CHINA PROPERTY WEEKLY WRAP

# Week 39 Wrap – volume pulled back with weakening leading indicators; BJ/SH unveiled implementation rules for Aug 28 reform

**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)** Beijing and Shanghai issued city-level implementing rules for the Aug 28 reforms on Sep 24/28, respectively, covering: **a) Land payments schedule extended with no interests:** For residential land put up for sale after Aug 28, at least 50% is payable within 30 days of signing, with the remaining balance due within respectively 2 years in Beijing and 1 year in Shanghai (extendable by another year with approvals); installments are *interest-free* in both cities; **b) Buyers' reservation deposits capped at small amount:** Completed-home-sale projects may collect deposits after obtaining construction permits, generally capped at 1%/3% of the home price in Beijing/Shanghai. **c) More clarity on projects' eligibility for presales model,** based on project status as of Aug 28: **i)** Projects with full or partial construction planning permits but no presale permits could follow the *prior* presales and escrow rules; **ii)** projects without planning permits, but with land already acquired (or in the process of land acquisition) should adopt completed property sales in principle, yet could still apply for adopting presales model before end-27E, provided completion and delivery are guaranteed, and are subject to local transition requirements and tighter escrow controls; **d) More clarity on mortgage proceeds withdrawal:** Projects which obtain presale permits after Aug 28, incl. aforementioned project type **i)** and **ii),** can only receive mortgage proceeds (including HPF loans) only after completion filing; **e) Financing:** both cities re-emphasized that developer loan disbursement should match construction progress; Shanghai additionally highlighted to support eligible developers' project-based financing through bonds, equities, ABS and REITs. **2)** On **Sep 22**, the Ministry of Natural Resources outlined a shifting focus from new land supply to revitalizing existing land and capturing long-term operating returns. Priorities include linking new urban construction land quotas to population growth, increasing planning and land-use flexibility, adjusting land-payment schedules, etc.

**Market performance:** Primary transaction volumes fell 14% wow, accompanied by a 2.9% wow decline in new home search activity. Secondary transaction volume contracted 39% wow, with secondary subscription sales (which lead registration-based sales by 1-2 weeks) and secondary visitation dropping by 18% and 12% wow. On

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the brighter side we note a 22% wow reduction in secondary new listing supply among monitored cities (more drastic than seasonal pattern displayed in Sep last year). We also note price appreciation expectations edged up for agents, though still softening for home sellers.

### Key data points:

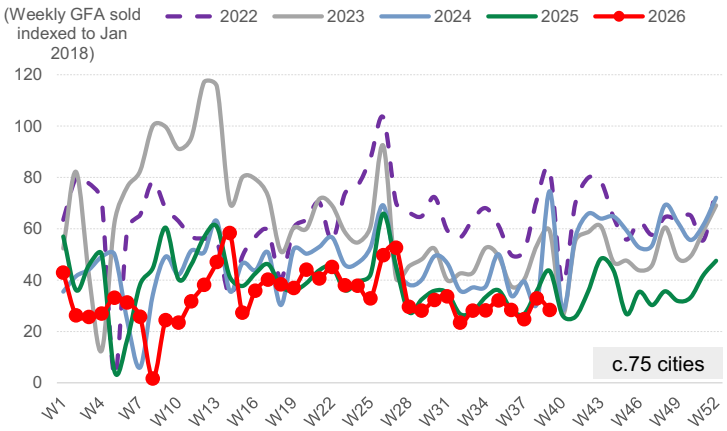
- **New homes** sales volume was -14% wow and -35% yoy, while new home search activities declined 2.9% wow.
- **Secondary** transactions were -39% wow and -30% yoy, with price appreciation expectations edging higher for agents while lower for home sellers.
- **MTD Sep**: Primary GFA sold on median was +6% mom and was -10% yoy; secondary GFA sold on median was -4% mom and -1% yoy.
- **YTD: Primary GFA** sold on average was -11% yoy and was -17%/-37% vs. the 2024/2023 level; **secondary GFA** sold on average was +1% yoy and was +13%/+14% vs. the 2024/2023 level.
- **Inventory** balance was +0.2% wow, with inventory months at 27.6 (vs. average 27.1/27.2 in July/Aug-26).
- **Valuation:** Over week 39, our covered **stronger SOE developers** saw share prices +1% wow on average, with COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +4%/+2% wow; meanwhile, **other developers** saw share prices on average -1% wow. Our offshore/onshore coverage now trades at an average 40%/14% discount to end-2026E NAV and at 0.4X/0.5X 2026E P/Bs.

### Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to decline 13% yoy in Sep, vs. -4% in Aug.
- **Completions:** GSPC tracker indicates **high-twenties % yoy decline** in Sep (vs. -28%/high-teens % yoy decline in Aug by NBS/GSe)
- **New starts:** New starts to record **a high-twenties % yoy decline** in Sep (vs. -31%/ high-twenties % yoy decline in Aug by NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio.
- **GTV for BEKE** (new and existing) is likely +6% yoy (-8%/+11% for new/existing) for July-MTD Sep, vs. internet team's estimate of +1% yoy (flat/+1%) for 3Q26E.

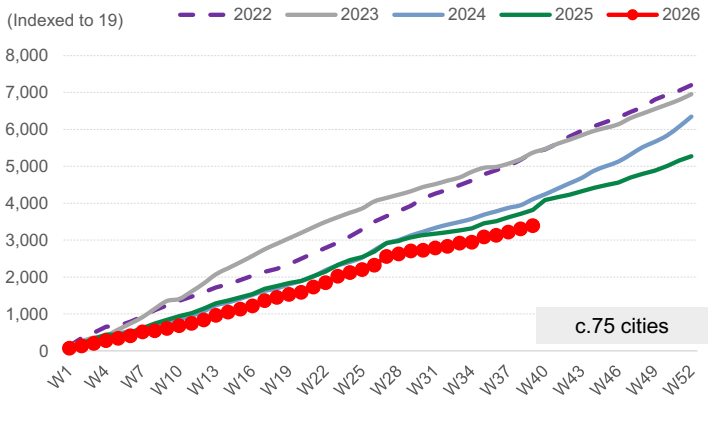
# Primary market Week 39: GFA -14% wow and was -35% yoy, sending YTD to -11% yoy

**Exhibit 1: Primary GFA sold last week was -14% wow and -35% 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**

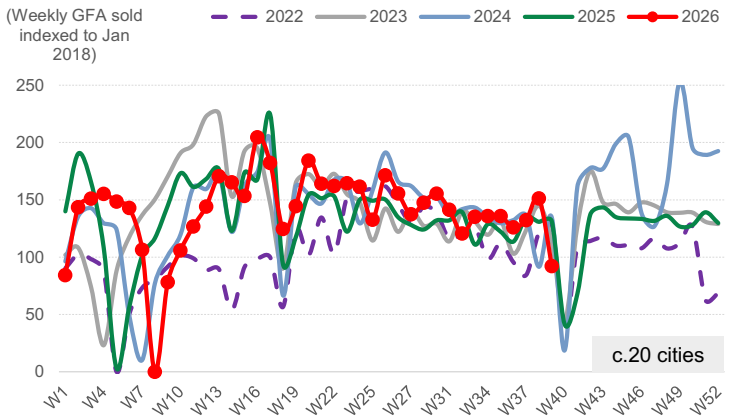



Source: CREIS, Goldman Sachs Global Investment Research

# Secondary market: Week 39/YTD volumes were -30%/+1% yoy, with price appreciation expectations edging higher for agents while lower for home sellers

**Exhibit 3: Secondary GFA sold last week was -39% wow and -30% yoy in c.20 cities**

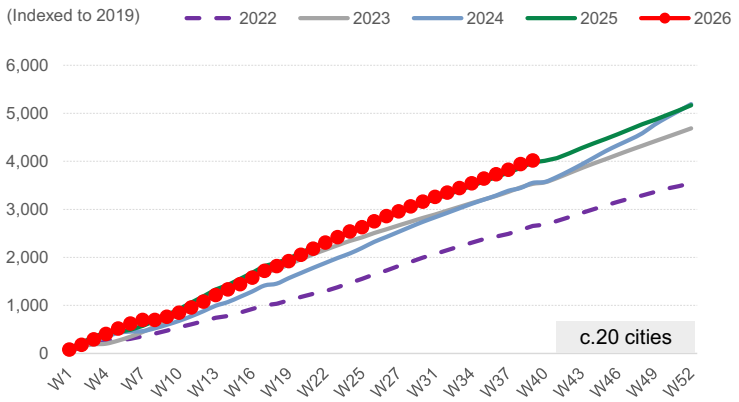
Average weekly volume of secondary property sales




Source: Wind, Goldman Sachs Global Investment Research

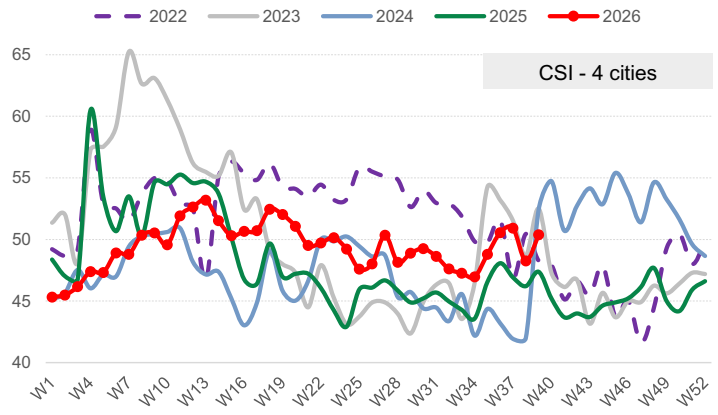
**Exhibit 4: Secondary GFA sold YTD was +1% yoy in c.20 cities, while +13%/+14% vs. 2024/2023**

2026 secondary volume sold vs. 2022-25




Source: Wind, Goldman Sachs Global Investment Research

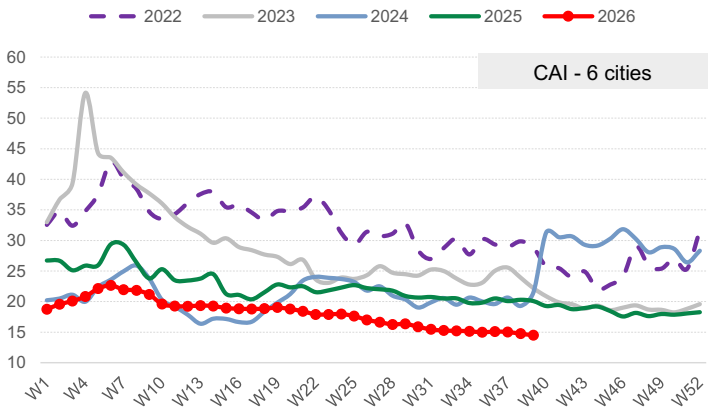
**Exhibit 5: Average CSI was +2.1pp wow and +3.0pp yoy**
Weekly Centaline Salesman Index (CSI) tracker in 4 cities




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 -0.3pp wow and -5.5pp yoy**
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

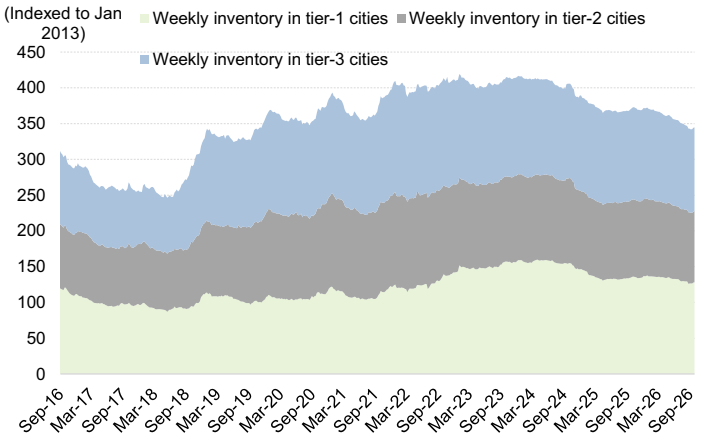



CAI refers to sellers' quoted price.

Source: Centaline

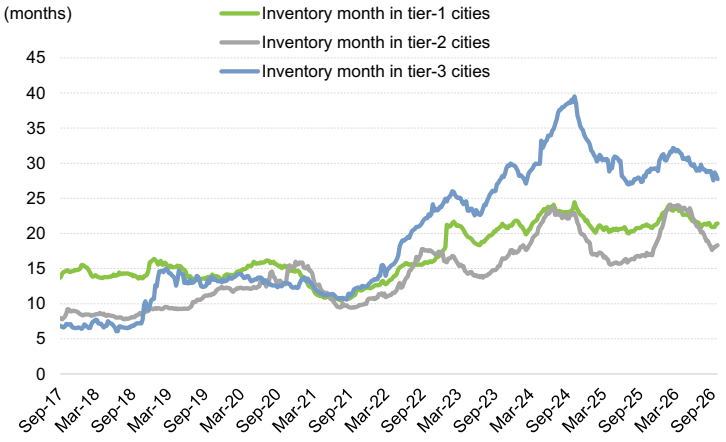
# Inventory Week 39: Inventory +0.2% wow and -7.4% from end-25 level, with inventory months at 27.6 (vs. average 27.2 in Aug-26)

**Exhibit 7: Inventory balance was +0.2% wow, -7.4% 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 flat wow, representing -1.3% from end-25 levels**
c.20 cities' inventory months (12mth rolling) breakdown by city tier

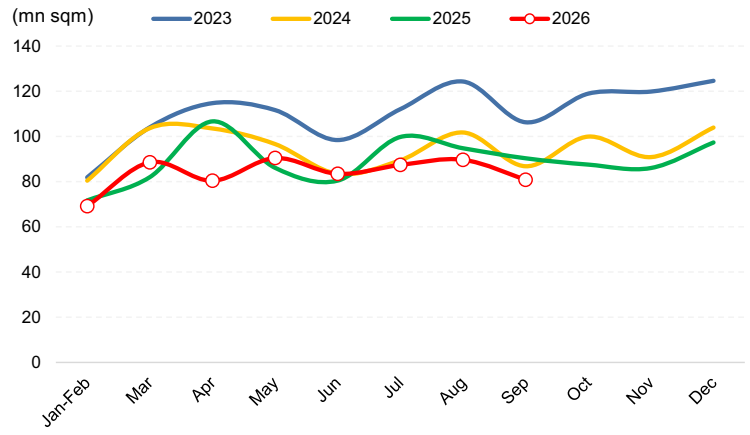



Source: CREIS, Goldman Sachs Global Investment Research

# GSPC implies high-twenties % yoy decline/-15% yoy in completions for Sep-26/FY26E per GSe

GS Property Completion (GSPC) tracker indicates **a high-twenties % yoy decline in Sep-26** (vs. -28%/high-teens % yoy decline in Aug 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.

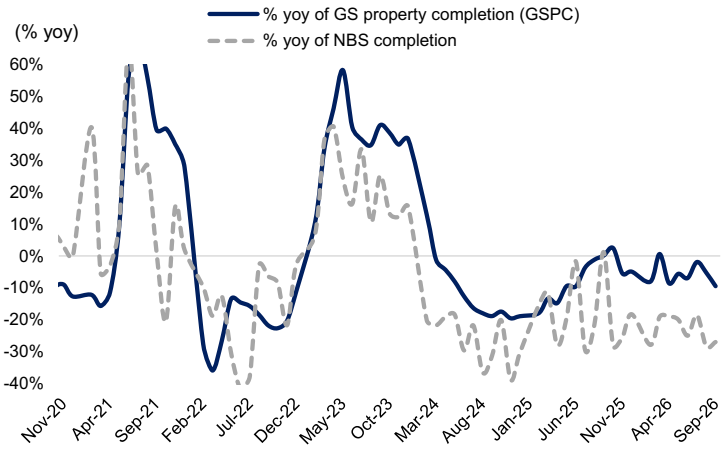
**Exhibit 9: GSPC tracker implied monthly completions...**
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model




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-twenties % yoy decline for Sep-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 39, our covered **stronger SOE developers** saw share prices +1% wow on average, with COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +4%/+2% wow; meanwhile, **other developers** saw share prices on average -1% wow.
- Our offshore coverage developers on average saw share prices flat wow (vs. -2% for MSCI China); our onshore coverage developers averaged -1% wow (vs. -4% for CSI 300).
- Our offshore coverage now trades at an average 40% 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 14% discount to end-2026E NAV and 0.5X 2026E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 67%, 1.6X; 64%, 1.5X; 61%, 1.2X.



**Exhibit 11: Over week 39, our covered stronger SOE developers saw share prices +1% wow on average, with COLI (0688.HK, Buy) and Jinmao (0817.HK, Buy) outperforming at +4%/+2% wow; meanwhile, other developers saw share prices on average -1% wow. Our offshore coverage developers on average saw share prices flat wow (vs. -2% for MSCI China); our onshore coverage developers averaged -1% wow (vs. -4% for CSI 300).**

| Company | Ticker | Type | Price as of 9/28/2026 | Share price performance Past week | MTD | YTD |
|---|---|---|---|---|---|---|
| **Stronger SOE developers** | | | (LCY) | | | |
| CMSK | 001979.SZ | Central SOE | 7.2 | -3% | 10% | -17% |
| COLI | 0688.HK | Central SOE | 12.9 | 4% | 3% | 5% |
| CR Land | 1109.HK | Central SOE | 29.5 | 1% | -2% | 8% |
| Greentown | 3900.HK | Mixed ownership | 6.1 | 1% | -2% | -28% |
| Jinmao | 0817.HK | Central SOE | 1.3 | 2% | -3% | 5% |
| Poly | 600048.SS | Central SOE | 5.6 | -1% | 13% | -3% |
| **Average** | | | | **1%** | **3%** | **-6%** |
| **Other developers** | | | (LCY) | | | |
| Longfor | 0960.HK | POE | 5.5 | -6% | -14% | -36% |
| Seazen | 1030.HK | POE | 1.5 | -2% | 8% | -28% |
| Vanke (A) | 000002.SZ | Mixed ownership | 3.7 | 2% | 18% | -20% |
| Vanke (H) | 2202.HK | Mixed ownership | 2.5 | 2% | 5% | -23% |
| **Average** | | | | **-1%** | **4%** | **-27%** |
| **H-share average** | | | | **0%** | **-1%** | **-14%** |
| ***MSCI China Index*** | | | | **-2%** | **-5%** | **-13%** |
| **A-share average** | | | | **-1%** | **14%** | **-15%** |
| ***CSI 300 Index*** | | | | **-4%** | **-6%** | **-6%** |
| **Value chain Index** | | | | | | |
| Construction materials | | | | -8% | -5% | 7% |
| Construction companies | | | | -4% | -4% | -11% |
| Building products | | | | -5% | -5% | -19% |
| Home appliances | | | | 0% | -4% | -9% |
| Home furnishing | | | | -3% | -2% | -17% |

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 28/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 | 9.7 | 120 | Central SOE | Neutral | 7.2 (Rmb) | **8.70** | 21 | -15% | **10.25** | (30) | n.m. | 59.3 | 20.8 | 17.5 | 0.7 | 0.7 | 0.6 | 0.6 | 0.7 | 0.8 | 2.2 | 2.6 |
| COLI | 0688.HK | 18.0 | 60 | Central SOE | Buy | 12.9 (HK$) | **16.80** | 30 | -10% | **18.64** | (31) | 9.9 | 9.7 | 9.3 | 8.1 | 0.4 | 0.4 | 0.4 | 0.4 | 3.8 | 4.1 | 4.4 | 5.0 |
| CR Land | 1109.HK | 26.8 | 140 | Central SOE | Buy | 29.5 (HK$) | **38.80** | 32 | -10% | **43.16** | (32) | 8.6 | 9.6 | 8.9 | 8.6 | 0.9 | 0.9 | 0.8 | 0.8 | 4.3 | 4.1 | 4.4 | 4.6 |
| Greentown | 3900.HK | 2.0 | 12 | Mixed ownership | Buy | 6.1 (HK$) | **9.50** | 56 | -15% | **11.12** | (45) | 2.8 | 3.4 | 3.5 | 3.2 | 0.4 | 0.4 | 0.4 | 0.4 | - | 1.0 | 5.7 | 9.1 |
| Jinmao | 0817.HK | 2.2 | 15 | Central SOE | Buy | 1.3 (HK$) | **1.85** | 45 | -10% | **2.06** | (38) | 32.5 | 21.5 | 9.9 | 6.1 | 0.5 | 0.5 | 0.5 | 0.5 | 2.3 | 2.3 | 4.3 | 7.0 |
| Poly | 600048.SS | 10.0 | 179 | Central SOE | Neutral | 5.61 (Rmb) | **6.10** | 9 | -10% | **6.74** | (17) | 64.9 | n.m. | n.m. | n.m. | 0.4 | 0.4 | 0.4 | 0.4 | 0.6 | - | - | - |
| **Average** | | | | | | | | **32** | **-12%** | | **(32)** | **9.9** | **9.7** | **9.3** | **8.1** | **0.5** | **0.5** | **0.5** | **0.5** | **2.0** | **2.0** | **3.5** | **4.7** |
| **Other developers** | | | | | | | | | | | | | | | | | | | | | | | |
| Longfor | 0960.HK | 4.9 | 23 | POE | Neutral | 5.5 (HK$) | **7.50** | 38 | -25% | **9.94** | (45) | n.m. | n.m. | 30.3 | 14.6 | 0.3 | 0.3 | 0.3 | 0.3 | 1.4 | - | 1.1 | 2.2 |
| Seazen | 1030.HK | 1.4 | 5 | POE | Sell | 1.5 (HK$) | **1.55** | 5 | -50% | **3.11** | (52) | 25.1 | 40.6 | 17.8 | 10.9 | 0.3 | 0.3 | 0.3 | 0.3 | - | - | - | - |
| Vanke (A) | 000002.SZ | 5.4 | 160 | Mixed ownership | Sell | 3.71 (Rmb) | **3.20** | (14) | -10% | **3.50** | 6 | n.m. | n.m. | n.m. | n.m. | 0.4 | 0.5 | 0.6 | 0.8 | - | - | - | - |
| Vanke (H) | 2202.HK | 0.7 | 13 | Mixed ownership | Sell | 2.53 (HK$) | **2.50** | (1) | -35% | **3.82** | (34) | n.m. | n.m. | n.m. | n.m. | 0.2 | 0.3 | 0.4 | 0.5 | - | - | - | - |
| **Average** | | | | | | | | **7** | **-30%** | | **(31)** | **n.m.** | **n.m.** | **n.m.** | **n.m.** | **0.3** | **0.3** | **0.4** | **0.4** | **0.4** | **-** | **0.3** | **0.6** |
| **Coverage average** | | | | | | | | **22** | | | **(32)** | **24.0** | **24.0** | **14.4** | **9.9** | **0.4** | **0.5** | **0.5** | **0.5** | **1.3** | **1.2** | **2.2** | **3.1** |
| **H-share average** | | | | | | | | **29** | | | **(40)** | **15.8** | **17.0** | **13.3** | **8.6** | **0.4** | **0.4** | **0.4** | **0.4** | **1.7** | **1.6** | **2.8** | **4.0** |
| **A-share average** | | | | | | | | **5** | | | **(14)** | **64.9** | **59.3** | **20.8** | **17.5** | **0.5** | **0.5** | **0.5** | **0.6** | **0.4** | **0.3** | **0.7** | **0.9** |

Source: Datastream, Goldman Sachs Global Investment Research