Goldman Sachs Research

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CHINA PROPERTY WEEKLY WRAP

Week 34 Wrap - Sequential volume acceleration; multiple easing policies

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Key highlights for the week:

Policy update: 1) The State Council announced to optimize Housing Provident Fund (HPF) policies on Aug 18, effective from Sep 20, stating it would broaden the scope of HPF withdrawals and uses (e.g. to include paying property management fees and other housing consumption related scenarios approved by the State Council, and remove the threshold restriction that was bench-marked to a prescribed proportion of household income in the case of withdrawing HPF for rent payment, etc.), include flexible employment workers in the system, facilitate the cross-city recognition of HPF deposits and withdrawals, widen the investment and utilization channels for HPF (e.g. allow HPF management centers to purchase policy-based financial bonds), etc. This is *largely inline* with prior expectation earlier this year. In addition, the State Council will now directly set Housing Provident Fund (HPF) loan rates, replacing the previous mechanism that required PBOC proposals followed by State Council approval.

2) Shanghai issued 8 housing easing measures (Hu Ba Tiao) on Aug 21, highlighting to **a)** optimize HPF policies (include expanding the scope of withdrawal for down payments to completed commodity housing (Xian Fang), supporting simultaneous using of HPF for both down payment and housing loan, relaxing HPF withdrawal frequency and quota, broadening the scope of HPF use to deed tax payment, car park purchases, etc.), **b)** lower min. down payment ratios for the purchases of second homes which are located outside the Outer Ring Road by 10pp to 15% (i.e. at par with first homes), **c)** implement phased home purchase subsidies with an aggregate amount of Rmb200mn, **d)** adopt housing voucher resettlement for impacted residents of urban village redevelopment and old town renovation endeavors, **e)** repurchase secondary housing as affordable rental housings, etc. **3)** Hangzhou Xiaoshan district announced housing purchase vouchers on Aug 20, with total issuance amount of Rmb25mn covering 36 projects and 3 subsidy tiers.

Market performance: Primary transaction volume was up 14% wow during last week, and though secondary transaction volume marginally moderated 1% wow, subscription sales (which leads registration-based sales by 1-2 weeks) was up 1% wow. Secondary visitation and transaction prices largely resembled the previous week's level while we note several marginal softening signs with newly listed secondary supply in monitored cities expanded 4% wow, new home search activities dropped 1.9% wow and price appreciation expectations continued to edge lower for both agents and home sellers.

Beijing continued to be the top performer among Tier-1 cities with primary volume +152% wow during last, following its new easing policy introduced in early Aug. We also note news reports citing increased new project visitations during last weekend in areas outside the Outer Ring Road of Shanghai after the easing policies issued on Aug 21. Additionally, the Iceberg Index indicate secondary prices were largely *flattish* wow for Beijing/Shanghai/Shenzhen over the past week, all improving from -0.2%/-0.1%/-0.2% wow during the week before last week, vs. nationwide at both -0.1%/-0.1% wow during last week and the week before.

Key data points:

- **New homes** sales volume was +15% wow and +6% yoy, while new home search activities declined by 1.9% wow.
- **Secondary** transactions were -1% wow and -5% yoy, with price appreciation expectations edging lower for both agents and home sellers.
- **MTD Aug**: Primary GFA sold on median was -19% mom and was -16% yoy; secondary GFA sold on median was -9% mom and +1% yoy.
- **YTD: Primary GFA** sold on average was -12% yoy and was -19%/-40% vs. the 2024/2023 level; **secondary GFA** sold on average was +1% yoy and was +14%/+13% vs. the 2024/2023 level.
- **Inventory** balance was -0.6% wow, with inventory months at 27.3 (vs. average 27.5/27.1 in June/July-26).
- **Valuation:** Our covered **stronger SOE developers** saw share prices +1% wow on average, with Greentown (3900.HK, Buy), COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +5%/+3%/+3% wow; meanwhile, **other developers** saw share prices on average -1% wow. Our offshore/onshore coverage now trades at an average 34%/32% discount to end-2026E NAV and at 0.5X/0.4X 2026E P/Bs.

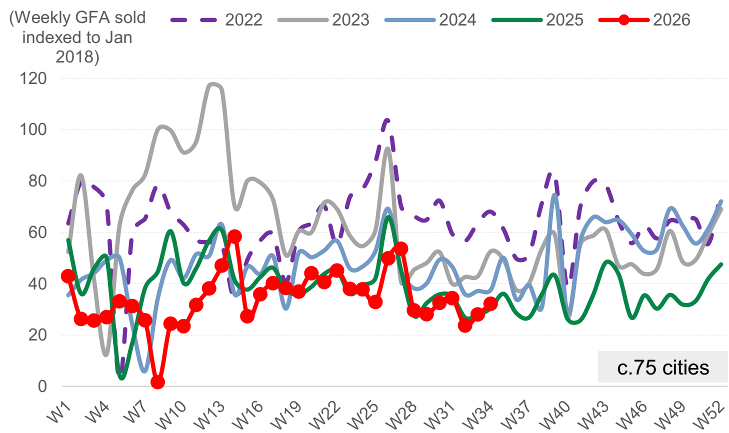
Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to drop 4% yoy in Aug, vs. -8% in July.
- **Completions:** GSPC tracker indicates high-teen **% yoy decline** in Aug (vs. -19% yoy/high-teens % yoy decline in July by NBS/GSe) and -15% yoy in FY26E per GSe.
- **New starts:** New starts to record **a high-twenties % yoy decline** in Aug (vs. -28%/mid-twenties % yoy decline in July by NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio (+6.1pp wow to 43.5%).
- **GTV for BEKE** (new and existing) likely rise 13% (+19%/+10% for new/existing) for July-MTD Aug, vs. internet team's

estimate of +1% yoy (flat/+1%) for 3Q26E

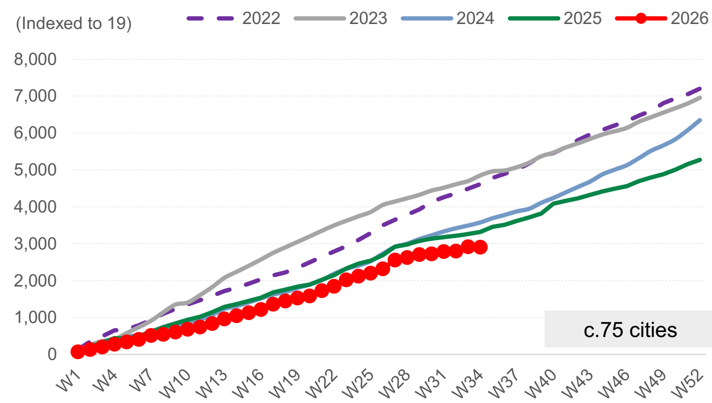
Primary market Week 34: GFA +15% wow and was +6% yoy, sending YTD to -12% yoy

Exhibit 1: Primary GFA sold last week was +15% wow and +6% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

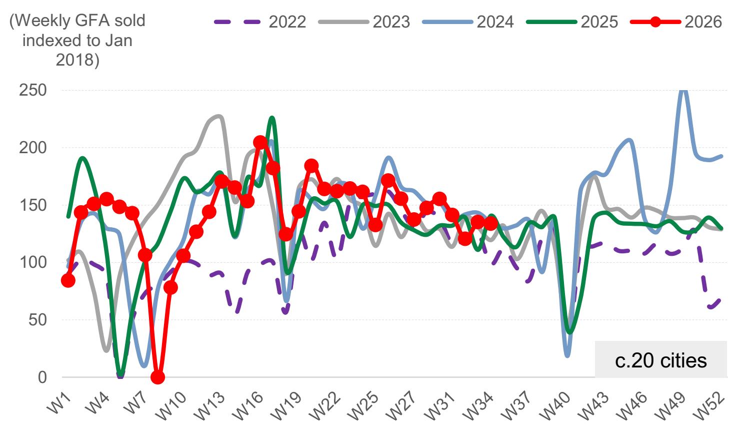
Exhibit 2: Primary GFA sold YTD on average was -12% yoy in c.75 cities, and -19%/-40% vs. 2024/2023 level



Source: CREIS, Goldman Sachs Global Investment Research

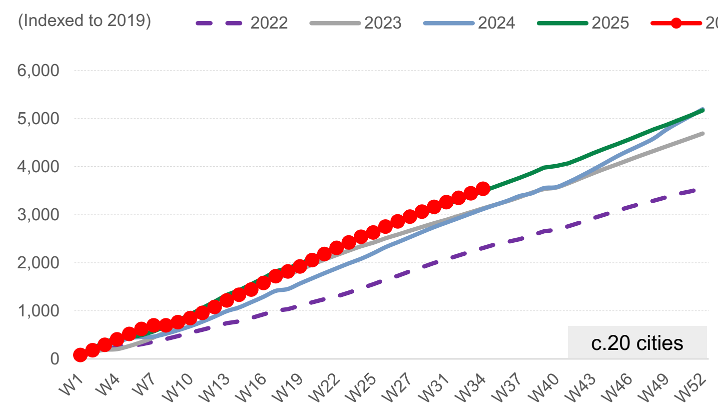
Secondary market: Week 34/YTD volumes were -5%/+1% yoy, with price appreciation expectations for agents and home-sellers both edging down

Exhibit 3: Secondary GFA sold last week was -1% wow and -5% yoy in c.20 cities
Average weekly volume of secondary property sales



Source: Wind, Goldman Sachs Global Investment Research

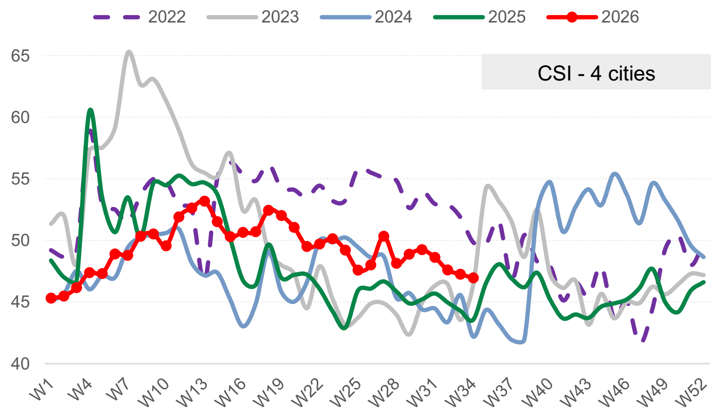
Exhibit 4: Secondary GFA sold YTD was +1% yoy in c.20 cities, while +14%/+13% vs. 2024/2023
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

Exhibit 5: Average CSI was -0.3pp wow and +3.4pp yoy

Weekly Centaline Salesman Index (CSI) tracker in 4 cities

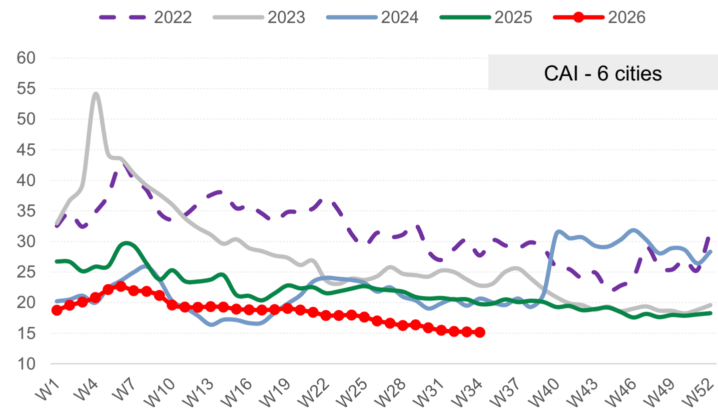


CSI refers to agents' view on property price, >50 means positive views on price increases, and vice versa.

Source: Centaline

Exhibit 6: Average CAI was -0.1pp wow and -4.6pp yoy

Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities



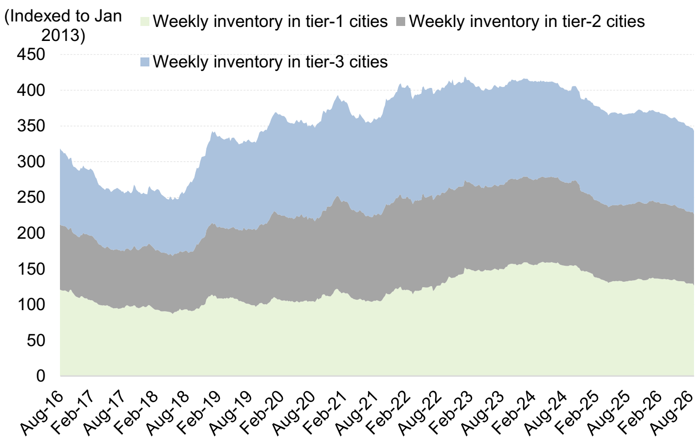
CAI refers to sellers' quoted price.

Source: Centaline

Inventory Week 34: Inventory -0.6% wow and -7.7% from end-25 level, with inventory months at 27.3 (vs. average 27.1 in July-26)

Exhibit 7: Inventory balance was -0.6% wow, -7.7% from end-25 levels

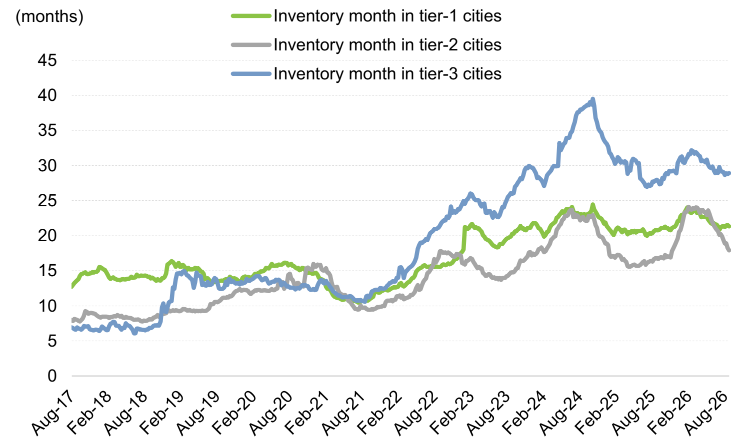
c.20 cities' total inventory breakdown by city tier



Source: CREIS, Goldman Sachs Global Investment Research

Exhibit 8: Inventory month was flat wow, representing -2.4% from end-25 levels

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



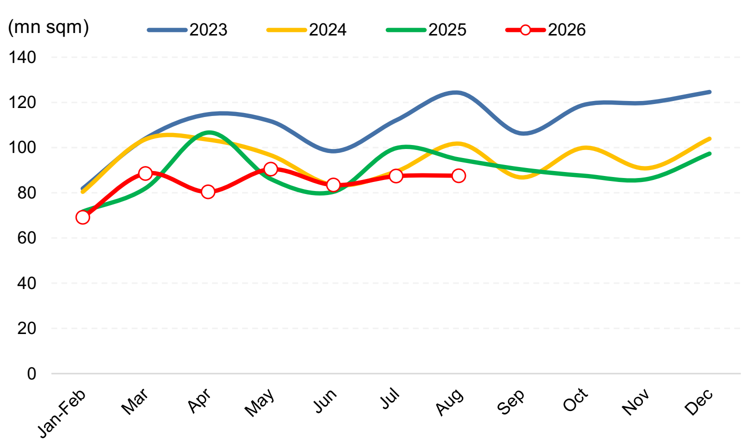
Source: CREIS, Goldman Sachs Global Investment Research

GSPC implies high-teen % yoy decline/-15% yoy in completions for Aug-26/FY26E per GSe

GS Property Completion (GSPC) tracker indicates **a high-teen % yoy decline in Aug-26** (vs. -19% yoy/high-teens % yoy decline in July by NBS/GSe) and **-15% 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

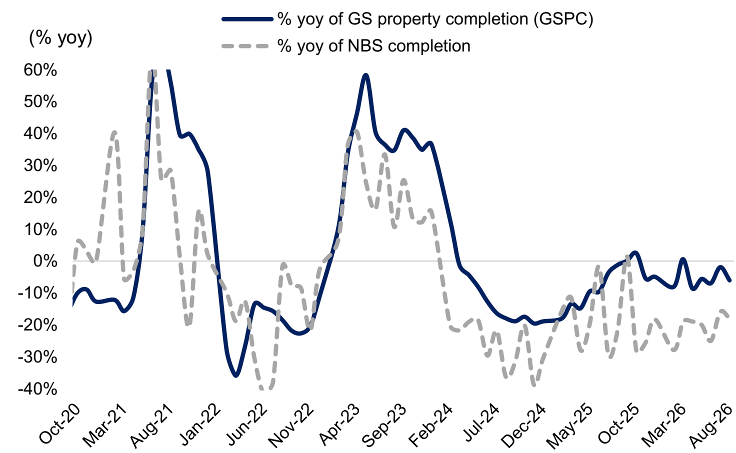


Jan-Feb refers to average level in Jan and Feb.

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

Exhibit 10: ...suggesting completions at a high-teen % yoy decline for Aug-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 34, our covered **stronger SOE developers** saw share prices +1% wow on average, with Greentown (3900.HK, Buy), COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +5%/+3%/+3% wow; meanwhile, **other developers** saw share prices on average -1% wow.
- Our offshore coverage developers on average saw share prices +2% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -4% for CSI 300).
- Our offshore coverage now trades at an average 34% discount to end-2026E NAV and 0.5X 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 32% 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 34, our covered stronger SOE developers saw share prices +1% wow on average, with Greentown (3900.HK, Buy), COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +5%/+3%/+3% wow; meanwhile, other developers saw share prices on average -1% wow. Our offshore coverage developers on average saw share prices +2% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -4% for CSI 300).

Company	Ticker	Type	Price as of 8/24/2026	Share price performance Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	7.2	-4%	4%	-16%
COLI	0688.HK	Central SOE	13.8	3%	2%	13%
CR Land	1109.HK	Central SOE	34.2	1%	3%	26%
Greentown	3900.HK	Mixed ownership	7.9	5%	10%	-7%
Jinmao	0817.HK	Central SOE	1.5	3%	8%	24%
Poly	600048.SS	Central SOE	5.1	-3%	-4%	-17%
Average				**1%**	**4%**	**4%**
Other developers			(LCY)			
Longfor	0960.HK	POE	6.6	2%	-3%	-23%
Seazen	1030.HK	POE	1.4	-1%	-6%	-34%
Vanke (A)	000002.SZ	Mixed ownership	3.1	-2%	-9%	-34%
Vanke (H)	2202.HK	Mixed ownership	2.4	-2%	-5%	-28%
Average				**-1%**	**-6%**	**-30%**
H-share average				**2%**	**1%**	**-4%**
MSCI China Index				**1%**	**1%**	**-8%**
A-share average				**-3%**	**-3%**	**-23%**
CSI 300 Index				**-4%**	**-1%**	**-1%**
Value chain Index						
Construction materials				-8%	2%	8%
Construction companies				-3%	1%	-9%
Building products				-3%	1%	-16%
Home appliances				0%	-2%	-7%
Home furnishing				-2%	4%	-18%

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 24/Aug/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	9.7	91	Central SOE	Neutral	7.24 (Rmb)	**10.10**	40	-15%	**11.93**	(39)	n.m.	17.9	14.9	13.7	0.7	0.6	0.6	0.6	0.7	2.5	3.0	3.3
COLI	0688.HK	19.3	32	Central SOE	Buy	13.8 (HK$)	**14.70**	6	-10%	**16.36**	(15)	10.7	11.4	10.6	9.3	0.4	0.4217	0.4	0.4	3.5	3.5	3.8	4.3
CR Land	1109.HK	31.1	56	Central SOE	Buy	34.2 (HK$)	**36.60**	7	-10%	**40.68**	(16)	10.0	11.1	10.7	9.8	1.0	1.0	0.9	0.9	3.7	3.5	3.7	4.1
Greentown	3900.HK	2.5	9	Mixed ownership	Buy	7.9 (HK$)	**11.10**	41	-15%	**13.02**	(40)	3.7	4.1	3.9	3.7	0.5	0.5	0.5	0.4	-	2.6	4.6	6.8
Jinmao	0817.HK	2.6	10	Central SOE	Buy	1.5 (HK$)	**1.70**	14	-10%	**1.89**	(21)	38.1	36.1	12.3	7.4	0.6	0.6	0.6	0.6	2.0	1.2	3.5	5.8
Poly	600048.SS	9.0	110	Central SOE	Neutral	5.06 (Rmb)	**6.50**	28	-10%	**7.24**	(30)	58.5	n.m.	n.m.	n.m.	0.3	0.3	0.3	0.3	0.7	-	-	-
Average								**23**	**-12%**		**(27)**	**10.7**	**11.4**	**10.7**	**9.3**	**0.6**	**0.6**	**0.6**	**0.5**	**1.8**	**2.2**	**3.1**	**4.1**
Other developers																							
Longfor	0960.HK	6.0	10	POE	Neutral	6.6 (HK$)	**7.50**	13	-25%	**9.94**	(33)	n.m.	n.m.	39.5	19.9	0.3	0.3	0.3	0.3	1.2	-	0.8	1.6
Seazen	1030.HK	1.3	3	POE	Sell	1.4 (HK$)	**1.80**	32	-50%	**3.64**	(63)	23.1	34.3	15.9	9.0	0.3	0.3	0.2	0.2	-	-	-	-
Vanke (A)	000002.SZ	4.4	64	Mixed ownership	Sell	3.05 (Rmb)	**3.70**	21	-10%	**4.10**	(26)	n.m.	n.m.	n.m.	n.m.	0.3	0.4	0.4	0.5	-	-	-	-
Vanke (H)	2202.HK	0.7	5	Mixed ownership	Sell	2.36 (HK$)	**2.90**	23	-35%	**4.47**	(47)	n.m.	n.m.	n.m.	n.m.	0.2	0.3	0.3	0.3	-	-	-	-
Average								**22**	**-30%**		**(42)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**-**	**0.2**	**0.4**
Coverage average								**23**			**(33)**	**24.0**	**19.1**	**15.4**	**10.4**	**0.5**	**0.5**	**0.5**	**0.5**	**1.2**	**1.3**	**1.9**	**2.6**
H-share average								**20**			**(34)**	**17.1**	**19.4**	**15.5**	**9.9**	**0.5**	**0.5**	**0.5**	**0.5**	**1.5**	**1.5**	**2.4**	**3.2**
A-share average								**30**			**(32)**	**58.5**	**17.9**	**14.9**	**13.7**	**0.4**	**0.4**	**0.5**	**0.5**	**0.5**	**0.8**	**1.0**	**1.1**

Source: Datastream, Goldman Sachs Global Investment Research