**What Drives Housing Consumption in China?**

**Based on a Dynamic Optimal General Equilibrium Model and Spatial Panel Data Analysis**

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**Abstract** This paper examines the housing sales in China from 2004 to 2015 utilizing an optimal dynamic general equilibrium theoretical framework combined with a macroeconomic model. The spatial panel econometric empirical results suggest that housing prices and economic growth have increased housing sales in China. However, since house is considered as a special commodity in China, and unemployment show negative impacts on housing sales.

**Keywords:** Energy Use, Housing Values,Optimal Dynamic General Equilibrium, Spatial Panel Econometrics, China

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