

"The most likely cause of financial crisis in China is the ups and downs of the real estate market. If the debt chain is broken, it may trigger the financial crisis," Wang said.

He said that in recent two years, the real estate prices in many cities in China are still rising but not rising, which shows that housing demand is constrained by housing prices. But behind the rise of housing prices is the driving force of land price rise. Under the situation of local financial constraints, the impulse of local governments to sell land is still strong, because selling land is still an important financial source for local governments.

Wang Xiaolu pointed out that although the central government has always stressed that housing prices will not rise, how long will this situation last? In particular, the impact of this year's epidemic on China's economy and society will not dissipate in the short term, and how long will the real estate market support under the premise of sudden deterioration of the economic environment?

"If there is a large-scale release of water at this time, it is inevitable that a large amount of money will flow into the real estate market. Another rise in house prices will further curb the demand for housing and encourage the demand for real estate speculation, so the day of collapse may not be far away," Wang said.

According to the data of the National Bureau of statistics, from January to March, the national real estate development investment fell by 7.7% year-on-year, far less than the 9.9% of the whole year of last year; the newly started housing area fell by 27.2% year-on-year, also far less than the 8.5% of the whole year of last year. The house price index of 70 cities released by the Bureau of statistics recovered to be increasing on a month-on-month basis, which was the smallest in more than one and a half years. Hot cities such as Shenzhen and Hangzhou led the increase ?