CHINA PROPERTY WEEKLY WRAP

Week 36 Wrap – Transaction volume pulled back while some leading indicators and sentiment turn positive

Yi Wang, CFA
+86(21)2401-8930 |
yi.wang@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Shi Xu
+86(21)2401-8929 |
shi.x.xu@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Zihan Wang
+86(21)2401-8691 |
zihan.y.wang@goldmansachs.cn
Goldman Sachs (China) Securities Company Limited

Key highlights for the week:

Policy update: 1) Haikou broadened its home purchase eligibility (e.g. qualifying Hainan-based employees), granted one additional purchase quota to multi-children families, and narrowed home-count assessment from province-wide to Haikou-only; **2)** Chongqing raised the maximum HPF (Housing Provident Fund) loans from Rmb1.2mn to Rmb2.0mn (Rmb1.6mn to Rmb2.4mn for multi-children families), effective in Sep-26 to Aug-27, and relaxed HPF withdrawal frequency from annual to monthly for commercial mortgages repayment; and **3)** Wuhan launched a new round of new-home purchase subsidies, offering 1% of the purchase price in seven designated districts through end-2026 (Rmb100mn in total) and allowed eligible first-home borrowers to withdraw HPF monthly for commercial-mortgage repayments.

Market performance: Primary transaction volumes declined -6% wow, echoed by new home search activities dropping 2.3% wow. Though secondary transaction volume declined -7% wow, secondary subscription sales (which leads registration-based sales by 1-2 weeks) and secondary visitation both increased solidly by 10% and 13% wow. We also note price appreciation expectations edged higher for both agents and home sellers. Secondary new listing supply grew 22% wow, partially due to seasonality. Additionally, the Iceberg Index indicate secondary prices in Beijing and Shenzhen moderated by 0.2%/0.1% wow (same as last week), similar as the nationwide overall pace of softening, while secondary prices in Shanghai were flattish wow (vs. +0.1% last week).

Key data points:

- **New homes** sales volume was -6% wow and +21% yoy, while new home search activities declined 2.3% wow.
- **Secondary** transactions were -7% wow and +5% yoy, with price appreciation expectations edging higher for both agents and home sellers.
- **YTD: Primary GFA** sold on average was -11% yoy and was -17%/-37% 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 flat wow, with inventory months at 27.1 (vs. average 27.1/27.2 in July/Aug-26).

Goldman Sachs does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html. Analysts employed by non-US affiliates are not registered/qualified as research analysts with FINRA in the U.S.

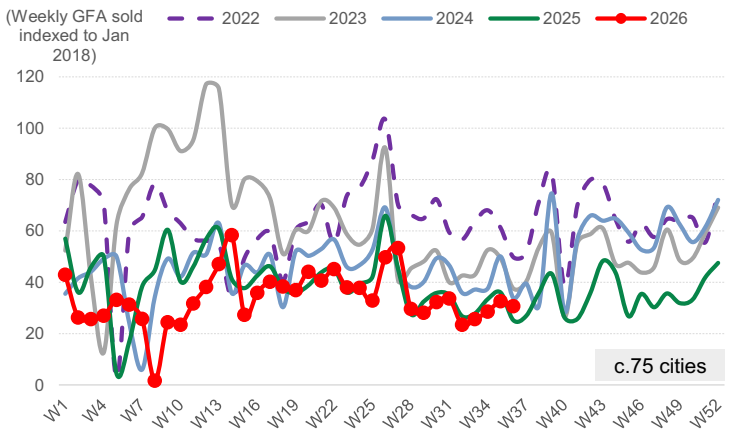
- **Valuation:** Over week 36, our covered **stronger SOE developers** saw share prices +1% wow on average, with CMSK (001979.SZ, Neutral), Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) outperforming at +6%/+5%/+3% wow; meanwhile, **other developers** saw share prices on average flat wow. Our offshore/onshore coverage now trades at an average 39%/21% discount to end-2026E NAV and at 0.4X/0.4X 2026E P/Bs.

Implications:

- **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 (flattish wow at 43.3%).
- **GTV for BEKE** (new and existing) likely rose 12% (+18%/+10% for new/existing) for July-Aug, vs. internet team's estimate of +1% yoy (flat/+1%) for 3Q26E.

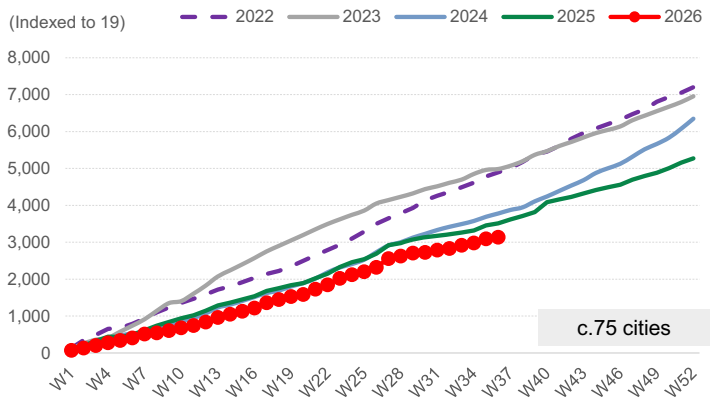
Primary market Week 36: GFA -6% wow and was +21% yoy, sending YTD to -11% yoy

Exhibit 1: Primary GFA sold last week was -6% wow and +21% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

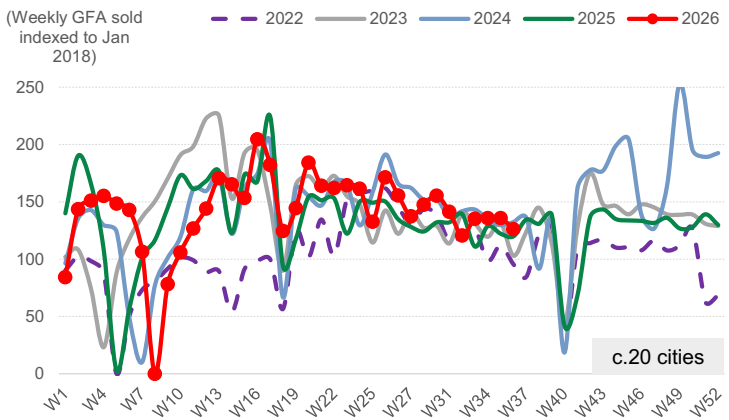
Exhibit 2: Primary GFA sold YTD on average was -11% yoy in c.75 cities, and -17%/-37% vs. 2024/2023 level



Source: CREIS, Goldman Sachs Global Investment Research

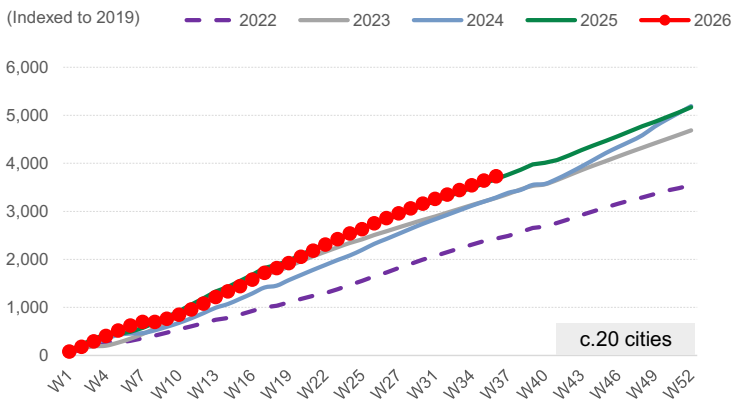
Secondary market: Week 36/YTD volumes were +5%/+2% yoy, with price appreciation expectations edging higher for both agents and home sellers

Exhibit 3: Secondary GFA sold last week was -7% wow and +5% yoy in c.20 cities
Average weekly volume of secondary property sales



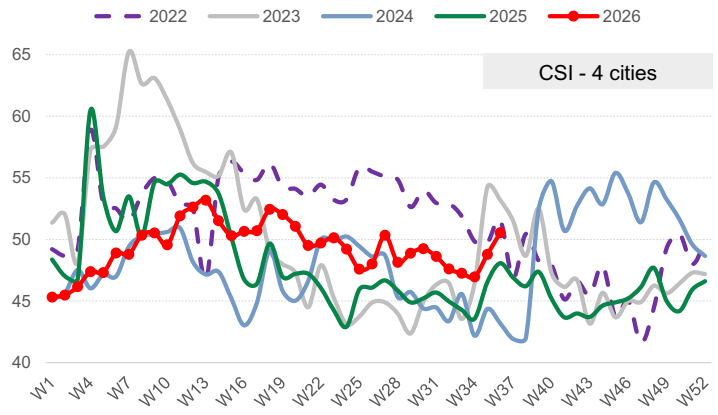
Source: Wind, Goldman Sachs Global Investment Research

Exhibit 4: Secondary GFA sold YTD was +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

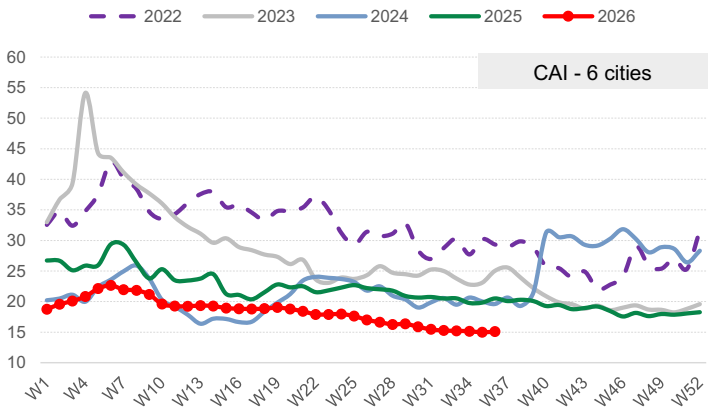
Exhibit 5: Average CSI was +1.8pp wow and +2.5pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 4 cities



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 -5.4pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

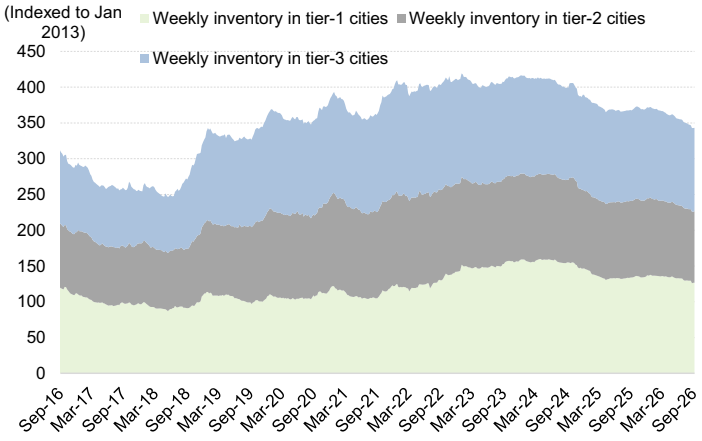


CAI refers to sellers' quoted price.

Source: Centaline

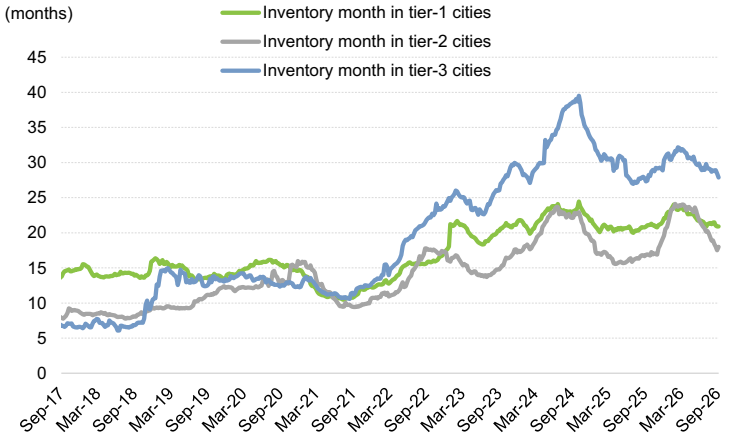
Inventory Week 36: Inventory flat wow and -7.8% from end-25 level, with inventory months at 27.1 (vs. average 27.2 in Aug-26)

Exhibit 7: Inventory balance was flat 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 +0.2% wow, representing -3.1% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

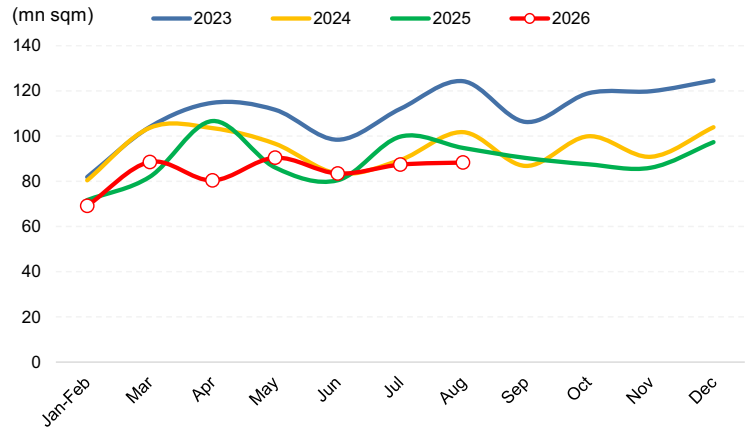


Source: CREIS, Goldman Sachs Global Investment Research

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.

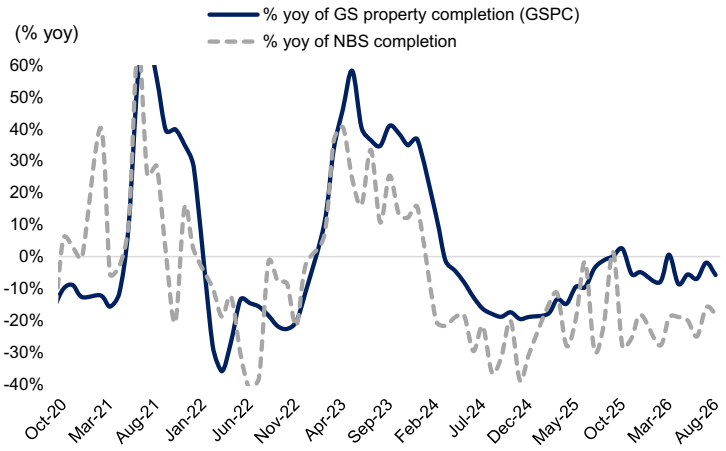
Exhibit 9: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



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 36, our covered **stronger SOE developers** saw share prices +1% wow on average, with CMSK (001979.SZ, Neutral), Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) outperforming at +6%/+5%/+3% wow; meanwhile, **other developers** saw share prices on average flat wow.
- Our offshore coverage developers on average saw share prices flat wow (vs. -1% for MSCI China); our onshore coverage developers averaged +4% wow (vs. -1% 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 21% 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 36, our covered stronger SOE developers saw share prices +1% wow on average, with CMSK (001979.SZ, Neutral), Poly (600048.SS, Neutral) and COLI (0688.HK, Buy) outperforming at +6%/+5%/+3% wow; meanwhile, other developers saw share prices on average flat wow. Our offshore coverage developers on average saw share prices flat wow (vs. -1% for MSCI China); our onshore coverage developers averaged +4% wow (vs. -1% for CSI 300).

Company	Ticker	Type	Price as of 9/7/2026	Share price performance Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	6.9	6%	6%	-20%
COLI	0688.HK	Central SOE	12.9	3%	3%	5%
CR Land	1109.HK	Central SOE	29.9	-1%	-1%	10%
Greentown	3900.HK	Mixed ownership	5.9	-5%	-5%	-30%
Jinmao	0817.HK	Central SOE	1.3	0%	0%	9%
Poly	600048.SS	Central SOE	5.2	5%	5%	-15%
Average				**1%**	**1%**	**-7%**
Other developers			(LCY)			
Longfor	0960.HK	POE	6.0	-5%	-5%	-30%
Seazen	1030.HK	POE	1.4	5%	5%	-30%
Vanke (A)	000002.SZ	Mixed ownership	3.2	2%	2%	-31%
Vanke (H)	2202.HK	Mixed ownership	2.4	0%	0%	-27%
Average				**0%**	**0%**	**-29%**
H-share average				**0%**	**0%**	**-13%**
MSCI China Index				**-1%**	**-1%**	**-10%**
A-share average				**4%**	**4%**	**-22%**
CSI 300 Index				**-1%**	**-1%**	**-1%**
Value chain Index						
Construction materials				-3%	-3%	9%
Construction companies				0%	0%	-8%
Building products				-1%	-1%	-15%
Home appliances				0%	0%	-6%
Home furnishing				0%	0%	-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 7/Sep/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	9.3	120	Central SOE	Neutral	6.9 (Rmb)	**8.70**	26	-15%	**10.25**	(33)	n.m.	56.8	19.9	16.8	0.6	0.6	0.6	0.6	0.7	0.8	2.3	2.7
COLI	0688.HK	18.0	61	Central SOE	Buy	12.9 (HK$)	**16.80**	30	-10%	**18.64**	(31)	10.0	9.7	9.3	8.1	0.4	0.4	0.4	0.4	3.8	4.1	4.4	5.0
CR Land	1109.HK	27.2	108	Central SOE	Buy	29.9 (HK$)	**38.80**	30	-10%	**43.16**	(31)	8.7	9.7	9.0	8.7	0.9	0.9	0.8	0.8	4.2	4.0	4.4	4.6
Greentown	3900.HK	1.9	14	Mixed ownership	Buy	5.9 (HK$)	**9.50**	60	-15%	**11.12**	(47)	2.8	3.3	3.5	3.1	0.4	0.4	0.4	0.4	-	1.0	5.8	9.4
Jinmao	0817.HK	2.3	18	Central SOE	Buy	1.3 (HK$)	**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	9.3	142	Central SOE	Neutral	5.21 (Rmb)	**6.10**	17	-10%	**6.74**	(23)	60.3	n.m.	n.m.	n.m.	0.3	0.3	0.3	0.3	0.7	-	-	-
Average								**34**	**-12%**		**(33)**	**10.0**	**9.7**	**9.3**	**8.1**	**0.5**	**0.5**	**0.5**	**0.5**	**1.9**	**2.0**	**3.5**	**4.7**
Other developers																							
Longfor	0960.HK	5.4	17	POE	Neutral	6.0 (HK$)	**7.50**	25	-25%	**9.94**	(40)	n.m.	n.m.	33.5	16.1	0.3	0.3	0.3	0.3	1.3	-	1.0	2.0
Seazen	1030.HK	1.3	5	POE	Sell	1.4 (HK$)	**1.55**	7	-50%	**3.11**	(54)	24.5	39.7	17.3	10.7	0.3	0.3	0.3	0.3	-	-	-	-
Vanke (A)	000002.SZ	4.6	68	Mixed ownership	Sell	3.19 (Rmb)	**3.20**	0	-10%	**3.50**	(9)	n.m.	n.m.	n.m.	n.m.	0.3	0.4	0.4	0.5	-	-	-	-
Vanke (H)	2202.HK	0.7	7	Mixed ownership	Sell	2.39 (HK$)	**2.50**	5	-35%	**3.82**	(37)	n.m.	n.m.	n.m.	n.m.	0.2	0.3	0.3	0.3	-	-	-	-
Average								**9**	**-30%**		**(35)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.3**	**0.3**	**0.3**	**0.3**	**-**	**0.2**	**0.5**
Coverage average								**24**			**(34)**	**23.3**	**23.6**	**14.7**	**10.0**	**0.4**	**0.4**	**0.4**	**0.4**	**1.3**	**1.2**	**2.2**	**3.0**
H-share average								**28**			**(39)**	**15.9**	**16.9**	**13.8**	**8.8**	**0.4**	**0.4**	**0.4**	**0.4**	**1.7**	**1.6**	**2.8**	**4.0**
A-share average								**15**			**(21)**	**60.3**	**56.8**	**19.9**	**16.8**	**0.4**	**0.4**	**0.5**	**0.5**	**0.5**	**0.3**	**0.8**	**0.9**

Source: Datastream, Goldman Sachs Global Investment Research

