

## China Property

### Why the recent share price weakness?

Over the past 4 trading days, China Property has underperformed the HSI by 9%. While high-frequency data (after adjustments as last week's data was disrupted by public holidays) maintains a similar trend vs. the past few months, we believe the share price weakness has mostly been driven by (1) negative read-through from weakening consumption data; (2) the sector's higher-beta nature amid the broader market sell-off; (3) a lack of near-term catalysts especially when high-frequency data is, while intact, not turning significantly better; (4) some investors may have focused on the weaker M/M secondary sales volume; however, in our view, this not an accurate way to gauge the market well-being due to seasonality (March & April typically see stronger sales), and thus Y/Y would be more reasonable. Even for leading SOEs like CRL & COLI, while their share prices had been relatively resilient throughout May & the first half of June (Figure 7), they both abruptly corrected 11% (HSI: -2%) over the past 2 trading days. We believe this was due to profit-taking amid broader market weakness as both stocks remain outperformers year-to-date. In fact, even after the correction, year-to-date, CRL (+15%) / COLI (+7%) are still outperforming the HSI (-7%) (Figure 6). However, as data in tier-1 cities continues to show stabilization, on dips we'd selectively buy SOE developers with (1) outperforming sales growth; (2) strong exposure to tier-1 cities (COLI, CRL & Jinmao), but we remain cautious on most non-SOE developers (e.g. Vanke, Sunac) who may not benefit from the K-shaped stabilization.

### A quick look at the latest high-frequency data

- Iceberg Index real-time secondary data (冰山指数实时二手成交):** As of 21 June, 9-city (excluding Shanghai as data is not yet available as of the time of writing) real-time weekly secondary sales marginally rose 1% Y/Y (down from +12% Y/Y). However, the drop is mainly due to the Dragonboat Festival. **If we compare last week's data to the week last year with the Dragonboat Festival, the Y/Y growth would be +15% Y/Y**, which is similar to the range (10-20% Y/Y) in previous weeks.
- Iceberg Index tier-1 city secondary listings (冰山指数二手挂牌量):** Likely under-appreciated by the market, the volume of secondary listings in tier-1 cities has been consistently coming down (dropped 2.5% from the peak in March), and this is a key factor that will support continual secondary home price stabilization.
- Sales registrations (official data with lag of a few weeks):** The 60-city primary weekly sales registrations (一手网签) fell 23% Y/Y, mostly due to the inclusion of the 3-day Dragon Boat Festival (during public holidays, sales registrations are significantly lower than usual). Compared to the same 3-day Dragon Boat Festival period in 2025, sales registrations were up 60% Y/Y (but the sample size is too small, so we do not think this alone is representative). Similarly, the 12-city secondary sales registrations (二手网签) fell 13% Y/Y (for a similar reason), reversing the positive Y/Y growth for the past 9 weeks. We expect both the primary & secondary sales registrations to see solid W/W

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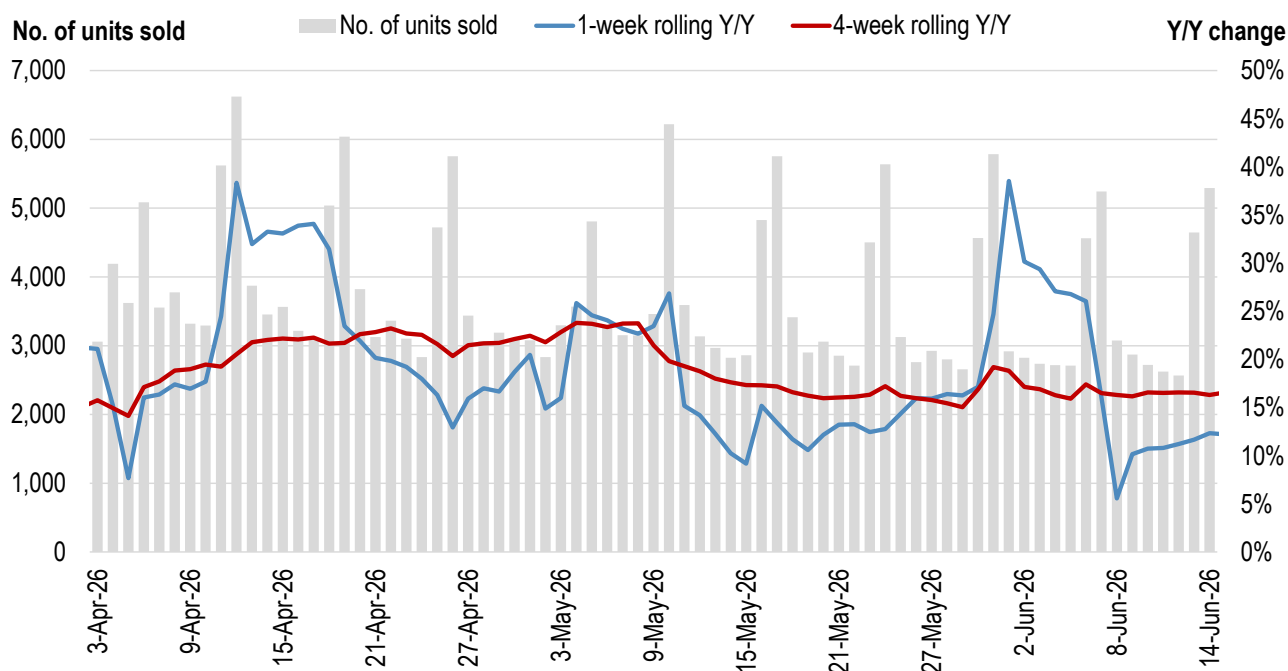
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improvement due to the quarter-end-loaded nature of sales registrations, but we believe Y/Y growth is a more accurate way to assess market trend.

- Home price stabilization in tier-1 cities has continued into May:** According to the NBS home price index, tier-1 cities continued to register positive M/M growth (+0.2% in primary; +0.3% in secondary) in May (the 3<sup>rd</sup> consecutive month). For the Centaline tier-1 secondary home price index, although the M/M growth slowed from +0.6% in April to +0.3% in May, this was the 4<sup>th</sup> consecutive month of positive M/M growth. For more discussion, please see our earlier [report](#) with commentary on the latest NBS data.

## Iceberg Index – real time data

Figure 1: Iceberg Index - 10-city real time secondary daily sales since April 2026 (冰山指数实时二手成交)

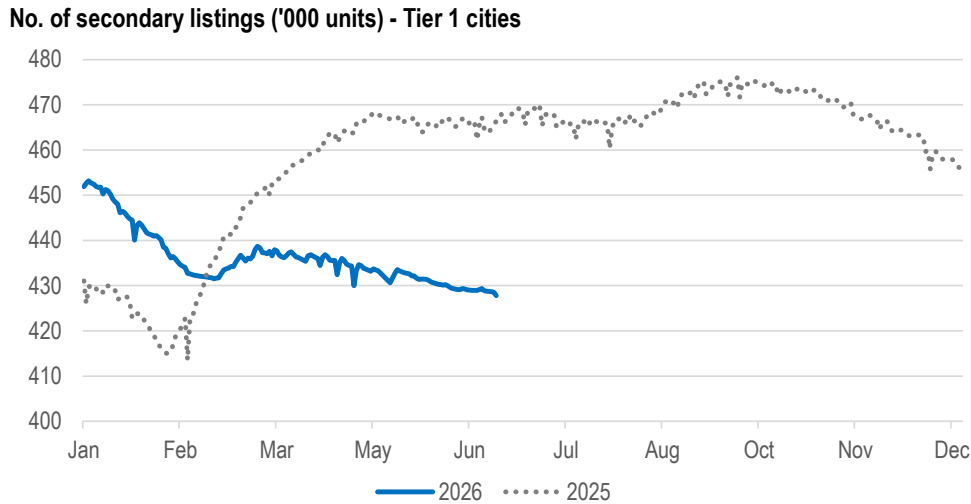


Source: Iceberg Index, J.P. Morgan

Note: The data for the last week is excluded as Shanghai data is not yet available. Please check our "Property Data Monitor" report for subsequent updates.



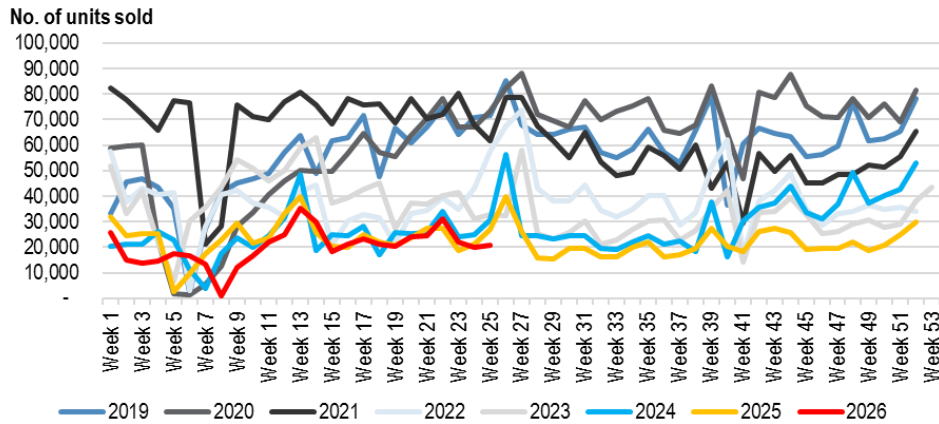
Figure 2: Iceberg Index - tier-1 cities' secondary listing volume (冰山指数二手挂牌量)



Source: Iceberg Index, J.P. Morgan

## Official sales registrations (lag of a few weeks)

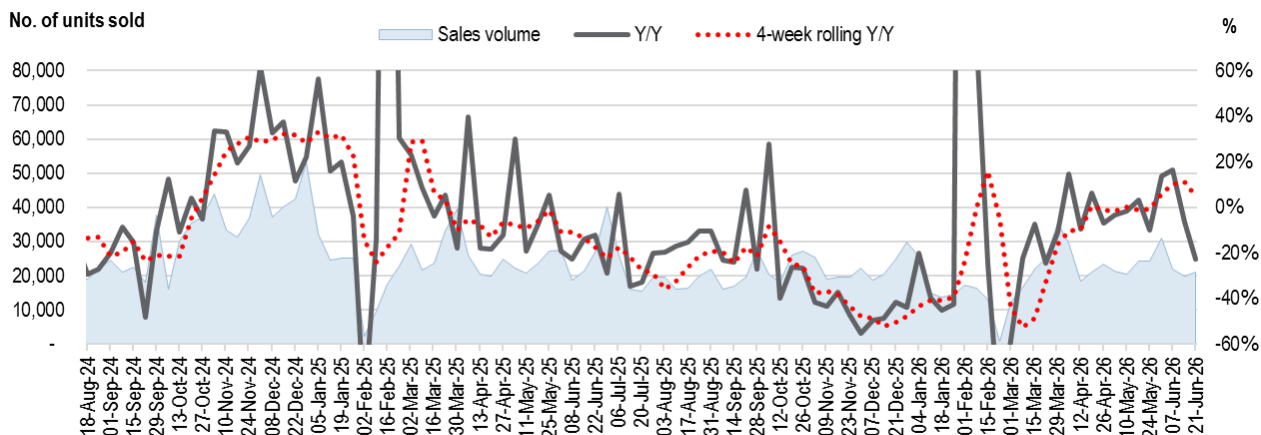
Figure 3: 60-city weekly primary sales registrations (一手网签) – compared with 2019-25



Source: CREIS

Note: The steeper Y/Y decline in the last week is due to the inclusion of Dragon Boat Festival (sales registrations are typically significantly lower than usual during public holidays).

Figure 4: 60-city weekly primary sales registrations (一手网签)



Source: CREIS

Note: The Y/Y decline in the last week is due to the inclusion of Dragon Boat Festival (sales registrations are typically significantly lower than usual during public holidays).

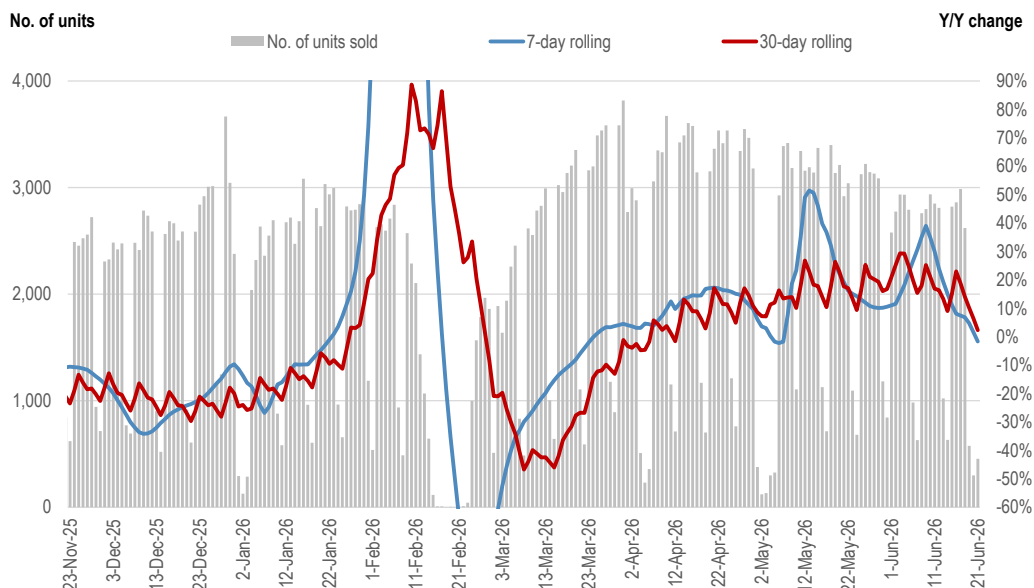
Table 1: 12-city primary sales registrations (一手网签) (comparing first 3 days of Dragon Boat Festival only)

Primary - First 3 days of Dragon Boat Festival		
Year	No. of units sold	2026 vs.
2020	17,067	-67%
2021	8,490	-34%
2022	5,319	6%
2023	5,535	2%
2024	3,919	44%
2025	3,519	60%
2026	5,628	

Source: CREIS

Note: As the sample size is small, the Y/Y growth may not necessarily be representative.

Figure 5: 8-city secondary sales registrations (二手网签)



Source: CREIS

Note: The YY decline in the last week is due to the inclusion of Dragon Boat Festival (sales registrations are typically significantly lower than usual during public holidays).

## Home price trend

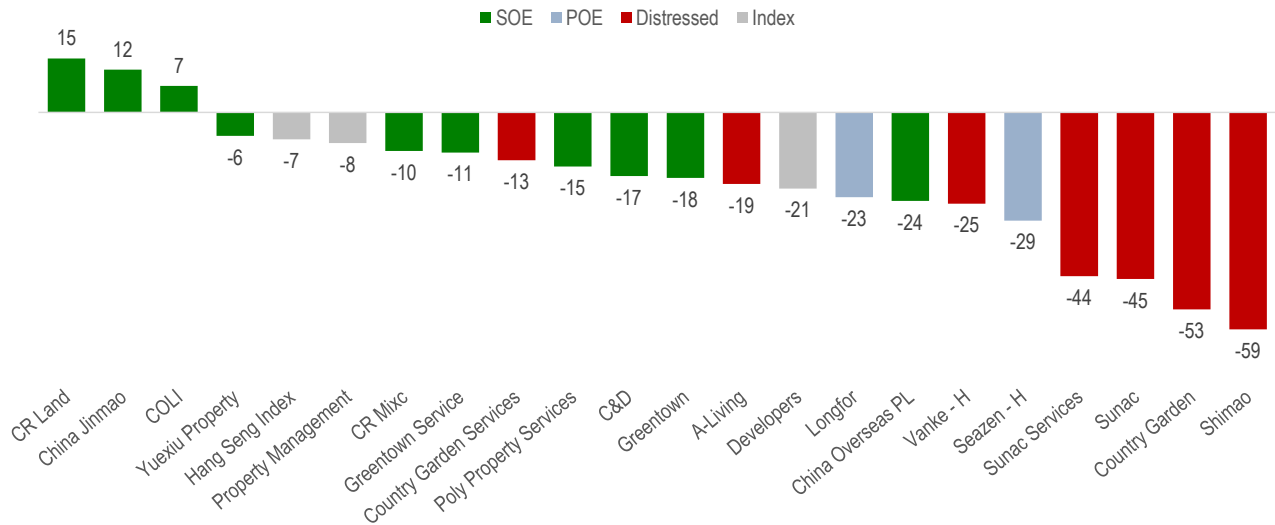
Table 2: Monthly home price index in tier-1 cities

	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
<b>Primary (NBS)</b>													
Beijing	-0.4%	-0.3%	0.0%	-0.4%	0.2%	-0.1%	-0.5%	-0.4%	-0.3%	0.2%	0.0%	-0.2%	-0.2%
Shanghai	0.7%	0.4%	0.3%	0.4%	0.3%	0.3%	0.1%	0.2%	0.0%	0.2%	0.3%	0.4%	0.2%
Guangzhou	-0.8%	-0.5%	-0.3%	-0.2%	-0.6%	-0.8%	-0.5%	-0.6%	-0.6%	0.0%	0.3%	0.1%	0.2%
Shenzhen	-0.4%	-0.6%	-0.6%	-0.4%	-1.0%	-0.7%	-0.9%	-0.5%	-0.4%	-0.3%	0.2%	0.1%	0.4%
<b>Tier-1 Primary (NBS)</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-0.5%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>
<b>Secondary (NBS)</b>													
Beijing	-0.8%	-1.0%	-1.1%	-1.2%	-0.9%	-1.1%	-1.3%	-1.3%	-0.2%	0.3%	0.6%	0.4%	0.1%
Shanghai	-0.7%	-0.7%	-0.9%	-1.0%	-1.0%	-0.9%	-0.8%	-0.6%	-0.4%	0.2%	0.4%	0.7%	0.6%
Guangzhou	-0.8%	-0.7%	-1.0%	-0.9%	-0.8%	-0.9%	-1.2%	-1.0%	-0.7%	-0.5%	0.2%	0.2%	0.1%
Shenzhen	-0.5%	-0.5%	-0.9%	-0.8%	-1.0%	-0.9%	-1.0%	-0.6%	-0.6%	-0.4%	0.4%	0.3%	0.6%
<b>Tier-1 Secondary (NBS)</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>-0.9%</b>	<b>-0.9%</b>	<b>-1.1%</b>	<b>-0.9%</b>	<b>-0.5%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.3%</b>
<b>Secondary (Centaline)</b>													
Beijing	-0.9%	-1.6%	-1.5%	-1.8%	-2.1%	-1.9%	-1.9%	-1.9%	-0.5%	1.2%	1.5%	0.2%	0.1%
Shanghai	-1.4%	-1.4%	-1.7%	-1.7%	-1.5%	-2.2%	-2.0%	-2.8%	-0.5%	0.9%	1.0%	1.6%	0.9%
Guangzhou	-1.0%	-1.4%	-1.2%	-1.8%	-1.4%	-2.0%	-1.9%	-1.3%	-0.8%	-1.5%	0.8%	-0.3%	-0.2%
Shenzhen	-1.1%	-0.5%	-1.1%	-1.0%	-1.5%	-0.5%	-1.0%	-1.6%	-1.3%	0.9%	0.1%	1.0%	0.1%
<b>Tier-1 Secondary (Centaline)</b>	<b>-1.1%</b>	<b>-1.2%</b>	<b>-1.4%</b>	<b>-1.6%</b>	<b>-1.6%</b>	<b>-1.6%</b>	<b>-1.7%</b>	<b>-1.9%</b>	<b>-0.8%</b>	<b>0.4%</b>	<b>0.9%</b>	<b>0.6%</b>	<b>0.3%</b>

Source: NBS, Centaline

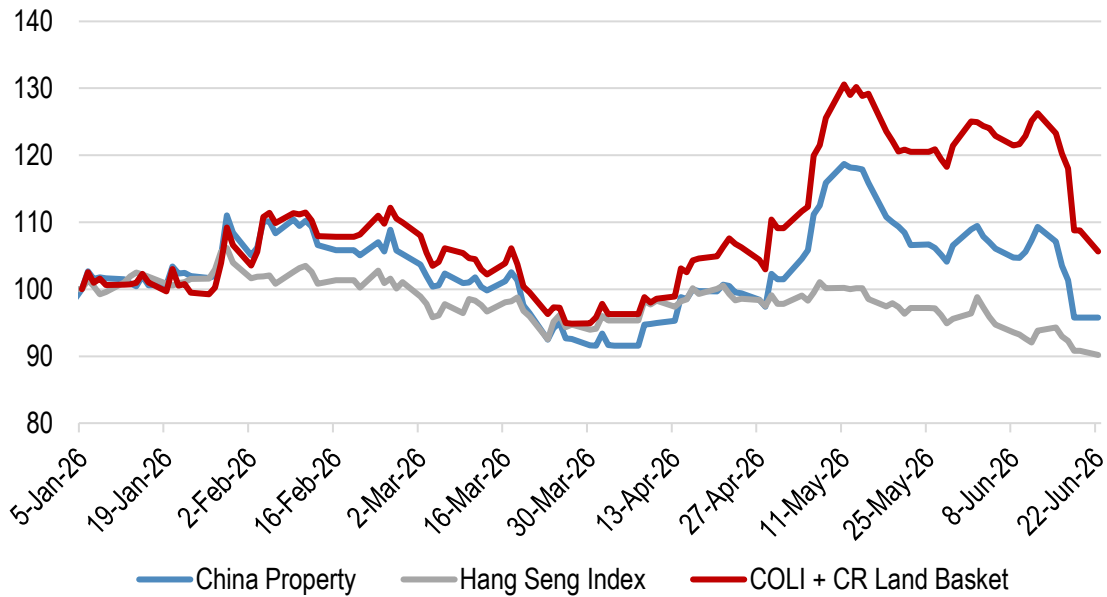
## Sector share price performance

Figure 6: China property – year-to-date share price performance by stock



Source: Bloomberg Finance L.P. as of 22 June 2026, J.P. Morgan

Figure 7: MSCI China Real Estate Index vs. HSI, year-to-date



Source: Bloomberg Finance L.P. as of 22 June 2026, J.P. Morgan

Note: normalized to 100 as of 5 January 2026

## Valuation Summary

Table 3: China property – valuation summary

Company	Stock Code	JPM Rating	Last Close (HK\$)	Market Cap US\$M	ADV US\$M	P/E		Dvd Yield		P/B		Share price return			
						1FY (x)	2FY (x)	1FY (%)	2FY (%)	1FY (x)	2FY (x)	5D	YTD	1Y	vs. AT high
<b>Mainland China Developers</b>															
	1109.HK	OW	31.18	28,362	110.2	9.0	8.9	4.1%	4.2%	0.6	0.6	-14%	18%	22%	-25%
China Overseas Land	0688.HK	OW	13.13	18,331	64.6	10.4	9.4	3.5%	3.9%	0.3	0.3	-16%	7%	2%	-60%
China Jinmao	0817.HK	OW	1.35	2,327	10.8	21.1	16.8	2.6%	2.7%	0.4	0.4	-16%	12%	25%	-79%
C&D International	1908.HK	NC	12.96	3,703	14.6	6.9	6.3	7.7%	8.6%	0.7	0.7	-16%	-12%	-15%	-53%
Greentown China	3900.HK	NC	6.97	2,258	13.1	32.7	16.4	2.2%	4.8%	0.4	0.4	-17%	-18%	-23%	-65%
Yuexiu Property	123.HK	NC	3.71	1,905	6.1	33.7	17.6	2.6%	4.5%	0.2	0.2	-17%	-6%	-8%	-81%
Poly Property	119.HK	NC	1.66	809	5.0	22.7	10.5	1.7%	5.7%	0.2	0.2	-13%	-16%	20%	-87%
<b>SOEs</b>					<b>76.9</b>	<b>11.7</b>	<b>9.8</b>	<b>3.9%</b>	<b>4.4%</b>	<b>0.5</b>	<b>0.5</b>	<b>-15%</b>	<b>10%</b>	<b>10%</b>	<b>-44%</b>
Longfor	0960.HK	OW	6.60	5,975	21.6	-	-	0.0%	1.1%	0.2	0.2	-25%	-22%	-27%	-88%
Seazen Group	1030.HK	N	1.45	1,344	6.0	-	-	-	-	0.2	0.2	-13%	-29%	-37%	-87%
<b>POEs</b>					<b>18.7</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>0.9%</b>	<b>0.2</b>	<b>0.2</b>	<b>-22%</b>	<b>-24%</b>	<b>-29%</b>	<b>-88%</b>
China Vanke - H	2202.HK	UW	2.47	5,158	8.7	-	-	-	-	0.3	0.3	-6%	-25%	-47%	-94%
Country Garden	2007.HK	UW	0.19	1,146	12.2	-	-	-	-	-	-	-8%	-53%	-50%	-99%
Sunac China	1918.HK	UW	0.72	1,567	21.2	-	-	-	-	0.4	0.8	-14%	-45%	-50%	-99%
Shimao	0813.HK	UW	0.08	99	0.5	-	-	-	-	-	-	-8%	-59%	-89%	-100%
Agile	3383.HK	NC	0.16	106	0.1	-	-	-	-	-	-	-17%	-39%	-57%	-99%
Logan	3380.HK	NC	1.44	1,044	3.1	-	-	-	-	-	-	-6%	-20%	78%	-91%
CIFI	884.HK	NC	0.05	104	0.7	-	-	-	-	-	-	-12%	-72%	-81%	-99%
R&F	2777.HK	NC	0.24	114	0.3	-	-	-	-	-	-	-13%	-53%	-75%	-99%
<b>Distressed</b>					<b>10.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>0.3</b>	<b>-8%</b>	<b>-32%</b>	<b>-35%</b>	<b>-95%</b>
<b>Mainland China Developers (Overall HK-Listed)</b>						<b>9.1</b>	<b>7.6</b>	<b>3.1%</b>	<b>3.5%</b>	<b>0.4</b>	<b>0.4</b>	<b>-15%</b>	<b>1%</b>	<b>1%</b>	<b>-55%</b>
<b>Mainland China Property Management</b>															
	1209.HK	OW	38.48	11,204	21.6	17.3	15.6	5.8%	6.4%	4.9	4.8	-10%	-8%	7%	-30%
China Overseas PH	2669.HK	UW	3.44	1,441	4.9	7.3	7.5	6.2%	6.2%	1.5	1.3	-13%	-24%	-33%	-69%
Poly Property Services	6049.HK	OW	27.22	1,921	4.0	8.0	7.6	6.2%	6.6%	1.1	1.1	-11%	-10%	-10%	-71%
Greentown Service	2869.HK	OW	4.18	1,670	2.2	10.7	10.0	6.7%	7.2%	1.3	1.3	-13%	-11%	-1%	-70%
<b>Backed by SOE developers</b>					<b>16.0</b>	<b>14.6</b>	<b>13.4</b>	<b>6.0%</b>	<b>6.5%</b>	<b>3.8</b>	<b>3.7</b>	<b>-11%</b>	<b>-10%</b>	<b>1%</b>	<b>-43%</b>
Country Garden Services	6098.HK	N	5.25	2,182	5.5	6.0	5.9	10.1%	10.2%	0.4	0.4	-5%	-4%	-10%	-94%
A-Living	3319.HK	UW	1.84	333	0.8	3.0	3.4	3.6%	3.2%	0.2	0.2	-14%	-17%	-32%	-96%
Sunac Services	1516.HK	UW	0.78	301	1.4	4.4	5.2	6.8%	4.2%	0.4	0.4	-10%	-44%	-53%	-97%
<b>Backed by POE developers</b>					<b>4.5</b>	<b>5.4</b>	<b>5.5</b>	<b>9.0%</b>	<b>8.7%</b>	<b>0.4</b>	<b>0.4</b>	<b>-7%</b>	<b>-10%</b>	<b>-17%</b>	<b>-94%</b>
<b>Property Management (Overall)</b>					<b>14.3</b>	<b>13.3</b>	<b>12.2</b>	<b>6.4%</b>	<b>6.8%</b>	<b>3.3</b>	<b>3.2</b>	<b>-10%</b>	<b>-10%</b>	<b>-2%</b>	<b>-50%</b>

Source: Company data, Bloomberg Finance L.P. as of Jun 22, 2026, J.P. Morgan estimates.

Note: Companies marked with "NC" are not covered by J.P. Morgan; all such estimates are based on Bloomberg consensus estimates.