

China Property

Quality developers' monthly land acquisition tracker – Jan

Industry Overview

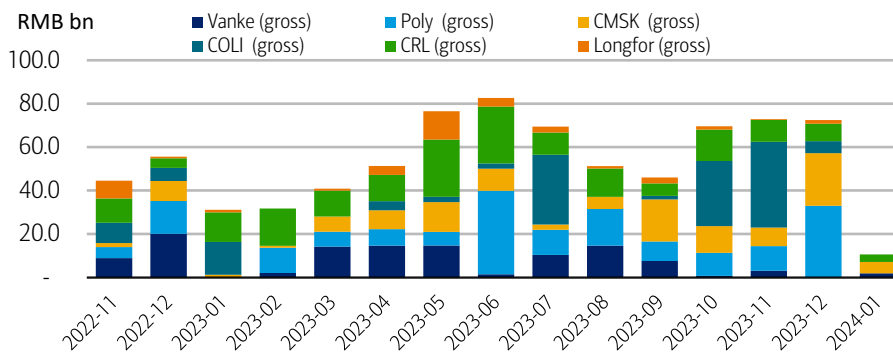
Quality names' land acquisition in Jan.

In Jan. 2024, the largest quality developers that we track (the largest SOEs, along with Vanke and Longfor) spent RMB10.5bn on land acquisitions (on a gross basis), representing 66% YoY decrease and 85% MoM decrease – we believe the large YoY decline in land acquisitions was probably due to quality developers' more cautious stance towards land investments amid weak new home sales volume and prices. 302 cities land sales revenue in Jan was up by 61% YoY – either smaller developers and non-developer SOEs were more proactive or LGFVs were buying, and the timing of Chinese New Year (in Jan 2023 but in Feb 2024) also played a role in the increase.

- During Jan, only CMSK, CRL, and Vanke spent small amount on land acquisitions while COLI, Poly and Longfor did not acquire any land parcels.

Exhibit 1: Quality developers' land acquisition by month

The largest quality developers slowed down the land acquisition significantly in Jan. 2024



Source: Companies; BofA Global Research

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Key cities' land auctions

Beijing: 4 land parcels transacted at RMB12bn. Two sold at ceiling prices and won by non-developer SOEs by lotteries. The other two sold at the starting prices.

Shanghai: one land parcel sold at 9.33% premium rate and won by CMSK by lottery. The other one transacted at the starting price.

Guangzhou: two land parcels received no bidding.

Hangzhou: 6 land parcels transacted at the average premium rate of 19%, of which 3 sold above 20% premium rate. Binjiang bought two, including 1 transacted over 30% premium rate.

Nanjing, Jinan, and Zhengzhou: all transacted at the starting prices and most were acquired by LGFVs or local SOEs. **Changsha:** one parcel in core location transacted 47% above the starting price. The other two sold at the starting prices.

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LGFVs: Local Government Financing
Vehicles

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