

## This Week in China

### Double 11 × Real estate: What sparks?

#### *Topic of the week:*

Tmall Haofang's Double Eleven is more like a platform for receiving house-purchasing coupons rather than a platform for commercial housing transactions. In the short term, it will have limited impact on the purchase process and intermediary industry models. Tmall Haofang's Double Eleven event in 2020 will involve 800,000 houses, which is much larger than the 16,000 sets offered by Alibaba and JD.com in 2019. The main focus of this event is the customer source: **1) House purchase options:** Tmall Haofang has launched a large-scale sale of new houses for consumers to choose from, but there are relatively few disclosures about specific housing conditions. **2) House purchase process:** only relying on the advantages of new house resources to optimize the real estate screening process, the optimization of the whole process of house purchase is limited. **3) Marketing model:** promotion methods including launching live broadcast can cater to the new shopping habits that consumers gradually develop; offline channels are still a main focus of marketing, and Tmall Haofang uses real estate sales offices to meet the offline experience requirements.

**Looking forward to the future, Tmall Haofang may reshape the intermediary industry structure with the new housing market as its entrance.** The focus of this Tmall Haofang Double Eleven event is on the availability of new houses, which may reflect to a certain extent that the direction of Tmall Haofang's efforts is more towards new house market rather than the stock market. The launch time and price arrangement of new houses are more controllable than stock houses. Therefore, online platforms are more able to make corresponding marketing according to the developer's promotion arrangements. New houses are also more suitable as the target of online real estate transactions. This Double Eleven has not yet reached an online transaction, but has already relied on the obvious advantages of new housing resources to access extremely large-scale housing. If Tmall Haofang can cooperate with developers' promotion plans in the future to make appropriate marketing and open up a full set of online house purchase processes, developers participating in Tmall Haofang marketing may be expected to usher in sales promotion through new marketing channels. At the same time, Tmall Haofang's new housing resource advantage will be more significant, which may bring some pressure to the introduction of new housing listings on other intermediary platforms.

#### *Data points:*

As of Oct 23<sup>th</sup>, new house transaction area in 42 major cities this week decreased 6% WoW, and cumulative transaction area in 2020 fell by 1% YoY.

As of Oct 23<sup>th</sup>, saleable area (inventory) in 13 major cities this week increased 1% WoW; average inventory period was 11.0 months, average change was 8%.

As of Oct 23<sup>th</sup>, second-hand housing transactions in 15 major cities this week increased 5% WoW, and cumulative transaction area in 2020 fell 3% YoY.

#### *Suggestion:*

This week, MOHURD proposed that "the real estate market has basically achieved the goal of stabilizing land prices, stabilizing housing prices, and stabilizing expectations", affirming the current development trend of the industry, and at the same time reiterating the positioning of "housing to live without speculation", the industry tone remains stable. Beijing will further strengthen the supervision of pre-sale funds for commercial housing, which may further regulate the use of funds in the operation of developers, and help the stable and healthy development of the industry. Maintain "Overweight" rating.

**Overweight**

(Maintain)

Public WeChat account



**Hongfei Cai**

Analyst

+852 3958 4629

caihongfei@cwghl.com

SFC CE Ref: BPK 909

**Lianxin Zhuge**

Analyst

+852 3958 4600

zhugelianxin@cwghl.com

SFC CE Ref: BPK 789

## 1. Double 11 x Real Estate: what sparks?

Taobao Double Eleven pre-sales started on October 21, and Tmall Haofang, a partnership between Ali and E-House, participated in Double Eleven for the first time. Will the Tmall Haofang Double Eleven event change the traditional house purchase model? Will it have a significant impact on the intermediary industry?

### 1.1 How will Tmall Haofang Double Eleven affect the intermediary industry?

**Tmall Haofang has resource advantages on the listing side, and is mainly focusing on the customer source side.** E-House's good relationship with many developers has enabled Tmall Haofang to smoothly connect new house listings this time and has obvious advantages in new house resources. In order to facilitate the transaction, the main focus of this event is the customer source, and the main methods include customer attraction, house purchase process optimization and marketing model innovation.

#### 1.1.1 Housing Source: New housing resource advantages may be further consolidated, the role of ETC remains to be seen

**The core resources of the intermediary industry are developers and brokers who hold housing source.** In the real estate intermediary industry, developers and brokers with housing listings have strong liquidity and can relatively freely choose the platform that can obtain the most benefits. Beike uses the ACN model to enable brokers to obtain corresponding income in multiple processes of house purchase, and increase the willingness of brokers to share housing, thus realizing the access to large-scale stock housing resources; the comparative advantage of E-House lies in new house resources, judging from the Double Eleven event, Tmall Haofang products are all new house listings provided by developers.

**New houses are more suitable as the target of the Double Eleven event, and Tmall has a significant advantage in resources.** Compared with brokers, a single developer owns a large number of listings, and the developer can determine the price of their listings, making new houses more suitable for participating in such promotions. In this Double Eleven event, the listings of Tmall Haofang were basically new house listings from developers, reflecting the significant advantages of Tmall Haofang's new house resources. The target of developers with new house resource is to be able to successfully sell new houses at the lowest possible cost. **If this event has an obvious positive effect on new house sales, Tmall Haofang's advantage in new house resources may be further consolidated.**

**The role of the ETC mechanism has not yet been reflected in this event.** The Estate Transaction Cooperation (ETC) released by Tmall Haofang will build a platform with multi-party participation and efficient collaboration based on digital and intelligent new products; This event is even more attributable to the online marketing of Tmall Haofang with its advantages in new housing resources. The role of ETC has not yet been clearly demonstrated. In the follow-up operation of Tmall Haofang, if ETC has an obvious positive effect on facilitating transactions and helping developers and brokers to successfully sell their listings, Tmall Haofang will also attract more developers and brokers, and ETC will become the most powerful support for the adequacy of housing availability and the competitiveness of Tmall Haofang.

### **1.1.2 Customer source: subsidized marketing attracts consumers, and the house purchase process needs to be optimized**

**Tmall Haofang's first Double Eleven may be intended to attract traffic and cultivate consumer habits.** In addition to providing sufficient housing, Tmall Haofang also attracted consumers through discounts this time. Judging from the current publicity on Taobao, the focus of publicity is on welfare and subsidies: 1) Lucky draw activities for housing use rights, housing living rights and rental income; 2) Large-scale and partial low-discount houses for this event. The effects of the above subsidies are as follows: 1) Prompt potential buyers who have a need to buy a house but have not yet decided when to buy a house to make a house purchase decision in this promotion, which will bring a certain improvement in the cash collection of developers. 2) With the attention of Double Eleven, provide certain gimmicks, attract certain traffic to Tmall Haofang, a young platform, and cultivate the habit of some consumers to check whether there are discounts before buying a house. **Compared with the slogan "Buy a good house on Tmall", this event is closer to "Get a house purchase coupon on Tmall", which can be used as a way to attract consumers and cultivate consumer habits.**

**In terms of house purchase options, Tmall Haofang performed well in the integration of basic real estate information this time, but there was relatively little disclosure of specific housing conditions.** As mentioned earlier, Tmall Haofang has launched a large-scale new house listings for sale this time, and has performed well in the integration of basic real estate information. However, the current listings only contain a small number of project pictures on the information display page, which limits buyers' understanding of the actual situation of the project to a certain extent. Compared with other real estate information platforms such as Beike, Tmall Haofang currently does not provide VR viewings, nor does it have convenient functions such as mortgage calculators. Compared with Alibaba Auctions, Tmall Haofang provides project information mostly for the overall project. Currently, Tmall Haofang's product page provides relatively little information about the specific housing, and potential buyers may need to use manual customer service or other websites to achieve a more comprehensive understanding of the project situation online.

**Chart 1: Tmall Haofang has not yet set up functions such as VR viewing**



Source: Tmall Haofang website, CWSI Research

**Chart 2: Beike's information and functions are relatively rich**



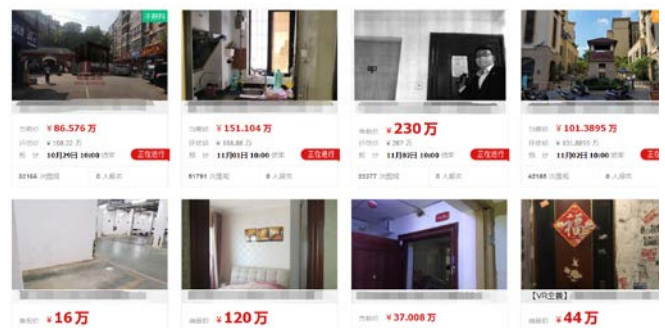
Source: Beike website, CWSI Research

**Chart 3: Tmall Haofang product information is mostly projects' effect picture**



Source: Tmall Haofang website, CWSI Research

**Chart 4: Alibaba Auctions' display of specific targets are mostly real pictures**



Source: Alibaba Auctions website, CWSI Research

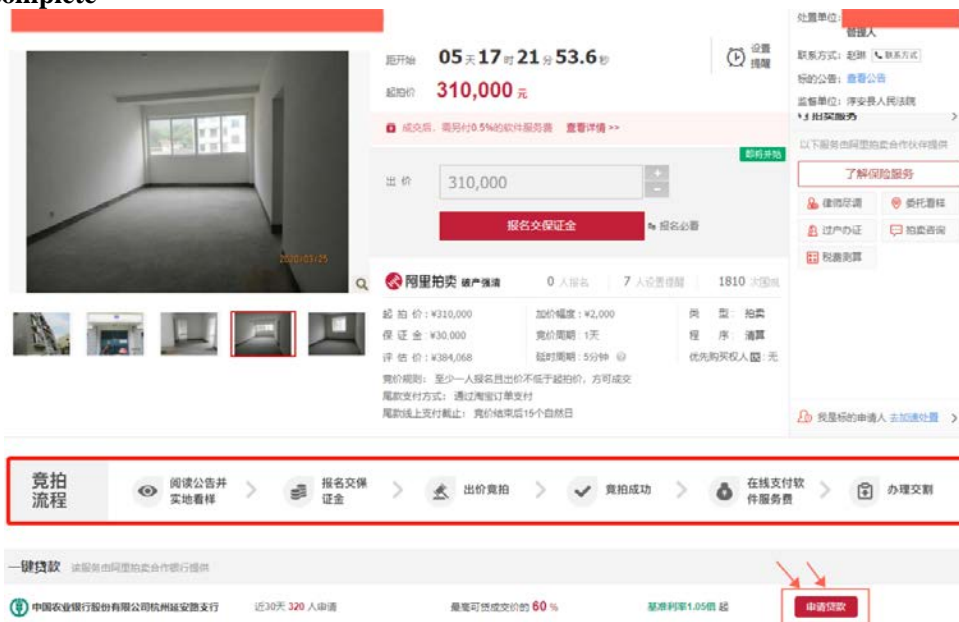
In terms of the house purchase process, Tmall Haofang Double Eleven only optimized the house selection process by integrating sufficient new house listings online, but did not change the subsequent house purchase process.

**This event only optimized the house selection process before buying a house to a certain extent.** When it was formally established in late September, Tmall Haofang put forward the vision of “buying a house is like visiting Tmall in the future”, envisaged using 3D buying technology to create an online 3D viewing experience before buying a house, and let home buyers understand the real estate situation through live broadcast, and complete the subsequent house purchase process in the developer's Tmall flagship store. According to the situation of the Double Eleven, Tmall Haofang provided huge new housing listings during the Double Eleven event, enabling potential buyers to understand the basic situation of the properties for sale in a specific city on a single platform, and the house selection process was optimized; however, 3D house inspections and other functions are not yet laid out in the specific project information of this event. The house purchase transaction also needs to be completed offline by the

purchaser, and the optimization of the whole house purchase process is relatively limited.

**The realization of online auctions for foreclosure auctions by Alibaba may bring some support to Tmall Haofang in the future.** If Tmall Haofang needs to realize the vision of “buying a house is like visiting Tmall in the future” and build a real estate transaction platform, there are still more processes that need to be optimized. In fact, Alibaba Auctions has realized online transactions and has a complete and detailed bidding process: Alibaba Auctions has detailed explanations and answers on the pages of each target for all the processes and common questions from checking the status of the target to the final settlement. Many procedures are also accompanied by video tutorials; some subjects can directly apply for a loan on the corresponding page with one click, and if a loan is not provided, the buyer can also apply for a loan from the bank after collecting the balance payment and obtaining the real estate certificate; large amount payment is also possible that it can be realized online through Alipay. Although there are many differences between auctions and commercial housing transactions, Alibaba already has certain experience and technology in online real estate transactions, which may be expected to help Tmall Haofang gradually open up the entire online house purchase process and build an online real estate transaction platform in the future.

**Chart 5: The online house purchase process of Alibaba Auctions is relatively complete**



Source: Alibaba Auctions website, CWSI Research

### Chart 6: Alibaba auction house has set up detailed operation related questions and answers under the corresponding subject

**问 限购吗?**

根据政策, 通过司法拍卖购买房产不受当地限购政策影响

以上信息由 [ ] 地產有限公司提供, 仅供参考 (具体以当地政策为准), 详情请旺旺咨询: [知识状态](#)

---

**问 能过户吗?**

司法拍卖一般根据法院给的《裁定书》、《协助执行通知书》, 买受人自行到房管局办理过户即可。  
**过户的时候需要注意房屋土地性质**, 一般在标的物介绍、附件中会有说明, 如果没有请咨询资产处置机构

土地性质	注意事项
出让	这种情况一般没有问题
划拨	像经济适用房这种就属于划拨, 需要与房管局确认能否过户, 且确认要补缴多少土地出让金
集体土地 / 宅基地	需要注意对于竞买人资质是否有特殊要求 (一般在公告、须知、报名页面说明)

---

**问 税费怎么收?**

长沙地区房屋税费政策如下:

长沙司法拍卖税费表								
房屋类型	买方身份	房主身份	买方所需承担税费		出让方所需承担税费 (注: 出让方税费是否需要买方承担以法院公告为准)			
			契税	印花税	增值税及附加	个人所得税	土地增值税	印花税
			1、唯一住房...				11、满五唯一住房, 免征	

Source: Alibaba Auctions website, CWSI Research

In terms of marketing model, Tmall Haofang performed well in online information integration and innovative marketing on Double Eleven, but the offline role is difficult to replace.

**The live broadcast anchors are mainly real estate marketing personnel.** In terms of live broadcast, the current live broadcasts are mainly: 1) 6 developers with official flagship stores, corresponding project marketers will introduce the project through live broadcast; 2) Leju Real Estate flagship store invites some regional general managers of developers to live broadcast; 3) Xie Na, Liu Tao, etc. live broadcast.; 4) Tmall Haofang's official live broadcast to introduce the precautions for buying houses, and introduces some projects with larger discounts. Live broadcast mode can cater to the new shopping habits gradually developed by consumers and is an innovation in the marketing model of commercial housing.

**Offline channels are still the focus of marketing, and Tmall Haofang uses real estate sales offices to meet offline experience needs.** The Double Eleven did not reduce the importance of offline channels. Home buyers still need to purchase houses through offline channels. At the same time, it is difficult to meet consumers' demand for real estate experience, personalization and the need to confirm the physical object brought by the high value of real estate. Since the commercial houses involved in Tmall's Double Eleven are basically new houses, the sales office still carries the functions of offline marketing and subsequent house purchase processes. Even if Tmall Haofang opens up the complete house purchase process online like Alibaba Auctions, offline channels may still be difficult to completely replace.

**Traditional industries embrace online sales platforms, online real estate transactions still require process optimization and technical support.** The Double Eleven event has been underway for several years, and Tmall Haofang has only been formally established in just over a month. This event is the first large-scale attempt by real estate to embrace an online sales platform. Judging from the planning of this event, Tmall Haofang does have significant advantages in terms of new housing listings. Whether the Alibaba platform can successfully introduce its huge traffic into the real estate transaction field remains to be seen: short-term subsidies and sweepstakes can bring a certain degree of attention, the iteration from “getting a house purchase coupon on Tmall” to “buying a good house on Tmall” requires further process optimization and technical support.

**Table 1: Tmall Haofang Double Eleven can solve some of the pain points of online house purchase**

Object	Content	Pain points	Tmall Haofang Double Eleven Practice	Is it resolved
Listings	Property acquisition	New house listings (corresponding to developers)	Cooperate with many developers; if this event has a significant positive effect on new house sales, Tmall Haofang’s advantage in new house resources may be further consolidated	✓
		Stock listings (corresponding to brokers)	No stock housing involved, ETC model to be seen	×
Customer source	Available listings	Sufficient housing options	Introduce a large number of developers' projects	✓
		Real Listing	Direct cooperation with developers	✓
		House purchase discount	Offer discounts on purchases	✓
	House purchase process	Details of specific houses	Lack of VR viewings, only basic information about specific property	×
		Complete the whole process of buying a house online	Only a certain degree of optimization in house selection process	×
		Marketing model	Customers attraction	Provide innovative channels such as live broadcast and attract customers through lucky draws
Offline experience requirements	The sales office still needs to undertake offline marketing functions		✓	

Source: Tmall Haofang website, CWSI Research

**Looking forward to the future, Tmall Haofang may reshape the intermediary industry structure with the new housing market as its entrance.** The focus of this Tmall Haofang Double Eleven event is on the availability of new houses, which may reflect to a certain extent that the direction of Tmall Haofang’s efforts is more towards new house market rather than the stock market. The launch time and price arrangement of new houses are more controllable than stock houses. Therefore, online platforms are more able to make corresponding marketing according to the developer's promotion arrangements. New houses are also more suitable as the target of online real estate transactions. This Double Eleven has not yet reached an online transaction, but has

already relied on the obvious advantages of new housing resources to access extremely large-scale housing. If Tmall Haofang can cooperate with developers' promotion plans in the future to make appropriate marketing and open up a full set of online house purchase processes, developers participating in Tmall Haofang marketing may be expected to usher in sales promotion through new marketing channels. At the same time, Tmall Haofang's new housing resource advantage will be more significant, which may bring some pressure to the introduction of new housing listings on other intermediary platforms.

## 1.2 Tmall Haofang Double Eleven event scale and rules

**Activity scale: The number of new houses involved is about 800,000, which is the first large-scale online commercial housing marketing activity.** In September 2020, after Alibaba and E-House jointly established Tmall Haofang, the Tmall Haofang page of Taobao APP has been changed from auctions to new houses. Although Alibaba and JD.com also launched real estate activities at Double Eleven in 2019, the scale was relatively small (in 2019, Alibaba offered over 10,000 sets of special-priced listings on Double Eleven, and JD.com offered c. 6,000 sets, totaling more than 16,000), and a considerable part of the 2019 special offers are auction houses. According to data from the official Weibo of Tmall Haofang, from October 22, 2020 to November 11, 2020, Tmall Haofang will offer 800,000 houses, which is much larger than before.

**Many developers directly participate, and the discounts include house purchase discounts and home appliance gifts.** Developers mainly participate in the activities in three ways: the company's official flagship store, Leju Real Estate flagship store and Yilou official flagship store. According to Tmall's Haofang page, as of October 25, 2020, six developers including Country Garden, Zoina, Poly Development, Kaisa Group, Baoneng Real Estate and Shimao Group have opened official flagship stores of the company, providing discount coupons and sincerity deposit; more than 78 developers including Vanke, EverGrande, and Sunac, have listed their houses in the Leju Real Estate flagship store, and the products are coupons for buying houses. The Yilou official flagship store also contains many listings, mainly offering products such as red envelopes for cash consumption, cash and home appliance lucky draws.

**Table 2: Tmall Haofang Double Eleven event involves multiple stores with different product content**

Tmall shop	Involving developers	Product content
Developer official flagship store	Country Garden, Zoina, Poly Development, Kaisa Group, Baoneng Real Estate, Shimao Group	House purchase sincerity deposit, house purchase coupons
Leju Real Estate Flagship Store	More than 78 developers including Vanke, EverGrande and Sunac	House purchase coupons
Yilou Official Flagship Store	Many developers	After buying a house, get cash consumption red envelopes, cash and home draws, etc.

Source: Tmall Haofang website, CWSI Research





**Tmall Haofang's purchasing model: purchase coupons online and deduct the purchase price when buying a house offline, do not involve online housing transactions.** Tmall Haofang's current products are mainly house-buying coupons (for example, after purchasing a house-buying coupon at RMB 11.11, when buying a house that meets the activity conditions at the sales office, showing the coupon can deduct a certain amount or enjoy a certain discount) and house-buying sincerity deposit (for example, lock the house with RMB 11.11). Commercial houses are not directly transacted through the Tmall Haofang platform; Tmall Haofang only brings certain convenience and discounts to buyers when buying houses at the sales office.

**House-buying coupons are the main product of Double Eleven.** There are electronic coupons for house purchases in the official flagship stores of the 6 developers and the flagship store of Leju Real Estate. The main forms are: 1) After purchasing the coupons for the corresponding items at RMB 11.11, directly deduct a certain amount of the total purchase price. 2) Pay the sincerity deposit in the form of a spike to lock in specific low-discount listings. The listings are mainly from 6 developers that have directly-operated stores; the discount is based on the discount calculated on the basis of the record price. The purchaser may need to contact the offline sales office. The discount (if any) is compared before making a purchase decision.

**Some items have considerable discounts.** The discounts for each item are different. Most of the projects have a discount of more than RMB 10,000, and some projects even exceed RMB 100,000. In addition, Zoina's flagship store also has a 1% discount coupon for house purchases, involving many projects; as of the evening of October 24, 2020, more than 400 1% discount coupons are sold.

**Table 3: Tmall Haofang Double Eleven event involves multiple stores with different product content**

Content	Quota	Obtaining method	Activity time	Note
"Lifetime" use right of Wuhan Zoina Fuxiao City Apartment	1	Lucky draw	Get the lottery code since 2020-10-21 0: 00 System draw at 2020-10-31 21: 00	<ul style="list-style-type: none"> <li>· Available for living in, renting, etc. until March 20, 2057</li> <li>· The successful applicant shall bear expenses including house transfer tax, decoration and use expenses</li> <li>· House conditions, interior decoration, home appliances, etc. are delivered as current status</li> </ul>
1-year residency for designated projects of Poly Development and Country Garden	14	Lucky draw, live broadcast room spike	2020-10-22——11-11	<ul style="list-style-type: none"> <li>· Not allowed to rent, decorate or change the purpose of the property, or demolish and modify the main structure of the house</li> <li>· The cost incurred during use shall be borne by the user</li> <li>· The condition of the house and interior decoration, home appliances, etc. are subject to actual delivery</li> </ul>
1-year rental income of the project designated by Kaisa Group	5	Lucky draw, live broadcast room spike	2020-10-22——10-31	<ul style="list-style-type: none"> <li>· The winning user will receive a cash amount equivalent to the after-tax amount of the corresponding house's 1-year rental income (not adjusted according to the actual market conditions)</li> <li>· The winning user does not enjoy any property rights or creditor's rights of the house</li> </ul>
Home appliances, home appliances, cash subsidies	-	Purchase gift vouchers at Yilou Official Flagship Store	2020-10-20——11-11	After successfully purchasing a house, the staff will contact the winning users for follow-up prize verification and distribution and other operational guidance

Source: Tmall Haofang website, CWSI Research

**The items involved in the purchase of sincerity deposit are more popular, and the difference in the amount of sincerity deposit may reflect differences in marketing intentions.** Sincerity deposit can lock the listings in advance for some buyers who have the intention to buy a house but do not have enough time to visit the sales office in person. Currently, only 6 developers with official flagship stores provide this product. Different developers and projects have different online sincerity deposits. For example, the project sincerity deposits of Country Garden's official flagship store are mostly RMB 11.11, and the sincerity deposits of Zoina projects are mostly RMB 1111. Higher sincerity deposit may bring more potential buyers with higher willingness to buy a house, and may make the corresponding unit sales a higher success rate; lower sincerity deposit may reduce the success rate, but may capture more potential home buyers, even if the corresponding unit fails to be sold, the offline marketing team may also guide potential buyers to other units or other properties to facilitate the transaction.

**Other activities: lucky draws and spikes to create topics.** The lucky draw for this Double Eleven event mainly includes a "lifetime" right to use a set of Wuhan Zoina Dawn City Apartments, one-year residency rights for Poly Development and Country Garden designated projects, and one-year rental income from Kaisa Group designated projects, being a big gimmick of this event, and it is also one of the main contents of Tmall Haofang, Tmall Spokesperson, Alibaba and other official Weibos to promote Tmall Haofang Double Eleven.

In addition, the products in Yilou official flagship store of Yilou are mainly lucky draw opportunities, including home appliances and cash subsidies. Compared with the Leju Real Estate flagship store that provides coupons for purchases, the Yilou official flagship store has relatively low popularity and fewer fans (as of the evening of October 24, 2020, the number of fans of the two is about 45,000 and 12,000, respectively), products category is the main reason.

**Table 4: Tmall Haofang Double Eleven event involves multiple stores with different product content**

Discount on total purchase price	Discount rules	Activity time
Special room at official real estate stores and Leju Real Estate Flagship Store	Special discounts for designated houses, written off after purchase at the sales office	Different for each project
Leju Real Estate Flagship Store Purchase Coupon	<ul style="list-style-type: none"> <li>· Show the purchase coupon when buying the designated house offline and enjoy the discount of the total project price</li> <li>· Usually cannot be used in conjunction with other offline discounts</li> </ul>	Different for each project
Zoina 1% off coupon	<ul style="list-style-type: none"> <li>· The designated house enjoys a 10% discount on the original publicly announced price, cannot be used in combination with other discount activities in the flagship store; may be superimposed with offline discount, subject to the offline rules</li> <li>· After signing the commercial housing sales contract, it will be verified and used by the offline sales office; the expired discount coupon will be returned to the buyer's payment account in 15 working days</li> </ul>	<ul style="list-style-type: none"> <li>· Discount coupon purchase time: 2020-10-21—10-31</li> <li>· Coupon validity period: 2020-10-21—11-11</li> </ul>

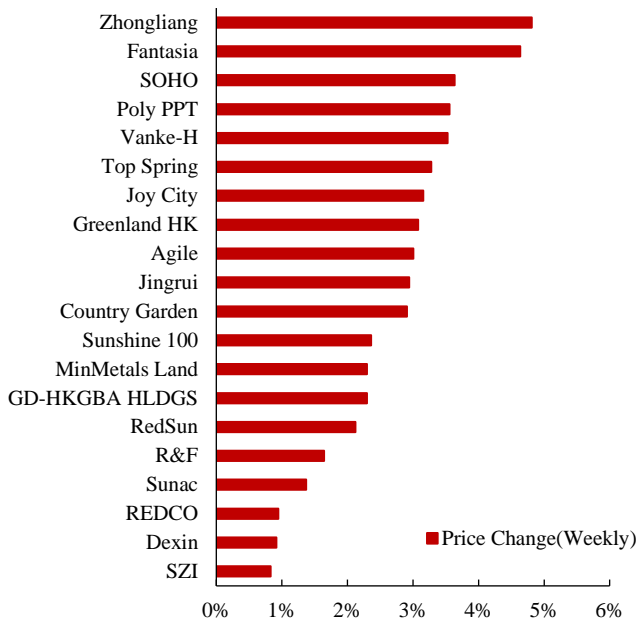
Source: Tmall Haofang website, CWSI Research

## 2. Sector Performance

### 2.1 Performance of developer sector

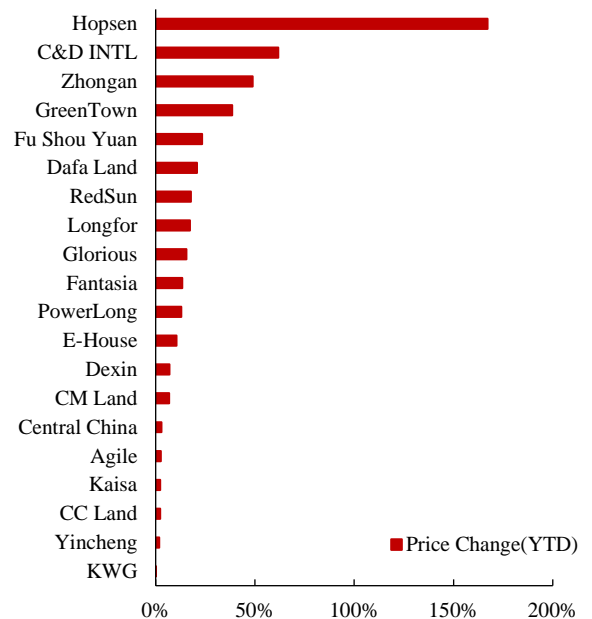
This week, Zhongliang, Fantasia and SOHO had larger price increase than peers. Hopsen, C&D INTL and Zhongan had better share price performance, YTD.

**Chart 7: This week, Zhongliang, Fantasia and SOHO had larger price increase than peers**



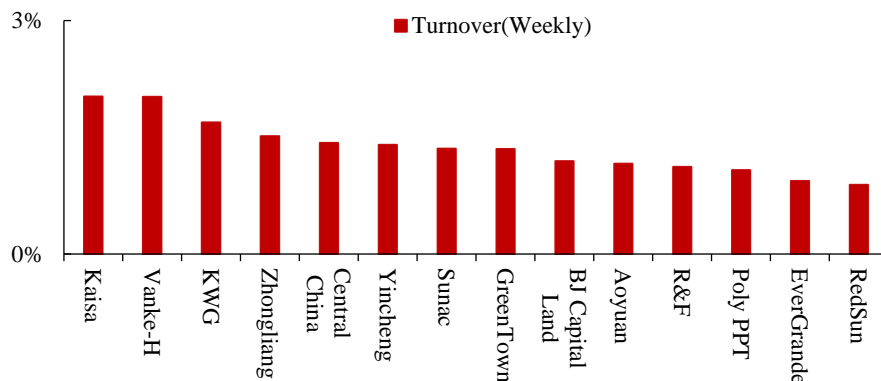
Source: Wind, CWSI Research

**Chart 8: Hopsen, C&D INTL and Zhongan had better share price performance, YTD**



Source: Wind, CWSI Research

**Chart 9: Kaisa, Vanke-H and KWG were most actively traded this week**

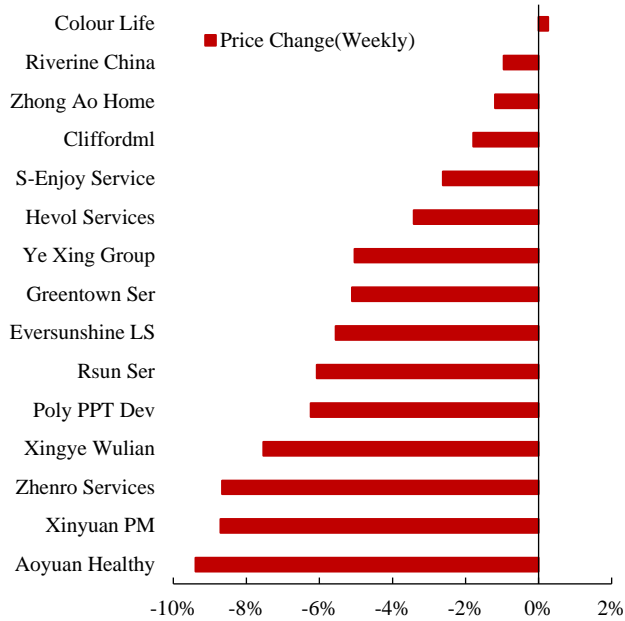


Source: Wind, CWSI Research

## 2.2 Performance of property service sector

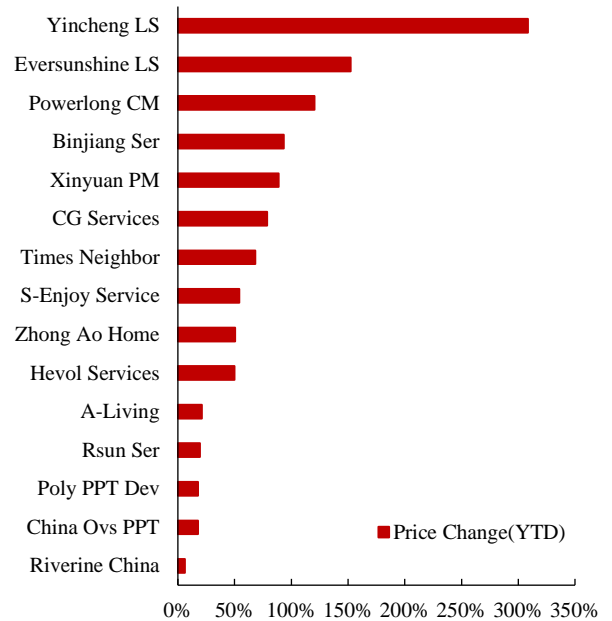
This week, Colour Life had larger price increase than peers. Yincheng LS, Eversunshine LS and Powerlong CM had better share price performance YTD.

**Chart 10: This week, Colour Life had larger price increase than peers**



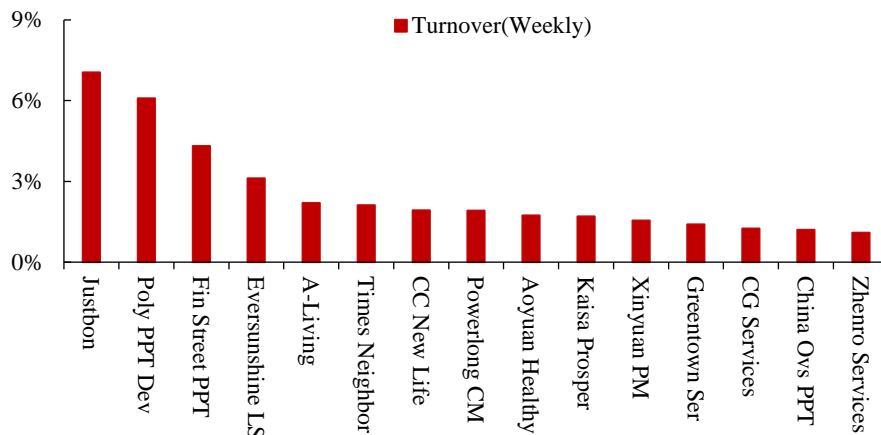
Source: Wind, CWSI Research

**Chart 11: Yincheng LS, Eversunshine LS and Powerlong CM and had better share price performance YTD**



Source: Wind, CWSI Research

**Chart 12: Justbon, Poly PPT Dev and Fin Street PPT were most actively traded this week**



Source: Wind, CWSI Research



### 3. Major cities transaction performance

#### 3.1 New house transaction data

Table 5: Major cities new house transactions volume decreased WoW this week

City & Region	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	153,484	35%	30%	611	-43%	24%	300	-60%	-30%	5,617	-2%
Shanghai	364,700	9%	49%	1,393	-21%	52%	916	-29%	36%	10,673	-4%
Guangzhou	-	-	-	885	-29%	7%	102	-89%	-76%	7,492	3%
Shenzhen	135,983	24%	114%	379	-22%	64%	300	-27%	72%	3,196	14%
<b>Tier 1</b>	<b>654,167</b>	<b>17%</b>	<b>13%</b>	<b>3,267</b>	<b>-28%</b>	<b>32%</b>	<b>1,618</b>	<b>-53%</b>	<b>-5%</b>	<b>26,977</b>	<b>0%</b>
<b>Tier 2</b>	<b>2,737,183</b>	<b>-7%</b>	<b>-4%</b>	<b>10,198</b>	<b>-16%</b>	<b>-6%</b>	<b>6,902</b>	<b>-25%</b>	<b>-12%</b>	<b>95,392</b>	<b>-1%</b>
<b>Tier 3</b>	<b>3,271,235</b>	<b>-10%</b>	<b>35%</b>	<b>11,788</b>	<b>6%</b>	<b>19%</b>	<b>8,559</b>	<b>4%</b>	<b>18%</b>	<b>93,391</b>	<b>-1%</b>
Beijing	153,484	↑ 35%	↑ 30%	611	↓ -43%	↑ 24%	300	↓ -60%	↓ -30%	5,617	↓ -2%
Qingdao	393,486	↑ 4%	↑ 10%	1,356	↓ -9%	↓ 0%	907	↓ -18%	↓ -2%	12,069	↑ 7%
Jinan	361,129	↑ 33%	↑ 52%	1,027	↑ 13%	↑ 23%	733	↑ 11%	↑ 25%	8,794	↑ 9%
Dongying	112,198	↓ -16%	↑ 202%	317	↓ -14%	↑ 183%	265	↓ -1%	↑ 159%	3,602	↑ 153%
<b>PBR</b>	<b>1,020,296</b>	<b>↑ 13%</b>	<b>↑ 36%</b>	<b>3,311</b>	<b>↓ -14%</b>	<b>↑ 18%</b>	<b>2,205</b>	<b>↓ -21%</b>	<b>↑ 8%</b>	<b>30,083</b>	<b>↑ 13%</b>
Shanghai	364,700	↑ 9%	↑ 49%	1,393	↓ -21%	↑ 52%	916	↓ -29%	↑ 36%	10,673	↓ -4%
Nanjing	211,176	↓ -29%	↓ -17%	852	↑ 17%	↓ -18%	695	↑ 17%	↓ -9%	7,547	↑ 15%
Hangzhou	177,304	↓ -40%	↑ 24%	574	↓ -21%	↓ -2%	528	↓ -17%	↑ 31%	6,891	↑ 11%
Suzhou	195,945	↓ -13%	↓ -6%	846	↓ -8%	↓ -5%	512	↓ -27%	↓ -15%	9,005	↑ 10%
Wuxi	79,500	↑ 70%	↓ -52%	392	↓ -36%	↓ -37%	265	↓ -20%	↓ -9%	4,703	↓ -23%
Yangzhou	84,382	↓ -19%	↑ 63%	243	↓ -18%	↑ 61%	220	↓ -20%	↑ 64%	2,035	↑ 11%
Jiangyin	-	-	-	222	↓ -36%	↓ -33%	53	↓ -75%	↓ -81%	2,321	↓ -6%
Wenzhou	218,198	↓ -22%	↑ 0%	1,220	↑ 24%	↑ 24%	807	↑ 9%	↑ 15%	9,711	↓ -4%
Jinhua	53,323	↓ -12%	↑ 14%	179	↓ -13%	↓ -6%	142	↑ 3%	↑ 6%	1,872	↑ 22%
Changzhou	44,611	↑ 245%	↓ -38%	124	↓ -54%	↓ -51%	60	↓ -64%	↓ -73%	2,351	↓ -42%
Huaian	123,510	↓ -30%	↑ 16%	434	↑ 6%	↑ 10%	347	↑ 12%	↑ 16%	3,635	↓ -11%
Lianyungang	144,776	↓ -37%	↓ -6%	609	↓ -11%	↓ -5%	469	↓ -11%	↑ 2%	5,243	↓ -4%
Shaoxing	32,186	↓ -45%	↓ -28%	167	↓ -38%	↓ -14%	151	↓ -33%	↑ 24%	2,056	↑ 10%
Zhenjiang	128,363	↓ -33%	↓ -9%	578	↓ -25%	↓ -12%	386	↓ -30%	↓ -16%	5,021	↓ -21%
Jiaxing	137,655	↑ 35%	↑ 58%	323	↓ -7%	↑ 22%	289	↑ 19%	↑ 25%	2,688	↑ 19%
Wuhu	76,024	↓ -39%	↑ 60%	338	↑ 12%	↑ 143%	266	↑ 10%	↑ 143%	1,900	↑ 18%
Yancheng	119,758	23%	↑ 56%	346	↓ -20%	↑ 20%	217	↓ -25%	↑ 6%	3,012	↑ 3%
Zhoushan	38,465	↓ -51%	↑ 161%	160	↑ 46%	↑ 111%	130	↑ 98%	↑ 192%	1,112	↑ 18%
Chizhou	27,131	↑ 77%	↓ -41%	57	↑ 10%	↓ -51%	50	↑ 36%	↓ -52%	675	↓ -37%
Ningbo	176,868	↓ -12%	↑ 44%	774	↓ -3%	↑ 65%	544	↓ -14%	↑ 48%	6,598	↑ 7%
<b>YRD</b>	<b>2,433,875</b>	<b>↓ -18%</b>	<b>↑ 4%</b>	<b>9,832</b>	<b>↓ -11%</b>	<b>↑ 7%</b>	<b>7,049</b>	<b>↓ -14%</b>	<b>↑ 7%</b>	<b>89,048</b>	<b>↓ -2%</b>
Guangzhou	-	-	-	885	↓ -29%	↑ 7%	102	↓ -89%	↓ -76%	7,492	↑ 3%
Shenzhen	135,983	↑ 24%	↑ 114%	379	↓ -22%	↑ 64%	300	↓ -27%	↑ 72%	3,196	↑ 14%
Fuzhou	51,145	↓ -12%	↓ -16%	288	↓ -44%	↑ 20%	140	↓ -67%	↓ -21%	2,140	↓ -4%
Dongguan	205,341	↑ 13%	↑ 51%	768	↑ 9%	↑ 55%	456	↓ -2%	↑ 71%	5,394	↑ 28%
Quanzhou	215,244	↑ 271%	↑ 202%	464	↑ 51%	↑ 71%	379	↑ 50%	↑ 83%	2,376	↓ -16%
Putian	37,484	↓ -58%	↓ -5%	191	↑ 65%	↓ -5%	156	↑ 116%	↓ 0%	1,333	↓ -23%
Huizhou	117,838	↓ -13%	↑ 108%	431	↑ 61%	↑ 85%	286	↑ 40%	↑ 69%	2,377	↑ 8%
Shaoguan	34,478	↓ -55%	↑ 9%	195	↑ 27%	↑ 43%	143	↑ 31%	↑ 32%	1,431	↑ 11%
Foshan	377,674	↓ -7%	↑ 121%	1,326	↑ 11%	↑ 48%	952	↑ 3%	↑ 66%	9,831	↓ -10%
Jiangmen	36,507	↓ -20%	↑ 40%	152	↑ 17%	↑ 38%	99	↑ 5%	↑ 26%	1,094	↑ 20%
<b>PRD &amp; Southern China</b>	<b>1,211,695</b>	<b>↑ 4%</b>	<b>↑ 50%</b>	<b>5,078</b>	<b>↓ -1%</b>	<b>↑ 39%</b>	<b>3,014</b>	<b>↓ -23%</b>	<b>↑ 29%</b>	<b>36,663</b>	<b>↑ 0%</b>
Taian	76,611	↓ -33%	↑ 56%	348	↓ -9%	↑ 49%	266	↓ -7%	↑ 52%	2,130	↑ 1%
<b>Northern China</b>	<b>76,611</b>	<b>↓ -33%</b>	<b>↑ 56%</b>	<b>348</b>	<b>↓ -9%</b>	<b>↑ 49%</b>	<b>266</b>	<b>↓ -7%</b>	<b>↑ 52%</b>	<b>2,130</b>	<b>↑ 1%</b>
Wuhan	667,789	↓ -13%	↑ 11%	2,227	↑ 8%	↓ -4%	1,678	↑ 8%	↓ -9%	13,319	↓ -27%
Yueyang	40,682	↓ -53%	↓ -40%	239	↑ 37%	↓ -13%	172	↑ 40%	↓ -13%	1,887	↑ 12%
Baoji	93,486	↓ -3%	↑ 26%	288	↓ -13%	↓ -8%	250	↑ 5%	↑ 5%	2,731	↑ 10%
Ganzhou	299,919	↑ 5%	↑ 30%	880	↑ 25%	↓ -6%	626	↑ 15%	↓ -13%	6,737	↓ -8%
<b>Central China</b>	<b>1,101,876</b>	<b>↓ -11%</b>	<b>↑ 13%</b>	<b>3,634</b>	<b>↑ 11%</b>	<b>↓ -5%</b>	<b>2,726</b>	<b>↑ 11%</b>	<b>↓ -9%</b>	<b>24,675</b>	<b>↓ -17%</b>
Chengdu	452,182	↑ 69%	↑ 3%	1,413	↓ -35%	↓ -13%	720	↓ -60%	↓ -38%	17,535	↑ 13%
Liuzhou	239,604	↓ -8%	↑ 82%	928	↑ 49%	↑ 39%	643	↑ 57%	↑ 38%	5,438	↑ 7%
Nanning	126,445	↓ -39%	↓ -64%	708	↓ -47%	↓ -43%	457	↓ -54%	↓ -56%	10,191	↓ -11%
<b>Western China</b>	<b>818,232</b>	<b>↑ 11%</b>	<b>↓ -12%</b>	<b>3,048</b>	<b>↓ -26%</b>	<b>↓ -13%</b>	<b>1,820</b>	<b>↓ -43%</b>	<b>↓ -32%</b>	<b>33,163</b>	<b>↑ 4%</b>
<b>Total</b>	<b>6,662,585</b>	<b>-6%</b>	<b>14%</b>	<b>25,252</b>	<b>-9%</b>	<b>9%</b>	<b>17,079</b>	<b>-18%</b>	<b>2%</b>	<b>215,760</b>	<b>-1%</b>
Num. of cities Up		14	28		18	23		20	25		25
Num. of cities Down		26	12		24	19		22	17		17

Source: Local governments, CWSI Research; Note: Till 2020/10/23



**Table 6: Major cities inventory period was 11.0 months this week**

City	Inventory (sqm 000)	wow	yoy	Inventory period	Last week	wow	yoy
Beijing	12,336	1%	30%	20.2	15.7	29%	5%
Shanghai	7,313	-2%	-8%	5.3	4.8	9%	-39%
Guangzhou	8,979	0%	18%	10.2	7.0	44%	10%
Shenzhen	2,514	3%	10%	6.6	6.6	0%	-33%
<b>Tier 1 Average</b>		<b>0%</b>	<b>12%</b>	<b>10.6</b>	<b>8.5</b>	<b>21%</b>	<b>-14%</b>
Hangzhou	4,179	-2%	41%	7.3	8.8	-17%	43%
Nanjing	6,966	7%	50%	8.2	8.2	0%	84%
Suzhou	7,886	7%	52%	9.3	8.5	10%	60%
Fuzhou	6,239	-1%	85%	21.7	15.8	37%	53%
Jiangyin	4,668	0%	21%	21.0	16.0	31%	82%
Wenzhou	11,503	1%	23%	9.4	8.9	6%	-1%
Quanzhou	7,145	1%	9%	15.4	23.1	-33%	-36%
Ningbo	2,442	-4%	-16%	3.2	3.4	-7%	-49%
Dongying	1,727	3%	12%	5.5	5.7	-4%	-61%
<b>Overall Average</b>		<b>1%</b>	<b>25%</b>	<b>11.0</b>	<b>10.2</b>	<b>8%</b>	<b>9%</b>

Source: Local governments, CWSI Research; Note: Till 2020/10/23; Average WoW and average YoY are defined as average change of each city



### 3.2 Second-hand house transaction and price data

Table 7: Major cities Second-hand house transaction volume, Jinhua rose significantly YTD

City	Last 7 days			Last 30 days			Month to date			Year to date	
	sqm	wow	yoy	sqm 000	mom	yoy	sqm 000	mom	yoy	sqm 000	yoy
Beijing	380,553	↑ 33%	↑ 68%	1,162	↓ -24%	↑ 40%	711	↓ -37%	↑ 34%	11,147	↑ 11%
Shenzhen	153,180	↑ 7%	↓ -11%	489	↓ -39%	↓ -14%	314	↓ -48%	↓ -27%	6,865	↑ 47%
Hangzhou	179,176	↑ 35%	↑ 129%	448	↓ -24%	↑ 50%	336	↓ -22%	↑ 63%	4,548	↑ 15%
Nanjing	230,368	↓ -5%	↑ 9%	796	↓ -21%	↑ 14%	504	↓ -34%	↓ -3%	8,001	↑ 36%
Chengdu	97,281	↑ 57%	↓ -49%	267	↓ -34%	↓ -63%	159	↓ -48%	↓ -69%	3,953	↓ -55%
Qingdao	121,835	↓ -6%	↑ 17%	402	↓ -27%	↑ 14%	272	↓ -35%	↑ 6%	4,297	↑ 18%
Wuxi	112,923	↓ -16%	↓ -19%	402	↓ -41%	↓ -25%	271	↓ -31%	↓ -30%	5,102	↑ 2%
Suzhou	142,036	↑ 6%	↓ -26%	437	↓ -20%	↓ -34%	289	↓ -30%	↓ -42%	4,670	↓ -45%
Xiamen	91,256	↑ 10%	↑ 60%	236	↓ -27%	↑ 23%	174	↓ -29%	↑ 27%	2,699	↓ -12%
Yangzhou	28,239	↓ -10%	↑ 45%	94	↓ -14%	↑ 10%	65	↓ -23%	↑ 6%	875	↓ -2%
Yueyang	14,228	↓ -19%	↓ -18%	53	↓ -27%	↓ -20%	35	↓ -38%	↓ -26%	548	↓ -11%
Nanning	40,224	↓ -12%	↓ -60%	171	↓ -43%	↓ -47%	99	↓ -57%	↓ -62%	2,146	↓ -16%
Foshan	165,832	↓ -16%	↑ 107%	620	↓ -17%	↑ 61%	410	↓ -29%	↑ 52%	4,988	↑ 3%
Jinhua	49,115	↓ -28%	↑ 64%	184	↓ -16%	↑ 34%	126	↓ -20%	↑ 16%	2,071	↑ 69%
Jiangmen	17,106	↓ -20%	↑ 134%	67	↓ -20%	↓ -40%	42	↓ -35%	↑ 162%	664	↓ -14%
<b>Total</b>	<b>1,823,353</b>	<b>5%</b>	<b>12%</b>	<b>5,828</b>	<b>-27%</b>	<b>-2%</b>	<b>3,807</b>	<b>-35%</b>	<b>-10%</b>	<b>62,575</b>	<b>-3%</b>
<b>Num. of cities Up</b>		<b>6</b>	<b>9</b>		<b>0</b>	<b>8</b>		<b>0</b>	<b>8</b>		<b>8</b>
<b>Num. of cities Down</b>		<b>9</b>	<b>6</b>		<b>15</b>	<b>7</b>		<b>15</b>	<b>7</b>		<b>7</b>

Source: Local governments, CWSI Research; Note: Till 2020/10/23



## 4. Important Policies and News

### 4.1 Important Industry Policies News This Week

**Table 8: Important Industry Policies News This Week: MOHURD stated that the real estate market has basically achieved the goal of "stabilizing land prices, stabilizing housing prices, and stabilizing expectations"**

Date	Region / Institution	Summary
2020-10-19	Shenzhen	Zhuang Shaoqin, Vice Minister of the Ministry of Natural Resources, pointed out at the press conference of the State Council Information Office that the implementation plan gives Shenzhen greater autonomy in land approval. but decentralization actually delegates the right to reform, not the right to expand; it is to provide more reform space for reform, not more scale of urban construction.
2020-10-20	Homestead	Farmers' right to use their homesteads can be inherited and registered as real estate by their children with urban Hukou.
2020-10-21	Beijing	Beijing has successively launched three special inspections, including the implementation of the housing purchase restriction policy, the supervision of commercial housing advance sales funds, and the filing of housing lease contracts.
2020-10-21	Hefei	Increase the effective supply of rental housing, support non-residential reconstruction; implement tax preferential policies, and exempt tax for individual rental of their own housing, etc.
2020-10-22	MOHURD	The housing development has made great strides towards the goal of having a place to live. The real estate market has basically achieved the goal of "stabilizing land prices, stabilizing housing prices, and stabilizing expectations". In the future, we must adhere to the positioning that houses are used for living, not for speculation, accelerate the establishment of a housing system with multi-subject supply, multi-channel guarantee, and simultaneous rental and purchase, and continuously improve the housing market system and housing security system, and promote the significant improvement of residential housing conditions.

Source: Wind, Government website, CWSI Research

## 4.2 Company news and announcements

**Table 9: Company news and announcements: EverGrande redeemed USD 1.57 bn 11% senior notes due in 2020 issued by affiliated companies**

Date	Company	Summary
2020-10-21	Country Garden	Entered into financing agreements with a number of financial institutions and BOC (HK), which agreed to provide the company with a 4-year period of c.HKD 8.13 bn and USD 450 mn, together with excess loan rights, dual currency term loan financing, which will be used for the 2016 contract refinancing of dual currency term loans of HKD 3.79 bn and USD 1.01 bn.
2020-10-21	CMSK	Issued 240-day RMB 1.5 bn 2.65% ultra-short-term financing bonds "20 Merchants Shekou SCP008".
2020-10-21	CMPO	CCXI upgraded the company's main credit rating from AA to AA+.
2020-10-22	GreenTown	Issued USD 300 mn 4.7% senior notes due 2025.
2020-10-22	Zhongliang	Issued USD 200 mn 9.5% senior notes due 2022.
2020-10-22	China SCE	Issued USD 500 mn 7.0% senior notes due 2025.
2020-10-22	GreenLand	Greenland Global, a wholly-owned overseas subsidiary, completed the issuance of USD 250 mn 6.75% bonds on October 21.
2020-10-23	EverGrande	Redeemed USD 1.57 bn 11% senior notes due in 2020 issued by affiliated companies.
2020-10-23	Times	Issued an additional USD 250 mn 6.75% senior notes due 2025 and combining them with USD 300 mn 6.75% senior notes due 2025 into a single series.
2020-10-23	PowerLong	Issued USD 200 mn 5.95% senior notes due 2025.
2020-10-23	China SCE	Redeemed 8.75% senior notes due in 2021, and the remaining outstanding notes totaled USD 500 mn.

Source: Company announcements, CWSI Research

### Note:

1. Certain uncertainties in the industry regulation and financing policies may affect the sales performance of listed companies;
2. Macroeconomic fluctuations may have certain impact on business operations within the industry;
3. Uncertainties in the control of COVID-19 spread.

### **Analyst Certification**

The person primarily responsible for the content of this research report, in whole or in part, hereby certify that:

- (1) all of the views expressed in this report accurately reflect my personal view about the subject company(ies) and its (or their) securities;
- (2) no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report, or our Investment Banking Department;
- (3) I am not, directly or indirectly, supervised by or reporting to our Investment Banking Department;
- (4) the subject company (ies) do(es) not fall into the restriction of the quiet period as defined in paragraph 16.5(g) of SFC Code of Conduct;
- (5) I do not serve as officer(s) of the listed company (ies) covered in this report; and
- (6) I and/or my associates have no financial interests in relation to the listed company (ies) covered in this report.

### **Meanings of Central Wealth Securities Ratings**

The ratings in the report are based on the market performance within 12 months after the report is released. The A-share market is based on the CSI 300 Index and the Hong Kong stock market is based on the Hang Seng Index.

#### 1) Stock Ratings:

Buy – Describes stocks that we expect to provide a relative return of >20%.

Accumulate – Describes stocks that we expect to provide a relative return of between 5% and 20%.

Hold – Describes stocks that we expect to provide a relative return of between -10% and +5%.

Sell – Describes stocks that we expect to provide a relative return of <-10%.

#### 2) Sector Ratings:

Overweight – Describes sectors that we expect to provide a relative return of >10%.

Neutral – Describes sectors that we expect to provide a relative return of between -10% and +10%.

Underweight – Describes sectors that we expect to provide a relative return of <-10%.

### **Disclaimer**

Central Wealth Securities Investment Limited (CWSI) does and seeks to do business with the company or companies covered in this report. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Any information provided in this research report is for information purpose only and have no regards to the investment objectives, financial situation or risk tolerance level of any specific recipient and does not constitute any solicitation or any offer to buy or sell any securities or any other financial instruments. This report has not been reviewed by the Hong Kong Securities and Futures Commission. Investment is risky, before enter into any investment contract, individual should exercise judgment or seek for professional advice when necessary.

Although the information in this report is obtained or compiled from sources that Central Wealth Securities Investment Limited (CWSI) believes to be reliable, no representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the materials contained in this report. All price related information is indicative only, and value of the investment(s) referred to in this report and the income from them may fluctuate. Information contained in this report may change at any time and Central Wealth Securities Investment Limited (CWSI) gives no undertaking to provide notice of any such change.

Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Central Wealth Securities Investment Limited (CWSI) and its affiliates, officers, directors, and employees may from time to time have long or short positions in securities, warrants, futures, options, derivatives or other financial instruments referred to in this report.



In no event will the information or the opinions expressed in this report constitute investment advice for any person. In no event will Central Wealth Securities Investment Limited (CWSI) or any other member of Central Wealth Securities Investment Limited (CWSI) be liable or responsible for loss of any kind, whether direct, indirect, consequential or incidental, resulting from the act or omission of any third party occurring in reliance upon the contents of this report.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to any law, regulation, rule or other registration or licensing requirement.

This report may not be reproduced, distributed or published by any person for any purpose without the prior written consent of Central Wealth Securities Investment Limited (CWSI). All rights are reserved.