenance models supported by smart building management systems. A holistic green management system—spanning material sourcing, construction processes, building operation, and end-of-life deconstruction—must be embedded into regulatory frameworks, industry standards, and corporate governance structures to ensure long-term sustainability and resource efficiency.

4.3. Optimize the Supply-Demand Structure and Promote Business Model Innovation

Addressing the persistent supply-demand mismatch in the real estate sector necessitates a strategic recalibration grounded in regional differentiation and functional specialization. Core cities—characterized by strong economic agglomeration, high population density, and advanced infrastructure—should prioritize high-value-added development segments, including premium residential projects emphasizing architectural quality, energy efficiency, and intelligent building systems; smart communities integrating IoT-enabled property management, data-driven service platforms, and resident-centric digital interfaces; industrial support real estate such as modern logistics parks, specialized R&D campuses, and innovation-oriented industrial spaces aligned with local industrial upgrading goals; and wellness-oriented developments incorporating health-promoting design principles, accessible medical support services, age-friendly infrastructure, and integrated lifestyle amenities. In contrast, third- and fourth-tier cities face distinct structural challenges, including oversupply, demographic outflow, and aging housing stock; therefore, policy emphasis must shift decisively from new construction to comprehensive renewal—encompassing retrofitting of outdated residential buildings for safety and energy performance, systematic enhancement of neighborhood-level public facilities (e.g., green spaces, pedestrian networks, community service centers), and holistic improvement of living environment quality through integrated governance mechanisms. Industry-wide transformation should be deliberately synchronized with national strategic priorities—including new-type urbanization, which emphasizes people-centered, coordinated, and sustainable urban development—and urban renewal initiatives that prioritize functional upgrading over physical expansion [16]. Furthermore, cross-sectoral integration with emerging domains—such as wellness services, digital twin applications in spatial planning, AI-powered facility management, and green low-carbon technologies like

prefabricated construction and renewable energy integration—offers fertile ground for cultivating diversified, service-integrated, and operationally sustainable business models beyond conventional land development paradigms.

4.4. Strengthen Risk Prevention and Control to Safeguard the Foundation for Development

A robust, long-term, and stable risk governance mechanism constitutes the fundamental guarantee for the sustainable development of the industry. At the corporate level, enterprises must systematically strengthen internal financial discipline and capital management frameworks, including rigorous budgetary controls, real-time cash flow forecasting, and comprehensive audit oversight. Debt levels should be maintained within prudent thresholds aligned with operational capacity and market conditions, while project funding procedures must adhere strictly to standardized protocols—such as feasibility-based approval workflows, third-party due diligence, and phased disbursement tied to milestone completion—to mitigate funding risks at their origin [17]. In financing strategy, firms are encouraged to broaden access beyond traditional bank lending by strategically deploying innovative financial instruments, including green bonds certified under national sustainability criteria, asset-backed securities backed by high-quality infrastructure receivables, and co-investment industrial funds jointly established with state-guided capital platforms. This diversification optimizes financing cost structures, extends maturity profiles, and enhances liquidity resilience. From a regulatory standpoint, authorities must refine credit evaluation methodologies using multi-dimensional indicators—including operational transparency, environmental compliance records, and technological upgrading progress—and strengthen market exit mechanisms through orderly delisting protocols and bankruptcy resolution pathways. Concurrently, a dynamic, data-integrated market monitoring system—leveraging real-time transaction data, credit registry inputs, and macro-prudential stress testing—enables early detection of systemic vulnerabilities and facilitates timely, calibrated interventions, thereby significantly reinforcing the industry's structural resilience and adaptive capacity.

5. Conclusion

Overall, under the combined influence of policy frameworks, market dynamics, and environmental imperatives, China's construction and real estate sectors have completed a distinct developmental cycle and entered a pivotal stage characterized by structural recalibration and qualitative advancement. Key structural challenges persist—including sustained contraction in fixed asset investment, diminishing profit margins across multiple subsectors, persistent mismatches between housing supply profiles and evolving demographic and spatial demand patterns, and relatively low levels of technological integration and process innovation. Industry transformation must reaffirm its foundational objective: delivering secure, affordable, and appropriately scaled housing solutions for diverse population segments—shifting decisively away from historically dominant growth paradigms predicated on scale-driven output. This transition necessitates comprehensive reconfiguration: adopting performance-oriented development models grounded in lifecycle efficiency; modernizing construction technologies through digitalization, prefabrication, and intelligent building systems; rebalancing supply portfolios to align with regional economic capacity, urban form optimization, and demographic aging trends; and strengthening systemic risk governance—including liquidity monitoring, debt sustainability assessment, and adaptive regulatory coordination mechanisms. Furthermore, long-term sectoral resilience depends on deepening linkages with national infrastructure priorities, cultivating innovation ecosystems that support material science, energy-efficient design, and circular economy practices, and reinforcing institutional capacities for evidence-based decision-making. Such integrated efforts are essential to sustain the sectors' macroeconomic significance while advancing equitable, resource-conscious, and functionally coherent urban-rural development trajectories.

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