CHINA PROPERTY WEEKLY WRAP

Week 43 Wrap – Market activities softened slightly; new urban renewal policies launched

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Key highlights for the week:

Policy update: 1) Central Level: a) MOHURD and five other departments jointly issued three documents including *Guiding Opinions on Promoting the Renovation and Upgrading of Old Neighborhoods and Industrial Areas* on October 20th, clarifying the orderly implementation of 1.5k major renovation projects for old neighborhoods and industrial areas, along with a 5-year land use transition period and infrastructure REITs channels. Heating pipe networks that have been in operation for 20 years or more will also be included in the renovation scope. **b)** The MOF has allocated a remaining local government debt limit of Rmb550bn, including a special debt remaining limit of Rmb250bn for which priority will be given to ensuring ongoing projects, while new projects will focus on the "six networks" including urban underground pipe networks. **2) Shanghai** released its *Urban Renewal Three-Year Action Plan (2026-2028)* on October 21st. The plan aims to implement the renovation of c.24mn sqm of old residential communities (c.3% of total existing residential GFA), the comprehensive renovation of 700k sqm of old housing, and the energy-saving renovation of 12mn sqm of existing residential buildings within three years. It also seeks to promote the accelerated expansion of urban village renovation and the renewal of commercial and office buildings.

Market performance: Primary transaction volumes declined 4% wow, with a 3.3% wow drop in new home search activity. Secondary transaction volume softened 5% wow, with secondary subscription sales (which lead registration-based sales by 1-2 weeks) largely stable while secondary visitation weakened 4% wow. Meanwhile, we note price appreciation expectations edged lower for both agents and home sellers. On the brighter side, new listing supply among monitored cities recorded an 8% shrinkage wow.

At the project level, we noticed some positive ASP trends in Shanghai primary market, with several recently launched primary projects achieving strong subscription rates and rapid sell-through, thereby supporting price appreciation. This echoes the peer-leading price performance disclosed by NBS (see monthly tracker) and reinforces our optimistic outlook on SH/SZ ASPs (see 2027 outlook), which likely drove the relatively strong performance of developers'

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shares in recent days to some extent.

Key data points:

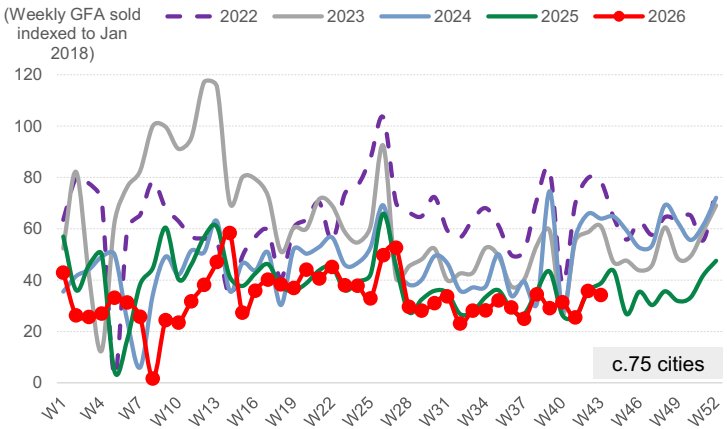
- **New homes** sales volume was -4% wow and -12% yoy, with new home search activity declining 3.3% wow.
- **Secondary** transactions were -5% wow and +9% yoy, with price appreciation expectations edging lower for both agents and home sellers.
- **MTD Oct: Primary GFA** sold on median was 22% mom and was -13% yoy; **Secondary GFA** sold on median was -11% mom and +14% yoy.
- **YTD: Primary GFA** sold on average was -12% yoy and was -18%/-35% vs. the 2024/2023 level; **secondary GFA** sold on average was +2% yoy and was +11%/+13% vs. the 2024/2023 level.
- **Inventory** balance was -0.3% wow, with inventory months at 26.5 (vs. average 27.3/27.2 in Aug-/Sep-26).
- **Valuation:** Over week 43, our covered **stronger SOE developers** saw share prices -1% wow on average, with CMSK (001979.SZ, Buy) and Poly (600048.SS, Neutral) outperforming at +6%/+3% wow; meanwhile, **other developers** saw share prices on average -3% wow. Our offshore/onshore coverage now trades at an average 43%/17% discount to end-2027E NAV and at 0.4X/0.6X 2027E P/Bs.

Implications:

- **Property sales** in c.75 cities suggest top-100 developers' contract sales are likely to decline 12% 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 (-0.7pp 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%).

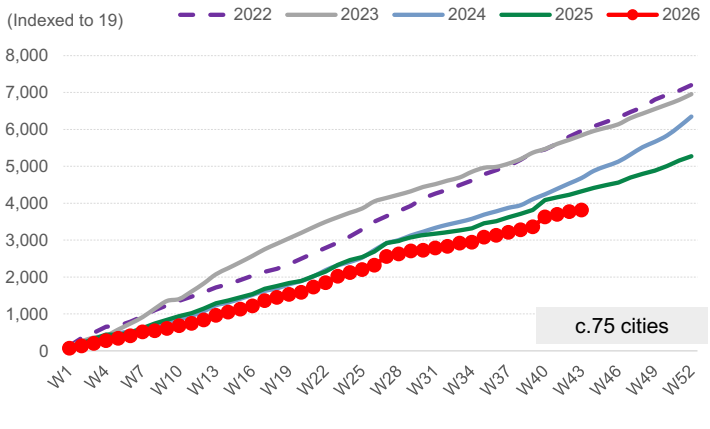
Primary market Week 43: GFA -4% wow and was -12% yoy, sending YTD to -12% yoy

Exhibit 1: Primary GFA sold last week was -4% wow and -12% yoy in c.75 cities



Source: CREIS, Goldman Sachs Global Investment Research

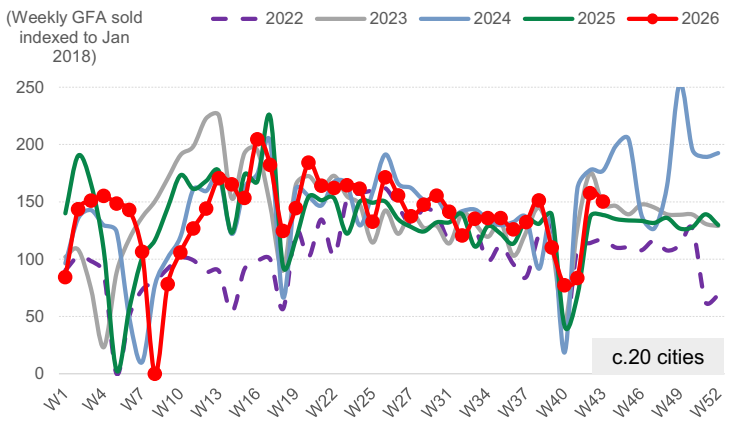
Exhibit 2: Primary GFA sold YTD on average was -12% yoy in c.75 cities, and -18%/-35% vs. 2024/2023 level



Source: CREIS, Goldman Sachs Global Investment Research

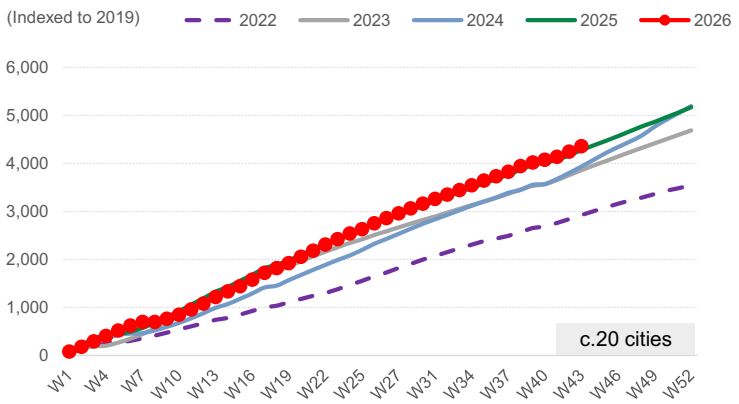
Secondary market: Week 43/YTD volumes were +9%/+2% yoy, with price appreciation expectations edging lower for both agents and home sellers

Exhibit 3: Secondary GFA sold last week was -5% wow and +9% yoy in c.20 cities
Average weekly volume of secondary property sales



Source: Wind, Goldman Sachs Global Investment Research

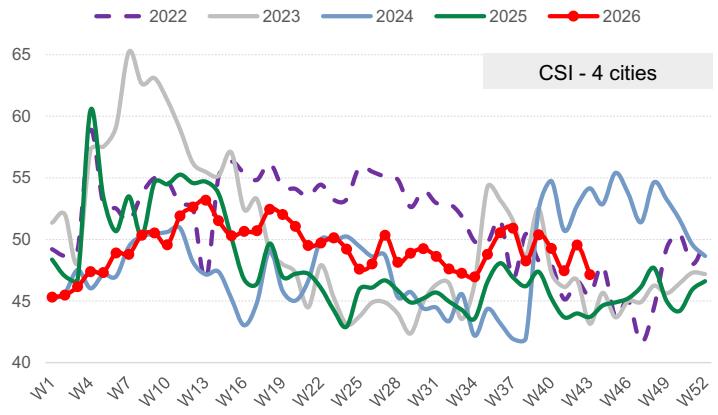
Exhibit 4: Secondary GFA sold YTD was +2% yoy in c.20 cities, while +11%/+13% vs. 2024/2023
2026 secondary volume sold vs. 2022-25



Source: Wind, Goldman Sachs Global Investment Research

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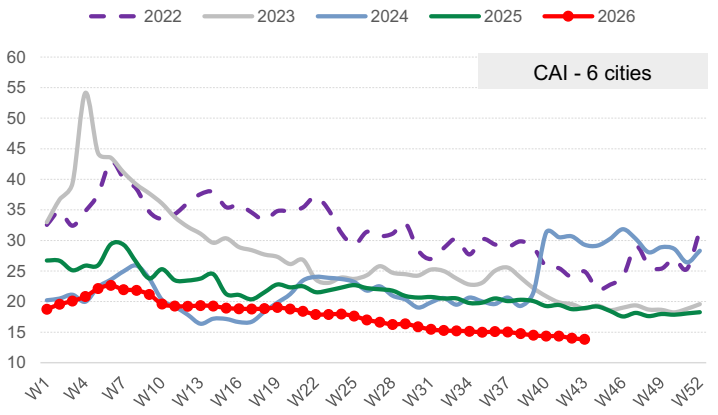
Exhibit 5: Average CSI was -2.4pp wow and +3.4pp yoy
Weekly Centaline Salesman Index (CSI) tracker in 4 cities



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 -0.2pp wow and -5.1pp yoy
Weekly Centaline Seller Asking Index (CAI) tracker in 6 cities

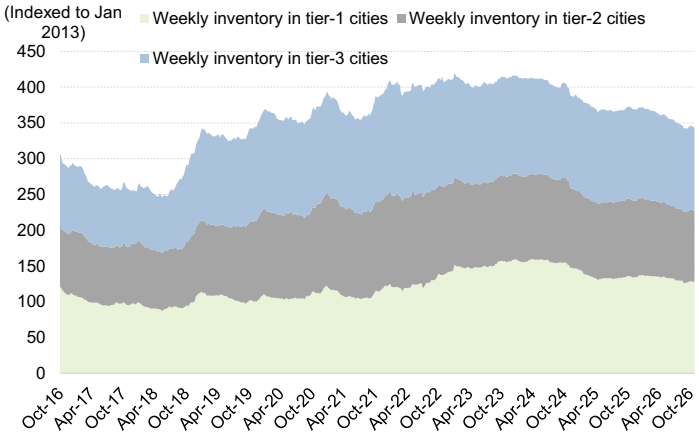


CAI refers to sellers' quoted price.

Source: Centaline

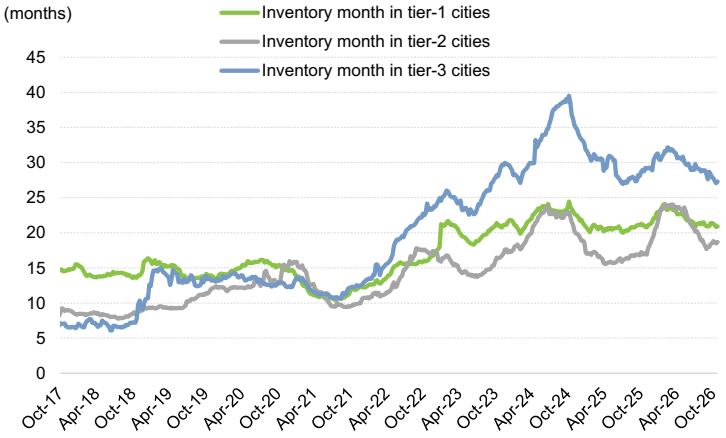
Inventory Week 43: Inventory -0.3% wow and -7.8% from end-25 level, with inventory months at 26.5 (vs. average 27.2 in Sep-26)

Exhibit 7: Inventory balance was -0.3% wow, -7.8% 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 -5.3% from end-25 levels
c.20 cities' inventory months (12mth rolling) breakdown by city tier

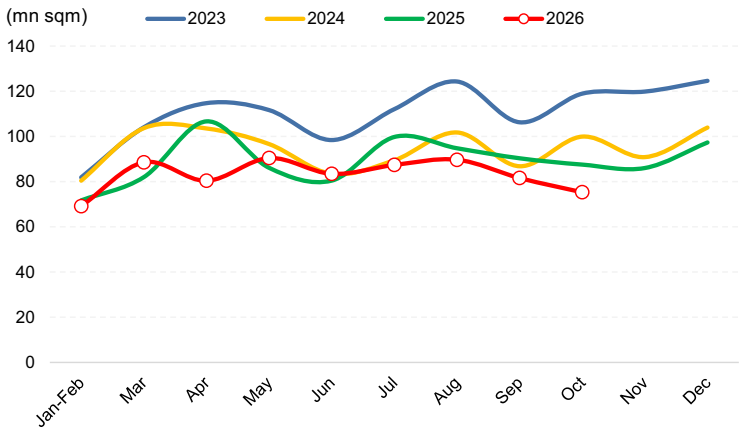


Source: CREIS, Goldman Sachs Global Investment Research

GSPC implies high-twenties % yoy decline/-15% yoy in completions for 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.

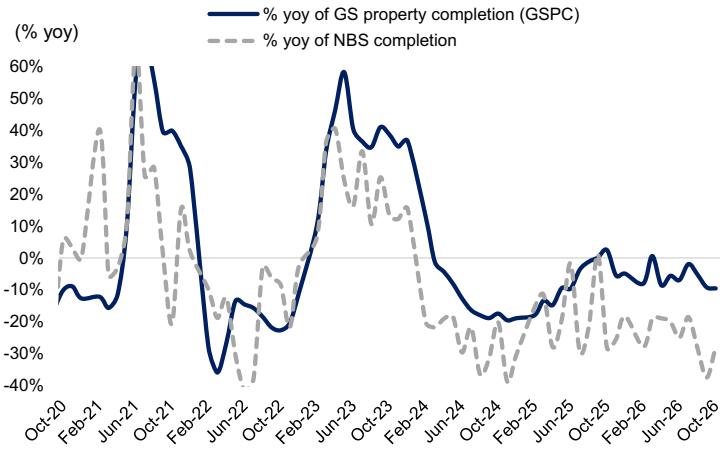
Exhibit 9: GSPC tracker implied monthly completions...
GSPC tracker implied monthly GFA completion - based on GS float glass S-D model



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 43, our covered **stronger SOE developers** saw share prices -1% wow on average, with CMSK (001979.SZ, Buy) and Poly (600048.SS, Neutral) outperforming at +6%/+3% wow; meanwhile, **other developers** saw share prices on average -3% wow.
- Our offshore coverage developers on average saw share prices -4% wow (vs. -5% for MSCI China); our onshore coverage developers averaged +2% wow (vs. -2% for CSI 300).
- Our offshore coverage now trades at an average 43% discount to end-2027E NAV and 0.4X 2027E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 43%, 0.7X; 73%, 0.9X; 58%, 0.9X.
- Our onshore coverage trades at an average 17% discount to end-2027E NAV and 0.6X 2027E P/B vs. 2H2008, 2H2011 and 1H2014 troughs of 67%, 1.6X; 64%, 1.5X; 61%, 1.2X.

Exhibit 11: Over week 43, our covered stronger SOE developers saw share prices -1% wow on average, with CMSK (001979.SZ, Buy), and Poly (600048.SS, Neutral) outperforming at +6%/+3% wow; meanwhile, other developers saw share prices on average -3% wow. Our offshore coverage developers on average saw share prices -4% wow (vs. -5% for MSCI China); our onshore coverage developers averaged +2% wow (vs. -2% for CSI 300).

Company	Ticker	Type	Price as of 10/26/2026	Share price performance		
				Past week	MTD	YTD
Stronger SOE developers			(LCY)			
CMSK	001979.SZ	Central SOE	8.2	6%	8%	6%
COLI	0688.HK	Central SOE	12.7	-4%	-4%	3%
CR Land	1109.HK	Central SOE	30.3	-2%	-1%	1%
Greentown	3900.HK	Mixed ownership	5.8	-4%	-11%	-32%
Jinmao	0817.HK	Central SOE	1.2	-7%	-12%	-4%
Poly	600048.SS	Central SOE	5.6	3%	-2%	-8%
Average				**-1%**	**-4%**	**-6%**
Other developers			(LCY)			
Longfor	0960.HK	POE	5.0	-2%	-13%	-42%
Seazen	1030.HK	POE	1.4	-2%	-7%	-34%
Vanke (A)	000002.SZ	Mixed ownership	3.4	-2%	-19%	-26%
Vanke (H)	2202.HK	Mixed ownership	2.3	-5%	-17%	-29%
Average				**-3%**	**-14%**	**-33%**
H-share average				**-4%**	**-9%**	**-18%**
MSCI China Index				**-5%**	**-7%**	**-19%**
A-share average				**2%**	**-5%**	**-13%**
CSI 300 Index				**-2%**	**-6%**	**-11%**
Value chain Index						
Construction materials				-4%	-12%	-5%
Construction companies				-2%	-5%	-15%
Building products				-1%	-3%	-20%
Home appliances				-2%	0%	-10%
Home furnishing				-3%	-7%	-22%

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 (801143.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 26/Oct/26	12 mth Price target	Potential upside/ downside (%)	Target price disc. to NAV	End-27E NAV	Shr price (disc)/ prem to NAV	FD Core P/E (x) 26E	27E	28E	29E	P/B (x) (excl. revaluation gain) 26E	27E	28E	29E	Dividend yield (%) 26E	27E	28E	29E
Developers																							
Stronger SOE developers																							
CMSK	001979.SZ	11.0	114	Central SOE	Buy	8.16 (Rmb)	**9.80**	20	-15%	**11.50**	(29)	72.0	30.1	25.7	19.5	0.8	0.74	0.7	0.7	0.6	1.5	1.8	2.3
COLI	0688.HK	17.7	43	Central SOE	Buy	12.65 (HK$)	**17.20**	36	-10%	**19.16**	(34)	9.5	9.4	8.1	6.7	0.4	0.38	0.4	0.4	4.2	4.4	5.0	6.1
CR Land	1109.HK	27.6	82	Central SOE	Buy	30.30 (HK$)	**41.00**	35	-10%	**45.57**	(34)	9.9	9.5	8.3	6.8	0.9	0.83	0.8	0.8	4.0	4.2	4.8	5.9
Greentown	3900.HK	1.9	9	Mixed ownership	Neutral	5.78 (HK$)	**7.20**	25	-25%	**9.61**	(40)	42.6	18.1	16.7	15.1	0.4	0.37	0.4	0.4	1.0	3.0	3.3	3.6
Jinmao	0817.HK	2.0	8	Central SOE	Buy	1.17 (HK$)	**1.70**	46	-20%	**2.12**	(45)	19.7	9.4	7.7	6.7	0.5	0.47	0.5	0.5	2.6	4.6	5.6	6.4
Poly	600048.SS	10.1	163	Central SOE	Neutral	5.63 (Rmb)	**6.10**	8	-10%	**6.78**	(17)	n.m.	n.m.	n.m.	n.m.	0.4	0.35	0.4	0.4	-	-	-	1.1
Average								**28**	**-15%**		**(33)**	**19.7**	**9.5**	**8.3**	**6.8**	**0.5**	**0.52**	**0.5**	**0.5**	**2.1**	**2.9**	**3.4**	**4.2**
Other developers																							
Longfor	0960.HK	4.5	23	POE	Neutral	4.96 (HK$)	**6.30**	27	-35%	**9.75**	(49)	n.m.	49.4	16.2	8.0	0.3	0.26	0.3	0.3	-	0.7	2.0	4.1
Seazen	1030.HK	1.3	3	POE	Sell	1.36 (HK$)	**1.22**	(10)	-60%	**3.04**	(55)	35.9	63.7	23.4	30.2	0.3	0.25	0.2	0.2	-	-	-	-
Vanke (A)	000002.SZ	5.0	273	Mixed ownership	Sell	3.43 (Rmb)	**2.90**	(15)	-20%	**3.60**	(5)	n.m.	n.m.	n.m.	n.m.	0.5	0.63	0.9	0.6	-	-	-	-
Vanke (H)	2202.HK	0.7	16	Mixed ownership	Sell	2.32 (HK$)	**2.20**	(5)	-45%	**3.92**	(41)	n.m.	n.m.	n.m.	n.m.	0.3	0.37	0.5	0.4	-	-	-	-
Average								**(1)**	**-40%**		**(38)**	**n.m.**	**n.m.**	**n.m.**	**n.m.**	**0.3**	**0.38**	**0.5**	**0.4**	**-**	**0.2**	**0.5**	**1.0**
Coverage average								**17**			**(35)**	**31.6**	**27.1**	**15.2**	**13.3**	**0.5**	**0.5**	**0.5**	**0.5**	**1.2**	**1.8**	**2.2**	**3.0**
H-share average								**22**			**(43)**	**23.5**	**26.6**	**13.4**	**12.2**	**0.4**	**0.4**	**0.4**	**0.4**	**1.7**	**2.4**	**3.0**	**3.7**
A-share average								**4**			**(17)**	**72.0**	**30.1**	**25.7**	**19.5**	**0.5**	**0.6**	**0.6**	**0.6**	**0.2**	**0.5**	**0.6**	**1.2**

Source: Datastream, Goldman Sachs Global Investment Research