First Read

# China Property

## October Primary Sales Lose Momentum; Secondary Market Remains Resilient

Equities

China Emerging

Real Estate

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### October sales momentum weakens

Top 100 developers' contract sales declined 17% YoY in October, widening from a 14% decline in September. Sequentially, sales rose just 1% MoM, versus an 11% increase in September and the 2021-25 historical average October uplift of 16%. However, the historical average is skewed by the unusually strong 70% MoM increase in October 2024; excluding 2024, the average seasonal uplift was only 2%, suggesting October 2026 sales were broadly in line with the adjusted seasonal trend. October marks the first monthly sales data following the recent mortgage-rate subsidy. The continued weakness suggests the measure has so far provided limited support to new-home demand, broadly in line with our expectations. At the same time, liquidity concerns have resurfaced following reports that Zhuhai Huafa Group has been seeking extensions of bank-loan maturities (see our note). Combined with weak contracted sales and tighter operating cash flow under the revised presale model, we believe this reinforces our cautious view on developers.

### Secondary market remains comparatively resilient

Secondary-market activity remained more resilient than primary sales. As of the week ended 25 October 2026, secondary transaction volumes across 12 major cities were up 24% YoY MTD, extending the positive momentum seen in recent months. Meanwhile, the tier-1 secondary-home price index edged up 0.4% MoM in September. Rental trends also continued to improve, with rental-price declines across the four tier-1 cities narrowing to 0.5% YoY in September, from 1.9% YoY decline in August. On the supply side, secondary listings across 50 cities declined 0.6% YoY as of 28 October, while listings in tier-1 cities fell a more pronounced 11.4% YoY. We see the combination of lower listings in higher-tier cities, improving rental trends and resilient transaction volumes as encouraging signs for secondary-home price stabilisation. That said, the divergence between resilient secondary activity and weak primary sales suggests that homebuyer demand remains selective towards prime location, rather than pointing to a broad-based housing recovery.

### SOE developers continue to gain market share

SOE developers continued to outperform private peers in October. Contract sales for SOE developers were broadly flat YoY, compared with declines of 32% for POEs and 17% for the Top 100 overall. As a result, SOEs continued to take market share from private developers, with SOEs and POEs accounting for approximately 64% and 27% of sales, respectively. The YTD performance also highlights the widening divergence between stronger SOEs and financially constrained private developers. Within our coverage, CR Land, COLI and Jinmao delivered relatively resilient contract sales growth of 6%, 5% and 3% YoY, respectively. In contrast, Longfor and Vanke remained under significant pressure, with sales declining 54% and 50% YoY, respectively. Against this backdrop, our top picks remain **CR Land** and **BEKE**.

This report has been prepared by UBS Securities Asia Limited. **ANALYST CERTIFICATION AND REQUIRED DISCLOSURES, INCLUDING INFORMATION ON THE QUANTITATIVE RESEARCH REVIEW PUBLISHED BY UBS, BEGIN ON PAGE 8.**

**Figure 1: Top 100 developers' contract sales in Oct 2026 decreased 17% YoY, and MoM improved 1%**

| Company | Oct 2026 (CRIC) | | | 10M26 | |
|---|---|---|---|---|---|
| | Rmb bn | YoY% | MoM% | Rmb bn | YoY% |
| CMSK | 18.8 | 22% | 28% | 159.0 | 2% |
| COLI | 17.8 | -4% | 15% | 198.8 | 5% |
| Poly Developments | 17.8 | -15% | 10% | 199.0 | -11% |
| CR Land | 15.7 | 3% | 1% | 180.3 | 6% |
| C&D International | 13.3 | 21% | 32% | 103.4 | -8% |
| Yuexiu | 12.2 | -1% | 79% | 80.2 | -13% |
| Jinmao | 10.5 | -13% | 0% | 95.1 | 3% |
| Greentown China | 8.7 | -30% | -4% | 90.4 | -25% |
| Binjiang | 6.2 | -20% | -24% | 72.5 | -16% |
| Vanke | 5.7 | -60% | 15% | 57.3 | -50% |
| CRCC | 4.8 | -51% | -8% | 43.2 | -30% |
| Greenland (A) | 4.0 | -50% | -55% | 60.6 | 8% |
| Poly Property | 3.9 | -2% | 11% | 36.8 | -16% |
| Huafa | 3.2 | -42% | 55% | 32.7 | -53% |
| Xiamen Xiangyu | 3.0 | 68% | 18% | 21.2 | 5% |
| Country Garden | 2.8 | -19% | 6% | 27.9 | -18% |
| Longfor | 2.6 | -49% | 10% | 25.7 | -54% |
| CCCG Real Estate | 2.3 | -1% | 1% | 22.2 | -6% |
| Gemdale | 1.8 | -9% | 13% | 15.4 | -41% |
| BCDC | 1.6 | 33% | 7% | 12.1 | -18% |
| Seazen Holdings | 1.0 | -27% | 46% | 9.8 | -40% |
| Sino-ocean | 0.9 | -61% | 54% | 11.2 | -47% |
| Midea Real Estate | 0.9 | -58% | 9% | 10.9 | -52% |
| Sunac | 0.9 | -13% | -35% | 13.9 | -58% |
| Grandjoy | 0.8 | -8% | 18% | 7.2 | -49% |
| CIFI | 0.8 | -28% | 7% | 7.8 | -45% |
| Yango | 0.7 | -51% | 6% | 8.8 | -30% |
| CCRE | 0.7 | 31% | 60% | 6.1 | -7% |
| SCE | 0.7 | -7% | 21% | 6.5 | -8% |
| Shimao | 0.7 | -59% | -13% | 11.2 | -46% |
| OCT | 0.7 | -51% | -15% | 10.2 | -33% |
| Logan | 0.7 | 30% | 25% | 5.0 | -16% |
| Powerlong | 0.5 | -24% | 26% | 5.4 | -12% |
| Evergrande | 0.5 | -79% | -17% | 7.6 | -57% |
| Hopson | 0.4 | -47% | -21% | 6.0 | -36% |
| Yanlord | 0.4 | -43% | 11% | 6.9 | -43% |
| **Top1-10 total** | **125** | **-11%** | **8%** | **1,106** | **-18%** |
| **Top1-50 total** | **201** | **-18%** | **3%** | **2,037** | **-14%** |
| **Top1-100 total** | **231** | **-17%** | **1%** | **2,358** | **-15%** |

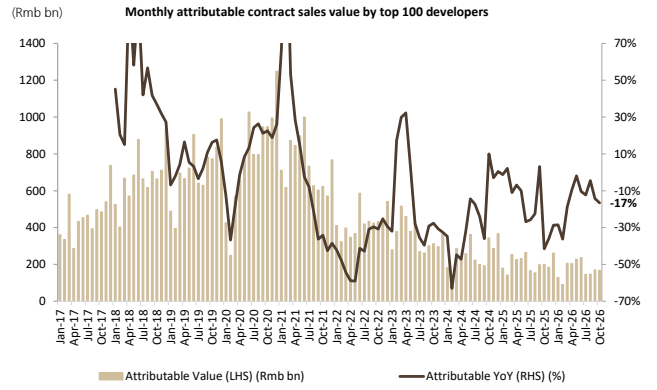
Source: CRIC. Note: Ranked by contract sales in Oc-2026, Contract sales for Greentown China and CCRE exclude project management amount.

**Figure 2: Top 100 developers' contract sales increased 1% MoM in Oct 2026, worse than 2021-2025 average of 16%**

| Month | Contract sales (Rmb bn) | MoM | YoY |
|---|---|---|---|
| Oct-21 | 898 | 5% | -30% |
| Oct-22 | 619 | -1% | -31% |
| Oct-23 | 444 | 0% | -28% |
| Oct-24 | 465 | 70% | 5% |
| Oct-25 | 277 | 4% | -41% |
| Oct-26 | 231 | 1% | -17% |
| **Average (2021-25)** | | **16%** | **-25%** |

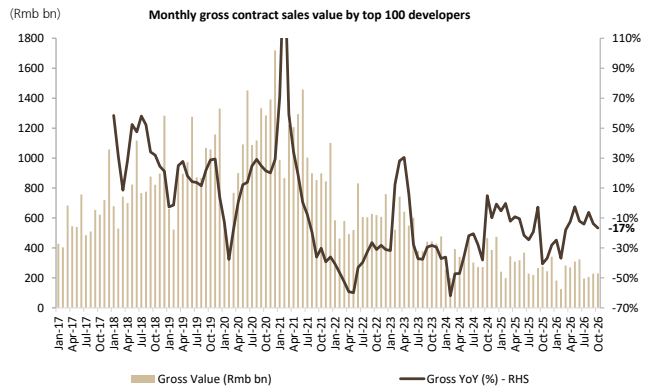
Source: CRIC

**Figure 3: Top 100 developers' combined attri. contract sales value dropped by 17% YoY in Oct2026**



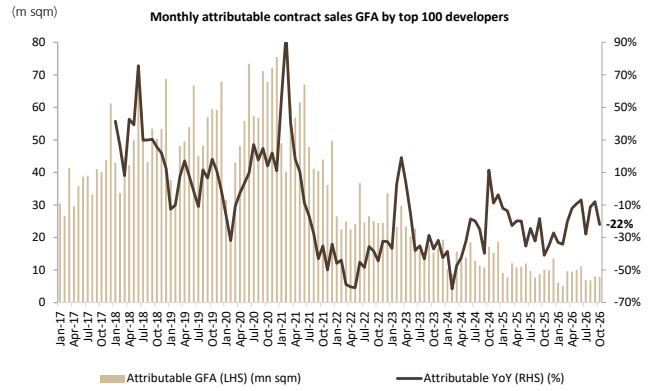

Source: CRIC, UBS Research

**Figure 4: Top 100 developers' combined gross contract sales value dropped by 17% YoY in Oct 2026**



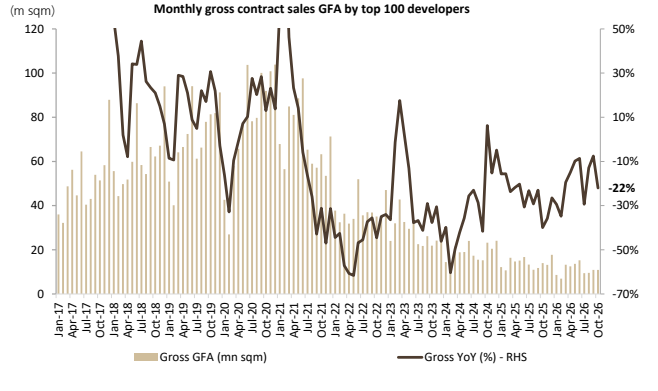

Source: CRIC, UBS Research

**Figure 5: Top 100 developers' combined attr. contract sales GFA dropped by 22% YoY in Oct 2026**



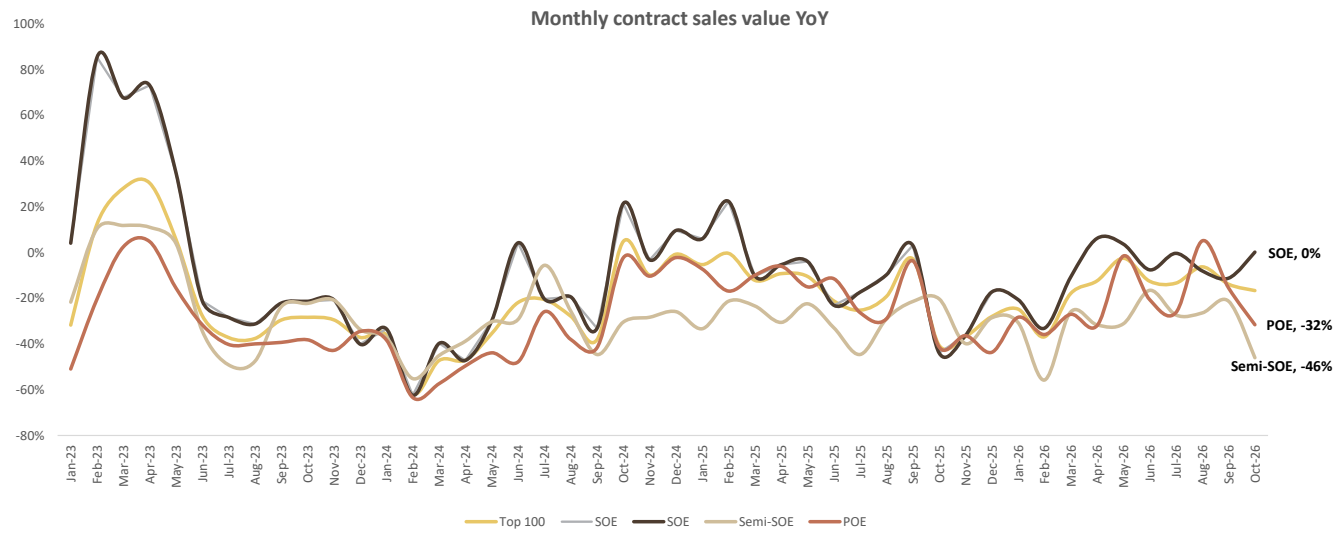

Source: CRIC, UBS Research

**Figure 6: Top 100 developers' combined gross contract sales GFA dropped by 22% YoY in Oct 2026**



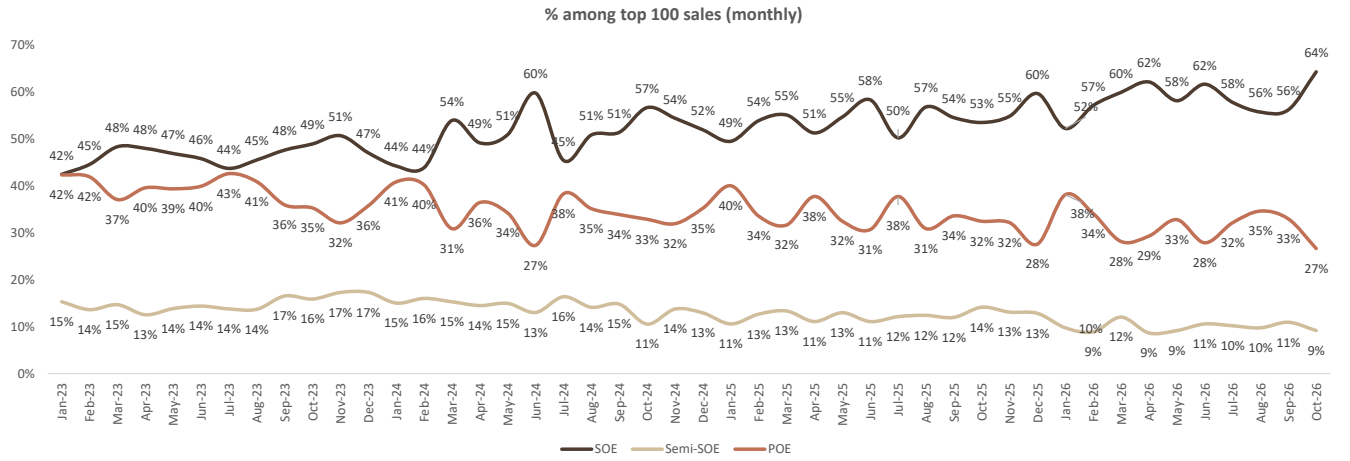

Source: CRIC, UBS Research

**Figure 7: SOE monthly contract sales values was flat % YoY in Oct 2026, outperformed top 100 peers**



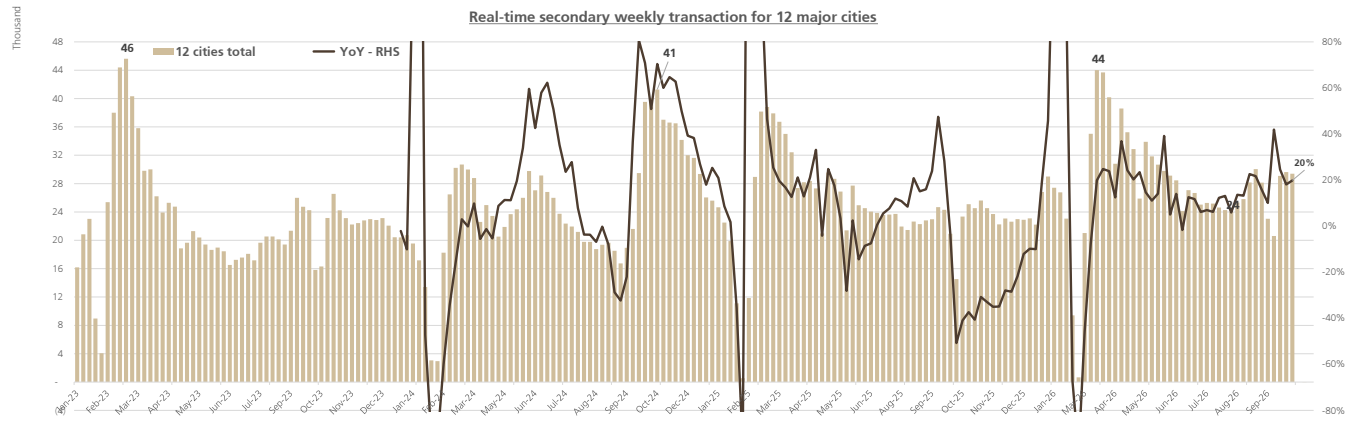

Source: CRIC, UBS

**Figure 8: SOE's market share among the top 100 developers' sales climbed to 64%, while POE's market share declined to 27% in Oct 2026**



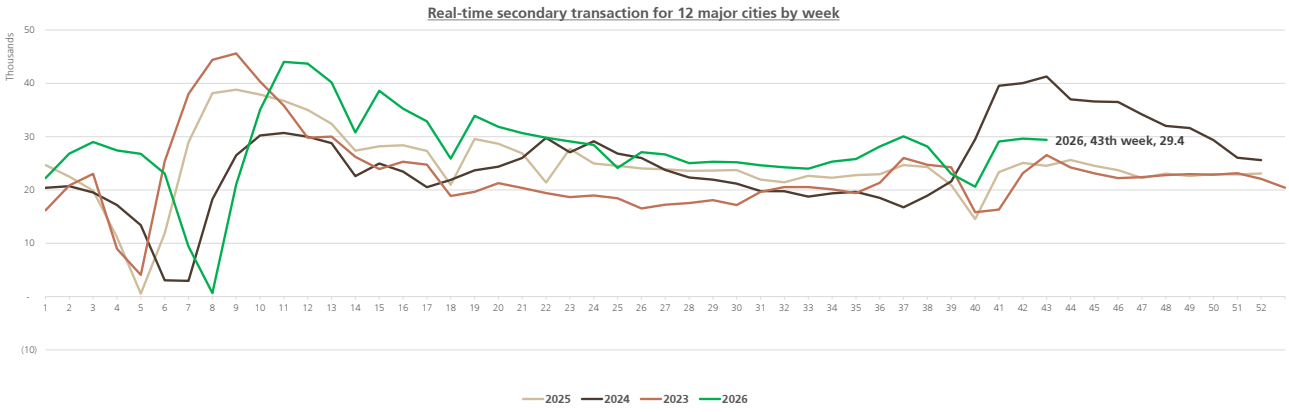

Source: CRIC, UBS

**Figure 9: Real-time weekly secondary transactions for 12 major cities increased 20% YoY**



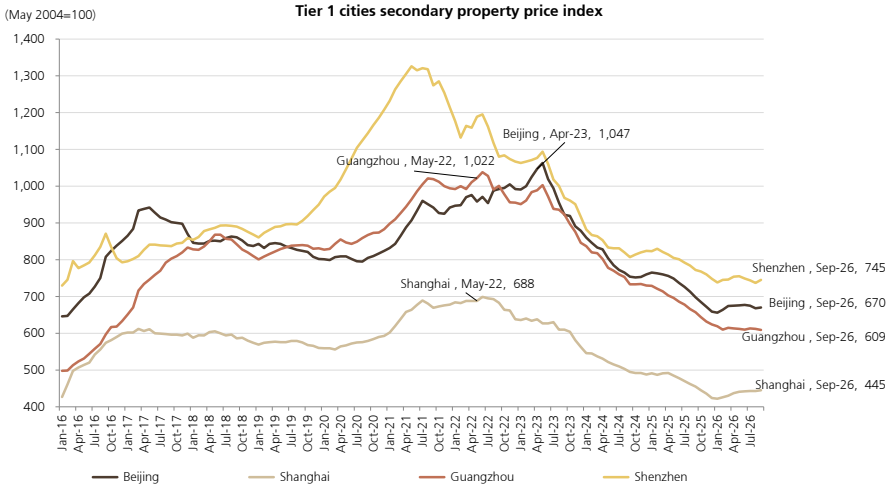

Source: Bingshan index, UBS. Date as of 27 Sep 2026.

**Figure 10: Real-time weekly secondary transactions for 12 major cities was above 2023 and 2015 levels but remained below 2024 level**



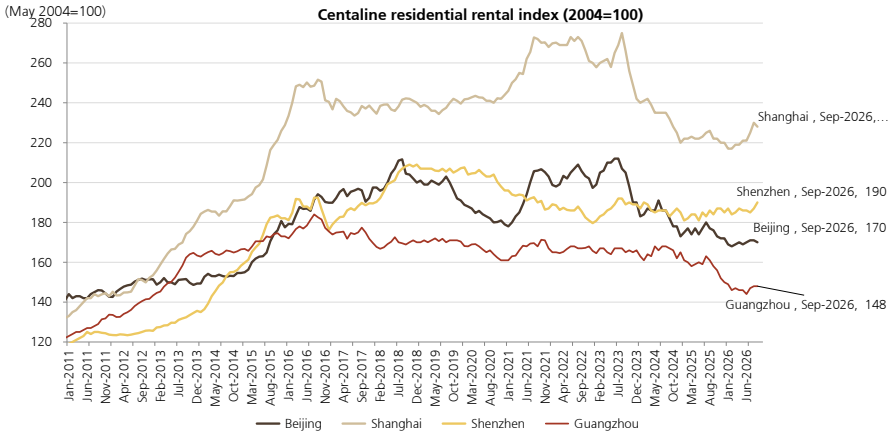

Source: Bingshan index, UBS. Date as of 27 Sep 2026.

**Figure 11: Secondary property price index in tier 1 cities edged up by 0.4% MoM in Sept 2026**



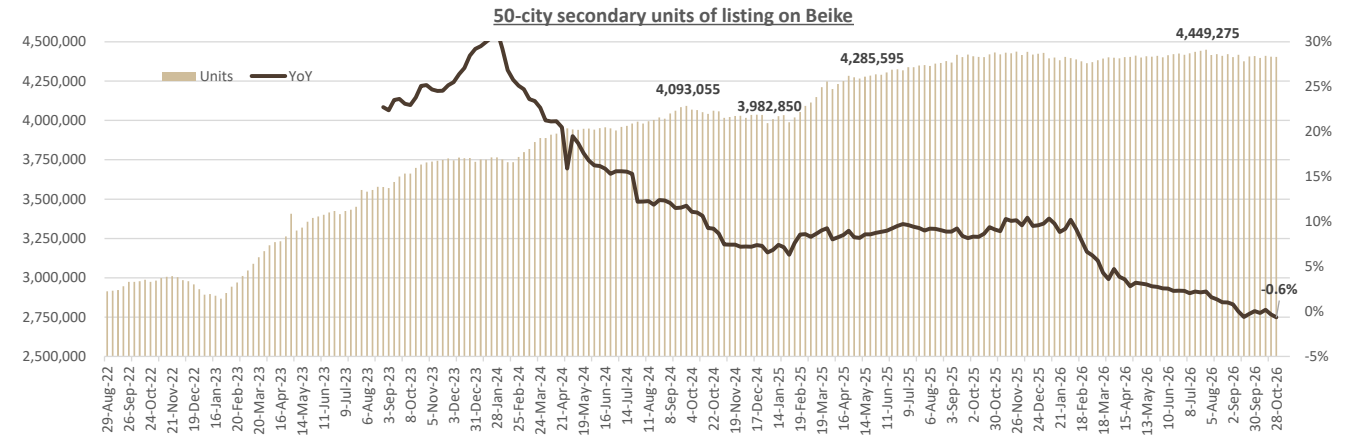

Source: Centaline, Wind

**Figure 12: Rental price decline in tier 1 cities slowed to -0.5% YoY in Sept 2026 (vs -1.9% in Aug 2026)**



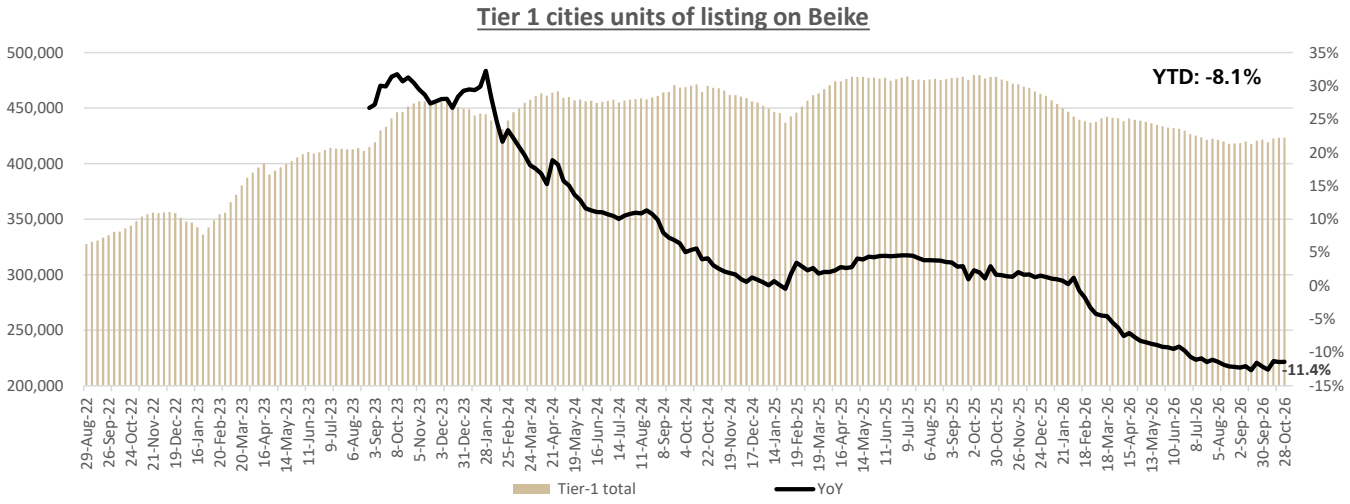

Source: Centaline, UBS.

**Figure 13: 50-city secondary listing growth slowed**




Source: BEKE. Data is as of 28 Oct 2026.

**Figure 14: Tier-1 cites secondary listing declined by 11.4% YoY**




Source: BEKE. Data is as of 28 Oct 2026.

**Valuation Method and Risk Statement**

We base our valuations of China's property developers and managers on PE or P/BV multiples. We believe key downside risks related to the Chinese property market include: 1) government administrative policies that restrict demand and mortgage lending; 2) tight financing for China's developers; 3) lower-than-expected residential growth in China's economy. We believe key upside risks include: 1) material policy loosening that effectively boosts residential property sales, investments and prices to positive YoY growth; 2) large-scale asset disposals at fair prices by some developers to ease liquidity pressures.