China Property

Developers' sales remain sluggish despite mortgage subsidy

Mainland China/Hong Kong Property & Conglomerates

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According to CREIS, the top 100 developers' aggregate sales Y/Y decline modestly widened from -11% in September to -13% in October, which is softer than expected as we thought the mortgage subsidy (effective from October 1) would have at least had a mild short-term boost to sales in low-tier cities. Although primary sales remain sluggish, momentum in secondary sales is still solid. According to the Iceberg Index, the top cities' secondary sales Y/Y growth was >20% in October, mildly accelerating from 19% Y/Y in September. We forecast secondary sales to maintain >10% Y/Y growth in 4Q26. By our estimate, while 22% of primary units may qualify for the mortgage subsidy, 40% of secondary homes may qualify nationwide. Thus, relatively secondary homes should benefit more (more in our previous report). Year-to-date, the top 100 developers' sales have declined 13% Y/Y, and we maintain our forecast of a 12% decline for FY26. We remain selective on stocks, and prefer **CR Land**, **CR Mixc** and **KE Holdings** (covered by Daniel Chen).

- **Top 100 developers' contracted sales decline mildly widened in October:** The sales decline widened from -11% Y/Y in September to -13% Y/Y in October (Figure 1), weaker than our expectation of a single-digit % Y/Y decline. Compared to the four-year average (2018-21), sales modestly narrowed from -80% to -76%, but stayed within the usual range of 70-80%. On a M/M basis, sales rose 10%, which is due to seasonality, as October's contribution to full-year sales (9.1%) is typically higher than September's (8.5%). (Table 3).
- **Identifying the outperformers:** Key SOEs' sales decline narrowed from -16% to -3% Y/Y in October, mostly due to the launch schedule, in our view. Among key listed developers, **CMSK** (+23%), **C&D** (+10%) and **CR Land** (+3%) were the only three SOE developers that registered positive Y/Y growth in October. Year-to-date, key developers that have maintained positive growth are **CR Land** (+6%), **COLI** (+5%), **Jinmao** (+3%) and **CMSK** (+2%) (Figure 5). That said, due to potentially slower land-banking in 4Q26 driven by the 828 policy (as developers need to preserve cash to cope with the change in cash flow planning), **we pencil in a 20-30% Y/Y decline among key developers in FY27** (report).

See page 8 for analyst certification and important disclosures, including non-US analyst disclosures.

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Developers' Contracted Sales

Table 1: Contracted sales leaderboard – 10M26 top 30 developers by total sales

10M26 Rank	Developer		SOE?	10M26 Sales (Rmb bn)
1	Poly Developments	保利发展	Y	199
2	COLI	中海地产	Y	199
3	CR Land	华润置地	Y	180
4	Greentown	绿城中国	Y	160
5	China Merchants Shekou	招商蛇口	Y	159
6	C&D	建发房产	Y	103
7	China Jinmao	中国金茂	Y	95
8	Yuexiu Property	越秀地产	Y	80
9	Binjiang	滨江集团	N	73
10	Vanke	万科	N	57
11	Greenland Holdings	绿地控股	N	57
12	China Railway Construction	中国铁建	Y	43
13	Poly Property	保利置业	Y	37
14	China Railway Group	中国中铁	Y	34
15	Huafa Industrial	华发股份	Y	33
16	China Travel Investment	中旅投资	Y	32
17	China Construction Yipin	中建壹品	Y	32
18	Beijing Urban Construction	北京城建集团	Y	29
19	Country Garden	碧桂园	N	28
20	Xiamen ITG Holding	国贸地产	Y	27
21	Xingyao Real Estate	兴耀房产集团	N	26
22	Longfor	龙湖集团	N	26
23	CSCEC Dongfu	中建东孚	Y	26
24	Jianhang Real Estate	建杭置业	N	25
25	China State Construction Zhidi	中建智地	Y	25
26	CCCG Real Estate	中交房地产	Y	22
27	Xiangyu Construction	象屿地产	Y	22
28	Lianfa	联发集团	Y	21
29	Shanghai Nanfang	上海南房集团	Y	21
30	Shenzhen New Nanshan	新南山地产	Y	19

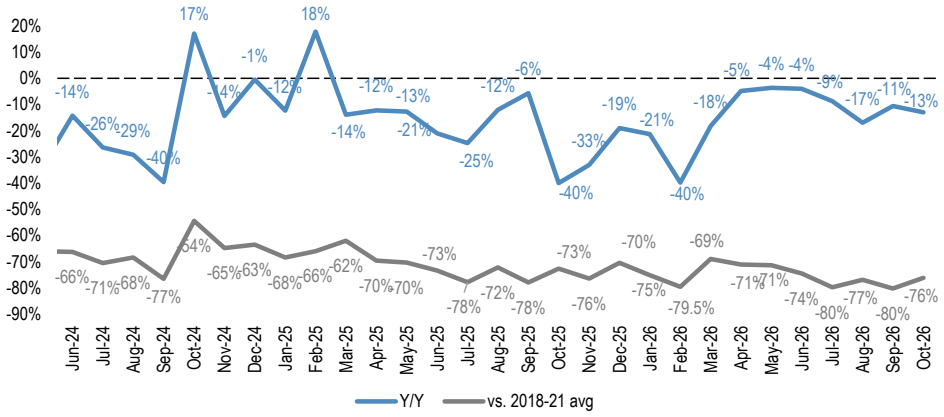
Source: CREIS



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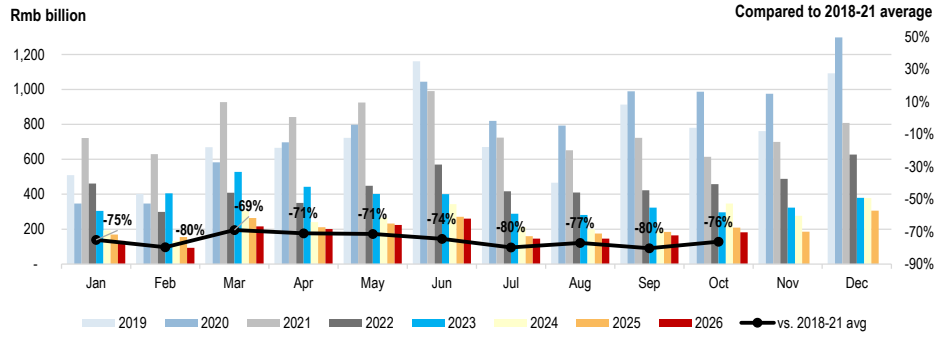
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Figure 1: CREIS top 100 developers' aggregate attributable contracted sales Y/Y growth and vs. 2018-21 average



Source: CREIS, PT data

Figure 2: CREIS top 100 developers' aggregate contracted sales by month (2019-2026) vs. 2018-21 average



Note: As CREIS data is only available since June 2019, data before June 2019 is from PD data.
Source: CREIS, PT data

Table 2: Top 100 developers' monthly contracted sales (Rmb billion)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	362	334	581	455	446	645	404	430	539	514	583	879
2018	556	443	597	571	686	878	664	617	705	664	712	937
2019	509	402	669	666	723	1,161	671	466	914	780	761	1,093
2020	347	347	583	697	798	1,044	820	793	989	987	975	1,298
2021	722	629	928	842	925	991	725	652	723	614	700	808
2022	461	299	408	350	448	570	416	410	423	457	488	627
2023	305	406	527	443	402	400	288	282	323	296	323	380
2024	192	131	306	241	266	343	212	199	195	347	277	378
2025	169	155	263	211	232	271	160	175	184	208	186	306
2026	133	93	215	201	224	260	146	146	165	181		

Note: As CREIS data is only available since June 2019, data prior to June 2019 is from PD data.
Source: CREIS, PT data

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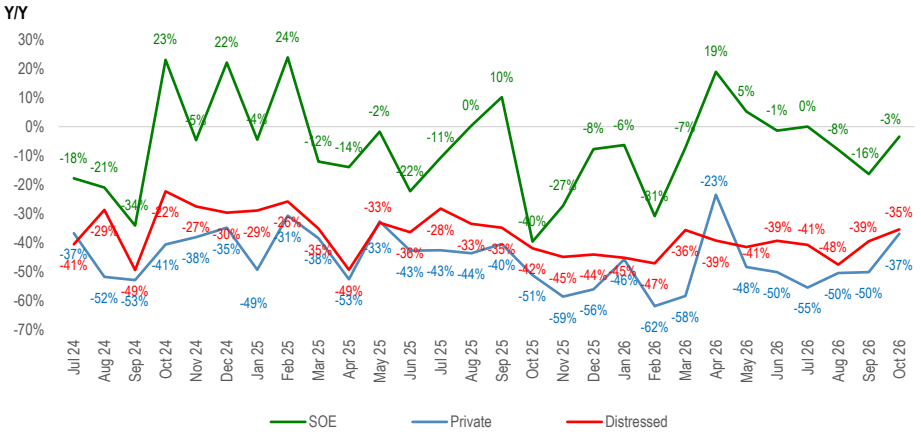
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Table 3: Top 100 developers' contracted sales monthly distribution

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	5.9%	4.0%	8.6%	8.3%	8.9%	10.9%	7.2%	7.7%	11.0%	10.9%	8.2%	8.3%
2017	6.5%	5.8%	10.1%	7.9%	7.4%	9.8%	6.7%	7.7%	9.0%	9.1%	9.3%	10.8%
2018	7.6%	5.4%	8.0%	7.4%	8.3%	11.5%	8.0%	7.4%	8.9%	8.8%	8.7%	9.9%
2019	5.8%	5.2%	8.3%	8.0%	8.5%	11.2%	7.4%	8.0%	9.6%	9.3%	9.5%	9.2%
2020	4.8%	2.6%	6.6%	7.1%	8.5%	11.5%	8.5%	9.3%	10.1%	9.9%	9.9%	11.3%
2021	7.6%	6.5%	9.3%	9.2%	10.0%	11.1%	7.7%	7.4%	7.3%	7.8%	7.3%	8.9%
2022	8.6%	5.6%	7.6%	6.5%	8.4%	10.6%	7.8%	7.7%	7.9%	8.5%	9.1%	11.7%
2023	7.0%	9.3%	12.1%	10.1%	9.2%	9.1%	6.6%	6.4%	7.4%	6.8%	7.4%	8.7%
2024	6.2%	4.3%	9.9%	7.8%	8.6%	11.1%	6.9%	6.5%	6.3%	11.2%	9.0%	12.2%
2025	6.7%	6.1%	10.4%	8.4%	9.2%	10.7%	6.3%	7.0%	7.3%	8.3%	7.4%	12.1%
Average (2016-25)	**6.7%**	**5.5%**	**9.1%**	**8.1%**	**8.7%**	**10.8%**	**7.3%**	**7.5%**	**8.5%**	**9.1%**	**8.6%**	**10.3%**

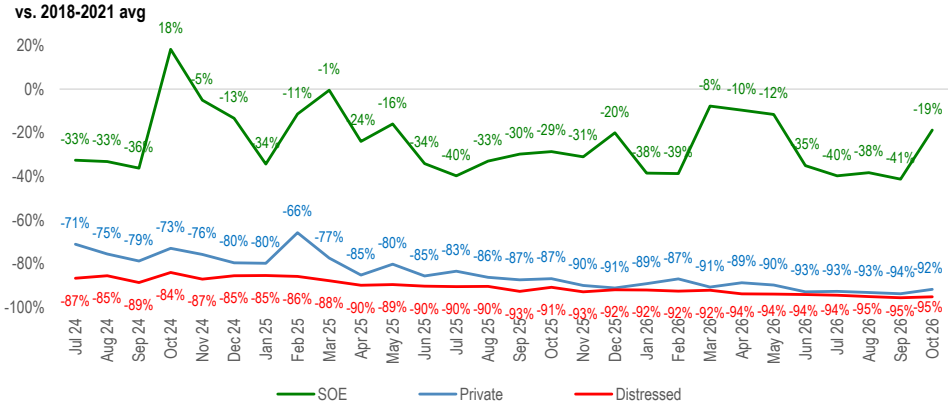
Source: CREIS, PTI data

Figure 3: Key developers' contracted sales Y/Y growth by type



Source: CREIS, Company data
Note: The sample size is based on 35 key listed developers, instead of all top 100 developers.

Figure 4: Key developers' contracted sales vs. 2018-21 average by type

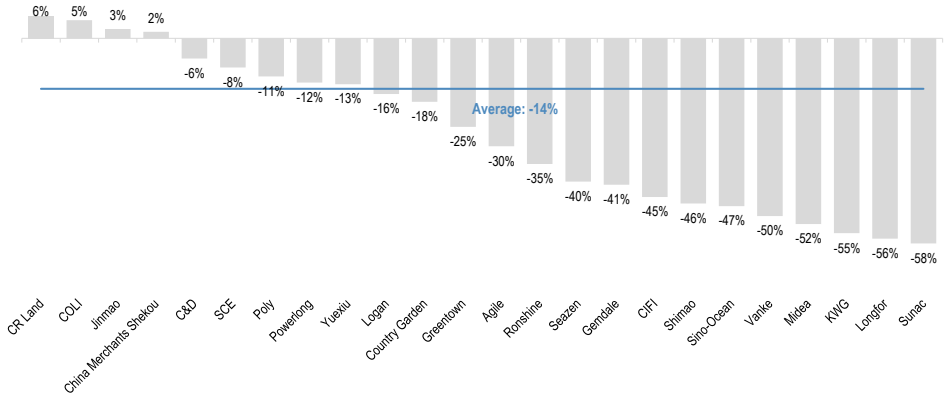


Source: CREIS, Company data
Note: The sample size is based on 35 key listed developers, instead of all top 100 developers.

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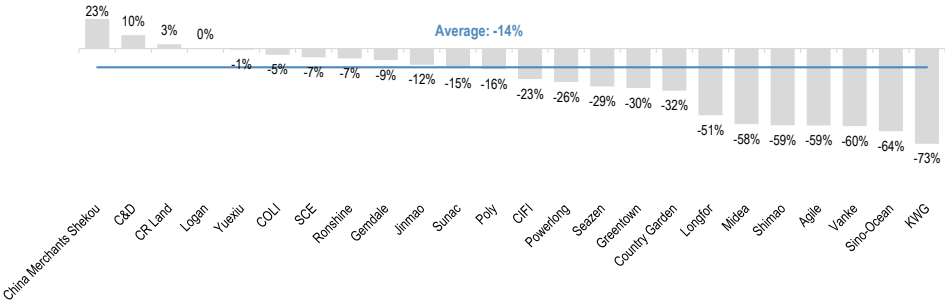
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Figure 5: Key developers' 10M26 (year-to-date) contracted sales Y/Y growth



Source: CREIS, company data

Figure 6: Key developers' October 2026 contracted sales Y/Y growth



Source: CREIS, Company data

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Table 4: Key developers' October 2026 contracted sales estimates by CREIS

Developer	Ticker	10M2026 (CREIS Est.)	Oct 26 (Deduct actual 9M from CREIS 10M)	Y/Y		vs. 2018-21 average		M/M	2026 Sales target		
				Year-to-date (10M)	Oct only	Year-to-date (10M)	Oct only	Oct 26 vs. Sep 26	FY26 sales target / assume flat Y/Y	Implied sales Y/Y growth	Completion rate
SOE											
China Overseas Land	688 HK	198,800	17,765	5%	-5%	-25%	-31%	14%	256,256	2%**	78%
	1109 HK	180,300	15,700	6%	3%	-15%	-32%	1%	233,600	0%**	77%
Poly Developments	600048 CH	199,000	17,763	-11%	-16%	-50%	-60%	10%	253,030	0%	79%
China Merchants Shekou	001979 CH	158,960	18,867	2%	23%	-19%	-1%	32%	196,009	0%	81%
Jinmao	817 HK	95,100	10,499	3%	-12%	-38%	-27%	0%	121,000	7%**	79%
Yuexiu Property	123 HK	80,200	12,182	-13%	-1%	28%	29%	79%	100,000	-6%**	80%
Greentown	3900 HK	90,400#	8,700	-25%	-30%	-32%	-53%	-4%	130,000	-15%**	70%
C&D (attributable)	1908 HK	75,250	9,670	-6%	10%	2%	25%	56%	90,930	0%**	83%
Private											
Longfor (attributable)	960 HK	17,010	1,720	-56%	-51%	-88%	-90%	21%	43,880	0%	39%
Gemdale	600383 CH	15,350	1,750	-41%	-9%	-91%	-89%	13%	30,020	0%	51%
Seazen	1030 HK	9,830	1,005	-40%	-29%	-95%	-96%	40%	19,270	0%	51%
Midea Real Estate	3990 HK	10,860	880	-52%	-58%	-88%	-92%	9%	25,550	0%	43%
Distressed											
Vanke	2202 HK	57,320	5,730	-50%	-60%	-89%	-88%	15%	134,060	0%	43%
Agile	3383 HK	5,180	290	-30%	-59%	-95%	-98%	32%	8,570	0%	60%
Country Garden (attributable)	2007 HK	22,960	1,960	-18%	-32%	-95%	-96%	-11%	33,000	0%	70%
Sunac	1918 HK	13,850#	860	-58%	-15%	-97%	-99%	-35%	36,840	0%	38%
Shimao	813 HK	11,200#	697	-46%	-59%	-94%	-97%	-11%	23,953	0%	47%
Sino-Ocean	3377 HK	11,240	900	-47%	-64%	-88%	-94%	50%	26,310	0%	43%
SCE	1966 HK	6,480	700	-8%	-7%	-90%	-91%	21%	8,390	0%	77%
CIFI	884 HK	7,840	850	-45%	-23%	-95%	-95%	23%	16,100	0%	49%
KWG	1813 HK	2,780	166	-55%	-73%	-96%	-98%	-17%	7,088	0%	39%
Logan	3380 HK	5,000	500	-16%	0%	-95%	-96%	-25%	7,280	0%	69%
Powerlong	1238 HK	5,380	530	-12%	-26%	-91%	-92%	26%	7,272	0%	74%
Ronshine	3301 HK	2,080	200	-35%	-7%	-98%	-99%	35%	3,777	0%	55%
Average				-14%	-14%	-72%	-74%	15%		-1%	61%

Note: #refers data from PTI Data; ** refers to those with official sales target/guidance (from the respective FY25 results briefings). For COLI, we assume a 2% Y/Y growth as management targets "stable with progress".
Note: Sales data above is on a total (not attributable) basis.
Source: CREIS, PTI Data, company data, J.P. Morgan estimates

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Valuation Summary

Table 5: China Property - Valuation Summary

Company	Stock Code	JPM Rating	JPM Price Target	Last Close (HK$)	Mkt Cap US$B	ADV US$M	P/E 1FY (x)	P/E 2FY (x)	Yield 1FY (%)	P/B 1FY (x)	Share price return 5D	1M	YTD	vs. peak
Mainland China Developers														
	1109.HK	OW	**40.00**	30.46	27.7	92.2	9.7	8.6	3.8%	0.6	3%	0%	12%	-21%
China Overseas Land	0688.HK	OW	**16.00**	12.69	17.7	46.1	9.2	8.4	4.0%	0.3	2%	-4%	4%	-42%
China Jinmao	0817.HK	N	**1.18**	1.14	2.0	10.9	15.5	8.6	3.1%	0.3	0%	-14%	-6%	-76%
C&D International	1908.HK	NC	**-**	12.99	3.8	11.7	7.5	7.1	7.1%	0.7	4%	-5%	-17%	-38%
Greentown China	3900.HK	NC	**-**	5.53	1.8	9.9	44.3	20.7	1.2%	0.3	2%	-15%	-35%	-65%
Yuexiu Property	123.HK	NC	**-**	2.94	1.5	4.1	37.8	18.1	1.8%	0.2	-1%	-14%	-26%	-73%
COGO	81.HK	NC	**-**	2.84	1.3	2.4	16.5	12.7	2.0%	0.3	2%	-10%	43%	-62%
SOEs							**11.6**	**9.2**	**3.9%**	**0.5**	**3%**	**-3%**	**5%**	**-34%**
Longfor	0960.HK	N	**5.60**	4.54	4.1	19.0	-	-	-	0.2	-8%	-20%	-47%	-89%
Seazen Group	1030.HK	N	**1.40**	1.40	1.3	3.9	-	-	-	0.2	3%	-4%	-32%	-86%
Private							**-**	**-**	**-**	**0.2**	**-5%**	**-16%**	**-43%**	**-88%**
China Vanke - H	2202.HK	UW	**1.60**	2.16	5.3	10.8	-	-	-	0.2	-5%	-23%	-34%	-93%
Country Garden	2007.HK	UW	**0.10**	0.14	0.8	7.8	-	-	-	-	-10%	-28%	-66%	-99%
Sunac China	1918.HK	UW	**0.30**	0.42	1.1	21.3	-	-	-	0.1	-17%	-37%	-68%	-99%
Shimao	0813.HK	UW	**0.03**	0.04	0.1	0.6	-	-	-	-	-29%	-5%	-79%	-100%
Distressed							**-**	**-**	**-**	**0.2**	**-7%**	**-25%**	**-43%**	**-95%**
Mainland China Developers (Overall)							**9.5**	**7.5**	**3.2%**	**0.4**	**1%**	**-7%**	**-4%**	**-45%**
Mainland China Property Management & Services														
	1209.HK	OW	**49.00**	39.88	11.6	22.4	17.7	16.4	5.7%	5.0	3%	4%	-5%	-18%
China Overseas PH	2669.HK	UW	**2.90**	3.22	1.3	2.5	7.0	7.0	6.6%	1.4	1%	-3%	-29%	-66%
Poly Property Services	6049.HK	OW	**41.50**	26.44	1.9	2.3	7.6	7.3	6.5%	1.1	1%	-6%	-17%	-66%
Greentown Service	2869.HK	OW	**5.50**	4.08	1.6	1.4	10.2	9.4	7.0%	1.3	3%	-3%	-11%	-63%
Backed by SOE developers							**14.9**	**13.9**	**6.0%**	**3.9**	**2%**	**2%**	**-9%**	**-32%**
Country Garden Services	6098.HK	N	**5.40**	4.90	2.1	4.0	5.5	5.4	11.0%	0.4	-2%	-8%	-11%	-93%
A-Living	3319.HK	UW	**1.50**	1.88	0.3	0.5	3.0	3.4	7.3%	0.2	-1%	13%	-18%	-95%
Sunac Services	1516.HK	UW	**0.70**	0.66	0.3	0.3	3.6	4.3	8.3%	0.3	-4%	-14%	-53%	-97%
Backed by POE developers							**5.0**	**5.1**	**10.3%**	**0.4**	**-2%**	**-6%**	**-16%**	**-93%**
Mainland China Property Management & Services							**13.5**	**12.7**	**6.6%**	**3.4**	**2%**	**1%**	**-10%**	**-40%**
KE Holdings	2423.HK	OW	**59.00**	45.98	20.1	53.8	14.3	12.9	1.9%	1.9	2%	3%	11%	-35%
Mainland China Property Agent							**14.3**	**12.9**	**1.9%**	**1.9**	**2%**	**3%**	**11%**	**-35%**

Note: Companies marked with "NC" are not under JPM coverage; all estimates for such companies are based on consensus estimates from Bloomberg Finance L.P. Priced at close of business 30 October 2026.
Source: Company data, Bloomberg Finance L.P., J.P. Morgan estimates