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China Property | Asia Pacific

Diverging Home Price Trends in April

Secondary home prices and listing volumes witnessed diverging trends among cities in April amid a pickup in secondary home sales in select top-tier cities. We maintain our prudent view about the durability of good sales, and suggest waiting for more evidence of a market recovery to turn constructive.

Secondary home prices decline softened slightly in April – falling 0.4% m-m (-11.8% y-y) in the 85 sample cities we track (vs. -0.6% in March), leading to -1.8% y-y in 4M26. 91% of the sample cities recorded m-m decreases, with 19% recording faster declines (vs. 84% in March). In particular, tier 1 cities trended up mildly, which we attribute to their strong secondary home sales that have lasted for longer than expected, especially in Shanghai and Beijing.

Total listings continued to edge up – growing 0.4% m-m on average in ~50 sample cities in April (~50% of the sample cities recorded m-m increases, vs. 61% in March). New secondary listings decreased due to seasonality (-13% m-m and -17% y-y), with 96% sample cities recorded m-m decreases. Compared to the end-2025 level, total listings in 53% of the sample cities were higher, with 20% reaching record highs.

Visitations dropped with seasonality: Visits to agent shops in 45 sample cities fell 10% m-m on average in April. We attribute the diverging performance between primary and secondary markets in high-tier cities to continued market share gains by secondary home sales, given their more competitive prices and reduced new launches of primary homes.

We stay cautious on sustainability: Although secondary home sales in select top-tier cities have exceeded market expectations since March, the diffusion of the recovery into more cities is still elusive at this stage, in our view. With secondary listing volume and primary inventory staying high, resident sentiment remaining fragile, and rental rates still falling, we expect home sales in these cities to cool down in coming months amid fading policy impact, though y-y declines may continue to improve on favorable bases.

Stick with alpha: While recent positive news flow may support industry share prices to stay robust in the near term, we suggest investors stay prudent for now and closely monitor primary/secondary sales volume, home prices, rental rates, and secondary listing volume in May-July to gather conviction of a market recovery. We could become more cautiously optimistic if further evidence of stabilizing physical markets in major cities is seen in the coming months. We remain selective and still favor quality names with credible self-help stories, including **CR Land (1109.HK), Seazen (601155.SS),** and **C&D (1908.HK)**. Should the strong sales continue, **COLI (0688.HK)** and **Jinmao (0817.HK)** may also outperform, given their notably larger exposure in Tier 1 cities.

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Key Charts – Secondary Market

Exhibit 1: Secondary listing home prices trended down 0.4% m-m in April...

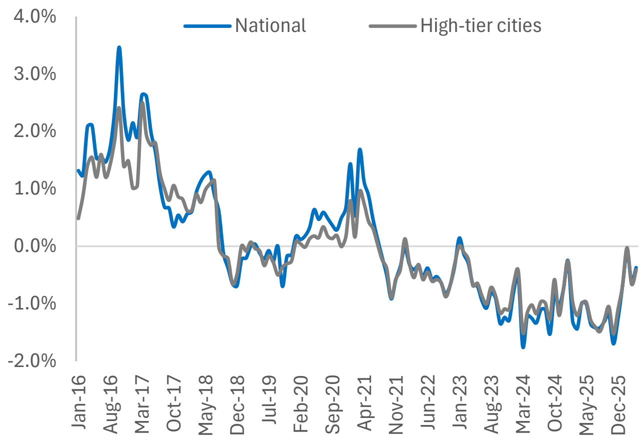


Exhibit 2: ...with 91% of sample cities recording m-m decreases

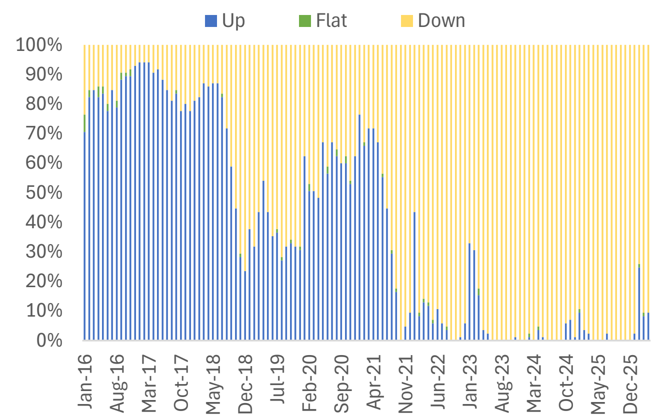
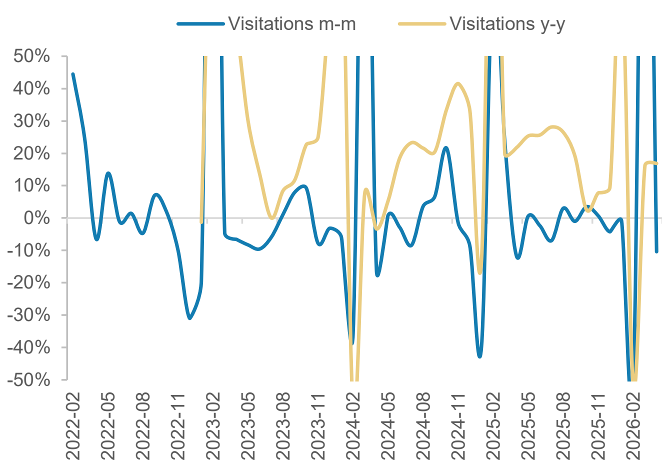


Exhibit 3: New secondary listings decreased m-m in April due to seasonality

Exhibit 4: Visits to agents decreased m-m in April due to seasonality



Valuation Methodology and Risks

China Overseas Land & Investment Ltd. (0688.HK)

Our HK$17.83 share 2026e NAV comprises HK$15.01 of development properties (DCF, 8.0% WACC), HK$6.39 of investment properties (cap rate 5-8%) and HK$3.57 of net debt. To this we apply a 30% discount based on our developers' scorecard, comprising landbank (with a 8/10 score), execution (8), scale (9), growth (8), profitability (8), financing (10), and leverage (10). We use 30-45% discounts in our coverage.

Risks to Upside

- Stronger-than-expected contracted sales.
- Slower-than-expected compression of development margin.

Risks to Downside

- Weaker-than-expected contracted sales.
- Slower-than-expected land acquisitions that limit future sales growth.

China Jinmao Holdings Group Ltd (0817.HK)

Our HK$2.32/share 2026e NAV comprises HK$2.16 of development properties (DCF, 8.8% WACC), HK$1.90 of investment properties (cap rate 5-8%) and HK$1.75 of net debt. To this, we apply a 40% discount based on our developers' scorecard, comprising landbank (with a 7/10 score), execution (7), scale (7), growth (7), profitability (6), financing (8), and leverage (6). We use 30-45% discounts in our coverage.

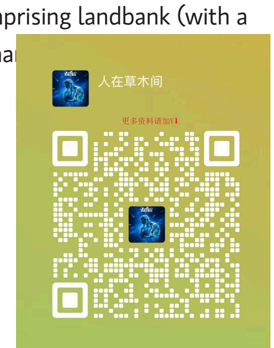
Risks to Upside

- Stronger-than-expected contract sales.
- Stronger-than-expected gross margin rebound.
- Acquisition of new city operation projects.

Risks to Downside

- Weaker-than-expected contract sales and revenue booking.
- Lower-than-expected gross margin.
- Slower-than-expected acquisition of city operation projects.

Our HK$56.20/share 2026e NAV comprises HK$14.99 of development properties (DCF, 8.0% WACC), HK$48.26 of investment properties (cap rate 5-8%) and HK$7.06 of net debt. To this we apply a 30% discount based on our developers' scorecard, comprising landbank (with a 8/10 score), execution (8), scale (9), growth (8), profitability (8), fina
(10). We use 30-45% discounts in our coverage.



Risks to Upside

- Stronger-than-expected contracted sales.
- Accelerated openings of new malls.

Risks to Downside

- Weaker-than-expected contracted sales.
- Slower-than-expected openings of new shopping malls.

C&D International Investment Group Ltd (1908.HK)

Our HK$28.90/share 2026e NAV comprises HK$26.80/share of development properties (DCF, 8.5% WACC), HK$1.02/share of other business and HK$1.08/share of net debt. To this we apply a 35% discount based on our developers' scorecard, comprising landbank (with a 8/10 score), execution (8), scale (8), growth (8), profitability (7), financing (9), and leverage (8). We use 30-45% discounts in our coverage.

Risks to Upside

- Stronger-than-expected contracted sales.
- Stronger-than-expected gross margin.

Risks to Downside

- Weaker-than-expected gross margin.
- Slower-than-expected land acquisitions.

Seazen Holdings Company Ltd. (601155.SS)

Our Rmb35.84/share 2026e NAV comprises Rmb15.70 of development properties (DCF, 9.2% WACC), Rmb39.45 of investment properties (cap rate 6-8%) and Rmb20.86 of net debt. To this we apply a 40% discount based on our developers' scorecard, comprising landbank (with a 5/10 score), execution (7), scale (6), growth (5), profitability (6), financing (7), and leverage (7). We use 30-45% discounts in our coverage.

Risks to Upside

- Stronger-than-expected contract sales
- Stronger-than-expected new IP launching and IP operation
- Faster-than-expected land acquisition

Risks to Downside

- Faster-than-expected compression of development margin
- Weaker-than-expected growth of recurring income
- Slower-than-expected divestment of shopping malls into private REITs