

China Property

Quality developers' monthly land acquisition tracker – Dec. 2023

Industry Overview

Quality names' land acquisition in Dec.

In Dec, the largest quality developers that we track (the largest SOEs, along with Vanke and Longfor) spent RMB100bn on land acquisitions (on a gross basis), representing 34% YoY increase or 162% MoM rebound – there was low comps due to the COVID outbreak in 4Q22 and the sequential large rebound was mainly driven by the SOEs. In Dec., Vanke suspended land acquisitions while Longfor maintained its pace by spending RMB2.8bn attributable land premium.

In 2023, the largest quality developers spent RMB708bn on land acquisitions, representing 4% YoY growth and 38% of their contracted sales on average.

- In 2023, CRL/COLI/Poly's land acquisition spending increased by 30%/17%/1% YoY, respectively, while other quality developers' land acquisition spending recorded YoY declines.
- For land premium vs. contracted sales during 2023, CRL/COLI spent over 50% of their contracted sales towards land replenishment. The ratio was around 40% for Poly and CMSK, while this ratio for Longfor & Vanke lagged at around 20%

300 cities land transaction in 2023

In 2023, 300 key cities' land sales GFA decreased by 20% YoY per CREIS (China Real Estate Index System), and the land sales revenue only dropped by 16% YoY thanks to the projects/city mix reason. Among the 300 cities, the land sales revenue nearly halved compared to the peak level recorded in 2020.

Exhibit 1: Quality developers' land acquisition YTD

COLI & CRL were the most proactive in land banking during 2023

RMB bn	COLI ex.COGO	CRL	Vanke	Poly	CMSK	Longfor	Total
12M23 land premium (gross)	137	176	83	163	114	35	708
YoY Chgs	30%	17%	-10%	1%	-11%	-22%	4%
12M23 land premium/contracted sales (gross)	51%	57%	22%	39%	39%	20%	38%

Source: Companies; BofA Global Research

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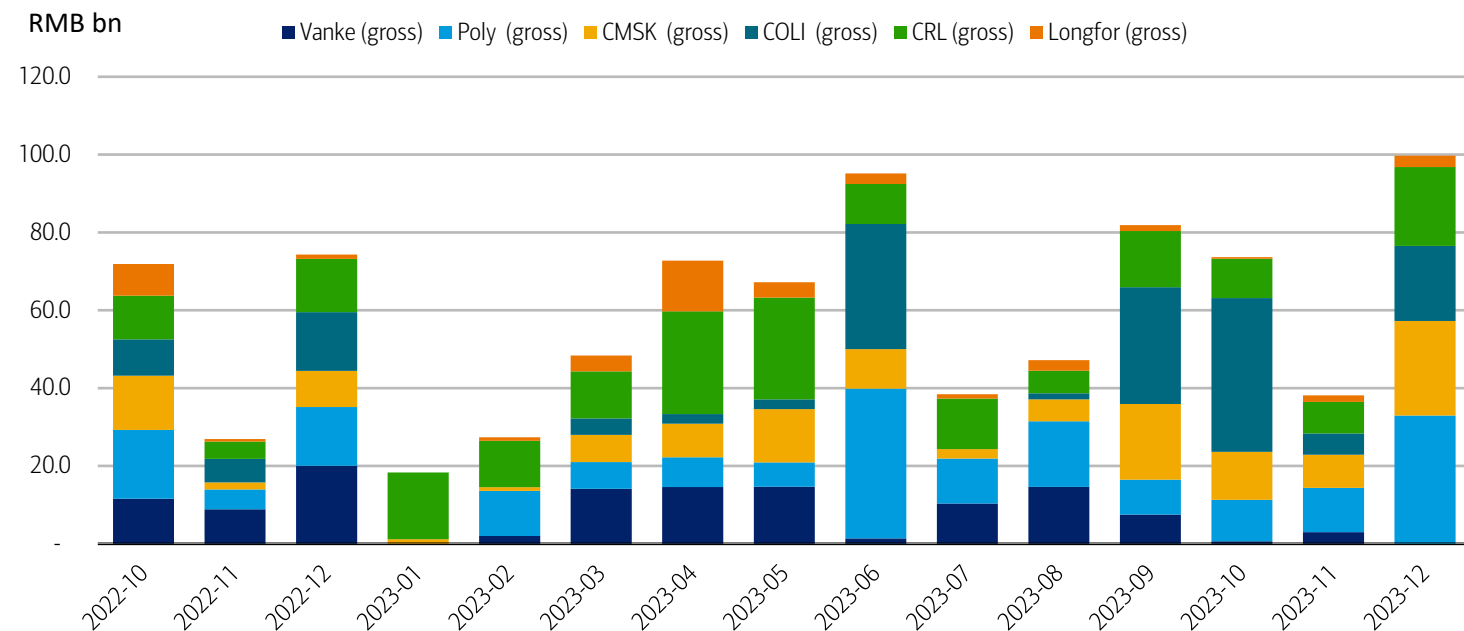
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Exhibit 2: Quality developers' land acquisition by month

During 2023, the largest quality developers' gross land bank spending was almost flat YoY



Source: Companies; BofA Global Research

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Exhibit 3: China YTD Land sales in 302 cities

the land sales revenue nearly halved compared to the peak level recorded in 2020

		2020	2021	2022	12M23	YoY	Nov-23	Dec-23	MoM	YoY
Nationwide (302 cities)										
Residential land supplied	GFA (sqm mn)	1,306	1,204	743	596	-20%	166	32	-81%	-29%
Residential land sold	GFA (sqm mn)	1,106	899	600	480	-20%	60	143	139%	-4%
Supply-to-sold ratio	x	1.2	1.3	1.2	1.2	0%	2.8	0.2	-92%	-27%
Average land price (A.V.)	RMB/sqm	4,630	5,475	5,541	5,839	5%	4,305	4,521	5%	11%
Land sales revenue	RMB bn	5,122	4,925	3,323	2,800	-16%	257	646	151%	7%

Source: CREIS; BofA Global Research

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