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Journal Name:	**British Journal of Economics, Management & Trade**
Manuscript Number:	**2015_BJEMT_18082**
Title of the Manuscript:	**What Factors Lead to the Large Disparity of Housing Prices Between Chinese Cities?**
Type of the Article	**Original Research Article**

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty'**, provided the manuscript is scientifically robust and technically sound.
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PART 1: Review Comments

	Reviewer's comment	**Author's comment** *(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)*
Compulsory REVISION comments	**Contribution of the study is not clear. Just adding one or more indicators doesn't make the research more valuable. Need to state why. Does the research address any unresolved debate?** **A pure quantitative analysis on the residential housing market in China seems to be quite superficial, without some historical background. Clearly, the literature review is not sufficient on that regard. I will suggest the author(s) to discuss more on the housing market change in China. Household income may be one of the factors, but other economic, political, and historical factors need to be mentioned. In addition, more logic needs to be provided regarding causality relationship between housing price and household income.**	1. Q: Contribution of the study is not clear. Just adding one or more indicators doesn't make the research more valuable. Need to state why. A: The main contribution of this thesis mainly has four aspects which are described in the third paragraph of the introduction. The reasons of variable selection are modified in "4.2 Index Selection and Data Description", as follows: First of all, housing market with modern market significances didn't exist in China before 1998 when the housing allocation depends entirely on the administrative action; secondly, a relatively complete data system of housing market began to form after 2000 with the deepening of reform in the housing market; moreover, the policy factors didn't selected in the model would also indeed affect the fluctuation of housing price and the housing affordability, but the effect of the policies is mainly reflected in the indicators such as income, employment, consumption, health care, transportation, communication facilities and educational facilities, etc. 2.Q: **Does the research address any unresolved debate?** A: Yes. In the past, we are always accustomed to the differences of housing prices among cities. Most of the literature focuses on why the housing price are so high in the cities Beijing, Shanghai, etc. There is little literature taking in-depth study on the phenomenon from the indexes most concerned by

		the residents. Moreover, the conclusions derived from the paper are very important to the decision makers and housing buyers, especially the proposal that the government should take measures to carry out the city balanced development strategy to reduce the city development difference and accelerate the economic development in backward areas, so as to resolve the large disparity housing prices among cities. 3.Q: **I will suggest the author(s) to discuss more on the housing market change in China. Household income may be one of the factors, but other economic, political, and historical factors need to be mentioned.** **A:** This is **a wonderful and important suggestion. Other economic, political and, historical factors will indeed cause the disparity in housing prices among cities, but due to research focus, the paper doesn't mention all factors. In the future, the author will do research on the relationship between housing price fluctuations and monetary policy, land policy, tax policy and political factors.**

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Minor REVISION comments	Language needs to be polished. There are many grammar mistakes and incorrect use of words. For the tables, it is important to list the sample size for each group. On housing price, what price does the author use? The average sold housing price? Currency should be converted to U.S. dollars. Author still has some Chinese characters in the text. Please correct and do a better proof editing.	1.Q: Language needs to be polished. There are many grammar mistakes and incorrect use of words. A: Modifications have been carried out in this paper, which are marked yellow. 2.Q: On housing price, what price does the author use? The average sold housing price? A: The housing price in the article refers to the the average sold housing price, which has been marked in the footnote. 3. Q: Currency should be converted to U.S. dollars. A: The author has made the units standardized, and adjusted parts of the tables. 4. Q: Author still has some Chinese characters in the text. Please correct and do a better proof editing. A: The author has tried to modify the relevant statements as more as he can.
Optional/General comments		Many thanks to the anonymous reviewer for his/her meticulous and sincere advices. The suggestions are very important for the author to upgrade the paper. Meanwhile， they also provide enlightening ideas for the author do further research in this field.