CHINA PROPERTY WEEKLY WRAP

# Week 28 Wrap – Sequential volume weakening with leading indicators trended lower

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## Key highlights for the week:

**Policy front:** The State Council released the "15th Five-Year Plan for Expanding Consumption". Notably, the plan emphasizes the sustained and healthy development of the real estate market as part of a broader mechanism to increase residents' property income, shifting from previous notions that focused largely on stabilizing financial assets. Meanwhile, *on durable goods consumption*, the property-related policy framework remains largely aligned with the "Special Action Plan to Revitalize Consumption" released in March, with key priorities including increasing affordable housing and implementing city-specific policies to expand high-quality housing supply, accelerating the renovation of urban villages, dilapidated housing, and aging residential communities, supporting owner-led initiatives for "intelligent" and "aging-friendly" home improvements, as well as enhancing property management standards and regulating the development of rental markets; *on policy frameworks*, the plan calls for deepening reforms to the housing provident fund system, specifically expanding the scope of fund usage to better align with the increasingly diverse housing needs of depositors. That said, short-term supportive measures referenced in March, such as using special-purpose bonds to finance buybacks of unsold completed properties and implementing property-related tax easing are not mentioned in the announced plan.

**Market performance:** Transaction volumes declined by -25%/-6% wow in primary/secondary, though MTD-July retained yoy improvements in both markets at +5%/+11% yoy, respectively. The sequentially slower transactions were mirrored by secondary visitations and secondary subscription sales (which leads registration-based sales by 1-2 weeks) respectively at -8%/-6% wow, and price appreciation expectations edged lower for both agents and home-sellers. On the brighter side, new home search activities stayed steady wow and new listing supply continued contraction at -9% wow (7% below June average and 18% below July-25 levels).

## Key data points:

- **New homes** sales volume was -25% wow and -6% yoy, while new home search activities were flattish wow.
- **Secondary** transactions were -6% wow and flattish yoy,

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with price appreciation expectations edging lower for both agents and home-sellers.

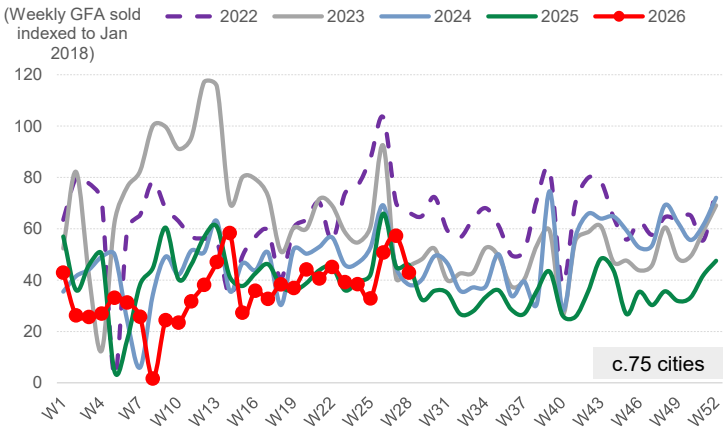
- **MTD July:** Primary GFA sold on median was -3% mom and was +5% yoy; secondary GFA sold on median was -9% mom and +11% yoy.
- **YTD: Primary GFA** sold on average was -12% yoy and was -13%/-38% vs. the 2024/2023 level; **secondary GFA** sold on average was +1% yoy and was +17%/+11% vs. the 2024/2023 level.
- **Inventory** balance was -0.4% wow, with inventory months at 27.0 (vs. average 27.5 in June-26).
- **Valuation:** Our covered **stronger SOE developers** saw share prices -2% wow on average, with COLI (0688.HK, Buy) outperforming at +4% wow; meanwhile, **other developers** saw share prices on average -2% wow. Our offshore/onshore coverage now trades at an average 39%/36% discount to end-2026E NAV and at 0.4X/0.4X 2026E P/Bs.

## Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to rise 5% yoy in July, vs. -13% in June.
- **Completions:** GSPC tracker indicates **c.20% yoy decline** in June (vs. -20% yoy/high-teens % yoy decline in May by NBS/GSe) and -1% yoy in FY26E per GSe.
- **New starts:** New starts to record a **high-twenties % yoy decline** in June (vs. -25%/low-twenties % yoy decline in May by NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio (-1.1pp wow to 42%).
- **GTV for BEKE** (new and existing) likely rose 2% yoy in 2Q26 (-23%/+12% for new/existing).

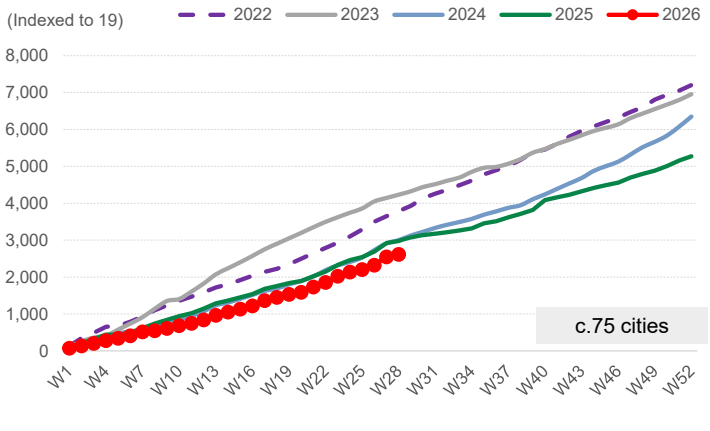
# Primary market Week 28: GFA -25% wow and was -6% yoy, sending YTD to -12% yoy

**Exhibit 1: Primary GFA sold last week was -25% wow and -6% yoy in c.75 cities**




Source: CREIS, Goldman Sachs Global Investment Research

**Exhibit 2: Primary GFA sold YTD on average was -12% yoy in c.75 cities, and -13%/-38% vs. 2024/2023 level**

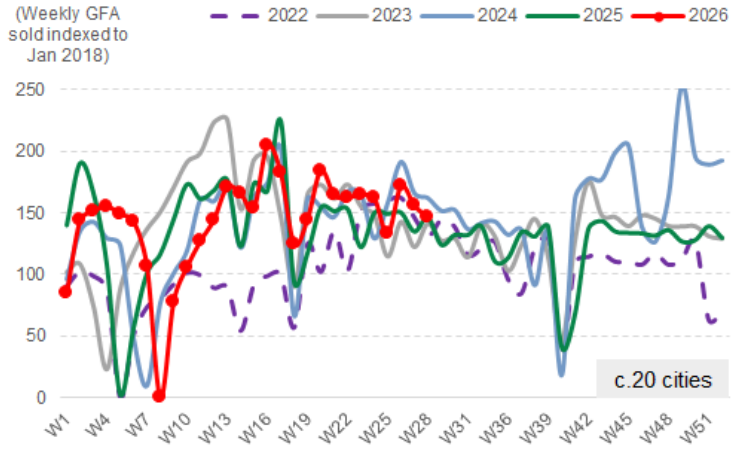



Source: CREIS, Goldman Sachs Global Investment Research

# Secondary market: Week 28/YTD volumes were flattish/+1% yoy, with price appreciation expectations edging lower for agents and home-sellers

**Exhibit 3: Secondary GFA sold last week was -6% wow and flattish yoy in c.20 cities**

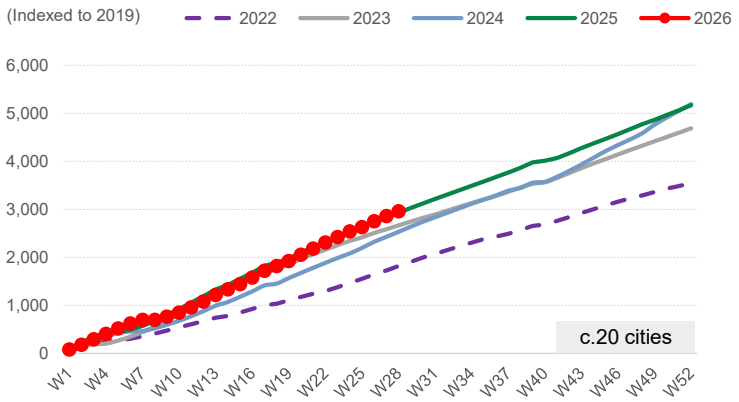
Average weekly volume of secondary property sales




Source: Wind, Goldman Sachs Global Investment Research

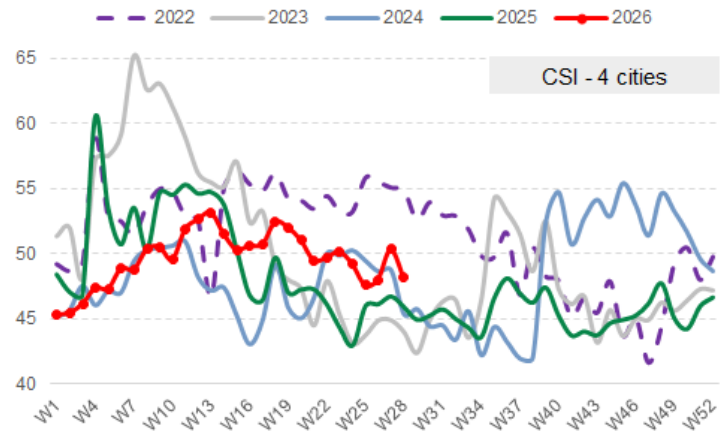
**Exhibit 4: Secondary GFA sold YTD was +1% yoy in c.20 cities, while +17%/+11% vs. 2024/2023**

2026 secondary volume sold vs. 2022-25




Source: Wind, Goldman Sachs Global Investment Research

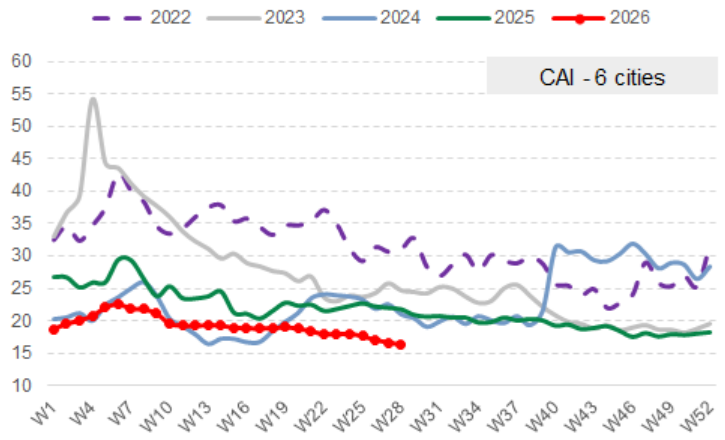
**Exhibit 5: Average CSI was -2.2pp wow and +2.3pp yoy**
Weekly Centaline Salesman Index (CSI) tracker in 4 cities




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 -0.4pp wow and -5.5pp yoy**
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

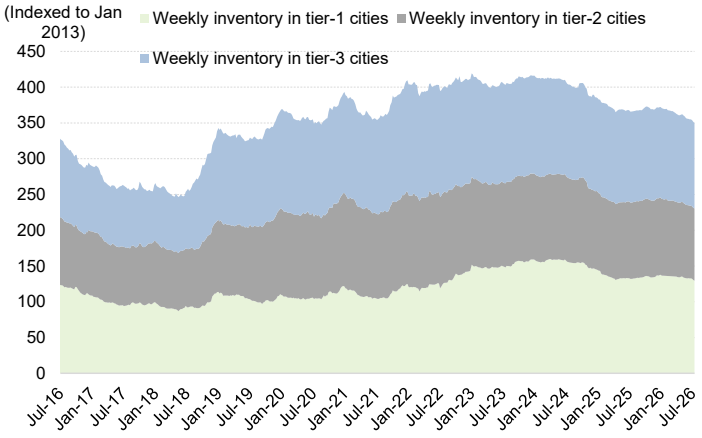



CAI refers to sellers' quoted price.

Source: Centaline

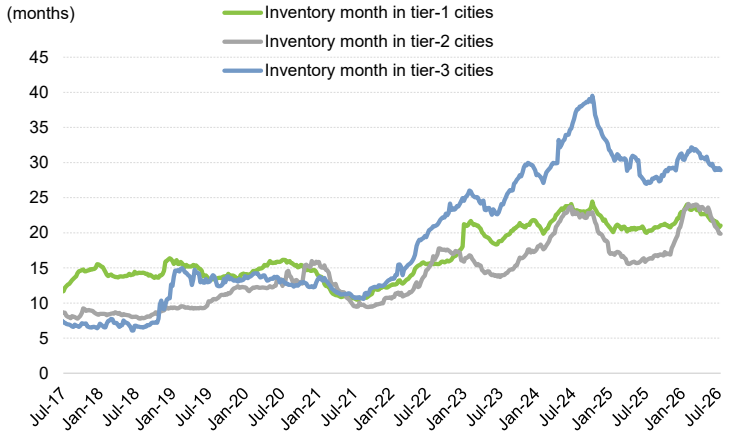
# Inventory Week 28: Inventory -0.4% wow and -5.7% from end-25 level, with inventory months at 27.0 (vs. average 27.5 in June-26)

**Exhibit 7: Inventory balance was -0.4% wow, -5.7% 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 +0.3% wow, representing -3.5% from end-25 levels**
c.20 cities' inventory months (12mth rolling) breakdown by city tier

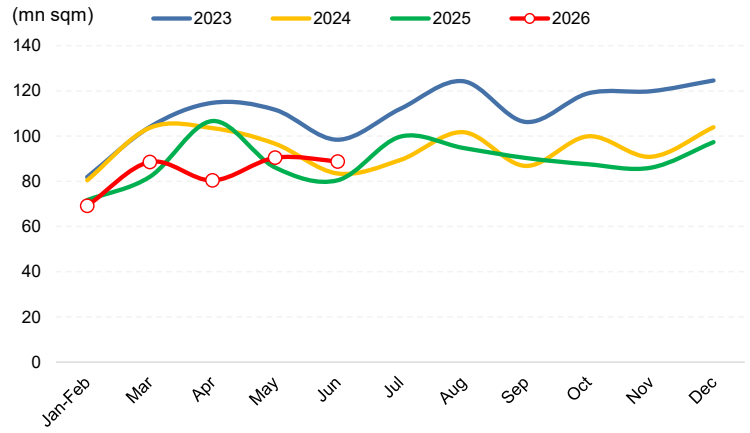



Source: CREIS, Goldman Sachs Global Investment Research

# GSPC implies c.20% yoy decline/-1% yoy in completions for June-26/FY26E per GSe

GS Property Completion (GSPC) tracker indicates **a c.20% yoy decline in June-26** (vs. -20% yoy/high-teens % yoy decline in May 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.

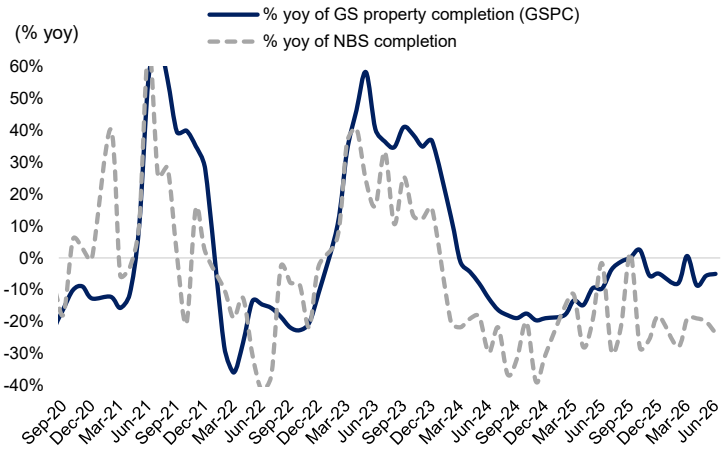
**Exhibit 9: GSPC tracker implied monthly completions...**
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model




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 c.20% yoy decline for June-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 28, our covered **stronger SOE developers** saw share prices -2% wow on average, with COLI (0688.HK, Buy) outperforming at +4% wow; meanwhile, **other developers** saw share prices on average -2% wow, respectively.
- Our offshore coverage developers on average saw share prices -1% wow (vs. +2% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -3% for CSI 300).
- Our offshore coverage now trades at an average 39% discount to end-2026E NAV and 0.4X 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 36% discount to end-2026E NAV and 0.4X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 67%, 1.6X; 64%, 1.5X; 61%, 1.2X.

**Exhibit 11: Over week 28, our covered stronger SOE developers saw share price -2% wow on average, with COLI (0688.HK, Buy) outperforming at +4% wow; meanwhile, other developers saw share price on average -2% wow, respectively. Our offshore coverage developers on average saw share prices -1% wow (vs. +2% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -3% for CSI 300).**

| Company | Ticker | Type | Price as of 7/13/2026 | Share price performance Past week | MTD | YTD |
|---|---|---|---|---|---|---|
| **Stronger SOE developers** | | | (LCY) | | | |
| CMSK | 001979.SZ | Central SOE | 6.3 | -6% | -2% | -27% |
| COLI | 0688.HK | Central SOE | 13.1 | 4% | 9% | 7% |
| CR Land | 1109.HK | Central SOE | 32.7 | 2% | 9% | 20% |
| Greentown | 3900.HK | Mixed ownership | 6.9 | -3% | 3% | -18% |
| Jinmao | 0817.HK | Central SOE | 1.3 | -6% | 5% | 7% |
| Poly | 600048.SS | Central SOE | 4.7 | -2% | 1% | -23% |
| **Average** | | | | **-2%** | **4%** | **-6%** |
| **Other developers** | | | (LCY) | | | |
| Longfor | 0960.HK | POE | 6.3 | -2% | 5% | -26% |
| Seazen | 1030.HK | POE | 1.4 | -4% | 2% | -34% |
| Vanke (A) | 000002.SZ | Mixed ownership | 3.0 | -1% | 2% | -35% |
| Vanke (H) | 2202.HK | Mixed ownership | 2.3 | 0% | 8% | -30% |
| **Average** | | | | **-2%** | **4%** | **-31%** |
| **H-share average** | | | | **-1%** | **6%** | **-11%** |
| **A-share average** | | | | **-3%** | **1%** | **-28%** |
| **Value chain Index** | | | | | | |
| Construction materials | | | | -7% | -14% | 25% |
| Construction companies | | | | -2% | -2% | -6% |
| Building products | | | | -6% | -5% | -14% |
| Decoration companies | | | | -1% | -2% | -10% |
| Home appliances | | | | -2% | 1% | -8% |
| Home furnishing | | | | -2% | 0% | -17% |

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 13/Jul/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 | 26E | 27E | 28E | P/B (x) (excl. revaluation gain) 25 | 26E | 27E | 28E | Dividend yield (%) 25 | 26E | 27E | 28E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Developers** | | | | | | | | | | | | | | | | | | | | | | | |
| **Stronger SOE developers** | | | | | | | | | | | | | | | | | | | | | | | |
| CMSK | 001979.SZ | 8.4 | 77 | Central SOE | Neutral | 6.32 (Rmb) | **10.10** | 60 | -15% | **11.93** | (47) | n.m. | 15.6 | 13.0 | 12.0 | 0.6 | 0.6 | 0.6 | 0.5 | 0.8 | 2.9 | 3.5 | 3.8 |
| COLI | 0688.HK | 18.3 | 60 | Central SOE | Buy | 13.1 (HK$) | **14.70** | 12 | -10% | **16.39** | (20) | 10.1 | 10.0 | 9.6 | 8.6 | 0.4 | 0.4 | 0.4 | 0.4 | 3.7 | 4.0 | 4.2 | 4.7 |
| CR Land | 1109.HK | 29.7 | 126 | Central SOE | Buy | 32.7 (HK$) | **36.60** | 12 | -10% | **40.70** | (20) | 9.5 | 8.7 | 8.6 | 8.4 | 1.0 | 0.9 | 0.9 | 0.8 | 3.9 | 4.5 | 4.6 | 4.7 |
| Greentown | 3900.HK | 2.2 | 11 | Mixed ownership | Buy | 6.9 (HK$) | **11.10** | 60 | -15% | **13.02** | (47) | 3.2 | 3.6 | 3.5 | 3.3 | 0.5 | 0.4 | 0.4 | 0.4 | - | 2.9 | 5.2 | 7.7 |
| Jinmao | 0817.HK | 2.2 | 10 | Central SOE | Buy | 1.3 (HK$) | **1.70** | 32 | -10% | **1.89** | (32) | 32.9 | 18.3 | 9.5 | 5.2 | 0.5 | 0.5 | 0.5 | 0.5 | 2.4 | 2.3 | 4.4 | 8.2 |
| Poly | 600048.SS | 8.2 | 90 | Central SOE | Neutral | 4.67 (Rmb) | **6.50** | 39 | -10% | **7.24** | (35) | 54.0 | n.m. | n.m. | n.m. | 0.3 | 0.3 | 0.3 | 0.3 | 0.7 | - | - | - |
| **Average** | | | | | | | | **36** | **-12%** | | **(33)** | **10.1** | **10.0** | **9.5** | **8.4** | **0.5** | **0.5** | **0.5** | **0.5** | **1.9** | **2.8** | **3.6** | **4.8** |
| **Other developers** | | | | | | | | | | | | | | | | | | | | | | | |
| Longfor | 0960.HK | 5.7 | 24 | POE | Neutral | 6.3 (HK$) | **8.70** | 38 | -25% | **11.55** | (45) | n.m. | n.m. | 18.7 | 12.3 | 0.3 | 0.3 | 0.3 | 0.3 | 1.2 | - | 1.7 | 2.6 |
| Seazen | 1030.HK | 1.3 | 5 | POE | Sell | 1.4 (HK$) | **1.80** | 33 | -50% | **3.64** | (63) | 22.9 | 34.1 | 15.8 | 9.0 | 0.3 | 0.2 | 0.2 | 0.2 | - | - | - | - |
| Vanke (A) | 000002.SZ | 4.3 | 63 | Mixed ownership | Sell | 3.03 (Rmb) | **3.70** | 22 | -10% | **4.10** | (26) | n.m. | n.m. | n.m. | n.m. | 0.3 | 0.4 | 0.4 | 0.5 | - | - | - | - |
| Vanke (H) | 2202.HK | 0.6 | 7 | Mixed ownership | Sell | 2.30 (HK$) | **2.90** | 26 | -35% | **4.47** | (49) | n.m. | n.m. | n.m. | n.m. | 0.2 | 0.2 | 0.3 | 0.3 | - | - | - | - |
| **Average** | | | | | | | | **30** | **-30%** | | **(46)** | **n.m.** | **n.m.** | **n.m.** | **n.m.** | **0.3** | **0.3** | **0.3** | **0.3** | **0.3** | **-** | **0.4** | **0.7** |
| **Coverage average** | | | | | | | | **33** | | | **(38)** | **22.1** | **15.0** | **11.2** | **8.4** | **0.4** | **0.4** | **0.4** | **0.4** | **1.3** | **1.7** | **2.4** | **3.2** |
| **H-share average** | | | | | | | | **30** | | | **(39)** | **15.7** | **14.9** | **11.0** | **7.8** | **0.5** | **0.4** | **0.4** | **0.4** | **1.6** | **2.0** | **2.9** | **4.0** |
| **A-share average** | | | | | | | | **40** | | | **(36)** | **54.0** | **15.6** | **13.0** | **12.0** | **0.4** | **0.4** | **0.4** | **0.4** | **0.5** | **1.0** | **1.2** | **1.3** |

*Source: DataStream, Company data, Goldman Sachs Global Investment Research*

Source: Datastream, Goldman Sachs Global Investment Research