

## China Property

# Weekly sale: weak start for 2024; Shanghai announced minor home HPRs easing

Industry Overview

## Major sales: weak start for 2024

Primary home sales volume in 33 major cities declined by 53% YoY during the past week (Jan 7th to Jan 13th) or was down by 47% YoY YTD (Exhibit 1). Weak start for 2024 was seen across all cities: tier 1/2/3 cities saw 52%/44%/48% decrease YoY YTD. Secondary home transaction volume continued outperforming primary's. During the past week, secondary home sales in 11 major cities increased by 4% YoY and was up by 2% YTD. In late Jan, we will see easier comps due to the Chinese New Year season in 2023; however, starting from Feb towards April, the comps would become much tougher owing to the reopening pent-up demand.

## More developer financing support announced, but no breakthrough

MoHURD (Ministry of Housing & Urban-Rural Development) and the National Administration of Financial Regulation made a joint announcement over the weekend to support developer financing. Specifically, local governments will draw up a list of development projects eligible for financing support to be sent to financial institutions. Regulators once again urge that banks should not unreasonably call in developer loans for projects that are reasonably capitalized, even if the developers have defaulted on public bonds. While this policy initiative may help avoid more stalled projects, it still stops short of coming up new sources of financing to help developers repay maturing bonds.

## Shanghai announced minor home HPRs easing

The Qingpu and Fengxian districts in Shanghai removed the home purchase restrictions for singles over the weekend. Eligible singles can now purchase a property in these two districts, after having paid three years of social security. These steps followed a similar move announced by the Lingang district in September. We think Beijing may follow suit to relax home purchase restrictions for some of its outlying districts. However, we expect the policy benefit to be mild.

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HPRs: home purchase restrictions

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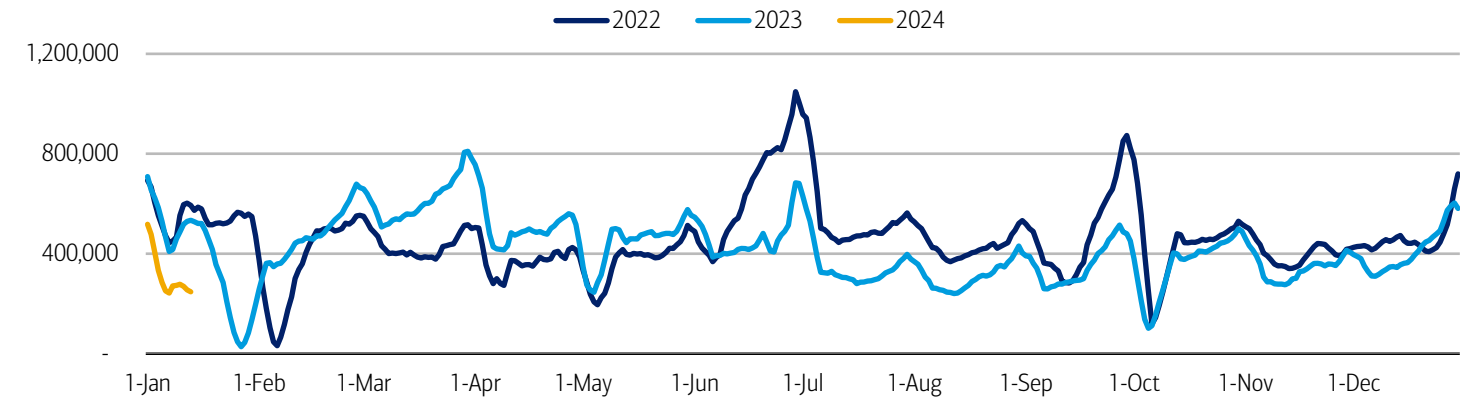
**Exhibit 1: Weekly primary home sales trend**  
Primary home sales volume in major cities declined by 47% YoY YTD

End	City		Weekly WoW	Weekly YoY	MTD YoY	YTD YoY
1/13/2024	New home	Total (33 cities)	-2%	-53%	-47%	-47%
1/13/2024		Tier-1 (4 cities)	28%	-46%	-52%	-52%
1/13/2024		Tier-2 (10 cities)	-15%	-52%	-44%	-44%
1/13/2024		Tier-3 (19 cities)	11%	-62%	-48%	-48%
1/13/2024	Secondary home (11 cities)		34%	4%	2%	2%

Source: Wind, BofA Global Research

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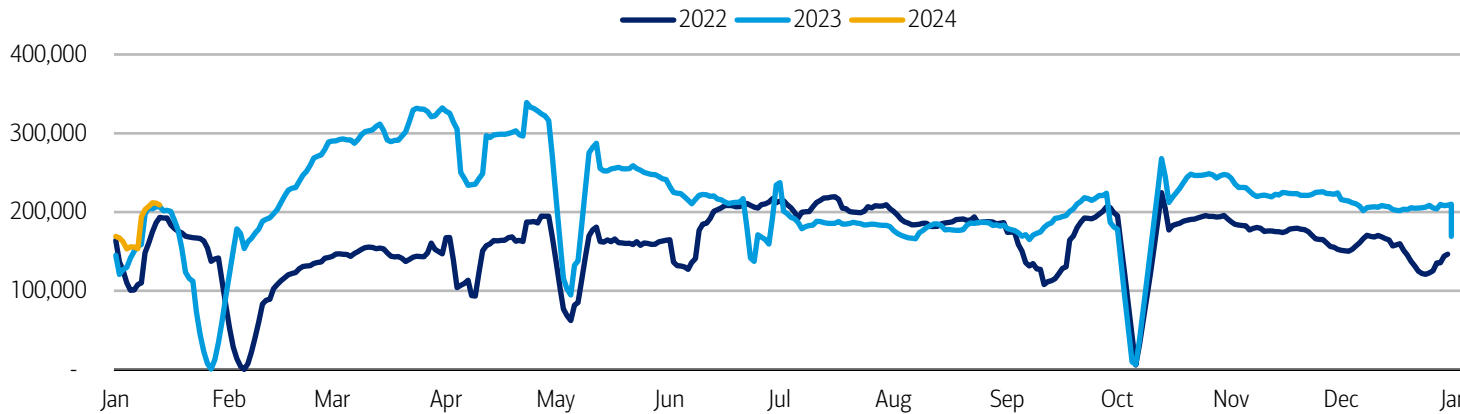
**Exhibit 2: Primary home sales volume in 33 cities (7-day rolling average) in sqm**  
Sales volume in 33 cities declined by 47% YoY during the past week



Source: Wind, BofA Global Research

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**Exhibit 3: Secondary home sales volume in 11 cities (7-day rolling average) in sqm**  
Secondary transaction volume increased slightly YoY



Source: Wind, BofA Global Research

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**Exhibit 5: Daily property sales in tier-1 cities**

Tier 1 cities' secondary home transaction volume outperformed primary's

		New home (units)				Secondary home (units)			
		Beijing	Shanghai	Guangzhou	Shenzhen	Beijing	Shanghai	Shenzhen	
2023-12-01	<div></div>	164	466	163	85	431	578	134	
2023-12-02	<div></div>	164	421	192	82	423	567	134	
2023-12-03	<div></div>	164	385	211	78	421	550	135	
2023-12-04	<div></div>	162	364	210	75	414	530	139	
2023-12-05	<div></div>	153	335	200	76	409	516	143	
2023-12-06	<div></div>	135	319	160	71	390	497	145	
2023-12-07	<div></div>	111	305	141	68	354	463	146	
2023-12-08	<div></div>	113	231	148	70	367	490	145	
2023-12-09	<div></div>	116	236	156	65	374	505	164	
2023-12-10	<div></div>	117	246	169	68	378	510	163	
2023-12-11	<div></div>	115	261	170	73	380	519	159	
2023-12-12	<div></div>	121	294	174	70	386	487	161	
2023-12-13	<div></div>	123	300	177	73	381	495	157	
2023-12-14	<div></div>	127	321	180	79	366	517	157	
2023-12-15	<div></div>	135	342	189	83	347	519	159	
2023-12-16	<div></div>	157	383	189	86	343	522	137	
2023-12-17	<div></div>	193	420	185	86	341	539	139	
2023-12-18	<div></div>	214	437	190	80	344	548	152	
2023-12-19	<div></div>	219	466	194	82	348	584	153	
2023-12-20	<div></div>	223	468	211	85	370	594	157	
2023-12-21	<div></div>	230	449	224	86	391	597	157	
2023-12-22	<div></div>	232	437	218	81	424	584	152	
2023-12-23	<div></div>	224	399	224	77	434	586	176	
2023-12-24	<div></div>	216	380	226	82	440	586	174	
2023-12-25	<div></div>	221	360	239	86	452	587	164	
2023-12-26	<div></div>	234	317	240	94	455	598	150	
2023-12-27	<div></div>	257	315	235	94	476	622	129	
2023-12-28	<div></div>	309	314	236	96	500	649	132	
2023-12-29	<div></div>	338	314	248	110	541	664	138	
2023-12-30	<div></div>	336	306	258	104	576	612	115	
2023-12-31	<div></div>	340	317	265	97	613	559	114	
2024-01-01	<div></div>	304	295	235	91	529	499	81	
2024-01-02	<div></div>	289	274	214	80	495	460	97	
2024-01-03	<div></div>	256	262	189	74	449	434	112	
2024-01-04	<div></div>	195	276	164	66	411	398	98	
2024-01-05	<div></div>	147	261	140	52	359	386	108	
2024-01-06	<div></div>	134	264	105	52	318	402	111	
2024-01-07	<div></div>	126	244	103	52	275	451	115	
2024-01-08	<div></div>	145	287	106	53	344	475	147	
2024-01-09	<div></div>	137	340	110	55	369	510	153	
2024-01-10	<div></div>	133	354	113	61	388	505	151	
2024-01-11	<div></div>	123	334	112	65	393	505	162	
2024-01-12	<div></div>	118	332	120	66	396	510	158	
2024-01-13	<div></div>	115	317	118	68	398	547	156	

Source: Wind; BofA Global Research

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