

China Property

Dec. contracted sales early read; BJ/SH home sales improved post easing

Industry Overview

Top 100 developers: 33% YoY decrease in Dec.

According to CRIC, top 100 developers' contracted sales decreased by 33% YoY but improved by 23% MoM in Dec. (Exhibit 1). The MoM pick up was weaker than the typical MoM growth of 29% during 2020-22. Top 100 developers largely underperformed 43 key cities we track for the third month in a row possibly due to market share loss to local developers including local government financing vehicles or because of more social housing sales. More surprisingly, top SOEs developers' contracted sales we track further underperformed with 46% YoY decline (widened from 10% YoY decline in Nov.) and dropped by 4% sequentially in Dec., with COLI, CRL, CMSK, Poly and Yuexiu all posting 40%-50% contracted sales YoY decline. Some SOE developers cited construction progress and pending pre-sale approvals as reasons. The weak Dec showing was despite the policy easing in Beijing/Shanghai in Dec.

During 2023, developers that outperformed in contracted sales growth were Yuexiu (+14% YoY) and C&D (+11% YoY), COLI (+5% YoY), CRL (+2% YoY). During 2023, top 100 developers and large SOEs developers' contracted sales recorded 17% decline (vs. 11% decline among 43 cities) and 1% increase compared to that of 2022, respectively.

Property sales improved in BJ/SH post loosening

We noticed improvements in registered unit sales in Beijing (BJ) and Shanghai (SH) after the announcement of lowering down payment requirements. Over Dec 15 to Dec 30, new home unit sales in Beijing and Shanghai increased by 29%/33% YoY, or 134%/18% higher than the average level over Dec 1 to Dec 14. Performance of secondary home market also improved with secondary home unit sales in Beijing/Shanghai increasing by 5%/10% MoM over Dec 15 to Dec 30. Compared to the same period in 2022, secondary home unit sales in Beijing increased by 43% YoY.

Major cities' weekly new home sales volume -19% YoY

During the past week (25 Dec 2023 to 31 Dec 2023), primary home registered sales volume in 43 major cities declined by 19% YoY, or +8% WoW (Exhibit 3). Across different cities, new home sales volume decreased by 17%/18%/24% YoY in Tier-1/2/3 cities. MTD, primary home sales volume in major cities declined by 15% YoY. In 2023, 43 cities' total primary home sales volume declined by 11% YoY. During the past week, secondary home sales in 11 major cities increased by 44% YoY and edged up by 2% WoW.

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Exhibit 1: top 100 developers contracted sales performance

Top 100 developers underperformed the 43 cities we track in Dec.

Rmb bn	12M23	12M23 YoY	Dec-23	Dec-23 YoY	Dec-23 MoM
Binjiang	153	0%	10	-49%	-4%
CIFI	70	-44%	5	-17%	40%
CMSK	294	0%	23	-47%	-4%
COLI	310	5%	23	-40%	0%
Country Garden	174	-51%	4	-84%	-63%
CR Land	307	2%	21	-58%	-13%
Greentown	194	-9%	26	-6%	25%
Gemdale	154	-31%	10	-49%	5%
C&D	189	11%	25	-1%	38%
Jinmao	141	-9%	9	-48%	-9%
Longfor	174	-14%	11	-41%	-1%
Midea	66	-17%	4	-30%	9%
Poly Real Estate	425	-7%	25	-56%	-20%
Seazen	76	-35%	5	-30%	-9%
Sunac	85	-50%	5	-33%	61%
Vanke	376	-10%	33	-18%	6%
Yuexiu	143	14%	10	-56%	-18%
Key SOEs	1,808	1%	136	-46%	-4%
Top 100 (attributable)	4,244	-17%	365	-33%	23%

Source: CRIC BofA Global Research

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Exhibit 2: Weekly primary home sales trend

Primary home sales volume in major cities declined by 19% YoY

End	City	Weekly WoW	Weekly YoY	MTD YoY	YTD YoY
12/31/2023	Total (43 cities)	8%	-19%	-15%	-11%
12/31/2023	Tier-1	3%	-17%	-6%	-1%
12/31/2023	Tier-2	5%	-18%	-7%	-12%
12/31/2023	Tier-3	16%	-24%	-31%	-17%
12/31/2023	Secondary home (11 cities)	2%	44%	33%	33%

Source: Wind, BofA Global Research

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Exhibit 3: Primary home sales volume in 43 cities (7-day rolling average) in sqm

Sales in 43 cities declined by 19% YoY during the past week

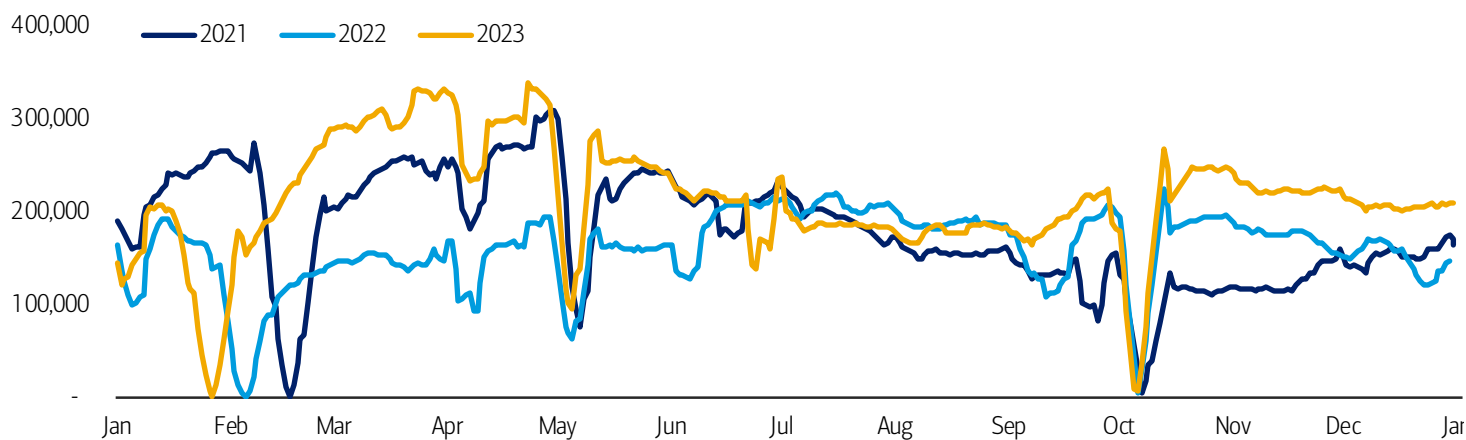


Source: Wind; BofA Global Research

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Exhibit 4: Secondary home sales volume in 11 cities (7-day rolling average) in sqm

Secondary transaction volume increased YoY

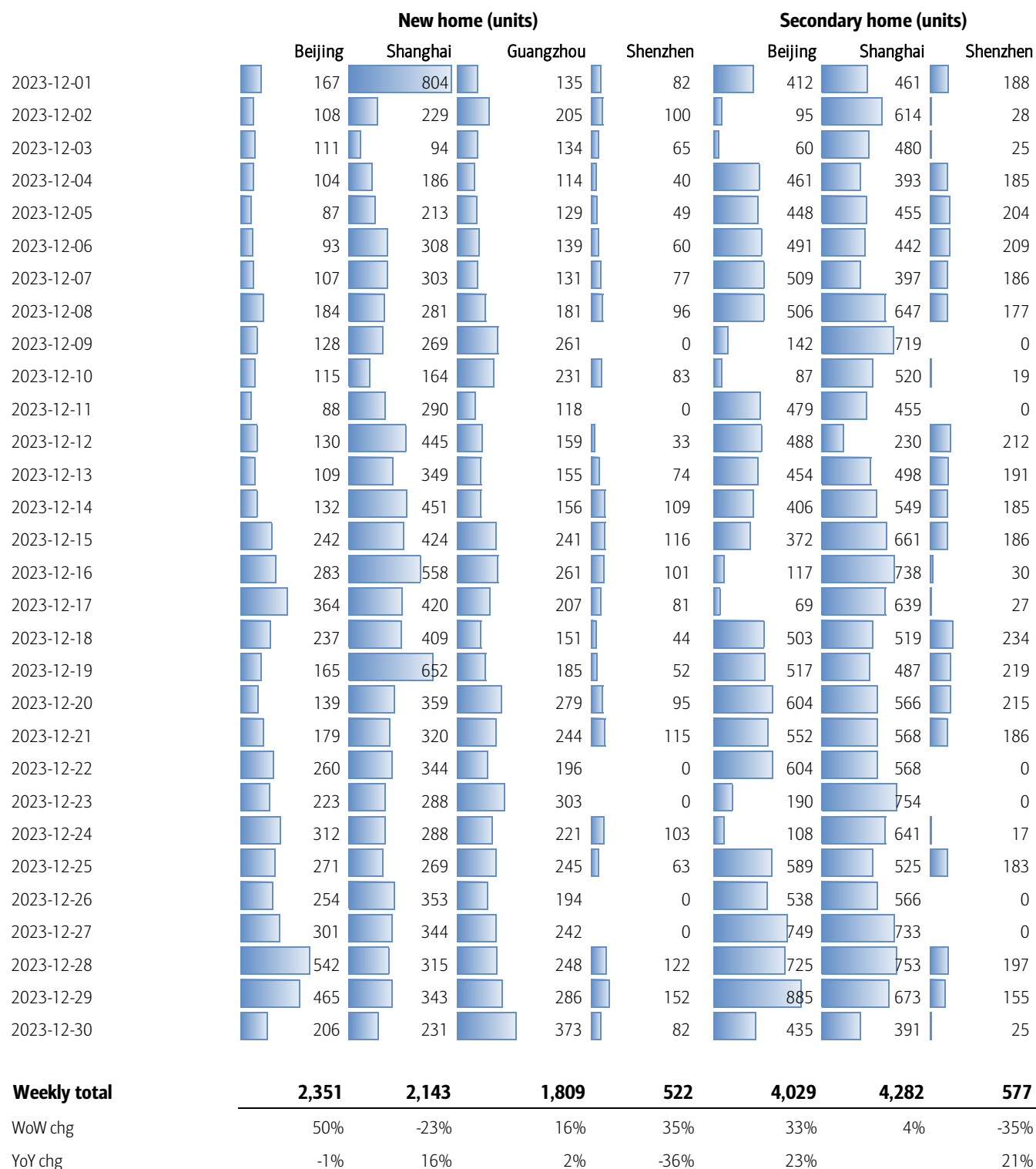


Source: Wind; BofA Global Research

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Exhibit 5: Daily property sales in tier-1 cities

Weekly sales units in tier-1 cities improved



Source: Wind, BofA Global Research

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