

## China Property

**Contracted sales early read: top 100's contracted sales halved in 2M24**

Industry Overview

**Top 100 developers: 50% YoY decrease in Jan-Feb.**

Due to timing effects of Chinese New Year (CNY), we think it is better to make YoY comparison for Jan-Feb's combined contracted sales. According to CRIC, top 100 developers' contracted sales decreased by 51% YoY during Jan-Feb. (Exhibit 1), among which top SOEs saw a 47% drop. Top 100 developers & key developers' contracted sales were almost in line with those in the 33 key cities that we track (primary home sales volume down by 45% YoY YTD). In Feb., Top 100 developers & key SOEs' contracted sales decreased by 23%-24% sequentially, which was in-line with expectation given long CNY Holiday during Feb. In our view, secondary home price continued to drop meaningfully in Jan 2024, which likely further make primary projects less competitive. Further, we believe developers were mostly not aggressive in launching new projects amid weak sentiment and a seasonally slow period.

**Sequential run-rate as the key to watch**

In the past week, sales in the 33 cities we track have reverted to pre-CNY level on a run rate basis (Exhibit 7). Whether there is a sequential improvement from this point in the seasonally far more important March is the key to watch. In our view, developers may need to offer more pricing discount to compete with for-sale secondary home units. On the other hand, the market should already have low expectation for YoY comparison in next 2-3 months given tough comps post re-opening last year. We also expect developers to be more active in launching new projects in March.

**Secondary market: visitors not translating into buyers**

According to Beike, the visitor volume for secondary home market was strong during CNY. However, we haven't seen this strong visitor volume translate into secondary home transactions. In the eleven cities that we track (including the four Tier 1 cities), the run-rate sales volumes haven't fully reverted to pre-CNY level. Further, the Beike secondary home listing volumes in key cities we track have started to edge up a bit again after having come down in 4Q23.

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Timestamp: 29 February 2024 10:26AM EST

**Exhibit 1: top 100 developers contracted sales YTD**

Top 100 developers' sales was down by around 50% YoY in 2M24

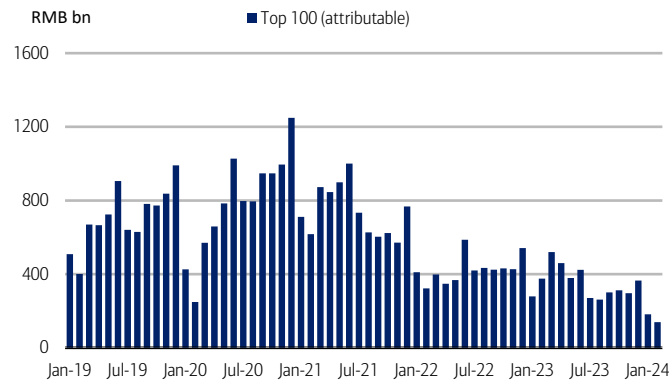
Rmb bn	2M24	YoY	Feb-24	Feb-24 MoM	Jan-24
Binjiang	16	-31%	6	-44%	10
CIFI	6	-52%	2	-37%	4
CMSK	21	-45%	9	-27%	12
COLI	19	-53%	9	-19%	11
Country Garden	9	-80%	3	-50%	6
CR Land	21	-48%	9	-18%	11
Greentown	16	-37%	8	1%	8
Gemdale	11	-56%	5	-7%	6
C&D	16	-35%	8	-8%	8
Jinmao	11	-56%	4	-35%	6
Longfor	13	-55%	5	-39%	8
Midea	6	-59%	3	-23%	4
Poly Real Estate	36	-44%	16	-23%	20
Seazen	8	-43%	4	8%	4
Sunac	6	-65%	3	-23%	4
Vanke	33	-43%	14	-27%	19
Yuxiu	10	-54%	4	-44%	7
<b>Key SOEs</b>	<b>134</b>	<b>-47%</b>	<b>58</b>	<b>-24%</b>	<b>76</b>
<b>Top 100 (attributable)</b>	<b>322</b>	<b>-51%</b>	<b>140</b>	<b>-23%</b>	<b>182</b>

Source: CRIC; BofA Global Research

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**Exhibit 2: top 100 developers contracted sales by month**

Top 100 developers contracted sales trending down

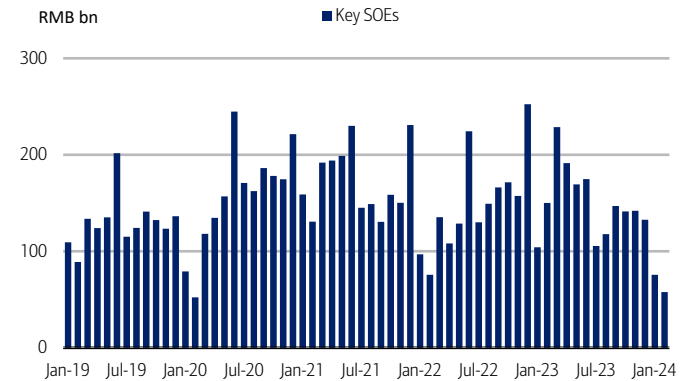


Source: CRIC; BofA Global Research

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**Exhibit 3: key SOE developers contracted sales by month**

Key SOE developers contracted sales trending down

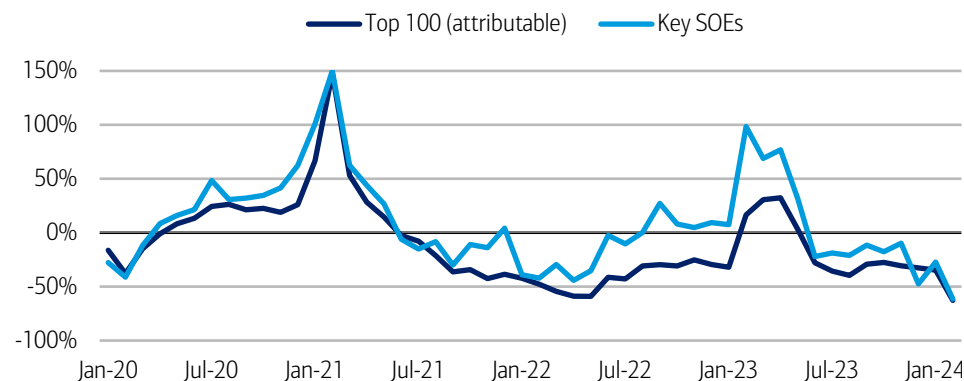


Source: CRIC; BofA Global Research

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**Exhibit 4: developers' monthly contracted sales YoY**

Top 100 developers' sales was down by around 50% YoY in 2M24



Source: CRIC; BofA Global Research

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**Exhibit 5: Major cities' new home sales performance**

YTD, new home sales volume in major cities was down by 45% YoY

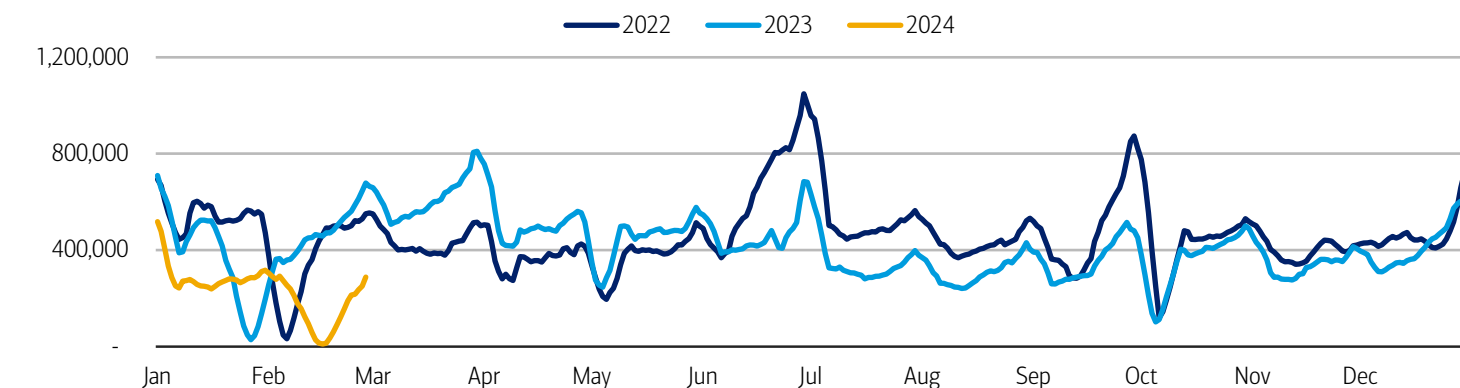
End	City	Weekly WoW	Weekly YoY	MTD YoY	YTD YoY
2/28/2024	Total (33 cities)	136%	-57%	-67%	-45%
2/28/2024	Tier-1 (4 cities)	183%	-54%	-69%	-38%
2/28/2024	Tier-2 (10 cities)	159%	-63%	-71%	-48%
2/28/2024	Tier-3 (19 cities)	101%	-48%	-58%	-46%
2/28/2024	Secondary home (11 cities)	73%	-45%	-55%	-11%

Source: Wind, BofA Global Research

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**Exhibit 6: Primary home sales volume in 33 cities (7-day rolling average) in sqm**

Sales run-rate in 33 cities reverted back to pre-CNY's level



Source: Wind; BofA Global Research

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

Sales run-rate in 11 cities not yet reverted back to pre-CNY's level

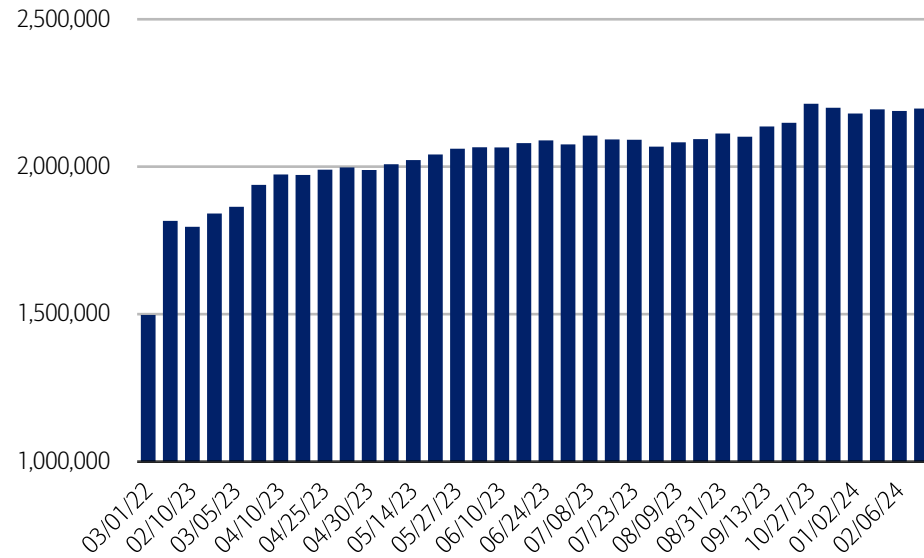


Source: Wind; BofA Global Research

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**Exhibit 8: secondary home listing volume in 16 cities**

The listing volume edged up a bit again



Source: BEKE; BofA Global Research

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