

# THE IMPACT OF THE REAL ESTATE SALES TO RELATED INDUSTRIES

Zi-yiTANG<sup>1</sup>, Yue-e ZHONG<sup>1\*</sup>

<sup>1</sup> (Department of Mathematics and Finance

Hunan University of Humanities Science and Technology, Loudi, China

<sup>/\*</sup> corresponding author [16033478@qq.com](mailto:16033478@qq.com), ITEM :15C019)

## ABSTRACT

China's national economy has been rapid development, in which the real estate industry to flourish played a supporting role. The strong association of real estate can bring huge economic effects on other industries. This paper is to study the real estate commercial housing turnover influence on furniture, hardware and decorative materials wholesale market analysis, Thus, the sale of commercial housing to furniture, hardware and decorative materials wholesale industry development played an important role.

**Keywords:** Sales of commercial housing, Hardware and decoration materials, wholesale turnover E views

## 1. REAL ESTATE STATUS

According to data from the National Bureau of Statistics, with the quality of the living standard of our national people getting older, The demand for real estate has increased year by year, the real estate industry has developed rapidly, the total investment in real estate is increasing, From the structure of investment type, the proportion of ordinary residential housing rise slightly, the proportion of the housing straight down, office buildings accounted for a slight decline, and the proportion of commercial housing to stabilize, basically remain unchanged.

2016, the National Real estate development investment is 10.2581 trillion yuan, the nominal growth rate was 6.9% was more than the previous year, the growth rate was 0.4% higher than January to November. Among them, residential investment was 6.8704 trillion yuan, with an increase of

6.4%, the growth rate increased by 0.4%. Residential investment accounted for the proportion of investment in real estate development was 67.0%. The eastern region real estate investment was 5.6233 trillion yuan, with an increase of 5.6% over the previous year, the growth rate of 1 to 0.4 percentage points in November; the central region investment was 2.3286 trillion yuan, with an increase of 10.7%, the growth rate increased 0.1 percentage points; the western region to invest 23061 billion, with an increase of 6.2%, the growth rate increased 0.4 percentage points.

Housing construction area of real estate development company was 7,589,750,000 square meters, with an increase of 3.2% compared to last year, the growth rate increased by 0.3 percentage points from November. Among them, the residential construction area was 5213100000 square meters, with an increase of 1.9%. New housing construction in the area was 1,669,280,000 square meters, the growth rate increased by 0.5 percentage points. Among them, the residential new construction area was 1,159,110,000 square meters. The area of houses completed 1.06128 billion square meters, the growth rate down 0.3 percentage points. Among them, the completion of the residential area was 771.85 million square meters, with an increase of 4.6%. Real estate development company purchased the land acquisition area of 220.25 million square meters, down 3.4% than the previous year, the decline of January-November narrowed 0.9%; the price of land transactions was 912.9 billion yuan, with an increase of 19.8%, increase rate 1.6 percentage points lower.

## 2. LITERATURE REVIEW

Xiayang Li (2010), point out the necessity and feasibility of macro-control of real estate macro-control of real estate refers to the state for the coordinated development of the real estate industry and the national economy, the economic, legal and necessary administrative means, from the macro to the real estate industry guidance, supervision, regulation and control, in order to achieve the real estate market total.

Xiang na Kong(2012) studies the current needs of the building material direct-sale platform needs analysis, the real estate marketing strategy for all-round reform, set up to meet the needs of market economy development of real estate marketing model, promote the development of building materials direct platform.

There is a *Study on the effect of real estate economy on China's National economic growth(2015)* finds that real estate development investment, real estate production and real estate consumption three areas of the system to quantitatively analyze the role of real estate economy on the growth of China's national economy, the results show that: real estate economic growth is of great significance to the healthy development of national economy, but at the same time the real estate economic growth rate is too Will affect the steady growth of the national economy. In order to ensure the healthy and steady growth of the national economy, the reasonable growth of real estate economy should be maintained.Xiong Deng(2015) analysis results show that the real estate industry through the industrial chain to promote the rapid development of related industries, but other industries in the investment and consumption at both ends are suppressed, the real estate industry in other sectors of fixed asset investment extrusion effect has always been, while the role of the absorption of labor is limited.

ShuangPeng,Dan Liu(2017)analyzedthat there are two main ways of government management of the real estate market, namely macroscopical regulation and microcosmic control. The macro-control of the real estate market is the government's macro-economic management function, which aims to promote the balance of supply and demand in the real estate market and safeguarding the basic housing demand of the

residents. The real estate market regulation is the government's microeconomic control function, which aims to standardize the behavior of microeconomic subjects in real estate market It is of great significance to distinguish between macro-control of real estate market, regulation of real estate market, reasonable definition of respective policy boundaries, and coordination of the contents of the two, which is important for clarifying the role of government in macro-control and micro-regulation of real estate market and realizing steady and healthy development of real estate market.

## 3. MODEL SETTING AND RESEARCH METHODS

### 3.1. Selection of variables

In order to study the relationship between sales and commercial furniture, hardware and wholesale turnover of decorative materials, the variables into the explanatory variables and the explanatory variables in the model, the explanatory variables are reasons for the change, the dependent variable is the result of change.

### 3.2 Selection of data

The 2008-2016 years' wholealestunrover of furnitures,hardware and decorative materials(Y) data is derived from the National Statistical Office, 2008--2016 years of real estate sales (X) from the National Bureau of Statistics, by linear regression analysis, a linear relationship between the two stars, according to the number of regular regression model between the explanatory variables and the dependent variable, and hypothesis testing.

### 3.3. Regress analysis

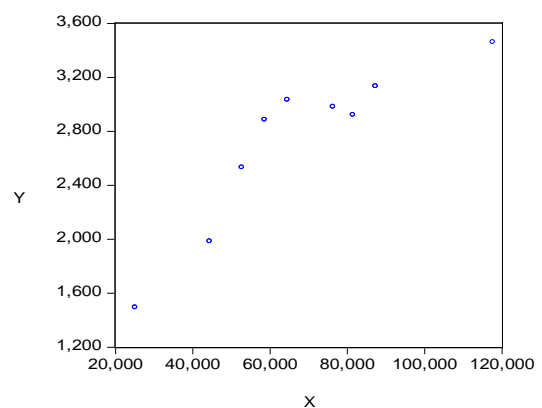


Figure 1-The distribution of the total sales of commercial houses and the wholesale market of

furniture, hardware and decorative materials

In order to directly reflect the relationship between X and Y, made of two scattergram data, it can be seen from the figure shows hardware and decorative materials with increasing commercial wholesale sales turnover and increased approximately linearly

### 3.4 Description of the data

Table 1 description of the sales volume of furniture, hardware and decorative materials

	X	Y
Mean	67535.31	2715.848
Median	64455.79	2923.150
Maximum	117627.1	3463.110
Minimum	25068.18	1496.340
Std. Dev	26968.79	615.6707
Skewness	0.295393	-0.938091
Kurtosis	2.681498	2.796319

As shown in Table 1, it can be seen from the point of skewness of variable X is skew to the right. From the view of kurtosis, variables X render the characteristics of peak and fat tail.

### 3.5 Correlation coefficient

Table 2 sales volume of commercial housing and the related coefficient of sales volume of furniture, hardware and decorative materials wholesale market

Correlation		
	X	Y
X	1.000000	0.902190
Y	0.902190	1.000000

The correlation between X and Y is 0.902190, which means there exists strong correlation.

## 4. MODEL SETTING

From the sale of commercial housing and furniture, hardware and decorative materials wholesale market turnover of the scattered plot analysis of commercial housing sales with the change in volume has a quantitative regularity. According to Hao Pang's econometrics. The following linear regression model can be considered:

$$Y_t = S_1 + S_2 X_t + V_t \quad (1)$$

Y for interpreted variable commercial housing sales, X for the interpretation of variable commercial housing sales turnover, which 1 2 for regression coefficient, , other factors affecting the total retail sales of consumer goods Y are included in the random error item  $V_t$  .

### 4.1 The estimated parameters

$$=1324.883+0.020596X_t \quad (2)$$

$$t=(4.932938) \quad (5.533866)$$

$$R^2=0.813947 \quad F=30.62367 \quad n=9$$

It shows that variable X passes the text, the  $R^2=0.813947$ , which means that the model has a better fit for the sample data, that is, "explaining the turnover of variable commercial housing", explains the majority of the difference of "the turnover of furniture, hardware and decoration material wholesale market" commercial housing sales every increase of 100 million yuan, on average, furniture, hardware and decorative materials wholesale trading will be an increase of 002.0596 million yuan, that is consistent with the expected economic significance. At the same time with E views results of the regression parameter estimation results, we have been given the relevant data model checking.

The measure of the degree of fit: From table Five, we can know that the coefficient of the decision in this case is 0.813947, which shows that the model has a better fit for the sample data, that is, "explaining the turnover of variable commercial housing", explains the majority of the difference of "the turnover of furniture, hardware and decoration material wholesale market".

The significance test of the slope coefficient shows that the sales volume of the commodity house has a significant influence on the turnover of furniture, hardware and decorative materials wholesale market.

## 5. CONCLUSION

From the above test can be concluded that the sale of commercial housing sales of furniture, hardware and decorative materials wholesale market turnover has a significant impact, that is, the total sales of commercial housing 100 million yuan per increase, on average,

furniture, hardware and decorative materials wholesale transactions will increase by 2.0596 million yuan. From scattered point of view, the sale of commercial housing and furniture, hardware and decorative materials wholesale turnover is linear relationship, furniture, hardware and decorative materials wholesale turnover with the increase in commercial housing transactions, which can be concluded that there is a great correlation.

The real estate industry refers to the comprehensive industry which takes the land and the building as the business object, engages in the development, construction, operation, management, maintenance, decoration and service of a variety of economic activities. The real estate belongs to the tertiary industry, has the forerunner, the impetus, the foundation row and the risk characteristic. Under the current situation of our country, we should give full play to the relevance of the real estate industry, thus driving the development of other industries. In this paper, commercial housing sales of commercial housing sales can drive the development of many other related industries, one of which includes furniture, hardware and decorative materials wholesale turnover. Consumer demand led to the sale of commercial housing, consumer main body is mainly residents of households, and residents in the purchase of commercial housing needs to decorate the commercial housing, thus driving the furniture, hardware and decorative materials wholesale market turnover.

Based on the analysis of this paper, China should give full play to the relevance of the real estate industry to promote the development of other industries, resulting in greater economic benefits.

## REFERENCE

- [1]Xianyang. LION the implementation path of macro-control of real estate in China [J]. *Market from horizontal*, 2010 (4):27-29.
- [2]Xiangna Kong The real estate marketing strategy to the building material direct sale platform demand analysis [J]. *Chinese construction metal structure*, 2012 (08): 72-75.
- [3]Xiong Deng. The impact of real estate on economic growth and industrial chain [J]. *Regional finance Studies*, 2015 (02): 72-77.

[4] Xian chun Xu, Hai Jia, Jiao Lee, Junbo Li. *Study on the effect of real estate economy on China's National economic growth* [J]. *Chinese social Sciences*, 2015 (01): 84-101+204.

[5]ShuangPeng,DanLiu macro-regulation and micro real estate market stability [J] *Economist*, 2017 (06): 58-66.