CHINA PROPERTY WEEKLY WRAP

Week 35 Wrap - Volume and sentiment mixed; new central-level policies launched

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Key highlights for the week:

Policy update: 1) On Aug 28th, policymakers issued three property related policies - the Notice on Improving the Commodity Housing Sales Model, the Opinions on Reforming and Improving Real Estate Credit Management to Accelerate the Establishment of a New Real Estate Development Model, and the Opinions on Capital Market Support for Building a New model of Real Estate Development. In short, the new policies mandate local authorities to steadily advance reforms of the commodity housing sales model from presales model to a completed property sales model, offer a support framework to this transformation and lift the support for homebuyers' property purchases. More detailed discussion here; **2)** Chengdu announced on Aug 25th to lower the down payment ratio by 5pp to 15% for homebuyers applying for a housing provident fund loan, with a 20% interest subsidy valid for one-year (capped at Rmb25 thousand); **3)** E-House (2048.HK, Not Covered) announced that its proposed offshore debt restructuring which involved a debt-for equity swap had been approved by a significant share of scheme creditors, following its scheme meeting held on Aug 27th. The share price surged post the announcement. Precedents of HKSE listcos with debt restructuring include Sunac China (1918.HK), CIFI (0884.HK) and Fantasia (1777.HK), all Not Covered.

Market performance: Primary transaction volumes climbed +6% wow, with new home search activities climbing 0.7% wow after several consecutive weeks of declines; secondary transaction volume declined -2% wow, while secondary subscription sales (which leads registration-based sales by 1-2 weeks), secondary visitation and new listing supply were all largely flattish wow. Price appreciation expectations edged higher for agents while lower for home sellers. Additionally, the Iceberg Index indicate secondary prices in Beijing and Shenzhen moderated by 0.2%/0.1% wow, similar as the nationwide overall pace of softening, while secondary prices in Shanghai improved 0.1% wow.

Key data points:

- **New homes** sales volume was +6% wow and -5% yoy, while new home search activities climbed 0.7% wow.
- **Secondary** transactions were -2% wow and +7% yoy,

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with price appreciation expectations edging higher for agents while lower for home sellers.

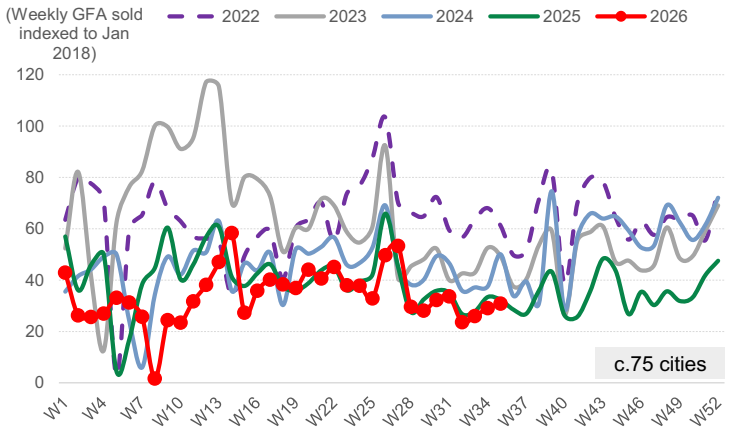
- **Aug**: Primary GFA sold on median was -19% mom and was -10% yoy; secondary GFA sold on median was -7% mom and +3% yoy.
- **YTD: Primary GFA** sold on average was -11% yoy and was -16%/-38% vs. the 2024/2023 level; **secondary GFA** sold on average was +2% yoy and was +14%/+14% vs. the 2024/2023 level.
- **Inventory** balance was -0.2% wow, with inventory months at 26.9 (vs. average 27.5/27.1 in June/July-26).
- **Valuation:** Our covered **stronger SOE developers** saw share prices -11% wow on average, with prices of Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) declining the least at -2%/-9% wow; meanwhile, **other developers** saw share prices on average flat wow. Our offshore/onshore coverage now trades at an average 41%/33% 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 drop 9% 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 (-0.2pp wow to 43.3%).
- **GTV for BEKE** (new and existing) likely rise 12% (+19%/+10% for new/existing) for July-Aug, vs. internet team's estimate of +1% yoy (flat/+1%) for 3Q26E

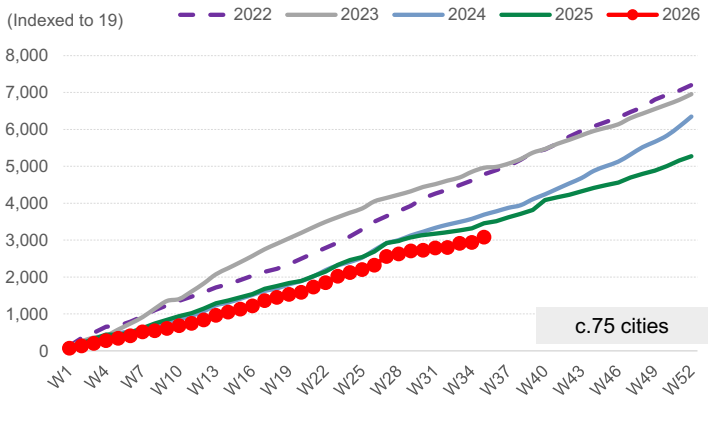
Primary market Week 35: GFA +6% wow and was -5% yoy, sending YTD to -11% yoy

Exhibit 1: Primary GFA sold last week was +6% wow and -5% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

Exhibit 2: Primary GFA sold YTD on average was -11% yoy in c.75 cities, and -16%/-38% vs. 2024/2023 level

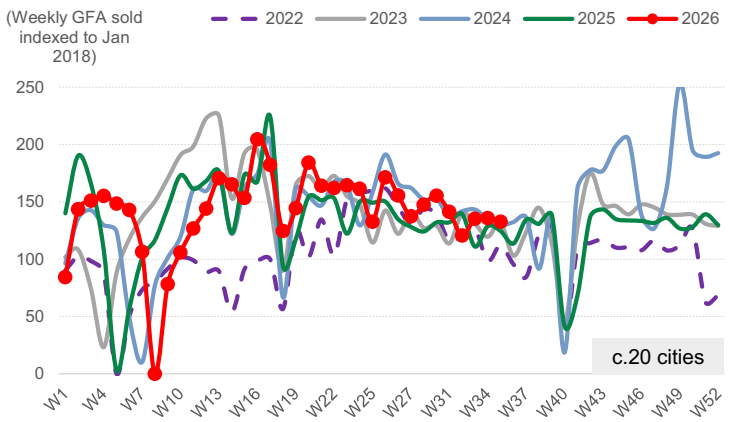


Source: CREIS, Goldman Sachs Global Investment Research



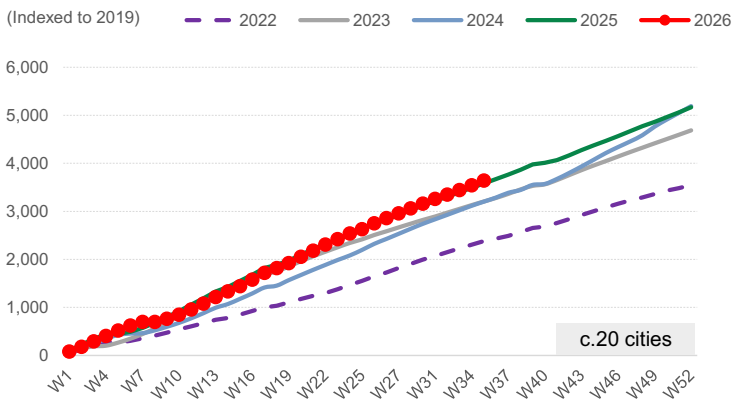
Secondary market: Week 35/YTD volumes were +7%/+2% yoy, with price appreciation expectations edging higher for agents while lower for home sellers

Exhibit 3: Secondary GFA sold last week was -2% wow and +7% yoy in c.20 cities
Average weekly volume of secondary property sales



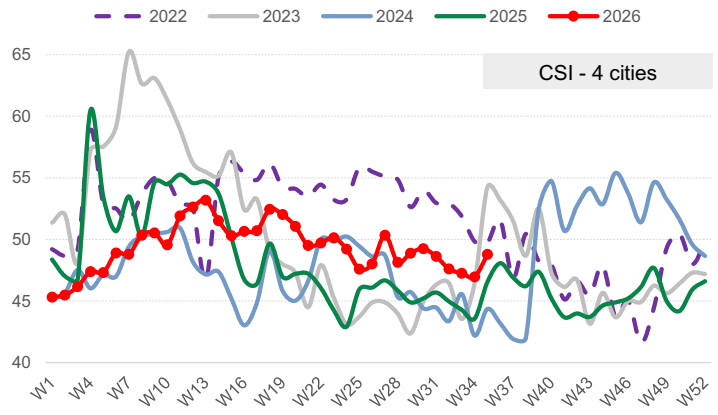
Source: Wind, Goldman Sachs Global Investment Research

Exhibit 4: Secondary GFA sold YTD was +2% yoy in c.20 cities, while +14%/+14% vs. 2024/2023
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

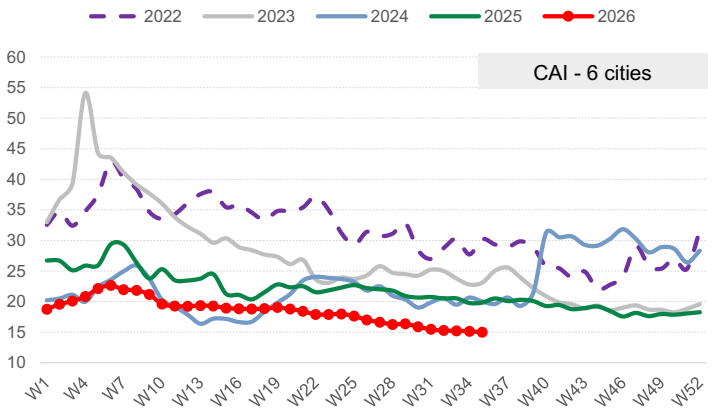
Exhibit 5: Average CSI was +1.8pp wow and +2.2pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 4 cities



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 -0.2pp wow and -4.9pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

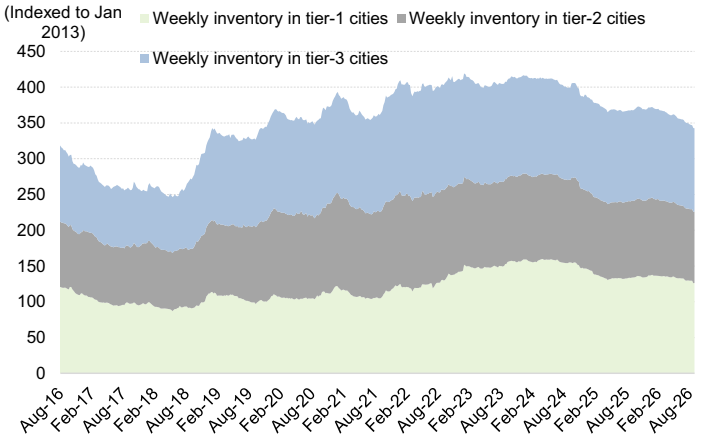


CAI refers to sellers' quoted price.

Source: Centaline

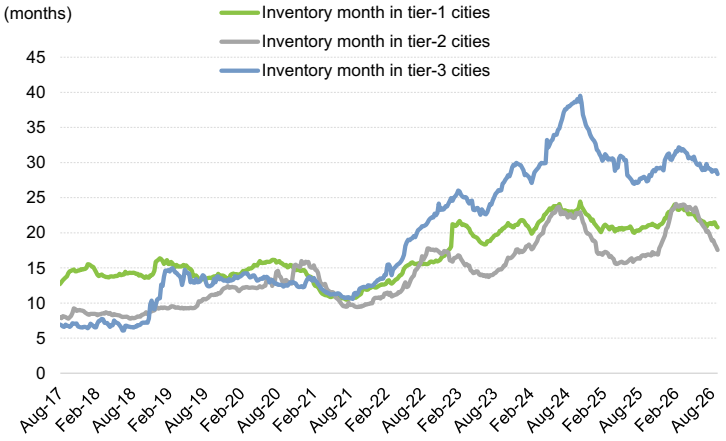
Inventory Week 35: Inventory -0.2% wow and -7.8% from end-25 level, with inventory months at 26.9 (vs. average 27.1 in July-26)

Exhibit 7: Inventory balance was -0.2% wow, -7.8% 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 -3.9% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

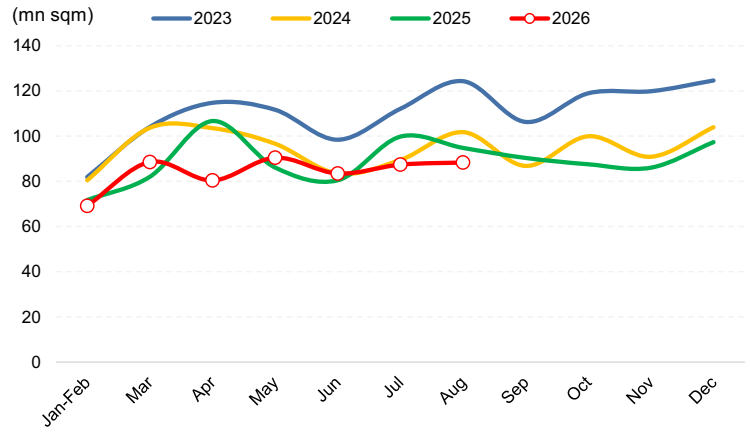


Source: CREIS, Goldman Sachs Global Investment Research

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.

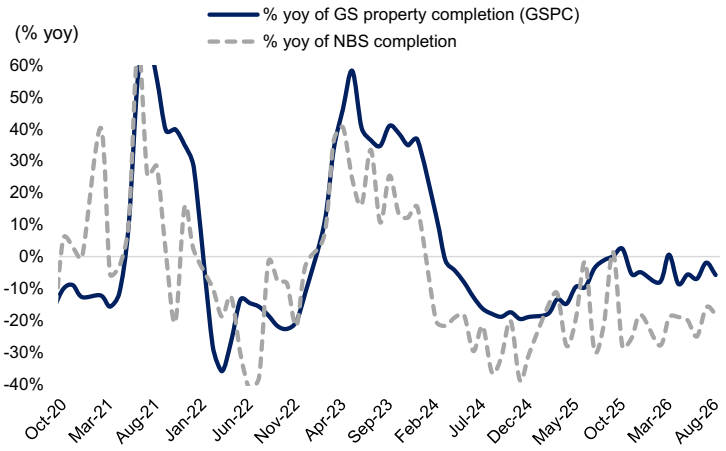
Exhibit 9: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



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 35, our covered **stronger SOE developers** saw share prices -11% wow on average, with prices of Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) declining the least at -2%/-9% wow; meanwhile, **other developers** saw share prices on average flat wow.
- Our offshore coverage developers on average saw share prices -8% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -3% wow (vs. +1% for CSI 300).
- Our offshore coverage now trades at an average 41% 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 33% 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 35, our covered stronger SOE developers saw share prices -11% wow on average, with prices of Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) declining the least at -2%/-9% wow; meanwhile, other developers saw share prices on average flat wow. Our offshore coverage developers on average saw share prices -8% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -3% wow (vs. +1% for CSI 300).

Company	Ticker	Type	Price as of 8/31/2026	Share price performance Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	6.5	-10%	-6%	24%
COLI	0688.HK	Central SOE	12.5	-9%	-7%	2%
CR Land	1109.HK	Central SOE	30.1	-12%	-9%	11%
Greentown	3900.HK	Mixed ownership	6.3	-20%	-12%	26%
Jinmao	0817.HK	Central SOE	1.3	-12%	-4%	9%
Poly	600048.SS	Central SOE	5.0	-2%	-6%	19%
Average				**-11%**	**-8%**	**-8%**
Other developers			(LCY)			
Longfor	0960.HK	POE	6.3	-5%	-8%	26%
Seazen	1030.HK	POE	1.4	1%	-5%	33%
Vanke (A)	000002.SZ	Mixed ownership	3.1	3%	-6%	32%
Vanke (H)	2202.HK	Mixed ownership	2.4	2%	-3%	27%
Average				**0%**	**-6%**	**-30%**
H-share average				**-8%**	**-7%**	**-13%**
MSCI China Index				**1%**	**0%**	**-9%**
A-share average				**-3%**	**-6%**	**-25%**
CSI 300 Index				**1%**	**1%**	**0%**
Value chain Index						
Construction materials				5%	7%	13%
Construction companies				2%	3%	-7%
Building products				2%	2%	14%
Home appliances				2%	0%	-5%
Home furnishing				3%	7%	15%

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 31/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	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	8.8	95	Central SOE	Neutral	6.53 (Rmb)	**10.10**	55	-15%	**11.93**	(45)	n.m.	16.1	13.4	12.4	0.6	0.6	0.6	0.6	0.8	2.8	3.4	3.6
COLI	0688.HK	17.5	40	Central SOE	Buy	12.5 (HK$)	**16.80**	34	-10%	**18.64**	(33)	9.7	9.4	9.0	7.9	0.4	0.4	0.4	0.4	3.9	4.2	4.5	5.1
CR Land	1109.HK	27.3	64	Central SOE	Buy	30.1 (HK$)	**36.60**	22	-10%	**40.68**	(26)	8.7	9.7	9.4	8.6	0.9	0.9	0.8	0.8	4.2	4.0	4.2	4.6
Greentown	3900.HK	2.0	10	Mixed ownership	Buy	6.3 (HK$)	**9.50**	52	-15%	**11.12**	(44)	2.9	3.4	3.6	3.3	0.4	0.4	0.4	0.4	-	1.0	5.5	8.9
Jinmao	0817.HK	2.3	12	Central SOE	Buy	1.3 (HK$)	**1.85**	40	-10%	**2.06**	(36)	33.6	22.3	10.2	6.3	0.6	0.6	0.5	0.5	2.2	2.3	4.2	6.8
Poly	600048.SS	8.9	111	Central SOE	Neutral	4.97 (Rmb)	**6.50**	31	-10%	**7.24**	(31)	57.5	n.m.	n.m.	n.m.	0.3	0.3	0.3	0.3	0.7	-	-	-
Average								**39**	**-12%**		**(36)**	**9.7**	**9.7**	**9.4**	**7.9**	**0.5**	**0.5**	**0.5**	**0.5**	**2.0**	**2.4**	**3.6**	**4.8**
Other developers																							
Longfor	0960.HK	5.7	11	POE	Neutral	6.3 (HK$)	**7.50**	19	-25%	**9.94**	(37)	n.m.	n.m.	37.6	19.0	0.3	0.3	0.3	0.3	1.2	-	0.9	1.7
Seazen	1030.HK	1.3	4	POE	Sell	1.4 (HK$)	**1.80**	31	-50%	**3.64**	(62)	23.3	34.6	16.0	9.1	0.3	0.3	0.2	0.2	-	-	-	-
Vanke (A)	000002.SZ	4.5	58	Mixed ownership	Sell	3.14 (Rmb)	**3.70**	18	-10%	**4.10**	(23)	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	2.40 (HK$)	**2.90**	21	-35%	**4.47**	(46)	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								**32**			**(38)**	**22.6**	**15.9**	**14.2**	**9.5**	**0.4**	**0.4**	**0.4**	**0.4**	**1.3**	**1.4**	**2.3**	**3.1**
H-share average								**31**			**(41)**	**15.7**	**15.9**	**14.3**	**9.0**	**0.4**	**0.4**	**0.4**	**0.4**	**1.7**	**1.6**	**2.8**	**3.9**
A-share average								**34**			**(33)**	**57.5**	**16.1**	**13.4**	**12.4**	**0.4**	**0.4**	**0.4**	**0.4**	**0.5**	**0.9**	**1.1**	**1.2**

Source: Datastream, Goldman Sachs Global Investment Research