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China Property

The 3rd Industry Revolution & The 2nd Round of Supply-side Reform

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CITI'S TAKE

China's property industry is entering its third revolution with completed home sales reform (from pre-sales, which has been implemented for 28+ years), after the 1998 abolition of welfare housing allocation system and the 2002 land tender-auction-listing system. Together with the introduction of project company system and lead-bank system, this is a comprehensive restructuring of property development and financing. It marks the second round of supply-side reform for the industry.

Longer cash conversion cycle — The new PBOC & NFRA financing framework required disbursement of mortgage proceeds after project completion filing. Thus regardless of whether a project is eligible for pre-sales (decided by MOHURD), cash collection will only take place upon completion (decided by PBOC & NFRA).

Impact to physical market — (a) New home supply squeeze in core cities due to lengthened launch cycle to 1.5-2.5 years (from 6-10 months). (b) A faster supply-demand rebalancing at core cities that backs home price recovery in '27E. (c) Buying power channeled into secondary market & new homes competes only on products. (d) Land sales at est. Rmb1.8bn in '26E (7M26: Rmb1.2bn, -31%yoy).

Impact to property firms — The policy could reduce earnings by 8-17%, bring down DP NPM to 4% from 6%, and project IRR from c.20-25% to 3-7%, before any reset in land price. IRR is likely no longer a threshold in deciding new investments. If DP NPM falls below 5%, we est. its ROIC would be comparable to IP. With equity multiplier capped by Three Red Lines (since 2020) and asset turnover limited by completed-home sales, NPM becomes the only meaningful swing factor for ROE now, in our view. To offset profit impact, home prices would have to rise by ~7%; to offset ROE impact, it has to rise more than 40%. To achieve a similar sales scale, developers may need to invest 70-120% more of own capital, or increase operating leverage by relying on suppliers' balance sheet. Noting cash outflows are primarily driven by land and capex, with land costs representing a higher proportion in T1 cities while capex at a larger share in T3/4 cities, we believe slower asset turnover would have a greater impact on both the magnitude and timing of cash outflows for projects in T3/4 cities. However, as many T3/4 cities are already selling completed homes due to the inventory issue, the actual impact on sales volumes is likely more limited.

Beneficiaries on accelerating oligopoly formation — [1] names with sufficient land acq, strong B/S and low funding costs: COLI, CRL, etc; [2] secondary agency biz: Beike; [3] high % of completed home sales: COGO; [4] quality products: Jinmao.

ST pain, LT gain; favour oligopoly leaders as supply-demand improves in '27E — The market has partially priced in risks from the completed-home sales policy, including a smaller new home market & earnings/ ROE pressure from a lengthened cash cycle. Expect near-term volatility as policy implications are digested. However, we believe the reform accelerates oligopoly formation and rebalances supply-demand in core cities, supporting home price recovery in '27E. 4Q pullbacks offer tactical entry points into year-end, given a short-term sales pickup across the last two weekends and as local govts are expected to announce further details and mitigating measures. We favour developers with strong B/S, low funding costs, and ample recent land banks in '25/8M26. ***Top picks:*** COLI, CRL, Beike, Jinmao.

See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliation

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Foreign Institutional Investors.



The "Third Revolution" in China Property Industry

We view the new policy on completed home sales as the third revolution in China property, after the abolition of welfare housing allocation in 1998 & the introduction of land tender-auction-listing system in 2002. China has adopted the pre-sales model since 1998 for more than 28 years.

Reshaping China's property development model; a comprehensive property reform package on sales, credit & capital market: We view the new policies as a comprehensive reform package rather than a single issuance, comprising three foundational systems and five supporting documents. At its core, the framework introduces the completed-home sales system, project company system and lead-bank system, representing a key step toward establishing China's new property development model.

Figure 1. The "8.28" Policy Framework: Supporting the Transition Towards Completed Home Sales

DOCUMENT / 文件	DEPARTMENT / 部门	POLICY DETAILS / 政策详情	KEYWORDS / 关键词
① SALES SUPPORT / 销售支持			
Notice on the Commercial Housing Sales System 商品住房销售制度通知	MOHURD 住建部 MNR 自然资源部 NFA 国家金融监管总局	• Promotes **completed sales** to reduce risk for buyer. 推进现房销售模式，降低购房者风险。 • **Deposit scheme** replaces one-off lump-sum payments; with the remainder balance pay at handover. 定金制替代一次性大额付款，余款于交房时付清。 • **Full presale fund supervision** ring-fences in escrow accounts. 预售资金全额监管，专项托管账户封闭运作。 • Addresses legacy risks from stalled projects and buyers' mortgage boycott incidents. 直接回应烂尾楼遗留风险及购房者"停贷"事件的历史教训。	Completed sales 现房销售 Deposit scheme 定金制 Presale supervision 预售资金全额监管
② CREDIT SUPPORT / 信贷支持			
Opinions on Real Estate Credit Management 房地产信贷管理意见	PBoC 中国人民银行 NFA 国家金融监管总局	• **Lead bank model**: one designated bank coordinates all project credit, streamlining oversight and liability. 主办银行制度：由一家银行牵头统筹项目信贷，简化监管并明确责任主体。 • **Maturity alignment**: construction loan tenor matched to mortgage duration, reducing refinancing risk. 开发贷期限匹配：建设贷款期限与对应按揭贷款期限对齐，降低系统性再融资风险。 • **Post-completion disbursement**: mortgage funds released only after full building handover. 按竣工后放款：按揭款项须待房屋竣工交付后方可放款，切实保障购房者权益。 • **40-year mortgage** option extends tenor to improve affordability and lower monthly repayments. 引入40年期个人住房贷款，延长还款周期，降低月供压力，提升购房可负担性。	Lead bank model 主办银行 Maturity match 开发贷期限匹配 Post-completion 按竣工后放款 40-yr mortgage 40年个贷
③ CAPITAL MARKET SUPPORT / 资本市场支持			
Opinions on Capital Market Support for Real Estate 资本市场支持意见	CSRC 中国证监会	• **REITs**: expanded pathway to securitize stabilized, income-generating assets. REITs：拓宽将成熟收益性资产证券化的渠道。 • **CMBS**: enables financing of commercial real estate through structured capital markets products. CMBS（商业抵押贷款支持证券）：支持商业地产通过结构化资本市场产品融资。 • **Corporate bonds & project credit**: expanded issuance eligibility. 公司债及项目信用：扩大合格开发商债券发行资质。 • **M&A tools**: market-oriented M&A financing to facilitate orderly restructuring for distressed firms. 并购工具：通过市场化并购融资机制，推动困境房企有序重组整合。	REITs REITs CMBS CMBS Corporate bonds 公司债 Project credit 项目信用 M&A tools 并购工具

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Source: Citi Research estimates

- **New policy of completion home sales – from sales scale to quality:** Ministry of Housing, MNR & NFRA jointly issued new measures to reform China's housing sales system (28th Aug):

- 1) raise the home sales threshold to the completion of structural topping-out from pre-sales; specific thresholds are to be set by local govt on local conditions;
- 2) progressively promote completed-home sales: new lands prioritized for completed home sales & existing eligible projects encouraged to adopt the model;
- 3) tighten escrow & supervision of presale proceeds through a designated lead-bank framework;
- 4) permit developers to collect limited deposits from home-buyers after construction permit obtained;
- 5) support transition via coordinated policies on land supply, project financing, construction quality, streamlined approvals.

- **New policy on financing – from corporate creditability to project based financing:** PBOC and NFRA jointly issued Opinions on Reforming and Improving Real Estate Credit Management (28th Aug):
  - (1) Individual mortgage: max tenor is extended to 40 years from 30 years, with amount cap at appraised value;
  - (2) Residential project loans: pre-sale project at up to 3 years tenor in principle (max 5 years); completed-home sales projects at up to 5 years in principle (max 7 years);
  - (3) Commercial development loans: tenor up to 7 years in principle;
  - (4) mortgage disbursement: for completed units, can be disbursed after sales registration; for pre-sold units can only be disbursed after completion filing;
  - (5) Operating loans: max tenor of 15 years, subject to 70% LTV cap to appraised value.

- **More accommodative with built-in buffers than feared** — The framework emphasizes a phased rollout with differentiated treatment on local conditions. We view this is a gradual, not a disruptive transition with flexibility on:
  - i) specific thresholds are to be set by local govts;
  - ii) completed home sales is a "preferred option" for new lands or projects not yet obtained planning approval while existing landbank are only "encouraged", not mandated to be adopted;
  - iii) threshold is raised to superstructure topping-out (same as in Shanghai & Beijing now), not a full completion;
  - iv) allow property firms to collect small deposits from buyers after construction permit.

Quantifying policy impacts before mitigating measures

- (I) **Physical market**:
  - 1) Expect new home volume & new starts to be down 30% with a supply squeeze in '27/28E given lengthened launch cycle from 6 months to 1.5-2 years. This may support home prices at core cities.
  - 2) buying power channeled into secondary market in '27E & new homes competes only (with each other & with secondary homes) on products (product quality, product diversification, etc; no longer compete on delivery timing, as now new homes have to be sold as a completed product).
  - 3) land premium to be settled by installment to local government to avoid land sales revenue collapse.

  - 4) land sales revenue to Rmb1.8trn in '26E (25: Rmb4.1trn).

- (II) **Industry landscape**: accelerating formation of an oligopolistic market. The longer cash conversion (from 6–8 months to 10–18 months) raises entry barriers.

- (III) **Property firms**:

  - Earnings could shrink by 8-17%, with DP NPM lowering from 6% to 4%, and IRR from c.20-25% to 7-9%, before any reset in land price given more finance cost incurred.

  - Developers may need to invest 70-120% more of their own capital to maintain a similar sales scale due to slower asset turn.

  - ROE drag and higher cost of capital.

- (IV) **Home buyers**: an extension of mortgage tenors to 40 years from 30 years could increase the total interest payments by 39%, on our estimate.

Figure 2. Quantify Impact from "8.28" New Policy Package Before Mitigating Measures

IMPACT ON PHYSICAL MARKET

New home volume & new starts down 30%

LAUNCH CYCLE

BEFORE	AFTER POLICY
6 months Land to launch	1.5 – 2 years Under completed-home sales policy

OUTCOMES

NEW HOME VOLUME '27/28E	NEW STARTS '27/28E	CORE CITY HOME PRICES
–30%	–30%	↑ Supported

IMPACT ON INDUSTRY

Accelerating formation of an oligopolistic market

MARKET STRUCTURE SHIFT

Oligopoly Forming	Capital Barrier Rises	Quality Differentiates
Fewer players Scale wins	+70–120% capital Slower turn	Quality premium Brand matters

IMPACT ON PROPERTY FIRMS

Cash collection cycle lengthen to 2–3 years

KEY METRICS — BEFORE VS. AFTER

METRIC	BEFORE	AFTER
Cash Conversion Cycle	6–12 months	2–3 years
DP Net Profit Margin	~6%	~4%
Project IRR	~20–25%	~3–7%
Earnings	Base	–8–17%
Own capital to maintain contracted sales scale	Base	+70–120%

KEY BENEFICIARIES

[1] Ample landbanking in '25/1H26, strong B/S and low funding costs	COLI, CRL
[2] Secondary agency biz	Beike
[3] High % of completed home sales	COGO
[4] Quality products	Jinmao
Negative for those under a high turnover model	Negative

IMPACT ON HOME BUYERS

Extension of mortgage tenors to 40 years from 30 years

Loan: RMB 10,000,000 **Rate:** 2.90% **LPR:** 3.50% **Spread vs. LPR:** -0.60%

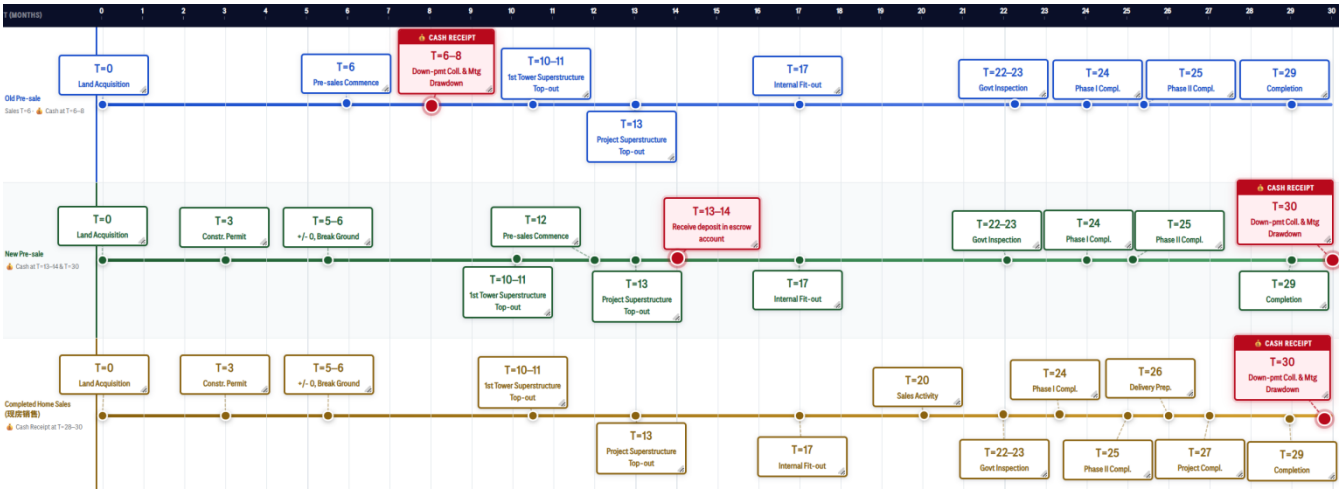
Mortgage Payment Changes	30 Years	40 Years	Δ
Monthly Payment (RMB)	41,623	35,225	–15%
Annual Payment (RMB)	499,476	422,694	–15%
Total payment over mortgage (RMB)	14,984,279	16,907,777	+13%
Total interest (RMB)	4,984,279	6,907,777	+39%
Change in monthly payment (RMB)	—	(6,398)	–18.2%

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Source: Citi Research Estimates

Timeline for pre-sales vs. completed home sales: an illustration

Figure 3. Property Development and Sales Timeline for Pre-Sales vs. Completed Home Sales



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Source: Citi Research estimates

Longer cash conversion cycle and lower returns

Impact to listed names: 1) form an oligopolistic era: longer cash conversion (from 6–12 months to 2-3 years) raises entry barriers; 2) more finance cost incurred; 3) ROE and IRR drag; 4) higher cost of capital; 5) need to invest 70-120% more of their own capital to maintain a similar sales scale due to slower asset turn.

- **Key beneficiaries**
  - [1] names with ample landbanking in '25/1H26, strong B/S and low funding costs: COLI, CRL, etc;
  - [2] secondary agency biz: Beike;
  - [3] high % of completed home sales: COGO;
  - [4] quality products: Jinmao.
- Negative for those under a high turnover model.

Figure 4. Citi Estimate Project Economics: Key Assumptions

PROJECT & COST ASSUMPTIONS					
Saleable Area	100,000	sqm GFA	VAT	5.5%	
ASP	30,000	RMB/sqm	Other Costs	(1,000)	RMB/sqm
Land Cost	(18,000)	RMB/sqm	SG&A Expense	(2,250)	RMB/sqm
Construction Cost	(5,000)	RMB/sqm	Construction Loan	860,000,000	RMB
Finance Cost — SOE	3.5%		Capex (Phase)	(250,000,000)	RMB
Finance Cost — Non SOE	6.5%		Finance Cost (Total)	(30,100,000)	RMB

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Source: Citi Research estimates

Figure 5. Citi Estimate Project Economics Under Three Sales Model (Assuming 3.5% Financing Cost for SOEs)

METRIC	CASE 1 Old Pre-sales	CASE 2 New Pre-sales	CASE 3 Completed Home Sales
Gross Margin 毛利率	13.50%	12.49%	11.49%
Net Margin 净利率	6.00%	4.99%	4.49%
Internal Rate of Return 项目回报率	22.76%	7.42%	2.67%
Peak Cash Outflow ① 资金占用峰值（考虑贷款后）	-RMB0.8bn	-RMB1.8bn	-RMB1.8bn
Peak Cash Outflow Time 资金占用峰值时间	Month 3	Month 9	Month 25 after completion
Sales Start Time 项目销售开始时间	Month 4 after breaking land	Month 10 after superstructure top-out	Month 26 after completion
Cash Flow Turnaround Time 现金流回正时间	Month 7	Month 14	Month 30

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Source: Citi Research Estimates

Figure 6. Citi Estimate Project Economics Under Three Sales Model (Assuming 6.5% Financing Cost for non-SOEs)

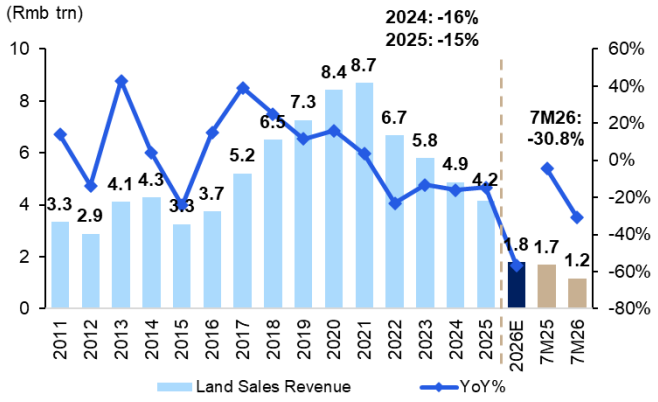
METRIC	CASE 1 Old Pre-sales	CASE 2 New Pre-sales	CASE 3 Completed Home Sales
Gross Margin 毛利率	12.64%	10.77%	8.91%
Net Margin 净利率	5.14%	3.27%	2.34%
Internal Rate of Return 项目回报率	20.19%	4.98%	1.40%
Peak Cash Outflow ① 资金占用峰值（考虑贷款后）	-RMB0.8bn	-RMB1.8bn	-RMB1.8bn
Peak Cash Outflow Time 资金占用峰值时间	Month 3	Month 9	Month 25 after completion
Sales Start Time 项目销售开始时间	Month 4 after breaking land	Month 10 after superstructure top-out	Month 26 after completion
Cash Flow Turnaround Time 现金流回正时间	Month 7	Month 14	Month 30

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Source: Citi Research Estimates

Expect shrinking land sales and new starts

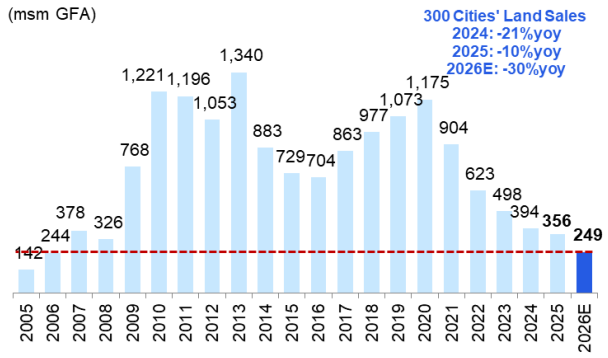
Physical market impacts:1) new home supply squeeze in core cities due to lengthened launch cycle; 2) support a faster supply-demand rebalancing at core cities that facilitate home price recovery in '27E; 3) buying power channeled into secondary market & new homes competes only (with each other & with secondary homes) on products (product quality, product diversification, etc; no longer compete on delivery timing, as now new homes have to be sold as a completed product); 4) govt land revenue est. at Rmb1.8bn in '26E ('25: Rmb4.2bn).

Figure 7. Government Land Sales Revenue: estimate Rmb1.8trn in FY26E



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Source: Ministry of Finance, Citi Research estimates

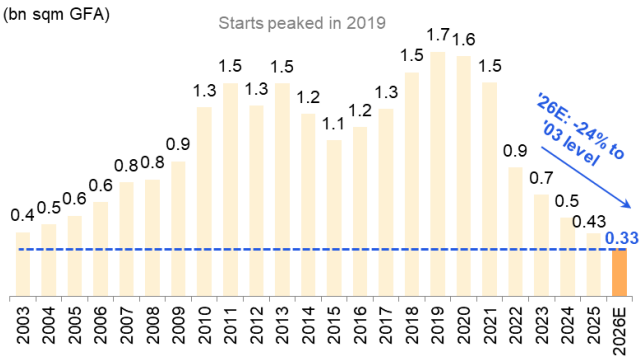
Figure 8. Land Sales: 20 Year Low since 2006



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Source: CREIS (300-Cities Land Sales), Citi Research estimates

Figure 9. New Starts: Expect -24%yoy in 2026E



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Source: NBS, Citi Research estimates

Figure 10. Impact of the Completed Sales Policy Across Different Tier Cities

CITY TYPE 城市类型	SECONDARY / PRIMARY RATIO 二手 / 新房倍数	INVENTORY PERIOD & COMPLETED HOME RATIO 去化周期与现房占比
Tier-1 Cities 一线城市	**High** 高 Shanghai 4.9× · Beijing 3.6× 沪 4.9 倍 · 京 3.6 倍	Tight · 偏紧 **Short inventory period; high completed home share** 去化周期偏紧；现房占比高
Strong Tier-2 强二线城市	**Medium-High** 中高 Suzhou · Hefei · Chengdu ~3× 苏、合、蓉约 3 倍	Bifurcated · 两极分化 **Core vs. periphery divergence; highest intra-city spread** 核心与外围明显分化；城市内部分化最大
Ordinary Tier-2 & Mid-Tier 普通二线与中间层城市	**Low** 低 Most cities below 1.5× 多数城市低于 1.5 倍	Extended · 偏长 **Prolonged inventory period; inventory pressure accumulating** 去化周期偏长；库存压力持续积累
Tier-3 & Tier-4 三四线城市	**Very Low** 很低 New supply demand also weak 新房需求亦较为疲弱	Long · 偏长 **Passively high completed home share; structurally elevated inventory** 被动现房占比本就最高；库存结构性偏高

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Source: Citi Research estimates

Figure 11. Land Sales, Secondary Sales and Primary Sales by City Tier

CREIS (300 Cities)

Land Sales By GFA (mn sqm)	8M26	YoY
Tier 1	6.5	2.8%
Tier 2	35.4	-32.3%
Tier 3&4	61.2	-19.4%
Total	**103.2**	**-23.4%**
Land Sales By Transaction Value (Rmb bn)	**8M26**	**YoY**
Tier 1	246.5	2.3%
Tier 2	297.3	-39.0%
Tier 3&4	165.8	-18.8%
Total	**709.6**	**-23.7%**

Wind (18 Cities)

Secondary Sales Transaction Volumn (units)	8M26	YoY
Tier 1	372,150	10.4%
Tier 2	432,934	-0.1%
Tier 3&4	90,274	9.6%
Total	**895,358**	**5.0%**

CRIC (40 Cities)

Primary Transaction Value (Rmb mn)	7M26	YoY
Tier 1	671,274	-10.9%
Tier 2	1,052,498	-17.6%
Tier 3&4	2,030,528	-12.8%
Total	**3,754,300**	**-13.9%**
Primary Transaction GFA ('000 sqm)	**7M26**	**YoY**
Tier 1	12,219	-7.6%
Tier 2	65,252	-20.8%
Tier 3&4	296,779	-11.8%
Total	**374,250**	**-13.4%**

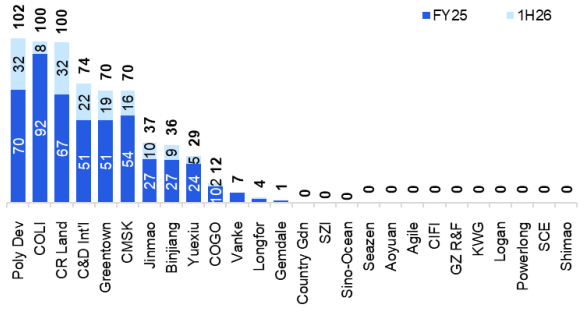
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Source: WIND, CREIS, CRIC; Citi Research Estimates

Listed names: sufficient 2025-1H26 land purchase is key

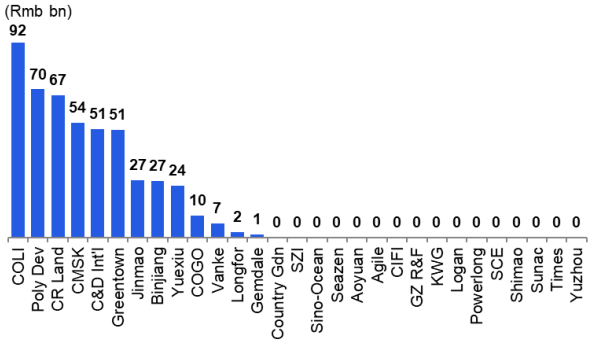
2025 land purchase is favored (more reasonable land price, already received construction permit) over 1H26 over neither

Figure 12. Listed Property Names'2025- 1H26 Land Acquisition Attributable Cost



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Source: Companies, Citi Research

Figure 13. Listed Property Names' 2025 Land Acquisition Attributable Cost



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Source: Companies, Citi Research

Figure 14. New Land Acq Cost in 2025-1H26: 80% in top-10 cities and 91% in top-20 cities (by % of attributable cost)

Company	RIC	# Cities Land Acq1H26	% of Land Acq cost City Tier 1	2	3	4/5	% of land acq cost in Top-5 cities	Tier1/2 % total	% of Land Acq Cost in Major 20 Cities 20个主要城市的买地金额占比 SH 上海	BJ 北京	SZ 深圳	GZ 广州	HZ 杭州	CD 成都	FS 佛山	NB 宁波	XM 厦门	FZ 福州	SY 沈阳	SZ 苏州	NJ 南京	CS 长沙	ZZ 郑州	XA 西安	TY 太原	QD 青岛	DG 东莞	HF 合肥	Total 小计
COLI	0688.HK	21	70%	29%	1%	0%	80%	99%	39%	18%	9%	1%	8%	1%	2%	2%	1%	-	-	-	6%	-	-	1%	1%	2%	2%	2%	94%
Poly HK	0119.HK	10	74%	25%	-	1%	93%	99%	39%	-	21%	14%	13%	-	-	0%	-	-	-	7%	3%	2%	-	-	-	-	-	-	98%
CMSK	001979.SZ	19	53%	40%	8%	-	76%	92%	29%	12%	11%	-	16%	7%	3%	2%	1%	5%	2%	2%	-	-	1%	1%	1%	-	-	-	94%
Jinmao	0817.HK	14	58%	41%	1%	-	75%	99%	29%	23%	-	6%	7%	6%	2%	1%	-	10%	1%	1%	-	-	3%	5%	3%	-	-	3%	100%
Gemdale	600383.SS	3	26%	74%	-	-	100%	100%	26%	-	-	-	26%	-	-	-	-	-	-	48%	-	-	-	-	-	-	-	-	100%
Yuexiu	0123.HK	7	79%	21%	-	-	97%	100%	25%	21%	-	34%	9%	9%	2%	-	-	-	-	-	-	-	-	-	-	-	-	0%	100%
CR Land	1109.HK	24	60%	35%	5%	0%	77%	95%	25%	24%	11%	0%	10%	8%	2%	-	-	2%	-	1%	1%	2%	2%	-	2%	-	3%	1%	91%
Poly Dev	600048.SS	27	48%	36%	14%	1%	71%	85%	22%	13%	-	13%	13%	1%	5%	-	3%	-	9%	1%	-	-	1%	1%	1%	3%	-	1%	88%
Greentown	3900.HK	22	24%	66%	7%	2%	77%	91%	19%	1%	2%	2%	35%	2%	6%	13%	-	1%	1%	1%	0%	3%	0%	1%	-	-	-	-	90%
C&D Int'l	1908.HK	19	38%	56%	5%	1%	71%	94%	17%	16%	6%	-	21%	5%	-	2%	12%	2%	-	2%	-	2%	-	-	-	-	-	-	85%
Longfor	0960.HK	11	33%	50%	16%	-	74%	84%	17%	-	17%	-	-	14%	-	12%	-	-	-	-	-	-	-	-	-	-	-	5%	65%
COGO	0081.HK	14	-	26%	65%	9%	67%	26%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23%	-	-	-	-	-	23%
Binjiang	002244.SZ	3	-	95%	2%	4%	100%	95%	-	-	-	-	95%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95%
Vanke	000002.SZ	13	-	91%	9%	-	66%	91%	-	-	-	-	13%	4%	4%	2%	-	-	-	8%	-	25%	-	-	7%	11%	-	-	75%
Simple/ Weighted Avg*		15	49%	44%	7%	1%	80%	92%	24%	14%	6%	5%	19%	4%	3%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	91%

Top 10 cities:80%

Top 20 cities:91%

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Source: Companies, CREIS, Citi Research Estimates. Note: (1) ranked by % of land acquisition cost in top-12 cities, from high to low; (2) highlighted each companies' most exposed city; (3) *Simple avg for # of cities & top-5 cities concentration, *Weighted avg for land acq cost mix.

Landbank: ranges from 2.5 years to 9.0 years

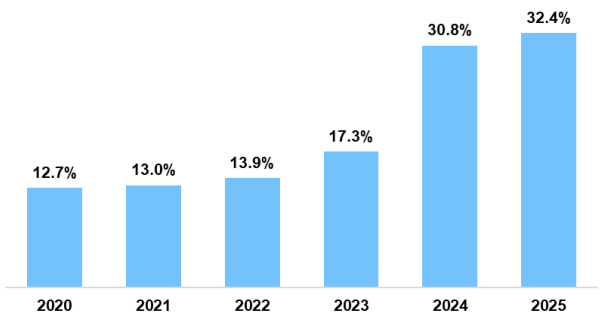
Figure 15. Citi Estimate Landbank Year for Selected Listed Names (avg 5.7 years based on 2026E GFA sold)

		Gross Landbank GFA by Jun-26 (mn sqm)	Citi est. Unsold Value (Rmb bn)	GFA Sold (Gross) 2025 (mn sqm)	2026E (mn sqm)	Est. Landbank Year on GFA on 2025 (Years)	on 2026E (Years)	Contracted Sales (Gross) 2025 (Rmb bn)	2026E (Rmb bn)	Est. Landbank Year on Value on 2025 (Years)	on 2026E (Years)
C&D Int'l	* 1908.HK	10.4	209	3.7	4.1	2.8	**2.5**	122	114	1.7	1.8
CM Shekou	* 001979.SZ	18.1	400	7.2	6.0	2.5	**3.0**	196	190	2.0	2.1
COLI (excl. COGO)	^ 0688.HK	22.1	694	7.6	5.7	2.9	**3.9**	219	222	3.2	3.1
COGO	^ 0081.HK	11.4	98	2.9	2.8	3.9	**4.0**	32	33	3.0	3.0
Greentown	* 3900.HK	15.2	385	4.7	3.6	3.3	**4.2**	153	120	2.5	3.2
Yuexiu	^ 0123.HK	16.6	291	3.0	3.1	5.6	**5.4**	106	92	2.7	3.2
Longfor	^ 0960.HK	20.1	180	5.2	3.7	3.9	**5.4**	63	35	2.8	5.1
CR Land (DP only)	* 1109.HK	39.2	1,295	9.2	6.4	4.3	**6.2**	234	235	5.5	5.5
Jinmao	^ 0817.HK	23.3	672	4.8	3.5	4.9	**6.7**	114	120	5.9	5.6
Poly Property	* 0119.HK	11.2	279	1.6	1.5	6.9	**7.2**	50	45	5.6	6.2
Poly Development	* 600048.SS	88.3	1,766	12.4	10.8	7.1	**8.2**	253	230	7.0	7.7
SZI	* 0604.HK	5.1	113	0.6	0.6	8.3	**9.0**	13	13	8.5	8.7
Total/ Avg	**0604.HK**	**270.6**	**6,171**	**59.1**	**47.7**	**4.6**	**5.7**	**1,434**	**1,335**	**4.3**	**4.6**

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Source: Companies, Citi Research estimates Note: Note: * Landbank based on unsold area; ^ Landbank based on unbooked area (including sold but unbooked)

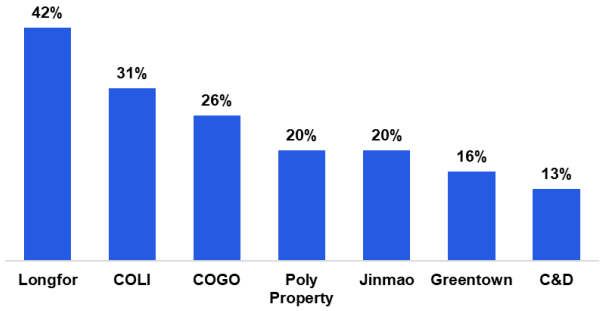
Completed home sales already account for 32% of property sales

Figure 16. National Completed Home Sales %



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Source: NBS, Citi Research

Figure 17. Listed Names: % of Completed Home Sales in 1H26



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Source: Companies, Citi Research estimates

Sector Valuations

Figure 18. China Property Sector — Valuations (9-Sep-2026) Citi Rating: 1 – Buy; 2 – Neutral; 3 – Sell; H – High Risk

Stock	RIC	9-Sep-26 Price	Mkt Cap (USDm)	Citi Rating	Est. NAV	NAV Disc	Target Price	P/E			P/B			Yield		
								FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
China Property Names (H-share)																
C&D int'l	1908.HK	12.55	3,707	1	23.13	-46%	19.00	6.6	6.4	6.1	0.5	0.5	0.5	7.9%	8.2%	8.6%
CIFI	0884.HK	0.04	94	3H	0.31	-88%	0.03	N/A	N/A	N/A	0.0	0.0	0.0	-	-	-
COGO	0081.HK	2.92	1,323	1	8.10	-64%	3.10	10.2	9.7	8.9	0.3	0.3	0.2	3.4%	3.5%	3.8%
COLI	0688.HK	12.96	18,090	1	35.67	-64%	18.30	9.5	9.6	9.3	0.3	0.3	0.3	3.7%	3.6%	3.7%
Country Garden	2007.HK	0.19	1,108	3H	0.82	-77%	0.16	N/A	N/A	N/A	-0.3	-0.2	-0.1	-	-	-
CR Land	1109.HK	30.06	27,337	1	71.80	-58%	43.10	8.1	7.9	7.6	0.6	0.6	0.6	4.5%	4.6%	4.8%
Greentow n	3900.HK	5.83	1,888	1	18.35	-68%	10.80	9.7	4.8	4.4	0.3	0.3	0.3	4.9%	7.1%	7.7%
Jinmao Group	0817.HK	1.27	2,180	1	4.61	-73%	2.30	10.6	10.1	9.5	0.2	0.2	0.2	2.5%	2.5%	2.5%
Longfor	0960.HK	6.09	5,508	1	22.00	-72%	8.80	NM	11.0	9.2	0.2	0.2	0.2	-	-	-
Midea Real Estate	3990.HK	2.41	440	1	3.51	-31%	4.30	4.6	4.4	4.3	0.6	0.6	0.5	14.5%	14.6%	15.1%
Poly Prop	0119.HK	1.26	614	1	10.14	-88%	2.80	10.2	2.9	2.5	0.1	0.1	0.1	3.9%	13.6%	16.3%
Seazen	1030.HK	1.43	1,320	1	8.66	-84%	2.60	10.1	7.3	5.6	0.2	0.2	0.2	-	-	-
Shenzhen Inv	0604.HK	0.64	726	1	3.00	-79%	0.90	9.6	8.5	12.0	0.2	0.2	0.2	4.2%	4.7%	5.3%
Sunac	1918.HK	0.58	1,477	2H	4.00	-86%	0.60	N/A	N/A	N/A	0.1	0.2	0.2	-	-	-
Vanke	2202.HK	2.40	5,297	3	18.02	-87%	1.55	N/A	N/A	N/A	0.3	0.3	0.3	-	-	-
Yuexiu	0123.HK	3.24	1,661	1	15.34	-79%	4.60	137.6	82.3	16.1	0.2	0.2	0.2	0.3%	0.5%	2.8%
Average for H-share						**-62%**		**11.2**	**9.4**	**7.5**	**0.5**	**0.4**	**0.4**	**3.9%**	**4.1%**	**4.3%**
China Property Names (A-share)																
CMSK	001979.SZ	6.82	9,163	1	18.29	-63%	11.00	26.2	26.8	27.1	0.6	0.6	0.6	1.5%	1.5%	1.5%
Gemdale	600383.SS	2.32	1,561	3H	8.68	-73%	1.74	N/A	N/A	36.9	0.2	0.3	0.2	-	-	-
Hangzhou Binjiang	002244.SZ	8.40	3,895	1	NA	NA	11.00	13.8	14.0	13.8	0.8	0.8	0.7	0.7%	0.7%	0.7%
Poly Dev & Hldgs	600048.SS	5.22	9,312	1	13.06	-60%	7.00	87.2	16.4	8.9	0.3	0.3	0.3	0.5%	2.5%	4.5%
Vanke	000002.SZ	3.19	5,297	3	6.67	-52%	2.00	N/A	N/A	N/A	0.4	0.5	0.5	-	-	-
Average for A-share						**-52%**		**49.4**	**20.2**	**10.4**	**0.5**	**0.5**	**0.5**	**0.7%**	**1.4%**	**2.0%**
Overall Avg. for China Property Names						**-59%**		**19.5**	**11.3**	**7.8**	**0.5**	**0.5**	**0.5**	**2.9%**	**3.2%**	**3.6%**
Brokerage platform																
Beike	BEKE.N	17.27	19,792	1	NA	NA	26.60	15.6	14.1	13.5	1.9	1.8	1.7	2.9%	3.2%	3.3%
Beike	2423.HK	44.96	19,700	1	NA	NA	75.40	15.5	14.0	13.5	1.9	1.8	1.7	2.9%	3.2%	3.3%
Property Management																
CR Mixc	1209.HK	40.56	11,807	1	NA	NA	53.30	18.1	16.3	14.8	14.5	13.5	12.6	5.5%	6.1%	6.8%

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Source: DataCentral, Citi Research Estimates