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China Property

Two Weeks after the Historic Policy: ST Sales Boost; Land Market Cools

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CITI'S TAKE

Sales improve, land market cools after the "third industry revolution": China's property is entering its third revolution, with completed home sales reform (announced on 28 Aug), from pre-sales model used for 28+ years. Two weeks in, we see better new home & secondary sales in short term, a generally cooler land market (except T1 cities) and more divergent developer' strategies.

New home sales improve — (i) New home volume in 34 cities +26%yoy (CREIS), led by growth in T1/T2 cities (+47%/25%yoy). Sep-MYD weekly volume improved to avg 20-21k units, vs c.18k units in Aug; (ii) Secondary volume in 18 cities rose 13%yoy in Sep MTD (WIND), with weekly volume improving to 24.8k units, from the 23.5k. Secondary prices are up YTD in Beijing / Shanghai & flat in Shenzhen.

Land market: cools broadly, but still warm in T1 cities — Average land premium in 300 cities fell from 9% to 5% post policy. Land market in SH, BJ & SZ is still warm, although competition has eased in SH & SZ. COLI acquired projects in SH, SZ & XA while CRL added in BJ. Elsewhere, several cities postponed land sales (e.g. Quanzhou, BJ for one land sale etc.). Smaller sites in prime locations, key cities and low-density projects remain popular, while demand for other sites is weak.

Developer responses diverge — With higher capital requirement, we expect developers to focus on fewer than 10 core cities & increase JV participation. With some sales teams cut, construction teams should become more important given mortgage process is now linked to completion certificate. Some developers remain active in land market for scale, but most are waiting for lower land prices. For weaker players, the priority is survival through this second round of supply-side reform.

Banks interpret the new rules differently — We have seen some banks requiring completion certificates before releasing mortgage proceeds for existing projects, although most continue to apply existing practices to old projects.

MOHURD's meeting & BJ, Wuhan implementation highlights — (1) Home purchase deposits capped at 1-5% in principle; (2) bank guarantees may substitute pre-sale funds; (3) Housing Provident Fund Centres are preferred for fund supervision; (4) Projects with construction planning permits obtained on/before 28-Aug-2026 remain under the pre-sale framework; permits from 29-Aug onward fall under the completed-home-sales regime; (5) Local govts may allow installment payment of land premiums, with locally determined schedules (e.g. BJ/WH at 50% within 2 years) (6) Tax collection shifts toward an actual-basis approach, deferring VAT/CIT and related tax payments, e.g. Wuhan to project completion.; (7) All local govts are required to issue implementation rules and drive execution by end-2026.

A volatile Sep ahead — Sector share price rebounded recently on market expectation of mortgage interest subsidies (led by A-shares), short-term sales pickup over the past two weeks and expectations of details and mitigating measures from local govts. We expect continued volatility in Sep as the market has partially priced in risks from the completed-home sales policy, including a smaller new home market & earnings/ ROE pressure from a longer cash cycle. Top picks: COLI, CRL, Beike, Jinmao.

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

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Key Cities' Primary & Secondary Volume (WIND & CREIS)

Figure 1. Weekly Primary Transaction in 34 Cities (by # units registered)

Average Weekly Primary Transaction Volumn (by registration of units sold 网签新房销售套数)												
	Weekly Transaction (units)				YoY Change (%)				Sequential Change (%)			
	34 cities	Tier-1	Tier-2	Tier-3/4	34 cities	Tier-1	Tier-2	Tier-3/4	34 cities	Tier-1	Tier-2	Tier-3/4
Single Week					YoY Change				WoW Change			
9/13/2026	18,671	5,347	10,839	2,485	13.7%	31.6%	4.7%	24.0%	-13.0%	-5.1%	-17.7%	-6.0%
9/6/2026	21,458	5,637	13,177	2,643	38.7%	65.7%	49.5%	-18.7%	0.4%	16.6%	-3.2%	-9.7%
8/30/2026	21,381	4,834	13,619	2,928	9.8%	4.9%	16.1%	-6.6%	15.5%	0.2%	26.2%	1.3%
8/23/2026	18,509	4,824	10,795	2,890	5.0%	28.8%	-10.1%	53.5%	-0.9%	17.1%	-5.2%	-8.8%
8/16/2026	18,677	4,121	11,389	3,167	28.3%	15.4%	31.1%	37.8%	20.1%	-18.8%	39.2%	38.0%
8/9/2026	15,557	5,078	8,183	2,296	2.8%	31.2%	-5.6%	-11.5%	-22.1%	13.8%	-33.6%	-27.9%
Single Month					YoY Change				MoM Change			
Sep-26	20,064	5,492	12,008	2,564	25.9%	47.2%	25.3%	-2.4%	6.6%	17.8%	6.6%	-11.4%
Aug-26	18,819	4,664	11,262	2,893	10.8%	15.6%	8.8%	11.5%	-6.5%	-1.0%	-7.9%	-9.2%
Jul-26	20,128	4,709	12,233	3,185	7.8%	4.2%	10.2%	4.8%	-4.9%	-8.1%	-4.6%	-0.7%
Jun-26	21,161	5,125	12,828	3,208	-10.0%	-11.3%	-6.3%	-20.5%	-5.3%	-13.5%	1.4%	-14.7%
May-26	22,334	5,922	12,651	3,761	2.3%	12.4%	-1.4%	1.0%	3.0%	2.8%	3.1%	2.9%
Apr-26	21,684	5,759	12,270	3,655	7.7%	17.9%	5.4%	1.6%	-4.2%	8.2%	-6.0%	-14.2%
Mar-26	22,635	5,325	13,052	4,259	-11.2%	-7.1%	-13.9%	-7.5%	99.6%	137.3%	104.4%	57.1%
Feb-26	11,339	2,244	6,384	2,711	-37.1%	-39.5%	-38.6%	-30.6%	-28.4%	-43.5%	-29.4%	-3.9%
Jan-26	15,831	3,969	9,043	2,819	-16.1%	-14.8%	-19.5%	-5.4%	-15.2%	-20.0%	-16.1%	-3.4%
Dec-25	18,661	4,962	10,781	2,919	-44.0%	-39.9%	-46.9%	-38.3%	0.1%	0.9%	-2.2%	8.5%
Nov-25	18,634	4,918	11,024	2,692	-44.6%	-41.3%	-47.0%	-39.8%	-10.9%	1.2%	-11.4%	-25.3%
Oct-25	20,902	4,859	12,439	3,604	-33.7%	-41.7%	-29.2%	-35.7%	20.6%	20.2%	18.0%	31.4%
Sep-25	17,327	4,043	10,540	2,744	-7.2%	4.6%	-7.3%	-19.8%	2.1%	0.2%	1.8%	5.7%
Aug-25	16,979	4,034	10,349	2,596	-20.0%	-23.1%	-17.4%	-24.4%	-9.0%	-10.7%	-6.8%	-14.6%
YTD2026 Avg	**19,266**	**4,768**	**11,240**	**3,259**	**-4.6%**	**-0.1%**	**-5.7%**	**-7.2%**				
FY2025	**20,301**	**4,867**	**12,082**	**3,352**	**-18.9%**	**-10.9%**	**-21.9%**	**-18.4%**				

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Source: CREIS, Citi Research Note: *34 cities include:4 Tier-1 cities: Beijing, Shanghai, Shenzhen, Guangzhou; 15 Tier-2 cities: Chongqing, Hangzhou, Nanjing, Wuhan, Chengdu, Suzhou, Dalian, Xi'an, Changsha, Fuzhou, Shenyang, Qingdao, Jinan, Changchun, Nanning; 15 Tier-3/4 cities: Wenzhou, Dongguan, Zhenjiang, Yangzhou, Shantou, Shaoguan, Zhoushan, Taian, Jiangyin, Huaian, Wuhu, Shaoxing, Zhaoqing, Suzhou (Anhui), Haimen

Figure 2. Weekly Secondary Transactions in 18 Cities (by # units registered)

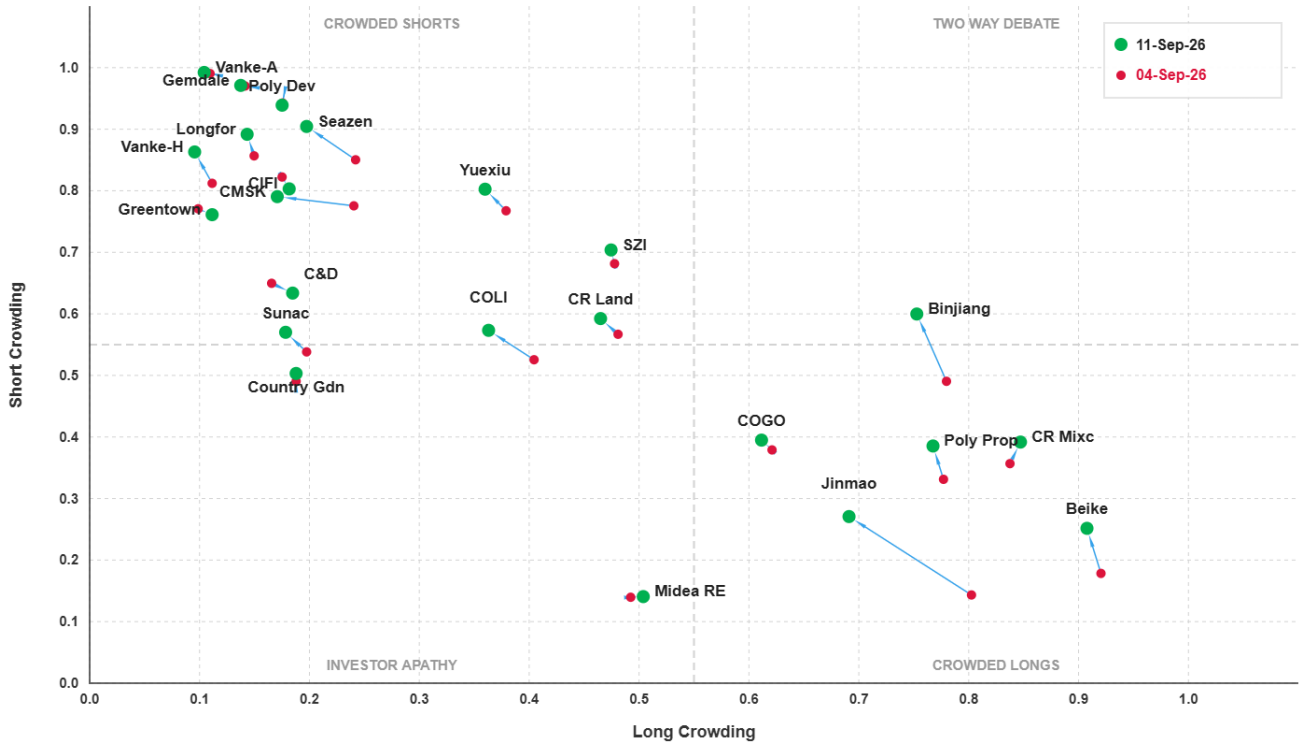
Average Weekly Secondary Transaction Volume (by registration of units sold 网签二手房交易套数)												
	Weekly Transaction (units)				YoY Change (%)				Sequential Change (%)			
	18 cities	Tier-1	Tier-2	Tier-3/4	18 cities	Tier-1	Tier-2	Tier-3/4	18 cities	Tier-1	Tier-2	Tier-3/4
Single Week					YoY Change				WoW Change			
9/13/2026	24,826	10,958	11,327	2,541	10.8%	13.2%	6.1%	24.7%	8.4%	8.5%	8.2%	9.1%
9/6/2026	22,896	10,100	10,466	2,330	14.8%	20.6%	8.4%	21.7%	-4.8%	-4.1%	-5.0%	-6.9%
8/30/2026	24,052	10,527	11,022	2,503	3.1%	5.7%	-1.9%	17.5%	-1.1%	4.2%	-5.3%	-2.9%
8/23/2026	24,311	10,098	11,636	2,577	18.0%	31.7%	5.9%	32.8%	3.3%	7.1%	0.3%	2.8%
8/16/2026	23,538	9,432	11,599	2,507	9.3%	7.2%	10.2%	13.3%	8.7%	3.3%	13.5%	8.9%
8/9/2026	21,649	9,128	10,219	2,302	1.9%	10.7%	-5.7%	6.4%	-9.7%	-9.0%	-8.8%	-16.0%
Single Month					YoY Change				MoM Change			
Sep-26	23,861	10,529	10,897	2,436	12.7%	16.6%	7.2%	23.2%	1.5%	7.0%	-2.2%	-3.6%
Aug-26	23,507	9,844	11,137	2,526	8.1%	13.7%	1.9%	17.1%	-5.9%	-2.5%	-8.3%	-7.0%
Jul-26	24,968	10,101	12,151	2,716	8.6%	14.1%	3.4%	13.8%	-7.3%	-9.3%	-7.1%	-0.2%
Jun-26	26,941	11,133	13,086	2,722	7.3%	12.4%	2.6%	11.5%	-7.5%	-7.1%	-8.3%	-5.0%
May-26	29,117	11,988	14,265	2,865	23.1%	30.3%	16.7%	27.8%	-8.3%	-6.3%	-11.0%	-1.9%
Apr-26	31,741	12,791	16,031	2,919	9.5%	15.6%	6.4%	1.9%	9.0%	-1.4%	18.1%	12.8%
Mar-26	29,132	12,972	13,572	2,588	-8.7%	1.3%	-15.8%	-13.5%	95.9%	126.8%	78.1%	69.2%
Feb-26	14,869	5,721	7,619	1,529	-30.4%	-36.1%	-27.3%	-20.5%	-38.9%	-45.1%	-32.1%	-43.0%
Jan-26	24,327	10,424	11,218	2,685	16.4%	25.6%	5.7%	34.5%	-0.7%	1.0%	-2.2%	-0.7%
Dec-25	24,500	10,324	11,471	2,705	-29.8%	-26.1%	-35.4%	-14.3%	-0.6%	-1.4%	-1.0%	3.8%
Nov-25	24,660	10,474	11,581	2,606	-21.1%	-20.3%	-24.7%	-4.7%	13.2%	15.8%	9.4%	20.6%
Oct-25	21,790	9,043	10,587	2,160	-27.1%	-30.2%	-25.8%	-19.3%	-3.9%	-4.1%	-6.0%	9.4%
Sep-25	22,669	9,427	11,268	1,975	7.5%	19.7%	1.7%	-7.2%	4.3%	7.9%	3.1%	-8.5%
Jan-23	12,532	4,126	7,029	1,378	-0.9%	12.3%	-6.2%	-7.0%				
2026 YTD Avg	**25,489**	**10,627**	**12,290**	**2,571**	**5.3%**	**10.7%**	**0.2%**	**10.2%**				
FY2025 Avg	**23,818**	**9,688**	**11,971**	**2,346**	**-1.0%**	**3.5%**	**-3.5%**	**2.1%**				

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Source: WIND, Citi Research Note 1: We only included 18 cities for high-frequency weekly analysis due to data availability.
18 cities include 3 Tier-1 cities: Beijing, Shanghai, Shenzhen; 9 Tier-2 cities: Chengdu, Dalian, Hangzhou, Nanjing, Nanning, Qingdao, Suzhou, Wuxi, Xiamen; 6 Tier-3/4 cities: Dongguan, Foshan, Jiangmen, Jinhua, Quzhou, Yangzhou; Note 2: *excl. May Holiday week when calculating May monthly avg.

Quantitative View

Figure 3. China Property Sector — Quant Screen on Investor Position (1-week change by 11-Sep-2026)

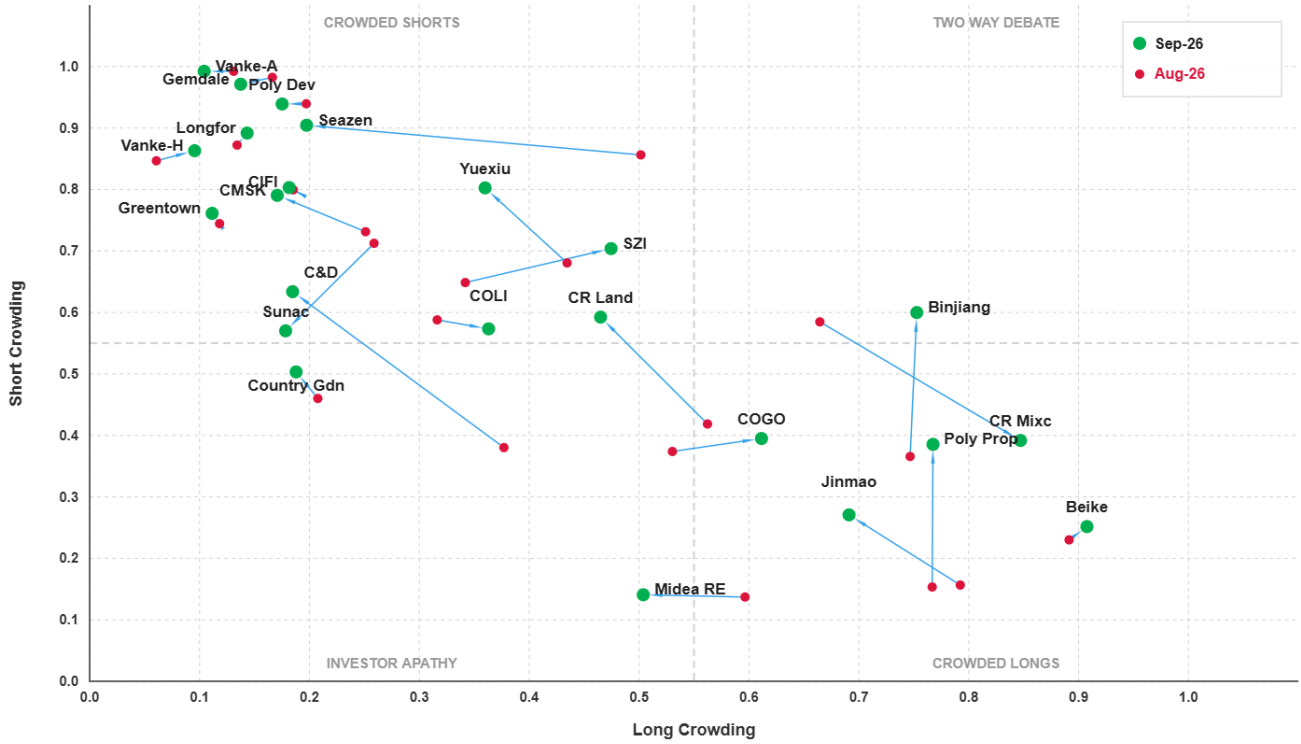


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Note: week on week change, latest week in green dots, previous week in red dots

Source: Citi Research Estimates

Figure 4. China Property Sector — Quant Screen on Investor Position (1-month change by 11-Sep-2026)



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Note: month on month change, latest month in green dots, previous month in red dots

Source: Citi Research Estimates

Sector Valuations

Figure 5. China Property Sector — Valuations (18-Sep-2026) Citi Rating: 1 – Buy; 2 – Neutral; 3 – Sell; H – High Risk

Stock	RIC	18-Sep-26 Price	Mkt Cap (USDm)	Citi Rating	Est. NAV	NAV Disc	Target Price	P/E FY26E	P/E FY27E	P/E FY28E	P/B FY26E	P/B FY27E	P/B FY28E	Yield FY26E	Yield FY27E	Yield FY28E
China Property Names (H-share)																
C&D int'l	1908.HK	12.18	3,595	1	23.13	-47%	19.00	6.4	6.2	5.9	0.5	0.5	0.5	8.2%	8.4%	8.8%
CIFI	0884.HK	0.03	79	3H	0.31	-90%	0.03	N/A	N/A	N/A	0.0	0.0	0.0	-	-	-
COGO	0081.HK	2.88	1,304	1	8.10	-64%	3.10	10.0	9.5	8.8	0.3	0.2	0.2	3.4%	3.6%	3.9%
COLI	0688.HK	12.20	17,018	1	35.67	-66%	18.30	8.9	9.0	8.8	0.3	0.3	0.3	3.9%	3.8%	4.0%
Country Garden	2007.HK	0.17	1,036	3H	0.82	-79%	0.16	N/A	N/A	N/A	-0.3	-0.2	-0.1	-	-	-
CR Land	1109.HK	28.64	26,030	1	71.80	-60%	43.10	7.7	7.5	7.2	0.6	0.6	0.5	4.7%	4.8%	5.0%
Greentow n	3900.HK	5.83	1,887	1	18.35	-68%	10.80	9.7	4.8	4.4	0.3	0.3	0.3	4.9%	7.1%	7.8%
Jinmao Group	0817.HK	1.23	2,118	1	4.61	-73%	2.30	10.3	9.9	9.2	0.2	0.2	0.2	2.6%	2.6%	2.6%
Longfor	0960.HK	5.68	5,138	1	22.00	-74%	8.80	NM	10.2	8.5	0.2	0.2	0.2	-	-	-
Midea Real Estate	3990.HK	2.31	422	1	3.51	-34%	4.30	4.4	4.2	4.1	0.6	0.5	0.5	15.2%	15.3%	15.7%
Poly Prop	0119.HK	1.24	601	1	10.14	-88%	2.80	10.0	2.9	2.4	0.1	0.1	0.1	4.0%	13.9%	16.7%
Seazen	1030.HK	1.49	1,375	1	8.66	-83%	2.60	10.5	7.6	5.8	0.2	0.2	0.2	-	-	-
Shenzhen Inv	0604.HK	0.60	681	1	3.00	-80%	0.90	9.0	7.9	12.0	0.1	0.1	0.1	4.4%	5.0%	5.6%
Sunac	1918.HK	0.61	1,552	2H	4.00	-85%	0.60	N/A	N/A	N/A	0.1	0.2	0.2	-	-	-
Vanke	2202.HK	2.35	5,474	3	18.02	-87%	1.55	N/A	N/A	N/A	0.3	0.3	0.3	-	-	-
Yuexiu	0123.HK	3.20	1,639	1	15.34	-79%	4.60	135.8	81.2	15.9	0.2	0.2	0.2	0.3%	0.6%	2.8%
Average for H-share						**-64%**		**11.0**	**9.1**	**7.1**	**0.4**	**0.4**	**0.4**	**4.0%**	**4.3%**	**4.5%**
China Property Names (A-share)																
CMSK	001979.SZ	7.07	9,503	1	18.29	-61%	11.00	27.1	27.7	28.1	0.6	0.6	0.6	1.5%	1.4%	1.4%
Gemdale	600383.SS	2.25	1,514	3H	8.68	-74%	1.74	N/A	N/A	35.8	0.2	0.2	0.2	-	-	-
Hangzhou Binjiang	002244.SZ	8.23	3,818	1	NA	NA	11.00	13.5	13.7	13.5	0.8	0.8	0.7	0.7%	0.7%	0.7%
Poly Dev & Hldgs	600048.SS	5.32	9,494	1	13.06	-59%	7.00	88.9	16.7	9.1	0.3	0.3	0.3	0.5%	2.4%	4.4%
Vanke	000002.SZ	3.32	5,474	3	6.67	-50%	2.00	N/A	N/A	N/A	0.4	0.5	0.6	-	-	-
Average for A-share						**-51%**		**50.5**	**20.8**	**11.0**	**0.5**	**0.5**	**0.5**	**0.7%**	**1.3%**	**2.0%**
Overall Avg. for China Property Names						**-60%**		**20.0**	**11.3**	**7.7**	**0.5**	**0.5**	**0.4**	**3.0%**	**3.3%**	**3.7%**
Brokerage platform																
Beike	BEKE.N	16.00	18,336	1	NA	NA	26.60	14.4	13.0	12.5	1.7	1.7	1.6	3.1%	3.5%	3.6%
Beike	2423.HK	43.08	18,864	1	NA	NA	75.40	14.8	13.4	12.9	1.8	1.7	1.6	3.0%	3.4%	3.5%
Property Management																
CR Mixc	1209.HK	37.54	10,921	1	NA	NA	53.30	16.7	15.1	13.7	13.4	12.5	11.7	6.0%	6.6%	7.3%

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Source: DataCentral, Citi Research Estimates