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China's 2014 home sales – what Jan & 2013 show

January sales reporting by Chinese developers began in earnest this week. So far, a confusing picture has been unfolding (see table) – some look very strong (RMB/YoY: Country Garden 17.7b/+141%, Evergrande 11b/+52%, Guangzhou R&F 3b/+16%, China SCE 1b/+142%, KWG 1.7b/+28%, CIFI 2.2b/+58%, Wuzhou 296m/+61%), some look roughly stable (Yuzhou 819m/+3%, Powerlong 453m/+11%, Gemdale 2b/-15%, Sunac 2.8b/-12%), some look very weak (Longfor 3b/-21%, Franshion 1.4b/-51%, Greentown 1.5b/-35%, Shui On 863m/-61%, Central China 450m/-73%, Fantasia 169m/-80%) – none are indicative of the year to come for those names or for the market, in our view, as Jan sales tend to be highly distorted by booking (Dec sales pushed to be booked in Jan) and pipeline issues (how much GFA developers decide to launch). Instead of looking there for clues to 2014, it might be more useful to look back at 2013. Specifically, while many have noted that last year was one of the strongest years for home sales in China (median/avg. across 41 HY developers: +32%/+39% YoY), few have explained why. Yet, the answer is critical to any view on sales in the coming year. We explore this question below and provide our outlook for 2014. We also list the names/bonds we like in this context, taking into account each developer's track record over the last three years (see table).

- **Not the reason:** By conventional logic, 2013 should not have been a good year for home sales in China – GDP growth continued to slow (2013/12/11: 7.7%/7.8%/9.3%), interest rates remained unchanged (PBOC ref. rate at 6%), draconian housing measures stayed in place (60% down 2nd home mortgage, ban on 3rd home/non-resident buying), while new taxes (Mar: 20% cap. gains tax on existing home sales) and new restrictions on prices/purchases were introduced (Feb: price caps/3rd home bans in more cities under the "New Five", see our note). Did 2013 look strong because 2012 was weak? No – sales in 2012 were quite robust (med./avg.: +19%/+24% YoY). Perhaps price cuts boosted sales? No – prices were up 14% in 2013, vs. -4%/-2% in 2012/11. Maybe restrictions were widely ignored, underwriting standards loosened, and exotic mortgage products lured in reckless buyers? No – there were no evidence of these phenomenon.
- **The reason:** 2013 affirms our view that China's housing market is driven by (1) deep and broad upgrade demand and (2) the country's vast and trapped savings pool (see our note). When (a) the government does not add major restrictions, (b) developers push to sell, and (c), macro conditions are stable (i.e. no immediate crisis), these two forces commingle to propel home buying. There is no other way to explain last year, or indeed, the last 5 years, in our view.
- **The drivers:** By our estimate, housing due for upgrade makes up c.30%-40% of China's entire housing stock. This includes all units >10 years old, as quality was poor during the cultural revolution/early reform periods (66-80s) and in the early years of the private housing market (90s-00s). Migration, urbanization and new households further added to this demand over the years. Home ownership has been >90% since the housing reforms (when homes were sold cheaply/given to residents by their work units), which implies that that most buyers have some capacity to wait. The debates on why the Chinese consumers are not consuming more misses this obvious point – yes, purchasing power has risen, large populations have moved up the socioeconomic ladder, and all are aspirational – but for most, those aspirations are focused not on luxury bags or cars, but on homes, which they have been buying indeed, when the three conditions above were met. This has been exacerbated by the limited progress China has made in developing the channels, markets and institutions to help direct its vast savings pool (half of GDP) away from the property sector – whether outward (blocked by the closed capital account), or toward other asset markets (bonds, stocks – both underdeveloped), via traditional repositories of savings (pensions, insurers, asset managers - all at nascent stages).
- **The outlook:** As these drivers are unlikely to change in the near term, the key question for 2014 is: will conditions (a), (b) and (c) remain in place? So far, China's new leaders have not changed macro policy stance or added property tightening measures, despite slowing growth and an 11% rise in house prices. Instead, they have pushed to enhance system integrity – i.e. stamping out waste, corruption and abuse among officials, suggesting a shift in focus from the end (growth) to the means. Given this, on (a), we expect policies in 2014 to remain focused on price containment via enforcement of existing rules, supplemented by marginal additions thereto (e.g. tightening residency requirements, raising 2nd home mortgage down payment to 70% from 60% etc., as some cities have already done). On (b), given (a), and given a very strong 2013, we expect less ambitious targets this year – perhaps high single-digits to low-teens for large developers, and mid-teens to 20%+ for mid-sized developers. Lastly, on (c), macro conditions seem likely to remain stable, although growth could slow further, especially if the widely expected 7.5% GDP target is officially adopted and met. Net net, 2014 sales look likely to remain healthy, but underperform 2013, which may not push equities through the roof, but could be suitable for fixed

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income. Tail risks could arise from major policy missteps (see our note), but as a base case, we expect market shake-outs to be rare, and to be buying opportunities, as associated fears tend to be overblown (like the latest episode).

See below our thoughts on the 41 names and 105 bonds in the HY China property space, including, for each name, 2014 sales outlook, L3Y sales track record, and relative value (RV) views on the bonds. All sales are in RMB. For each bond, the yield is yield to maturity (YTM) unless otherwise noted, and the RV view is followed by action investors can consider (e.g. RV looks cheap, can consider long). Our picks are all bonds we suggest longs.

Large/BB developers with cheap bonds on RV

- **Country Garden:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: strong – 2013/12/11 sales: 106b/47.6b/43.2b, YoY: +123%/+10%/+31%, own target met: 171%/111%/101%. COGARD 14 (104.25, 4.14%); RV cheap, long bias. COGARD 15 (108.125, 4.79%); RV pricy, take profit. COGARD 17 (106.75, YTC'14 4.8%); RV fair, long bias. COGARD 18 (110, YTC'15 6.24%); RV fair, long bias. COGARD 21 (96.125, 7.97%); RV fair, long bias. COGARD 23 (94.75, 8.35%); RV fair, long bias.
- **Longfor:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 48.1b/40.1b/38.3b, YoY: +20%/+5%/+15%, own target met: 105%/103%/96%. LNGFOR 16 (105.125, YTC'14 6.41%); RV slightly cheap, long bias. LNGFOR 19 (99, 7.09%); RV slightly pricy, take profit. LNGFOR 23 (91, 8.19%); RV fair, long bias.
- **Shimao:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 67.1b/46.1b/30.7b, YoY: +46%/+50%/+1%, own target met: 129%/137%/85%. SHIMAO 17 (106.5, YTC'14 5.69%); RV very cheap, small long. SHIMAO 18 (110.25, YTC'15 6%); RV fair, long bias. SHIMAO 20 (95, 7.69%); RV slightly pricy, take profit. SHIMAO 21 (100.75, 7.98%); RV slightly pricy, take profit.
- **Guangzhou R&F:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 42.2b/32.2b/30b, YoY: +31%/+7%/+7%, own target met: 101%/101%/94%. GZRFPR 14 CNH (100.55, 4.25%); RV slightly cheap, long bias. GZRFPR 16 (109.125, 6.37%); RV fair, long bias. GZRFPR 19 (100, 8.5%); RV slightly pricy, take profit. GZRFPR 20 (99, YTC'17 10.46%); RV very cheap, long.
- **New World China:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 17.4b/13.4b/12.7b, YoY: +30%/+6%/+30%. NEWWOR 15 CNH (105.1, 3.94%); RV cheap, long. NEWWOR 18 CNH (102, 4.94%); RV fair, long bias.
- **Evergrande:** 2014 sales outlook.: stable/outperform YoY; L3Y record: strong – 2013/12/11 sales: 100.4b/92.3b/80.4b, YoY: +9%/+15%/+59%, own target met: 100%/115%/115%. EVERRE 15 (106.5, 5.88%); RV pricy, take profit. EVERRE 16 CNY (103.375, 7.34%); RV slightly cheap, small long. EVERRE 18 (98.5, 9.14%); RV slightly pricy, take profit.

Large/BB developers with fair/pricy bonds on RV

- **Gemdale:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 45b/34.2b/30.9b, YoY: +32%/+10%/+9%, own target met: 132%/114%/77%. GEMDAL 15 CNY (105.75, 4.99%); RV slightly pricy, take profit. GEMDAL 17 (100.5, 6.97%); RV pricy, take profit. GEMDAL 18 CNH (100, 5.62%); RV v. pricy, take profit.
- **Agile:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 40.3b/33.1b/31.5b, YoY: +22%/+5%/-3%, own target met: 96%/105%/84%. AGILE 17o (103.5, 7.62%); RV fair, long bias. AGILE 17n (107.25, 7.22%); RV fair, long bias. AGILE 19 (100, 8.37%); RV fair, long bias.

Mid-sized/single-B developers with cheap bonds on RV

- **Kaisa:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: strong – 2013/12/11 sales: 23.9b/17.3b/15.3b, YoY: +38%/+13%/+52%, own target met: 109%/105%/102%. KAISAG 16 CNH (99.875, 6.93%); RV fair, long bias. KAISAG 17 (113.375, YTC'15 7.66%); RV fair, long bias. KAISAG 18 (99.5, 9.02%); RV slightly pricy, take profit. KAISAG 20 (100.25, YTC'17 11.67%); RV very cheap, long.
- **China SCE:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 10.8b/6b/4.6b, YoY: +80%/+32%/+27%, own target met: 144%/150%/91%. CHINSC 16 CNY (104, 8.19%); RV cheap, small long. CHINSC 17 (108.25, YTC'15 9.36%); RV cheap, small long.
- **Fantasia:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: strong – 2013/12/11 sales: 10.2b/8b/7b, YoY: +27%/+14%/+80%, own target met: 102%/111%/117%. FTHDGR 15 (109, 6.34%); RV pricy, take profit. FTHDGR 16 CNH (98.75, 8.48%); RV slightly cheap, small long. FTHDGR 17 (110.25, 10.28%); RV fair, long bias. FTHDGR 19 (98.75, YTC'17 12.69%); RV very cheap, small long. FTHDGR 20 (97.5, YTC'17 13.35%); RV very cheap, small long.
- **Yuzhou:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 11b/6.5b/4.3b, YoY: +68%/+52%/-18%, own target met: 137%/131%/66%. YUZHOU 17 (109.5, YTC'15 8.86%); RV slightly cheap, small long. YUZHOU 18 (98.75, 9.08%); RV pricy, take profit. YUZHOU 19 (97, 9.39%); RV pricy, take profit.
- **Powrlong:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 9.4b/6.5b/5.6b, YoY: +44%/+17%/-10%, own target met: 117%/108%/56%. PWRLNG 14 CNY (99.75, 13.62%); RV fair, long bias. PWRLNG 15 (105.25, 10.07%); RV cheap, small long. PWRLNG 16 CNH (99, 9.99%); RV cheap, small long. PWRLNG 18 (99.375, 11.45%); RV fair, long bias.
- **Aoyuan:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 10b/5.3b/5b, YoY: +91%/+5%/+5%, own target met: 134%/105%/91%. CAPG 17 (110.5, YTC'15 10.83%); RV very cheap, small long. CAPG 19 (100.75, 11.04%); RV slightly pricy, take profit.
- **Wuzhou:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 5.2b/2.8b/2.1b, YoY: +87%/+31%/+70%. WUINTL 18 (101.625, 13.26%); RV cheap, small long.

- **Future Land:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 20.6b/15.9b/13.9b, YoY: +28%/+14%/+13%, own target met: 103%/NA/NA. FUTLAN 16 CNH (100.125, 9.67%); RV cheap, small long. FUTLAN 18 (98.5, YTC'16 13.51%); RV very cheap, small long.
- **Modern Land:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 1.7b/2.8b/2.3b, YoY: +112%/+21%/-17%. MOLAND 17 CNH (100.25, 10.89%); RV fair, long bias. MOLAND 18 (99, 14.16%); RV chp., sml. long.
- **Hopson:** 2014 sales outlook.: healthy, could outperform YoY; L3Y record: mixed – 2013/12/11 sales: 11.3b/11.5b/9.7b, YoY: -2%/+19%/-10%, own target met: 75%/96%/49%. HPDLF 16 (103, 10%); RV cheap, small long. HPDLF 18 (97, 10.83%); RV fair, long bias.
- **Glorious:** 2014 sales outlook.: weak, could outperform YoY; L3Y record: poor – 2013/12/11 sales: 7.3b/10.9b/13.3b, YoY: -33%/-18%/+5%, own target met: 66%/84%/89%. GLOPRO 15 (91.75, 18.85%); RV very cheap, small long. GLOPRO 18 (81.5, 20.13%); RV very cheap, small long.

Mid-sized/single-B developers with fair/pricy bonds on RV

- **Beijing Cap. Ld.:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 19.6b/13.3b/11b, YoY: +48%/+21%/-12%, own target met: 98%/111%/73%. BJCAPT 15 CNH (103.75, 5.37%); RV fair, long bias.
- **Road King:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 12.2b/9.6b/5.4b, YoY: +28%/+77%/-15%, own target met: NA/NA/67%. ROADKG 16 CNH (100.25, 5.9%); RV pricy, take profit. ROADKG 17 (109.5, YTC'15 6.49%); RV pricy, take profit.
- **KWG:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 16.3b/12.2b/11.4b, YoY: +34%/+7%/+4%, own target met: 102%/102%/76%. KWGPRO 16 (107.125, YTC'14 6.15%); RV fair, long bias. KWGPRO 17o (108.5, YTC'14 7.46%); RV very cheap, long bias. KWGPRO 17n (113.25, 8.31%); RV pricy, take profit. KWGPRO 19 (99, 9.23%); RV very pricy, take profit. KWGPRO 20 (96.25, 9.46%); RV pricy, take profit.
- **Sunac:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 50.8b/31.6b/17.7b, YoY: +61%/+78%/+150%, own target met: 113%/143%/97%. SUNAC 17 (110.5, YTC'15 9.11%); RV fair, take profit. SUNAC 18 (100, 9.37%); RV very pricy, take profit.
- **Mingfa:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 2.6b/5.3b/3.3b, YoY: +69%/+64%/+62%. MINGFA 18 (100.5, 13.08%); RV slightly cheap, small long.
- **Xinyuan:** 2014 sales outlook.: healthy, stable YoY; L3Y record: mixed – 2013/12/11 sales: 2.8b/5.2b/4.8b, YoY: +5%/+9%/+23%. XIN 18 (100.75, 13%); RV fair, take profit. XIN 19 (99.025, 13.25%); RV fair, take profit.

Mid-sized/single-B developers with only pricy bonds on RV

- **Franshion:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 21b/13.3b/7.8b, YoY: +57%/+71%/+6.1x%, own target met: 115%/103%/78%. FRANSH 17 (99, 5%); RV very pricy, take profit. FRANSH 18 (99.25, 5.56%); RV very pricy, small short. FRANSH 21 (99.25, 6.88%); RV pricy, small short. FRANSH 22 (91.5, 7.82%); RV pricy, take profit.
- **Poly Property:** 2014 sales outlook.: healthy, stable YoY; L3Y record: good – 2013/12/11 sales: 26.7b/23.4b/15.8b, YoY: +14%/+48%/+39%, own target met: 103%/123%/NA. POLHON 18 (94.5, 6.24%); RV pricy, take profit.
- **Yuexiu:** 2014 sales outlook.: healthy, stable YoY; L3Y record: good – 2013/12/11 sales: 14.6b/12.3b/9b, YoY: +19%/+36%/+2%, own target met: 111%/123%/99%. YUEXIU 18 (92.5372, 5.37%); RV very pricy, small short. YUEXIU 23 (85.019, 6.76%); RV very pricy, take profit.
- **Minmetals Land:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 6.1b/5b/3.6b, YoY: +23%/+37%/+36%, own target met: 123%/125%/NA. MINMET 18 (100.775, 5.29%); RV very pricy, small short. MINMET 23 (97.937, 6.8%); RV very pricy, small short.
- **Greenland HK:** 2014 sales outlook.: healthy, stable YoY; L3Y record: .. – 2013/12/11 sales: 3.5b/3b/3.2b, YoY: +16%/-6%/-50%, own target met: 87%/75%/40%. GRNLHK 16 (100, 4.75%); RV very pricy, take profit. GRNLHK 18 CNH (98.844, 5.83%); RV very pricy, take profit.
- **Shanghai Indus. Urban Dev.:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: poor – 2013/12/11 sales: 3.3b/6.7b/2.8b, YoY: +95%/+142%/-49%. NECHIN 14 (101.875, 5.37%); RV cheap, take profit.
- **Greentown:** 2014 sales outlook.: healthy, stable YoY; L3Y record: good – 2013/12/11 sales: 32.3b/28.9b/23.3b, YoY: +12%/+24%/+48%, own target met: 111%/137%/NA. GRNCH 16 CNH (99.875, 5.68%); RV pricy, take profit. GRNCH 18 (101.25, 8.12%); RV pricy, take profit. GRNCH 19 (98.5, 8.36%); RV very pricy, take profit.
- **Shui On:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 16.6b/5.7b/10.7b, YoY: +190%/-46%/+115%, own target met: 151%/48%/107%. SHUION 15 CNY (102.6, 4.79%); RV very pricy, take profit. SHUION 15 SGD (103.26, 4.45%); RV v. pricy, take profit. SHUION 15 (104, 5.6%); RV v. pricy, take profit.
- **Central China:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: strong – 2013/12/11 sales: 14b/10.3b/8.1b, YoY: +35%/+27%/+48%, own target met: 111%/115%/111%. CENCHI 16 SGD (108.262, 6.6%); RV very pricy, take profit. CENCHI 18 (95.25, 7.82%); RV very pricy, take profit. CENCHI 20 (96.25, 8.82%); RV very pricy, small short.
- **Yanlord:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: mixed – 2013/12/11 sales: 11.6b/13.5b/8.8b, YoY: +25%/+53%/-10%, own target met: 89%/112%/80%. YLLG 16 (98.25, 6.21%); RV pricy, take profit. YLLG 17 (105, YTC'14 7.78%); RV slightly cheap, long bias. YLLG 18 (108, YTC'15 7.66%); RV slightly pricy, take profit.
- **China South City:** 2014 sales outlook.: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 13.1b/6.7b/3.5b, YoY: +96%/+93%/+197%. CSCHCN 17 (115, YTC'15 7.63%); RV slightly pricy, take profit. CSCHCN 19 (99, 8.5%); RV very pricy, take profit.
- **Lai Fung:** 2014 sales outlook.: weak, stable YoY; L3Y record: mixed – 2013/12/11 sales: 0.4b/1.2b/0.8b, YoY: -35%/+52%/+40%. LAIFNG 14 (100.2, 7.43%); RV fair, take profit. LAIFNG 18 CNH (97.5, 7.58%); RV very pricy, take profit.

- **CIFI:** 2014 sales outlook: healthy, but less strong YoY; L3Y record: good – 2013/12/11 sales: 15.3b/9.5b/5.5b, YoY: +61%/+75%/-12%, own target met: 123%/175%/NA. CIFIHG 18 (111.25, YTC'16 9.03%); RV slightly pricy, take profit. CIFIHG 19 (98.375, 9.29%); RV very pricy, take profit.
- **Soho China:** 2014 sales outlook: weak, could be weaker YoY; L3Y record: very poor – 2013/12/11 sales: 3b/9.5b/10.9b, YoY: -50%/-13%/-54%, own target met: NA/41%/46%. SOHOCH 17 (100, 5.75%); RV very pricy, small short. SOHOCH 22 (92.25, 8.39%); RV very pricy, small short.
- **Chn Prp Grp:** 2014 sales outlook: weak, stable YoY; L3Y record: very poor – 2013/12/11 sales: 0b/0.1b/0.3b, YoY: -74%/-67%/-83%. CHINPR 18 (99.65, 13.59%); RV slightly pricy, take profit.
- **Renhe:** 2014 sales outlook: weak, stable YoY; L3Y record: poor – 2013/12/11 sales: 0b/0.3b/1.9b, YoY: -0%/-86%/-67%. RNHEF 15 (73.25, 40.79%); RV pricy, take profit. RNHEF 16 (69.775, 34.56%); RV pricy, take profit.

Contracted sales: January 2014

	ASP			MoM			YoY			YTD			YTD YoY			% prev yr
	RMB	RMB mn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm	
Ctry Gdn	6,520	17,670	2,710	-10%	90%	112%	-11%	141%	171%	6,520	17,670	2,710	-11%	141%	171%	17%
Longfor	10,556	3,040	288	-15%	-8%	8%	-5%	-21%	-17%	10,556	3,040	288	-5%	-21%	-17%	6%
R&F	14,141	3,062	217	-9%	-35%	-28%	26%	16%	-8%	14,141	3,062	217	26%	16%	-8%	7%
Gemdale	14,133	2,120	150	15%	-65%	-69%	10%	-15%	-22%	14,133	2,120	150	10%	-15%	-22%	5%
Evergrande	7,738	11,042	1,427	10%	446%	397%	25%	52%	22%	7,738	11,042	1,427	25%	52%	22%	11%
Franshion	34,316	1,404	41	73%	-40%	-65%	699%	-51%	-94%	34,316	1,404	41	699%	-51%	-94%	7%
Greentown	20,625	1,500	73	-12%	-55%	-48%	-2%	-35%	-34%	20,625	1,500	73	-2%	-35%	-34%	5%
Shui On	34,520	863	25	-25%	-82%	-76%	-4%	-61%	-60%	34,520	863	25	-4%	-61%	-60%	5%
Chn SCE	10,845	1,024	94	3%	59%	54%	18%	142%	104%	10,845	1,024	94	18%	142%	104%	9%
Cen. China	9,438	450	48	2%	-80%	-80%	33%	-73%	-80%	9,438	450	48	33%	-73%	-80%	3%
KWG	15,819	1,710	108	-8%	20%	30%	18%	28%	9%	15,819	1,710	108	18%	28%	9%	10%
Yuzhou	13,411	819	61	33%	4%	-22%	59%	3%	-35%	13,411	819	61	59%	3%	-35%	7%
Fantasia	6,005	169	28	-43%	-92%	-86%	-35%	-80%	-70%	6,005	169	28	-35%	-80%	-70%	2%
Pwrlong	9,216	453	49	-10%	-71%	-68%	16%	11%	-4%	9,216	453	49	16%	11%	-4%	5%
Sunac	24,450	2,820	115	-2%	-46%	-45%	4%	-12%	-15%	24,450	2,820	115	4%	-12%	-15%	6%
Wuzhou Int'l	7,753	296	38	-5%	-43%	-40%	10%	61%	46%	7,753	296	38	10%	61%	46%	6%
CIFI	12,920	2,211	171	10%	105%	86%	13%	58%	39%	12,920	2,211	171	13%	58%	39%	14%

Source: Company press releases (up to 14 Feb 2013), Credit Suisse. Queries: Charles.c.chang@credit-suisse.com, +852 2101 6036.

Contracted Sales

	2013 as of	2013			2013 YoY			% 2013 tgt	2012				2012 YoY			% 2012 tgt	2011			2011 YoY			% 2011 tgt
		ASP RMBk	RMB bn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm		ASP RMBk	RMB bn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm	ASP RMBk		RMB bn	GFA ksqm	ASP RMB	RMB mn	GFA ksqm		
Ctry Gdn	12/13	6.7	106.0	15.9	7%	123%	109%	171%	6.2	47.6	7.6	(1%)	10%	11%	111%	6.3	43.2	6.9	15%	31%	15%	101%	
Longfor	12/13	11.3	48.1	4.3	19%	20%	1%	105%	9.5	40.1	4.2	(17%)	5%	26%	103%	11.5	38.3	3.3	(15%)	15%	36%	96%	
Agile	12/13	11.6	40.3	3.5	13%	22%	8%	96%	10.2	33.1	3.2	1%	5%	5%	105%	10.1	31.5	3.1	(11%)	(3%)	10%	84%	
Shimao	12/13	12.8	67.1	5.2	14%	46%	28%	129%	11.3	46.1	4.1	(12%)	50%	71%	137%	12.8	30.7	2.4	7%	1%	(6%)	85%	
R&F	12/13	12.5	42.2	3.4	11%	31%	18%	101%	11.2	32.2	2.9	(16%)	7%	27%	101%	13.3	30.0	2.3	2%	(7%)	(9%)	94%	
Gemdale	12/13	12.5	45.0	3.6	5%	32%	25%	132%	11.9	34.2	2.9	(14%)	10%	29%	114%	13.8	30.9	2.2	12%	9%	(2%)	77%	
New Wld Chn	12/13	13.4	17.4	1.3	15%	30%	14%	..	11.7	13.4	1.1	(13%)	6%	21%	..	13.4	12.7	0.9	58%	30%	(18%)	..	
Evergrande	12/13	6.7	100.4	14.9	13%	9%	(4%)	100%	6.0	92.3	15.5	(10%)	15%	27%	115%	6.6	80.4	12.2	3%	59%	55%	115%	
BB median		12.0	46.6	3.9	13%	31%	16%	105%	10.7	37.1	3.7	(13%)	9%	27%	111%	12.2	31.2	2.7	5%	12%	4%	94%	
Franshion	12/13	7.8	21.0	2.7	(7%)	57%	70%	115%	8.4	13.3	1.6	33%	71%	29%	103%	6.3	7.8	1.2	(84%)	6.1x	38x	78%	
Poly	12/13	10.7	26.7	2.5	15%	14%	(0%)	103%	9.3	23.4	2.5	26%	48%	17%	123%	7.4	15.8	2.1	(8%)	39%	50%	..	
Yuexiu	12/13	12.7	14.6	1.2	7%	19%	12%	111%	11.9	12.3	1.0	(20%)	36%	70%	123%	14.9	9.0	0.6	(9%)	2%	12%	99%	
BJ Cap Ld	12/13	10.2	19.6	1.9	33%	48%	11%	98%	7.7	13.3	1.7	(18%)	21%	47%	111%	9.3	11.0	1.2	(11%)	(12%)	(1%)	73%	
Minmetals Ld	12/13	13.4	6.1	0.5	4%	23%	18%	123%	12.8	5.0	0.4	28%	37%	10%	125%	10.0	3.6	0.4	(21%)	36%	72%	..	
Greenld HK	12/13	9.8	3.5	0.4	(6%)	16%	24%	87%	10.5	3.0	0.3	(38%)	(6%)	52%	75%	17.0	3.2	0.2	28%	(50%)	(61%)	40%	
Sh Indus UD	6/13	19.2	3.3	0.2	64%	95%	19%	..	11.0	6.7	0.6	(6%)	142%	158%	..	11.7	2.8	0.2	35%	(49%)	(63%)	..	
Kaisa	12/13	9.8	23.9	2.5	45%	38%	(5%)	109%	6.7	17.3	2.6	(4%)	13%	18%	105%	7.0	15.3	2.2	(40%)	52%	151%	102%	
Greentown	12/13	19.5	32.3	1.7	17%	12%	(4%)	111%	16.7	28.9	1.7	(17%)	24%	50%	137%	20.2	23.3	1.2	6%	(48%)	(51%)	..	
Road King	12/13	10.7	12.2	1.1	14%	28%	12%	..	9.4	9.6	1.0	(0%)	77%	78%	..	9.4	5.4	0.6	8%	(15%)	(21%)	67%	
Shui On	12/13	26.7	16.6	0.6	24%	190%	135%	151%	21.6	5.7	0.3	7%	(46%)	(50%)	48%	20.3	10.7	0.5	(10%)	115%	140%	107%	
China SCE	12/13	10.6	10.8	1.0	18%	80%	52%	144%	9.0	6.0	0.7	1%	32%	30%	150%	8.9	4.6	0.5	20%	27%	5%	91%	
Central China	12/13	6.8	14.0	2.0	5%	35%	30%	111%	6.5	10.3	1.6	7%	27%	19%	115%	6.1	8.1	1.3	24%	48%	19%	111%	
KWG	12/13	13.8	16.3	1.2	5%	34%	27%	102%	13.1	12.2	0.9	6%	7%	1%	102%	12.4	11.4	0.9	9%	4%	(4%)	76%	
Yuzhou	12/13	10.5	11.0	1.0	17%	68%	43%	137%	9.0	6.5	0.7	0%	52%	52%	131%	8.9	4.3	0.5	(35%)	(18%)	26%	66%	
Fantasia	12/13	7.9	10.2	1.3	(6%)	27%	35%	102%	8.3	8.0	1.0	(11%)	14%	29%	111%	9.4	7.0	0.7	(8%)	80%	95%	117%	
Yanlord	9/13	24.0	11.6	0.5	17%	25%	7%	89%	22.5	13.5	0.6	1%	53%	51%	112%	22.2	8.8	0.4	(1%)	(10%)	(9%)	80%	
Hopson	12/13	17.2	11.3	0.7	1%	(2%)	(3%)	75%	17.1	11.5	0.7	16%	19%	3%	96%	14.7	9.7	0.7	(4%)	(10%)	(7%)	49%	
Future Lnd	12/13	9.3	20.6	2.2	2%	28%	19%	103%	9.2	15.9	1.7	(11%)	14%	29%	..	10.3	13.9	1.3	20%	13%	(6%)	..	
Powerlong	12/13	9.5	9.4	1.0	24%	44%	16%	117%	7.6	6.5	0.9	13%	17%	4%	108%	6.8	5.6	0.8	(5%)	(10%)	(6%)	56%	
China S. City	12/13	6.8	13.1	1.9	(32%)	96%	190%	..	10.1	6.7	0.7	(6%)	93%	104%	..	10.7	3.5	0.3	(11%)	197%	233%	..	
Soho China	6/13	53.9	3.0	0.1	9%	(50%)	(54%)	..	51.2	9.5	0.2	(14%)	(13%)	1%	41%	59.4	10.9	0.2	(2%)	(54%)	(53%)	46%	
Lai Fung	6/13	21.4	0.4	0.0	22%	(35%)	(47%)	..	16.3	1.2	0.1	(24%)	52%	100%	..	21.4	0.8	0.0	(19%)	40%	73%	..	
Aoyuan	12/13	9.4	10.0	1.1	49%	91%	28%	134%	6.3	5.3	0.8	(31%)	5%	52%	105%	9.1	5.0	0.6	(15%)	5%	24%	91%	
Sunac	12/13	21.8	50.8	2.3	23%	61%	31%	113%	17.8	31.6	1.8	10%	78%	62%	143%	16.1	17.7	1.1	41%	150%	77%	97%	
Wuzhou Int'l	12/13	7.6	5.2	0.7	(9%)	87%	106%	..	8.3	2.8	0.3	(10%)	31%	45%	..	9.2	2.1	0.2	(24%)	70%	125%	..	
CIFI	12/13	10.7	15.3	1.4	15%	61%	39%	123%	9.3	9.5	1.0	(8%)	75%	90%	175%	10.1	5.5	0.5	9%	(12%)	(19%)	..	
Modern Ld	6/13	9.5	1.7	0.2	24%	112%	71%	..	9.6	2.8	0.3	17%	21%	3%	..	8.2	2.3	0.3	0%	(17%)	(17%)	..	
Mingfa	6/13	9.0	2.6	0.3	29%	69%	31%	..	7.5	5.3	0.7	(3%)	64%	70%	..	7.8	3.3	0.4	(6%)	62%	72%	..	
Xinyuan	6/13	8.2	2.8	0.3	(5%)	5%	11%	..	8.5	5.2	0.6	1%	9%	8%	..	8.4	4.8	0.6	23%	23%	..	..
Glorious	12/13	12.7	7.3	0.6	48%	(33%)	(55%)	66%	8.6	10.9	1.3	1%	(18%)	(19%)	84%	8.5	13.3	1.6	(23%)	5%	36%	89%	
Chn Prp Grp	6/13	4.2	0.0	0.0	3%	(74%)	(75%)	..	3.6	0.1	0.0	0%	(67%)	(67%)	..	3.6	0.3	0.1	(79%)	(83%)	(21%)	..	
Renhe	6/13	19.1	0.0	0.0	..	..	..	..	20.0	0.3	0.0	(18%)	(86%)	(83%)	..	24.3	1.9	0.1	33%	(67%)	(75%)	19%
B median		10.6	11.0	1.0	15%	35%	19%	111%	9.3	8.0	0.7	(0%)	24%	29%	111%	9.4	5.6	0.6	(5%)	4%	5%	79%	
Median all		10.7	13.1	1.2	14%	32%	18%	111%	9.5	10.3	1.0	(4%)	19%	29%	111%	10.1	8.8	0.7	(2%)	5%	5%	85%	
Aveage all		13.2	21.3	2.1	14%	39%	25%	112%	11.8	16.1	1.8	(4%)	24%	31%	111%	12.6	13.4	1.4	(2%)	16%	23%	82%	

Source: Company reports, Credit Suisse. Queries: Charles.c.chang@credit-suisse.com, +852 2101 6036.

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