Goldman Sachs Research

Equity Research
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CHINA PROPERTY WEEKLY WRAP

Week 22 Wrap - Primary sales advanced further; city-wide buyback launched in GZ

Key highlights for the week:

Guangzhou easing: Following its end-Apr easing package and mid-May pilot program in Nansha district, Guangzhou launched its city-wide buyback program (akin to Shanghai's model) to facilitate existing home trade-ins, targeting central district units priced below Rmb3mn with GFA under 70 sqm, with follow-on plans to convert acquired units into social and talent housing. The city also optimized channels for the conversion of outstanding commercial mortgages into HPF loans, featuring higher maximum LTV for converted HPF loans (80% vs. prior 70%), and broadened borrower eligibility to include multi-home owners and previous HPF loan recipients (both were previously ineligible), as well as HPF contributors within the GBA or Guangzhou's metropolitan circle (vs. previously restricted to Guangzhou's local depositors).

Market performance: Transaction volumes advanced further in primary markets (+13% wow), reaching a new high since the Qingming Festival and closing May-26 at flattish yoy. While transactions dipped down in secondary (-2% wow, though closing May-26 at +20% yoy), sentiment remained intact with visitations seeing a +4% wow increase, new listing pace remained flattened (closing May at -20% yoy), and transactions ASPs in monitored cities gained +1.5% wow.

Key data points:

- **New homes** sales volume was +13% wow and +4% yoy, while new home search activities stayed flattish wow.
- **Secondary** transactions were -2% wow and +26% yoy, with price appreciation expectations intact for agents but edging lower for home-sellers.
- **May:** Primary GFA sold on median was +5% mom and was flat yoy; Secondary GFA sold on median was -7% mom and +20% yoy.
- **YTD: Primary GFA** sold on average was -14% yoy and was -15%/-47% vs. the 2024/2023 level; **secondary GFA** sold on average was flat yoy and was +23%/+7% vs. the 2024/2023 level.
- **Inventory** balance was -0.5% wow, with inventory months at 27.6 (vs. average 29.3 in Apr-26).
- **Valuation:** Our covered **stronger SOE developers** saw share price +2% wow on average, with Jinmao

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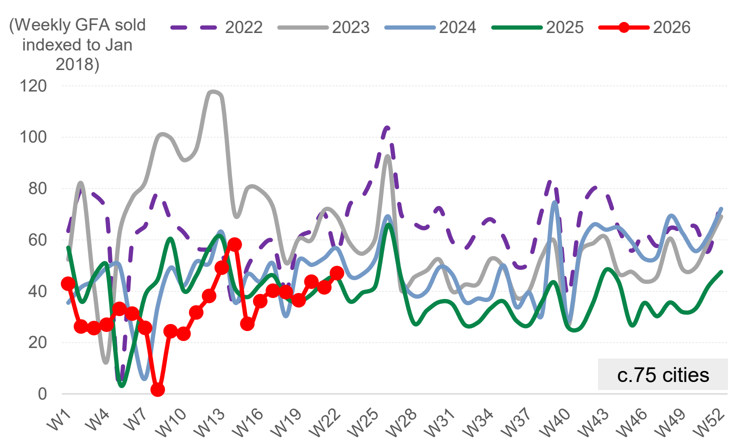
(0817.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +5% wow; meanwhile, **POE developers** and **other SOE developers** saw share price on average flattish/+2% wow, respectively. Our offshore/onshore coverage now trade at an average 24%/20% discount to end-2026E NAV and at 0.6X/0.5X 2026E P/Bs.

Implications:

- **Completions:** GSPC tracker indicates **high-teens % yoy decline** in May (vs. -19% yoy/c.10% yoy decline in Apr by NBS/GSe) and -1% yoy in FY26E per GSe.
- **New starts:** New starts to record a **low-twenties % yoy decline** in May (vs. -27%/mid-teens % yoy decline in Apr by NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio.
- **GTV for BEKE** (new and existing) likely rose 9% yoy in Apr-May (-6%/+16% for new/existing).

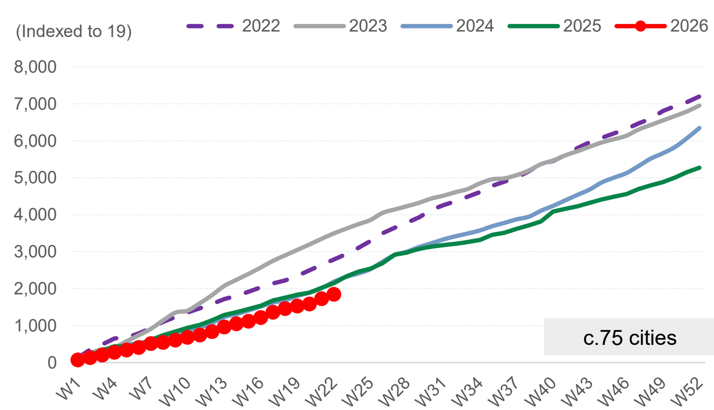
Primary market Week 22: GFA +13% wow and was +4% yoy, sending YTD to -14% yoy

Exhibit 1: Primary GFA sold last week was +13% wow and +4% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

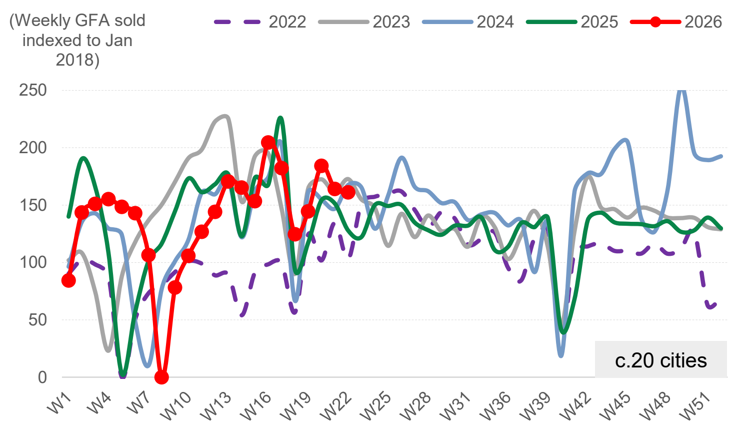
Exhibit 2: Primary GFA sold YTD on average was -14% yoy in c.75 cities, and -15%/-47% vs. 2024/2023 level



Source: CREIS, Goldman Sachs Global Investment Research

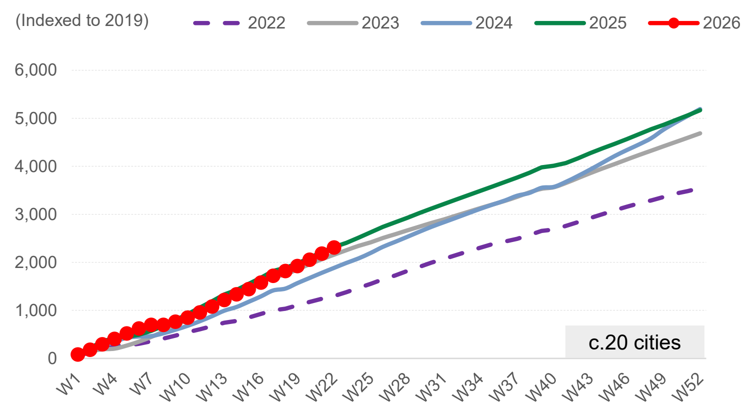
Secondary market: Week 22/YTD volumes were +26%/flat yoy, with price appreciation expectations intact for agents but edging lower for home sellers

Exhibit 3: Secondary GFA sold last week was -2% wow and +26% yoy in c.20 cities
Average weekly volume of secondary property sales



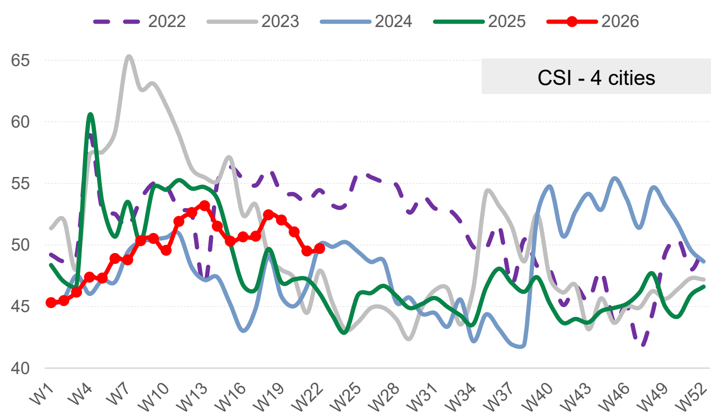
Source: Wind, Goldman Sachs Global Investment Research

Exhibit 4: Secondary GFA sold YTD was flat yoy in c.20 cities, while +23%/+7% vs. 2024/2023
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

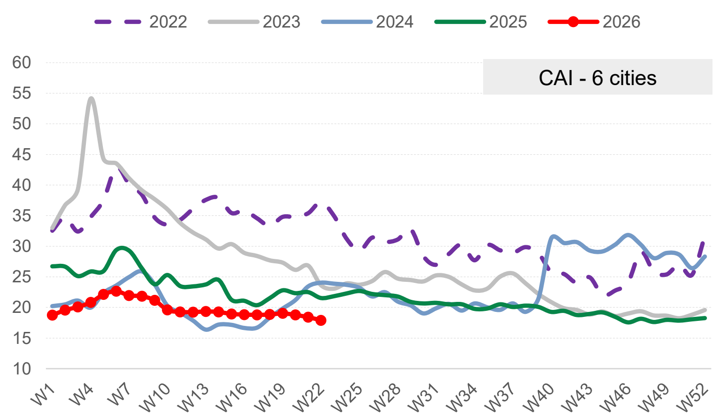
Exhibit 5: Average CSI was +0.2pp wow and +3.7pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 5 cities



CSI refers to agents' view on property price, >50 means positive views on price increases, and vice versa.

Source: Centaline

Exhibit 6: Average CAI was -0.5pp wow and -3.6pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities



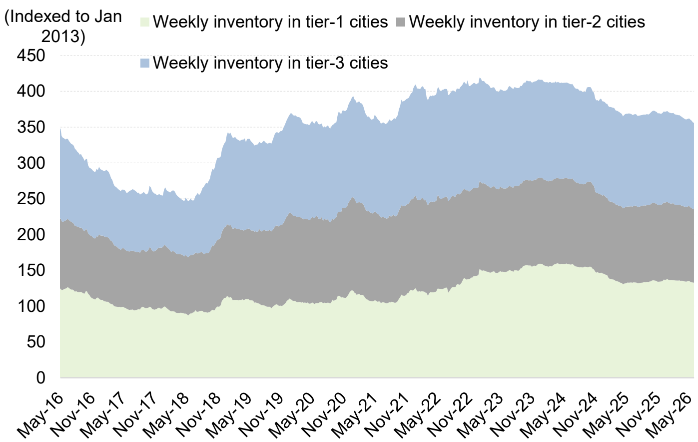
CAI refers to sellers' quoted price.

Source: Centaline

Inventory Week 22: Inventory -0.5% wow and -4.4% from end-25 level, with inventory months at 27.6 (vs. average 29.3 in Apr-26)

Exhibit 7: Inventory balance was -0.5% wow, -4.4% from end-25 levels

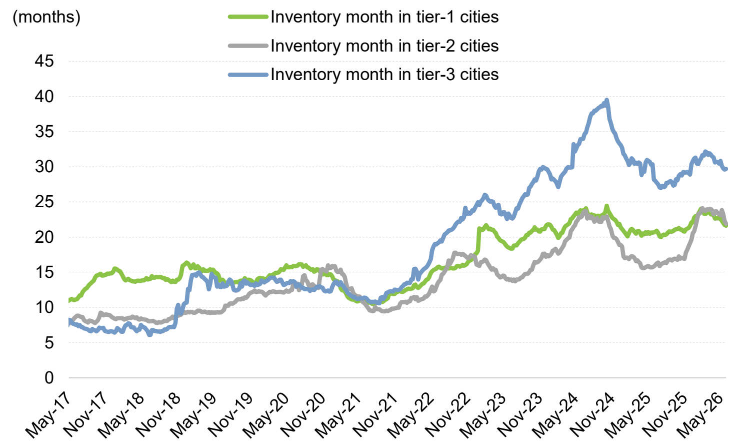
c.20 cities' total inventory breakdown by city tier



Source: CREIS, Goldman Sachs Global Investment Research

Exhibit 8: Inventory month was -0.8% wow, representing -1.1% from end-25 levels

c.20 cities' inventory months (12mth rolling) breakdown by city tier



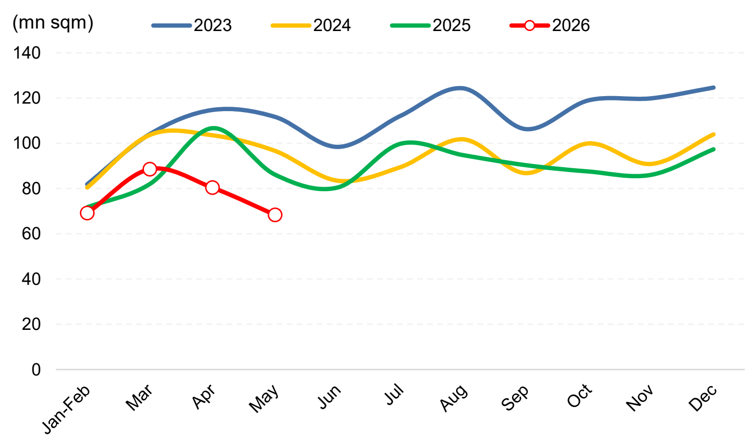
Source: CREIS, Goldman Sachs Global Investment Research

GSPC implies high-teens % yoy decline/-1% yoy in completions for May-26/FY26E per GSe

GS Property Completion (GSPC) tracker indicates **a high-teens % yoy decline in May-26** (vs. -19% yoy/c.10% yoy decline in Apr by NBS/GSe) and **-1% yoy for FY26E per GSe**, based on downstream supply/demand implied from our China float glass industry outlook and proprietary weekly float glass demand model.

Exhibit 9: GSPC tracker implied monthly completions...

GSPC tracker implied monthly GFA completion - based on GS float glass S-D model

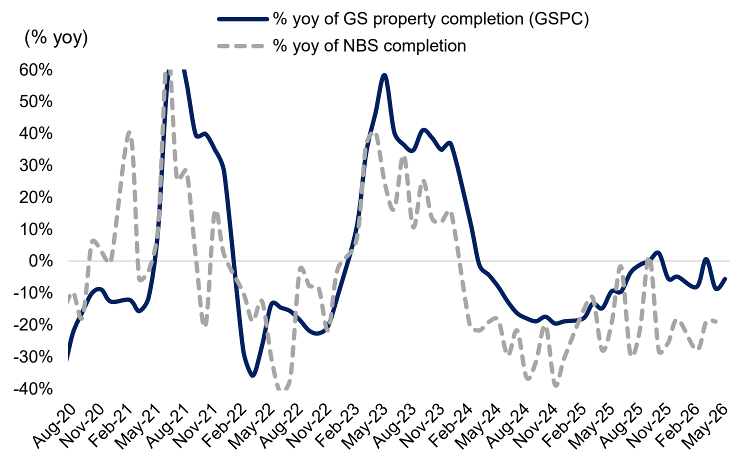


Jan-Feb refers to average level in Jan and Feb.

Source: Sublime China Information, Wind, NBS, Goldman Sachs Global Investment Research

Exhibit 10: ...suggesting completions at a high-teens % yoy decline for May-26

% yoy change of GSPC - based on GS float glass S-D model



Source: Sublime China Information, Wind, NBS, Goldman Sachs Global Investment Research

Valuations: P/B valuation at downturn trough

- Over week 22, our covered **stronger SOE developers** saw share price +2% wow on average, with Jinmao (0817.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +5% wow; meanwhile, **POE developers** and **other SOE developers** saw share price on average flat/+2% wow, respectively.
- Our offshore coverage developers on average saw share prices +1% wow (vs. -2% for MSCI China); our onshore coverage developers averaged +1% wow (vs. -2% for CSI 300).
- Our offshore coverage now trades at an average 24% discount to end-2026E NAV and 0.6X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 39%, 0.7X; 73%, 0.9X; 58%, 0.9X.
- Our onshore coverage trades at an average 20% discount to end-2026E NAV and 0.5X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 67%, 1.6X; 64%, 1.5X; 61%, 1.2X.

Exhibit 11: Over week 22, our covered stronger SOE developers saw share price +2% wow on average, with Jinmao (0817.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +5% wow; meanwhile, POE developers and other SOE developers saw share price on average flat/+2% wow, respectively. Our offshore coverage developers on average saw share prices +1% wow (vs. -2% for MSCI China); our onshore coverage developers averaged +1% wow (vs. -2% for CSI 300).

Company	Ticker	Type	Price as of 6/1/2026	Share price performance Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	9.1	5%	3%	5%
COLI	0688.HK	Central SOE	16.0	2%	3%	31%
CR Land	1109.HK	Central SOE	36.4	4%	3%	34%
Greentown	3900.HK	Mixed ownership	9.1	-3%	2%	7%
Jinmao	0817.HK	Central SOE	1.8	5%	1%	45%
Poly	600048.SS	Central SOE	5.7	-2%	-1%	-6%
Average				**2%**	**2%**	**19%**
POE developers			(LCY)			
Gemdale	600383.SS	Mixed ownership	2.8	2%	1%	-9%
Longfor	0960.HK	POE	8.0	-1%	2%	-6%
Seazen	1030.HK	POE	1.8	-2%	1%	-11%
Average				**0%**	**1%**	**-9%**
Other SOE developers			(LCY)			
OCT	000069.SZ	Central SOE	2.0	3%	4%	-19%
Vanke (A)	000002.SZ	Mixed ownership	3.5	-1%	-2%	-25%
Vanke (H)	2202.HK	Mixed ownership	2.8	4%	3%	-15%
Average				**2%**	**1%**	**-20%**
H-share average				**1%**	**2%**	**12%**
A-share average				**1%**	**1%**	**-11%**
Value chain Index						
Construction materials				-3%	-3%	23%
Construction companies				-3%	1%	1%
Building products				-2%	2%	2%
Decoration companies				-3%	2%	2%
Home appliances				-3%	0%	-4%
Home furnishing				-3%	2%	-7%

Construction Materials Index (801710.SI), Construction Companies Index (801720.SI), Building Products Index (801713.SI), Decoration Companies Index (801722.SI), Home Appliances Index (801110.SI) and Home Furnishing Index (801142.SI) as compiled by Wind.

Source: Datastream, Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 12: China developers' valuation comparisons

Company	Ticker	Mkt Cap (US$ bn)	Daily liquidity (US$ mn) 1 mth trailing	Type	Rating	Price as of 1/Jun/26	12 mth Price target	Potential upside/ downside (%)	Target price disc. to NAV	End-26E NAV	Shr price (disc)/ prem to NAV	FD Core P/E (x) 25	FD Core P/E (x) 26E	FD Core P/E (x) 27E	FD Core P/E (x) 28E	P/B (x) (excl. revaluation gain) 25	P/B (x) 26E	P/B (x) 27E	P/B (x) 28E	Dividend yield (%) 25	Dividend yield (%) 26E	Dividend yield (%) 27E	Dividend yield (%) 28E
Developers																							
Stronger SOE developers																							
CMSK	001979.SZ	12.1	94	Central SOE	Neutral	9.10 (Rmb)	10.10	11	-15%	11.93	(24)	n.m.	22.5	18.7	17.2	0.8	0.8	0.8	0.8	0.6	2.0	2.4	2.6
COLI	0688.HK	22.4	92	Central SOE	Buy	16.0 (HK$)	14.70	(8)	-10%	16.39	(2)	12.4	12.2	11.7	10.6	0.5	0.5	0.5	0.5	3.0	3.2	3.4	3.8
CR Land	1109.HK	33.1	143	Central SOE	Buy	36.4 (HK$)	36.60	0	-10%	40.70	(11)	10.6	9.7	9.5	9.3	1.1	1.0	1.0	0.9	3.5	4.0	4.1	4.2
Greentown	3900.HK	2.9	15	Mixed ownership	Buy	9.1 (HK$)	11.10	22	-15%	13.02	(30)	4.2	4.7	4.6	4.3	0.6	0.6	0.5	0.5	-	2.2	4.0	5.9
Jinmao	0817.HK	3.0	16	Central SOE	Buy	1.8 (HK$)	1.70	(3)	-10%	1.89	(8)	44.6	24.9	12.9	7.0	0.7	0.7	0.7	0.6	1.7	1.7	3.3	6.0
Poly	600048.SS	10.2	130	Central SOE	Neutral	5.74 (Rmb)	6.50	13	-10%	7.24	(21)	66.4	n.m.	n.m.	n.m.	0.4	0.4	0.4	0.4	0.6	-	-	-
Average								**6**	**-12%**		**(16)**	**12.4**	**12.2**	**11.7**	**9.3**	**0.7**	**0.7**	**0.6**	**0.6**	**1.6**	**2.2**	**2.9**	**3.8**
POE developers																							
Gemdale	600383.SS	1.9	38	Mixed ownership	Sell	2.78 (Rmb)	2.70	(3)	-20%	3.40	(18)	n.m.	n.m.	n.m.	n.m.	0.3	0.4	0.4	0.4	-	-	-	-
Longfor	0960.HK	7.3	23	POE	Neutral	8.0 (HK$)	8.70	8	-25%	11.55	(31)	n.m.	n.m.	23.8	15.6	0.4	0.4	0.4	0.4	1.0	-	1.3	2.1
Seazen	1030.HK	1.7	8	POE	Sell	1.8 (HK$)	1.80	(2)	-50%	3.64	(50)	31.1	46.2	21.4	12.1	0.3	0.3	0.3	0.3	-	-	-	-
Average								**1**	**-32%**		**(33)**	**31.1**	**46.2**	**22.6**	**13.9**	**0.4**	**0.4**	**0.4**	**0.4**	**0.3**	**-**	**0.4**	**0.7**
Other SOE developers																							
OCT	000069.SZ	2.4	17	Central SOE	Sell	2.02 (Rmb)	1.50	(26)	-20%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	0.4	0.5	0.5	0.6	-	-	-	-
Vanke (A)	000002.SZ	5.0	74	Mixed ownership	Sell	3.47 (Rmb)	3.70	7	-10%	4.10	(15)	n.m.	n.m.	n.m.	n.m.	0.4	0.4	0.5	0.5	-	-	-	-
Vanke (H)	2202.HK	0.8	10	Mixed ownership	Sell	2.78 (HK$)	2.90	4	-35%	4.47	(38)	n.m.	n.m.	n.m.	n.m.	0.3	0.3	0.3	0.4	-	-	-	-
Average								**(5)**	**-22%**		**(27)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.4**	**0.4**	**0.5**	**-**	**-**	**-**	**-**
Coverage average								**2**			**(22)**	**28.2**	**20.0**	**14.7**	**10.9**	**0.5**	**0.5**	**0.5**	**0.5**	**0.9**	**1.1**	**1.5**	**2.1**
H-share average								**3**			**(24)**	**20.6**	**19.5**	**14.0**	**9.8**	**0.6**	**0.6**	**0.5**	**0.5**	**1.3**	**1.6**	**2.3**	**3.1**
A-share average								**0**			**(20)**	**66.4**	**22.5**	**18.7**	**17.2**	**0.5**	**0.5**	**0.5**	**0.5**	**0.2**	**0.4**	**0.5**	**0.5**

Note:
Our 12-month target prices are based on end-2026E NAV for our coverage universe except for OCT.
Our OCT TP is based on SOTP of its property development (valued by NAV) and its tourism business (valued by P/E).

Source: Datastream, Goldman Sachs Global Investment Research