China Property

Top 100 developers' sales moderated in August; 2027 may turn worse

Mainland China/Hong Kong Property & Conglomerates

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

Venus Choi
(852) 2800-8599
venus.choi@jpmorgan.com
J.P. Morgan Securities (Asia Pacific) Limited/ J.P. Morgan Broking (Hong Kong) Limited

Top 100 developers' sales Y/Y decline widened from -9% in July to -17% in August. For the latest pre-sales policy change (more in "*Phasing out the pre-sales system - good or bad?*"), the near-term impact on contracted sales should be limited, as the new rule of pre-sales (requiring the building to be topped out) does not apply to projects which have obtained a construction certificate. Thus, the bigger impact would be in 2027, as developers may not only slow down land-banking (due to the need to manage cash flows), but the new land acquired will also face a longer time before meeting the pre-sales requirement. Currently, the time lag from land acquisition to pre-sales is typically ~6 months; since the usual time from land acquisition to building topping-out is ~12 months (ranging from 6 to 18 months), the pre-sales time will be roughly delayed by ~6 months on average. On the back of this, **after our forecasted 12% Y/Y decline in contracted sales in FY26E, we pencil down another >20% Y/Y decline in FY27E due to delay in launches of new land acquired after 28 August 2026** (if the rules are enacted strictly, although local execution is still to be observed). The sector fell 10% on 31 August (vs. HSI -0.1%), following the uncertainty brought by the change in pre-sales system. **To gauge the downside, if we assume the sector corrects to the 1-year or 3-year low, there could be 9%/25% potential downside** (Table 4). Alternatively, if we benchmark the sector to the trough of P/B, there could be 23% downside (Table 5). **However, arguably now the broader market has more signs of price & margin stabilization, so the derating may not reach the previous trough, in our view.** We prefer names with limited impact from the cashflow disruption, namely **CR Mixc** (commercial operator) & **KE Holdings** (covered by Daniel Chen; secondary sales to benefit in the near term); among developers, we prefer **CR Land** for its stronger earnings buffer from recurring income.

- **Top 100 developers' contracted sales moderated in August:** The sales decline widened from -9% Y/Y in July to -17% Y/Y in August (Figure 1), the steepest Y/Y decline since 2M26, and worse than our original forecast of a <10% Y/Y decline. However, compared to the 4-year average, sales mildly improved from -80% to -77%. On a M/M basis, sales stayed flat. Apart from mediocre sentiment, this was also partially due to fewer launches by some key developers (particularly, land sales began to soften in 4Q25, leading to fewer sellable resources available in 3Q26).
- **Some SOEs' sales remain positive Y/Y YTD:** Some key SOEs' sales turned negative Y/Y in August (e.g. COLI & Jinmao), partially due to the launch schedule. The most outstanding Y/Y growth in August was CR Land's (+40% Y/Y) due to project launch. Year-to-date, key developers that have maintained positive growth are **COLI** (+10%), **CR Land** (+9%), **Jinmao** (+5%) and **CMSK** (+1%).

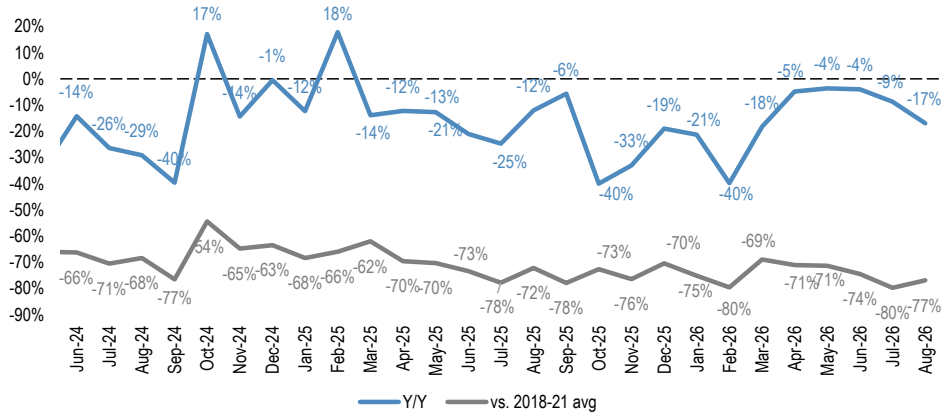
See page 9 for analyst certification and important disclosures, including non-US analyst disclosures.

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

J.P.Morgan

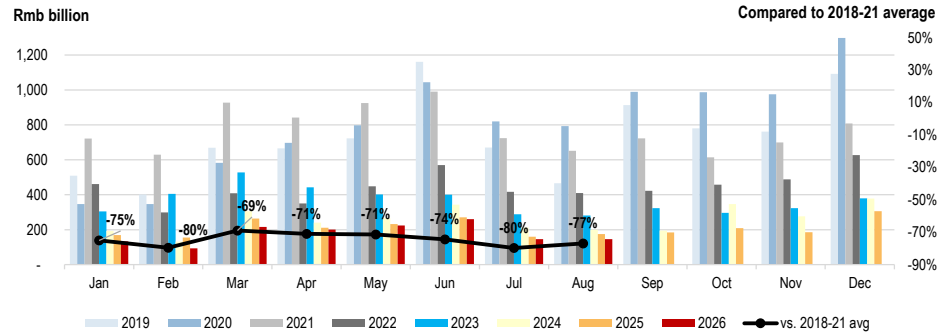
Developers' Contracted Sales

Figure 1: CREIS top 100 developers' aggregate attributable contracted sales Y/Y growth and vs. 2018-21 average



Source: CREIS, PTI Data

Figure 2: CREIS top 100 developers' aggregate contracted sales by month (2019-2025) vs. 2018-21 average



Note: As CREIS data is only available since June 2019, data before June 2019 is from PDI data.
Source: CREIS, PTI Data

Table 1: Top 100 developers' monthly contracted sales (Rmb billion)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	362	334	581	455	446	645	404	430	539	514	583	879
2018	556	443	597	571	686	878	664	617	705	664	712	937
2019	509	402	669	666	723	1,161	671	466	914	780	761	1,093
2020	347	347	583	697	798	1,044	820	793	989	987	975	1,298
2021	722	629	928	842	925	991	725	652	723	614	700	808
2022	461	299	408	350	448	570	416	410	423	457	488	627
2023	305	406	527	443	402	400	288	282	323	296	323	380
2024	192	131	306	241	266	343	212	199	195	347	277	378
2025	169	155	263	211	232	271	160	175	184	208	186	306
2026	133	93	215	201	224	260	146	146				

Note: As CREIS data is only available since June 2019, data prior to June 2019 is from PDI data.
Source: CREIS, PTI Data

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

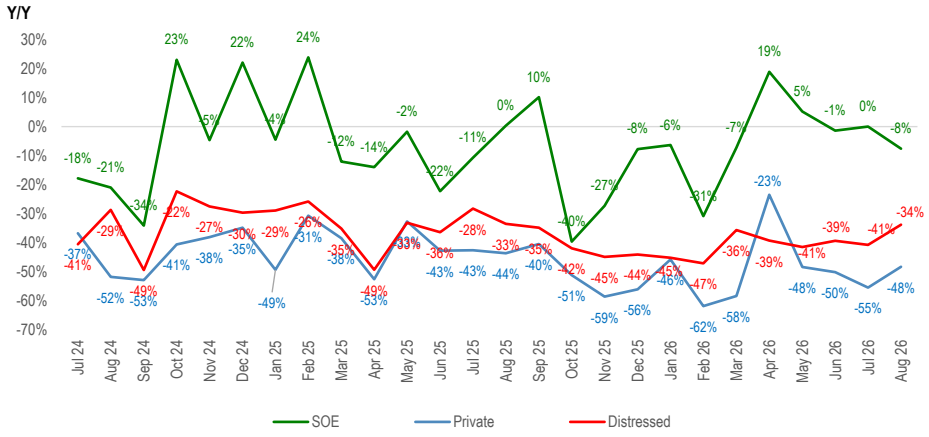
J.P.Morgan

Table 2: Top 100 developers' contracted sales monthly distribution

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	5.9%	4.0%	8.6%	8.3%	8.9%	10.9%	7.2%	7.7%	11.0%	10.9%	8.2%	8.3%
2017	6.5%	5.8%	10.1%	7.9%	7.4%	9.8%	6.7%	7.7%	9.0%	9.1%	9.3%	10.8%
2018	7.6%	5.4%	8.0%	7.4%	8.3%	11.5%	8.0%	7.4%	8.9%	8.8%	8.7%	9.9%
2019	5.8%	5.2%	8.3%	8.0%	8.5%	11.2%	7.4%	8.0%	9.6%	9.3%	9.5%	9.2%
2020	4.8%	2.6%	6.6%	7.1%	8.5%	11.5%	8.5%	9.3%	10.1%	9.9%	9.9%	11.3%
2021	7.6%	6.5%	9.3%	9.2%	10.0%	11.1%	7.7%	7.4%	7.3%	7.8%	7.3%	8.9%
2022	8.6%	5.6%	7.6%	6.5%	8.4%	10.6%	7.8%	7.7%	7.9%	8.5%	9.1%	11.7%
2023	7.0%	9.3%	12.1%	10.1%	9.2%	9.1%	6.6%	6.4%	7.4%	6.8%	7.4%	8.7%
2024	6.2%	4.3%	9.9%	7.8%	8.6%	11.1%	6.9%	6.5%	6.3%	11.2%	9.0%	12.2%
2025	6.7%	6.1%	10.4%	8.4%	9.2%	10.7%	6.3%	7.0%	7.3%	8.3%	7.4%	12.1%
Average (2016-25)	**6.7%**	**5.5%**	**9.1%**	**8.1%**	**8.7%**	**10.8%**	**7.3%**	**7.5%**	**8.5%**	**9.1%**	**8.6%**	**10.3%**

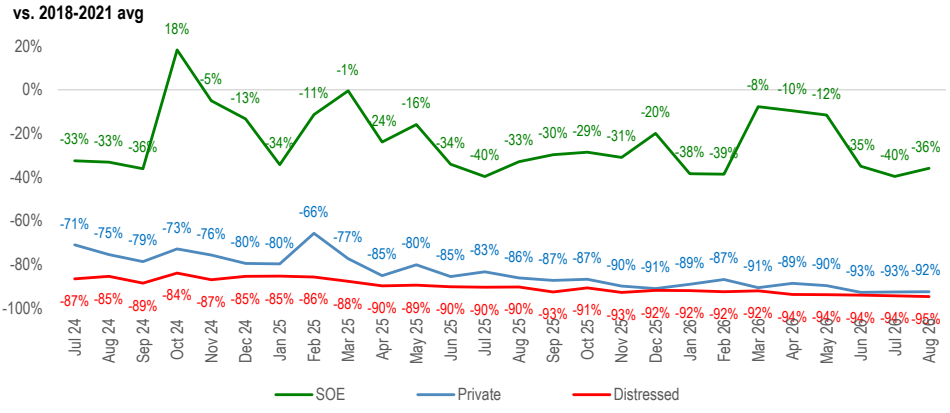
Source: CREIS, PTI Data

Figure 3: Key developers' contracted sales Y/Y growth by type



Source: CREIS, Company data

Figure 4: Key developers' contracted sales vs. 2018-21 average by type



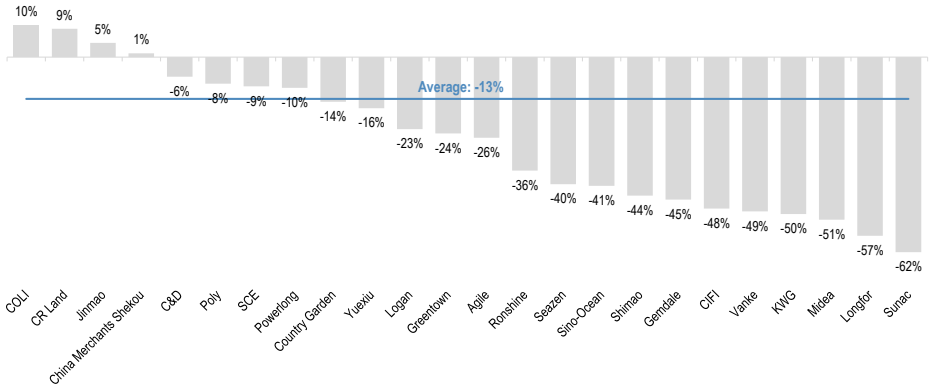
Source: CREIS, Company data



Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

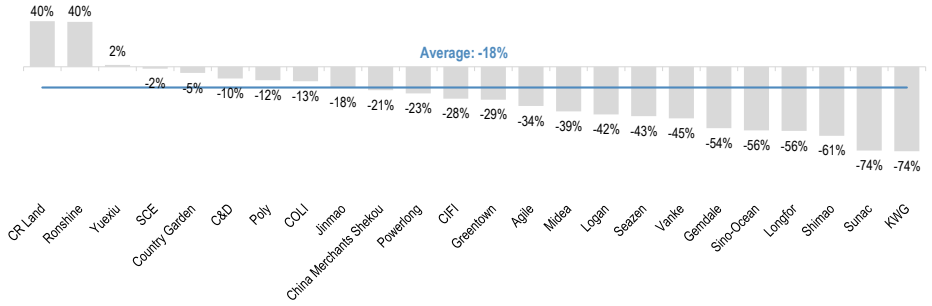
J.P.Morgan

Figure 5: Key developers' 8M26 (year-to-date) contracted sales Y/Y growth



Source: CREIS, Company data. Note: on a total (not attributable) basis.

Figure 6: Key developers' August 2026 contracted sales Y/Y growth



Source: CREIS, Company data. Note: on a total (not attributable) basis.

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

J.P.Morgan

Table 3: Key developers' August 2026 total contracted sales estimates by CREIS

Developer	Ticker	8M2026 (CREIS Est.)	Aug 26 (Deduct actual 7M from CREIS 8M)	Y/Y		vs. 2018-21 average		M/M	2026 Sales target		
				Year-to-date (8M)	Aug only	Year-to-date (8M)	Aug only	Aug 26 vs. Jul 26	FY26 sales target / assume flat Y/Y	Implied sales Y/Y growth	Completion rate
SOE											
China Overseas Land	688 HK	165,470	16,000	10%	-13%	-23%	-37%	6%	256,256	2%**	65%
	1109 HK	149,100	18,500	9%	40%	-9%	-16%	31%	233,600	0%**	64%
Poly Developments	600048 CH	165,000	14,971	-8%	-12%	-48%	-60%	0%	253,030	0%	65%
China Merchants Shekou	001979 CH	125,510	15,451	1%	-21%	-19%	-21%	12%	196,009	0%	64%
Jinmao	817 HK	74,100	7,398	5%	-18%	-41%	-50%	-20%	121,000	7%**	61%
Yuexiu Property	123 HK	61,200	5,592	-16%	2%	26%	-17%	10%	100,000	-6%**	61%
Greentown	3900 HK	72,600#	7,100	-24%	-29%	-26%	-46%	34%	130,000	-15%**	56%
C&D (attributable)	1908 HK	59,400	5,080	-6%	-10%	5%	-41%	-7%	90,930	0%**	65%
Private											
Longfor (attributable)	960 HK	13,850	1,480	-57%	-56%	-87%	-90%	6%	43,880	0%	32%
Gemdale	600383 CH	12,050	1,020	-45%	-54%	-91%	-94%	-32%	30,020	0%	40%
Seazen	1030 HK	8,110	892	-40%	-43%	-95%	-96%	4%	19,270	0%	42%
Midea Real Estate	3990 HK	9,170	850	-51%	-39%	-87%	-90%	4%	25,550	0%	36%
Distressed											
Vanke	2202 HK	46,600	4,920	-49%	-45%	-89%	-89%	-24%	134,060	0%	35%
Agile	3383 HK	4,670	380	-26%	-34%	-94%	-96%	-22%	8,570	0%	54%
Country Garden (attributable)	2007 HK	19,310	2,800	-14%	-5%	-95%	-95%	24%	33,000	0%	59%
Sunac	1918 HK	11,660#	1,420	-62%	-74%	-96%	-97%	10%	36,840	0%	32%
Shimao	813 HK	9,720#	710	-44%	-61%	-94%	-97%	-11%	23,953	0%	41%
Sino-Ocean	3377 HK	9,740	750	-41%	-56%	-85%	-91%	-12%	26,310	0%	37%
SCE	1966 HK	5,200	600	-9%	-2%	-90%	-91%	7%	8,390	0%	62%
CIFI	884 HK	6,330	690	-48%	-28%	-95%	-96%	11%	16,100	0%	39%
KWG	1813 HK	2,410	157	-50%	-74%	-96%	-98%	-23%	7,088	0%	34%
Logan	3380 HK	3,830	500	-23%	-42%	-96%	-96%	0%	7,280	0%	53%
Powerlong	1238 HK	4,430	460	-10%	-23%	-90%	-93%	-16%	7,272	0%	61%
Ronshine	3301 HK	1,730	181	-36%	40%	-98%	-98%	-29%	3,777	0%	46%
Average				-13%	-18%	-71%	-76%	-2%		-1%	50%

Note: #refers data from PTI Data; ** refers to those with official sales target/guidance (from the respective FY25 results briefings). For COLI, we assume a 2% Y/Y growth as management targets "stable with progress".
Note: Sales data above is on a total (not attributable) basis.
Source: CREIS, PTI Data, Company data, J.P. Morgan estimates.

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

J.P.Morgan

Gauging the potential downside

Table 4: China Property - Current share price vs. 1-year / 3-year low

Company	Ticker	Last Price (LC$)	1-year low (LC$)	vs. 1-year low	3-year low (LC$)	vs. 3-year low
Poly Property	119.HK	1.36	1.36	0%	1.14	-17%
Shimao	813.HK	0.06	0.06	0%	0.06	0%
Greentown	3900.HK	6.26	6.26	0%	4.55	-27%
Yuexiu Property	123.HK	3.26	3.26	0%	3.26	0%
Seazen - H	1030.HK	1.37	1.33	-3%	0.92	-33%
China Merchants Shekou - A	001979.CH	6.53	6.27	-4%	6.27	-4%
Longfor	960.HK	6.31	5.98	-5%	5.98	-5%
Vanke - A	000002.CH	3.14	2.95	-6%	2.95	-6%
Gemdale - A	600383.CH	2.26	2.09	-8%	2.09	-8%
Poly Developments - A	600048.CH	4.97	4.58	-8%	4.58	-8%
C&D	1908.HK	12.92	11.89	-8%	8.88	-31%
Greenland - A	600606.CH	1.32	1.21	-8%	1.21	-8%
COLI	688.HK	12.53	11.32	-10%	9.16	-27%
CIFI	884.HK	0.04	0.03	-11%	0.03	-11%
Seazen - A	601155.CH	11.39	10.14	-11%	8.05	-29%
China Jinmao	817.HK	1.32	1.17	-11%	0.45	-66%
Vanke - H	2202.HK	2.40	2.12	-12%	2.12	-12%
Binjiang - A	002244.CH	8.46	7.47	-12%	5.62	-34%
Country Garden	2007.HK	0.19	0.17	-12%	0.17	-12%
Sunac	1918.HK	0.61	0.53	-12%	0.53	-12%
CR Land	1109.HK	30.06	26.31	-12%	17.59	-41%
Agile	3383.HK	0.17	0.14	-15%	0.14	-15%
COGO	81.HK	2.67	1.92	-28%	1.31	-51%
Average				**-9%**		**-25%**

Source: Bloomberg Finance L.P., as of 31 August 2026

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

J.P.Morgan

Table 5: China Property - Current 1-year forward P/B vs. minimum P/B since 2019

Company	Ticker	P/B (x) Current	Min P/B since 2019	Implied downside
Yuexiu Property*	123.HK	0.2	0.2	0%
China Merchants Shekou	001979.CH	0.6	0.6	-11%
Longfor	960.HK	0.2	0.2	-12%
Poly Developments	600048.CH	0.3	0.3	-14%
COLI	688.HK	0.3	0.3	-17%
C&D*	1908.HK	0.7	0.5	-18%
Greentown*	3900.HK	0.4	0.3	-23%
CR Land	1109.HK	0.6	0.4	-33%
Seazen - H	1030.HK	0.2	0.1	-35%
COGO*	81.HK	0.3	0.1	-46%
China Jinmao	817.HK	0.5	0.1	-71%
Average		**0.5**	**0.4**	**-23%**

Source: Bloomberg Finance L.P., as of 31 August 2026.
Note: *For companies not covered by J.P. Morgan, the 1-year forward P/B is based on Bloomberg consensus estimates.

Karl Chan AC
(852) 2800-8513
karl.chan@jpmorgan.com

J.P.Morgan

Valuation Summary

Table 6: China Property - Valuation Summary

Company	Stock Code	JPM Rating	JPM Price Target	Last Close (HK$)	Mkt Cap US$B	ADV US$M	P/E 1FY (x)	P/E 2FY (x)	Yield 1FY (%)	P/B 1FY (x)	Share price return 5D	1M	YTD	vs. peak
Mainland China Developers														
	1109.HK	OW	**44.00**	30.06	27.3	95.6	8.6	8.5	4.3%	0.6	-12%	-9%	14%	-22%
China Overseas Land	0688.HK	OW	**19.50**	12.53	17.5	48.1	9.8	8.9	3.7%	0.3	-9%	-7%	4%	-44%
China Jinmao	0817.HK	OW	**2.05**	1.32	2.3	10.1	20.5	16.3	2.7%	0.4	-12%	-4%	9%	-72%
C&D International	1908.HK	NC	**-**	12.92	3.8	11.3	7.1	6.5	7.0%	0.7	-19%	-16%	-13%	-38%
Greentown China	3900.HK	NC	**-**	6.26	2.0	10.0	45.5	21.0	1.1%	0.4	-20%	-12%	-26%	-60%
Yuexiu Property	123.HK	NC	**-**	3.26	1.7	4.0	36.3	16.9	2.4%	0.2	-11%	-10%	-18%	-70%
SOEs							**11.6**	**9.6**	**4.0%**	**0.5**	**-12%**	**-9%**	**6%**	**-35%**
Longfor	0960.HK	OW	**9.00**	6.31	5.7	16.2	-	-	-	0.2	-5%	-8%	-26%	-85%
Seazen Group	1030.HK	N	**1.40**	1.37	1.3	4.0	-	-	-	0.2	1%	-5%	-33%	-86%
Private							**-**	**-**	**-**	**0.2**	**-4%**	**-7%**	**-27%**	**-85%**
China Vanke - H	2202.HK	UW	**1.60**	2.40	5.2	6.9	-	-	-	0.3	2%	-3%	-27%	-92%
Country Garden	2007.HK	UW	**0.10**	0.19	1.1	10.5	-	-	-	-	3%	12%	-54%	-99%
Sunac China	1918.HK	UW	**0.30**	0.61	1.5	18.4	-	-	-	0.2	11%	10%	-54%	-99%
Distressed							**-**	**-**	**-**	**0.2**	**4%**	**1%**	**-36%**	**-94%**
Mainland China Developers (Overall)							**9.1**	**7.5**	**3.2%**	**0.4**	**-9%**	**-8%**	**-2%**	**-47%**
Mainland China Property Management & Services														
	1209.HK	OW	**55.00**	39.10	11.4	25.5	17.5	15.7	5.7%	4.9	-2%	-2%	-7%	-22%
China Overseas PH	2669.HK	UW	**2.90**	3.43	1.4	3.6	7.5	7.5	6.2%	1.5	-4%	0%	-22%	-65%
Poly Property Services	6049.HK	OW	**41.50**	27.70	2.0	2.9	8.1	7.7	6.2%	1.2	0%	-1%	-8%	-65%
Greentown Service	2869.HK	OW	**5.50**	4.20	1.7	1.8	10.6	10.0	6.7%	1.3	-3%	-3%	-5%	-62%
Backed by SOE developers							**14.8**	**13.5**	**5.9%**	**3.8**	**-2%**	**-2%**	**-8%**	**-35%**
Country Garden Services	6098.HK	N	**5.40**	5.53	2.3	5.0	6.2	6.2	9.6%	0.5	0%	-1%	1%	-92%
A-Living	3319.HK	UW	**1.50**	1.75	0.3	0.3	2.8	3.2	7.8%	0.2	-8%	-4%	-21%	-96%
Sunac Services	1516.HK	UW	**0.70**	0.84	0.3	0.7	4.6	5.5	6.4%	0.4	-2%	5%	-39%	-96%
Backed by POE developers							**5.7**	**5.8**	**9.1%**	**0.4**	**-1%**	**-1%**	**-6%**	**-92%**
Mainland China Property Management & Services							**13.4**	**12.3**	**6.4%**	**3.3**	**-2%**	**-2%**	**-8%**	**-44%**
KE Holdings	2423.HK	OW	**52.00**	46.44	20.4	67.2	18.1	15.0	0.0%	1.9	-1%	7%	14%	-34%
Mainland China Property Agent							**18.1**	**15.0**	**0.0%**	**1.9**	**-1%**	**7%**	**14%**	**-34%**

Note: Companies marked with "NC" are not under JPM coverage; all estimates for such companies are based on consensus estimates from Bloomberg Finance L.P. Priced at close of business 31 August 2026.
Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates.