Goldman Sachs Research

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CHINA PROPERTY WEEKLY WRAP

Week 41 Wrap – Transactions extended gains with improved leading indicators; 5 cities announced 828 implementation details so far

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Key highlights for the week:

Policy update: Tianjin announced implementing rules for the Aug 28 reform on Oct 10, largely in line with the previous cities (Beijing, Shanghai, Guangzhou and Wuhan), covering **1) similarities:** a land payment schedule same as SH/GZ, a buyers' deposits cap same as GZ/WH, similar classifications of old/new projects and transition arrangements as well as broadly similar escrow policies; while **2) differences: i)** the setting of "a key escrow threshold" and allowing the withdrawal of the surplus amount for direct payments related to projects (e.g., to building materials suppliers and construction workers' accounts, etc.); **ii)** emphasis on development loan support for completed-home-sale and "good housing (好房子)" projects, alongside a housing quality evaluation framework.

Market performance: Primary transaction volumes edged up 1% wow, accompanied by a 3.1% wow increase in new home search activity. Secondary transaction volume grew 7% wow, with secondary subscription sales (which lead registration-based sales by 1-2 weeks) and secondary visitation improved by 3% and 8% wow, alongside a 5% wow decline in new listing supply among monitored cities. Despite this, we note price appreciation expectations continued to trend down for agents, though stabilized for home sellers.

Key data points:

- **New homes** sales volume was +1% wow and -3% yoy, while new home search activity climbed 3.1% wow.
- **Secondary** transactions were +7% wow and +11% yoy, with price appreciation expectations trending down for agents while stable for home sellers.
- **YTD: Primary GFA** sold on average was -11% yoy and was -16%/-36% vs. the 2024/2023 level; **secondary GFA** sold on average was +2% yoy and was +13%/+13% vs. the 2024/2023 level.
- **Inventory** balance was +0.1% wow, with inventory months at 26.9 (vs. average 27.3/27.2 in Aug-/Sep-26).
- **Valuation:** Over Week 41, our covered **stronger SOE developers** saw share prices flat wow on average, with CR Land (1109.HK, Buy) and COLI (0688.HK, Buy) outperforming at +2%/+1% wow; meanwhile, **other developers** saw share prices on average -6% wow. Our offshore/onshore coverage now trades at an average

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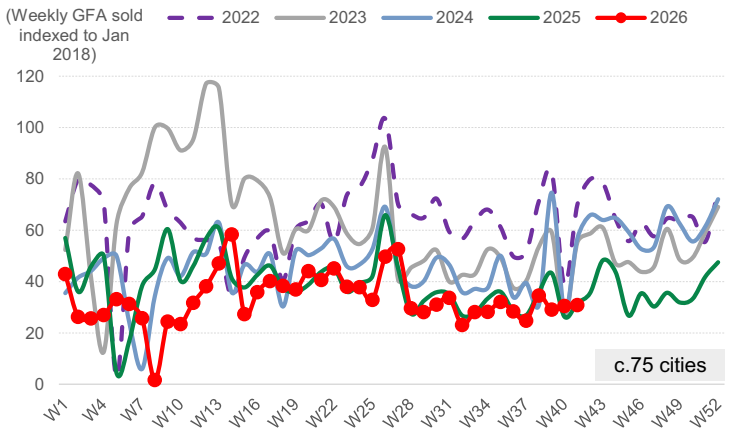
40%/12% discount to end-2026E NAV and at 0.4X/0.5X 2026E P/Bs.

Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to decline 15% yoy in Oct, vs. 14% in Sep.
- **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 **high-twenties % yoy decline** in Sep (vs. -31%/ high-twenties % yoy decline in Aug per NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio (-0.7pp wow).
- **GTV for BEKE** (new and existing) is likely +6% yoy (-8%/+11% for new/existing) for 3Q26E, vs. internet team's estimate of +1% yoy (flat/+1%).

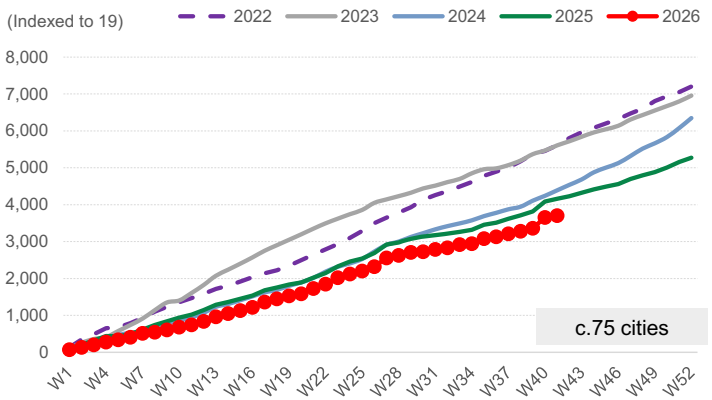
Primary market Week 41: GFA +1% wow and was -3% yoy, sending YTD to -11% yoy

Exhibit 1: Primary GFA sold last week was +1% wow and -3% 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 -16%/-36% vs. 2024/2023 level

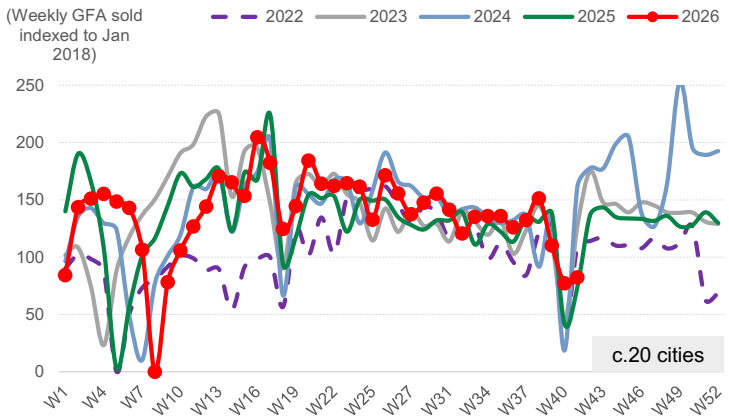


Source: CREIS, Goldman Sachs Global Investment Research

Secondary market: Week 41/YTD volumes were +11%/+2% yoy, with price appreciation expectations trending down for agents while stable for home sellers

Exhibit 3: Secondary GFA sold last week was +7% wow and +11% yoy in c.20 cities

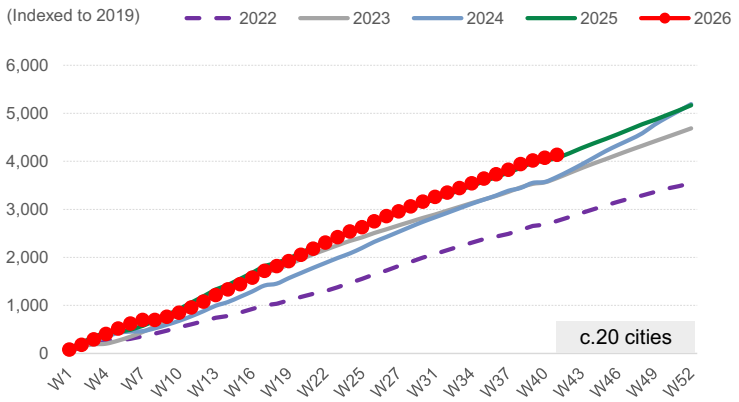
Average weekly volume of secondary property sales



Source: Wind, Goldman Sachs Global Investment Research

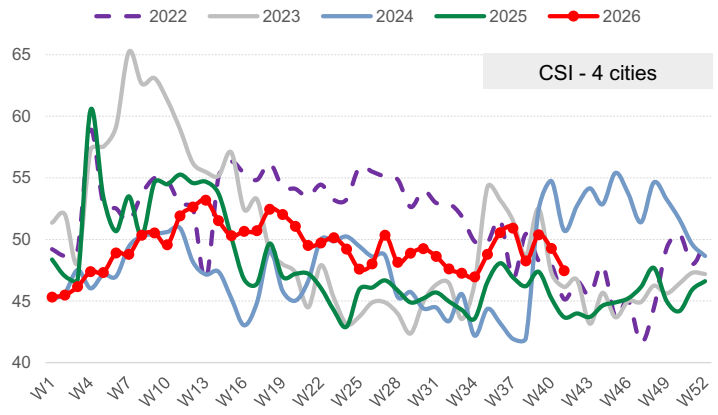
Exhibit 4: Secondary GFA sold YTD was +2% yoy in c.20 cities, while +13%/+13% vs. 2024/2023

2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

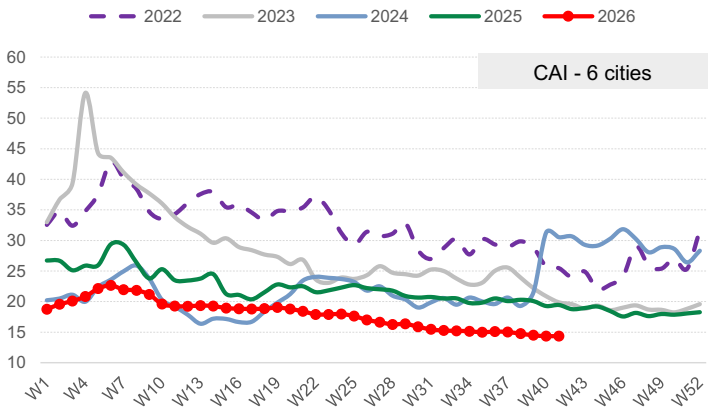
Exhibit 5: Average CSI was -1.8pp wow and +3.8pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 4 cities



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 flat wow and -5.1pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

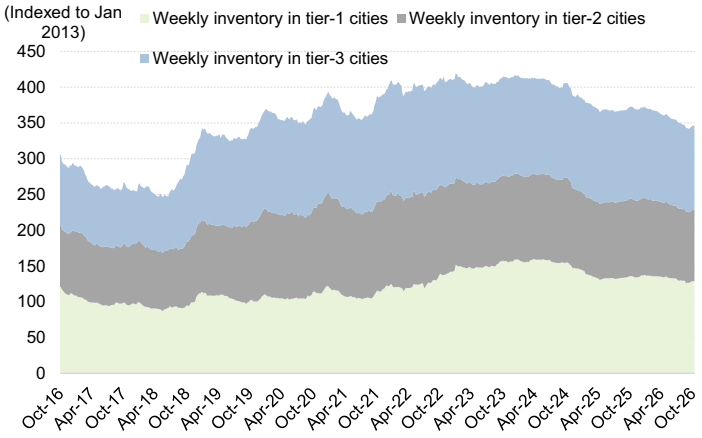


CAI refers to sellers' quoted price.

Source: Centaline

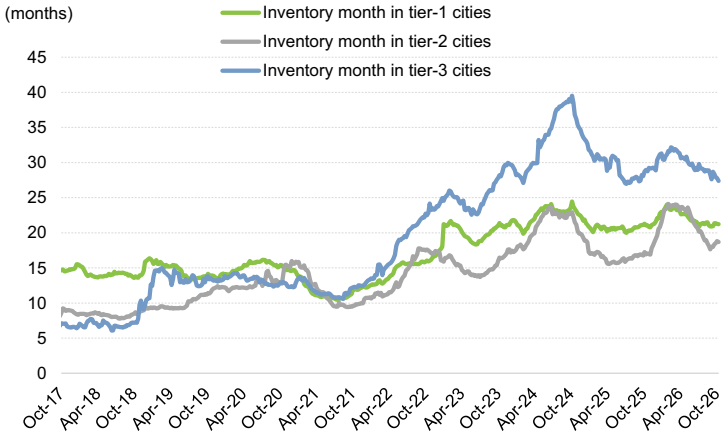
Inventory Week 41: Inventory +0.1% wow and -6.9% from end-25 level, with inventory months at 26.9 (vs. average 27.2 in Sep-26)

Exhibit 7: Inventory balance was +0.1% wow, -6.9% 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 -0.1% wow, representing -3.5% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

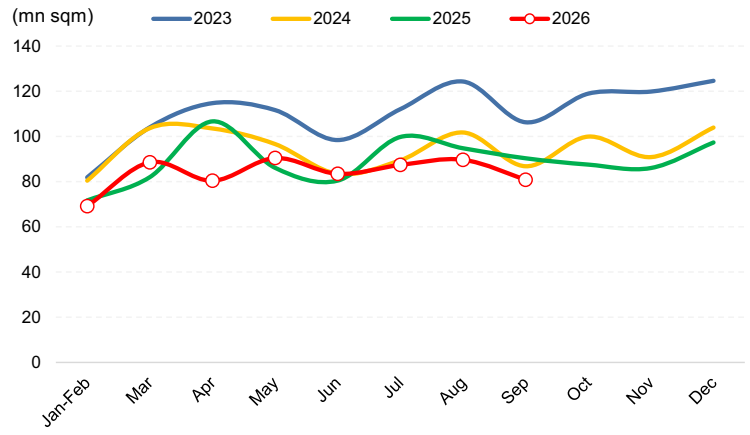


Source: CREIS, Goldman Sachs Global Investment Research

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.

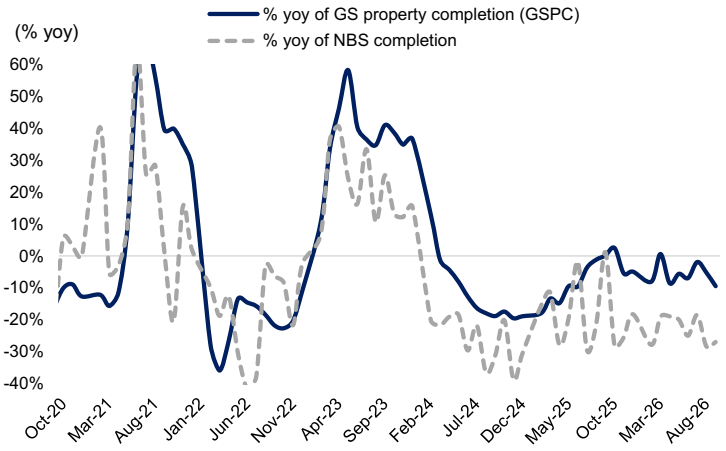
Exhibit 9: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



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 41, our covered **stronger SOE developers** saw share prices flat wow on average, with CR Land (1109.HK, Buy) and COLI (0688.HK, Buy) outperforming at +2%/+1% wow; meanwhile, **other developers** saw share prices on average -6% wow.
- Our offshore coverage developers on average saw share prices -2% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -5% wow (vs. -2% 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 41%, 0.7X; 73%, 0.9X; 58%, 0.9X.
- Our onshore coverage trades at an average 12% 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 41, our covered stronger SOE developers saw share prices flat wow on average, with CR Land (1109.HK, Buy) and COLI (0688.HK, Buy) outperforming at +2%/+1% wow; meanwhile, other developers saw share prices on average -6% wow. Our offshore coverage developers on average saw share prices -2% wow (vs. +1% for MSCI China); our onshore coverage developers averaged -5% wow (vs. -2% for CSI 300).

Company	Ticker	Type	Price as of 10/12/2026	Share price performance		
				Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	7.6	0%	0%	-12%
COLI	0688.HK	Central SOE	13.0	1%	-1%	6%
CR Land	1109.HK	Central SOE	30.1	2%	-2%	11%
Greentown	3900.HK	Mixed ownership	6.0	-2%	-7%	-29%
Jinmao	0817.HK	Central SOE	1.3	0%	-3%	6%
Poly	600048.SS	Central SOE	5.6	-3%	-3%	9%
Average				0%	-3%	-4%
Other developers			(LCY)			
Longfor	0960.HK	POE	5.1	-3%	-10%	-40%
Seazen	1030.HK	POE	1.4	-2%	-4%	-32%
Vanke (A)	000002.SZ	Mixed ownership	3.8	-12%	-12%	-19%
Vanke (H)	2202.HK	Mixed ownership	2.5	-7%	-10%	-23%
Average				-6%	-9%	-28%
H-share average				-2%	-5%	-14%
MSCI China Index				1%	-1%	-14%
A-share average				-5%	-5%	-13%
CSI 300 Index				-2%	-2%	-7%
Value chain Index						
Construction materials				-3%	-3%	5%
Construction companies				-1%	-1%	-11%
Building products				-1%	-1%	-17%
Home appliances				1%	1%	9%
Home furnishing				-2%	-2%	-18%

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 12/Oct/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	10.2	127	Central SOE	Neutral	7.58 (Rmb)	**8.70**	15	-15%	**10.25**	(26)	n.m.	62.5	21.9	18.5	0.7	0.70	0.7	0.7	0.7	0.7	2.1	2.4
COLI	0688.HK	18.2	48	Central SOE	Buy	13.04 (HK$)	**16.80**	29	-10%	**18.64**	(30)	10.1	9.8	9.4	8.2	0.4	0.40	0.4	0.4	3.8	4.1	4.3	5.0
CR Land	1109.HK	27.3	109	Central SOE	Buy	30.10 (HK$)	**38.80**	29	-10%	**43.16**	(30)	8.8	9.8	9.1	8.8	0.9	0.87	0.8	0.8	4.2	4.0	4.4	4.5
Greentown	3900.HK	2.0	9	Mixed ownership	Buy	6.04 (HK$)	**9.50**	57	-15%	**11.12**	(46)	2.8	3.3	3.5	3.2	0.4	0.39	0.4	0.4	-	1.0	5.8	9.3
Jinmao	0817.HK	2.2	9	Central SOE	Buy	1.28 (HK$)	**1.85**	45	-10%	**2.06**	(38)	32.6	21.6	9.9	6.1	0.5	0.54	0.5	0.5	2.3	2.3	4.3	7.0
Poly	600048.SS	10.0	206	Central SOE	Neutral	5.58 (Rmb)	**6.10**	9	-10%	**6.74**	(17)	64.6	n.m.	n.m.	n.m.	0.3	0.35	0.4	0.4	0.6	-	-	-
Average								**31**	**-12%**		**(31)**	**10.1**	**9.8**	**9.4**	**8.2**	**0.6**	**0.54**	**0.5**	**0.5**	**1.9**	**2.0**	**3.5**	**4.7**
Other developers																							
Longfor	0960.HK	4.6	21	POE	Neutral	5.14 (HK$)	**7.50**	46	-25%	**9.94**	(48)	n.m.	n.m.	28.6	13.7	0.3	0.27	0.3	0.3	1.5	-	1.1	2.4
Seazen	1030.HK	1.3	4	POE	Sell	1.40 (HK$)	**1.55**	11	-50%	**3.11**	(55)	23.8	38.4	16.8	10.3	0.3	0.26	0.3	0.2	-	-	-	-
Vanke (A)	000002.SZ	5.5	313	Mixed ownership	Sell	3.77 (Rmb)	**3.20**	(15)	-10%	**3.50**	8	n.m.	n.m.	n.m.	n.m.	0.4	0.53	0.7	0.8	-	-	-	-
Vanke (H)	2202.HK	0.7	19	Mixed ownership	Sell	2.52 (HK$)	**2.50**	(1)	-35%	**3.82**	(34)	n.m.	n.m.	n.m.	n.m.	0.2	0.32	0.4	0.5	-	-	-	-
Average								**10**	**-30%**		**(32)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.34**	**0.4**	**0.4**	**0.4**	**-**	**0.3**	**0.6**
Coverage average								**22**			**(32)**	**23.8**	**24.2**	**14.2**	**9.8**	**0.4**	**0.5**	**0.5**	**0.5**	**1.3**	**1.2**	**2.2**	**3.1**
H-share average								**31**			**(40)**	**15.6**	**16.6**	**12.9**	**8.4**	**0.4**	**0.4**	**0.4**	**0.4**	**1.7**	**1.6**	**2.8**	**4.0**
A-share average								**3**			**(12)**	**64.6**	**62.5**	**21.9**	**18.5**	**0.5**	**0.5**	**0.6**	**0.6**	**0.4**	**0.2**	**0.7**	**0.8**

Source: Datastream, Goldman Sachs Global Investment Research