

China Property

NBS: New-home Sales Decline Deepens To 22.6% yoy In Sep 26; Second-Hand Market Continues To Outperform

Highlights

- NBS data for Sep 26 showed the new-home market weakening further, with GFA sold down 22.6% yoy (Aug 26: -15.4%). In 9M26, second-hand transaction GFA rose 10.7% yoy to 1.3x residential new-home GFA sold. Household medium- to long-term loans rose Rmb87.4b in Sep 26, down 65% yoy.
- High frequency data for 1-18 Oct 26 showed Tier 1 cities still leading, though weaker than during Golden Week: New-home sales rose 8% yoy in four Tier 1 cities and fell 20% in nine Tier 2 cities, while second-hand sales rose 30% yoy in three Tier 1 cities and fell 3% in eight Tier 2 cities. ICE listing prices fell 0.6% mom.
- Maintain UNDERWEIGHT. Our top picks are COLI and CR Mixc.

Analysis

- Sep 26 NBS data: The new-home sales decline deepened, and completions fell further.** New-home GFA sold fell 22.6% yoy in Sep 26 (Aug 26: -15.4%) and sales value fell 21.1% yoy (Aug 26: -12.8%). Property investment fell 27.2% yoy (Aug 26: -26.1%) and completions fell 36.7% yoy (Aug 26: -28.5%), while the decline in new starts narrowed to 26.1% yoy from 30.5%. In 9M26, second-hand home transaction GFA rose 10.7% yoy to 617.5m sqm, 1.3x the 470.0m sqm of residential new-home GFA sold.

Nbs Property Industry Data

YoY growth (%)	Monthly reading				YTD			
	Sep 26	Aug 26	Jul 26	Jun 26	9M26	8M26	7M26	6M26
Property investment	-27.2	-26.1	-28.7	-26.0	-20.6	-19.9	-19.2	-18.0
New start of property construction	-26.1	-30.5	-28.5	-26.0	-24.9	-24.8	-24.0	-23.4
Completion of property construction	-36.7	-28.5	-20.0	-25.0	-25.1	-23.7	-23.2	-23.7
GFA of new home sold	-22.6	-15.4	-14.5	-16.3	-13.2	-12.1	-11.8	-11.6
Value of new home sold	-21.1	-12.8	-10.3	-15.5	-13.9	-13.0	-13.1	-13.6
Fund source	-25.8	-26.8	-22.2	-25.0	-21.6	-21.0	-20.3	-20.2

Source: NBS, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price	Target	Upside	Last	PE			Yield	ROE	Market	Price/
			16 Oct 26 (HK\$)	Price (HK\$)	To TP (%)	Year End	2025 (x)	2026F (x)	2027F (x)	2027F (%)	2026F (%)	Cap. (HK\$m)	NAV ps (x)
China Resources Land Ltd	1109 HK	BUY	31.06	39.60	27.5%	12/2025	8.5	9.5	8.4	4.1	4.7%	221,487.0	0.64
China Overseas Land	688 HK	BUY	13.17	19.88	50.9%	12/2025	9.5	10.7	9.9	3.8	2.7%	144,144.1	0.31
Longfor Properties	960 HK	BUY	5.05	8.76	73.6%	12/2025	4.1	N.A.	N.A.	0.2	-1.9%	35,806.4	0.19
Yuexiu Property	123 HK	BUY	3.23	4.50	39.3%	12/2025	43.0	45.2	35.7	1.1	0.5%	13,002.0	0.20
CR Mixc Lifestyle	1209 HK	BUY	39.68	55.00	38.6%	12/2025	19.6	17.7	15.9	6.3	26.6%	90,569.6	4.79
China Overseas Property Holdings	2669 HK	BUY	3.35	4.20	25.6%	12/2025	6.9	7.7	7.8	5.5	18.5%	10,984.8	1.44

Source: Bloomberg, UOB Kay Hian

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**UNDERWEIGHT
(Maintained)**

Segmental Rating

Segment	Rating
China Property	UNDERWEIGHT (Maintained)
Property management	UNDERWEIGHT (Maintained)

Source: Bloomberg, UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (HK\$)	Target Price (HK\$)
COLI	688HK	BUY	13.17	19.88
CR Mixc	1209 HK	BUY	39.68	55.00

Source: Bloomberg, UOB Kay Hian

Mom Change Of New Home Prices In Cities



Source: iFind, UOB Kay Hian

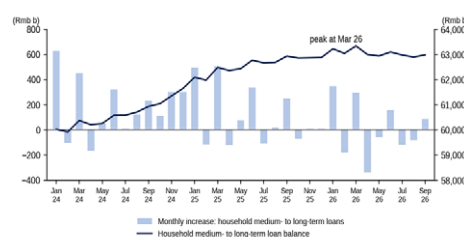
- Sep 26 NBS data: Tier 1 prices kept rising, and Tier 2 declines narrowed.** In Sep 26, the new home price index in Tier 1/2/3 cities changed +0.1%/0.0%/-0.2% mom (vs +0.1%/-0.1%/-0.2% mom in Aug 26), and the second-hand price index changed +0.2%/-0.2%/-0.3% mom (vs +0.1%/-0.3%/-0.3% mom in Aug 26). Shanghai led the Tier 1 second-hand market at +0.5% mom, against +0.1%/+0.1%/+0.2% mom in Beijing/Guangzhou/Shenzhen. New-home prices rose mom in 17 of the 70 cities, two more than in Aug 26.
- Household medium- to long-term loans returned to growth in Sep 26, but the increase was 65% lower than last year's.** According to PBOC data, mortgage loans recorded a net increase of Rmb87.4b in Sep 26, versus Rmb250.0b in Sep 25, following a net decrease of Rmb82.2b in Aug 26. We attribute the mom improvement mainly to quarter-end seasonality, as net increases in 2026 were recorded only in January and the three quarter-end months. We expect Oct 26 data to better reflect the impact of the mortgage interest subsidy introduced at end-Sep 26. In 9M26, mortgage loans recorded a net growth of Rmb106.2b, down 92% from Rmb1,330.0b in 9M25.
- Tier 1 cities saw strong growth in both new-home and second-hand sales during 1-18 Oct 26, but prices remained under pressure.** Against the same days in 2025, new-home sales rose 8% yoy in four Tier 1 cities and fell 20% yoy in nine Tier 2 cities. Second-hand sales rose 30% yoy in three Tier 1 cities and fell 3% yoy in eight Tier 2 cities.
 - New-home sales in 19 major cities fell 12% yoy in 1-18 Oct 26.** Among Tier 1 cities, Beijing/Shanghai/Guangzhou/Shenzhen changed by +55%/+3%/-7%/-14% yoy, with Guangzhou and Shenzhen turning negative from +21%/+4% in 1-11 Oct 26. On a ytd basis (as of 18 Oct), 19 major cities fell 4% yoy, with Tier 1/2 cities at +4%/-8% yoy.
 - During 1-18 Oct 26, second-hand sales in three Tier 1 cities rose 30% yoy, while eight Tier 2 cities fell 3% yoy.** Shanghai/Beijing/Shenzhen rose 46%/15%/6% yoy respectively, against 78%/29%/20% in 1-11 Oct 26. On a ytd basis (as of 18 October), three Tier 1 cities rose 10% yoy and eight Tier 2 cities fell 5% yoy; Shanghai/Beijing/Shenzhen rose 16%/5%/2% yoy.
 - Overall price trends remained on a downward trajectory.** According to the ICE Index updated on 18 October, average listing prices of second-hand homes in 100 major cities fell 0.1% wow and 0.6% mom. Among the four Tier 1 cities, the listing price index of Beijing/Shanghai/Guangzhou/Shenzhen fell 0.2%/0.1%/0.1%/0.1% wow, changed by -0.6%/-0.2%/-0.6%/-0.4% mom, and changed by -3.2%/+1.3%/-2.9%/-1.7% ytd respectively. Notably, Shanghai's listing price momentum also turned negative, with all four Tier 1 cities now recording declines in listing prices.

Mom Change Of Second-Hand Home Prices In 70 Cities



Source: iFind, UOB Kay Hian

Monthly Increase: Household Medium- To Long-Term Loans



Source: PBOC, UOB Kay Hian

1-18 Oct 26 Daily New-Home Sales (GFA) Of Key Cities

GFA	T1 cities					T2 cities				
(000 sqm)	BJ	SH	GZ	SZ	Wuhan	Qingdao	Suzhou	Fuzhou	Chengdu	Nanning
Oct 25	11	20	19	4	33	25	6	3	16	15
Oct 26	16	20	18	4	19	24	7	2	11	10
YOY	55%	3%	-7%	-14%	-42%	-3%	3%	-41%	-34%	-29%

Note:

- Cities with relatively better yoy performance are highlighted in orange

- Same-day basis: each city uses only days with data in both years

Source: iFind, UOB Kay Hian

1-18 Oct 26 Daily Second-Hand Home Transactions (Units) Of 12 Cities

Units	SH	BJ	SZ	HZ	NJ	QD	Suzhou	Wuxi	DG	XM	CD	FS
Oct 25	484	303	136	115	248	127	83	n.a.	86	54	832	152
Oct 26	709	349	144	135	307	136	108	n.a.	95	50	636	179
YOY	46%	15%	6%	18%	23%	7%	31%	n.a.	11%	-7%	-24%	18%

Note:

- Cities with relatively better yoy performance are highlighted in orange

- Same-day basis: each city uses only days with data in both years

Source: iFind, UOB Kay Hian

Valuation/Recommendation

- **Second-hand market outperformance to benefit property management (PM) companies; maintain UNDERWEIGHT on China property and PM segments.** We expect the second-hand property market to continue outperforming the new-home market, supported by mortgage rate subsidies that primarily benefit smaller units, which account for a larger share of second-hand transactions. Meanwhile, presale reforms are likely to slow the pace of new-project launches. Our top picks are COLI and CR Mixc.

Sector Catalyst/Risk

- Stronger-than-expected fiscal and monetary easing.

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