

CHINA CONSUMER

Implications on consumption from housing price stabilization in Tier-1 cities: recovery not yet broad-based, but selective beneficiaries emerge

We have received investor inquiries about the implications for the China consumer space from a more constructive view on property prices. Our GS China property team expects that Shanghai (SH) and Shenzhen (SZ) will lead a national housing recovery, and they have identified another 15 cities beyond SH/SZ that are likely to follow a similar trajectory. In this report, we focus primarily on consumption in Tier 1 cities, where property markets are showing signs of stabilization, while recognizing that a broader recovery would unlock greater upside for consumption overall. In conclusion, **we do not yet expect a broad-based consumption recovery in China, but selective sub-sectors/companies could benefit from the wealth effect, such as high-end shopping mall operators, luxury/premium brands, and Macau Gaming.** These areas have already outperformed the broader consumption trends in the past few quarters, supported partly by the stock market rally.

For further upside in China consumption demand, we believe broad-based nationwide housing price stabilization will be required. More importantly, stronger household income growth and sustained improvement in consumer confidence would be needed to bring down the savings rate. Meanwhile, the latest announcement of the Urban Renewal Plan for the 15th FYP could support housing demand, with roughly Rmb4-5tn of incremental investment vs. the 14th Five-Year Plan. At this stage, stabilization in Tier 1 property prices is likely to benefit only a relatively small cohort. However, if property price stabilization broadens in a way that supports income growth and lifts consumer confidence, thereby reducing the savings rate, our sensitivity analysis suggests that **every 1ppt increase in income growth or 1ppt decline in the savings rate could add 1.1ppt/1.6ppt to consumption growth (versus our base case of 5.5% in 2026E).**

In this report, we assess the potential spillover effects of housing price reflation in select higher-tier cities and **outline a roadmap for navigating the consumer sub-sectors most likely to benefit by addressing four key questions:**

1. Where are we now? China's tier-1 cities and the selected tier-2 cities (17 in total) account for **nearly 20% of the national population, 30% of total GDP/retail sales, and 43% of new home sales value.** Our property team forecasts a 15% increase in property prices in Shanghai and Shenzhen from end-2025 through 2028, and April data suggest this momentum is building. We also observe that retail sales in Tier 1 cities outperformed the national average in 4Q25 and 1Q26 after lagging since

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3Q23, although the trend softened in April, with sales in BJ/SZ falling below the national average.

2. What are the channels through which property market affects consumption? We believe the wealth effect at the high-end market, alongside improving consumer confidence, will be the most relevant consumption channel of housing reflation in Shanghai and Shenzhen. By contrast, the income effect, a key driver of consumption, appears less relevant in this cycle than in previous ones.

3. What do historical housing cycles teach us? A US case study (2007–2016) showed the following recovery sequence across selected consumer spending categories: 1) F&B, food service and pets remained highly resilient; 2) travel/apparel/cosmetics recovered next as consumer sentiment stabilized; **3) high-ticket discretionary categories (gambling, autos, jewelry) rebounded only after housing prices bottomed, as the wealth effect began to play;** and 4) major appliances and furniture lagged the price bottom by several years, waiting for actual transaction volumes to normalize. Furthermore, recent Hong Kong data also demonstrated a tangible positive correlation between local consumption (**e.g., led by 3C products, jewelry, autos, apparel**) and housing price recoveries, with a lag of one to two quarters.

4. Which sub-sectors could potentially benefit from housing reflation in higher-tier cities? Through the wealth-effect channel, we believe luxury/premium brands, high-end shopping malls, and Macau gaming could be the most relevant beneficiaries. These categories have outperformed broader consumption trends since 2H25, supported partly by the wealth effect from the stock market. A more broad-based nationwide housing price stabilization could further support the growth. **On our stock ideas within our Greater China coverage,** we highlight Maogeping, CR Land, Anta (as a proxy for Descente, Kolon, and Amer Sports), Galaxy, Swire Properties, Sands China, CR Mixc Lifestyle, Laopu Gold, MGM China, Hang Lung Properties.

Related research

[China Property: Positioning ahead \(No.2\): Share rally - what's priced in](#)

[China Property: Positioning ahead of Tier-1 cities turnaround](#)

[China Consumer: Pulse Check: 1Q26/Post-holiday tour wrap-up: Deceleration post the healthy CNY; eyes on pricing stabilization and cost risks](#)

[China Consumer Dashboard: 2026Q1: Household spending showed divergence](#)

[China Consumer: Assessing potential impact from property market downturn](#)

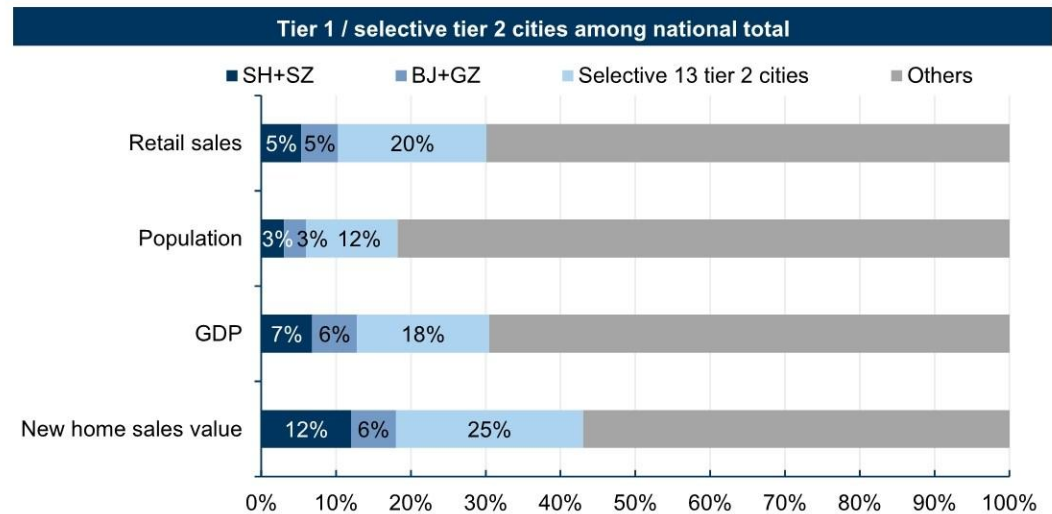
Where we are now

We have received investor inquiries about the implications for the China consumer space from a more constructive view on property prices. Our GS China property team expects that Shanghai (SH) and Shenzhen (SZ) will lead a national housing recovery, and they have identified another 15 cities beyond SH/SZ that are likely to follow a similar trajectory. For context, **the leading cities in China (SH/SZ plus the selected 15 cities) account for nearly 20% of the national population, 30% of total GDP/retail sales,**

and 43% of new home sales value. While this points to a relatively narrow sub-population that is unlikely to meaningfully bolster household consumption at the macro level, we view these markets as strategically important, given their stronger purchasing power, greater exposure to premium categories, and leading influence on broader consumption and brand trends nationwide.

Exhibit 1: SH/SZ plus the leading 15 cities account for nearly 20% of China's national population, 30% of total GDP/retail sales, and 43% of new home sales value

Share of national population, GDP, retail sales, and new home sales value contributed by the SH/SZ and the leading cities



Note: Primary housing sales data as of 2024, other data as of 2025

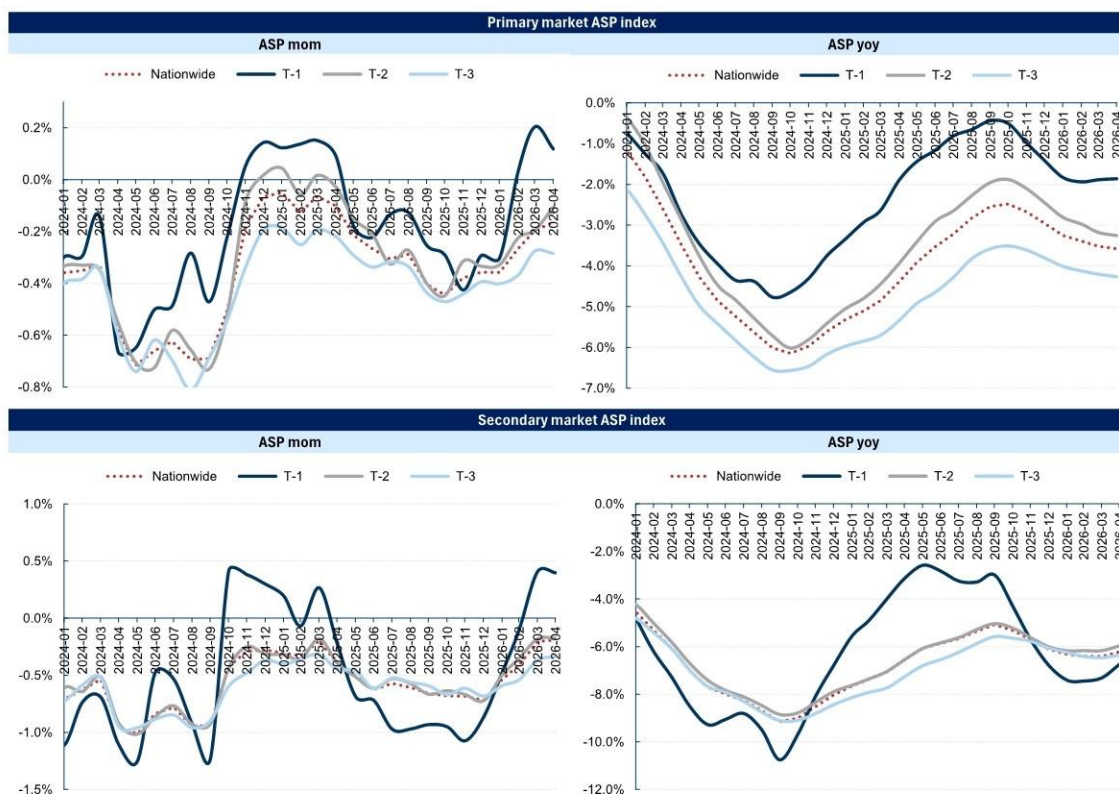
Source: NBS, Data compiled by Goldman Sachs Global Investment Research

Our GS property team expects Shanghai (SH) and Shenzhen (SZ) to lead China's national housing recovery, forecasting a 15% increase in property prices in these two cities from the end of 2025 through 2028. This will be driven by an inflow of talent (e.g., increase in Hukou approvals under talent schemes in 2023-24), growth in high-value-added sectors (i.e., software and information technology and finance), and a potential wealth effect from rebounding stock markets. Moreover, our GS property team has identified another 15 cities, in addition to Shanghai and Shenzhen, that are likely to follow a similar recovery trajectory.

Recent Apr data (Exhibit 2) also indicate that property ASPs have strengthened further. Tier 1 cities continue to post solid performance, with primary/secondary ASPs at +0.1%/+0.4% mom, the third and second consecutive months of positive mom growth, respectively. Our property team expects the recovery momentum in Tier 1 cities to extend into May.

Exhibit 2: Primary/secondary ASPs increased +0.1%/+0.4% mom in April, marking the 3rd/2nd consecutive months of positive growth, respectively

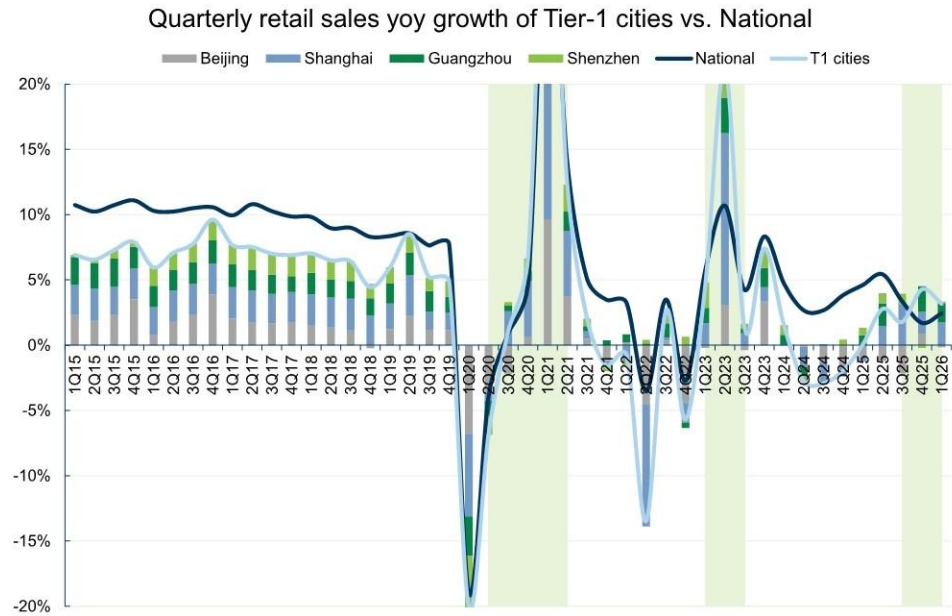
NBS 70-city indices for primary and secondary property prices



Source: NBS

Tier-1 cities **outperformed national retail sales growth during 4Q25 to 1Q26** ([Exhibit 4](#)), reversing the broad-based weaker trend seen during 3Q23-3Q25, although momentum softened somewhat in April-26. A more detailed analysis -shows that Beijing was the main drag among the Tier 1 cities, with retail sales of -2.9% yoy in 2025, well below +3.7% yoy growth nationally, mainly due to weakness in autos, petroleum and related products and telecom equipment. Excluding these categories however, ([Exhibit 7](#)), retail sales growth in Beijing was *positive* +3.7% yoy in 2025, compared with national growth of +4.5% yoy. Retail sales in Tier 1 cities has a positive correlation with income growth, housing prices and stock market capitalization growth, with income growth showing the strongest correlation ([Exhibit 5](#)).

Exhibit 3: Tier-1 cities outperformed national retail sales growth during 4Q25 to 1Q26...
Quarterly yoy retail sales growth in Tier-1 cities vs. the national average

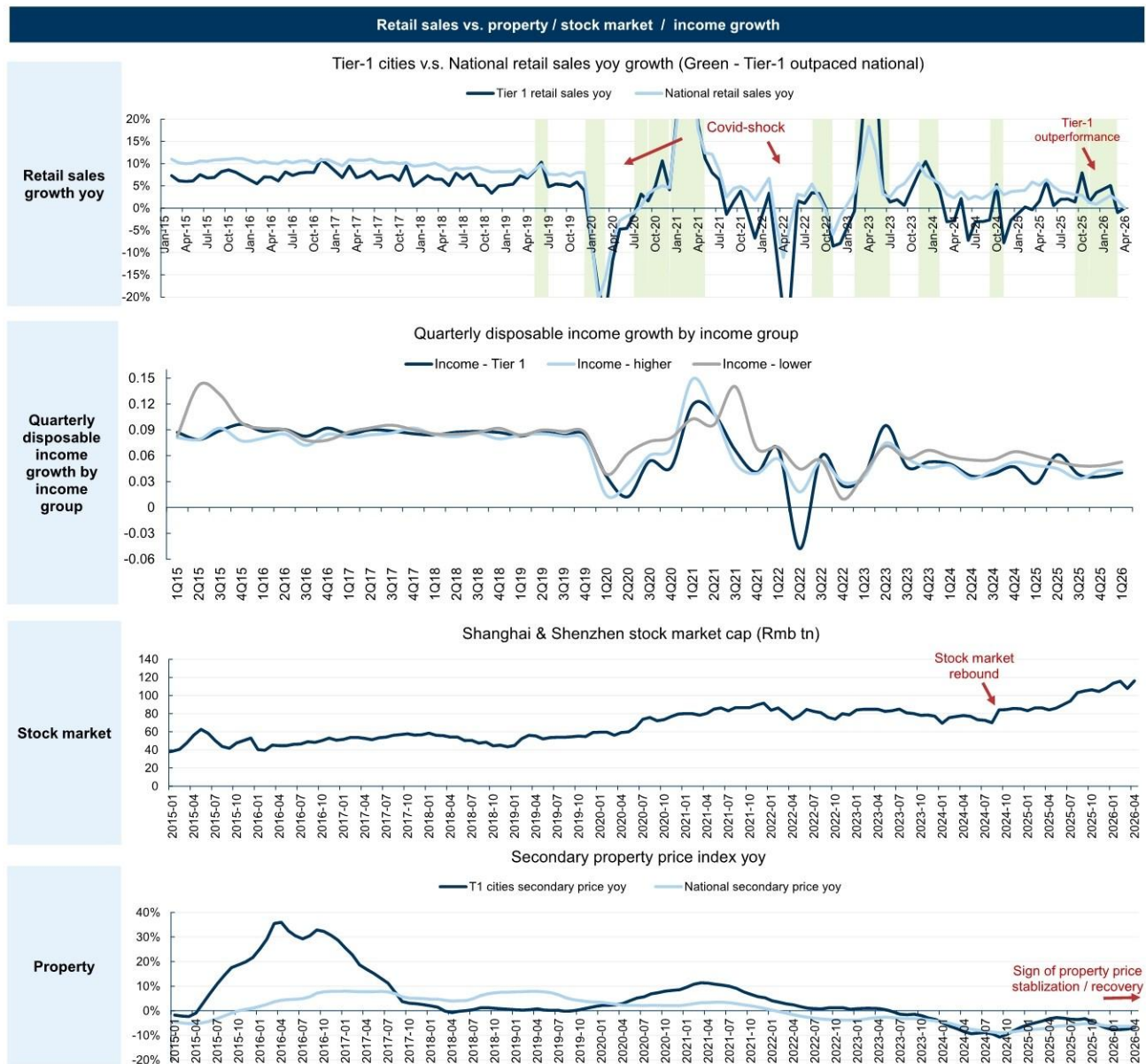


Note: The shaded green area indicates periods when retail sales growth in Tier-1 cities outpaced the national level

Source: NBS, Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 4: ...though the April trend moderated, with retail sales growth in Beijing and Shanghai lagging the national level, while property prices began to show positive signs

Retail sales growth in Tier 1 cities compared with trends in property prices, stock market capitalization, and income growth

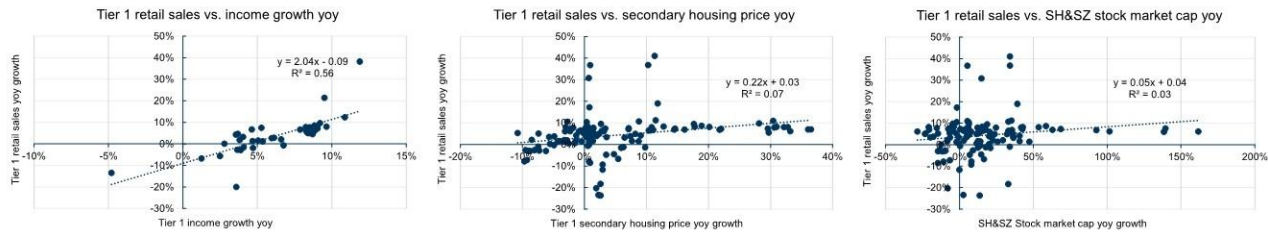


Note: April Tier 1 city data include only retail sales in Beijing and Shanghai. Higher-income and lower-income groups are based on selected provinces

Source: NBS, Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 5: Retail sales in Tier 1 cities have a positive correlation with income growth, housing prices, and stock market capitalization growth, with income growth showing the strongest correlation

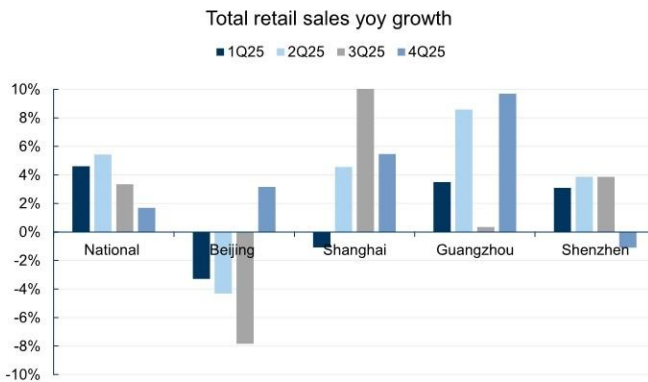
Correlation of retail sales growth in Tier 1 cities with income growth, housing prices, and stock market capitalization growth



Source: NBS, Wind, Data compiled by Goldman Sachs Global Investment Research

Exhibit 6: Sales growth in Tier-1 cities was mainly dragged down by Beijing in 2025

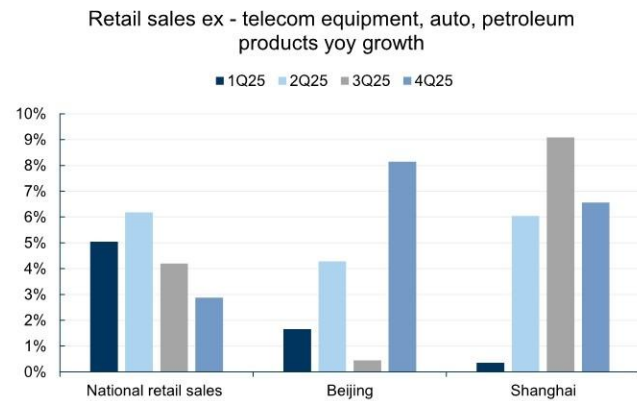
YoY retail sales growth in Tier-1 cities compared with the national average



Source: NBS, Data compiled by Goldman Sachs Global Investment Research

Exhibit 7: Beijing retail sales was positive in 2025 turned after excluding the key drags—telecom equipment, autos, and petroleum products

YoY retail sales growth excluding telecom equipment, autos, and petroleum products in Beijing and Shanghai versus the national average



Source: NBS, Data compiled by Goldman Sachs Global Investment Research

Modest wealth effects likely to be the main transmission channel from housing price reflation, rather than a broad-based consumption recovery

We believe the wealth effect at the high-end market, alongside improving consumer confidence, will be the most relevant consumption channel of housing reflation in Shanghai and Shenzhen. By contrast, the income effect, a key driver of consumption, appears less relevant in this cycle than in previous ones. We previously decomposed the drivers of China consumption and household discretionary cash flow into disposable income, debt service and borrowing, the savings rate, and investment exposure (property and financial assets). Among these, we continue to view wage growth, labor market conditions, and the savings rate, which reflects consumer confidence, as the most important determinants of consumption. After revisiting the various channels through which the property market affects consumption (see our prior analysis of the property downturn) and assessing how each is operating in China today, we conclude that **a broad-based rebound in consumption remains difficult, given the still-muted outlook for income growth and the labor market, and the fact that housing price reflation is not directly tied to income.** That said, because higher property prices can generate modest wealth effects and improve consumer confidence, as discussed below, select categories, particularly at the higher end, are more likely to benefit depending on how broad the housing price recovery becomes.

Exhibit 8: Our illustrative scenario analysis suggests upside to consumption growth, depending on the breadth and magnitude of the housing price recovery

		2026E	2027E		2026E	2027E
Consumption nominal yoy growth		5.5%	5.5%		5.5%	5.5%
Upside Scenarios	Housing price boost to consumption growth rate (in pp.)			Housing price boost to consumption growth rate (in pp.)		
Scenario 1: SH+SZ in 2026E	1.7%	5.6%	5.5%	2.7%	5.6%	5.5%
Scenario 2: SH+SZ in 2026E, BJ/GZ in 2027E	1.7%	5.6%	5.6%	2.7%	5.6%	5.6%
Scenario 3: SH+SZ in 2026E, other 15 leading cities in 2027E	1.7%	5.6%	5.9%	2.7%	5.6%	6.2%

Note: The 1.7pp boost is benchmarked to the acceleration in Tier 1 city retail sales growth in 2H25 versus 1H25, while the 2.7pp boost is benchmarked to the acceleration in Shanghai and Shenzhen retail sales growth over the same period.

Source: NBS, Goldman Sachs Global Investment Research

We outline the key transmission channels below:

Impact 1: High-end wealth effects and consumer confidence remain the most relevant channels

We estimate that the direct uplift from the wealth effect is modest and concentrated in select high-end discretionary sub-sectors. Based on the GS macro team's prior research using nationwide data, **the wealth effect of housing prices on consumption is modest: a 1 percentage point increase in housing prices raises retail sales by 0.09 percentage points with a one-year lag (Exhibit 9).** In other words, each additional yuan of property value lifts annual retail sales by about Rmb 0.02. The team also notes that mortgage equity withdrawal (MEW) is not widely used in China, unlike in the US, suggesting this channel is more psychological than cash-flow based. As a result, home

price reflation is more likely to support select premium sectors through a modest wealth effect than to drive a broad cyclical rebound in mass-market consumption. As a reference point, the China Household Wealth and Consumption Report 2026Q1 ([Exhibit 10](#)) suggests that stabilizing home prices could help boost consumption. According to the survey, household consumption per capita generally rises with the number of properties owned, while a recovery in housing price stability could help lift consumer spending.

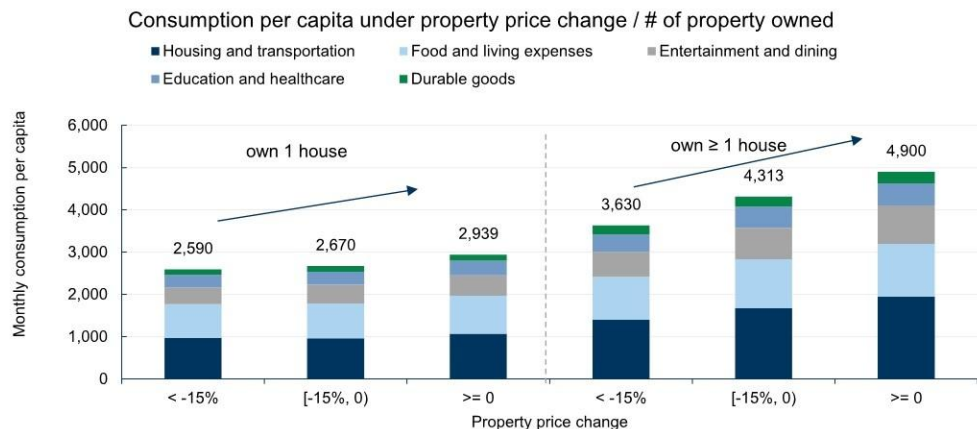
Exhibit 9: The housing wealth effect on consumption is modest, but more pronounced than the equity wealth effect

Dependent variable=Year-over-year growth of retail sales		
Yoy change in house price (4-quarter lag)	0.14*** (3.7)	0.09*** (3.1)
Yoy change in equity market cap*equity ownership (2-quarter lag)	0.003*** (5.4)	0.002* (1.9)
Sample period	2007 Q1-2025 Q3 (exluding Covid period)	2015 Q1-2025 Q3 (exluding Covid period)
Number of observations	1423	568
Number of provinces	19	19
Adjusted R-squared	0.09	0.18
Province fixed effect	Yes	
Note: t-stats in the parenthesis are based on standard errors adjusted for heteroskedasticity and serial correlation; *refers to statistically significant level at 10%, ** 5% and ***1%.		

Source: NBS, AMAC, Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 10: Stabilizing housing prices could help boost household consumption

Household consumption per capita by number of properties owned and by changes in property prices

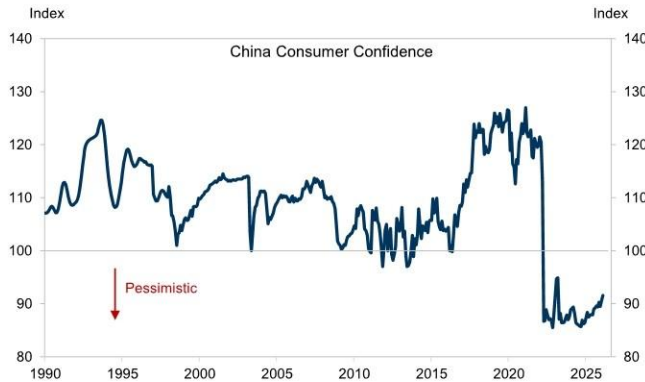


Note: Property price changes are based on 2024 prices versus 2021 prices in the respective cities

Source: China Household Wealth and Consumption Report 2026Q1

Meanwhile, consumer confidence has historically shown a strong correlation with households' expectations for future property prices ([Exhibit 12](#)), although this relationship has weakened somewhat in recent years, with the Covid shutdown and reopening period acting as one distorting factor. We also note that Morning Consult survey data suggest consumer confidence picked up meaningfully in April and May. In addition, the survey indicates that older and higher-income groups have shown stronger sentiment than other demographic groups in recent years. If stabilizing housing prices improves consumer confidence and lowers the savings rate, it could provide upside to consumption.

Exhibit 11: The NBS consumer confidence index has been gradually increasing since early 2025



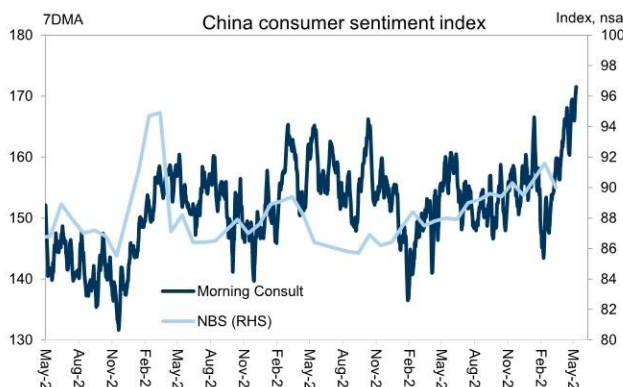
Source: NBS

Exhibit 12: Consumer confidence has historically been correlated with housing price expectations



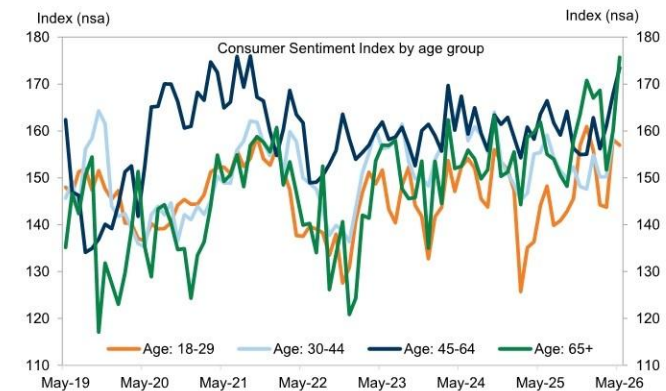
Source: PBOC, NBS

Exhibit 13: Morning Consult consumer confidence has continued to improve in recent weeks



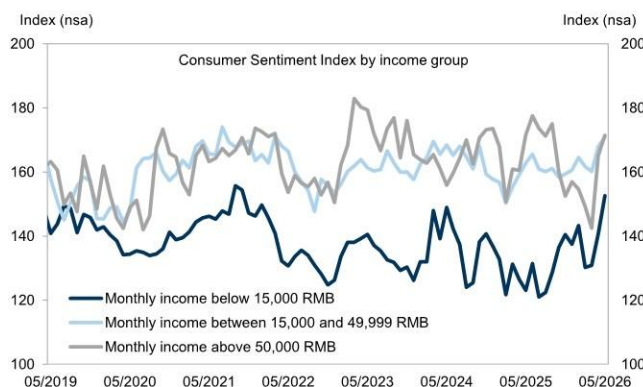
Source: Haver Analytics, Morning Consult

Exhibit 14: Younger consumers have shown weaker sentiment than older age groups since 2023



Source: Morning Consult

Exhibit 15: Higher-income groups have shown stronger consumer sentiment than lower-income groups



Source: Morning Consult

Exhibit 16: If stabilizing housing prices lowers the savings rate, it could provide upside to consumption

Sensitivity table on saving rate & wage growth impacts on consumption

2026E consumption yoy growth						
Saving rate	Wage growth					
		3.7%	4.7%	5.7%	6.7%	7.7%
	-29%	0.3%	1.3%	2.4%	3.4%	4.5%
	-28%	1.8%	2.9%	3.9%	5.0%	6.1%
	-27%	3.3%	4.4%	5.5%	6.6%	7.7%
	-26%	4.9%	6.0%	7.1%	8.1%	9.2%
	-25%	6.4%	7.5%	8.6%	9.7%	10.8%
2027E consumption yoy growth						
Saving rate	Wage growth					
		3.5%	4.5%	5.5%	6.5%	7.5%
	-32%	0.4%	1.4%	2.4%	3.4%	4.4%
	-31%	1.9%	2.9%	3.9%	5.0%	6.0%
	-30%	3.4%	4.5%	5.5%	6.5%	7.6%
	-29%	5.0%	6.0%	7.1%	8.1%	9.1%
	-28%	6.5%	7.6%	8.6%	9.7%	10.7%

Source: Goldman Sachs Global Investment Research

Impact 2: Income effects appear less relevant in this cycle

We believe housing reflation in higher-tier cities will have a broadly neutral effect

on income growth. As we highlighted previously in our analysis of the property downturn, household cash flow, and income in particular, has a larger effect on consumption in China than wealth effects do, consistent with the macro team's earlier research.

- In the previous property downturn, the negative income effect from property-related employment and wages on household disposable income was a key drag on consumption, but this channel now appears weaker.
- Public-sector wage stability in Shanghai and Shenzhen has largely decoupled from land finance. These cities already have some of the strongest local fiscal positions. The net national fiscal relief from this channel is therefore limited, as Shanghai and Shenzhen are not the cities most exposed to fiscal stress. The cities facing the greatest fiscal drag are **outside** the footprint of the property team's call, namely Tier-2 manufacturing cities, central China provincial capitals, and lower-tier cities with high dependence on land-related revenue.

Separately, the overall labor market showed modest signs of weakening in 1Q26, implying that a broad-based consumption boost still appears some way off. The GS revamped wage tracker suggests urban wage growth slowed to 4.3% yoy in 1Q26, from 4.6% yoy in 4Q last year.

Impact 3: Transactions and completions matter, but the effect is likely to lag

Transactions and completions matter mainly for home-related consumption, such as home appliances, furniture, and decorations. However, the transmission is likely to lag and is less directly linked to home prices, as it depends more on actual housing transactions, renovation demand, and property completions. We also note that the trade-in policy may be front-loading some demand. As a result, we expect the impact to come through with a lag and to depend more on transactions and completions than on prices alone.

Impact 4: Need to watch out for the crowding-out effect if pricing surprises to the upside

While the GS property team's base-case estimates do not assume a sharp increase in prices in Shanghai and Shenzhen, we note that rising property prices have historically created a negative crowding-out effect on consumption. The GS macro team analyzed how the net impact of rising house prices on household consumption appears to have been negative since 2017, as the negative effect — namely, higher house prices leading households to save more for future home purchases — appears to have outweighed the positive wealth effect. Household consumption growth in China has been lackluster since 2017, despite robust disposable income growth, a marked improvement in consumer confidence, and strong growth in consumer credit.

Case studies into sector performance during historical housing cycles

In this section, we examine consumer spending patterns across historical housing price cycles in the more mature US and Hong Kong markets, which may offer useful reference points for mainland China, where there has historically been no clear

playbook. In China, during the 2016-18 housing upcycle, no sector saw standout acceleration in retail sales (Exhibit 17). We believe this likely reflected subdued discretionary cash flow growth, as housing prices were driven more by rising household debt than by accelerating income growth.

Exhibit 17: In China's 2016-18 housing upcycle, no sector saw standout acceleration

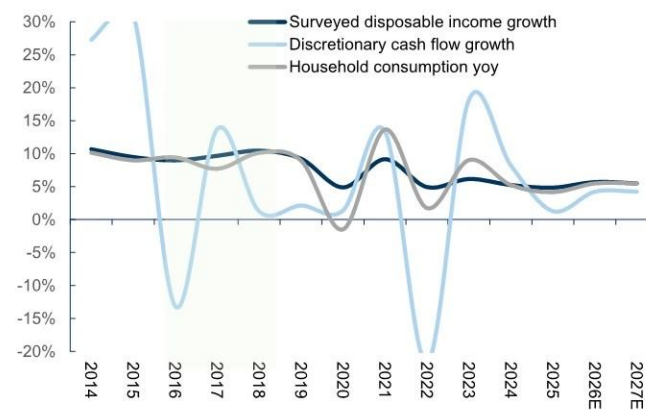
Monthly yoy growth in China retail sales by category vs. property price and volume growth

	Average housing price (70 city avg)	Total GFA sold	Residential GFA completed	Total Retail Sales	F&B, Tobacco & Liquor*	Clothing, Shoes, Hats & Textile*	Cosmetics*	Jewelry*	Telecom Equipment*	Appliances*	Catering
Avg yoy growth rate	Average housing price (70 city avg)	Total GFA sold	Residential GFA completed	Total Retail Sales	F&B, Tobacco & Liquor*	Clothing, Shoes, Hats & Textile*	Cosmetics*	Jewelry*	Telecom Equipment*	Appliances*	Catering
2012-18	4.5%	8.0%	0.4%	11.4%	12.6%	10.7%	11.5%	9.4%	20.5%	10.0%	10.7%
Jan12-Sep13	2.2%	11.8%	7.2%	13.7%	16.3%	16.2%	15.2%	22.9%	23.8%	10.8%	11.6%
Oct13-Apr15	2.4%	-4.2%	1.9%	12.0%	12.0%	10.9%	10.7%	4.2%	33.3%	10.8%	10.0%
May15-Dec15	-1.6%	11.2%	-5.2%	10.8%	16.2%	9.6%	8.4%	8.7%	28.4%	10.9%	11.9%
Jan16-Jun17	10.2%	21.7%	4.9%	10.5%	10.9%	7.1%	9.0%	2.5%	11.0%	9.4%	10.9%
Jul17-Dec18	6.5%	1.6%	-10.4%	9.4%	9.1%	8.2%	11.8%	6.6%	9.3%	8.6%	9.8%

Note: Based on the simple average of monthly growth rates

Source: NBS

Exhibit 18: Discretionary cash flow growth remained subdued during the 2016-18 housing rally, as higher home prices were driven more by rising household debt than by faster income growth



Note: The green shaded area shows the period when DCF growth dropped sharply from previous level

Source: NBS, Goldman Sachs Global Investment Research

US case study: Consumer sub-sector performance over 2007-2016 housing cycle

We examine the 2007-2016 US housing cycle to assess its impact on consumer behavior.

Based on the S&P/Case-Shiller US National Home Price Index, housing prices began to roll over in 2006-07 and fell more sharply through 2008-09 alongside the financial crisis. Prices remained depressed through 2011-12 during the prolonged trough, even as broader consumer activity began to recover from recession lows in late 2009. The housing market did not fully recover to its 2006-07 peak until around 2016-17. Notably, the US experience reflected not only the housing cycle, but also the effects of the financial crisis on employment, credit, and household balance sheets. **We then examine shifts in wallet share and per-capita spending by category through the cycle.** For this analysis, we use the 2007 average as the pre-cycle baseline, 2009 as the trough year for consumer activity (which lagged the housing peak by roughly two years and was driven primarily by the financial crisis), and define the 1Q2012 housing price trough as T=0. Our analysis suggests the recovery sequence can be broadly

grouped into four batches:

- **First batch:** the most defensive sub-sectors, all of which remained within 4% of their 2007 baseline in both wallet share and per-capita spending. This group includes most **food and beverage** categories (with spirits and beer relatively less defensive than the rest), **food service** (with full-service restaurants relatively less defensive than QSR), **pharma, pets, games & toys, education, and small appliances**.
- **Second batch:** the confidence-led recovery group, which rebounded from late 2009 to 1Q2012 (i.e., T-12q to T=0). Key categories include travel and smaller-ticket discretionary items: **air travel/foreign travel > hotels > apparel > cosmetics**.
- **Third batch:** categories that recovered after the housing price trough (i.e., from T=0 onward). This group consists mainly of larger-ticket discretionary items, where the wealth effect appears more relevant: **gambling > autos > jewelry & watches >> other big-ticket “toys” (e.g., pleasure boats)**.
- **Fourth batch:** categories whose recovery lagged further (T+4q and beyond), as they appeared to require normalization in both housing prices and, more importantly, transaction volumes. **Major appliances > furniture**. Furniture wallet share continued to decline through 2014 and only began to re-accelerate in 2014-15, roughly two years after the housing price trough, when transaction volumes normalized.

Exhibit 19: We use the 2007 average as the pre-cycle baseline and define the 1Q2012 housing price trough as T=0; the market did not fully recover to its 2006-07 peak until around 2016-17



Source: FRED

Exhibit 20: Our analysis suggests the recovery sequence can be broadly grouped into four batches

Changes in wallet share and per-capita spending across selected categories during the 2007-2016 US housing cycle

Sub-sector	Pattern	Wallet share% baseline (2007 avg.)	Wallet share trough qtr	Wallet share trough level	Trough level decline vs 2007 avg.	Wallet share recov qtr	Spending trough qtr	Trough level decline vs 2007 avg.	Spending level recov qtr
DG: Furniture & Household Equip (FH)	Batch 4	2.9	2012-Q4	2.3	-21%	Not recovered	2009-Q4	-19%	2016-Q1
DG: FH: Furniture & Furnishings (FF)	Batch 4	1.8	2011-Q3	1.3	-24%	Not recovered	2009-Q4	-22%	2016-Q1
DG: FH: Household Appliances (HA)	Batch 4	0.5	2011-Q1	0.4	-12%	Not recovered	2009-Q4	-11%	2013-Q1
DG: FH: HA: Major	Batch 4	0.4	2011-Q1	0.4	-15%	Not recovered	2009-Q4	-13%	2014-Q2
DG: FH: HA: Small Electric	Batch 1	0.1	No decline	0.1	-2%	No decline	No decline	+0%	No decline
DG: FH: Tools & Equip for House & Garden (TE)	Batch 2	0.2	2009-Q4	0.2	-9%	2011-Q3	2009-Q4	-9%	2011-Q2
DG: Motor Vehicles & Parts (MV)	Batch 3	4.1	2008-Q4	3.0	-27%	Not recovered	2008-Q4	-27%	2014-Q1
DG: MV: New Motor Vehicles	Batch 3	2.4	2008-Q4	1.5	-38%	Not recovered	2008-Q4	-38%	2012-Q4
DG: MV: Net Purchased of Used Motor Vehicles	Batch 3	1.1	2012-Q1	0.9	-25%	2017-Q4	2011-Q4	-20%	2014-Q4
DG: RV: SR: Pleasure Boats, Aircraft & Other (PA)	Batch 3	0.4	2010-Q1	0.2	-42%	Not recovered	2010-Q1	-41%	2017-Q1
DG: OD: Jewelry & Watches	Batch 3	0.7	2010-Q3	0.6	-15%	Not recovered	2009-Q1	-15%	2013-Q1
DG: OD: Luggage & Similar Personal Items	Batch 2	0.2	2008-Q4	0.2	-7%	2011-Q3	2009-Q1	-8%	2010-Q4
NG: Food & Bev Purchased for Off Premises Consumption	Batch 1	7.6	No decline	7.6	+0%	No decline	No decline	+2%	No decline
NG: Food & Nonalcoholic Purchased for Off Premise (FNB)	Batch 1	6.5	No decline	6.5	+0%	No decline	No decline	+3%	No decline
NG: FNB: Food Purchased for Off Premises Consumption (OC)	Batch 1	5.7	No decline	5.7	+1%	No decline	No decline	+3%	No decline
NG: FNB: NB: Coffee, Tea & Other Beverage Materials	Batch 1	0.1	No decline	0.1	+4%	No decline	No decline	+6%	No decline
NG: Alcoholic Bev Purchased for Off Premises (AB)	Batch 1	1.0	No decline	1.0	-3%	No decline	No decline	-1%	No decline
NG: AB: Spirits	Batch 1	0.2	2012-Q3	0.2	-5%	Not recovered	No decline	-2%	No decline
NG: AB: Wine	Batch 1	0.3	No decline	0.3	-1%	No decline	No decline	+1%	No decline
NG: AB: Beer	Batch 1	0.5	2012-Q4	0.5	-7%	Not recovered	No decline	-3%	No decline
NG: Clothing & Footwear	Batch 2	3.3	2009-Q4	3.1	-8%	Not recovered	2009-Q2	-8%	2011-Q4
NG: Others	Batch 1	7.9	No decline	7.8	-2%	No decline	No decline	+0%	No decline
NG: Others: Pharmaceutical & Other Medical Pdts (PM)	Batch 1	3.0	No decline	3.0	-1%	No decline	No decline	+1%	No decline
NG: Others: Recreational Items (RI)	Batch 1	1.3	No decline	1.3	-2%	No decline	No decline	-2%	No decline
NG: Others: RI: Games, Toys & Hobbies	Batch 1	0.5	No decline	0.5	-0%	No decline	No decline	+2%	No decline
NG: Others: RI: Pets & Related Pdts	Batch 1	0.4	No decline	0.4	+0%	No decline	No decline	+2%	No decline
NG: Others: PC: Cosmetic, Perfumes Prep & Implements	Batch 2	0.4	2011-Q4	0.4	-7%	Not recovered	2009-Q3	-6%	2012-Q1
NG: Others: Tobacco	Batch 1	0.9	2008-Q1	0.8	-5%	2009-Q1	No decline	-3%	No decline
SE: TR: Road	Batch 1	0.3	2010-Q2	0.3	-3%	2011-Q1	No decline	-1%	No decline
SE: TR: Air	Batch 1	0.6	2009-Q2	0.6	-4%	2009-Q4	2009-Q2	-5%	2009-Q4
SE: Recreation (RC)	Batch 1	3.9	No decline	3.8	-2%	No decline	No decline	+0%	No decline
SE: RC: Clubs, Sports Centers, Parks, Theater & Museums	Batch 1	1.4	2011-Q4	1.3	-5%	2012-Q4	No decline	-1%	No decline
SE: RC: Gambling	Batch 3	1.1	2012-Q2	1.0	-8%	Not recovered	2009-Q4	-6%	2012-Q1
SE: Food Services & Accommodations (FA)	Batch 1	6.2	No decline	6.1	-1%	No decline	No decline	-0%	No decline
SE: FA: Food Services (FS)	Batch 1	5.2	No decline	5.2	-1%	No decline	No decline	-0%	No decline
SE: FA: FS: Meals at Limited Service Eating Place	Batch 1	2.1	No decline	2.1	-0%	No decline	No decline	+1%	No decline
SE: FA: FS: Meals at Other Eating Places	Batch 1	2.1	2010-Q4	2.0	-4%	2012-Q4	No decline	-4%	No decline
SE: FA: Accommodations: Hotels & Motels	Batch 2	0.7	2009-Q4	0.7	-8%	2012-Q2	2009-Q2	-8%	2011-Q2
SE: Other: Education Services (ES)	Batch 1	2.0	No decline	2.0	+1%	No decline	No decline	+3%	No decline
SE: Foreign Travel By US Residents (FTU)	Batch 2	1.1	2009-Q2	1.0	-5%	2009-Q4	2009-Q2	-6%	2009-Q4

Source: US Bureau of Economic Analysis (BEA), Goldman Sachs Global Investment Research

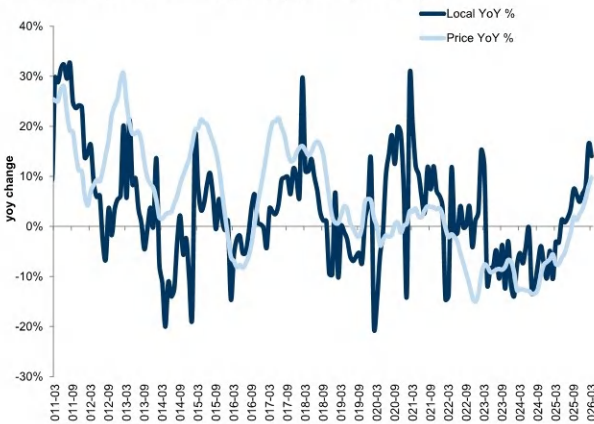
Hong Kong case study: Local consumption shows tangible correlation with housing prices

Our Asia travel, leisure, and conglomerates team highlighted that Hong Kong housing prices have been rebounding since Sep-2025 and that the recovery has continued YTD. The team also noted that, as in prior cycles, the wealth effects of a housing market recovery should support local spending, which has already begun to recover since mid-last year. They estimate that the residential market tends to lead retail sales by roughly 1-2 quarters, partly reflecting the wealth effect, although other factors also play a role. **Our analysis shows a meaningful positive correlation between yoy growth in local consumption and yoy growth in HK housing prices (Exhibit 21).** At the category level, we use retail sales data, as it is difficult to separate local from tourism spending within each category. Over the past few quarters, we have seen meaningful acceleration in retail sales growth for 3C products and other consumer durables (partly supported by the iPhone 18 launch), jewelry and watches (partly supported by gold prices), and apparel and footwear.

Exhibit 21: Hong Kong local consumption shows a positive correlation with housing prices

YoY growth in Hong Kong local consumption vs. housing prices

HK local consumption vs. housing price yoy growth (2010-2026)



Correlation: HK local consumption vs. housing price yoy growth (2010-2026)



We estimate Hong Kong local consumption as total retail sales less estimated monthly tourism spending; in the scatter chart, darker colors represent more recent years

Source: HK C&SD, HK RVD, Goldman Sachs Global Investment Research

Exhibit 22: In recent quarters, Hong Kong retail sales growth has accelerated meaningfully in 3C products, autos, jewelry and watches, and apparel and footwear

HK monthly retail sales yoy growth by category

	Total Retail Sales	Food, Liquor & Tobacco	Supermarkets	Fuels	Clothing/footwear	Electrical & other Consumer durables	Furniture	Autos	Department stores	Jewelry & Watches	Cosmetics / drugs	others
Jan/Feb-25	(7.8%)	0.6%	(4.4%)	(8.4%)	(6.3%)	(5.3%)	(25.6%)	(50.0%)	(9.9%)	(15.8%)	0.5%	(3.4%)
Mar-25	(3.5%)	7.8%	5.2%	(3.9%)	(10.4%)	6.8%	(17.3%)	(46.4%)	(5.0%)	(3.4%)	1.2%	0.2%
Apr-25	(2.3%)	3.1%	(2.4%)	(12.5%)	(5.5%)	1.6%	(16.7%)	(53.4%)	1.9%	(1.7%)	7.3%	11.8%
May-25	2.4%	2.8%	1.3%	(6.9%)	0.3%	0.9%	(12.0%)	2.7%	6.3%	(3.2%)	8.7%	7.1%
Jun-25	0.7%	(1.5%)	0.4%	(8.7%)	(4.6%)	(9.3%)	(16.3%)	(6.0%)	5.5%	6.9%	6.0%	5.4%
Jul-25	1.8%	3.1%	0.2%	(10.3%)	0.0%	(8.2%)	(9.4%)	(11.6%)	2.6%	8.9%	2.4%	11.3%
Aug-25	3.9%	(3.6%)	(0.8%)	(11.3%)	2.7%	0.4%	(4.0%)	(8.9%)	1.9%	17.5%	4.9%	10.9%
Sep-25	6.0%	3.9%	1.9%	(13.4%)	(6.6%)	31.4%	(17.5%)	(4.2%)	2.8%	10.3%	7.6%	4.2%
Oct-25	6.9%	6.0%	(1.8%)	(8.7%)	0.9%	24.6%	(2.2%)	(20.1%)	5.8%	9.4%	3.9%	7.3%
Nov-25	6.5%	2.0%	(2.1%)	(11.0%)	2.0%	38.7%	(6.2%)	(3.2%)	3.6%	3.6%	9.2%	3.9%
Dec-25	6.6%	0.6%	0.3%	(12.4%)	(11.1%)	58.8%	(7.7%)	8.9%	(5.9%)	14.3%	0.4%	7.4%
Jan/Feb-26	11.7%	2.6%	3.3%	(14.3%)	6.6%	32.4%	13.1%	28.4%	5.8%	27.8%	8.3%	11.3%
Mar-26	12.8%	1.0%	0.6%	(14.1%)	5.9%	30.1%	0.5%	80.8%	1.3%	27.2%	3.2%	14.8%

Source: HK C&SD

What sub-sectors could outperform in housing reflation?

Drawing on our historical work on property-cycle spillovers ([China consumer](#), [Japan consumer read-across](#), and [leisure & travel](#)), we mapped each consumer category to one of three impact layers — household wealth, income/household cash flow, and property transactions/completions. Based on the macro analysis above, we believe the first wave of beneficiaries is likely to come through **the wealth effect and be skewed towards Tier 1 cities**, while the income/cash flow and property completion cycles appear less relevant than in prior cycles. **Our historical analysis, together with the US/HK property-cycle case studies below**, suggests that **luxury/high-end malls, luxury/premium brands, and Macau gaming** can benefit from the wealth effect for homeowners in higher-tier cities, although we note that historical trends may not fully apply given industry-cycle differences and other sector-specific factors (for example, gold-price volatility for jewelry and demand pressure in spirits). These sub-sectors have, in fact, outperformed overall retail growth over the past few quarters, partly supported

by the stock market wealth effect.

Exhibit 23: Luxury/jewelry, high-end shopping malls, super-premium spirits, Macau gaming, and premium apparel/catering/cosmetics are best positioned to benefit from the wealth effect among Tier 1 city homeowners

Sector	Sub-sector	Property cycle impacts on consumption			Independent of property cycle / subject to macro changes	Stock beneficiary
		Property transaction/completion	Income/household cash flow	Wealth effect		
		Durables directly related to completion	Property-related employment; land finance & public sector wage	Property-related employment; land finance & public sector wage		
Large ticket size discretionary	Luxury			✓		
	Jewelry			✓		Laopu
Small ticket size discretionary	Sportswear and apparel			✓ for premium brands	✓	Amer, Descente/Kolon (under Anta group)
	Catering				✓	
	Cosmetics				✓	Maogeping
	IP diversified retailers				✓	
Durables	Traditional Appliances	✓				
	Emerging Appliances				✓	
	Furniture	✓				
Consumer staples	F&B (e.g. instant noodles etc.)		✓ due to migrant workers demand			
	Spirits	✓ due to business banquets/gifting among property value chain		✓ for premium		
	Pet / Pork / Dairy / Snacks / Condiments / Prepared food / Beer				✓	
Leisure	High-end retail / shopping malls			✓		CR Land/CR Mixc lifestyle, Hang Lung, Swire Properties
	Macau Gaming			✓		Galaxy, Sands China, MGM China

Source: Goldman Sachs Global Investment Research

1. Luxury/High-end shopping malls: CR Land, CR Mixc Lifestyle, Hang Lung, Swire

Offline shopping mall retail data showed sequential improvement (Exhibit 24) in 2H25/1Q26. Tenant retail sales growth at Hang Lung / CR Land / CR MixC / Swire improved by +16pp/+6pp/+5pp/+12pp HoH in 2H25, while sales at Swire's main malls in Tier 1 cities e.g. Beijing Taikoo Li / Guangzhou Taikoo Hui / Shanghai Taikoo Hui / Shanghai Qianhai Taikoo Li improved by +35pp/12pp/9pp/4pp QoQ in 1Q26. **Our Asia travel/leisure and conglomerate team** earlier highlight that, depending on the breadth of such Tier 1 city housing price recovery, improving consumer sentiment would also bode well for **property companies with greater ML China retail exposure (Hang Lung ~40%, Swire Properties ~25%), particularly those focused on high-end retail segments.**

Exhibit 24: Shopping mall retail data showed sequential improvement in 2H25/1Q26

YoY tenant retail sales growth (%) at Hang Lung, CR Land, CR MixC, and Swire shopping malls

	1H23		2H23		1H24		2H24		1H25		2H25		
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Tenant retail sales yoy(%)													
Hang Lung	42%		7%		-13%	-15%		-4%			12%		
CR Land	39%		48%		23%	16%		20%			25%		
CR MixC	41%		46%		20%	18%		21%			26%		
Swire Property	41%		51%		-7%	-7%		1%			13%		
Taikoo Li Sanlitun, Beijing	0%	58%	2%	61%	-5%	-2%	1%	6%	8%	10%	21%	56%	
Taikoo Hui, Guangzhou	13%	19%	-6%	35%	-9%	-10%	-16%	-8%	-3%	-2%	5%	6%	18%
INDIGO, Beijing	4%	64%	6%	33%	-2%	-5%	-11%	3%	0%	0%	9%	2%	3%
Taikoo Li Chengdu	21%	33%	54%	23%	-15%	-20%	-16%	-5%	-3%	3%	7%	19%	18%
HKRI Taikoo Hui, Shanghai	9%	134%	-18%	-10%	-19%	-20%	-23%	6%	10%	17%	99%	73%	82%
Taikoo Li Qianhai, Shanghai	107%	230%	-8%	-14%	1%	0%	-1%	14%	2%	7%	9%	11%	15%

Source: Company data, Goldman Sachs Global Investment Research

2. Luxury/Premium brands: Laopu, Anta (as a proxy for various premium brands), Mao GePing

For **China luxury** spending specifically, our Europe consumer team is encouraged by recent data and company commentary pointing to modest sequential improvement in 1Q26 consistent with the past two quarters, driven by easier comp bases, some repatriation of spending, and modest benefits from the stock market wealth effect. The team remains cautiously optimistic on China demand for the rest of year in its base case, but we believe reflation in housing prices in select higher-tier cities could provide further upside to luxury spending through the wealth effect and improved confidence.

For **Cosmetics**, we note that MNC cosmetics brands have, on average, outperformed local brands since 2H25 (Exhibit 26), whilst local players have lagged with divergent brand performance. MNC brands (excl. Amore) delivered +6.0%/+2.4% yoy growth in 1Q26/4Q25 vs. -1.5%/-0.5% for local (excl. Giant, Chicmax, MGP, Forest Cabin).

We also show the key brands with greater exposure to top-tier cities in Exhibit 27. In addition to the luxury brands, premium apparel brands such as Arcteryx (under Amer Sports, 38%-owned by Anta), Descente, and Kolon, as well as MNC and premium cosmetic brands (including Mao Ge Ping), also have greater exposure to higher-tier cities.

Exhibit 25: GS European luxury team has seen sequential improvement in China luxury spending since 3Q25

Luxury brands comments on demand trends in the China cluster

China cluster demand sequential trend	Aggregate trends	LVMH	Hermes	Richemont	Kering	Moncler	Prada	Burberry	Brunello	Zegna
1Q25	↓	↓	↓	↑	→	→	↓	↑	↑	→
2Q25	→	↓	↑	↑	→	↓	↓	→	→	→
3Q25	↑	↑	→	↑	↑	↑	↑	↑	→	↑
4Q25	↑	→	↑	→	↑	↑	↑	↑	→	↑
1Q26	↑	↑	↓	↑	→	↑	↑	↑	↑	↑

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 26: Local players saw divergent performance in 4Q25/1Q26, with premium players like Forest Cabin and MGP growing DD% yoy vs. declines for Giant/Proya/Cosmetics, while most MNCs saw gradual growth

Quarterly yoy growth comparison across players in China's cosmetics market

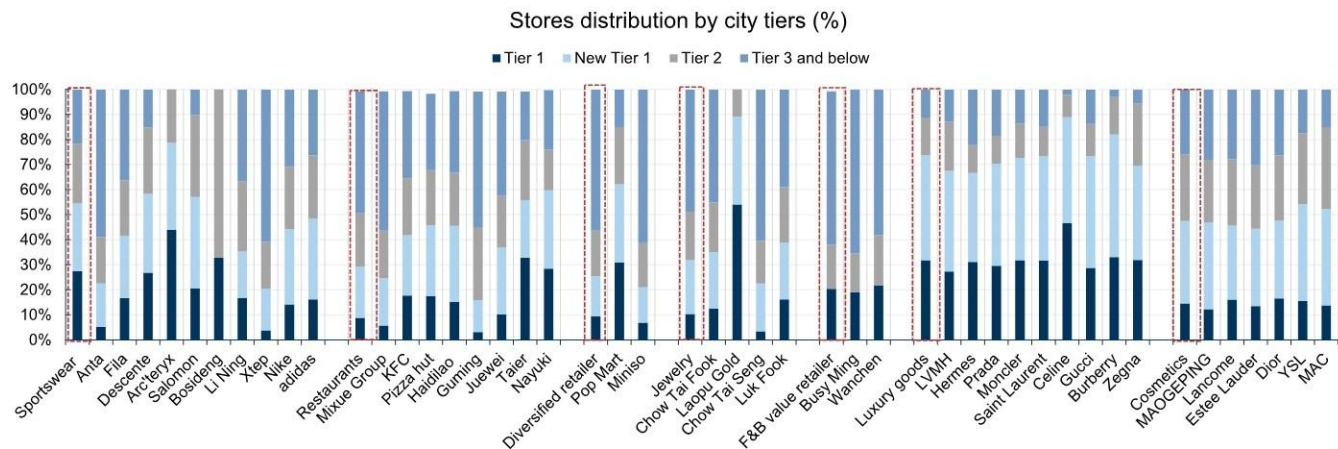
Revenue yoy		1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
China retail sales yoy		5.7%	11.0%	4.2%	8.4%	4.7%	2.9%	2.7%	3.8%	4.6%	5.4%	2.4%	0.7%	2.4%
China cosmetics retail sales yoy		5.6%	11.5%	2.6%	1.0%	3.4%	-1.2%	-5.5%	-1.5%	3.3%	2.6%	10.0%	9.9%	5.9%
Local brands (Consolidated)														
Shanghai Jahwa	600315.SS	-6.5%	3.3%	-10.8%	-14.0%	-3.8%	-14.2%	-20.9%	-20.2%	-10.6%	25.4%	28.3%	12.8%	5.4%
Botanee	300957.SZ	6.8%	21.2%	25.8%	-1.3%	27.1%	13.5%	14.0%	-17.8%	-13.5%	-16.7%	-9.9%	10.3%	17.8%
Proya Cosmetics	603605.SS	29.3%	46.2%	21.4%	50.9%	34.6%	40.6%	21.2%	4.3%	8.1%	6.5%	-11.6%	-8.2%	-2.3%
Bloomage	688363.SS	4.0%	5.3%	-17.3%	-9.0%	4.2%	-18.1%	-7.1%	-19.3%	-20.8%	-18.4%	-15.2%	-30.8%	-23.1%
Chicmax	2145.HK	25.7%		84.3%		120.7%		26.4%		17.3%		54.1%		
Giant Biogene	2367.HK	63.0%		39.1%		58.2%		56.3%		22.5%		-19.8%		
Mao Geping	1318.HK					41.0%		28.6%		31.3%		28.7%		
Forest Cabin	2657.HK									98.3%		105.8%		
Average (excl. Giant, Chicmax, MGP, Forest Cabin)		11.6%	22.0%	13.0%	8.7%	20.2%	8.1%	6.6%	-1.1%	-1.7%	6.1%	1.0%	-4.0%	-0.5%
MNC brands (China revenue)														
L'Oreal	OREP.PA	0.0%	16.2%	7.7%	n.a.	6.0%	0.8%	-MSD%	negative	1.0%		5.0%		MSD-HSD%
Amorepacific	090430.KS	-43.0%	23.2%	-18.4%	-43.6%	-20.0%	-50.0%	-40.0%	-10.0%	-15.0%	30.0%	18.0%	-10.0%	
LGHH	051900.KS	-17.0%	-4.0%	-31.4%	-28.7%	9.5%	8.6%	18.3%	23.6%	-6.5%	-10.9%	4.6%	-19.0%	
Shiseido	4911.T	-2.9%	20.0%	-9.0%	-21.0%	-2.6%	-10.6%	-13.2%	5.1%	-14.0%	-7.0%	8.0%	2.4%	
Kose	4922.T	-11.5%	-0.6%	-16.3%	-53.7%	-32.7%	-42.6%	-35.8%	-33.6%	-4.8%	-4.6%	21.6%	13.1%	
Estee Lauder	EL	17.2%	40.9%	-12.3%	-11.7%	-7.2%	-6.0%	-16.0%	-10.0%	4.0%	-1.0%	9.0%	13.0%	6.0%
Average (excl. Amore)		-3.5%	14.1%	-17.2%	-28.8%	-8.3%	-12.7%	-11.7%	-3.7%	-5.3%	-5.9%	10.8%	2.4%	6.0%

1) China revenue here is China onshore only excluding DFS; 2) Cosmetics related OPM for Kose, Asia-Pacific OPM for Estee Lauder; 3) Reported China revenue for LG H&H, L'Oreal, and Estee Lauder, while others are LC basis

Source: Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 27: Luxury brands, premium apparel brands, premium/MNC cosmetics brands that have higher store count exposure to Tier 1/New Tier 1 cities

Consumer companies Tier 1 city exposure (select names)



Bosideng Tier 1 figure stands for Tier 1+New tier 1, Tier 2 figure stands for Tier 2 and below; F&B value retailer/Busy Ming/Wanchen Tier 1 figure stands for Tier 1+New Tier 1; Data as of May 2026

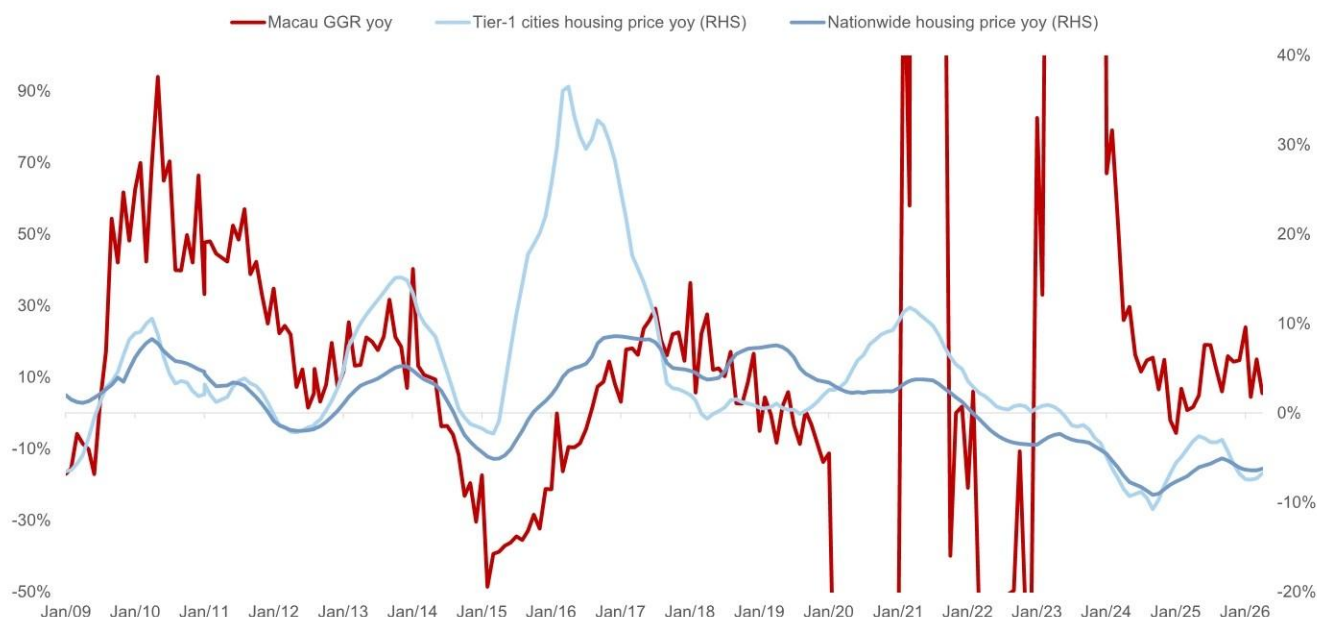
Source: Company data, Fengmap, Hongcan, GeoHey, Company data, Data compiled by Goldman Sachs Global Investment Research

3. Macau gaming: Galaxy, MGM China and Sands China.

Macau's gross gaming revenue (GGR) growth began to accelerate in mid-FY25, rising from +1% yoy in 1Q25 to +8%/+12% yoy in 2Q/3Q25, and has since sustained low-to-mid-teens yoy growth. This has been driven by the stock market rally earlier last year and, to a lesser extent, the recovery in the Hong Kong housing market, with an estimated 10-15% of gaming volume contributed by Hong Kong visitors (GSe). A stronger CNY against the HKD or MOP has also helped support visitation. As shown in [Exhibit 28](#), Macau's GGR has historically exhibited an even higher correlation with China's housing prices, esp. in top-tier cities, reflecting not only the wealth effect but also the historical use of property as collateral by junkets for credit extension. While this transmission channel may now be less significant given the smaller number of licensed junkets, we anticipate a pickup in gaming demand from high rollers and premium-mass players, to which our Buy-rated Galaxy and MGM China are more exposed. The FIFA World Cup and the scale-back in KOL promotions could affect the near-term GGR trend, but we expect any impact to be temporary.

Exhibit 28: Macau's GGR historically exhibited an even higher correlation with China's housing prices, esp. in the top-tier cities

Macau GGR correlation with China housing price



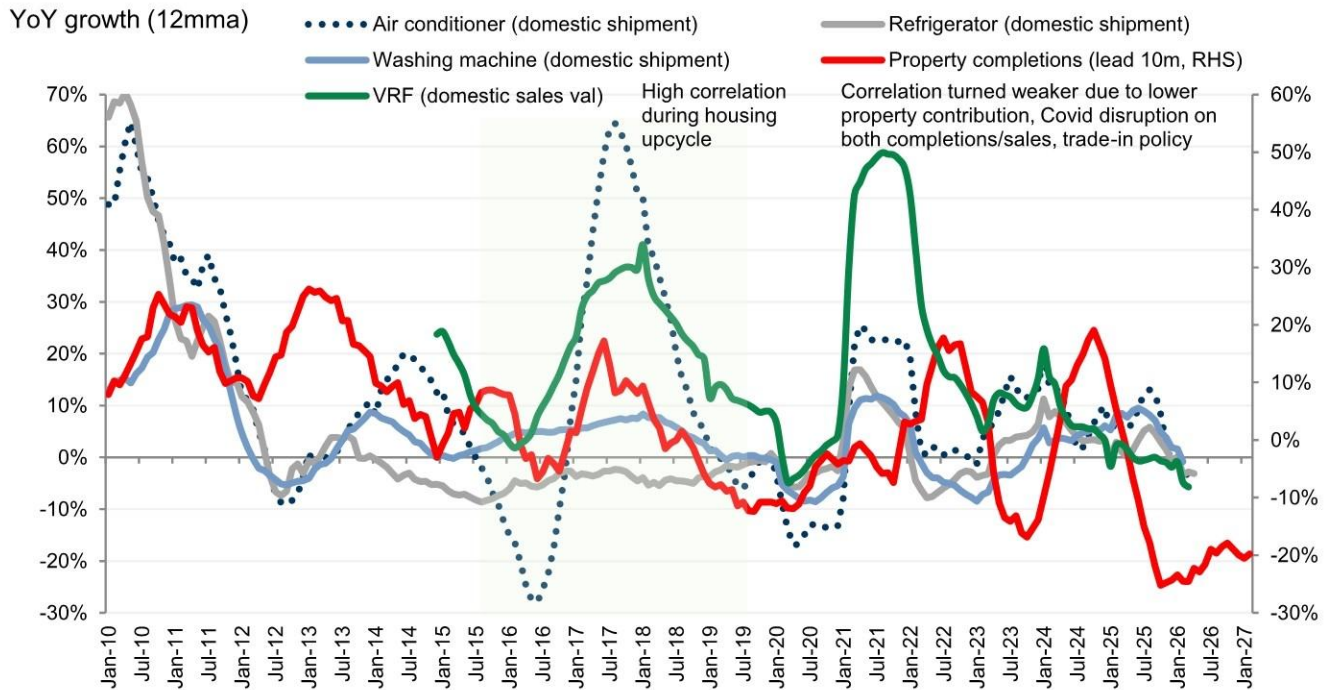
Source: Data compiled by Goldman Sachs Global Investment Research, DICJ

For other consumer sub-sectors, we see the benefit is likely to be more limited and would require a broader improvement in income and confidence. **Traditional appliances and furniture tend to follow property completions** (GS property team expects 2026E completions to decline 1% yoy), **typically with a 10-month lag**, rather than housing prices. That said, we also note that the trade-in program may have pulled forward some demand from the next few years, potentially distorting the usual pattern. On a separate note, we believe **smaller ticket size discretionary names, most consumer staples companies, and emerging appliances (e.g. RVC)** are relatively independent of the property cycle or only indirectly impacted by broader macro consumption trends.

On stock ideas, besides the global luxury brands and premium cosmetics companies, within our Greater China coverage we would highlight high-end shopping mall operators like **CR Land, CR Mixc Lifestyle, Hang Lung** and **Swire Properties**; **jewelry** companies like **Laopu**; **premium sportswear & apparel names (e.g. Amer and Descente/Kolon** under the Anta group); cosmetics (e.g. Maogeping); and **Macau Gaming companies (Galaxy, MGM China, Sands China)**.

Exhibit 29: Home durable goods demand is linked to property completion cycles (~10-month lag)

Domestic shipment yoy growth (%) for major white goods (LHS) vs. property completions yoy growth % (lead 10 months, RHS)



Source: NBS, IOL, Goldman Sachs Global Investment Research

Appendix

Exhibit 30: Price target, risks and methodology of the selected beneficiaries stocks

Company name	Ticker	Rating	Current price (LLC)	12m TP (LLC)	Valuation methodology	Key risks
Mao Geping Cosmetics Co.	1318.HK	Buy (on CL)	59.9	106.0	Based on 28x 2027E P/E discounted back to end-2026E using an 8.9% COE	1) Slower-than-expected category expansion into skincare; 2) Slower-than-expected penetration for mid-to-high price beauty products in China; 3) Greater selling and marketing costs for marketing new star SKUs and new categories; 4) Tougher-than-expected competition with overseas premium brands.
China Resources Land	1109.HK	Buy	35.3	36.6	Based on end-26E NAV	Revenue booking and rental profitability below our expectations; slower-than-expected scale expansion; mall opening delay due to supply pressure and macro hard landing.
Anta	2020.HK	Buy	75.8	108.0	Based on 20x 2027E P/E discounted back to mid-2026E at 11%.	Weaker Anta brand/Fila growth, discount pressures, weaker opex control.
Galaxy Entertainment Group	0027.HK	Buy	31.3	53.2	Based on a 2026E EV/EBITDA driven SOTP applying 12x target EV/EBITDA multiple to core business.	(1) worse-than-expected GGR trends (e.g., lower mainland Chinese visitation, tighter capital controls); (2) intense competition from other Macau operators if GGR softens significantly.
Swire Properties	1972.HK	Buy	22.2	30.7	FY26E NAV-based (target NAV discount of -40%).	1) Potential threat from new developments in Island East; 2) Scalability of mainland China portfolio; 3) Potential risk of oversupply in both the office and hotel markets in mainland China; 4) Uncertainty around the retail sales recovery in HK and mainland China.
Sands China	1928.HK	Buy	15.3	23.2	Based on a 2026E EV/EBITDA-driven SOTP, applying a 12x target EV/EBITDA multiple to its core business.	(1) worse-than-expected GGR trends, e.g., lower mainland Chinese visitation and tighter capital controls as these would have a negative impact on gaming demand; (2) more-than-expected cannibalization from its newly opened properties following the rebranding of Sands Cotai Central; and (3) greater-than-expected competition and margin pressure.
China Resources Mixc Lifestyle	1209.HK	Buy	41.6	52.0	Based on a 18X 2028E FCF discounted back to 2026E with a 12.2% CoE.	Slower-than-expected scale expansion and margin improvement for its PMS; weaker-than-expected execution on 2C VAS expansion and mall operation.
Laopu Gold	6181.HK	Buy	504.0	1108.0	Based on 20x 2026E target P/E.	1) potential gold price slump, 2) tough regulatory environment over luxury consumption, 3) regional concentration, and 4) overhang of IPO shares post lock-up expiry
MGM China	2282.HK	Buy	10.8	19.5	Based on a 2026E EV/EBITDA driven SOTP applying a 10x target EV/EBITDA multiple to core business.	(1) Increased competition as competitors have recently stepped up marketing and promotions; (2) Slower-than-expected growth from premium mass segment to which MGM China is heavily exposed, and (3) Limited non-gaming capacity, thus restricting upside from non-gaming revenue.
Hang Lung Properties	0101.HK	Buy	8.0	11.5	Based on an 85% weighting of our fundamental value (-50% discount to forward NAV) and 15% weighting of our M&A valuation (0.6x P/B).	(1) a slower-than-expected recovery of Chinese retail consumption; (2) a worse-than-expected ramp-up of its new projects across China; (3) interest rates: we expect rate hikes potential to remain as a structural negative to the residential price outlook; and (4) slower-than-expected monetization of its serviced apartments portfolio.

Current price as closing price of May 29 2026

Source: Goldman Sachs Global Investment Research

Exhibit 31: Summary of the latest property development activity in China
YTD national property market development data comparison

		Latest trend		GSe		Key national property data summary											
		Apr-26	4M26	May-Dec 26E	2026E	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GFA sold	(mn sqm)	57	253	649	845	881	965	1,108	1,211	1,614	1,588	1,554	1,562	1,554	1,460	1,215	1,153
	YoY	-9.5%	-10.2%	-2%	-4%	-9%	-13%	-9%	-25%	2%	2%	0%	1%	6%	20%	5%	-8%
Property sales	(Rmb bn)	0.6	2.3	6.2	7.9	8.4	9.6	11.6	12.4	17.0	16.3	15.0	14.1	12.7	11.2	8.4	7.4
	YoY	-7.6%	-14.6%	-2%	-6%	-13%	-17%	-6%	-27%	5%	8%	6%	11%	13%	33%	14%	-7%
ASP	(Rmb/sqm)	10,009	9,106	9,525	9,367	9,527	9,952	10,457	10,233	10,546	10,248	9,673	9,045	8,160	7,699	6,932	6,427
	YoY	2.1%	-4.9%	0%	-2%	-4%	-5%	2%	-3%	3%	6%	7%	11%	6%	11%	8%	2%
GFA new starts	(mn sqm)	35	139	375	479	588	738	959	1,199	1,989	2,244	2,272	2,095	1,787	1,669	1,545	1,796
	YoY	-26.6%	-22.0%	-18%	-19%	-20%	-23%	-20%	-40%	-11%	-1%	8%	17%	7%	8%	-14%	-11%
GFA completions	(mn sqm)	21	119	497	595	603	737	1,019	854	1,014	912	959	944	1,015	1,061	1,000	1,075
	YoY	-19.0%	-24.0%	5%	-1%	-18%	-28%	19%	-16%	11%	-5%	2%	-7%	-4%	6%	-7%	6%
Property FAI	(Rmb bn)	0.6	2.4	5.5	7.3	8.3	10.0	11.2	12.4	13.8	13.2	12.4	11.3	10.3	9.7	9.1	9.0
	YoY	-20.1%	-13.7%	-12%	-12%	-17%	-11%	-10%	-10%	5%	6%	10%	10%	6%	7%	1%	10%

Source: NBS, CREIS, Goldman Sachs Global Investment Research

Disclosure Appendix

Reg AC

We, Michelle Cheng, Yi Wang, CFA, Simon Cheung, CFA, Leaf Liu, Nicolas Yi, Valerie Zhou, Xinyu Ruan, Carol Chen, Cecilia Tang, Molly Dai, Christina Liu and Keira Liu, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

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Ning Co., Luk Fook Holdings, Makalot Industrial Co, Miniso (ADR), Miniso (H), Mixue Group, Pop Mart, Pou Sheng International Holdings, President Chain Store, Shanghai M&G, Shenzhou International Group, Stella International Holdings, Topsports Intl Holdings, Uni-President Enterprises, Xtep International Holdings, Yue Yuen Industrial, Yum China Holdings (ADR), Yum China Holdings (H)

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Price target and rating history chart(s)

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Target price history table(s)

Galaxy Entertainment Group (0027.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
12-May-26	53.20	32.34
26-Feb-26	53.40	41.44
22-Jan-26	54.00	41.24
06-Nov-25	53.70	38.54
14-Oct-25	53.20	35.58
02-Sep-25	55.90	41.22
12-Aug-25	50.10	40.18
02-Jul-25	49.60	36.85
08-May-25	47.60	30.40
27-Feb-25	48.10	31.30
20-Jan-25	47.90	31.85
08-Dec-24	51.40	35.45
07-Nov-24	54.20	36.35
08-Oct-24	53.80	38.00
01-Oct-24	54.90	39.05
15-Aug-24	51.90	29.55
05-Jun-24	52.40	39.90
14-May-24	50.90	36.80
25-Apr-24	50.20	35.05
28-Feb-24	56.60	42.05
14-Nov-23	57.80	41.55
17-Aug-23	71.20	52.50

Mao Geping Cosmetics Co. (1318.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
26-Mar-26	106.00	69.65
07-Jan-26	105.00	87.95
28-Aug-25	89.00	94.05
07-May-25	86.00	107.70
25-Feb-25	75.00	70.80

Sands China (1928.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
29-Jan-26	23.20	17.34
23-Oct-25	24.20	19.23
14-Oct-25	23.60	18.13
02-Sep-25	24.80	20.16
17-Aug-25	21.60	19.95
24-Jul-25	21.50	18.68
02-Jul-25	21.70	17.32
24-Apr-25	21.20	13.60
23-Feb-25	24.00	17.18
20-Jan-25	24.20	18.34
08-Dec-24	26.00	20.20

China Resources Land (1109.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
09-Apr-26	36.60	29.38
17-Dec-25	36.00	27.38
27-Aug-25	38.00	30.40
28-May-25	36.50	25.20
22-Apr-25	35.80	27.40
27-Mar-25	36.00	25.75
06-Feb-25	34.00	22.95
22-Oct-24	35.00	26.25
30-Aug-24	31.00	22.15
12-Jul-24	34.50	27.80
27-Mar-24	35.30	24.60

Sands China (1928.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
24-Oct-24	28.00	19.38
01-Oct-24	27.00	19.92
25-Jul-24	25.00	15.08
18-Apr-24	26.30	18.88
14-Nov-23	28.50	21.00
19-Oct-23	35.40	21.40

China Resources Land (1109.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
02-Feb-24	41.00	23.50
31-Oct-23	43.20	29.30
31-Aug-23	44.00	33.15

Hang Lung Properties (0101.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
18-Feb-26	11.50	9.78
01-Feb-26	10.60	9.44
30-Jul-25	9.70	7.95
28-Jul-25	9.30	7.56
23-Jun-25	9.00	6.96
24-Feb-25	9.10	6.50
25-Jan-25	9.50	5.95
30-Jul-24	10.20	5.64
21-Jul-24	11.70	6.77
29-Feb-24	13.60	8.46
31-Jan-24	15.70	9.08
31-Jul-23	18.30	12.10
22-Jun-23	21.20	12.72

MGM China (2282.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
06-Feb-26	19.50	13.14
22-Jan-26	18.80	12.84
04-Jan-26	18.40	13.00
30-Oct-25	20.10	15.04
14-Oct-25	19.80	13.79
02-Sep-25	20.40	15.89
31-Jul-25	18.20	16.60
02-Jul-25	16.20	13.54
02-May-25	13.30	10.30
13-Feb-25	12.60	10.34
20-Jan-25	13.00	10.76
08-Dec-24	11.50	9.82
31-Oct-24	15.30	10.08
01-Oct-24	15.80	12.40
01-Aug-24	16.30	11.86
02-May-24	16.50	13.92
25-Mar-24	14.40	13.10
14-Feb-24	13.60	12.32
14-Nov-23	12.00	9.36
03-Aug-23	13.30	10.88

China Resources Mixc Lifestyle (1209.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
23-Jan-26	52.00	41.82
11-Dec-25	56.00	42.96
28-Aug-25	40.00	37.40
27-Mar-25	38.00	34.75
13-Jan-25	35.00	28.15
24-Jul-24	34.00	22.60
27-Mar-24	35.00	25.00
22-Jan-24	37.00	20.80
31-Aug-23	54.00	33.85

Laopu Gold (6181.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
24-Mar-26	1,108.00	648.50
11-Mar-26	1,168.00	654.00
29-Jan-26	1,128.00	787.50
21-Aug-25	1,088.00	751.00
17-Jun-25	1,090.00	881.50
03-Apr-25	976.00	800.00
20-Feb-25	553.00	468.40
15-Jan-25	345.00	281.00
07-Oct-24	205.00	175.00

Anta Sports Products (2020.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
20-Jan-26	108.00	82.55
27-Oct-25	115.00	87.80
27-Aug-25	121.00	101.60
19-Mar-25	117.00	97.90
08-Jan-25	110.00	75.25
22-Oct-24	111.00	87.10
08-Jul-24	116.00	71.35
26-Feb-24	115.00	77.70
14-Nov-23	116.00	86.65
22-Aug-23	114.00	77.65
18-Jul-23	112.00	84.50

Swire Properties (1972.HK)

Date of report	Target price (HK\$)	Closing price (HK\$)
19-May-26	30.70	23.40
12-Mar-26	30.00	24.46
18-Feb-26	29.00	25.04
07-Aug-25	25.00	21.08
28-Jul-25	24.10	20.70
29-Jun-25	20.10	19.70
21-Jul-24	20.00	12.88
29-Feb-24	21.00	16.16

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