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China Property

Positive: Position for Volume Growth in Core Cities on More Launches

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CITI'S TAKE

Position for sales growth and pickup in launches from Sep; look through weak 1H earnings — Our positive sector view is backed by (1) likely stabilizing sales growth in Jul-Sep on resilient transaction volumes in core cities and a favorable low base; (2) a stronger new launch pipeline from Sep; (3) expectation for a supportive tone from Jul Poliburo meeting. Physical market activity remains firm in Jul, with primary/ secondary transaction units in key cities increasing 11%/ 17%yoy in July. 1H26 earnings weakness is slightly better than investors bearish expectation, while guidance on sales & margin could be supportive. As such, we think the sector is well prepared for a bull run in Aug-Oct. Our top picks are: CRL, C&D, Beike, Jinmao & COLI. We turned more positive on C&D from Jun after its product upgrades & accelerated landbanking.

Primary & secondary volume gaining strength in July — Secondary volume in July rose 7%yoy across 18 cities (WIND), led by tier-1 cities +14%yoy, and listings down 0.1%wow. The weekly volume of 24.5k units is healthy (3% above 2025 avg) during a typically slow summer season. A few T2 cities are resilient with more than 20%yoy growth for FS/ NB/ SH/ Suzhou & 10-20% growth for CD/ SZ/ BJ/ DG. Hefei benefits from tech company new listings. Secondary prices in the 6 core cities continued the mom stabilization trend. New home volume in 34 cities +11%yoy (CREIS) in July, driven chiefly by improved sell-through for ongoing sales, especially luxury units & the smaller entry-level units. For listed names, we expect more could turn to positive sales growth in Aug-Sep, partly aided by a low comparison base. Sales growth for leaders should also accelerate. In 1H26, five names already delivered positive sales growth: COLI +12%yoy, Jinmao +8%, CMSK +8%, CRL +6%, COGO +15%.

Land: reduced supply pushed up prices for quality plots; awaiting 2H window — — 1H26 land sales in 300 cities -22%yoy by GFA (20-year low), and land purchase from top-100 players -25%, per CRIC. Constrained supply has pushed the avg land premium to 13.7% in Jun (+8pts mom; e.g., SZ, HZ, SH). Leaders by land acq cost were CRL (strong in SZ), Poly Dev & C&D. Else, COLI/ Jinmao/ Greentown plan to acquire in 2H26 when supply pickup could offer more attractive land prices, after strong 2025. C&D paced up in Jun (SZ/ SH/ HZ/ Wuxi/ Suzhou/ Fuzhou etc.).

Policy: renewal progressing; supportive to the recovery momentum — [1] Qiushi Journal (18-Jun) called for efforts to boost consumption, and mentioned to accelerate repair of household balance sheets & stabilize the property market to prevent the negative impact to confidence. [2] Renewal investment in 2026: central budget is Rmb97bn (+Rmb17bn or +21% yoy) and another Rmb160bn ultra-long-term special CGB (+Rmb25bn or +18.5% yoy). [3] We expect a supportive tone at July Politburo meeting. Locally, any easing on HPF/ trade-in programs etc. amid market recovery to reinforce the upturn & household expectations is a beat to current market expectation of no concrete policy to be announced.

Figure 1. Weekly Primary Transaction in 34 Cities (by # units registered)

Average Weekly Primary Transaction Volumn (by registration of units sold 网签新房销售套数)	Weekly Transaction (units)				YoY Change (%)				Sequential Change (%)			
	34 cities	Tier-1	Tier-2	Tier-3/4	34 cities	Tier-1	Tier-2	Tier-3/4	34 cities	Tier-1	Tier-2	Tier-3/4
Single Week						**YoY Change**				**WoW Change**		
7 26 2026	18.546	4,255	10,914	3,377	4.0%	13.1%	-0.9%	10.2%	4.0%	-1.9%	5.7%	6.8%
7/19/2026	17 825	4,336	10,329	3,161	6 3%	-23 5%	16 8%	40 0%	-5 9%	-7 3%	-10 3%	14 8%
7/12/2026	18.939	4.677	11.508	2.754	14 0%	48 8%	13 0%	-16 1%	-31 3%	-14 7%	-33 0%	-43 9%
7/5/2026	27.566	5,481	17.173	4,912	17 6%	-0 4%	19 4%	38 1%	6 6%	-9.8%	7 5%	29.4%
6/28/2026	25 848	6,078	15,976	3,795	-26 3%	-22 7%	-24 3%	-37 9%	39 0%	34 6%	39 8%	42 9%
6/21/2026	18,601	4,517	11.429	2.655	-16 6%	-13 5%	-14 6%	-28 2%	0 2%	-7.2%	6.5%	-10 6%
Single Month						**YoY Change**				**MoM Change**		
Jul 26	20.719	4,687	12.481	3.551	11.0%	3.7%	12.4%	16.8%	-2.1%	8.5%	2.7%	10.7%
Jun-26	21.161	5,125	12.828	3.208	-10 0%	-11 3%	-6 3%	-20 5%	-5.3%	-13.5%	1 4%	-14 7%
May-26	22 334	5,922	12 651	3,761	2 3%	12 4%	-1 4%	1 0%	3 0%	2 8%	3 1%	2.9%
Apr-26	21.684	5.759	12.270	3.655	7 7%	17 9%	5 4%	1 6%	-4 2%	8 2%	-6 0%	-14 2%
Mar-26	22.635	5,325	13.052	4.259	-11.2%	-7.1%	-13.9%	-7.5%	99.6%	137.3%	104.4%	57.1%
Feb-26	11.339	2,244	6 384	2,711	-37 1%	-39 5%	-38 6%	-30 6%	-28 4%	-43 5%	-29 4%	-3.9%
Jan-26	15.831	3,969	9.043	2.819	-16 1%	-14.8%	-19 5%	-5.4%	-15 2%	-20.0%	-16 1%	-3.4%
Dec-25	18.661	4,962	10.781	2.919	-44.0%	-39.9%	-46.9%	-38.3%	0.1%	0.9%	-2.2%	8.5%
Nov-25	18.634	4.918	11.024	2.692	-44 6%	-41 3%	-47 0%	-39 8%	-10 9%	1 2%	-11 4%	-25 3%
Oct-25	20.902	4,859	12.439	3.604	-33.7%	-41.7%	-29.2%	-35.7%	20.6%	20.2%	18.0%	31.4%
Sep-25	17 327	4,043	10 540	2,744	-7 2%	4.6%	-7 3%	-19 8%	2 1%	0 2%	1 8%	5.7%
Aug-25	16.979	4,034	10,349	2,596	-20 0%	-23 1%	-17 4%	-24 4%	-9 0%	-10 7%	-6 8%	-14 6%
Jul-25	18.666	4,520	11.106	3.040	-12 8%	-12.3%	-17.1%	5.9%	-20 9%	-20.9%	-20 0%	-24.3%
YTD2026 Avg	**19,366**	**4,734**	**11,218**	**3,414**	**-7.3%**	**-4.2%**	**-8.6%**	**-7.1%**				
FY2025	**20,301**	**4,867**	**12,082**	**3,352**	**-18.9%**	**-10.9%**	**-21.9%**	**-18.4%**				

*34 cities include: 4 Tier-1 cities: Beijing, Shanghai, Shenzhen, Guangzhou; 15 Tier-2 cities: Chongqing, Hangzhou, Nanjing, Wuhan, Chengdu, Suzhou, Dalian, Xi'an, Changsha, Fuzhou, Shenyang, Qingdao, Jinan, Changchun, Nanning; 15 Tier-3/4 cities: Wenzhou, Dongguan, Zhenjiang, Yangzhou, Shantou, Shaoguan, Zhoushan, Taian, Jiangyin, Huaian, Wuhu, Shaoxing, Zhaoqing, Suzhou (Anhui), Haimen

Source: CREIS, Citi Research

Figure 2. Weekly Secondary Transactions in 18 Cities (by # units registered)

Average Weekly Secondary Transaction Volume (by registration of units sold 网签二手房交易套数)	Weekly Transaction (units)				YoY Change (%)				Sequential Change (%)			
	18 cities	Tier-1	Tier-2	Tier-3/4	18 cities	Tier-1	Tier-2	Tier-3/4	18 cities	Tier-1	Tier-2	Tier-3/4
Single Week						**YoY Change**				**WoW Change**		
7 26 2026	24.280	9.907	11,761	2,612	1.1%	8.5%	5.5%	7.1%	0.6%	1.8%	2.2%	2.8%
7/19/2026	24,129	10.086	11,503	2.540	4.2%	15.1%	-3.6%	3.0%	-1 7%	3.8%	-2 6%	-15 8%
7/12/2026	24,549	9 719	11,812	3.018	10.3%	12 1%	4 8%	30.5%	-2 9%	-9.1%	-0 7%	12.1%
7/5/2026	25,278	10 692	11,893	2.693	12.2%	20 9%	4 6%	15.8%	-13 5%	-12.5%	-16 6%	-1 4%
6/28/2026	29,209	12.225	14,254	2.730	10 9%	14 5%	8 6%	7 6%	27 9%	31 7%	27 2%	16 1%
6/21/2026	22,844	9.283	11.209	2.352	-12 8%	-7 1%	-17 4%	-11 4%	-18 6%	-21 6%	-16 0%	-18 1%
Single Month						**YoY Change**				**MoM Change**		
Jul-26	24.559	10.101	11.742	2.716	6.8%	14.1%	-0.1%	13.8%	-8.8%	-9.3%	-10.3%	-0.2%
Jun-26	26,941	11 133	13,086	2,722	7.3%	12 4%	2 6%	11 5%	-7 5%	-7.1%	-8 3%	-5 0%
May-26	29,117	11 988	14,265	2.865	23 1%	30 3%	16 7%	27 8%	-8 3%	-6.3%	-11 0%	-1 9%
Apr-26	31,741	12,791	16,031	2,919	9 5%	15 6%	6 4%	1 9%	9 0%	-1 4%	18 1%	12 8%
Mar-26	29,132	12.972	13.572	2.588	-8 7%	1 3%	-15 8%	-13 5%	95 9%	126 8%	78 1%	69 2%
Feb-26	14,869	5.721	7,619	1.529	-30.4%	-36.1%	-27.3%	-20.5%	-38 9%	-45.1%	-32 1%	-43.0%
Jan-26	24,327	10.424	11,218	2.685	16.4%	25.6%	5.7%	34.5%	-0.7%	1.0%	-2.2%	-0.7%
Dec-25	24,500	10 324	11,471	2 705	-29 8%	-26 1%	-35 4%	-14 3%	-0 6%	-1.4%	-1 0%	3 8%
Nov-25	24,660	10 474	11,581	2.606	-21 1%	-20 3%	-24 7%	-4 7%	13 2%	15 8%	9 4%	20.6%
Oct-25	21,790	9.043	10.587	2.160	-27 1%	-30 2%	-25 8%	-19 3%	-3 9%	-4 1%	-6 0%	9 4%
Sep-25	22,669	9.427	11.268	1.975	7.5%	19 7%	1 7%	-7 2%	4 3%	7 9%	3 1%	-8 5%
Aug-25	21,739	8.739	10,925	2.158	-3 6%	0.8%	-7 2%	2 6%	-5 4%	-1.3%	-7.0%	-9 5%
Jul-25	22,991	8,853	11,752	2.386	-10.7%	-5.5%	-16.2%	0.9%	-6.5%	-7.7%	-7.0%	0.9%
2026 YTD Avg	**25,873**	**10,764**	**12,520**	**2,588**	**4.3%**	**9.9%**	**-0.9%**	**8.4%**				
FY2025 Avg	**23,818**	**9,688**	**11,971**	**2,346**	**-1.0%**	**3.5%**	**-3.5%**	**2.1%**				

We only included 18 cities for high-frequency weekly analysis due to data availability. 18 cities include 3 Tier-1 cities: Beijing, Shanghai, Shenzhen; 9 Tier-2 cities: Chengdu, Dalian, Hangzhou, Nanjing, Nanning, Qingdao, Suzhou, Wuxi, Xiamen; 6 Tier-3/4 cities: Dongguan, Foshan, Jiangmen, Jinhua, Quzhou, Yangzhou; Note 2: *excl. May Holiday week when calculating May monthly avg

Source: WIND, Citi Research

Figure 3. Listed Names 1H26 Land Acq Attri. Cost -43%yoy

(Rmb bn)		Land Acq (attri. value)		1H26 vs. 1H25	
Company	RIC	1H25	1H26	YoY (value)	YoY (%)
12 Names with Land Acq in 1H26					
CR Land	1109 HK	33.2	**32.5**	-0.7	-2%
Poly Dev	600048 SS	44.7	**31.6**	-13.1	-29%
C&D Intl	1908 HK	43.2	**22.5**	-20.7	-48%
Greentown	3900 HK	38.8	**18.7**	-20.1	-52%
CMSK	001979 SZ	21.9	**15.5**	-6.4	-29%
Poly Prop	0119 HK	11.8	**10.2**	-1.6	-13%
Jinmao	0817 HK	26.1	**10.2**	-15.9	-61%
Binjiang	002244 SZ	13.3	**9.3**	-4.0	-30%
COLI	0688 HK	40.1	**7.7**	-32.4	-81%
Yuexiu	0123 HK	11.0	**4.8**	-6.2	-55%
COGO	0081 HK	5.4	**2.1**	-3.3	-61%
Longfor	0960 HK	1.8	**1.4**	-0.4	-23%
Total		**291**	**166**	**-125**	**-43%**

Source: Companies, CREIS, Citi Research

Figure 4. China Property Sector — Valuations (28 Jul 2026 close) Citi Rating: 1 – Buy; 2 – Neutral; 3 – Sell; H – High Risk

Stock	RIC	28-Jul-26 Price	Mkt Cap (USDm)	Citi Rating	Est. NAV	NAV Disc	Target Price	P/E FY26E	P/E FY27E	P/E FY28E	P/B FY26E	P/B FY27E	P/B FY28E	Yield FY26E	Yield FY27E	Yield FY28E
China Property Names (H-share)																
C&D int'l	1908.HK	14.89	4.397	1	24.72	-40%	18.80	7.9	7.7	7.4	0.6	0.6	0.6	6.6%	6.8%	7.1%
CIFI	0884.HK	0.04	86	3H	0.31	-88%	0.06	N/A	N/A	N/A	0.0	0.0	0.0	-	-	-
COGO	0081.HK	2.47	1.121	1	6.93	-64%	2.68	8.7	8.3	7.7	0.2	0.2	0.2	3.9%	4.1%	4.5%
COLI	0688.HK	13.40	18.701	1	34.32	-61%	18.20	9.9	10.0	9.7	0.3	0.3	0.3	3.5%	3.5%	3.6%
Country Garden	2007.HK	0.17	1.024	3H	0.82	-79%	0.16	N/A	N/A	N/A	-0.3	-0.2	-0.1	-	-	-
CR Land	1109.HK	33.58	30.534	1	71.70	-53%	43.00	9.1	8.9	8.6	0.7	0.7	0.6	4.1%	4.2%	4.3%
Greentown	3900.HK	7.16	2.319	1	18.60	-62%	11.80	5.2	4.8	4.7	0.4	0.4	0.3	7.2%	7.7%	7.8%
Jinmao Group	0817.HK	1.33	2.292	1	3.80	-65%	1.90	10.8	10.1	9.0	0.2	0.2	0.2	2.3%	2.3%	2.8%
Longfor	0960.HK	6.75	6.109	1	22.25	-70%	11.10	NM	8.7	7.8	0.3	0.2	0.2	-	-	-
Midea Real Estate	3990.HK	2.93	536	1	3.51	-16%	4.30	5.6	5.4	5.2	0.7	0.7	0.7	11.8%	11.9%	12.3%
Poly Prop	0119.HK	1.50	731	1	10.14	-85%	2.80	12.2	3.5	2.9	0.1	0.1	0.1	3.3%	11.4%	13.6%
Seazen	1030.HK	1.41	1.306	1	10.68	-87%	3.20	10.1	7.3	5.1	0.2	0.2	0.2	-	-	-
Shenzhen Inv	0604.HK	0.69	783	1	3.00	-77%	0.90	10.3	9.1	12.0	0.2	0.2	0.2	3.9%	4.4%	4.9%
Sunac	1918.HK	0.53	1.349	2H	4.00	-87%	1.20	N/A	N/A	N/A	0.1	0.2	0.2	-	-	-
Vanke	2202.HK	2.40	5.202	3	18.02	-87%	2.20	N/A	N/A	N/A	0.3	0.3	0.4	-	-	-
Yuexiu	0123.HK	3.58	1.838	1	16.68	-79%	5.00	15.6	12.4	9.1	0.2	0.2	0.2	2.9%	3.6%	5.0%
Average for H-share						**-58%**		**8.5**	**8.2**	**7.8**	**0.5**	**0.5**	**0.5**	**3.7%**	**3.9%**	**4.1%**
China Property Names (A-share)																
CMSK	001979.SZ	6.94	9.248	1	18.29	-62%	11.00	26.6	27.2	27.6	0.6	0.6	0.6	1.5%	1.5%	1.4%
Gemdale	600383.SS	2.21	1.475	3H	8.68	-75%	2.60	N/A	N/A	35.2	0.2	0.2	0.2	-	-	-
Hangzhou Binjiang	002244.SZ	8.90	4.093	1	NA	NA	11.00	14.6	14.9	14.6	0.9	0.8	0.8	0.7%	0.7%	0.7%
Poly Dev & Hldgs	600048.SS	5.04	8.917	1	13.06	-61%	7.00	84.2	15.8	8.6	0.3	0.3	0.3	0.5%	2.6%	4.7%
Vanke	000002.SZ	3.15	5.202	3	10.00	-69%	3.00	N/A	N/A	N/A	0.4	0.5	0.6	-	-	-
Average for A-share						**-55%**		**47.5**	**20.4**	**10.8**	**0.5**	**0.5**	**0.5**	**0.7%**	**1.4%**	**2.0%**
Overall Avg. for China Property Names						**-57%**		**16.7**	**10.4**	**8.1**	**0.5**	**0.5**	**0.5**	**2.8%**	**3.1%**	**3.5%**
Brokerage platform																
Beike	BEKE.N	16.39	18.923	1	NA	NA	26.40	17.8	16.9	15.1	1.8	1.8	1.7	2.5%	2.7%	3.0%
Beike	2423.HK	42.24	18.649	1	NA	NA	73.60	17.6	16.7	14.9	1.8	1.7	1.7	2.6%	2.7%	3.0%
Property Management																
CR Mixc	1209.HK	39.02	11.357	1	NA	NA	52.60	17.5	15.9	14.4	14.0	13.1	12.3	5.7%	6.3%	7.0%

Source: DataCentral, Citi Research estimates