

HONG KONG

OFFICE, RETAIL & RESIDENTIAL MARKETS

Q3 2025 REVIEW & OUTLOOK

October 2025

Better never settles

01

OFFICE MARKET



PRIME CENTRAL RENT STABILIZED FOR THE FIRST TIME SINCE Q4 2021

Performance of core areas and non-core areas diverges

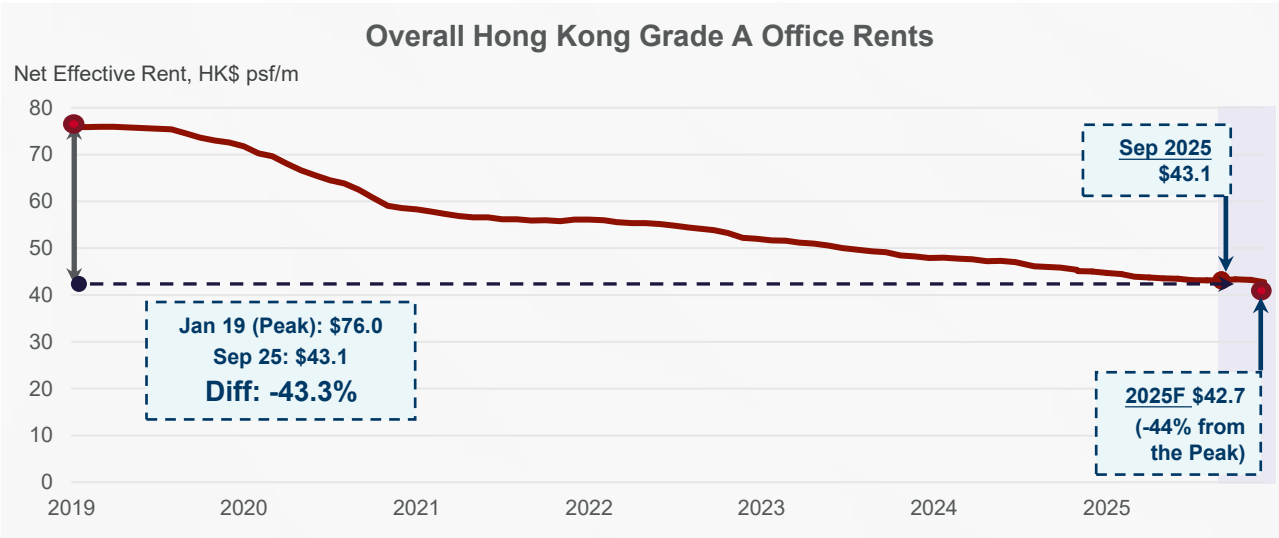
Submarkets	Jan 19 (Peak)	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q-o-Q Δ	YTD Δ	2025 Forecast
Prime Central	\$166.1	93.5	91.7	89.8	89.3	89.8	0.6%	-2.1%	-1 ~ -3%
Greater Central	\$139.0	81.0	79.8	77.2	76.5	76.4	-0.1%	-4.2%	-3 ~ -5%
Wanchai / Causeway Bay	\$79.2	47.8	47.0	46.0	45.3	45.2	-0.2%	-3.9%	-3 ~ -5%
Hong Kong East	\$55.3	36.1	34.4	33.3	32.6	31.5	-3.4%	-8.5%	-9 ~ -11%
Hong Kong South	\$36.1	25.0	24.3	22.6	22.5	21.7	-3.6%	-10.6%	-9 ~ -11%
Greater Tsimshatsui	\$68.0	42.8	42.6	42.3	42.2	42.1	-0.4%	-1.3%	+1 ~ -1%
Kowloon East	\$36.8	25.4	24.6	24.0	23.6	23.0	-2.2%	-6.5%	-6 ~ -8%
Kowloon West	\$44.0	29.1	29.0	28.7	28.6	28.4	-0.6%	-1.8%	-1 ~ -3%
All Districts Average	\$76.0	\$45.9	\$45.0	43.9	43.5	43.1	-0.8%	-4.2%	-4 ~ -6%

Unit: Net effective rent, HK\$ / sf / month

- Prime Central: 14 prime office buildings in Greater Central
- Greater Central: Admiralty, Central and Sheung Wan including Prime Central
- Hong Kong East: North Point, Quarry Bay and Tai Koo Shing
- Hong Kong South: Wong Chuk Hang and Pok Fu Lam
- Greater Tsimshatsui: Tsimshatsui, Tsimshatsui East, Hung Hom and Kowloon Station
- Kowloon East: Kwun Tong, Ngau Tau Kok, Kowloon Bay and Kai Tak
- Kowloon West: Kowloon Tong, Mongkok, Cheung Sha Wan, Kwai Chung and Tsuen Wan

Note: Rents are based on NFA, exclusive of air conditioning & management fees, and gov. rates

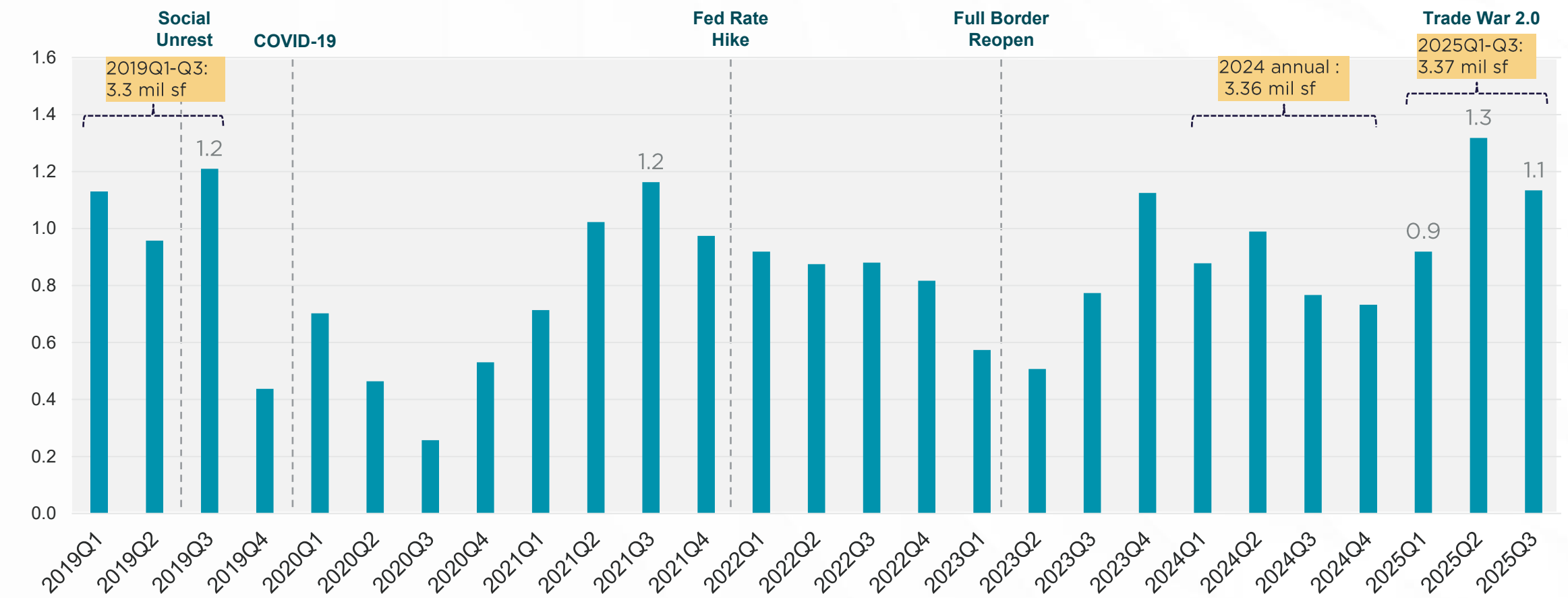
Source: Cushman & Wakefield Research



NEW LETTING AREA HAS ALREADY RECOVERED TO PRE-COVID LEVEL

3.37 million sf were recorded in Q1-Q3 2025, surpassing the total record of full year 2024

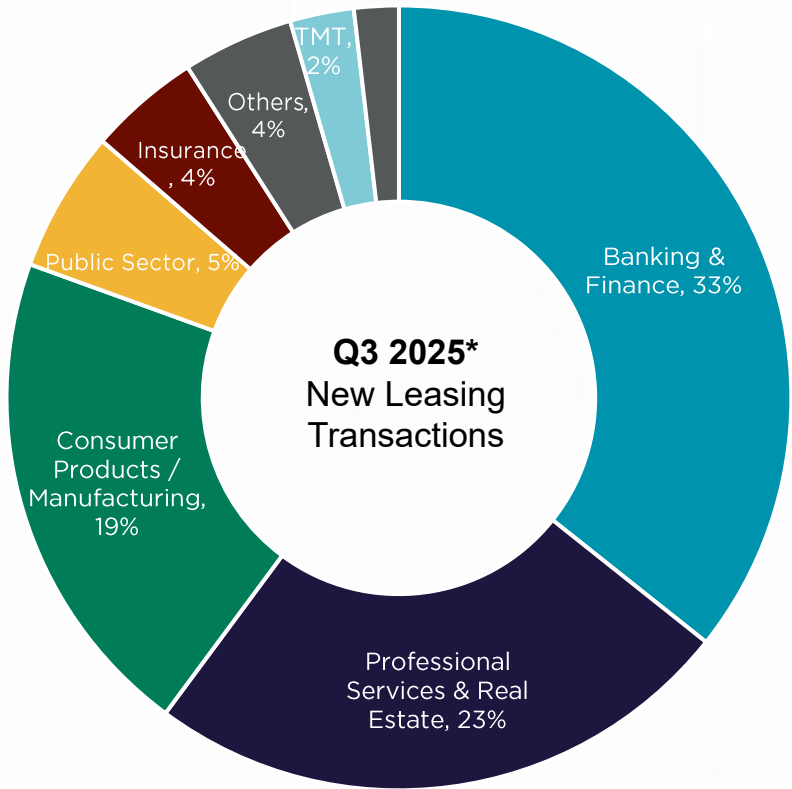
NFA (million sf)



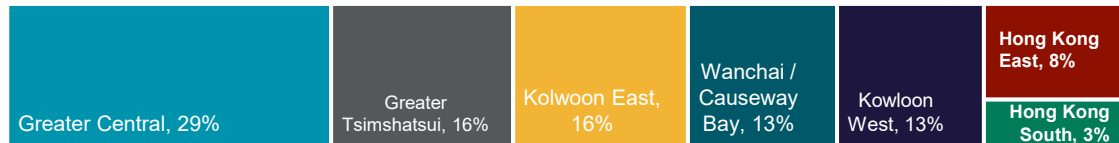
Source: Cushman & Wakefield Research, data as of mid-September 2025

BANKING & FINANCE REMAINED MAJOR SOURCES OF DEMAND

Greater Central accounted for 29% of new lettings



*Data as of mid-September 2025, the above chart only covers deals with tenant background identified



Total leased floor area: 1,134,000 sf

Source: Cushman & Wakefield Research

Banking & Finance



Hopewell Centre
26,300 sf



CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

Two Pacific Place
19,500 sf



HSBC

Two IFC
13,300 sf

Professional Services & Real Estate



83 King Lam Street
79,500 sf



JUNHE | 君合律师事务所

AIA Central
13,600 sf



Turner & Townsend

Two Harbour Square
11,200 sf

Consumer Products / Manufacturing



Millennium City 1
15,000 sf



83 King Lam Street
13,000 sf

Public Sector



ICC
23,500 sf



Save the Children
救助兒童會

148 Electric Road
6,200 sf

Insurance



Sun Life

MU Tower
12,600 sf

CHUBB®

The Gateway Tower 6
6,800 sf

THE HIGHEST QUARTERLY NET ABSORPTION RECORDED SINCE Q2 2019

The take-up was backed by improved market sentiment and leasing momentum

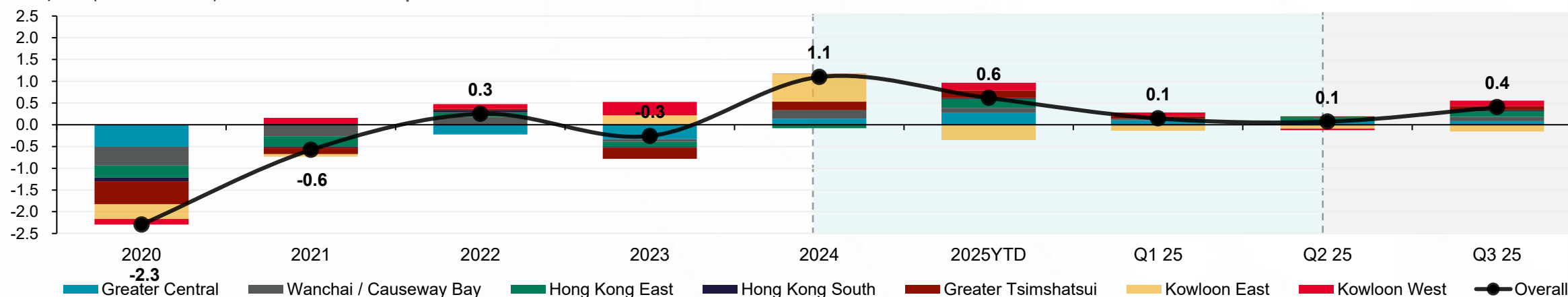
Submarkets	2021	2022	2023	2024	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
Greater Central	10,400	-224,400	-330,500	138,200	28,000	29,300	103,700	84,200	83,400
Wanchai / Causeway Bay	-261,700	181,300	-59,800	196,200	26,200	28,900	32,500	-14,900	99,200
Hong Kong East	-241,500	105,400	-118,400	-79,300	-19,000	-58,200	-6,400	81,400	128,400
Hong Kong South	-20,800	46,900	-17,300	4,100	15,700	36,300	-11,200	5,400	25,900
Greater Tsimshatsui	-152,500	37,400	-259,400	192,300	86,300	39,800	61,100	23,100	90,300
Kowloon East	-59,300	1,500	216,800	642,300	136,300	42,700	-120,000	-77,400	-154,800
Kowloon West	146,800	102,400	309,800	3,900	50,600	1,420	83,700	-30,500	128,700
Overall	-578,700	250,600	-258,800	1,097,600	324,100	120,200	143,700	71,400	401,000

Note: Data as of mid-September 2025

Absorption (million sf, NFA)

Y-o-Y Comparison

Q-o-Q Comparison



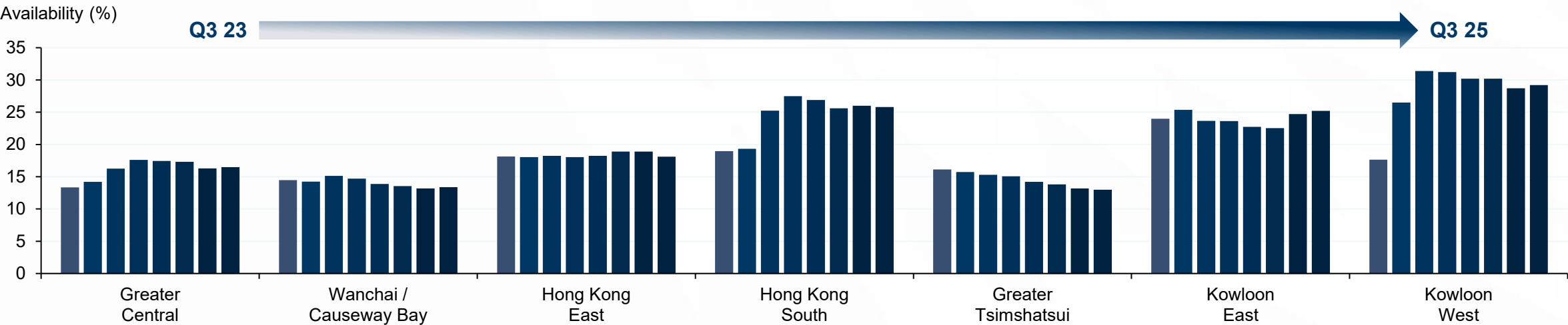
Source: Cushman & Wakefield Research

OVERALL AVAILABILITY RATE REMAINED STABLE DESPITE NEW SUPPLY IN Q3

This is due to strong improvement of net absorption

Submarkets	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25
Greater Central	13.4%	14.2%	16.3%	17.6%	17.5%	17.3%	16.3%	16.5%	16.0%
Wanchai / Causeway Bay	14.5%	14.2%	15.1%	14.1%	13.9%	13.6%	13.2%	13.4%	16.4%
Hong Kong East	18.1%	18.0%	18.2%	18.1%	18.3%	18.9%	18.9%	18.1%	16.7%
Hong Kong South	19.0%	19.3%	25.3%	27.5%	26.9%	25.6%	26.0%	25.8%	24.9%
Greater Tsimshatsui	16.1%	15.7%	15.3%	15.1%	14.2%	13.8%	13.2%	13.0%	12.1%
Kowloon East	24.0%	25.4%	23.7%	23.5%	22.7%	22.5%	24.7%	25.2%	26.1%
Kowloon West	17.7%	26.5%	31.4%	31.2%	30.2%	30.2%	28.7%	29.2%	26.9%
Overall Availability*	17.7%	18.8%	19.6%	19.7%	19.3%	19.1%	19.2%	19.3%	19.2%

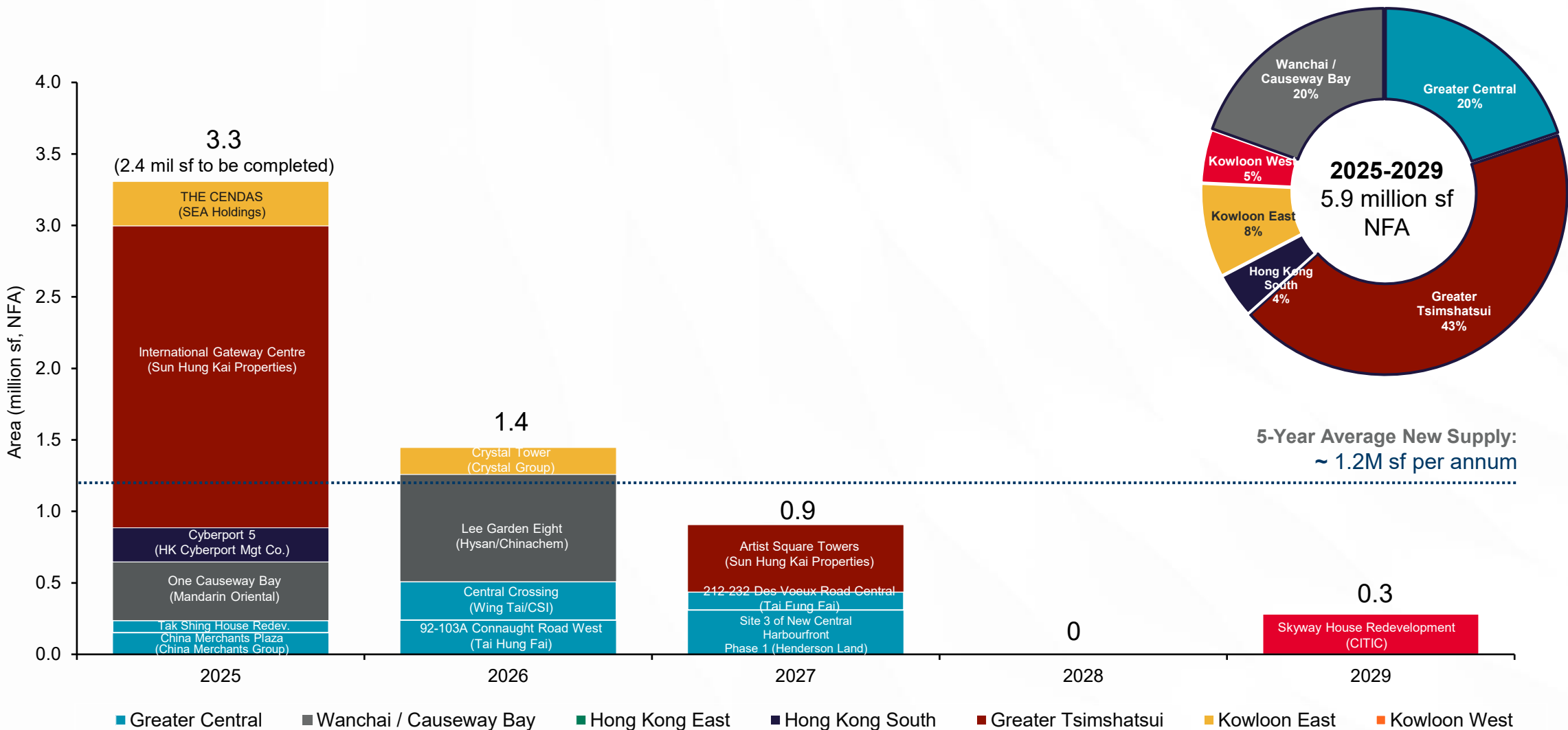
Note: Availability includes confirmed leasing stock that is currently vacant or becoming vacant over the next 12 months. Numbers highlighted in red indicates a q-o-q decline of availability rate
Note: Data as of mid-September 2025



Source: Cushman & Wakefield Research

FUTURE SUPPLY PIPELINE (2025-29)

New completions gradually taper off after 2025



Source: Cushman & Wakefield Research



Office Market Q3 25 Review & Outlook

Key Takeaways

1

Underpinned by the improved market sentiment brought by recovery of IPO and stock market, Q3 net absorption reached 401,000 sf, the highest level after Q2 2019

2

Overall rental decline narrowed to -0.8% q-o-q in Q3, while Prime Central rent stabilized, gaining $+0.6\%$ q-o-q.

3

The recovery of IPO should help support market sentiment and downstream office demand, from banking & finance and professional services firms

4

Rental divergence between prime offices and other lower-tier spaces will be more pronounced, as the market is increasingly focus on high-quality office space

5

We forecast overall office rent to drop by 4% to 6% in 2025, amid the heavy new supply pipeline whilst occupiers are still cost-cautious

02

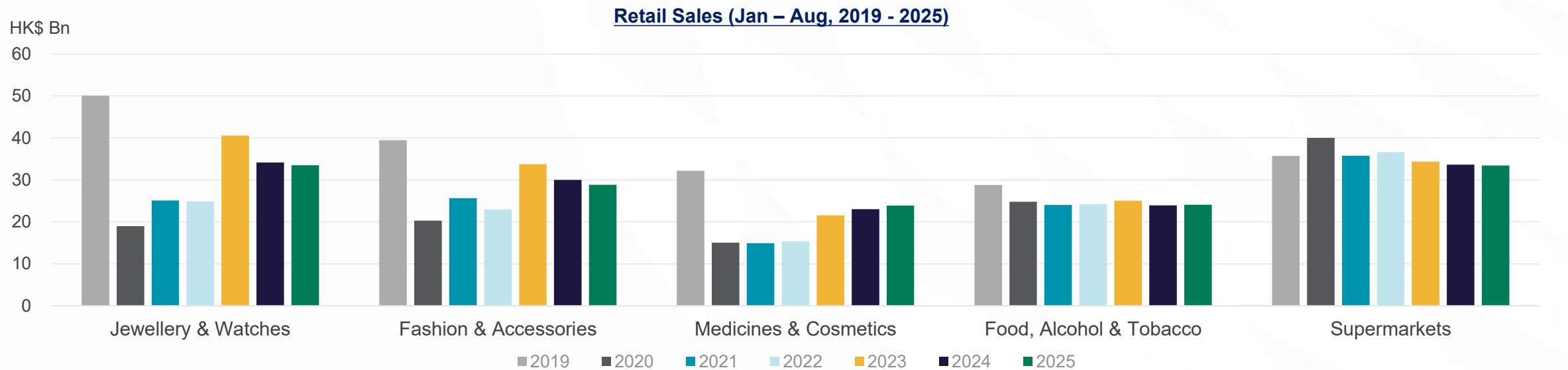
RETAIL MARKET



RETAIL SALES SHOWED SIGNS OF STABILIZATION

Local consumption sentiment to remain steady; mega events to promote tourism and support tourist spending

Retail Sales (HK\$ Bn)	Jan – Aug						2025	Y-o-Y Δ
	2019	2020	2021	2022	2023	2024		
Jewellery & Watches	50.08	19.00	25.08	24.88	40.58	34.16	33.47	-2.0%
Fashion & Accessories	39.48	20.29	25.65	22.99	33.73	30.02	28.83	-4.0%
Medicines & Cosmetics	32.16	15.02	14.95	15.35	21.55	23.02	23.89	3.8%
Food, Alcohol & Tobacco	28.79	24.81	24.06	24.18	25.02	23.93	24.11	0.8%
Supermarkets	35.71	40.02	35.75	36.64	34.35	33.66	33.43	-0.7%
Total	305.09	212.87	230.15	226.70	270.53	249.84	245.14	-1.9%

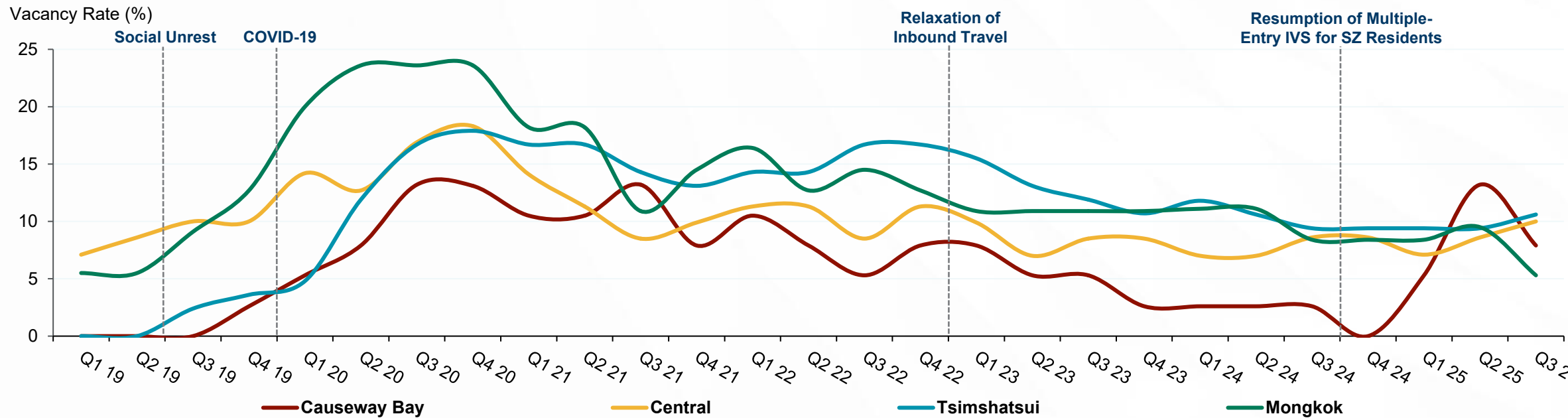


Source: Hong Kong Census & Statistics Department; Cushman & Wakefield Research

OVERALL VACANCY RATE SLIGHTLY TRENDED DOWNWARD

Activities were more active in Mongkok and Causeway Bay

Districts	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025
Causeway Bay	2.6%	13.1%	7.9%	7.9%	2.6%	0.0%	5.3%	13.2%	7.9%
Central	10.0%	18.3%	9.9%	11.3%	8.5%	8.6%	7.1%	8.6%	10.0%
Tsimshatsui	3.6%	17.9%	13.1%	16.7%	10.7%	9.4%	9.4%	9.4%	10.6%
Mongkok	12.7%	23.6%	14.5%	12.7%	10.9%	8.4%	8.4%	9.5%	5.3%
Overall	7.3%	18.5%	11.7%	12.9%	8.9%	7.6%	8.0%	9.7%	8.3%



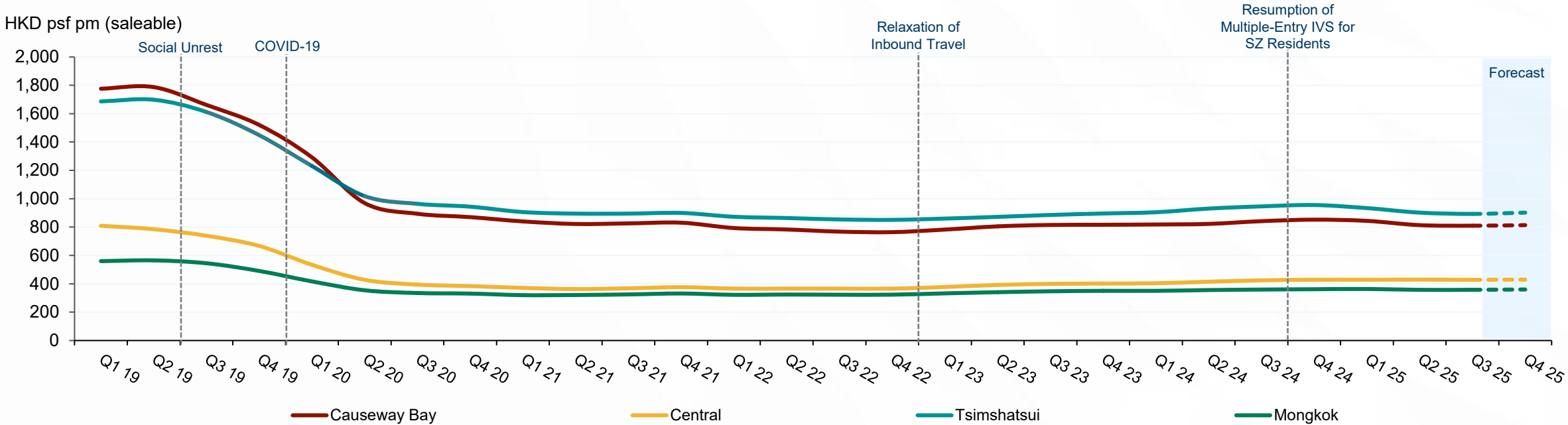
* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street

Source: The Land Registry; Market Info; Cushman & Wakefield Research

HIGH STREET RENTS SHOWED MILD ADJUSTMENT ACROSS DISTRICTS

Landlords are now becoming more realistic, especially for Causeway Bay and Tsimshatsui

Districts	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q-o-Q Δ	YTD Δ	Y-o-Y Δ	2025F
Causeway Bay	\$1,520	\$870	\$831	\$764	\$816	\$852	\$844	\$814	\$810	-0.5%	-5.0%	-3.8%	-1% ~ -2%
Central	\$667	\$384	\$376	\$366	\$402	\$429	\$429	\$430	\$428	-0.3%	-0.1%	0.9%	
Tsimshatsui	\$1,448	\$944	\$900	\$851	\$896	\$956	\$934	\$902	\$893	-1.0%	-6.5%	-5.6%	
Mongkok	\$491	\$331	\$332	\$323	\$350	\$362	\$363	\$357	\$358	0.1%	-1.1%	-0.5%	

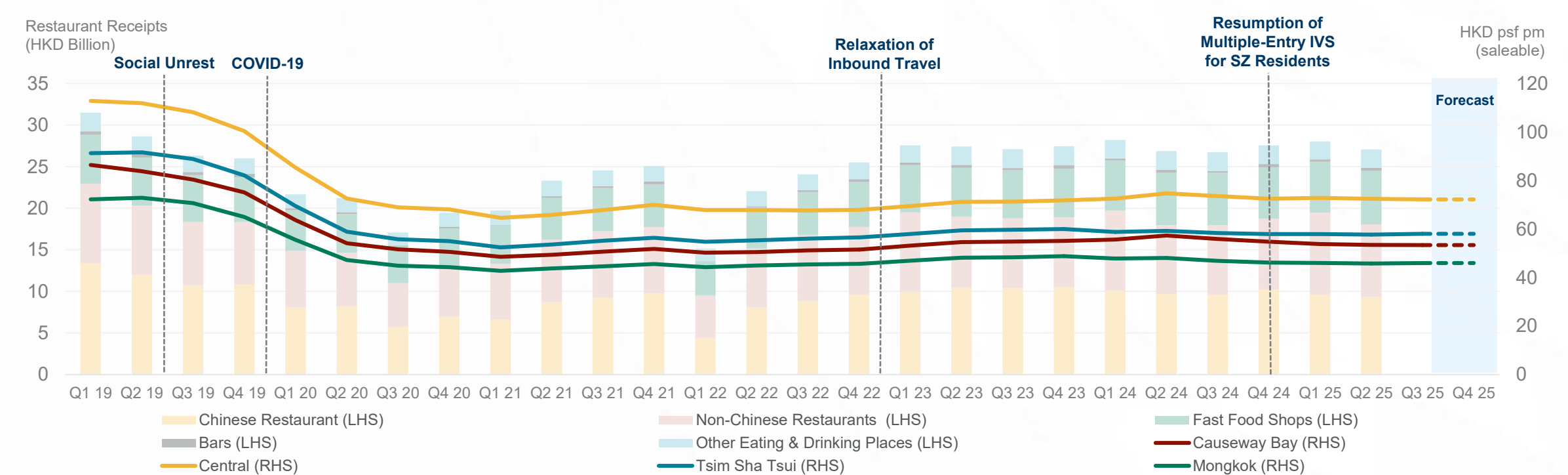


* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street
Source: The Land Registry; Market Info; Cushman & Wakefield Research

F&B RENTS REMAINED LARGELY STABLE IN Q3

May have room for further correction as many restaurants still stay in ‘survival of the fittest’ mode

Districts	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q-o-Q Δ	YTD Δ	Y-o-Y Δ	2025F
Causeway Bay	\$75.1	\$50.6	\$51.8	\$51.5	\$55.1	\$54.8	\$53.8	\$53.5	\$53.4	-0.1%	-2.5%	-4.5%	-1% ~ -3%
Central	\$100.3	\$68.1	\$69.9	\$67.9	\$71.8	\$72.5	\$72.8	\$72.5	\$72.2	-0.3%	-0.4%	-1.9%	
Tsimshatsui	\$82.1	\$55.0	\$56.4	\$56.5	\$60.0	\$57.9	\$57.9	\$57.7	\$58.0	0.6%	0.2%	-0.6%	
Mongkok	\$65.0	\$44.3	\$45.5	\$45.6	\$48.8	\$46.2	\$46.0	\$45.8	\$46.0	0.4%	-0.4%	-1.9%	



Source: The Land Registry; Market Info; Cushman & Wakefield Research

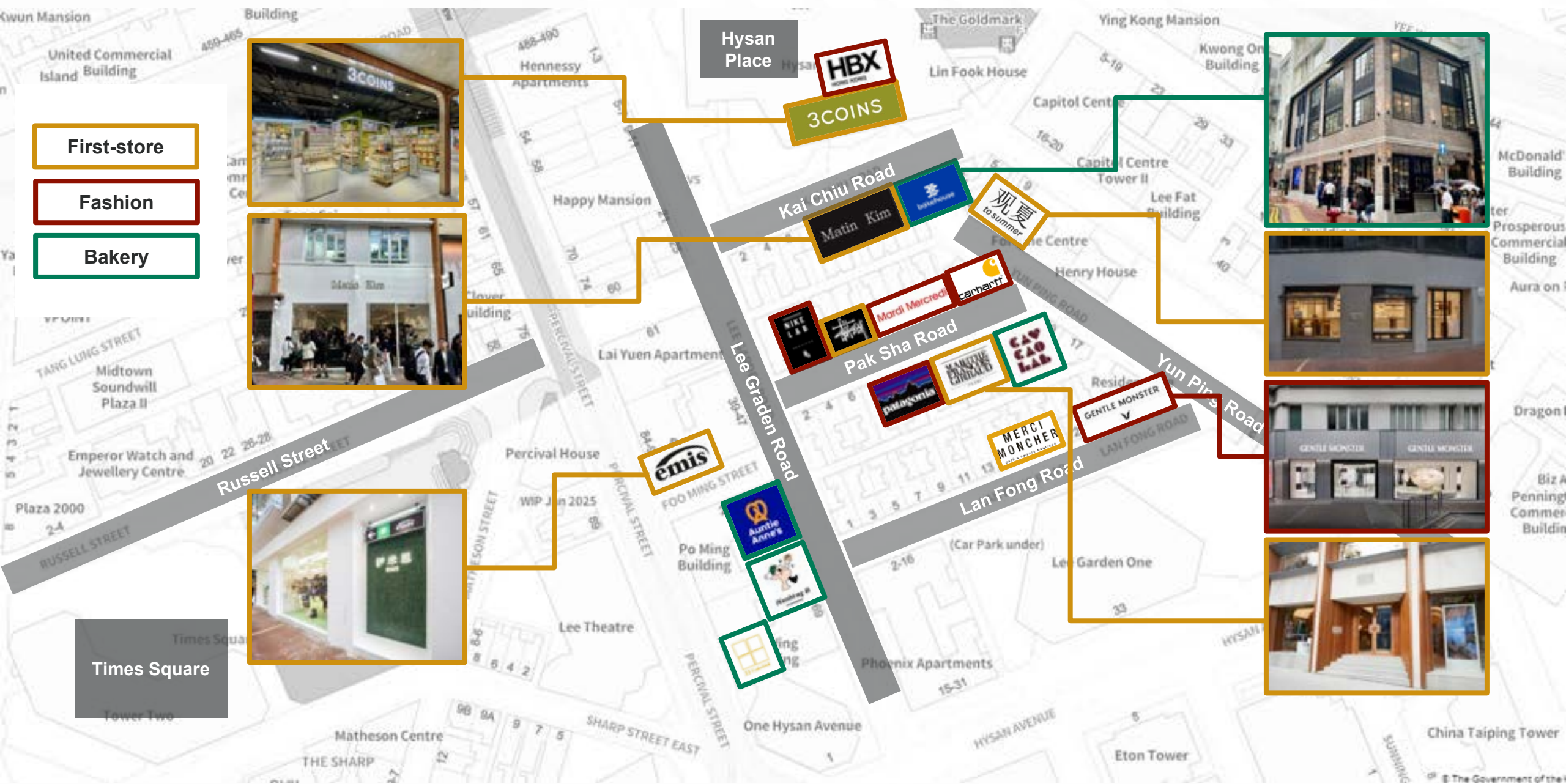
AT LEAST 91 NON-LOCAL BRANDS HAVE SET UP FIRST PERMANENT STORE IN 2025

About 60% of them chose to set up their first store in the four core districts

Brand Origin / Popular Trade Mix	Chinese Mainland 	Asia Pacific 	EMEA & US 
F&B / Bubble Tea 57%	    	    	   
Fashion & Accessories / Athleisure / Sports 15%	  	  	  
Beauty & Fragrance / Pharmacy & Healthcare 5%		  	

Note: Only first permanent store in HK are counted, pop-up stores and new stores within department store are excluded
Source: Cushman & Wakefield Research

CAUSEWAY BAY IS ATTRACTING YOUNG LOCALS AND TOURISTS





Retail Market Q3 25 Review & Outlook

Key Takeaways

1

Retail sales performance showed signs of stabilization with gentle m-o-m growth recorded since July

2

Overall vacancy rate slightly trended downward, wherein leasing transactions were relatively active in Mongkok and Causeway Bay

3

Core high street retail and F&B rents both showed mild adjustments in Q3

4

Overall high street retail rents are expected to drop in a range of 1%-2% in 2025, and F&B rents to retreat 1%-3%

5

The recently announced pet-friendly policies by the government are likely to attract broader customer base and enhance the overall consumer experience, creating new growth opportunities for the retail and F&B sectors

The background of the slide is a photograph of a city skyline. It features a dense cluster of tall, modern and older apartment buildings. In the background, a large, green, forested hill rises above the city. The sky is overcast with grey clouds. A dark blue vertical bar is on the left side of the image, containing the text '03' and 'RESIDENTIAL MARKET'.

03

**RESIDENTIAL
MARKET**

RESIDENTIAL SALES MOMENTUM SUSTAINED

Monthly transactions remained >5,000 units and showed stronger signs of recovery

Month	2012	...	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Y-o-Y Change
Jan	3,507	...	6,412	2,045	3,286	5,270	4,543	2,762	4,562	4,275	3,051	3,477	3,626	4%
Feb	3,884	...	6,027	1,807	4,079	5,482	4,089	3,572	6,125	2,912	4,282	2,375	3,200	35%
Mar	11,358	...	4,329	2,369	5,856	4,263	5,231	3,870	7,444	2,869	6,690	3,971	5,367	35%
Apr	8,217	...	4,549	4,494	7,060	6,646	7,822	4,102	7,325	3,897	4,583	8,551	5,694	-33%
May	8,349	...	5,168	4,586	5,732	5,522	8,208	5,984	7,084	6,202	4,003	5,546	5,105	-8%
Jun	5,886	...	5,776	4,620	6,100	6,713	4,627	6,987	7,591	4,826	3,613	3,856	5,955	54%
Jul	5,709	...	5,393	4,243	3,515	6,091	4,805	6,133	7,579	3,671	3,065	3,723	5,766	55%
Aug	8,087	...	3,896	5,821	4,014	4,822	4,084	4,358	5,546	4,137	3,247	3,654	5,291	45%
Sep	7,301	...	4,263	7,826	5,629	3,500	3,447	5,024	5,844	3,875	2,862	2,848	5,643	98%
Oct	8,714	...	3,300	6,601	5,289	4,243	4,001	4,951	4,643	3,148	2,123	4,697		
Nov	7,035	...	2,826	6,739	5,694	2,635	5,756	6,070	5,409	2,731	2,554	6,298		
Dec	3,286	...	4,043	3,550	5,337	2,060	3,184	6,067	5,145	2,507	2,929	4,103		
Total	81,333	...	55,982	54,701	61,591	57,247	59,797	59,880	74,297	45,050	43,002	53,099	-	-
Jan - Sep	62,298	...	45,813	37,811	45,271	48,309	46,856	42,792	59,100	36,664	35,396	38,001	45,647	20%

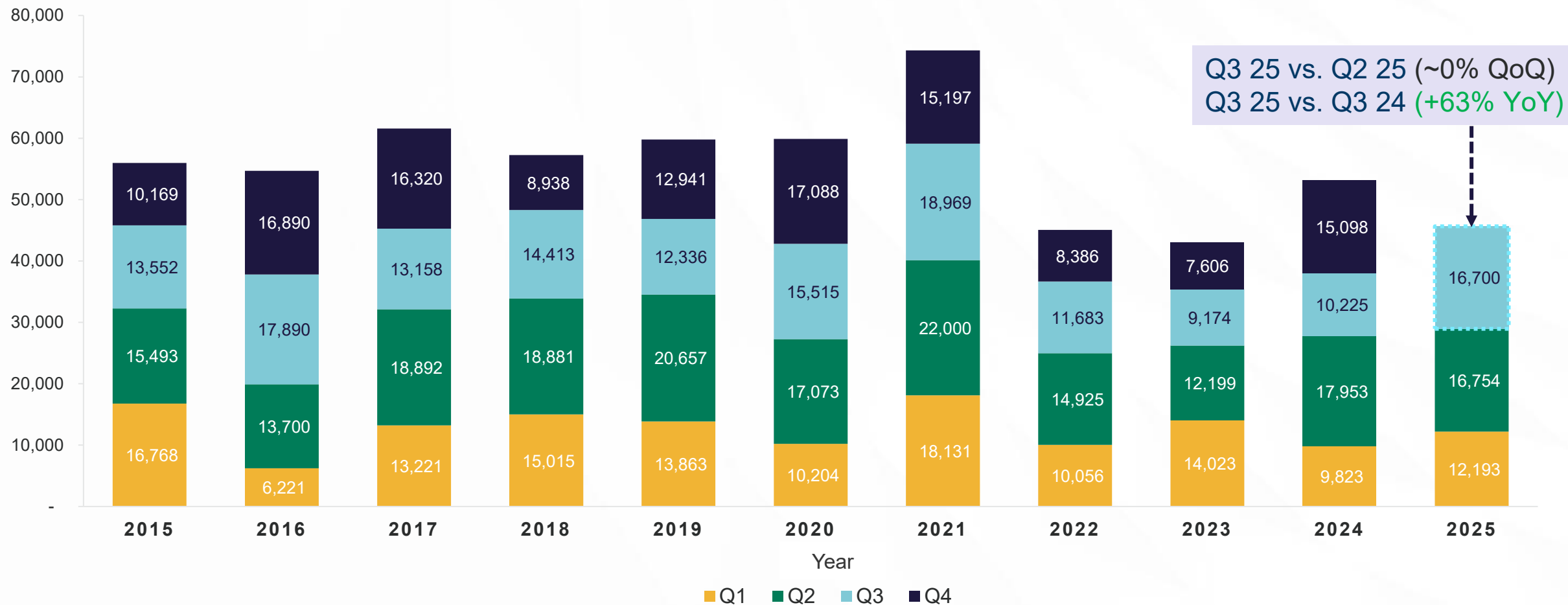
Note: S&Ps: Sales & Purchase Agreements
Source: Land Registry; Cushman & Wakefield Research

Q3 25 vs. Q2 25 (~0% QoQ)
Q3 25 vs. Q3 24 (+63% YoY)

TOTAL RESIDENTIAL S&PS – HISTORICAL COMPARISON

Reached 16,700 cases in Q3 2025, +63% y-o-y

No. of Residential S&Ps

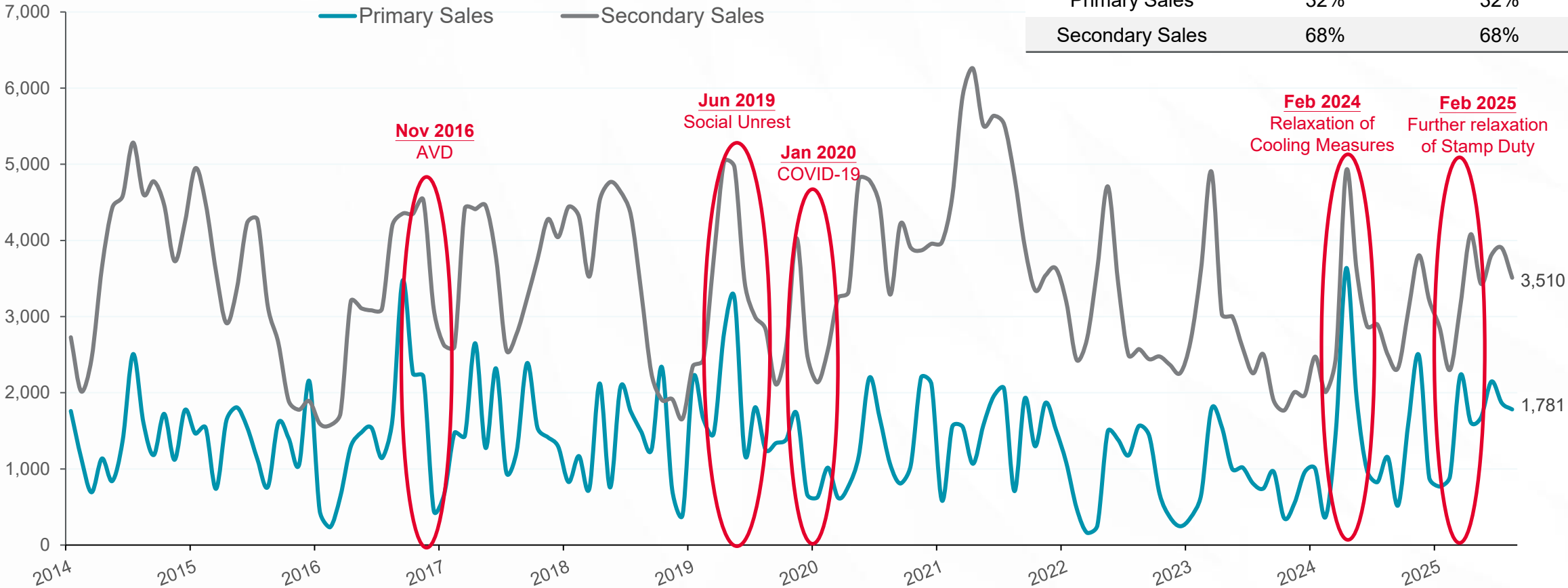


Note: S&Ps: Sales & Purchase Agreements
Source: Land Registry; Cushman & Wakefield Research

PRIMARY AND SECONDARY SALES

New residential developments continued to attract homebuyers

No. of Residential S&Ps



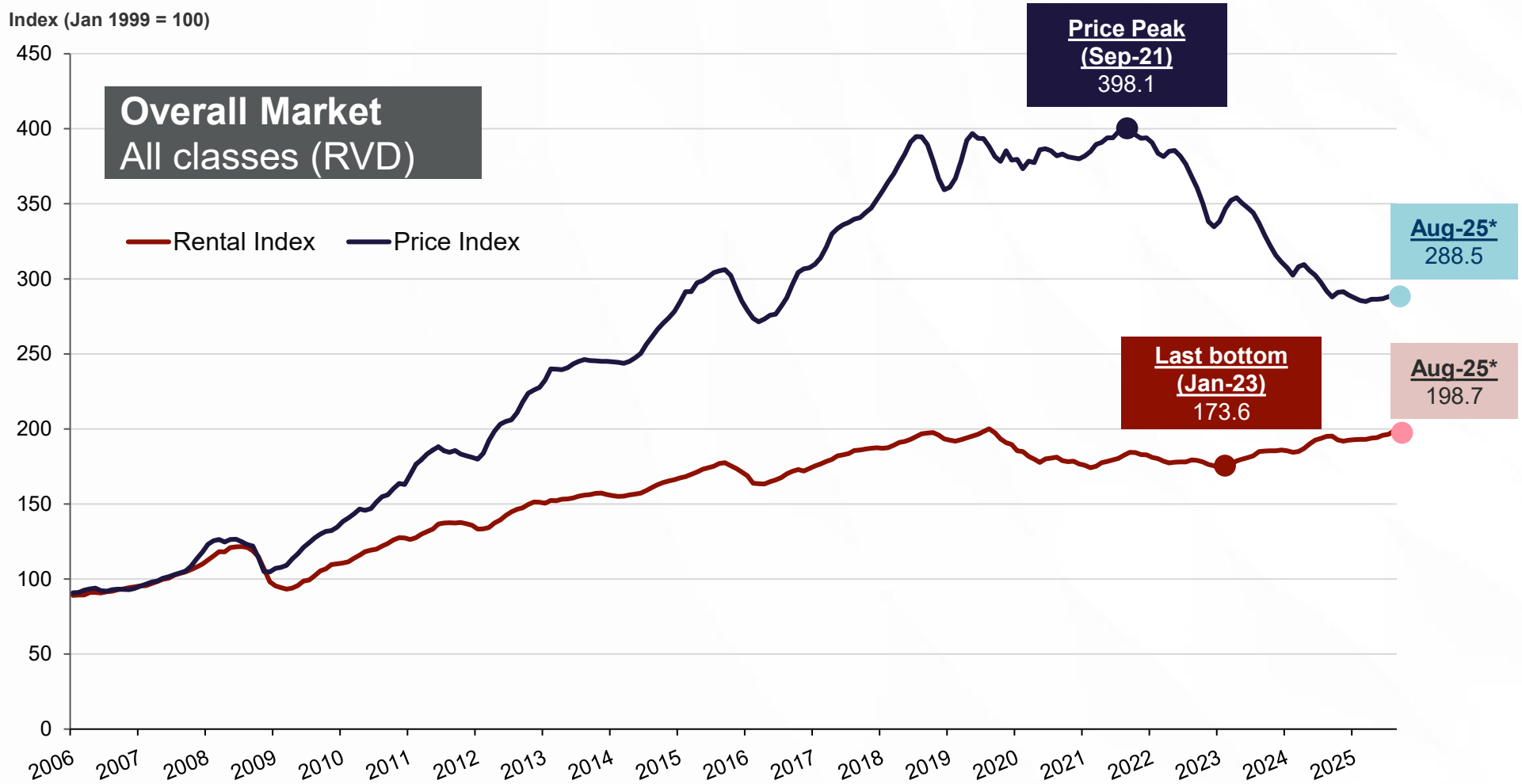
Breakdown of Residential Sales (%)

	2024	Jan - Aug 2025
Primary Sales	32%	32%
Secondary Sales	68%	68%

Notes: AVD is short for Ad Valorem Stamp Duty
Source: Land Registry; Cushman & Wakefield Research

HOME PRICES ROSE FOR A THREE CONSECUTIVE MONTH IN AUGUST

Resilient rental performance continued to attract investors into the market



Price Changes (%) Aug 2025*	
YTD	-0.2%
Y-o-Y	-1.2%
From Sep-21 (Historical Peak)	-27.5%

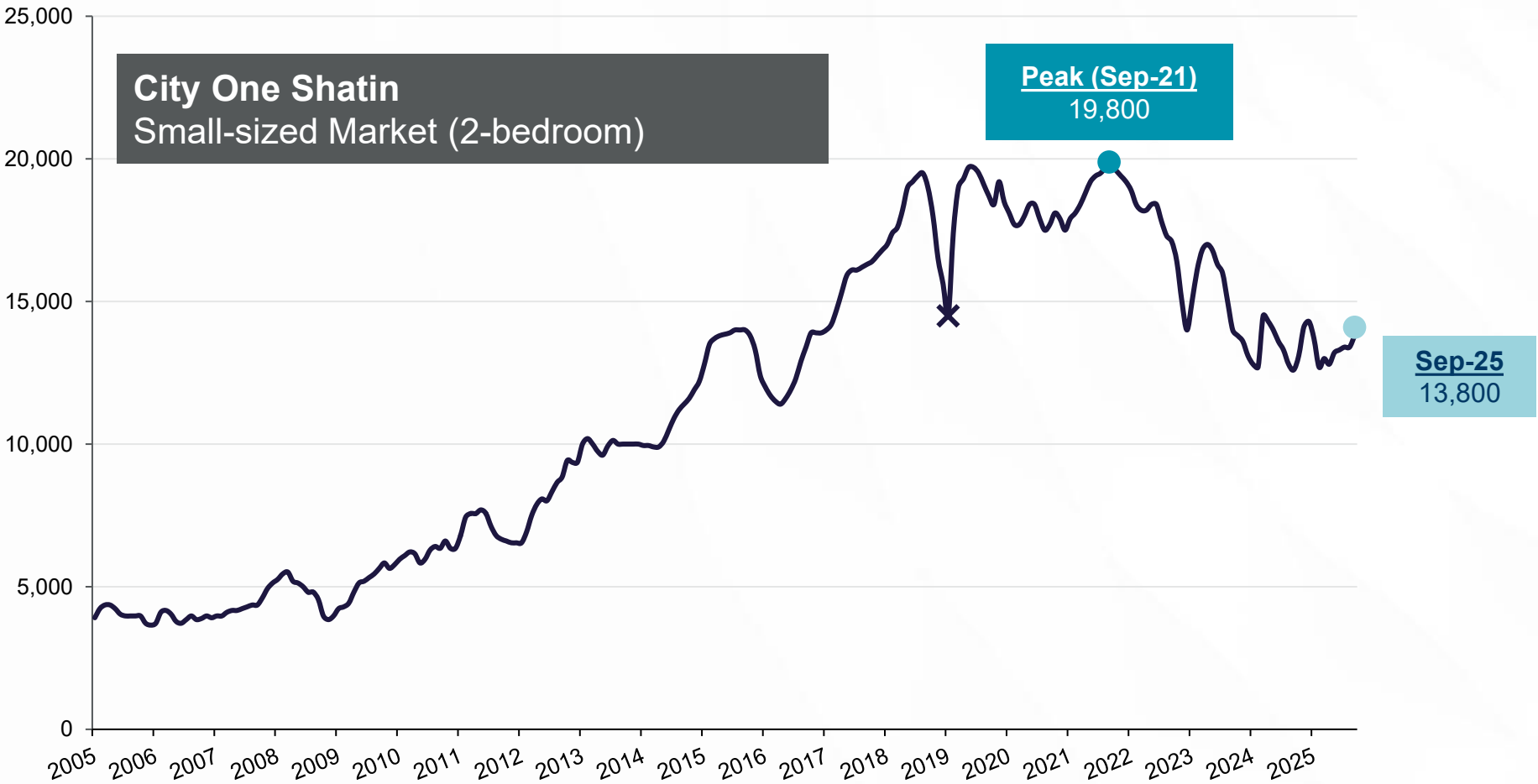
Rental Changes (%) Aug 2025*	
YTD	+3.2%
Y-o-Y	+1.8%
From Jan-23 (Last bottom)	+14.5%

* Preliminary figure from Rating & Valuation Department as of August 2025
Source: Rating & Valuation Department; Cushman & Wakefield Research

MASS MARKET RESIDENTIAL PRICE

Prices at City One Shatin rose by 3.8% q-o-q in Q3

HKD psf (Saleable)



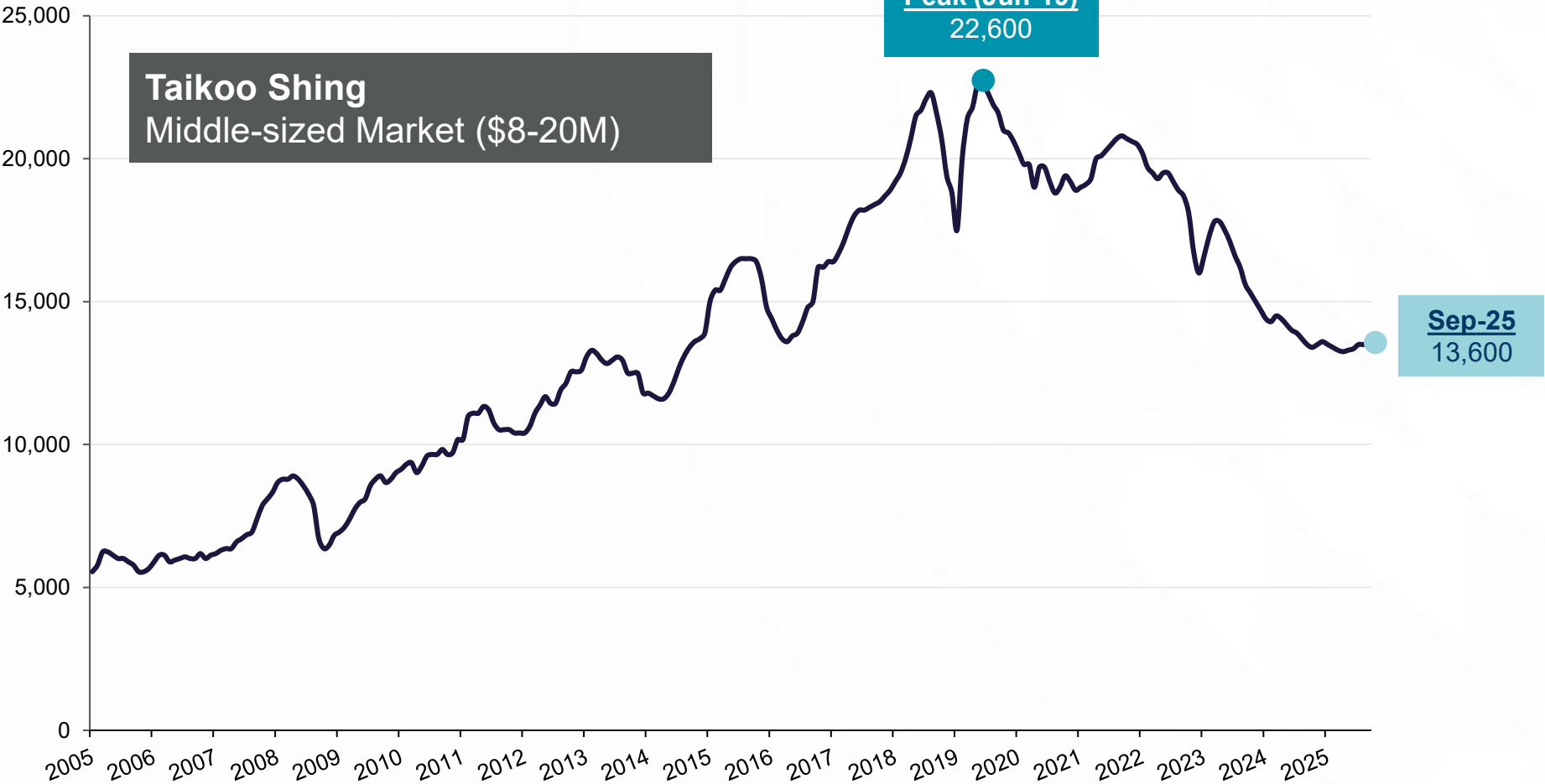
Residential Price Changes (%) Sep 2025	
Q-o-Q	+3.8%
YTD	-3.5%
Y-o-Y	+9.5%
From Sep-21 (Historical Peak)	-30.3%

Source: Cushman & Wakefield Research

MIDDLE MARKET RESIDENTIAL PRICE

Prices at Taikoo Shing (Kao Shan Terrace) increased by 1.9% q-o-q, back to 2024 year-end level

HKD psf (Saleable)



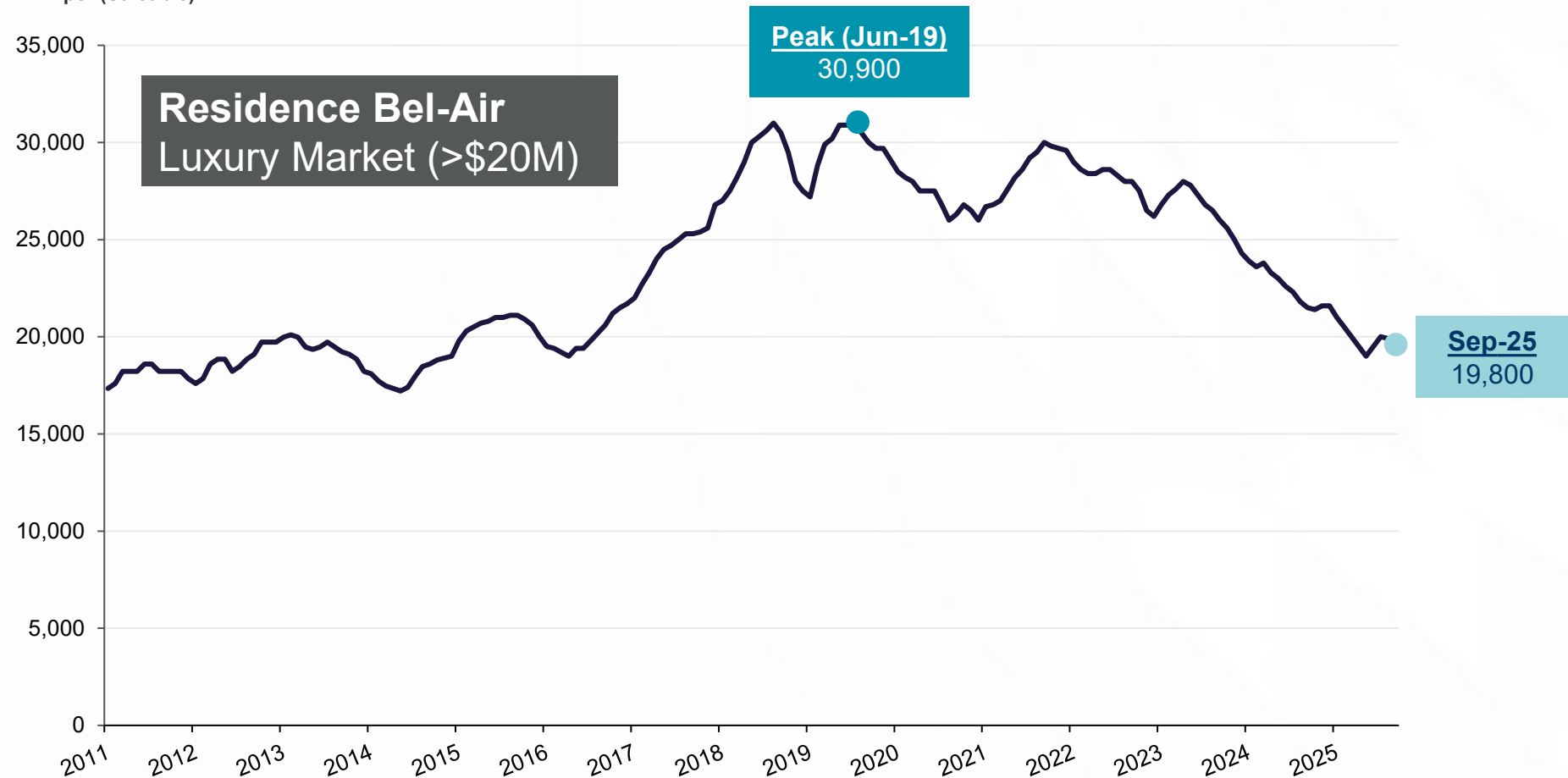
Residential Price Changes (%) Sep 2025	
Q-o-Q	+1.9%
YTD	0.0%
Y-o-Y	+0.7%
From Jun-19 (Historical Peak)	-39.8%

Source: Cushman & Wakefield Research

LUXURY MARKET RESIDENTIAL PRICE

Prices at Residence Bel-Air (Phase 2) picked up slightly at 1.5% q-o-q

HKD psf (Saleable)



Residential Price Changes (%) Sep 2025	
Q-o-Q	+1.5%
YTD	-8.3%
Y-o-Y	-7.9%
From Jun-19 (Historical Peak)	-35.9%

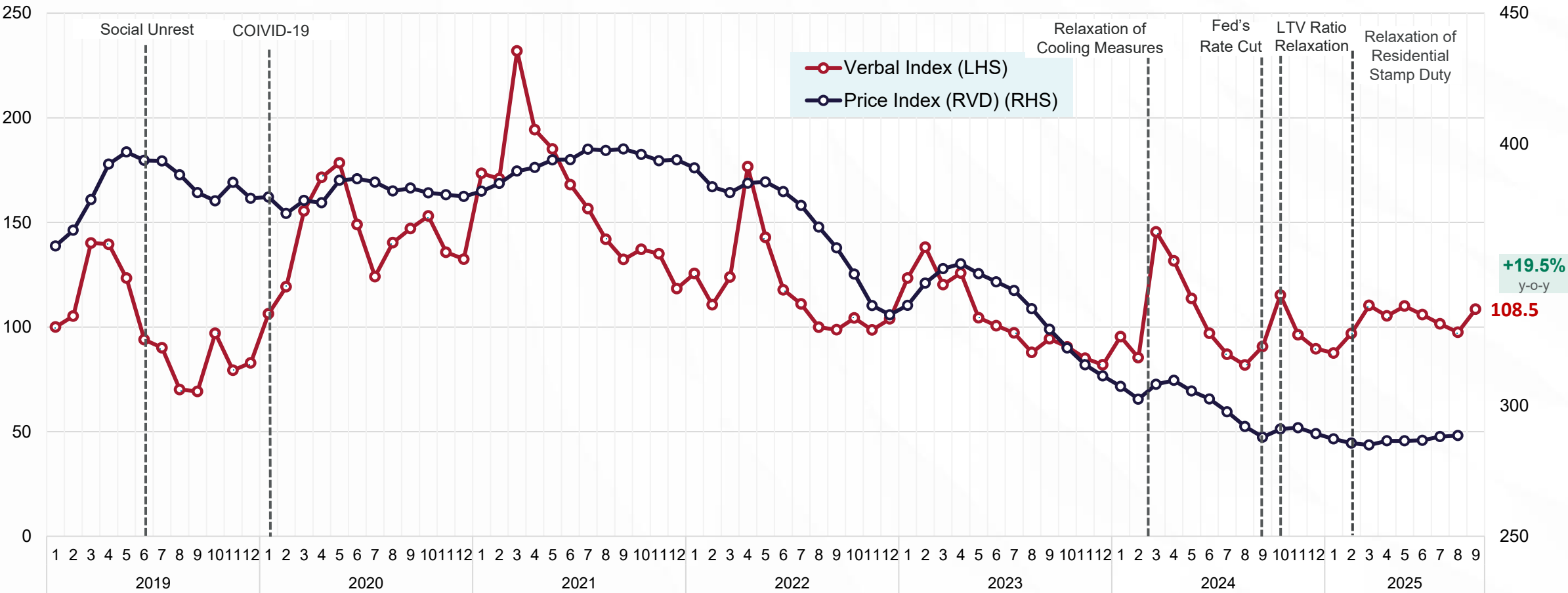
Source: Cushman & Wakefield Research

C&W VERBAL ENQUIRY INDEX: A LEADING INDICATOR TO HOUSING SENTIMENT

Momentum supported by renewed buyer confidence and rising residential rental yields

Verbal Index
(Jan 2019 = 100)

Price Index
(1999= 100)



Source: Rating & Valuation Department; Cushman & Wakefield Research



Residential Market Q3 25 Review & Outlook

Key Takeaways

1

Residential market sentiment continued to be supported by the relatively low HIBOR, relaxation of stamp duty and the active launch of primary sales

2

Momentum of housing sales sustained, with S&Ps volume in Q3 2025 recorded a 63% y-o-y to 16,700 units

3

C&W small-to-mid size home price index went up 1.3% q-o-q, along with the recovery of our verbal enquiry index

4

2025 residential transaction volume is expected to increase by 9% to 13% from 2024 level to 58,000 to 60,000 units

5

Home prices are expected to have bottom out, and are likely to recover gently by +1% to +2% y-o-y in 2025

Q&A SESSION



John Siu
Managing Director
Hong Kong



Rosanna Tang
Executive Director
Head of Research,
Hong Kong



Edgar Lai
Senior Director
Valuation and Advisory Services,
Hong Kong