

# Qingdao embracing more of Jiaozhou Bay

► Constrained space on eastern shore has planners looking west

By Zhao Ruixue

**QINGDAO:** As the eastern shore of Jiaozhou Bay approaches full development — with little land available for further construction — Qingdao city planners “are mapping out a plan to build a new district center around the bay over the next 20 years,” Xia Geng, mayor of Qingdao, said in a government work report in January.

In a bid to expand its space for growth, Qingdao will develop the area of Hongdao midway along Jiaozhou Bay and Huangdao on the western shore, Xia said.

According to the 2006-20 general development plan for the city cluster on the Shandong peninsula, Qingdao will grow into a large city with a population of 10 to 12 million by 2020, with 5 million or more urban residents compared to its current 3 million.

Urban residents are crowded on the densely developed east shore of the bay, confined by the water and surrounding mountains and farmland that constrict further expansion.

The pivotal role that Qingdao plays on the Shandong peninsula in its seagoing trade, port economy and opening up also requires the city to develop along the western shore, Xia said.

Studies by the Qingdao Municipal Development and Reform Commission show that more than 400 sq km — now mostly covered by shallow sea, wetlands and saline marshes — can be reclaimed and developed.

Plans call for an eco-coastline along the bay with seven development zones for different business sectors, including conferences and exhibitions in Hongdao, logistics in Huangdao and sites for company headquarters in

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Huangdao is one of the first 14 State-level economic and technology development zones founded after the nation's reform and opening up. The 17.52 sq km zone, with a population of 500,000, has been the recipient of 30 billion yuan for infrastructure construction since it was founded 20 years ago. Its pillar industries are now electronics, petroleum, chemicals and logistics.

The western part of Qingdao port in the Huangdao develop-

ment zone has a yearly throughput of more than 200 million tons of cargo. Total revenues from the zone reached 59 billion yuan in 2007.

Qingdao is now accelerating construction work on a 3.1 billion yuan underwater tunnel that will connect its urban districts with Huangdao and a 9 billion yuan cross-sea bridge to link urban districts with Hongdao and Huangdao. The two projects will shorten the drive to 20 minutes.

“Development of the areas around Jiaozhou Bay will benefit the city in every aspect as it will alleviate the pressure on available construction space, promote the renovation of outdated enterprises, narrow the disparity between the north and south urban districts and balance the development between the east and west around the bay,” Zhang Jun, deputy director of Qingdao Municipal Construction Committee, noted.

The new construction strategy is also expected to fuel economic growth of Qingdao's satellite cities.



Quiet residential area

By Qing Jian

## Global games help local renewal

By Wei Zhiniu

Qingdao is setting world standards for hi-tech and eco-friendly facilities at its Olympic Sailing Center, but many of its residents are seeing local, not global, benefits.

“The municipal government has put a great deal of investment in reconstruction of rundown and aging buildings in the old town so residents can enjoy the fruits brought about by rapid economic development in Qingdao,” said Zhang Jun, deputy director of Qingdao Municipal Construction Committee.

The city started reconstruction work in 2000. To date 296 structures with 237,000 sq m of combined floor space have been renovated and 18 residential areas have been landscaped, benefiting more than 14,000 households.

Renovation work this year will include 120 apartment buildings that have 5,458 households, Zhang said.

The government has also allocated 180 million yuan for modernization of 3,300 city street blocks that will include resurfaced roads, new street lights and drainage and sewer pipes.

Extensive efforts have also been made to renew the ecosystem and improve sanitation. A total of 1.2 billion yuan has been spent since 2000 to dredge waterways and plant trees along their banks. As well, illegal buildings have been demolished and 16,000 tons of garbage has been removed.

In 2006, the city won a National Model Prize for Residential Environment.

In 2007, nine old neighborhoods and nine villages in the city were refurbished, with 1.18 million sq m of structural space demolished and 21,000 households relocated.

The government will invest 82 million yuan this year on low-rent apartments for more than 9,300 households that currently have per capita living space under 10 sq m.

Another project costing 500 million yuan to provide 3,000 rental apartments has broken ground and will be finished by January 2009.

The government has also taken measures to control the rapid increase in prices of new apartments. The rate of price increases in the city ranked 35th last year among 70 cities throughout the country. By the end of 2007, 2.48 million sq m of affordable housing was under construction.

A city demonstration project to design and build housing using new technology and materials in cooperation with Haier, Dongcheng International and Shengshi Jingyuan combines environmental and energy conservation to build eco-friendly residential districts.

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The city's Eco-Sculpture Park

By Qing Jian

## Olympics a new engine driving city construction

By Zhang Ying

“Building the Olympic venue has become a new engine for accelerating city construction in Qingdao,” Zhang Jun, deputy director of Qingdao Municipal Construction Committee, told China Daily. “And it is sure to leave behind permanent cultural heritage for the city.”

By the end of March the Olympic Sailing Center and its supporting infrastructure like the Olympic Village will be finished and ready for use, noted Zhang.

The well-designed competition venue has met all requirements for presenting a world-class sailing event after successfully hosting test events in 2006 and 2007.

Both officials from International Sailing Federation and athletes and coaches from home and abroad gave high praise to the center, ranking it as first-rate with the most advanced equipment in the world.

“Qingdao invested 3.2 billion yuan in the Olympic Sailing Center without using a penny from the local government. All the projects were smoothly

completed through funding from non-government sources,” said Sun Lijie, deputy executive chairperson and secretary-general of the Qingdao Olympic Sailing Committee.

The Qingdao municipal government now is planning beyond the Games with designs to turn the Sailing Center and its infrastructure into a holiday resort combining tourism, commerce and leisure.

Zhang noted that building of the Olympic Sailing Center has greatly accelerated city construction in Qingdao through investment that reached 18 billion yuan during China's 10th Five Year-Plan period (2001-05), a 134 percent increase over the previous five-year plan period.

As well, home construction in Qingdao has soared, bringing real benefits to city residents. The per capita housing ratio is now 28 sq m, with 92 percent of families owning their own apartments.

As the 141-day countdown to the opening ceremony of the Games arrived, the Qingdao municipal government was busy with road construction, greening projects and residential maintenance in areas surrounding the sailing center to ensure a quality environment for the

competition in this coming summer.

With the aim of constructing a harmonious, environmentally friendly and favorable city for residents, the Qingdao municipal government has now begun a second round of development planning to accelerate construction of its airport, harbor and wharf to meet international standards.

During China's 11th Five-Year Plan period (2006-10), the city will avail itself of the opportunities brought by the Olympics to propel further housing construction.

Renovation of old residential areas and villages within the city is planned, as is a range of housing that meets the needs of various income levels.

A total of 151.4 billion yuan will be invested in the Qingdao real estate sector between 2006 to 2010, with 107.9 billion yuan earmarked for 61.82 million sq m of new housing. About 272,950 additional low-rent units will cover a total of 22.1 million sq m.

Preparation for the Olympic sailing competition has brought great changes to the city and attracted increasing numbers of foreigners to settle there and invest. The number of Korean expatriates in Qingdao has surpassed 100,000.

## Real estate boom brings big names

By Xue Xiaoying

**QINGDAO:** The Olympic Games will make Qingdao an internationally known sailing center, but it is already also well known to property developers as a locale offering big opportunities.

“Qingdao's real estate entered a new period of rapid development over the past five years, and now it is moving in a new direction of bigger projects and name brands,” said Zhang Jun, deputy director of Qingdao Construction Committee.

The real estate industry is already a mainstay of the city's economy. Since 2005 developers have invested more than 90 billion yuan in the sector, which registered an average annual growth rate surpassing 20 percent.

During the 11th Five-Year Plan period (2006-10), investment in real estate development is expected to reach 140 billion yuan, with an average annual growth rate of 15 percent.

Investment in housing development is projected to reach 110 billion yuan over the period, an average annual growth rate of 14 percent.

Floor space of completed commercial buildings is expected to total 45 million sq m, with an average annual growth rate of 10 percent. Commercial residential buildings will have a combined floor space of 36 million sq m, after an average annual growth rate of 9 percent, Zhang said.

During the 11th Five-Year Plan period, the housing supply is expected to further improve with more medium-sized and small apartments

of less than 120 sq m built, accounting for 80 percent of the total, Zhang added.

Housing costs in Qingdao are among the most rapidly rising in the nation. Urban home prices have increased from 2,144 yuan per sq m in 2002 to the current 6,288 yuan per sq m.

The real estate sector has matured since the early 1990s when the municipal government adopted favorable development policies. Three hundred real estate corporations were registered by 1992, with total investment increasing to 800 million yuan compared to 100 million yuan the year previous.

Fifteen years later, annual investment reached 20 billion yuan. A group of local real estate corporations have become nationally famous, including Hisense Real Estate and Qingdao Construction Group, with the combined revenue of the 10 largest developers surpassing 1 billion yuan in 2007.

“The annual area developed by Qingdao Construction was over 1 million sq m for the past two years. There is still broader space for development of real estate in Qingdao and we are confident in it,” said Du Bo, chairman of the board of Qingdao Construction Group.

### Housing mix

Real estate development has also improved the overall housing mix, with commercial property, affordable housing and low-rent apartments complementing each other to improve the living conditions of many.



Flying kites at the May Fourth Square

By Ju Chuanjiang

More than 20 large real estate corporations have entered the Qingdao market since 2005, including well-known brands Vanke and Hutchison Whampoa Property.

By the end of 2007, the annual number of newly built apartments is projected to be more than 110,000 units, with new floor space totaling over 10 million sq m.

### Modern highrises in eastern Qingdao

By Ju Chuanjiang

