

China Property

Weekly home sales update; Tier 1' recovery not that exciting as news report

Industry Overview

Major cities' new home sales volume +24% WoW

Primary home sales volume in 33 major cities decreased by 54% YoY during the past week (Mar 10 to Mar 16). Sequentially, new home sales volume picked up by 24% WoW, reversing the downward trend in early March. Across different cities, new home sales volume increased by 36%/26%/12% WoW during the past week. YTD, major cities' new home sales volume declined by 46% YoY. During the past week, secondary home sales in 11 major cities declined by 27% YoY, and were down by 17% YoY YTD. (Exhibit 2).

Tier 1' recovery not as exciting as reported

In terms of # of units sold, primary home sales in Beijing/Shanghai/Guangzhou/Shenzhen grew by 6%/14%/10%/14% WoW during the past week, but decreased by 68%/65%/39%/30% YoY (tough comps). For secondary home unit sales, Beijing, Shanghai and Shenzhen achieved WoW recovery of 11%/10%/6%, respectively.

A few news reports during last week indicated that tier 1 cities saw strong recovery in secondary home transactions. In our view, those news over emphasized the sequential pick-up which should be largely owing to seasonality (Chinese New Year). Though the preliminary contract volume in secondary home market saw some breakthroughs compared to pre-Chinese New Year Level, we note, in the meantime, listing volume continued growing among tier 1 cities. The listing volume increase suggested that the sentiment hasn't improved a lot.

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Exhibit 1: 33 cities' weekly sales performance

Major cities' sales volume increased by 24% WoW

End	City	Weekly WoW	Weekly YoY	MTD YoY	YTD YoY
3/16/2024	Total (33 cities)	24%	-54%	-54%	-46%
3/16/2024	New home	Tier-1 (4 cities)	36%	-48%	-46%
3/16/2024		Tier-2 (10 cities)	26%	-54%	-50%
3/16/2024		Tier-3 (19 cities)	12%	-56%	-44%
3/16/2024	Secondary home (11 cities)	14%	-27%	-36%	-17%

Source: Wind, BofA Global Research

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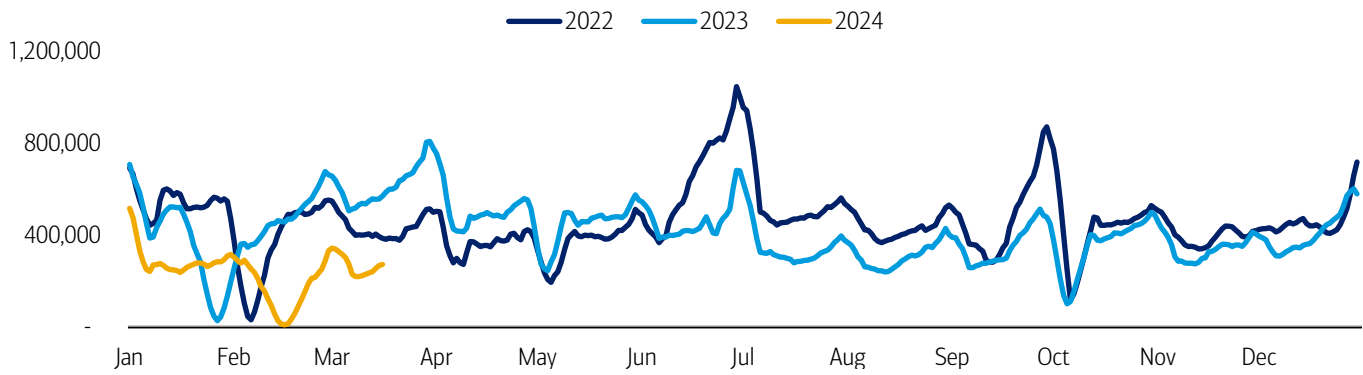
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Exhibit 2: Primary home sales volume in 33 cities (7-day rolling average) in sqm

Home sales registration increased WoW



Source: Wind; BofA Global Research

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Exhibit 3: Secondary home sales volume in 11 cities (7-day rolling average) in sqm

Home sales registration increased WoW

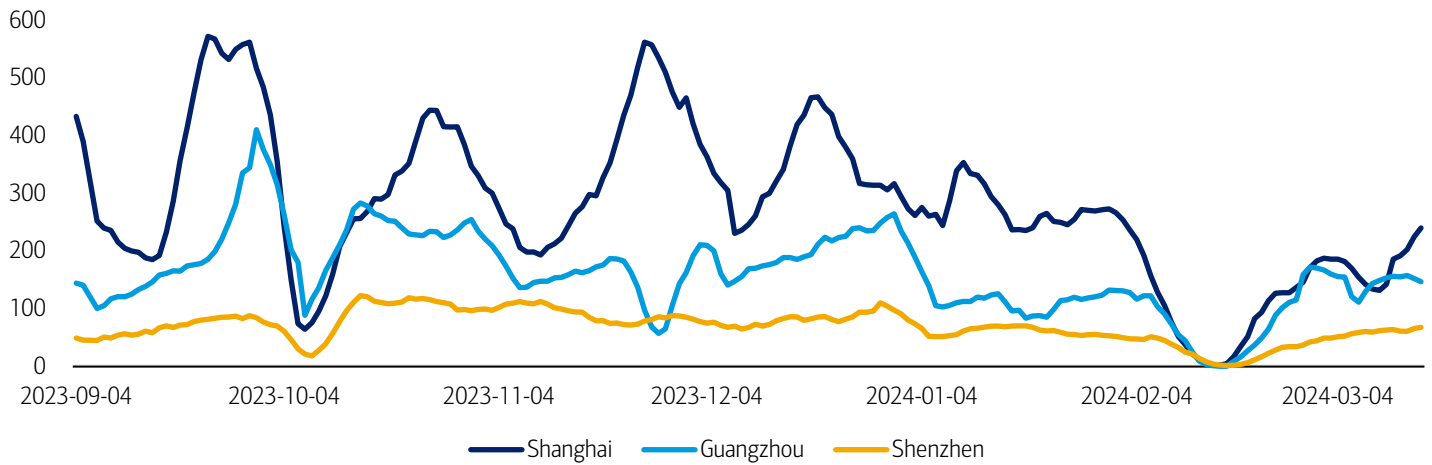


Source: Wind; BofA Global Research

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Exhibit 4: Primary home unit sales of tier-1 cities

Tier-1 cities' unit sales improved WoW

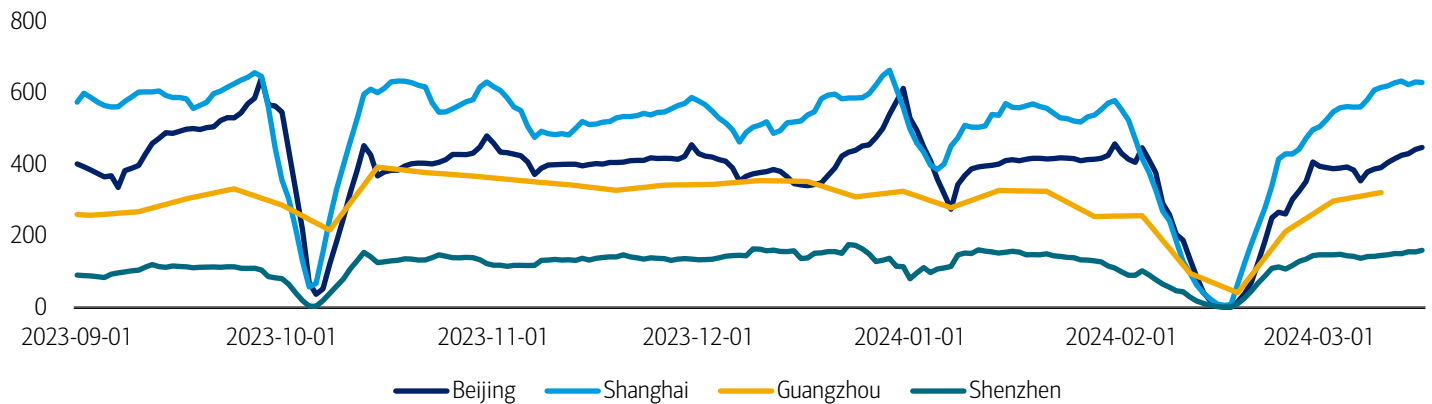


Source: Wind; BofA Global Research

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Exhibit 5: Secondary home unit sales in tier-1 cities

Secondary home sales volume in tier-1 cities improved WoW



Source: Wind; BofA Global Research

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