CHINA PROPERTY WEEKLY WRAP

Week 42 Wrap – Strong volume on seasonality yet leading indicators softened

Key highlights for the week:

Policy update: 1) Three more cities issued detailed city-level implementation rules for the Aug 28 reform (Shenzhen, Hangzhou and Ningbo), with broadly similar land payment schedule arrangements, old/new project classifications, maximum buyers' deposits ratio and escrow policies as precedent five cities. 2) Shandong Province announced the 15th FYP for urban renewal, highlighting all new housing supply should be developed as "Good Housing (好房子)" while promoting the renovation and upgrading existing housing to "Good Housing".

Market performance: Primary transaction volumes rebounded 47% wow in line with seasonality, despite a 3.3% wow drop in new home search activity. Secondary transaction volume surged 97% wow due to seasonality as well, while secondary subscription sales (which lead registration-based sales by 1-2 weeks) and secondary visitation weakened by 2% and 8% wow, alongside a stable new listing supply among monitored cities. Despite this, we note price appreciation expectations turned positive for agents, though resumed a downward trend for home sellers.

Key data points:

- **New homes** sales volume was +47% wow and -8% yoy, while new home search activity declined 3.3% wow.
- **Secondary** transactions were +97% wow and +15% yoy, with price appreciation expectations edging higher for agents while trending down for home sellers.
- **MTD Oct: Primary GFA** sold on median was 11% mom and was -15% yoy; **Secondary GFA** sold on median was -22% mom and -1% yoy.
- **YTD: Primary GFA** sold on average was -10% yoy and was -16%/-34% vs. the 2024/2023 level; **secondary GFA** sold on average was +2% yoy and was +12%/+13% vs. the 2024/2023 level.
- **Inventory** balance was -0.2% wow, with inventory months at 26.5 (vs. average 27.3/27.2 in Aug-/Sep-26).
- **Valuation:** Over Week 42, our covered **stronger SOE developers** saw share prices flat wow on average, with CR Land (1109.HK, Buy), COLI (0688.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +3%/+1%/+1% wow; meanwhile, **other developers** saw share prices on average -3% wow. Our

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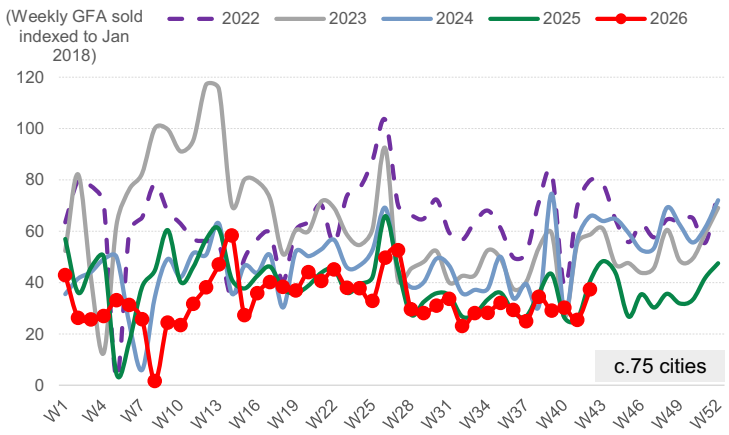
offshore/onshore coverage now trades at an average 40%/15% discount to end-2026E NAV and at 0.4X/0.5X 2026E P/Bs.

Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to decline 11% yoy in Oct, vs. 14% in Sep.
- **Completions:** GSPC tracker indicates **high-twenties % yoy decline** in Oct (vs. -36%/high-twenties % yoy decline in Sep by NBS/GSe).
- **New starts:** New starts to record **high-twenties % yoy decline** in Oct (vs. -26%/ high-twenties % yoy decline in Sep per NBS/GSe), based on the land sales trends in 300 cities and nationwide cement shipment ratio (+2.1pp wow).
- **GTV for BEKE** (new and existing) is likely +5% yoy (-8%/+10% for new/existing) for 3Q26E, vs. internet team's estimate of +1% yoy (flat/+1%).

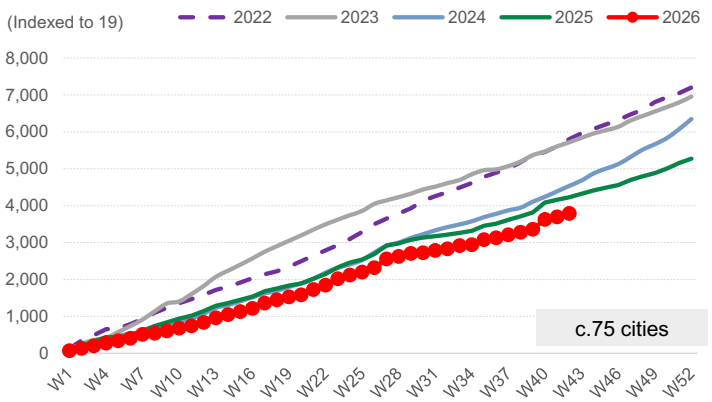
Primary market Week 42: GFA +47% wow and was -8% yoy, sending YTD to -10% yoy

Exhibit 1: Primary GFA sold last week was +47% wow and -8% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

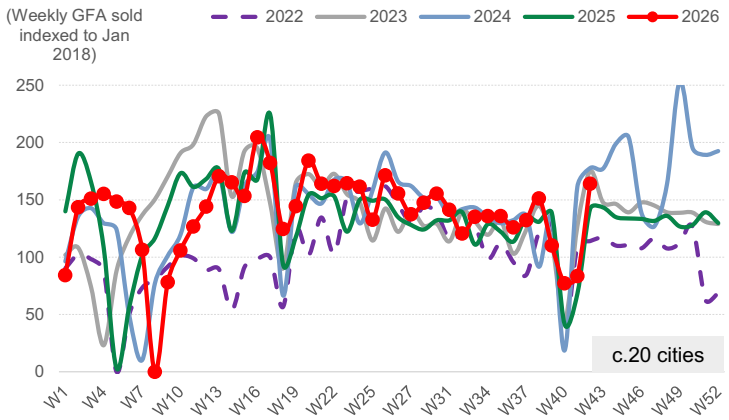
Exhibit 2: Primary GFA sold YTD on average was -10% yoy in c.75 cities, and -16%/-34% vs. 2024/2023 level



Source: CREIS, Goldman Sachs Global Investment Research

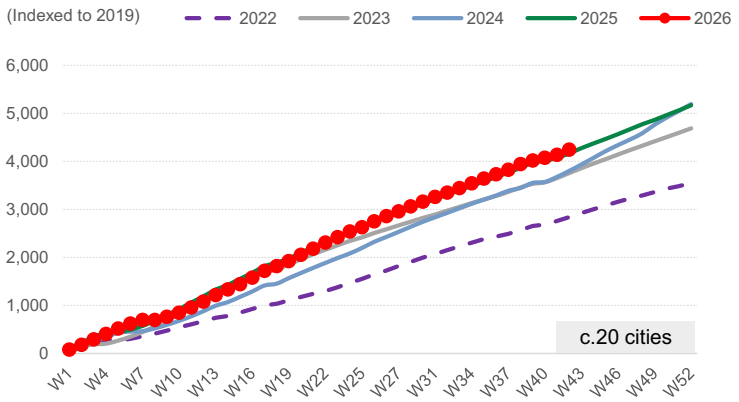
Secondary market: Week 42/YTD volumes were +97%/+15% yoy, with price appreciation expectations edging higher for agents while trending down for home sellers

Exhibit 3: Secondary GFA sold last week was +97% wow and +15% yoy in c.20 cities
Average weekly volume of secondary property sales



Source: Wind, Goldman Sachs Global Investment Research

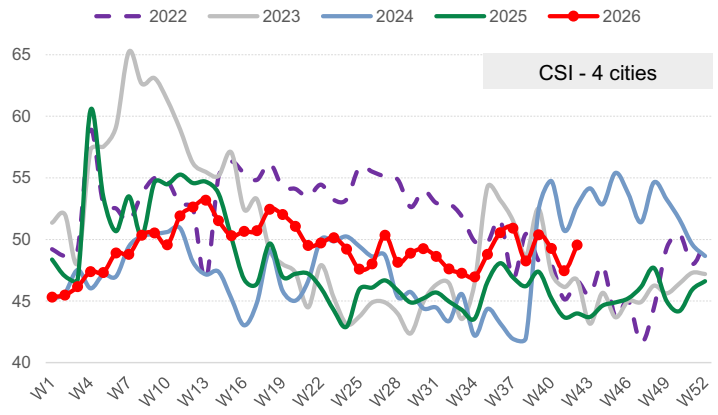
Exhibit 4: Secondary GFA sold YTD was +2% yoy in c.20 cities, while +12%/+13% vs. 2024/2023
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research



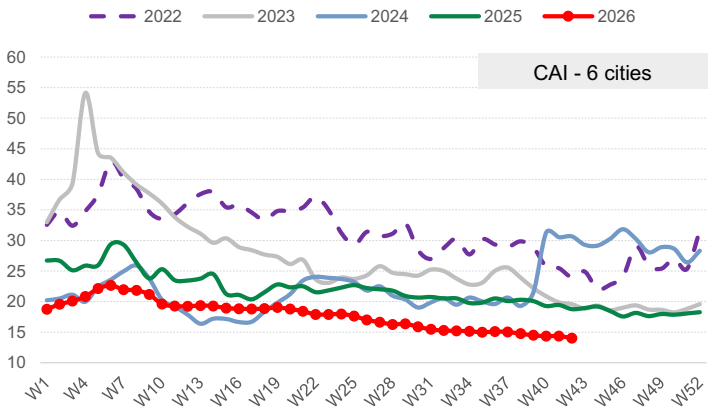
Exhibit 5: Average CSI was +2.1pp wow and +5.6pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 4 cities



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 -0.4pp wow and -4.8pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

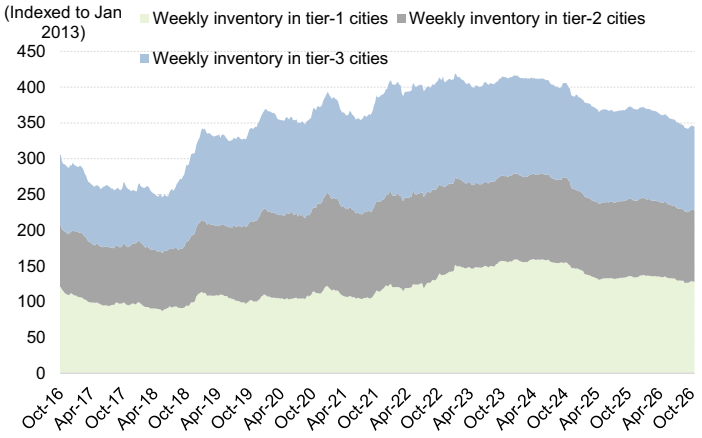


CAI refers to sellers' quoted price.

Source: Centaline

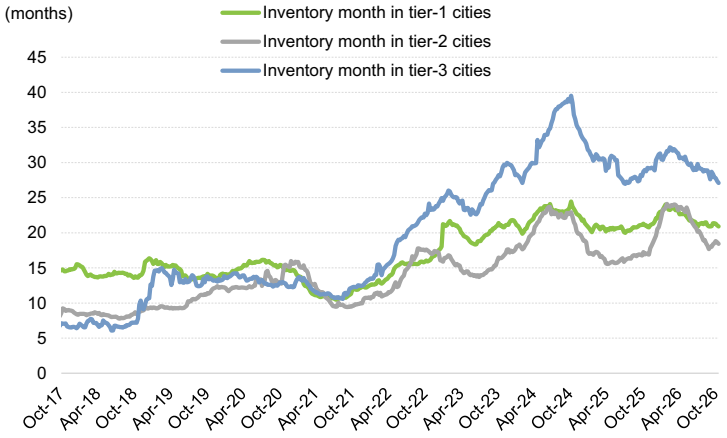
Inventory Week 42: Inventory -0.2% wow and -7.4% from end-25 level, with inventory months at 26.5 (vs. average 27.2 in Sep-26)

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 -0.9% wow, representing -5.1% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

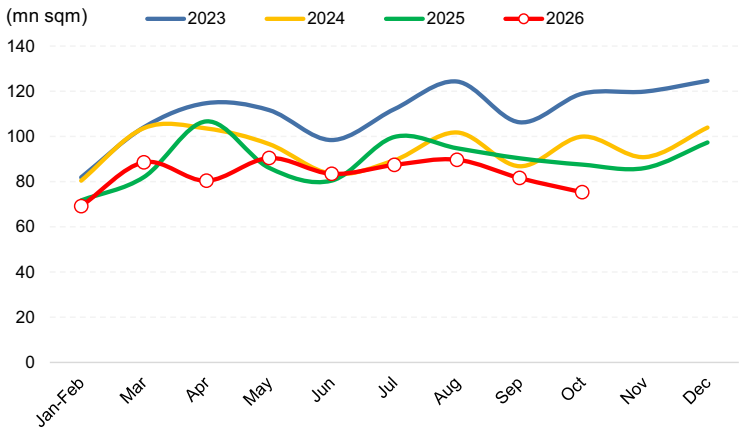


Source: CREIS, Goldman Sachs Global Investment Research

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

GS Property Completion (GSPC) tracker indicates **a high-twenties % yoy decline in Oct-26** (vs. -36%/high-twenties % yoy decline in Oct 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.

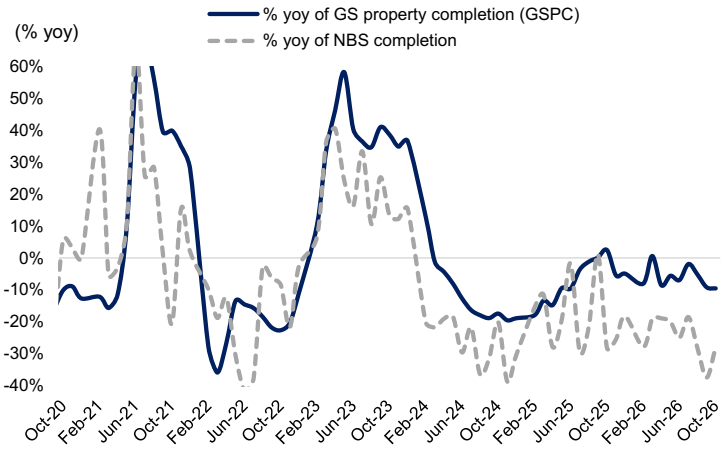
Exhibit 9: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



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 Oct-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 42, our covered **stronger SOE developers** saw share prices flat wow on average, with CR Land (1109.HK, Buy), COLI (0688.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +3%/+1%/+1% wow; meanwhile, **other developers** saw share prices on average -3% wow.
- Our offshore coverage developers on average saw share prices -1% wow (vs. -2% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -3% 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 42%, 0.7X; 73%, 0.9X; 58%, 0.9X.
- Our onshore coverage trades at an average 15% 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 42, our covered stronger SOE developers saw share prices flat wow on average, with CR Land (1109.HK, Buy), COLI (0688.HK, Buy) and CMSK (001979.SZ, Neutral) outperforming at +3%/+1%/+1% wow; meanwhile, other developers saw share prices on average -3% wow. Our offshore coverage developers on average saw share prices -1% wow (vs. -2% for MSCI China); our onshore coverage developers averaged -3% wow (vs. -3% for CSI 300).

Company	Ticker	Type	Price as of 10/19/2026	Share price performance		
				Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	7.7	1%	1%	-11%
COLI	0688.HK	Central SOE	13.2	1%	0%	8%
CR Land	1109.HK	Central SOE	31.1	3%	2%	14%
Greentown	3900.HK	Mixed ownership	6.0	-1%	-8%	-29%
Jinmao	0817.HK	Central SOE	1.3	-2%	-5%	4%
Poly	600048.SS	Central SOE	5.5	-2%	-5%	-10%
Average				**0%**	**-2%**	**-4%**
Other developers			(LCY)			
Longfor	0960.HK	POE	5.0	-2%	-11%	-41%
Seazen	1030.HK	POE	1.4	-1%	-5%	-32%
Vanke (A)	000002.SZ	Mixed ownership	3.5	-7%	-18%	-25%
Vanke (H)	2202.HK	Mixed ownership	2.4	-4%	-13%	-26%
Average				**-3%**	**-12%**	**-31%**
H-share average				**-1%**	**-6%**	**-15%**
MSCI China Index				**-2%**	**-2%**	**-15%**
A-share average				**-3%**	**-7%**	**-15%**
CSI 300 Index				**-3%**	**-4%**	**-10%**
Value chain Index						
Construction materials				-6%	-9%	-1%
Construction companies				-3%	-3%	-13%
Building products				-2%	-3%	-19%
Home appliances				0%	2%	-8%
Home furnishing				-2%	-4%	-19%

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 19/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	10.4	140	Central SOE	Neutral	7.68 (Rmb)	**8.70**	13	-15%	**10.25**	(25)	n.m.	63.3	22.2	18.7	0.7	0.71	0.7	0.7	0.7	0.7	2.0	2.4
COLI	0688.HK	18.4	46	Central SOE	Buy	13.17 (HK$)	**16.80**	28	-10%	**18.64**	(29)	10.2	9.9	9.5	8.3	0.4	0.40	0.4	0.4	3.7	4.0	4.3	4.9
CR Land	1109.HK	28.2	104	Central SOE	Buy	31.06 (HK$)	**38.80**	25	-10%	**43.16**	(28)	9.0	10.1	9.4	9.1	1.0	0.90	0.8	0.8	4.1	3.9	4.2	4.4
Greentown	3900.HK	1.9	9	Mixed ownership	Buy	6.00 (HK$)	**9.50**	58	-15%	**11.12**	(46)	2.8	3.3	3.5	3.2	0.4	0.39	0.4	0.4	-	1.0	5.8	9.3
Jinmao	0817.HK	2.2	8	Central SOE	Buy	1.26 (HK$)	**1.85**	47	-10%	**2.06**	(39)	32.0	21.2	9.7	6.0	0.5	0.53	0.5	0.5	2.4	2.4	4.4	7.2
Poly	600048.SS	9.8	225	Central SOE	Neutral	5.48 (Rmb)	**6.10**	11	-10%	**6.74**	(19)	63.4	n.m.	n.m.	n.m.	0.3	0.34	0.3	0.3	0.6	-	-	-
Average								**30**	**-12%**		**(31)**	**10.2**	**10.1**	**9.5**	**8.3**	**0.6**	**0.55**	**0.5**	**0.5**	**1.9**	**2.0**	**3.5**	**4.7**
Other developers																							
Longfor	0960.HK	4.6	23	POE	Neutral	5.05 (HK$)	**7.50**	49	-25%	**9.94**	(49)	n.m.	n.m.	28.1	13.5	0.3	0.26	0.3	0.3	1.6	-	1.2	2.4
Seazen	1030.HK	1.3	4	POE	Sell	1.39 (HK$)	**1.55**	12	-50%	**3.11**	(55)	23.5	38.0	16.6	10.2	0.3	0.26	0.3	0.2	-	-	-	-
Vanke (A)	000002.SZ	5.1	373	Mixed ownership	Sell	3.50 (Rmb)	**3.20**	(9)	-10%	**3.50**	0	n.m.	n.m.	n.m.	n.m.	0.4	0.49	0.6	0.7	-	-	-	-
Vanke (H)	2202.HK	0.7	21	Mixed ownership	Sell	2.43 (HK$)	**2.50**	3	-35%	**3.82**	(36)	n.m.	n.m.	n.m.	n.m.	0.2	0.30	0.4	0.4	-	-	-	-
Average								**14**	**-30%**		**(35)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.33**	**0.4**	**0.4**	**0.4**	-	**0.3**	**0.6**
Coverage average								**24**			**(33)**	**23.5**	**24.3**	**14.1**	**9.9**	**0.4**	**0.5**	**0.5**	**0.5**	**1.3**	**1.2**	**2.2**	**3.1**
H-share average								**32**			**(40)**	**15.5**	**16.5**	**12.8**	**8.4**	**0.4**	**0.4**	**0.4**	**0.4**	**1.7**	**1.6**	**2.8**	**4.0**
A-share average								**5**			**(15)**	**63.4**	**63.3**	**22.2**	**18.7**	**0.5**	**0.5**	**0.5**	**0.6**	**0.4**	**0.2**	**0.7**	**0.8**

Source: Datastream, Goldman Sachs Global Investment Research