

# Residential Marginalization of Renters: Social Adaptation of Urban Youth in Suburbanized Living in First-Tier Cities

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## Abstract

This paper explores the phenomenon of residential marginalization in China's first-tier cities, focusing on its impacts on urban youth and their adaptive strategies in suburbanized living. As Beijing, Shanghai, Guangzhou, and Shenzhen transform into global economic hubs, the escalating housing crisis—characterized by rising property prices, speculative markets, restrictive urban planning, and the exclusionary *Hukou* system—has displaced low- and middle-income renters, particularly young professionals, to suburban peripheries. This spatial exclusion exacerbates social inequality, limits access to urban resources, and undermines the cultural and economic vitality of these cities. Drawing on the intersection of housing market dynamics, urban planning policies, and socio-economic barriers, this paper provides an in-depth analysis of the systemic drivers of marginalization. It examines the resilience and ingenuity of suburbanized youth, highlighting their use of technology, co-living models, grassroots initiatives, and entrepreneurship to navigate the challenges of suburban living. By reimagining suburban spaces through innovation and community-building, young renters demonstrate remarkable agency, though their adaptations also underscore the pressing need for structural reforms. The paper concludes by advocating for equitable housing policies, inclusive urban planning, and sustainable suburban development to address the root causes of marginalization and ensure first-tier cities remain accessible, dynamic, and inclusive spaces for all residents.

**Keywords:** residential marginalization, urban youth, suburbanization, affordable housing, urban planning

## 1. Introduction

China's rapid urbanization over the past few decades has dramatically reshaped its economic, social, and physical landscapes, propelling first-tier cities like Beijing, Shanghai, Guangzhou, and Shenzhen into global prominence. These urban centers, as engines of economic growth and cultural innovation, have attracted millions of young professionals, students, and aspiring entrepreneurs. Drawn by the promise of opportunities and upward mobility, urban youth flock to these cities with the hope of achieving better livelihoods and fulfilling personal ambitions. However, the glittering allure of metropolitan life increasingly collides with the stark realities of an escalating housing crisis. Rising property prices, limited affordable housing, and systemic barriers have made it challenging for low- and middle-income renters to establish themselves in central urban areas, giving rise to a phenomenon known as residential marginalization.

This marginalization disproportionately affects urban youth, who represent a dynamic yet economically precarious demographic. For recent graduates, early-career workers, and rural migrants, housing affordability is one of the most pressing challenges. In China's first-tier cities, where the commodification of housing and speculative investments dominate real estate markets, rental prices have surged far beyond the reach of young renters. Simultaneously, housing policies, including the *Hukou* (household registration) system, impose additional barriers on non-local residents, effectively excluding them from access to subsidized housing and public services. These structural inequalities push urban youth to suburban or peri-urban fringes, where housing

may be more affordable but at the cost of long commutes, social isolation, and reduced access to urban resources.

Residential marginalization in China's urban centers reflects broader global trends in the financialization of housing and spatial inequality. However, the Chinese context is uniquely shaped by the nation's rapid pace of development, state-driven urban planning, and demographic shifts. Over the last three decades, the government has prioritized economic growth through urbanization, leading to policies that prioritize commercial and high-end residential developments in city centers. This has created a dual housing market, with a sharp divide between luxury housing aimed at wealthier demographics and inadequate rental options for lower-income groups, including young professionals and migrants. The resulting spatial exclusion has profound implications, not only for those directly impacted but also for the social and economic sustainability of these cities.

The suburbanization of renters introduces complex challenges and trade-offs for urban youth. While suburban living provides some relief from the financial burden of urban rents, it also imposes new constraints. Suburban areas often lack the cultural vibrancy, professional opportunities, and public infrastructure that define urban cores. Long commutes, inadequate public transit, and limited amenities isolate suburbanized renters, diminishing their quality of life and complicating their career development. For youth navigating the early stages of their professional and personal lives, these obstacles create a sense of precarity and hinder the upward mobility that drew them to cities in the first place.

Yet, even in the face of such challenges, urban youth demonstrate remarkable adaptability and resilience. By leveraging technology, forging new social networks, and reshaping suburban spaces to meet their needs, young renters are finding innovative ways to thrive in their new environments. From co-living arrangements to grassroots cultural initiatives, they are redefining what it means to live on the urban fringe. However, their ingenuity should not overshadow the systemic issues at the heart of residential marginalization. Addressing these issues requires a critical rethinking of urban housing policies, infrastructure planning, and social equity initiatives.

This paper explores the drivers of residential marginalization in China's first-tier cities, focusing on the systemic forces that have displaced young renters to suburban peripheries. It examines the impact of this displacement on urban youth, from economic and social challenges to psychological and cultural effects. Finally, it investigates the strategies employed by suburbanized youth to adapt to their new living environments and considers the broader implications for urban equity and sustainability in contemporary China. By situating this analysis within the unique context of China's urban transformation, the essay aims to contribute to the growing discourse on housing justice and inclusive urban development.

## **2. The Context of Residential Marginalization in China**

Residential marginalization in China's first-tier cities such as Beijing, Shanghai, Guangzhou, and Shenzhen represents an intricate web of systemic inequalities, driven by intersecting economic, social, and policy-related forces. These cities, renowned as engines of economic growth and innovation, attract millions of migrants annually, many of whom are young professionals seeking opportunities to advance their careers and lives. However, the rapid pace of urbanization and unbalanced economic development has outstripped the capacity of these cities to accommodate their burgeoning populations. Skyrocketing housing prices, speculative real estate markets, exclusionary urban planning, and institutional barriers like the Hukou system have converged to create a system that marginalizes low- and middle-income renters, particularly urban youth, by pushing them to suburban peripheries. This spatial exclusion not only reflects the inherent inequalities in urban governance but also exacerbates disparities in economic participation, cultural access, and social equity.

### *2.1 Housing Market Dynamics in First-Tier Cities*

#### **The Dual Role of Housing: Commodity and Necessity**

In the aftermath of China's economic reforms in the 1980s and 1990s, housing transitioned from a social good to a market commodity. This shift, while catalyzing urban growth and creating wealth, also fueled a speculative real estate market that has come to dominate first-tier cities. Housing in these cities serves two contradictory purposes: as a basic necessity for residents and as a financial asset for investors. The prioritization of housing as an investment tool has significantly distorted its accessibility and affordability for working-class residents and young professionals.

In cities like Beijing and Shanghai, speculative behavior has driven property prices to astronomical levels. For example, data from 2023 shows that the average housing price in central Shanghai surpassed 120,000 yuan per square meter, an amount unaffordable to the vast majority of urban youth. Rising rents reflect these inflated property values, further marginalizing renters who are already burdened by stagnant wage growth and the high cost of living.

### Speculative Investment and Vacancy Rates

Speculation has not only increased property values but also reduced the availability of rental properties. Real estate investors often purchase multiple units to capitalize on price appreciation, leaving many of these units vacant as “ghost apartments.” A 2021 report revealed that vacancy rates in Shanghai’s luxury housing market exceeded 20%, illustrating how properties are hoarded as speculative assets rather than being made available to residents. This practice artificially constrains the supply of housing, further driving up prices and excluding those with limited financial resources.

### Developers’ Focus on Luxury Housing

Real estate developers, incentivized by higher profit margins, disproportionately focus on high-end housing developments. In doing so, they neglect the creation of affordable housing options. This trend is particularly evident in central business districts and high-value commercial zones, where new residential projects cater almost exclusively to the wealthy. For instance, in Shenzhen, the rise of luxury apartment complexes has led to a stark divide between affluent urban dwellers and the young professionals relegated to suburban rental markets.

### The Impacts of an Unbalanced Market

The consequences of this dual housing market are profound. Young professionals, students, and early-career workers—many of whom earn modest incomes—are systematically priced out of urban cores. As they are forced to seek housing in suburban or peri-urban areas, they face significant trade-offs, such as long commutes, reduced access to employment hubs, and limited exposure to cultural and social networks that define urban life.

## 2.2 *The Role of Urban Planning and Zoning*

### Prioritization of Growth Over Inclusivity

China’s urban planning policies have long prioritized economic growth and global competitiveness, often at the expense of residential inclusivity. Central business districts (CBDs) and commercial zones dominate the cores of first-tier cities, reflecting a strategy aimed at attracting multinational corporations and high-income professionals. While this approach has undoubtedly bolstered economic output, it has also created exclusive urban spaces that are inaccessible to large segments of the population. For example, the development of Beijing’s CBD has resulted in soaring property values and a proliferation of luxury housing, while affordable housing projects have been pushed to areas like Daxing or Tongzhou, far from the city’s economic and cultural centers. Similar patterns are observed in Shanghai’s Lujiazui financial district, where zoning regulations prioritize commercial skyscrapers and high-end residential towers, leaving little room for mixed-income housing developments.

### Zoning Policies and Spatial Inefficiency

Zoning laws in Chinese cities often segregate residential, commercial, and industrial spaces, leading to spatial inefficiencies and a lack of integrated communities. Single-use zoning—common in cities like Shenzhen and Guangzhou—limits the development of affordable housing near employment hubs, forcing workers to endure long commutes from suburban areas. The emphasis on single-family housing and luxury apartment complexes reduces the availability of high-density, affordable housing options.

### Suburbanization Without Integration

The rapid expansion of suburban housing developments has failed to address the needs of young renters. Many suburban areas lack essential infrastructure, such as reliable public transportation, healthcare facilities, and cultural amenities, which are concentrated in urban cores. For instance, Yanjiao, a satellite town near Beijing, has become a popular destination for displaced renters, but its residents face severe challenges, including overcrowded public transit and limited access to urban services. This lack of integration reinforces the spatial and social isolation of suburbanized renters.

### Missed Opportunities for Equitable Development

Mixed-use developments, which integrate residential, commercial, and public spaces, offer a potential solution to the challenges of suburbanization. However, their implementation in China’s first-tier cities has been limited. Existing urban planning models often prioritize profit-driven development over socially inclusive designs, perpetuating the exclusion of low- and middle-income renters.

## 2.3 *The Hukou System’s Role in Marginalization*

### Institutional Barriers to Integration

The Hukou system, which ties access to public services and benefits to an individual’s place of registration, remains a significant barrier to the integration of rural and non-local migrants into first-tier cities. Without a local Hukou, migrants are excluded from affordable housing programs, healthcare, education, and other social services, forcing them to rely on the informal rental market. This systemic exclusion disproportionately impacts

young professionals and rural-to-urban migrants, who are often unable to secure stable, long-term housing.

#### The Informal Rental Market

Non-local renters frequently rely on informal housing arrangements, such as shared apartments or illegally subdivided units known as “partition rooms” (隔断房). These accommodations, while cheaper, often lack basic safety and hygiene standards. In cities like Guangzhou, reports of unsafe living conditions in partition rooms have become increasingly common, reflecting the vulnerabilities faced by non-local renters.

#### Economic Inequality and the Hukou Divide

The Hukou system perpetuates economic inequality by creating a dual housing market. Local residents with urban Hukou can access subsidized public housing, while non-locals must compete in the private rental market, where rents are significantly higher. This disparity limits the economic mobility of non-local youth, many of whom are burdened by student loans and precarious employment.

#### Challenges for Recent Graduates

Recent university graduates, despite their contributions to urban economies, are particularly vulnerable to housing insecurity. Many graduates are drawn to first-tier cities for career opportunities but struggle to secure affordable housing without a local Hukou. The cost of renting often consumes a significant portion of their income, leaving little room for savings or investment.

### *2.4 The Interplay of Market Forces and Social Inequality*

#### The Layered Nature of Marginalization

Residential marginalization is shaped by the intersection of speculative real estate markets, restrictive urban planning, and the exclusionary Hukou system. These forces create a layered system of exclusion that disproportionately affects young renters, particularly those from non-local or rural backgrounds. By limiting access to affordable housing, these systemic barriers exacerbate existing social and economic inequalities.

#### Impacts on Cities' Cultural and Economic Vitality

The displacement of young renters diminishes the cultural vibrancy and economic dynamism of first-tier cities. Urban youth play a critical role in driving innovation, supporting creative industries, and fostering cultural diversity. Their marginalization threatens to transform cities like Beijing and Shanghai into homogenized spaces dominated by affluent elites, reducing their global competitiveness.

#### Reinforcing Cycles of Inequality

Spatial exclusion perpetuates cycles of inequality by limiting access to quality education, healthcare, and professional networks. For example, children of suburbanized renters are often excluded from urban schools, perpetuating intergenerational disparities. The long-term effects of geographic and economic isolation may further entrench systemic inequities.

The context of residential marginalization in China's first-tier cities reflects deep-seated structural inequalities that demand urgent attention. The interplay of speculative real estate practices, restrictive zoning laws, and the exclusionary Hukou system has created a housing landscape that systematically excludes young renters and other vulnerable groups. Addressing these systemic barriers is essential not only for promoting social equity but also for ensuring the long-term sustainability and resilience of China's urban centers. Without comprehensive reforms, these cities risk losing the diversity, creativity, and talent that underpin their global prominence.

### **3. The Impact on Urban Youth**

The residential marginalization of urban youth in China's first-tier cities is not only a reflection of systemic issues in the housing market but also a multifaceted phenomenon that deeply affects individuals' financial stability, social connections, and psychological well-being. As housing becomes increasingly unaffordable in urban cores, young people, particularly migrants, students, and early-career professionals, are pushed to suburban peripheries where they must grapple with the consequences of displacement. These challenges intersect with broader societal inequalities, creating a layered experience of marginalization that varies across different demographics and regions.

#### *3.1 Economic Vulnerability and Overcrowding*

Economic vulnerability remains one of the most defining challenges for urban youth, especially those who have migrated to first-tier cities from smaller towns or rural areas. The rapid escalation of rental costs has far outpaced wage growth, leaving young renters financially overstretched. For example, in cities like Beijing and Shanghai, many young professionals spend upwards of 50% to 60% of their income on rent alone, a figure that surpasses the internationally accepted housing affordability benchmark of 30%. This imbalance significantly limits their ability to save, invest in career development, or enjoy the cultural and social benefits of urban life.

Overcrowding has become a survival mechanism for many renters who cannot afford private apartments. Shared living arrangements, such as *group rentals* (合租), are the norm, especially among recent graduates and entry-level workers. These arrangements often involve cramming several individuals into small apartments, with shared bathrooms and kitchens. In extreme cases, renters turn to *partitioned rooms* (隔断房), where apartments are illegally subdivided into tiny living spaces that lack proper ventilation, safety measures, and privacy. These spaces are not only hazardous—posing risks such as fire and structural collapse—but also dehumanizing, forcing residents into conditions that undermine their dignity and mental health.

Beyond the immediate challenges of affordability and overcrowding, the economic precarity of urban youth also impacts their long-term trajectories. High rental costs diminish their ability to build savings or invest in further education, professional certifications, or entrepreneurial ventures. Many young people remain locked in a cycle of financial insecurity, prioritizing short-term survival over long-term growth. This cycle disproportionately affects gig workers, freelancers, and those in low-wage service jobs who lack stable income streams or access to employer-provided housing benefits.

### 3.2 Social Isolation and Disconnection

The displacement of young renters to suburban or peri-urban areas comes at a significant social cost. Suburban areas, such as Beijing's Tongzhou District, Shanghai's Songjiang District, or Shenzhen's Longgang District, are often poorly integrated with urban cores. For many renters, the distance from their places of work, education, and social life results in physical and social disconnection. Daily commutes, often exceeding two hours round-trip, consume valuable time and resources, leaving renters with little energy for networking, leisure, or personal development.

The physical separation from city centers also weakens young renters' professional networks and limits their access to mentorship and collaborative opportunities. Urban cores are typically hubs of cultural and economic activity, where industries cluster and connections are formed. The inability to fully participate in these networks hinders upward mobility and stifles innovation among displaced youth.

Suburban living environments often lack the vibrancy and diversity of urban neighborhoods. Many suburban districts are characterized by low-density housing, limited public spaces, and a lack of cultural amenities such as theaters, museums, and independent cafes. These environments fail to replicate the dynamism and spontaneity of city life, where young renters might otherwise engage in cultural activities, meet like-minded peers, or form communities of shared interest. This isolation can be particularly stark for renters who have relocated from smaller towns or rural areas, where communal life often plays a central role in social cohesion.

### 3.3 Psychological and Emotional Toll

The psychological impact of housing insecurity and suburban marginalization is profound, manifesting in stress, anxiety, and a diminished sense of well-being. The precarious nature of the rental market—characterized by short-term leases, arbitrary rent hikes, and weak tenant protections—leaves many young renters in a constant state of uncertainty. The fear of sudden evictions or the inability to pay rising rents disrupts their ability to establish stability and security in their personal and professional lives.

For rural-to-urban migrants, the emotional toll of displacement is compounded by the challenge of adapting to unfamiliar environments while managing familial expectations. Many young migrants leave their hometowns with the hope of achieving upward mobility in first-tier cities, often shouldering the financial and emotional burden of supporting their families back home. When confronted with the harsh realities of unaffordable housing, long commutes, and limited job opportunities, these individuals often experience feelings of guilt, frustration, and inadequacy.

The cultural significance of homeownership in China further exacerbates the psychological strain on young renters. In Chinese society, owning property is not merely a financial milestone but a marker of social status, security, and personal success. For young people, particularly men, the inability to purchase a home can lead to feelings of failure and a diminished sense of self-worth. This societal pressure is especially pronounced in the context of marriage, where homeownership is often viewed as a prerequisite for family life. The growing gap between housing affordability and income levels leaves many youth feeling hopeless about their future prospects.

The cumulative psychological toll of these challenges is evident in high rates of stress, burnout, and depression among urban youth. Surveys have consistently shown that housing insecurity is a major source of anxiety for young professionals in first-tier cities, impacting their overall life satisfaction. Despite this, mental health resources remain scarce and stigmatized, particularly for migrants and lower-income groups, leaving many renters without the support they need to navigate these challenges.

### 3.4 Intersectionality and Social Inequalities

The impacts of residential marginalization are not evenly distributed among urban youth but are shaped by intersecting factors such as gender, ethnicity, and socioeconomic background. Women, for example, face unique vulnerabilities in the rental market. Many landlords openly discriminate against single women, imposing restrictive conditions such as curfews or prohibiting male visitors. These discriminatory practices reinforce patriarchal norms and limit women's access to safe and independent housing.

Similarly, ethnic minorities and rural migrants encounter additional barriers to securing stable and affordable housing. Prejudices against rural migrants often result in discriminatory practices in the rental market, where landlords may refuse to rent to individuals from certain provinces or require higher deposits as a form of "security." These practices further marginalize vulnerable groups, forcing them into substandard living conditions.

The Hukou system amplifies these inequalities by excluding non-local residents from accessing public housing and other social services. For rural migrants and young professionals without a local Hukou, the informal rental market becomes the only viable option, exposing them to exploitative practices and precarious living conditions. This intersection of institutional barriers, social stigmas, and economic vulnerabilities compounds the marginalization faced by certain groups within the youth demographic.

The challenges faced by urban youth in China's first-tier cities are emblematic of deeper structural issues in housing, urban planning, and social governance. Economic vulnerability, social isolation, and psychological stress define the lived experiences of many young renters, shaping their opportunities and trajectories in ways that perpetuate inequality. At the same time, the intersecting dimensions of gender, ethnicity, and institutional exclusion highlight the urgent need for targeted policies that address the diverse needs of marginalized groups. Tackling residential marginalization is not just a matter of improving housing affordability—it is about creating inclusive, equitable, and sustainable urban environments where all residents, regardless of their background, can thrive.

#### **4. Social Adaptation Strategies in Suburban Living**

The displacement of urban youth to suburban or peri-urban areas in China has profoundly reshaped their living environments and daily routines. Faced with the challenges of isolation, long commutes, and limited access to urban resources, young renters have demonstrated remarkable resilience and adaptability. They employ innovative strategies to maintain their connection to city life, build supportive communities, and transform suburban neighborhoods into more livable and dynamic spaces. These adaptive measures highlight the ability of urban youth not only to survive but also to thrive in suburbanized living, despite the systemic barriers they face.

##### *4.1 Technology as a Tool for Connectivity and Advocacy*

In the digital age, technology has become indispensable for suburbanized youth navigating the challenges of living on the fringes of first-tier cities. Platforms and tools enable them to stay connected to the economic, cultural, and social opportunities concentrated in urban centers while simultaneously advocating for improvements in suburban infrastructure and housing conditions.

Ride-hailing and transportation apps like Didi Chuxing and Gaode Maps help young renters overcome the logistical challenges of suburban living. These tools provide real-time traffic updates, optimize commutes, and offer alternatives to unreliable or limited public transport options. By reducing the time and stress associated with commuting, technology mitigates one of the most significant drawbacks of suburban living.

Social media platforms such as WeChat, Douyin, and Xiaohongshu serve as digital hubs where young renters can share experiences, build communities, and access information about suburban life. These platforms also enable renters to stay connected with urban culture, whether by discovering events in the city, participating in online forums, or joining interest-based groups. Importantly, these platforms act as tools for advocacy. Through online petitions, social campaigns, and tenant-organized discussions, suburban renters can amplify their voices and demand better policies, such as improved transportation networks, rental protections, and local amenities.

E-commerce platforms, such as Taobao and Meituan, further enhance the quality of suburban living by bridging the physical gap between urban services and suburban residents. From grocery delivery to access to niche urban products, these platforms reduce the inconvenience of living far from city centers.

##### *4.2 Co-Living and Shared Housing Models*

In response to the isolation and high costs of suburban living, co-living arrangements have emerged as a popular solution for young renters in China. These arrangements combine affordability with a sense of community, addressing two of the most pressing challenges of suburban life.

Co-living spaces—typically designed with private bedrooms and shared common areas such as kitchens, lounges, and coworking spaces—have gained popularity in cities like Beijing and Shanghai. Companies such as YOU+ International Youth Community cater specifically to young professionals seeking affordable yet vibrant housing

options. These spaces provide more than just accommodation; they foster a sense of belonging through organized events, shared responsibilities, and opportunities for networking. For young renters who may feel disconnected from the city and traditional support networks, co-living spaces recreate the vibrancy and social interaction of urban life in suburban settings.

The shared housing model also helps reduce the financial burden of suburban living. By splitting rent, utilities, and other expenses, young renters can manage their budgets more effectively while still enjoying relatively high-quality housing. These arrangements are particularly popular among recent graduates and early-career workers, who often lack the financial stability to afford independent housing.

In addition, co-living encourages cultural exchange and creativity. Shared living spaces often bring together individuals from diverse professional and geographic backgrounds, fostering collaboration and innovation. For example, residents of co-living spaces may organize informal study groups, collaborate on entrepreneurial projects, or co-host cultural events, further enriching suburban communities.

#### *4.3 Cultural and Economic Revitalization of Suburbs*

Young renters are not merely passive residents in suburban areas; they actively contribute to the cultural and economic transformation of these spaces. By bringing their energy, creativity, and urban sensibilities, they breathe new life into neighborhoods that were previously seen as static or underdeveloped.

**Entrepreneurial Initiatives and Small Businesses:** Many young renters engage in entrepreneurial ventures that cater to the needs and preferences of suburban residents. For example, suburban areas have seen a rise in independently owned coffee shops, boutiques, and fitness studios, often run by displaced urban youth. These businesses not only improve the quality of life for local residents but also create spaces for social interaction and community-building. For instance, a locally owned coffee shop might serve as a venue for cultural events, such as poetry readings, art exhibitions, or language exchange meetups.

**Creative Hubs and Cultural Initiatives:** Urban youth often introduce artistic and cultural elements into suburban neighborhoods. Pop-up galleries, outdoor music performances, and film screenings are becoming more common in suburban districts, driven by the creativity and determination of young renters. These cultural initiatives enrich suburban life, attract visitors from other areas, and challenge the stereotype of suburbs as culturally stagnant.

Government-supported programs, such as cultural development subsidies, have also encouraged young renters to contribute to the arts in suburban areas. For instance, local governments in districts like Shanghai's Songjiang or Beijing's Tongzhou have provided funding to creative hubs and small cultural organizations, recognizing the role of youth-driven cultural initiatives in boosting local economies.

**Community-Based Projects:** In addition to economic and cultural contributions, young renters in suburban areas often organize grassroots community projects. These may include environmental initiatives, such as neighborhood clean-ups or urban gardening projects, as well as social programs like volunteer tutoring for local children or support networks for elderly residents. These initiatives not only improve the physical environment of suburban areas but also foster a sense of community and solidarity among residents.

#### *4.4 Reimagining Suburban Living*

One of the most remarkable aspects of suburbanized youth renters is their ability to reimagine and redefine suburban living. Rather than viewing the suburbs as spaces of isolation and compromise, many young renters see them as blank canvases for experimentation and growth. By adapting their environments to align with their urban values and aspirations, they transform suburban neighborhoods into more inclusive and vibrant spaces.

**Advocacy for Infrastructure Development:** Young renters are vocal advocates for better suburban infrastructure, including public transportation, healthcare facilities, and recreational spaces. Through digital platforms, grassroots movements, and participation in local governance, they push for changes that benefit not only renters but also the broader suburban population. In cities like Guangzhou, tenant advocacy groups have successfully lobbied for expanded bus routes and increased funding for suburban schools.

**Hybrid Lifestyles:** Some renters adopt hybrid lifestyles that balance the benefits of suburban affordability with the opportunities of urban life. For example, they may maintain part-time accommodations in city centers—such as rented desks in coworking spaces—while living in the suburbs. This dual arrangement allows them to access urban amenities and professional networks while still benefiting from the lower costs of suburban housing. Hybrid lifestyles also reflect the adaptability of urban youth, who find creative ways to navigate the constraints of suburbanization.

The social adaptation strategies employed by suburbanized youth in China's first-tier cities demonstrate remarkable creativity, resilience, and agency. Through technology, co-living arrangements, entrepreneurial initiatives, and advocacy, young renters have found ways to overcome the isolation and challenges of suburban living. Their contributions to the cultural and economic revitalization of suburban areas highlight the potential

for suburban neighborhoods to evolve into dynamic and inclusive spaces. However, these individual and collective efforts should not overshadow the systemic issues driving residential marginalization. To truly support suburbanized youth, policymakers must address the structural barriers that limit access to affordable urban housing, ensuring that suburbanization becomes a choice rather than a necessity. By building equitable and inclusive cities, China can unlock the full potential of its urban youth, fostering sustainable development and social harmony across its rapidly growing metropolitan regions.

## 5. Broader Implications for Chinese Cities

The suburbanization of youth renters has profound and multifaceted implications for the social, cultural, and economic dynamics of China's first-tier cities. While relocating renters to suburban areas may alleviate some of the immediate pressures on urban housing markets, this phenomenon exposes deeper systemic inefficiencies and inequalities that threaten the long-term sustainability of China's urbanization model. The consequences of residential marginalization ripple through various aspects of urban life, influencing everything from labor markets and cultural ecosystems to public policy priorities and social cohesion.

### 5.1 Economic Consequences

The displacement of young renters to suburban or peri-urban areas disrupts the labor markets in urban cores, creating inefficiencies that undermine economic productivity and growth. Many young professionals are employed in industries such as technology, healthcare, education, retail, and the service sector—fields that are vital to the functioning of first-tier cities. These industries often require workers to be physically present, either to engage directly with clients or to support the dynamic demands of urban businesses. However, the spatial divide between suburban residences and urban workplaces significantly increases commuting times and costs, which in turn reduces overall workforce efficiency.

The economic toll of long commutes cannot be overstated. Hours spent in transit each day detract from workers' productivity, energy, and mental well-being. These commutes impose financial burdens on suburbanized youth, further eroding their disposable income. In cities like Beijing and Shanghai, where many suburban areas lack efficient public transportation, young workers are forced to rely on private vehicles or ride-hailing services, contributing to traffic congestion, air pollution, and rising transportation costs.

Suburbanization also weakens the labor market by decreasing the availability of flexible, part-time, or freelance workers. Many young renters who might otherwise contribute to urban economies through gig work or entrepreneurial ventures find themselves constrained by their physical distance from urban centers. This geographic limitation reduces the diversity of labor market participants, particularly in creative and service-oriented fields, which thrive on access to a varied and dynamic talent pool.

Suburbanization creates economic vulnerabilities for businesses that rely on proximity to diverse consumer bases. Local shops, restaurants, and cultural venues in urban cores often cater to a broad spectrum of residents, including students, young professionals, and families. The displacement of youth renters diminishes foot traffic and demand for such services, leading to revenue declines and, in some cases, closures. Over time, this economic hollowing out reduces the vibrancy and resilience of urban neighborhoods.

### 5.2 Loss of Cultural Diversity and Innovation

One of the most significant consequences of residential marginalization is the erosion of cultural diversity and innovation within first-tier cities. Urban youth play an outsized role in shaping the cultural and creative identities of cities. As participants in grassroots movements, artistic endeavors, and community-building efforts, they contribute to the vibrancy that defines metropolitan life. However, when these individuals are pushed to suburban areas, cities lose some of their most dynamic contributors to cultural life.

The displacement of youth renters has a cascading effect on urban creativity. Young renters are often early adopters of new ideas, trends, and technologies, and their presence in city centers fosters experimentation and innovation. For example, urban youth frequently support independent art galleries, music venues, and theater productions, providing both financial and social capital to these endeavors. Their absence can lead to a homogenization of cultural offerings, as cities increasingly cater to wealthier residents who may prioritize luxury goods and high-end dining over grassroots art and cultural expression.

The physical dispersal of creative communities weakens the networks that sustain cultural innovation. Many artistic and entrepreneurial projects thrive on informal interactions and collaborations that occur in dense urban environments. The loss of affordable housing in city centers disrupts these networks, making it more difficult for individuals to connect, share ideas, and work together. Over time, this diminishes a city's reputation as a hub of creativity and reduces its global competitiveness.

The cultural stagnation resulting from suburbanization also has implications for social inclusivity. First-tier cities have historically served as spaces where diverse groups of people—from different socioeconomic backgrounds,



ethnicities, and professions—interact and coexist. The displacement of renters erodes this diversity, creating more segregated urban landscapes. This homogenization not only weakens the social fabric of cities but also undermines their ability to attract and retain talent from across the country and the world.

### *5.3 Environmental Implications of Suburbanization*

The suburbanization of renters also has significant environmental consequences, which intersect with the broader challenges of sustainable urban development. As young renters move to suburban areas, their reliance on private vehicles and long commutes increases, contributing to higher carbon emissions and worsening air pollution in metropolitan regions. In cities like Beijing and Guangzhou, where traffic congestion is already a major issue, the suburbanization trend exacerbates these environmental pressures.

Suburban sprawl also has long-term ecological costs. The expansion of suburban areas often involves the conversion of farmland, forests, or other natural landscapes into residential and commercial developments. This urban encroachment reduces biodiversity, disrupts local ecosystems, and contributes to the loss of green spaces that are vital for mitigating the effects of climate change. Suburban infrastructure—such as road networks and low-density housing developments—tends to be less energy-efficient than urban alternatives, further increasing the environmental footprint of suburban living.

To address these challenges, urban planners and policymakers must prioritize sustainable development strategies that integrate suburban and urban systems. Investments in public transportation, green infrastructure, and energy-efficient housing can help mitigate the environmental impacts of suburbanization while improving the quality of life for suburban residents.

### *5.4 Social Inequalities and the Risk of Segregation*

Residential marginalization reinforces existing social inequalities and creates new forms of spatial segregation. The displacement of low- and middle-income renters to suburban areas often leads to the concentration of wealth and resources in urban cores, while suburban areas are left with fewer public investments and amenities. This spatial divide exacerbates disparities in access to quality education, healthcare, and cultural resources, creating unequal opportunities for different segments of the population.

The Hukou system further entrenches these inequalities by restricting access to public services for non-local residents. For suburbanized youth renters without a local Hukou, the lack of eligibility for subsidized housing, healthcare, and education creates additional barriers to upward mobility. Over time, these systemic exclusions contribute to cycles of poverty and marginalization that are difficult to break.

The risk of spatial segregation also has broader implications for social cohesion. As urban and suburban areas become increasingly divided along economic and demographic lines, the sense of shared identity and community within cities is weakened. This division fosters social tensions and reduces opportunities for cross-cultural understanding and collaboration, which are essential for building inclusive and harmonious urban societies.

### *5.5 The Need for Policy Reform*

The suburbanization of youth renters highlights the urgent need for comprehensive policy reforms in China's housing markets. To address the systemic drivers of residential marginalization, policymakers must adopt a multi-pronged approach that prioritizes affordability, accessibility, and inclusivity.

**Affordable Housing Initiatives:** Expanding the supply of affordable rental housing in urban cores is critical to reducing displacement pressures. Policies such as inclusionary zoning, rent stabilization measures, and public housing programs can help ensure that young renters have access to quality housing in central areas.

**Public Transportation Investments:** Improving connectivity between suburban areas and urban cores is essential for mitigating the negative effects of suburbanization. Expanding metro lines, bus networks, and bike-sharing programs can reduce commuting times, lower transportation costs, and enhance the overall quality of life for suburban residents.

**Hukou System Reform:** Addressing the exclusionary effects of the Hukou system is crucial for ensuring that all residents, regardless of their registration status, have access to housing and public services. Gradual reforms, such as expanding eligibility for subsidized housing and healthcare, can help level the playing field for non-local renters.

**Sustainable Urban Development:** Urban planners must adopt sustainable development models that integrate affordable housing with green infrastructure, mixed-use developments, and energy-efficient designs. These strategies can create more equitable and environmentally friendly urban systems.

The suburbanization of youth renters in China's first-tier cities has far-reaching implications for economic productivity, cultural diversity, environmental sustainability, and social equity. While this phenomenon reflects broader structural challenges in housing markets and urban planning, it also presents an opportunity for

policymakers, urban planners, and community leaders to rethink the future of China's cities. By addressing the systemic drivers of residential marginalization and prioritizing inclusive development strategies, China's first-tier cities can ensure that they remain vibrant, equitable, and sustainable spaces for all residents.

## **6. Toward Equitable Urban Futures**

Addressing residential marginalization in China's first-tier cities requires a transformative approach that tackles the systemic roots of housing inequality. This transformation must encompass affordability, inclusivity, and sustainability, ensuring that urban youth and other marginalized renters are empowered to thrive within a more equitable housing ecosystem. First-tier cities like Beijing, Shanghai, Guangzhou, and Shenzhen have long served as engines of economic and social development, but their housing policies and urban planning practices must evolve to reflect the changing realities of urbanization, demographic shifts, and economic pressures. A multi-pronged approach to achieving equitable urban futures will not only improve housing accessibility but also strengthen the cultural, economic, and social resilience of these cities.

### *6.1 Expanding Affordable Housing Initiatives*

Central to building equitable urban futures is the expansion of affordable housing. China's first-tier cities have experienced rapid housing price inflation over the past two decades, with affordability ratios in many cases reaching unsustainable levels. To address this crisis, policymakers must prioritize the development and protection of affordable rental housing, particularly for urban youth and low- to middle-income renters.

**Public Housing Projects:** China's existing public housing programs, such as public rental housing, have made strides in addressing housing needs, but their scope and accessibility remain limited. Expanding public housing initiatives with a focus on affordability is critical to reducing the economic burden on renters. Government-led construction of large-scale, mixed-income housing projects can ensure that public housing is integrated into urban cores rather than relegated to suburban fringes. These projects should prioritize proximity to employment hubs, public transit, and cultural amenities to foster inclusivity and reduce the geographic divide between suburban and urban areas.

**Incentivizing Private Sector Participation:** The private sector can also play a significant role in increasing affordable housing supply. By offering tax breaks, subsidies, and low-interest loans to developers who prioritize affordable housing, local governments can incentivize private investment in this critical area. Public-private partnerships (PPPs) could further bridge the gap between supply and demand, ensuring that private developers work in alignment with public housing goals.

**Preservation of Existing Affordable Housing:** In addition to creating new housing stock, preserving existing affordable housing is crucial. Policies to limit speculative property investment, such as vacancy taxes on unused properties and restrictions on "flipping" homes, can help stabilize the rental market. Strengthening rent control regulations and tenant protections will further safeguard the interests of renters, ensuring they are not displaced by rising costs or predatory practices.

### *6.2 Enhancing Public Transportation and Urban Connectivity*

Improved connectivity between suburban and urban areas is essential for mitigating the negative effects of residential marginalization. Young renters in suburban areas often face long commutes and limited access to urban opportunities, which diminish their quality of life and restrict upward mobility. Investing in public transportation infrastructure can bridge this divide and foster greater integration between suburban and urban spaces.

**Expanding Metro and Rail Networks:** Cities like Shanghai and Beijing have already made significant investments in metro systems, but further expansion is needed to connect underserved suburban areas. New rail lines and transit hubs should prioritize accessibility to affordable housing developments, ensuring that suburban residents can easily commute to urban centers for work, education, and leisure.

**Affordable and Inclusive Transit Options:** Transportation affordability is another critical factor. Subsidized transit passes for low-income residents, students, and young professionals can reduce the financial burden of commuting. Integrating bike-sharing and e-scooter programs with metro and bus systems can provide last-mile connectivity, making public transit more efficient and accessible.

**Sustainable and Green Transit Solutions:** Public transportation investments should also align with sustainability goals. Electric buses, high-speed rail, and energy-efficient metro systems can reduce the environmental impact of urban expansion. By prioritizing green infrastructure, cities can address both the challenges of residential marginalization and the broader issues of climate change and urban sustainability.

### *6.3 Reforming the Hukou System*

The Hukou (household registration) system remains one of the most significant barriers to equitable urban

development in China. Non-local migrants, including young professionals and rural-to-urban movers, are often excluded from public housing programs, social services, and other benefits tied to local Hukou status. Reforming the Hukou system is essential to ensuring that all residents, regardless of their registration, have access to affordable housing and social services.

**Expanding Access to Public Housing:** Allowing non-local migrants to apply for public housing programs in first-tier cities can significantly reduce the economic pressures faced by young renters. Reforms should prioritize individuals who contribute to the local economy, such as recent graduates, early-career professionals, and essential workers, ensuring they are integrated into urban housing systems.

**Decoupling Social Services from Hukou:** To promote greater inclusivity, essential services like education, healthcare, and housing subsidies should be decoupled from Hukou status. Gradual implementation of this reform can reduce regional disparities and create a more equitable framework for urban residents.

**Pilot Programs for Hukou Reform:** Pilot programs in cities like Shenzhen and Chengdu have experimented with more flexible Hukou policies, such as point-based systems that allow non-locals to earn urban residency through employment, education, or community contributions. Expanding these pilot programs to other cities and refining their criteria can create pathways for broader Hukou reform across the country.

#### *6.4 Fostering Inclusive and Sustainable Urban Planning*

Beyond addressing housing affordability and connectivity, equitable urban futures require a fundamental shift in how cities are planned and developed. Urban planning must prioritize inclusivity, community-building, and environmental sustainability, ensuring that cities remain vibrant, livable spaces for all residents.

**Mixed-Use and Mixed-Income Developments:** Mixed-use developments that integrate residential, commercial, and cultural spaces can create more inclusive urban environments. Incorporating affordable housing within high-density, mixed-income neighborhoods ensures that diverse socioeconomic groups can coexist and share access to amenities. Such developments reduce segregation and foster a sense of community.

**Public Spaces and Community Resources:** Investments in public spaces, such as parks, libraries, and community centers, can enhance the quality of life for urban and suburban residents alike. These spaces serve as hubs for social interaction, cultural expression, and civic engagement, helping to bridge the divide between different communities.

**Sustainability as a Core Principle:** Sustainability must be a central pillar of urban planning. Energy-efficient buildings, renewable energy systems, and green infrastructure can reduce the environmental footprint of cities while enhancing livability. Smart city technologies, such as data-driven energy management and real-time transportation monitoring, can further improve urban sustainability and efficiency.

#### *6.5 Supporting Grassroots Initiatives and Community Engagement*

Equitable urban development cannot rely solely on top-down policies; grassroots initiatives and community engagement are equally critical to driving change. Empowering young renters and other marginalized groups to participate in urban planning processes can ensure that their voices are heard and their needs are addressed.

**Tenant Unions and Advocacy Groups:** Tenant unions can play a key role in advocating for renters' rights, lobbying for stronger protections, and holding landlords accountable for unfair practices. Supporting these organizations through funding and legal frameworks can amplify the voices of renters in policy discussions.

**Participatory Urban Planning:** Incorporating participatory planning models, where residents contribute to the design and decision-making processes for their neighborhoods, can foster a sense of ownership and community. Engaging young renters in these processes ensures that urban planning reflects their perspectives and priorities.

**Local Entrepreneurship and Innovation:** Encouraging local entrepreneurship in suburban areas can drive economic growth and create vibrant communities. Initiatives such as micro-loans, startup incubators, and co-working spaces can empower young renters to establish businesses and contribute to the local economy.

Creating equitable urban futures in China's first-tier cities requires a coordinated effort to address the systemic drivers of residential marginalization. By expanding affordable housing initiatives, investing in public transportation, reforming the Hukou system, and fostering inclusive urban planning, policymakers can build cities that are accessible, sustainable, and equitable for all residents. These changes must be accompanied by grassroots advocacy and community-driven solutions to ensure that the voices of marginalized renters are not only heard but prioritized.

This vision of equitable urban futures goes beyond resolving immediate housing challenges—it seeks to redefine the relationship between urban spaces and their residents. By empowering young renters and fostering inclusive development, China's first-tier cities can position themselves as global leaders in sustainable urbanization, ensuring that their growth benefits all segments of society and secures a thriving future for generations to come.

## 7. Conclusion

The residential marginalization of renters in China's first-tier cities represents a critical challenge at the intersection of housing policy, urbanization, and social equity. As Beijing, Shanghai, Guangzhou, and Shenzhen evolve into global economic and cultural powerhouses, the growing displacement of urban youth to suburban peripheries highlights systemic inequalities that threaten the inclusivity, vibrancy, and sustainability of these cities. For young renters, the challenges of suburbanized living—including limited access to urban opportunities, long commutes, and precarious housing conditions—undermine their ability to thrive in the very cities they contribute to economically and socially.

This phenomenon is driven by a convergence of factors, including speculative real estate markets, housing policies that prioritize high-end developments, and the persistent barriers of the Hukou system. Together, these forces have transformed housing from a basic human need into an exclusive commodity, creating a stark divide between the affluent who dominate urban cores and the marginalized youth who are pushed to the city's fringes. The impact of this exclusion extends beyond the individual, reshaping the economic, cultural, and environmental landscapes of China's metropolitan areas.

Despite these challenges, suburbanized youth renters have demonstrated remarkable resilience and adaptability. They have leveraged technology, co-living arrangements, and grassroots initiatives to navigate the difficulties of suburban life. By creating supportive communities, revitalizing suburban spaces, and advocating for systemic change, these young renters have redefined what it means to live on the periphery of first-tier cities. Their actions underscore the potential for marginalized populations to become agents of transformation, even in the face of systemic barriers.

However, these individual adaptations should not absolve policymakers and urban planners of their responsibility to address the root causes of residential marginalization. Creating equitable urban futures requires a comprehensive approach that combines affordable housing initiatives, sustainable infrastructure development, and governance reforms. Expanding the availability of affordable rental housing within urban cores, reforming the Hukou system to promote inclusivity, and investing in green public transportation systems are critical steps toward bridging the urban-suburban divide. Participatory urban planning that integrates the voices of young renters and marginalized groups into decision-making processes can ensure that urban development aligns with the needs of all residents.

The implications of addressing residential marginalization extend beyond housing. Ensuring equitable access to urban opportunities strengthens the economic resilience and cultural dynamism of cities. Inclusive housing policies can preserve the diversity and innovation that define China's first-tier cities, ensuring they remain attractive not only to global investors but also to the young talent that drives their growth. Prioritizing equity in urban development aligns with broader sustainability goals, creating cities that are not only livable but also environmentally conscious and socially cohesive.

In conclusion, the residential marginalization of renters in China's first-tier cities is both a challenge and an opportunity. While it exposes deep-seated structural inequalities, it also offers a chance to reimagine urban development in ways that prioritize inclusivity, sustainability, and resilience. By addressing the systemic forces that drive marginalization and empowering suburbanized youth to thrive, China can create cities that fulfill their promise as engines of opportunity and progress for all. For urban youth, equitable housing policies are not just about access to shelter; they are about reclaiming their rightful place in the economic, cultural, and social life of the nation's most dynamic metropolises. This reimagined urban future is not only essential for China's young renters but also for the long-term prosperity and stability of the cities themselves.

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