

# Monthly sales growth hits a new high

## Comments on Dec 20 sales data of leading developers

**Monthly sales growth rate hits a new high during the year, and the cumulative sales growth rate continued to increase.** From Jan to Dec 2020, TOP100 developers realized a total contracted sales of RMB 13.05 tn (+12.4% YoY, vs +10.3% in Jan-Nov 2020), and contracted GFA of 929 mn sqm (+9.6% YoY, vs +10.1% in Jan-Nov 2020). In Dec, major developers continued to actively conduct promotion activities to strive for annual sales targets. The monthly sales growth rate reached 29.2%, setting a new high in the single-month sales growth rate during the year, and the industry's annual sales continued to increase steadily.

**Cumulative sales growth of medium-sized developers is the fastest, and monthly sales performance of small and medium-sized developers is outstanding.** As of end-Dec 2020, cumulative sales growth rate of developers of all sizes continued to increase, and developers ranked 11-50 in cumulative sales had the fastest cumulative sales growth, with a YoY increase of 16% (top 10 and top 51-100 developers increased by 7% and 15% respectively). In terms of monthly sales performance in Dec, developers ranked top 51-100 in cumulative sales grew faster, reaching 52% YoY (top 10 and 11-50 developers in cumulative sales increased 17% and 27% YoY, respectively). Companies that grew the fastest in accumulated contracted sales in Jan-Dec 2020 were C&D (+76% YoY), GreenTown (+58% YoY), Logan (+56% YoY), Yuzhou (+40%) and Jinmao (+39%).

**Industry policies maintained a high degree of consistency, and Hukou policies in many places have been relaxed.** In Dec 2020, the top level held several important meetings, among which the real estate-related expressions reflected the current policy attitude with high consistency: The Central Economic Work Conference proposed that "attach great importance to the construction of affordable rental housing...conduct reasonable regulation of rent levels". In an environment where China places more emphasis on high-quality development, the demand for a relatively stable economic environment may keep the overall direction of the real estate industry stable. The National Housing and Urban-Rural Development Work Conference first proposed the fully implementation of long-term mechanism, and it is expected that the "three stability" measures will be rolled out to cities at all levels across the country, and cities with high market enthusiasm may face certain regulatory pressures. At the local level, the Hukou policies in many places have been relaxed: Fuzhou will cancel the Hukou restrictions, and Guangzhou will lower the Hukou threshold of double first-class graduates. On the whole, the industry policy direction continues at the end of the year, and certain structural opportunities still exist among regions and cities.

### Suggestion:

In Dec 2020, the monthly sales growth rate of TOP100 developers hits a new high, the fundamentals of the industry remain sound. Judging from the statement made by the top level on the economic development and housing and urban-rural development tasks for next year, stable development is still the main policy goal of the real estate industry. In this context, the sales of the top 100 developers are still expected to continue to grow steadily, maintain "Overweight" rating for the industry.

*Note: Uncertainties in the industry regulation and financing policies may affect the sales performance; macroeconomic fluctuations may have certain impact on business operations within the industry; uncertainties in the control of COVID-19 spread.*

**Overweight**  
(Maintain)

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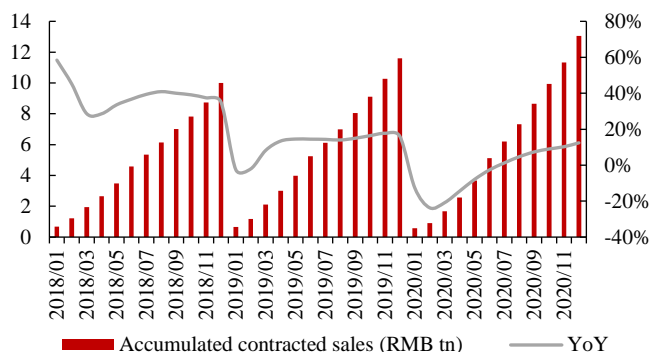
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CRIC released the sales data of developers for Dec 2020. Cumulative sales growth of TOP100 developers continued to increase with accumulated contracted sales increased by 12.4% YoY, single-month contracted sales increased by 29.2% YoY.

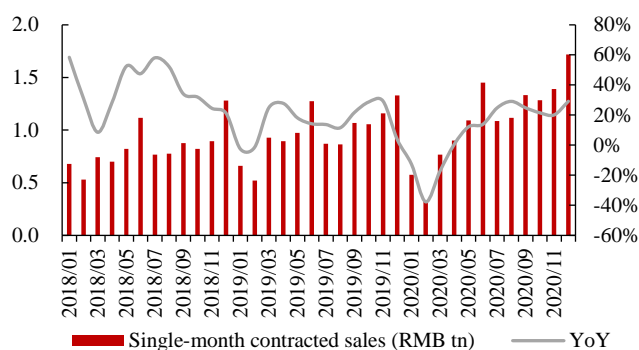
**Monthly sales growth rate hits a new high during the year, and the cumulative sales growth rate continued to increase.** From Jan to Dec 2020, TOP100 developers realized a total contracted sales of RMB 13.05 tn (+12.4% YoY, vs +10.3% in Jan-Nov 2020), and contracted GFA of 929 mn sqm (+9.6% YoY, vs +10.1% in Jan-Nov 2020). In Dec, major developers continued to actively conduct promotion activities to strive for annual sales targets. The monthly sales growth rate reached 29.2%, setting a new high in the single-month sales growth rate during the year, and the industry's annual sales continued to increase steadily.

**Chart 1: Accumulated contracted sales from Jan to Dec 2020 of TOP100 developers increased 12.4% YoY**



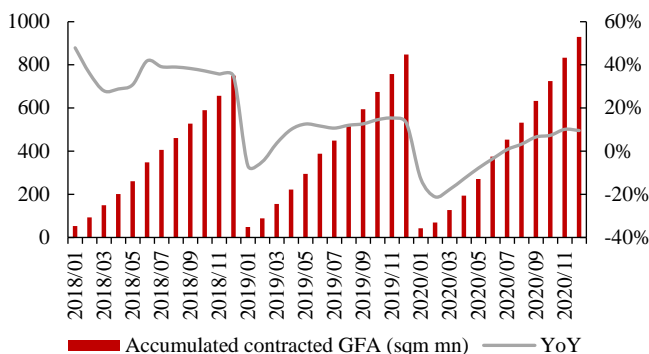
Source: CRIC, CWSI Research

**Chart 2: Single-month contracted sales in Dec 2020 of TOP100 developers increased 29.2% YoY**



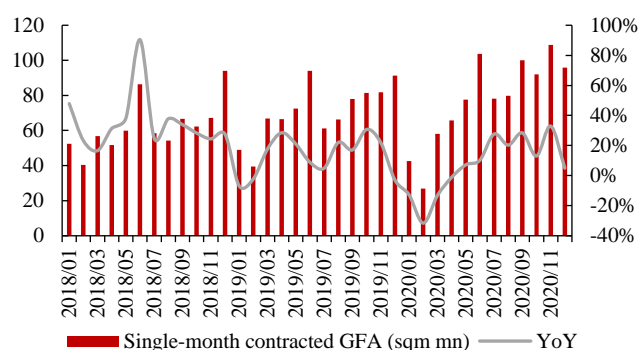
Source: CRIC, CWSI Research

**Chart 3: Accumulated contracted GFA from Jan to Dec 2020 of TOP100 developers increased 9.6% YoY**



Source: CRIC, CWSI Research

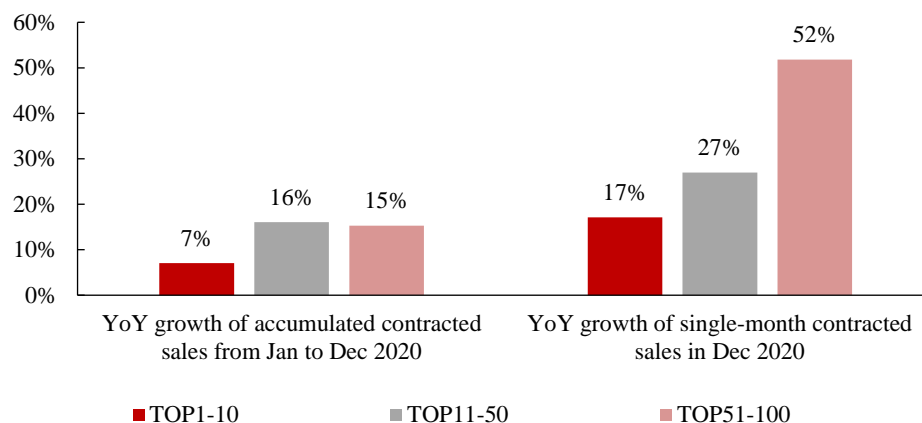
**Chart 4: Single-month contracted GFA in Dec 2020 of TOP100 developers increased 5.0% YoY**



Source: CRIC, CWSI Research

**Cumulative sales growth of medium-sized developers is the fastest, and monthly sales performance of small and medium-sized developers is outstanding.** As of end-Dec 2020, cumulative sales growth rate of developers of all sizes continued to increase, and developers ranked 11-50 in cumulative sales had the fastest cumulative sales growth, with a YoY increase of 16% (top 10 and top 51-100 developers increased by 7% and 15% respectively). In terms of monthly sales performance in Dec, developers ranked top 51-100 in cumulative sales grew faster, reaching 52% YoY (top 10 and 11-50 developers in cumulative sales increased 17% and 27% YoY, respectively). Companies that grew the fastest in accumulated contracted sales in Jan-Dec 2020 were C&D (+76% YoY), GreenTown (+58% YoY), Logan (+56% YoY), Yuzhou (+40%) and Jinmao (+39%).

**Chart 5: Cumulative sales growth of medium-sized developers is the fastest, and monthly sales performance of small and medium-sized developers is outstanding**



Source: CRIC, CWSI Research

**Industry policies maintained a high degree of consistency, and Hukou policies in many places have been relaxed.** In Dec 2020, the top level held several important meetings, among which the real estate-related expressions reflected the current policy attitude with high consistency: The Central Economic Work Conference proposed that “attach great importance to the construction of affordable rental housing...conduct reasonable regulation of rent levels”. In an environment where China places more emphasis on high-quality development, the demand for a relatively stable economic environment may keep the overall direction of the real estate industry stable. The National Housing and Urban-Rural Development Work Conference first proposed the fully implementation of long-term mechanism, and it is expected that the "three stability" measures will be rolled out to cities at all levels across the country, and cities with high market enthusiasm may face certain regulatory pressures. At the local level, the Hukou policies in many places have been relaxed: Fuzhou will cancel the Hukou restrictions, and Guangzhou will lower the Hukou threshold of double first-class graduates. On the whole, the industry policy direction continues at the end of the year, and certain structural opportunities still exist among regions and cities.

**Table 1: A Glance of Real Estate Policies in Dec 2020, industry policies maintained a high degree of consistency, and Hukou policies in many places have been relaxed**

Date	Region/ Institution	Policy Summary
2020-12-02	Hebei	Starting from December 15, 2020, Hebei Province will fully launch the housing provident fund for personal housing loans in other places.
2020-12-03	The State Concil	Vice Premier Han Zheng of the State Council held a symposium at the MOHURD and emphasized that real estate should not be used as a short-term means of stimulating the economy, and that the string of real estate market regulation should be tightened at all times, and the policy toolbox should be continuously improved based on actual conditions.
2020-12-10	Guangdong	It is necessary to effectively solve the housing problem of fresh graduates and increase monetary subsidies and physical guarantees. Encourage localities to concentrate on the construction of public rental housing and talent housing, give priority to graduates, and support localities to reduce or exempt the requirement of social insurance for college graduates to apply for public rental housing.
2020-12-10	Qinghai	The housing provident fund management centers of Xining and Lanzhou will establish long-term working mechanisms to explore the establishment of information sharing mechanisms for housing provident fund deposits, withdrawals, and loans in the two cities.
2020-12-11	Ningbo	Resident households in the six district of Ningbo that have a house and the corresponding loan has been settled, the loan down payment ratio shall not be less than 40%; for households in the six district of Ningbo that have a house and the corresponding loan is not settled, the loan down payment ratio shall not be less than 60%.
2020-12-11	Wuhu	The real estate control target tasks are divided into counties (cities), districts and related functional departments, and the target responsibility letter is signed, which is included in the assessment of the county government by the city government. The working group will select different transfer methods in a targeted manner according to the specific conditions of the land to be transferred, strictly record the price of commercial housing, and stabilize housing prices.
2020-12-15	Wuxi	The Hukou restrictions of eligible people in the Jiangyin and Yixing administrative regions will be completely removed.
2020-12-15	Fuzhou	Restrictions on Hukou will be fully removed.
2020-12-16	State Council	Issued the "Opinions on Promoting the Accelerated Development of Metropolitan (Suburban) Railways", focusing on supporting the planning and construction of metropolitan (suburban) railways in Beijing-Tianjin-Hebei, Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, Chengdu-Chongqing, and the middle reaches of the Yangtze In the metropolitan area, the urban area of the central city and the surrounding towns are grouped for convenient commuting.
2020-12-16	Qingdao	Continue to relax the Hukou policy in central urban area, greatly relax the Hukou policy in urban area, and fully liberalize the Hukou policy in the county.
2020-12-17	Central Economic Work Conference	Must adhere to the positioning that housing for living, not for speculation, and adopt measures based on local conditions and multiple strategies to promote the stable and healthy development of the real estate market. It is necessary to attach great importance to the construction of affordable rental housing, accelerate the improvement of long-term rental policies, gradually make rent-and-purchase housing have equal rights in enjoying public services, and standardize the development of the long-term rental housing market.

2020-12-21	MOHURD	In 2021, it is necessary to steadily implement the real estate long-term mechanism plan to promote the stable and healthy development of the real estate market. Firmly adhere to the positioning of "housing for living, not for speculation", and fully implement the long-term real estate mechanism. It is necessary to vigorously develop rental housing and solve outstanding housing problems in big cities.
2020-12-22	Jiangsu	Adjust the household registration policy, implement the relaxation of urban settlement conditions, and fully implement the residence permit system; it is necessary to implement the mutual recognition of residence permit years and social security years in settle points of the province's mega cities Suzhou and Nanjing.
2020-12-24	Beijing	Short-term rental housing in Beijing will be managed differentiated by region, and short-term rental housing is prohibited in the functional core area of the capital.
2020-12-25	Guangzhou	Young talents with a full-time bachelor degree or above in a world-class university construction university announced by the state or a world-class discipline construction university announced by the state can acquire their Hukou after the participation in social insurance.

Source: Government websites, CWSI Research

**Table 2: Sales of developers in Dec 2020, C&D and Greentown increased the fastest in cumulative sales**

Company	Sales Amount (RMB '00 mn)				Sales Area (10 thousand sqm)			
	Jan-Dec	Jan-Dec YoY	Dec	Dec YoY	Jan-Dec	Jan-Dec YoY	Dec	Dec YoY
Country Garden	7888	2%	185	-8%	9067	6%	241	9%
Vanke	7011	11%	986	72%	4683	14%	670	61%
EverGrande	7035	17%	179	-13%	7853	34%	209	-2%
Sunac	5750	3%	549	-1%	4144	8%	416	5%
PRE	5028	9%	398	-6%	3387	8%	259	-15%
GreenLand	3567	-8%	803	-7%	2800	-18%	520	-26%
COLI	3634	8%	433	42%	1942	8%	221	40%
Future Land	2522	-7%	320	32%	2353	-3%	305	25%
Shimao	3003	15%	375	16%	1713	17%	214	14%
CR Land	2850	18%	390	147%	1500	13%	171	91%
Longfor	2706	12%	278	40%	1603	13%	174	60%
CMSK	2780	26%	326	39%	1242	6%	162	4%
Yango	2180	3%	300	3%	1534	-10%	189	-22%
Gemdale	2426	15%	375	5%	1188	10%	188	3%
CIFI	2310	15%	310	36%	1524	27%	182	36%
Zoia	2232	14%	285	14%	1668	8%	211	6%
Jinke	2235	24%	277	-4%	2230	13%	282	-23%
Jinmao	2237	39%	234	86%	1103	47%	86	25%
Zhongliang	1688	11%	201	-8%	1347	-9%	146	-39%
R&F	1497	0%	230	21%	1183	-13%	171	1%
Ronshine	1552	10%	215	41%	725	11%	103	113%
GreenTown	2146	58%	479	109%	843	61%	195	126%
Sino-Ocean	1183	-9%	100	-40%	617	-3%	75	-3%
Agile	1382	17%	223	155%	1027	15%	163	136%
Aoyuan	1330	13%	193	15%	1288	10%	189	20%
Kaisa	1435	25%	241	40%	1132	40%	158	62%
Risesun	1358	18%	349	55%	1281	17%	330	49%
Binjiang	1364	22%	180	25%	386	12%	41	28%
BRC	1036	-4%	126	-12%	1174	6%	151	63%
Midead	1261	25%	163	58%	1102	10%	144	45%
Logan	1497	56%	199	84%	944	36%	-	-
Sinide	1196	21%	208	30%	733	15%	101	-3%
Radian	972	9%	125	49%	700	13%	48	20%
KWG	1036	20%	129	40%	610	24%	67	50%
China SCE	1015	26%	112	10%	670	6%	74	-9%
Times	1004	28%	168	57%	673	26%	93	23%
Yuzhou	1050	40%	64	-19%	641	29%	31	-44%
C&D	1297	76%	314	101%	681	73%	160	103%
RedSun	865	33%	123	74%	604	23%	86	59%
PowerLong	811	34%	92	82%	527	40%	57	82%
TOP1-10 Total	48547	7%	4624	17%	40172	10%	2532	-21%
TOP1-50 Total	106577	12%	13004	23%	77841	10%	7281	-1%
TOP1-100 Total	130462	12%	17187	29%	92932	10%	9581	5%

Source: CRIC, CWSI Research

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**Note:**

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2. Macroeconomic fluctuations may have certain impact on business operations within the industry;
3. Uncertainties in the control of COVID-19 spread.



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

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

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

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