Analysis on the Particularity of Land Economy and Its Impact on the Financial System of Rural Areas

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Abstract

Finance is also optimistic about the preservation and proliferation of real estate. In order to solve the problem of land resources faced by agricultural sustainable development, it is necessary to correctly analyze the shortcomings of land use mode in rural areas in accordance with the requirements of circular economy, and seek the correct way of agricultural sustainable development. The structure and function of the core competence system are ultimately determined by the collection of its elements and relationships. At the same time, China's real estate industry has increasingly become an important part of the national economy, and has become an important source for effectively creating fiscal revenues, promoting investment growth, and driving related industries. The dynamic relationship between real estate development investment, currency and economic growth. Understand the special nature of the real estate economy and its impact on finance, in order to use its speciality to better serve the national economy, thus promoting the further development of China's economy.

Key words: Sustainable Development of Agriculture, Core Competence, Real Estate, Financial Impact

1. Introduction

At present, most of the real estate developers in our country obtain funds for real estate development through the following channels: one is to use bank credit to obtain development funds through bank loans [1]. After the classical strategic theory and industrial structure analysis stage, the theory of core competence strategy emerged. This theory starts from the point of view of internal development of enterprises. Land is the most basic and irreplaceable means of production and limited scarce resources in agricultural production. The rationality of land use is directly related to the efficiency, yield, quality and sustainable development of agriculture. Agricultural land resources are the general name of land for agricultural basic means of production. According to the current situation of agricultural utilization and the possibility of further utilization, agricultural land resources can be divided into: agricultural land, including cultivated land, forest land, pasture land, aquaculture water surface, etc. The land that can be exploited and utilized includes suitable farmland, suitable woodland, suitable pasture land and suitable water surface for aquaculture, etc. The land that can not be utilized at present, such as Gobi, desert, alpine mountain, etc. At the same time, the real estate industry is a highly competitive industry, which needs a large amount of funds, occupies a lot of social resources, and involves sensitive national housing issues [2]. With the continuous expansion of financial coverage, it can also achieve the optimal allocation of market elements and various resources in the region, which has played a positive role in accelerating the integration of regional real economy [3]. Through continuous innovation and effective integration activities adapted to environmental changes, and then extended to the field of enterprise products and services, the ability of enterprises to continuously obtain sustainable competitive advantage [4]. At the same time, the healthy development of the real estate industry has also promoted the development of commercial banks. Agricultural sustainable development is of great and special significance to the national sustainable development of agriculture and the implementation of the national sustainable development strategy. Accurate assessment of the status of agricultural sustainable development is the basis for correctly implementing the strategic approach and means of agricultural sustainable development in mountain counties. At present, the situation of rural land problem in China is grim, the contradiction of land use is prominent, the utilization efficiency is low, the soil environment is deteriorating sharply, the restriction of land to agricultural development and even to the whole economic development is more obvious, and the sustainable development of agriculture is facing unprecedented difficulties. The concept of circular economy provides a new way for us to develop, utilize, protect and manage agricultural land rationally. However, if the real estate mortgage loan is
unfair and reasonable, it will lead to a large number of bad loans of commercial banks or affect the economic interests of commercial banks [5]. It is the inevitable outcome of real estate commodification and financial marketization, and it is the concrete embodiment of monetary economic theory in the field of industrial economy [6].

The impact of the real estate market on birth rate decision was proposed by relevant scholars in 2014 [7]. In the same year, the impact of economic news on bond prices: evidence from the platform of the multilateral trading system was studied by relevant scholars [8]. Since 2016, the intergenerational transfer of human capital and its impact on income mobility have been studied by relevant scholars [9]. Real estate needs to be located, constructed and used in the development process, so it takes a long time in the development process. At present, domestic scholars have designed the index system of regional agricultural sustainable development from different perspectives, but the research on the evaluation system and evaluation method of agricultural sustainable development in mountainous counties is still very weak, so far no one has done special research on it. Based on this, according to the connotation of agricultural sustainable development and the characteristics of agricultural complex system in mountainous counties, the index system of agricultural sustainable development in mountainous counties was constructed by expert consultation, and the evaluation model was established by qualitative and quantitative integrated methods. Core competence is the accumulated theory in an organization, especially the knowledge about how to coordinate different production skills and organically integrate multiple technological schools [10]. Through the analysis and cultivation of the core competence of real estate, we can cope with the diversified needs of real estate and the increasingly fierce market environment, and resist risks in the current severe domestic and foreign economic situation [11]. The structure and function of this ability are finally determined by the collection of the elements and relations of the ability system. External environmental impact factors and the particularity of internal factors determine the difference of core competence architecture [12]. The separation of money from the real economy is the inevitable result of the inherent contradictory movement of goods. Once products are produced and exchanged as commodities, the value attributes contained in the content of the goods must be expressed in terms of money [13-15]. As a huge engine of economic growth, the real estate industry plays a significant role in promoting economic growth. Real estate finance is an effective combination of the two Real estate is a resource that cannot be regenerated. The supply of real estate is limited. In order to realize the sustainable development of agriculture, the innovation of agricultural production technology must be carried out continuously. However, modern agricultural production technology can not be realized by manual operation, such as shoulder-lifting. It must rely on mechanical equipment. Plastic film mulching cultivation technology is one of the agricultural technological innovations that have developed rapidly in recent years. Its large-scale popularization benefits from the mechanized technology of plastic film mulching. Due to the different locations of real estate, the value of real estate in different locations varies greatly. This will result in different prices, and it is difficult to evaluate it with a uniform scale. Reasonable or unreasonable [16].

China's real estate finance began to develop rapidly. In recent years, along with the supply and demand factors of the real estate market, economic growth and investment orientation and many other influences, under the background of world house prices tending to stabilize, China's real estate prices remain high [17]. At the same time, the relatively long time of capital recovery, which to a certain extent caused the development cycle of the real estate economy is too long, and the long period of real estate economic development is also one of its particularities. When the economic bubble continues to develop, the real estate bubble economy will emerge. Circular economy requires the construction of its industrial system in three dimensions: first, in the dimension of enterprise internal circulation, we should vigorously develop ecological industry and sustainable agriculture. Second, in the dimension of production cycle, we should vigorously develop the ecological industrial chain or industrial park, which can even be extended to different industries including industry, agriculture and animal husbandry. In the dimension of the overall social cycle, we should vigorously develop the green consumer market and resource recycling industry. The bubble economy will not last. When the bubble economy is destroyed, developers, construction enterprises and consumers will be lost. But the ultimate bearers of losses are mainly financial institutions. The real estate mortgage loan has the common characteristics of credit loan, guaranteed loan and pledge loan in the process of implementation, as well as the particularity of the mortgage loan itself [18]. From the perspective of market characteristics, the real estate market has regional, supply and regulation lag, monopolistic competition, speculative, and trading forms. Transaction complexity [19]. Commercial real estate fluctuations; from the scope of fluctuations can be divided into real estate fluctuations in different regions; from the nature of business can be divided into real estate sales market fluctuations, rental market fluctuations [20]. From the level of economic growth rate can be divided into classical cycle fluctuations, growth cycle fluctuations, etc. Reducing the loss of agricultural products is an important measure to protect the produced agricultural products, increase the effective quantity of agricultural products and protect food safety. Sustainable development ability of regional agriculture is the support and guarantee ability of various elements of regional agricultural system to agricultural development, the internal cause and motive force of agricultural development, and reflects the potential and potential of regional agricultural development. Therefore, the
evaluation of agricultural sustainable development should include two aspects: the evaluation of agricultural sustainable development level in mountain counties and the evaluation of agricultural sustainable development ability in mountain counties. The level and degree of sustainable development of regional agriculture are estimated by level evaluation, and the potential and potential of sustainable development of regional agriculture are estimated by capacity evaluation. Only by gaining development can we effectively maintain the macroeconomic regulation and control policy of the country under the current economic situation with the real estate industry as the key position for stimulating domestic demand. It should also include the maintenance and appreciation of user value, namely value protection, value enhancement, value innovation and other aspects [21].

2. Materials and Methods

The process of expansion and contraction of real estate economic variables or indicators is short and large. The impact on economy and finance is intense and harmful. It is usually called the real estate bubble. The core competence of real estate must include specific assets and business management model, which is both technical and organizational, and difficult to fully understand and replicate for competitors. The implementation of circular economy in agriculture is the key basic link for the overall development of circular economy and the establishment of circular society in the whole national economic and social system. Without the circular economy of agriculture, it is impossible to build the circular economy of the whole society, let alone the circular society. Circular economy and agricultural development are closely linked, and the implementation of circular economy is of great significance for the realization of sustainable agricultural development. The core competence is unique to enterprises and can bring special benefits to consumers. The intrinsic ability resources that enable enterprises to have long-term competitive advantage in a certain market are interrelated combinations. Real estate development has a strong position relative to builders in the market competition structure. With the support of the government, it has a strong market power, resulting in China's real estate industry capital scale barriers are not significant, but can be predicted. Generally speaking, there are three ways to realize the liquidity of real estate assets: transfer, rent collection and charge for visiting accommodation, such as transferring real estate to others, or renting real estate every month. Another example is to use real estate as a tourist and leisure base to collect fees. There is a great possibility that real estate prices will fall in the future. The sustainable development of agriculture urgently needs to catch up with the tide of the times of developing circular economy. The research and practice of agricultural sustainable development has always been an important part of the overall implementation of sustainable development strategy, which needs to be linked up and integrated with the sustainable development of the whole social economy. The era tide of developing circular economy promotes "industrial symbiosis", "factor coupling", "overall circulation", "comprehensive utilization" and "industrial ecological chain" in various fields, and becomes the carrier of sustainable development strategy. Therefore, the development of circular economy is conducive to promoting the sustainable development of agriculture and integrating agriculture into the tide of development of the times. The lending amount of real estate mortgage loans is based on the current mortgage real estate market price, and the future real estate market is unstable. The money multiplier, although regular, depends on the ratio between the currency held by the public and the bank deposit, and the ratio of reserves and deposits held by depository institutions. Due to the long period of real estate development, China's economy will not change much in a short period of time. When analyzing the financial economy, we should also analyze it from the perspective of development, and also turn the potential demand of housing consumers into reality. The particularity of the real estate economy and its financial impact characteristics are shown in Table 1 and Figure 1. At the same time, real estate finance, as an economic means, regulates the development of the real estate market through monetary policy, looks at problems from a development perspective, and seeks solutions.

### Table 1. The Particularity of Real Estate Economy and Its Impact on Finance

<table>
<thead>
<tr>
<th>Features</th>
<th>Change</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short maintenance time</td>
<td>5.22</td>
<td>3.54</td>
</tr>
<tr>
<td>Short-term collapse</td>
<td>6.64</td>
<td>3.95</td>
</tr>
<tr>
<td>Supply and demand in the market</td>
<td>5.08</td>
<td>4.20</td>
</tr>
</tbody>
</table>

Real estate finance has a long period of capital possession, and the form of capital movement has fixed and regional restrictions. It has the possibility of liquidity and loan repayment default. If the real estate developers do not operate properly, the project will suffer losses. The final loss is still to be borne by commercial banks, so the debt operation of real estate developers will increase the economic burden of commercial banks in China to a certain extent, and bring negative impact on the development of China's financial industry. At present, there are unreasonable factors in the government's real estate tax and fee, which directly affects the enthusiasm of real
estate dealers. Because of the weak liquidity of real estate, it not only affects the return of investors, but also affects the flow of funds in the market. Agricultural land in China has been widely used for a long time, which has a low land use rate and great damage to agricultural land, affecting the sustainable development of agricultural land. Therefore, we must raise the level of agricultural science and technology, combine the essence of traditional agriculture with modern agricultural technology, and improve the utilization ratio of land. The significance of protecting agricultural land resources lies in that agriculture is the foundation of national economy, and agricultural cultivated land is the basis of agricultural production.

Figure 1. The Particularity of Real Estate Economy and Its Impact on Finance

Agriculture is the basis of social stability. Agriculture provides the main living guarantee for the rural population, and is the main source of livelihood for urban residents. With the continuous increase of population, the per capita agricultural land resources will be further reduced in the future for a considerable period of time. Therefore, in China's future economic development, the most stringent measures in the world must be taken to protect agricultural land, stabilize a certain area of cultivated land, and continuously improve the quality of cultivated land. Their monetary value or capital value, or as treasury bonds do not represent any capital, or completely do not determine the value of the real capital they represent. Generally, the value standard of real estate valuation is the fair market value standard, which is based on the normal market transaction price. The normal market transaction price is the principle of fairness, fairness and openness in both parties to a freely competitive market. Real estate products also have differences in quality, variety, service and brand. These make the real estate products different from the general industrial products, and the product differentiation characteristics are very significant. Under the premise of market-oriented, the policy has experienced ups and downs and adjustments, and has been continuously strengthened and deepened to ensure the healthy and sustainable development of the real estate industry. The abnormal fluctuation of the real estate economy arises from irrational speculation, while the real estate economic cycle fluctuations arise from real estate investment behavior and rational speculation. The characteristics and duration are different. The abnormal fluctuation of the real estate economy has no regularity. The competitive advantage ultimately comes from providing the same value to the users at a lower cost or providing more value to the users at the same cost. The real estate loan credit risk assessment design as shown in Table 2 and Figure 2.

Table 2. Design of Credit Risk Assessment for Real Estate Loans

<table>
<thead>
<tr>
<th>Qualitative Analysis of Default Factors</th>
<th>Rule</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.17</td>
<td>12.03</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Integration and Simplification of Indicators</th>
<th>Rule</th>
<th>Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.19</td>
<td>7.15</td>
<td></td>
</tr>
</tbody>
</table>
As an industrial finance, real estate finance is not only an integral part of the financial system, but also a constituent element of the real estate economic system. Real estate is a non-labor product with no value, and the price of land is determined by external factors. When the supply exceeds the demand, the transaction price is still lower than the future. Although the transaction price at this time is lower than the real value of real estate, it can ensure the interests of creditor commercial banks when mortgaged. Capital scale barriers will gradually be strengthened. In fact, at this stage, the barriers to entry of China's real estate industry are mainly reflected in the government's land transfer system and the blocking of entry of developers in the region. Specialized talents in the real estate industry are in short supply in the market. The ability to attract, motivate, retain and enhance human resources is directly related to the acquisition and maintenance of competitive advantages of enterprises.

The impact probability of real estate price collapse on banks, and the frequency of impact relative to the change frequency of causal structure of potential events. If there is an event causal structural change every time the impact occurs, the incident does not provide strong evidence of probability. In the real estate economy, there is often a phenomenon of real estate speculation, and real estate has become a means of modern people's financial management. The problems of environmental pollution, ecological destruction and resource exhaustion faced by modern conventional agriculture need to be solved by using the principles and methods of circular economy. Agricultural environment is not only often polluted and destroyed by external sources, but also modern conventional agriculture has become an important or primary source of environmental pollution, ecological damage and resource depletion, which is highlighted in the following aspects: 1. exhaustion of scarce resources. 2. Over-reclamation, deforestation, overgrazing and overfishing in agricultural production have destroyed and deteriorated the ecological environment. 3. Agricultural non-point source pollution (chemical fertilizers, pesticides, livestock and poultry manure, crop straw, agricultural plastic film, etc.), pollution caused by production and processing of agricultural products, as well as domestic waste, waste water and waste gas pollution caused by consumption of agricultural products, has become the largest source of pollution after effective control of industrial pollution. To a certain extent, China's real estate prices are out of balance, affecting the market's ability to adjust, leading to the formation of an economic bubble, taking into account the credit line included in self-raised funds, the proportion of bank loan funds will be greater. The statistical real estate investment and credit boom is shown in Table 3 and Figure 3. Check the smoothness of the data, intuitive judgment, from the nature of the data (both year-on-year percentages) and the graph, the three sets of data should be stable. Unit and inspection are shown in Table 4 and Figure 4. Real estate finance runs through the entire process of land bank, trading, real estate development and real estate sales, so the impact on the real estate industry is profound. But objectively boost the formation of the bubble. At the same time, the high debt attributes make commercial banks often bear the brunt of the asset bubble burst. Once the house price falls too much, mortgage loans will generate “insolvency”, and “rational people” who participate in the real estate market choose “broken loans”.

Table 3. Statistical Real Estate Investment and Credit Boom

<table>
<thead>
<tr>
<th></th>
<th>Crisis recession</th>
<th>Financial recession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate investment boom</td>
<td>19.24</td>
<td>6.51</td>
</tr>
<tr>
<td>Credit boom</td>
<td>20.75</td>
<td>7.19</td>
</tr>
<tr>
<td>Real estate and credit boom</td>
<td>16.80</td>
<td>6.30</td>
</tr>
</tbody>
</table>
According to the view of core competence, the essence of real estate core competence is knowledge. The difference of internal knowledge stock and its structure determines the difference of the effectiveness of internal resources. Because of the bubble in the real estate market, the rental supply of real estate is relatively large, and the real estate income is relatively low, but the risk of real estate income is relatively small at this time. The mortgage price of income method valuation is lower than that of the cost law, so the income method cannot be set as the main mortgage valuation method. Investors may believe that they have special insight into new information - demand will affect future price rises or they will make mistakes in understanding new information. People's income level is related, that is to say, the rise of real estate prices largely depends on demand, when supply is less than demand, prices will naturally rise. But it must be pointed out that people's demand is limited, and the price of real estate should not and cannot rise indefinitely. The real estate economy is easy to be affected by the price of land rent and form a bubble economy in the process of development. In addition, real estate is a non-renewable resource, and the land resources for real estate development are limited. The development of the
industry is more based on foreign development models, and there are few original financial innovations, resulting in a slower development of real estate finance relying on financial markets. The ability of companies within the industry to respond to external influences, for companies within a certain industry. The environmental conditions it faces are reflected in five competitive forces within the industry. The development enterprise itself only plays a role in coordination and resource integration in all aspects. In this process, real estate development companies “virtualize” various professional resources into their own internal tasks to jointly complete development tasks. The movement of financial funds, especially securities funds, has a unique pattern of movement, and they may operate independently from the movement of the physical economy. The fixed assets and real estate investment in 2016-2018, as shown in the Table 5, in the expansion stage, the rapid growth of the economy corresponds to the rapid increase in land prices and stock prices. Land price and stock price changes, as shown in Table 6 and Figure 5.

<table>
<thead>
<tr>
<th></th>
<th>Investment in Real Estate Development Capital growth rate</th>
<th>Real estate development investment accounts for Investment in Fixed Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>25.8</td>
<td>16.2</td>
</tr>
<tr>
<td>2017</td>
<td>26.9</td>
<td>17.4</td>
</tr>
<tr>
<td>2018</td>
<td>23.1</td>
<td>16.9</td>
</tr>
</tbody>
</table>

Table 5. Fixed Assets and Real Estate Investment from 2016 to 2018

<table>
<thead>
<tr>
<th></th>
<th>Speed up</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential land</td>
<td>10.51</td>
<td>0.87</td>
</tr>
<tr>
<td>Commercial land</td>
<td>6.82</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Table 6. Land Price and Stock Price Change

3. Result Analysis and Discussion

The period is a deviation from the long-term development trend. As far as the influencing factors of real estate are concerned, they include short-term factors, such as policies, currencies, etc. and long-term factors, such as economic growth, land, population, urbanization rate and so on. The behaviour of policymakers rarely changes, even when there are signs that the actual probability of an impact event has increased. For example, despite the rising vacancy rate in real estate, real estate lending will continue. However, the degree of conflict between observation and belief may lead to cognitive inconsistency. In order to realize the sustainable development of agriculture and effectively improve the quantity and quality of agricultural products, it is necessary to improve the soil environment, adjust and balance various nutrient elements in soil. We will vigorously promote the technology of soil testing and formula fertilization, overcome the blindness of farmers' fertilization, re-apply organic fertilizer, control nitrogen fertilizer, stabilize phosphorus fertilizer, increase potassium fertilizer and micronutrient fertilizer. Reasonable use of large, medium and trace elements, long-term monitoring of the dynamic changes of soil fertility, establishment of early warning system of soil nutrients and fertilization in cultivated land, etc. The stock of real estate land resources has the characteristics of historical formation, and its acquisition path is extremely difficult to imitate, so it may bring long-term competitive advantages for real estate. Therefore, the abundant and exhaustive land resources directly affect the long-term...
development of real estate. At the stage of land acquisition, making full use of government and social resources, establishing good relations with the government and obtaining good land resources will undoubtedly enhance the competitiveness of enterprises. When there are bubbles in the real estate market, the price of real estate is too high. It is unreasonable to use the open market transaction price as the collateral price. In the future, the price of real estate will drop, and if the debtor does not repay the mortgage loan. Regarding real estate as a tourism and leisure base, by collecting various fees, the investment can be returned in cash only for a few years, and it is impossible to have more cash flow in the short term. Real estate development has the characteristics of a virtual enterprise. Agriculture and the natural ecological environment are closely linked, water and milk blending, inseparable "congenital conditions", which make the agricultural economic system more easily and harmoniously integrated into the material cycle of the natural ecosystem, and establish the development model of circular economy. Agricultural ecosystem is an artificially domesticated ecosystem. It is a functional entirety established by human intervention within certain boundaries and by the energy and material links between organism and organism, and between organism and environment in order to meet the needs of society. Its core business is to make decisions, plans, organize, lead, control and coordinate according to the requirements of urban planning and the characteristics of the development project itself. The direction of industrial evolution is the service industry, while the main sectors of the service industry are the financial industry and the real estate industry. It can be convinced that with the development of China's economy and the acceleration of urbanization, the banking industry, as the most important financial intermediary in the development of the national economy, concentrates on the excessive risk of default in the real estate industry, which is not conducive to the long-term stability of the social economy. Benign development.

With the sharp fall in real estate prices, business will deteriorate. At the same time of the crisis of the Savings and Loan Association, commercial banks will also be in trouble. The bad debt relationship related to real estate in local commercial banks is shown in Table 7 and Figure 6.

Table 7. **Bad Debt Ratio of Commercial Banks to Real Estate**

<table>
<thead>
<tr>
<th></th>
<th>Growth ratio</th>
<th>Cumulative ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad debt</td>
<td>23.6</td>
<td>13.4</td>
</tr>
<tr>
<td>Bad debts related to real estate</td>
<td>15.8</td>
<td>11.7</td>
</tr>
</tbody>
</table>

![Figure 6. Bad Debt Ratio of Commercial Banks to Real Estate](image)

In the period of fluctuation of real estate economy, the behavior of banks can be explained by the theory of bank mortgage loan. In the period of fluctuation of real estate economy, bank expected profit $P$ can be explained by bank mortgage theory:

$$
\begin{align*}
    P &= \begin{cases} 
    k & \sigma^2 < \sigma_d^2, f(P^e_g) > f_d \\
    0 & \text{otherwise} 
    \end{cases} \\
    P^e_g &= (P^e_{g1}, P^e_{g2}, P^e_{g3}, \ldots, P^e_{gd})^T \\
    P^f_g &= P^e_g (1 + 0.5\eta), i = 1, 2, \ldots d 
\end{align*}
$$

(1)

The loan requirement $e$ can be defined as a function form as follows:

$$
e_j = -k \sum_{i=1}^{n} f_y \ln f_y
$$

(2)
There is a negative correlation between loan interest rate $K$ and mortgage rate $D$. Mortgage rate can be defined as:

$$ W_j = 1 + k \sum_{i=1}^n f_{ij} \ln f_{ij} / \sum_{i=1}^n (1 + k \sum_{i=1}^n f_{ij} \ln f_{ij}) $$

$$ W_j = d_j / \sum_{i=1}^m d_j $$

(4)

(5)

The method of constructing comprehensive index is to sum up the changes of individual index components, and also consider the variability and importance of each component $y$. The construction formula is:

$$ y_j = \frac{\text{max}(y) - y_j}{\text{max}(y) - \text{min}(y)} $$

$$ a_k = \begin{cases} 1, & s_k > s_j, \forall j, k \neq j \\ 0, & \text{Other} \end{cases} $$

(6)

(7)

The lender can indeed recover part of the discount rate. Variable $x$ satisfies the following conditions:

$$ w_{ij} = w_{ij} + \frac{X}{m} (w_{ij} - w_{ij}) $$

(8)

Taking into account the default rate of the borrower, the loan amount $f$ is indirectly determined by adjusting the mortgage rate $y$. For the sake of simplicity and clarity of the analysis, it is assumed that the bank’s capital cost is certain:

$$ o_k = f \text{(net}_k) $$

$$ \text{net}_k = \sum_{j=0}^n w_{jk} y_j $$

(9)

The primary condition for maximizing profits is:

$$ E_{RME} = \sqrt{\frac{1}{P} \sum_{j=1}^P (E_j)^2} $$

(10)

Further, or expressed as:

$$ \delta^o_k = (d_k - o_k)(1 - o_k) $$

$$ \delta^i_j = \left( \sum_{k=1}^l (d_k - o_k) f'(\text{net}_k) w_{jk} \right) f'(\text{net}_j) = \left( \sum_{k=1}^l \delta^i_k w_{jk} \right) (1 - y_j) y_j $$

(11)

Here, $\eta$ represents the loan demand elasticity related to $j$, as defined below:

$$ \Delta w_{jk} = \eta \delta^o_k y_j $$

$$ \Delta v_y = \eta \delta^i_j x_i = \left( \sum_{k=1}^l \delta^i_k w_{jk} \right) (1 - y_j) y_j x_i $$

(12)

By analyzing the signs of coefficients such as $x$ and $y$, it is easier to determine how $n$ reacts to parameter changes:

$$ p(x, y) = \frac{\sum_{i=1}^n x_i y_i - nxy}{(n-1)x_\bar{y}y_\bar{y}} = \frac{n \sum_{i=1}^n x_i y_i - \sum_{i=1}^n x_i \sum_{i=1}^n y_i}{\sqrt{n \sum_{i=1}^n x_i^2 - (\sum_{i=1}^n x_i)^2} \sqrt{n \sum_{i=1}^n y_i^2 - (\sum_{i=1}^n y_i)^2}} $$

(13)

Since $x \geq 0$, the following relationship must be satisfied:

$$ d(x, y) = \sqrt{(\sum (x_i - y_i)^2)} $$

(14)

According to the theory of economic development cycle, the economy of a country or even the world is always in the cycle of circular development. When the economy is in the stage of rising or prosperity, the real estate price rises and flourishes. When the economy is in the stage of decline or depression, the real estate price falls and will inevitably decline. On the other hand, it provides financing for both the supply and demand sides of real estate, giving full play to its role of media, promotion and regulation, thus promoting the development of real estate industry and the growth of the overall economy. It has an important influence on the authenticity and reliability of the evaluation results. Discount rate usually consists of risk-free rate of return and risk rate of
return. The risk-free rate of return is the cost of obtaining funds and the compensation for the time value of funds. Through creative integration, the most suitable elements can be allocated and combined so as to form complementary advantages, reach a more reasonable structural form, realize the amplification effect of capabilities, and form competitive advantages. Ten measures to expand domestic demand, the real estate industry focuses on increasing the strength of affordable housing, commodity housing development on personal consumption. The latter is an institutional system and an organic combination of various management systems. This ability is based on the common will of the organization and the knowledge and combination of organizational structure, financial management, human resources management and quality management. In terms of supervision, pricing, and withdrawal of reserves, but in the case of low-frequency crisis events, it does not have much use in controlling risk exposure. Desertification of agricultural land resources is mainly caused by natural and human factors, and the latter is the main cause of desertification, such as overgrazing, indiscriminate logging, River diversion, returning lakes to farmland, etc. Human factors can also cause climate change and dryness. Moreover, overhunting can also disrupt the biological chain of animals, causing animals to affect plants. Agricultural ecosystem can transform the energy, material, residence and value resources of the environment into products needed by human beings through an orderly structure composed of organisms and environment. Agricultural ecosystem has the functions of energy conversion, material conversion, information conversion and value conversion, in which corresponding energy flow, material flow, information flow and value flow are formed. These characteristics of agro-ecosystem are the foundation of establishing circular economy development mode in agriculture. There are few investment tools in the real estate financial market, there are few types of financial investment products, and the level of innovation is low. It is difficult to meet the needs of the market, and it is difficult for the funds invested by the residents in the real estate industry to be effectively diverted. The reason is that such impacts rarely occur, so that they cannot be reported in the usual way. Capture it during the period. The history of the cycle of the real estate cycle and international experience show that policy and monetary stimulus can amplify or shrink the cycle, but it is difficult to change the trend in the long run. The trend is an exogenous, irreversible pattern of development, and the cycle revolves around fluctuations around the trend.

The operation process of real estate economic fluctuation and financial risk monitoring and early warning system can be roughly summarized as follows: determining the indicators of monitoring and early warning, selecting the threshold value of early warning and its definition relationship as shown in Table 8 and Figure 7.

Table 8. Real Estate Economic Fluctuation and Financial Risk Monitoring and Early Warning Operation

<table>
<thead>
<tr>
<th>Early warning index</th>
<th>Early warning threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.72</td>
<td>7.54</td>
</tr>
<tr>
<td>6.41</td>
<td></td>
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</tbody>
</table>

Figure 7. Real Estate Economic Fluctuation and Financial Risk Monitoring and Early Warning Operation

When providing mortgage loans, financial institutions must consider their operating costs and risks and maximize their profits. Therefore, financial institutions will provide loans according to their marginal cost curve. Point A indicates the basic operating scale and interest rate of the financial institution when the average cost and marginal cost of the mortgage loan are equal, which are Q0 and r0, respectively, as shown in Figure 8.
The high dependence of local fiscal revenue on real estate finance has become a major reason for the rise of housing prices. Some countries with perfect real estate financial system in the world. At the same time, our citizens only have the right to use the land, no land ownership, land ownership in the hands of the government, but also to a certain extent make the land become scarce resources, thus affecting the development of real estate economy. Generally speaking, residents' real estate purchasing activities and interest rates will show a reverse relationship. Considering the property of durable consumer goods in real estate, the price of real estate should be proportional to income. According to Keynesian consumption function, the higher the income, the higher the consumption. From the perspective of real estate development enterprises, the higher the interest rate, the higher the cost of real estate investment, the less the investment. When competition and "crisis myopia" are intertwined, the process of bank vulnerability will probably accelerate, resulting in banks' vulnerability to serious external shocks such as the collapse of real estate prices. Various markets, including the real estate market, have developed to a certain extent, and intermediaries have gradually established supporting operations. Agriculture is closer to human consumption. Human beings are at the top of the food chain and a part of nature. They participate in the material cycle and energy conversion of the whole system. This provides a more direct way for the circular economy to fundamentally coordinate the relationship between human and nature and promote sustainable development of human beings. The industrial structure of agriculture is easier to develop circular economy. Agricultural industry structure refers to the composition and proportion of agricultural industry, which is holistic, hierarchical, relevant and relative. The material basis for the formation of agricultural industrial structure is natural resources. Reasonable agricultural industry structure has the characteristics of comprehensiveness, diversity and systematicness. Specifically reflected in: 1. Full and rational use of agricultural natural resources, labor resources, capital resources, coordinated development of agricultural industry. 2. Effective market demand adaptability and the best comprehensive economic, social and ecological benefits. The development concept and team of the regional and target markets ultimately determine the development methods and development results of the specific plots, and then determine the innovative ability of real estate, which constitutes the source of differences in real estate products. When real estate is in short supply and belongs to the recovery stage, the monetary economy has a relatively independent movement law and process, and has a huge counter-effect on the physical economy. At the same time, this independent movement is relative and conditional, and it will not be divorced from the real thing. The economic movement will increase or decrease in the future, and the real estate price will rise. The value of the valuation can be determined as the collateral value. When the real estate market balances supply and demand, the valuation value is used as the collateral value. The real estate regulation diagram is shown in Figure 9.

To speed up the monetary deepening of real estate, we need to further deepen the reform of enterprises, strengthen the hardening of budget constraints of real estate enterprises, straighten out the operation and management system of real estate financial institutions, and further develop and improve the real estate market and financial market. When the supply of the real estate rental market is less than the demand, the rent price is relatively high, the risk of obtaining high rent in the future is higher, and the risk reward rate is higher; when the supply and demand of the real estate rental market is balanced, the rent is reasonable, the risk of obtaining rent at this level in the future is moderate, and the risk reward rate. Agricultural industry system is the coupling of planting system, forestry system, fishery system, animal husbandry system and its extended agricultural products production and processing industry system, agricultural products trade and service industry system, and agricultural products consumption system. The "natural links" between agricultural sectors and the overall characteristics of agricultural industry structure are the foundation of establishing the agricultural ecological industry chain and the establishment and strengthening of circular economy. It is also the integral characteristics
of the agricultural industry structure that determine the need to promote the coordinated development of agricultural industry. By paying attention to new materials and various construction technologies, and applying information technology to the real estate development industry, the competitiveness of the whole industry has been greatly enhanced.

![Figure 9. Schematic Map of Real Estate Regulation and Control](image)

It has a great influence on the control of the progress, quality, risk and cost of the development project. Therefore, the control ability of the construction project should constitute the core competence of real estate. After the initial positive demand shocks, market value can be expected to decline. If that is the case, banks will take high risks in lending to these buildings. When the predicted price falls, the mortgage sell option is “real value”. Every link of the real estate industry is permeated with monetary support. Strict control of housing prices will directly affect local finances. At present, the price formation mechanism reflecting the degree of scarcity of resources and the relationship between supply and demand in China is not perfect, and there are some unsatisfactory aspects in the land requisition system. As a result, the price of resource-based products is unreasonable, and the price of rural land is generally low and unreasonable. Some local governments take land expropriation and leasing as the second financial source. Unorderly occupation of cultivated land, ultra vires examination and approval of construction land, formed a low-cost land acquisition, inefficient use of land market, "enclosure" prevailing, land market disorder, land resource allocation distorted. From this perspective, the country's real estate control policies are passive. From the equilibrium conditions of the money market, the multiple and low interest rates of money are two aspects of a coin. Therefore, the loose currency has a very large role in promoting real estate development. The realistic discounted cash flow model necessary here is the equilibrium value of the lag when the rent is modeled as an appropriate building. Due to the special significance of land resources to real estate, the ability to acquire land resources is an important manifestation of control ability.

For borrowers with extremely high credit and a default rate of 0, the only point that meets this condition is A. At this point, \( \tau = 0 \), with the largest loan scale. The mortgage rate lost its role as another price in the loan market, as shown in Figure 10.

![Figure 10. Mortgage Rate and Demand Elasticity](image)
4. Conclusions

This paper analyses the economic particularity of real estate based on core competence and its financial impact. Therefore, we should actively explore the development ways of real estate finance in our country and guide the smooth transition of housing prices in accordance with the economic development stage and specific social conditions of our country. Through the price mechanism, the supply and demand of the real estate market can be adjusted. The rising urbanization rate and population growth will inevitably lead to the rise of housing prices. Rising prices will inevitably attract the attention and investment of real estate developers. Without restricting the source of land supply, housing can inevitably be supplied to the housing market. It is necessary to take into account the current economic development and the requirements of China's urbanization process. Preventing the scale of land supply from rising and falling, leading to large fluctuations in the scale of real estate investment. Organic agriculture is more thorough in environmental protection and agricultural pollution prevention. The development of organic industry is basically consistent with the concept of circular economy, which can develop circular economy by leaps and bounds. Therefore, we should make every effort to promote the application of leapfrog circular economy development mode based on the construction of organic agriculture, the development of organic food (products) and the development of organic industry. Agricultural modernization is the basis of China's modernization. For quite a long time, facing the serious shortage of agricultural resources such as land, fresh water and energy, the increasing huge population burden and the tremendous pressure of deteriorating agricultural environment, we rely on agricultural science and technology. It is the only way to modernize agriculture with Chinese characteristics in the 21st century to completely change the traditional way of developing agriculture at the cost of consuming resources, destroying ecology and sacrificing the environment, and to take the road of sustainable development of agriculture with high yield, high quality, high efficiency and low consumption. Virtual management requires that it use information technology to strengthen its resource integration capabilities and integrate quickly into the network economy under the traditional integration method. Consciously recognize and play the role of the state in the residential financial market, in order to rationalize China's real estate financial relations. Focus on the management of core competencies, especially identification, nurturing, innovation, and promotion, so that core competencies bring sustainable competitive advantage to real estate.

References