

HONG KONG

OFFICE, RETAIL & RESIDENTIAL MARKETS Q1 2026 REVIEW & OUTLOOK

April 2026

Better never settles

01

OFFICE MARKET



RENTS IN GREATER CENTRAL AND GREATER TSIMSHATSUI ARE PICKING UP

Performance of core areas and non-core areas continue to diverge

Submarkets	Jan 19 (Peak)	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q-o-Q	Y-o-Y	2026 Forecast
Prime Central	\$166.1	89.8	89.3	89.8	92.7	98.8	6.8%	10.0%	+8% ~ +10%
Greater Central	\$139.0	77.2	76.5	76.4	77.9	82.1	5.5%	6.3%	+6% ~ +8%
Wanchai / Causeway Bay	\$79.2	46.0	45.3	45.2	44.8	45.3	1.1%	-1.7%	-1% ~ -3%
Hong Kong East	\$55.3	33.3	32.6	31.7	31.1	30.8	-1.0%	-7.5%	-5% ~ -7%
Hong Kong South	\$36.1	22.6	22.5	21.7	21.5	21.5	0.2%	-4.8%	-5% ~ -7%
Greater Tsimshatsui	\$68.0	42.3	42.2	42.1	43.5	43.7	0.4%	3.4%	+1% ~ +3%
Kowloon East	\$36.8	24.0	23.6	23.0	22.6	22.5	-0.6%	-6.4%	-4% ~ -6%
Kowloon West	\$44.0	28.7	28.6	28.4	28.4	28.5	0.3%	-0.7%	-1% ~ -3%
All Districts Average	\$76.0	43.9	43.5	43.1	43.3	44.3	2.4%	1.0%	+1% ~ +3%

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

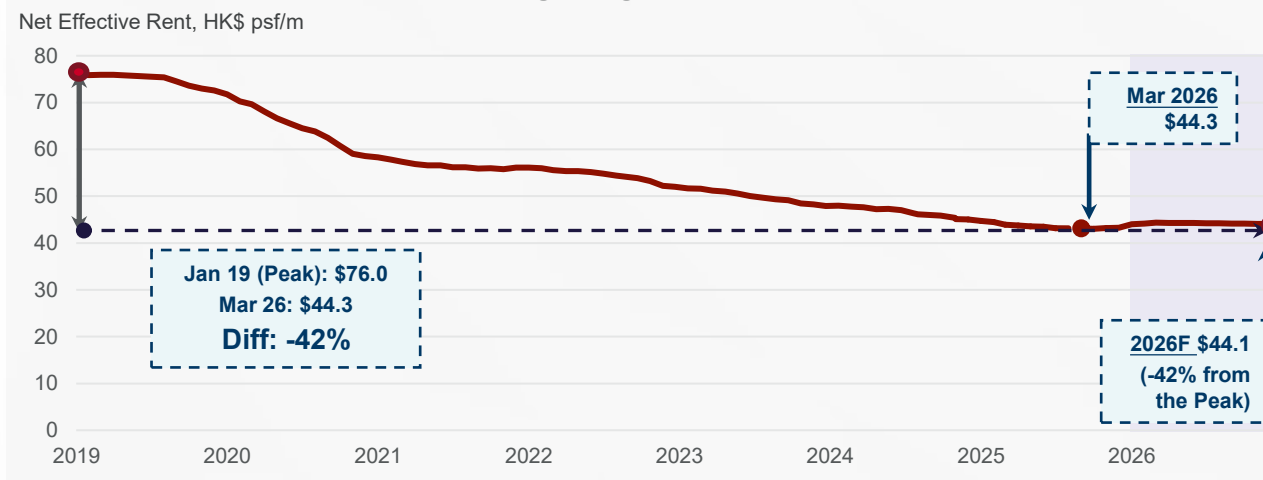
Kowloon East: Kwun Tong, Ngau Tau Kok, Kowloon Bay and Kai Tak

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

Overall Hong Kong Grade A Office Rents

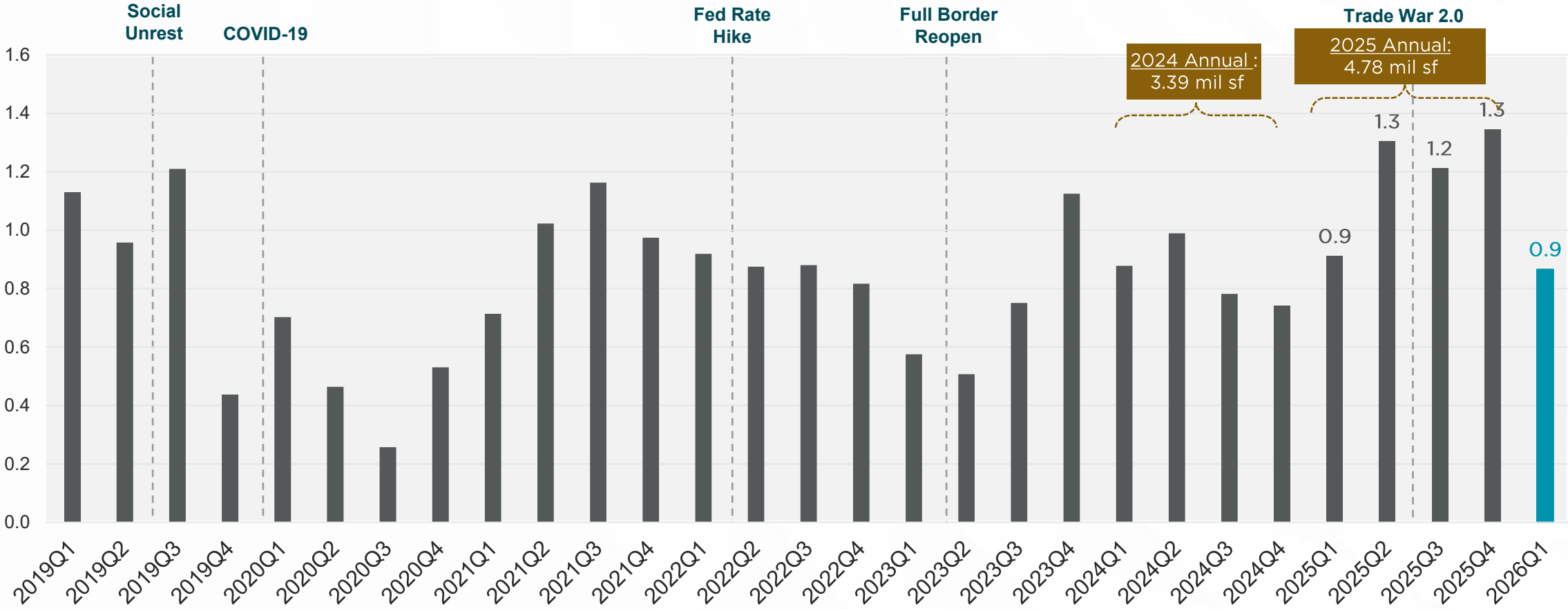


NEW LEASE MOMENTUM PERSISTED IN Q1 DESPITE CHINESE NEW YEAR HOLIDAY

Underpinned by pre-leasing activities of new projects



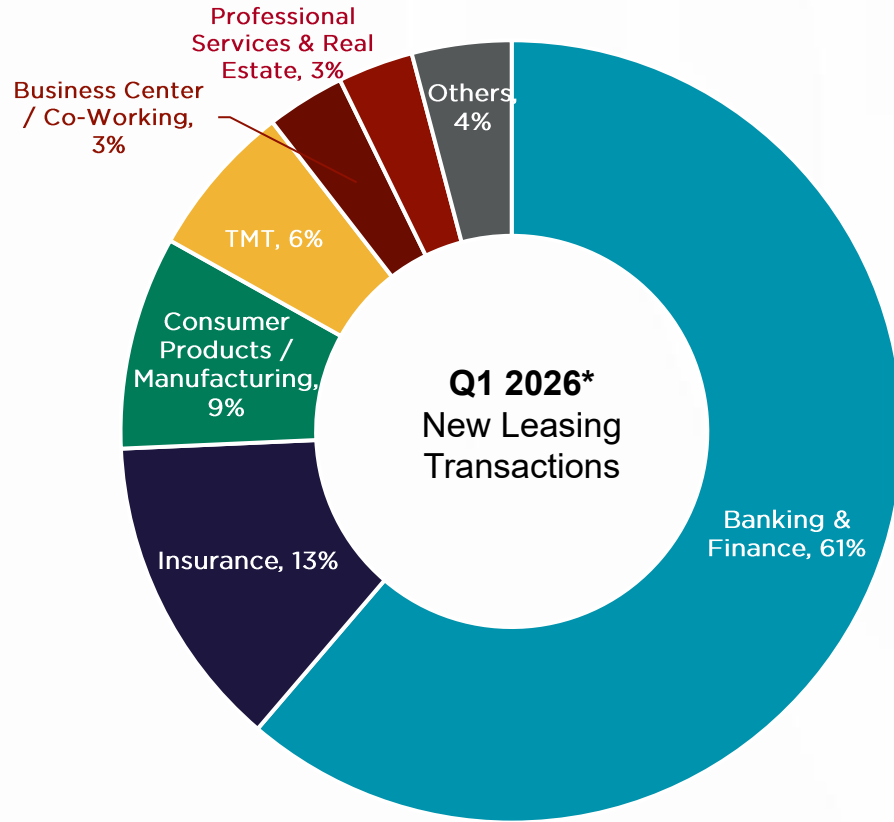
NFA (million sf)



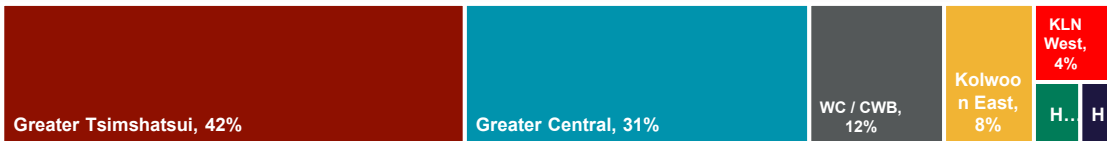
Source: Cushman & Wakefield Research, data as of mid-March 2026

BANKING & FINANCE AND INSURANCE SHARED OVER 70% OF NEW LETTINGS

Greater Central and Greater Tsimshatsui remained sought-after to occupiers



*Data as of mid-March 2026, the above chart only covers deals with tenant background identified



Total leased floor area: 866,000 sf

Source: Cushman & Wakefield Research

Banking & Finance  Artist Square Tower 186,100 sf  One IFC 31,200 sf  Two IFC 21,700 sf		
Insurance  International Gateway Centre 73,600 sf  World Commerce Centre 7,800 sf		
Consumer Products / Manufacturing  Manulife Place 27,600 sf  Langham Place Office Tower 11,800 sf		TMT  Oxford House 9,800 sf  One HarbourGate, China Life Tower 7,900 sf
Business Center / Co-Working  Silvercord 10,900 sf  9 QRC 10,300 sf		

NET ABSORPTION REMAINED POSITIVE FOR 10TH CONSECUTIVE QUARTERS

Supported by end-user purchases and flight-to-quality activities

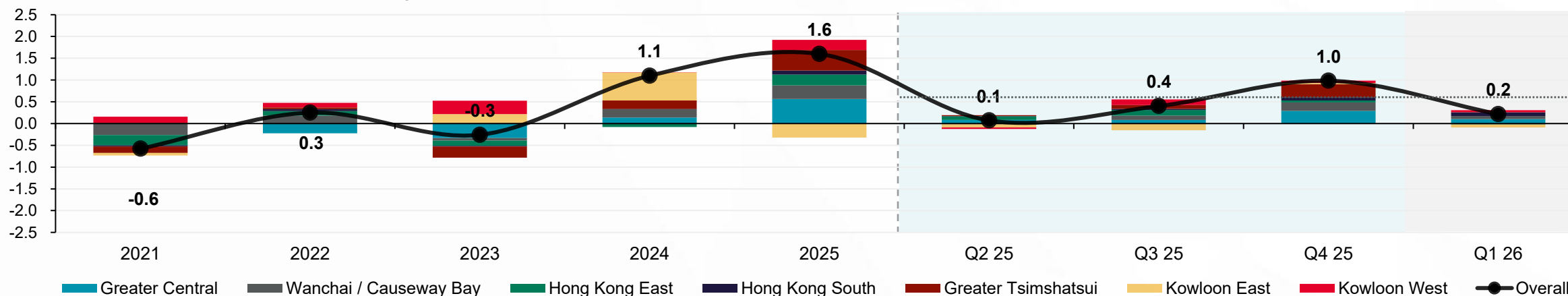
Submarkets	2021	2022	2023	2024	2025	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
Greater Central	10,400	-224,400	-330,500	138,200	564,900	103,700	84,200	83,400	293,400	105,600
Wanchai / Causeway Bay	-261,700	181,300	-59,800	196,200	309,800	32,500	-14,900	99,200	193,000	66,200
Hong Kong East	-241,500	105,400	-118,400	-79,300	248,100	-6,400	81,400	128,400	44,700	-20,600
Hong Kong South	-20,800	46,900	-17,300	4,100	94,000	-11,200	5,400	25,900	73,900	84,800
Greater Tsimshatsui	-152,500	37,400	-259,400	192,300	471,700	61,100	23,100	90,300	297,200	7,700
Kowloon East	-59,300	1,500	216,800	642,300	-323,800	-120,000	-77,400	-154,800	28,300	-68,900
Kowloon West	146,800	102,400	309,800	3,900	235,000	83,700	-30,500	128,700	53,100	42,400
Overall	-578,700	250,600	-258,800	1,097,600	1,599,700	143,700	71,400	401,000	983,600	217,100

Note: Data as of mid-March 2026

Absorption (million sf, NFA)

Y-o-Y Comparison

Q-o-Q Comparison



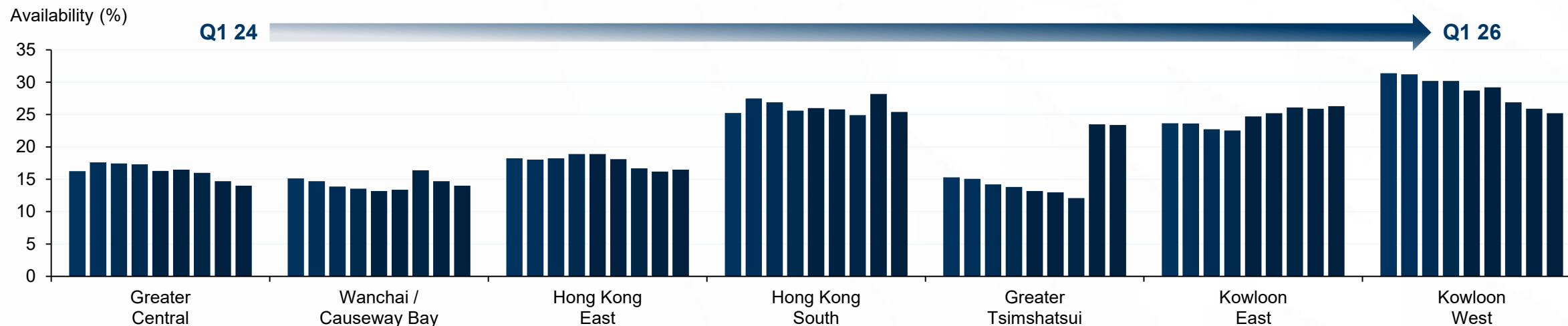
Source: Cushman & Wakefield Research

CITYWIDE AVAILABILITY STOOD ABOVE 20% DESPITE POSITIVE NET ABSORPTION

Core districts on Hong Kong Island outperformed

Submarkets	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26
Greater Central	16.3%	17.6%	17.5%	17.3%	16.3%	16.5%	16.0%	14.7%	14.0%
Wanchai / Causeway Bay	15.1%	14.1%	13.9%	13.6%	13.2%	13.4%	16.4%	14.5%	13.8%
Hong Kong East	18.2%	18.1%	18.3%	18.9%	18.9%	18.1%	16.7%	16.2%	16.5%
Hong Kong South	25.3%	27.5%	26.9%	25.6%	26.0%	25.8%	24.9%	28.2%	25.4%
Greater Tsimshatsui	15.3%	15.1%	14.2%	13.8%	13.2%	13.0%	12.1%	23.5%	23.4%
Kowloon East	23.7%	23.5%	22.7%	22.5%	24.7%	25.2%	26.1%	25.9%	26.3%
Kowloon West	31.4%	31.2%	30.2%	30.2%	28.7%	29.2%	26.9%	25.9%	25.2%
Overall Availability*	19.6%	19.7%	19.3%	19.1%	19.2%	19.3%	19.2%	20.3%	20.0%

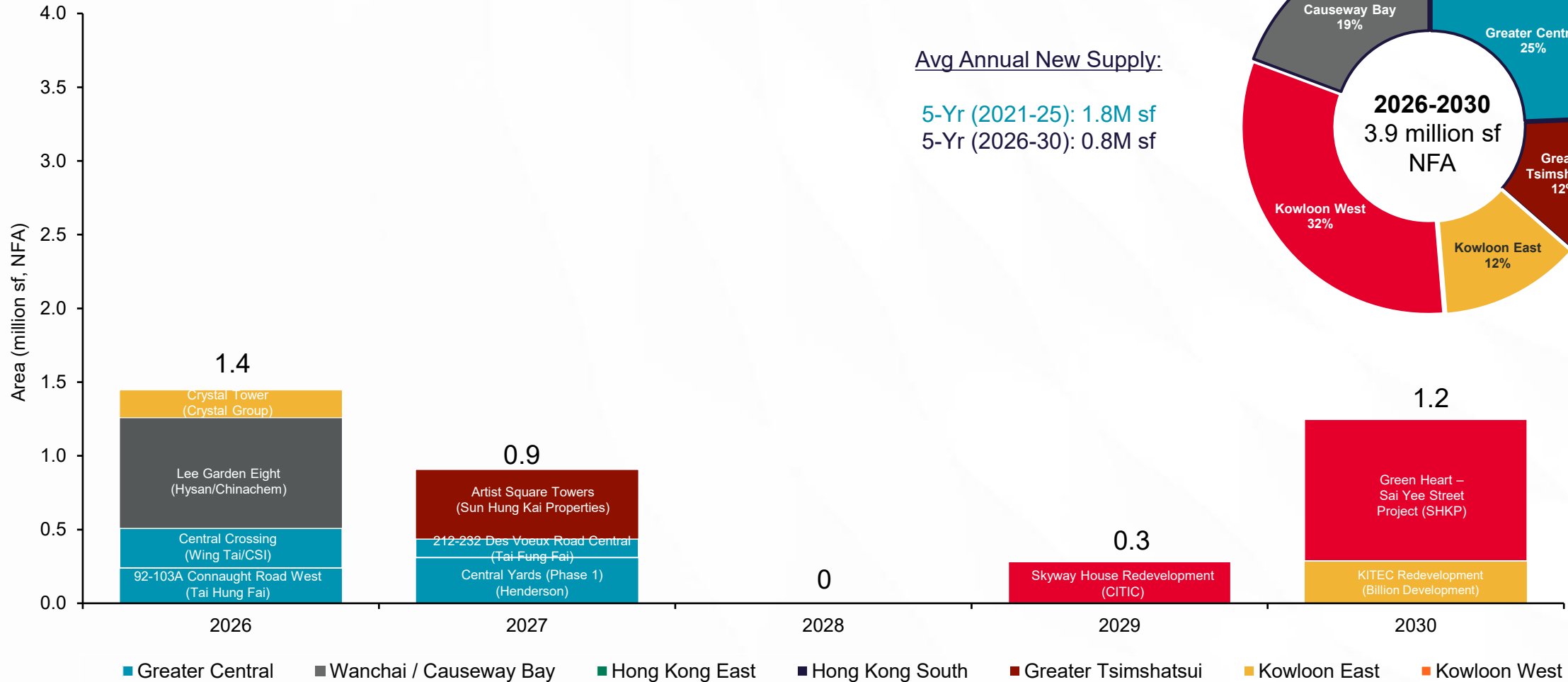
Note: Availability includes confirmed leasing stock that is currently vacant or becoming vacant over the next 12 months. Numbers highlighted in red indicates a q-o-q decline of availability rate
Note: Data as of mid-March 2026



Source: Cushman & Wakefield Research

FUTURE SUPPLY PIPELINE

New completions gradually taper off from 2026 onwards, but will edge up again in 2030



Source: Cushman & Wakefield Research



Office Market Q1 2026 Review & Outlook

Key Takeaways

1

On the back of sustained demand from banking & finance and insurance sectors, office net absorption reached 217,100 sf in Q1 and remained positive for the 10th consecutive quarter.

2

Office rent gained 2.4% q-o-q in Q1, this also marked the rental growth for two quarters in a row for the first time since Q1 2019.

3

Geopolitical uncertainties may prompt investors to reallocate capital to Hong Kong, potentially supporting demand from banking & finance and wealth management-related occupiers.

4

We forecast overall office rent to grow by 1% to 3% in 2026, chiefly contributed by Greater Central (+6% to +8%). The rental divergence between prime offices and other decentralized areas will be more pronounced.

5

As most new pipelines are expected to be completed in 2H 2026, the overall availability rate is expected to remain broadly stable in the next quarter, if the leasing momentum is sustained.

02

RETAIL MARKET

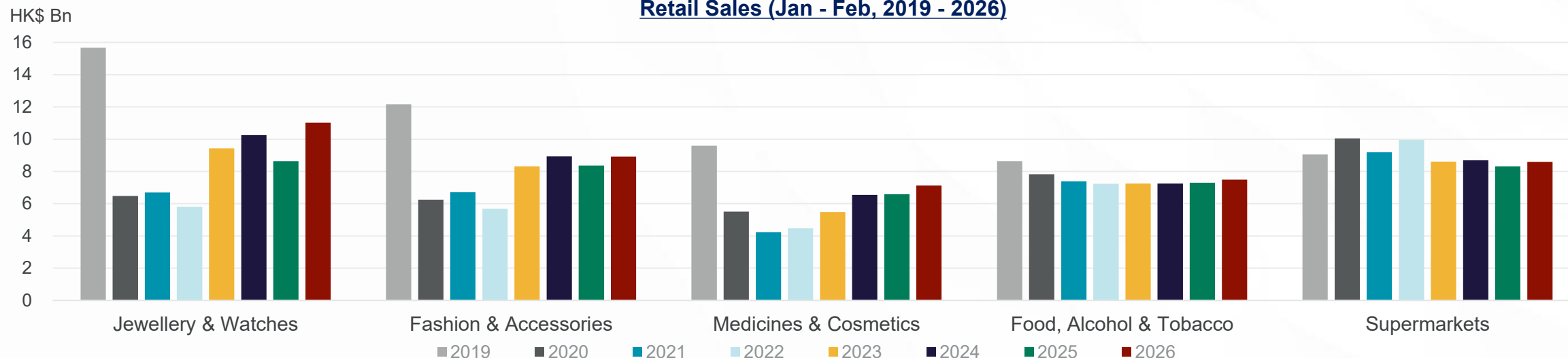


RETAIL SALES CONTINUED TO TREND SLIGHTLY UPWARD

Supported by rising tourist arrivals and improved local consumption sentiment

Retail Sales (HK\$ Bn)	Jan – Feb								
	2019	2020	2021	2022	2023	2024	2025	2026	Y-o-Y Δ
Jewellery & Watches	15.67	6.48	6.69	5.80	9.43	10.25	8.63	11.03	+27.8%
Fashion & Accessories	12.16	6.25	6.70	5.68	8.32	8.93	8.36	8.92	+6.6%
Medicines & Cosmetics	9.59	5.50	4.23	4.47	5.47	6.55	6.58	7.13	+8.3%
Food, Alcohol & Tobacco	8.63	7.83	7.39	7.24	7.25	7.25	7.30	7.49	+2.6%
Supermarkets	9.05	10.06	9.19	9.95	8.61	8.69	8.31	8.59	+3.3%
Total	88.69	60.46	62.08	59.05	69.29	70.28	64.76	72.38	+11.8%

Retail Sales (Jan - Feb, 2019 - 2026)

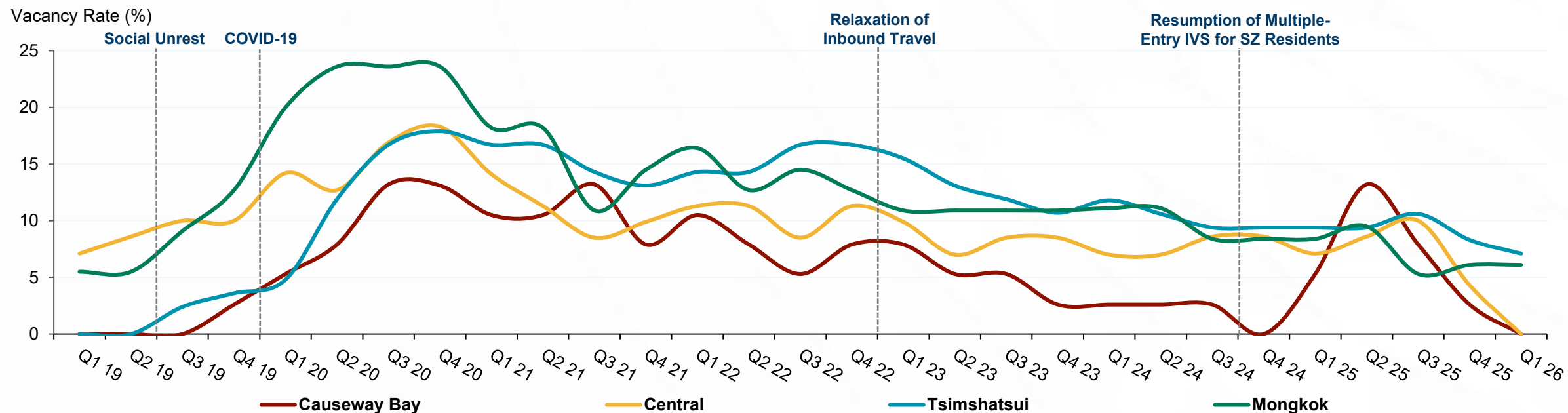


Source: Hong Kong Census & Statistics Department; Cushman & Wakefield Research

OVERALL VACANCY RATE CONTINUED TO TREND DOWNWARD

Both Causeway Bay and Central recorded zero vacancies

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026
Causeway Bay	2.6%	13.1%	7.9%	7.9%	2.6%	0.0%	2.6%	0.0%
Central	10.0%	18.3%	9.9%	11.3%	8.5%	8.6%	4.3%	0.0%
Tsimshatsui	3.6%	17.9%	13.1%	16.7%	10.7%	9.4%	8.3%	7.1%
Mongkok	12.7%	23.6%	14.5%	12.7%	10.9%	8.4%	6.1%	6.1%
Overall	7.3%	18.5%	11.7%	12.9%	8.9%	7.6%	5.9%	4.2%



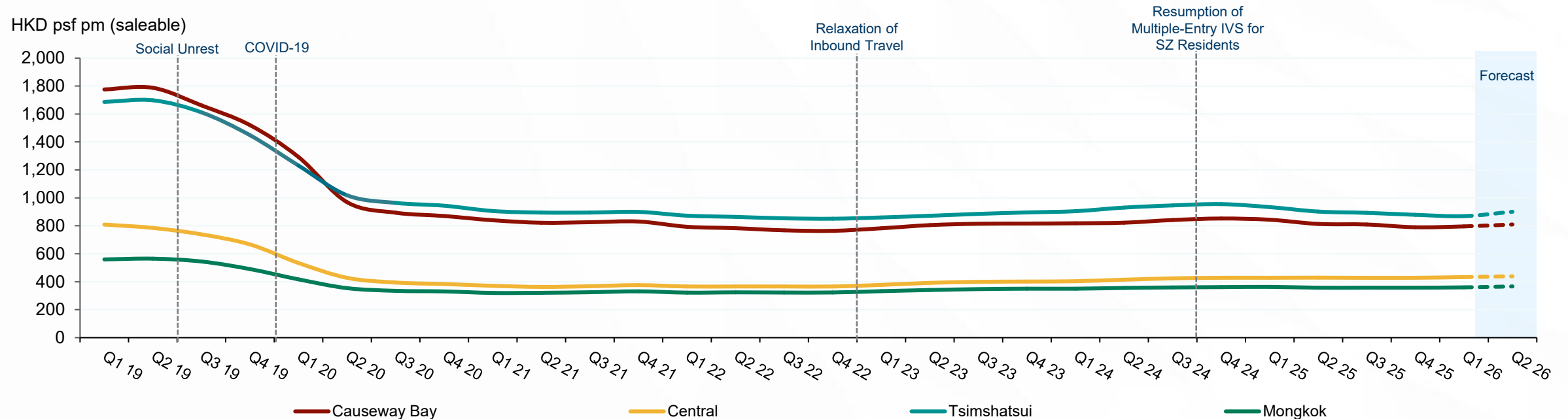
* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street

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

HONG KONG ISLAND RENTAL RECOVERY OUTPERFORMED KOWLOON SIDE

Rents are expected to recover modestly in a range of 2% to 3% in 1H 2026

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026	Q-o-Q Δ	Y-o-Y Δ	1H 2026F
Causeway Bay	\$1,520	\$870	\$831	\$764	\$816	\$852	\$790	\$797	+0.8%	-5.7%	+2% ~ +3%
Central	\$667	\$384	\$376	\$366	\$402	\$429	\$429	\$433	+1.1%	+1.1%	
Tsimshatsui	\$1,448	\$944	\$900	\$851	\$896	\$956	\$879	\$869	-1.1%	-6.9%	
Mongkok	\$491	\$331	\$332	\$323	\$350	\$362	\$358	\$360	+0.6%	-1.0%	

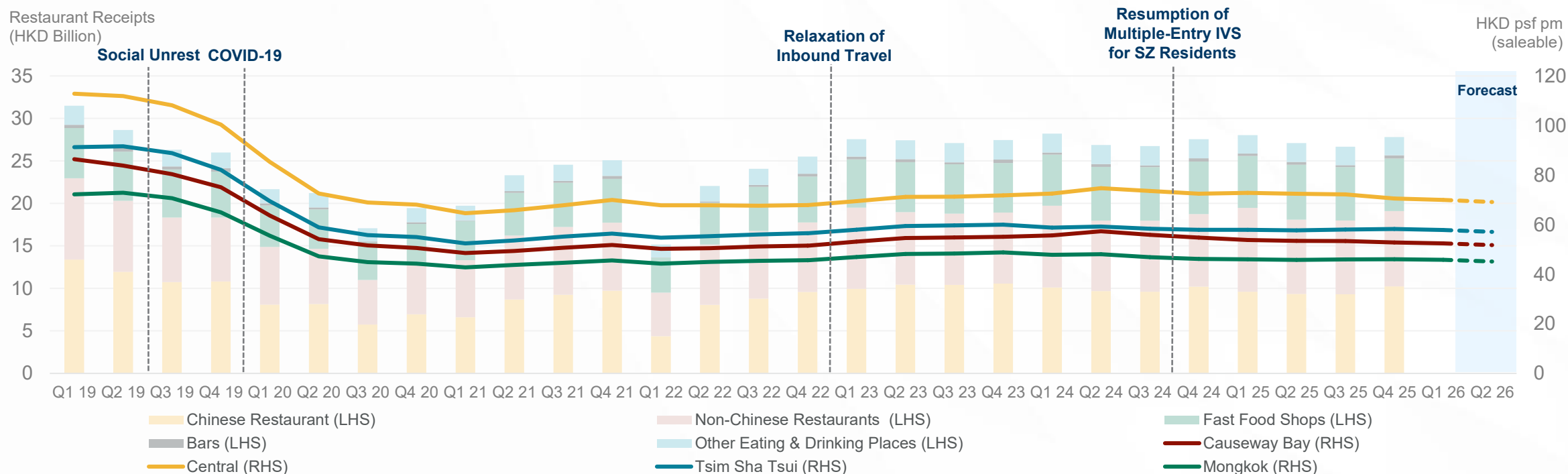


* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street
Source: The Land Registry; Market Info; Cushman & Wakefield Research

F&B RENTS REMAINED UNDER PRESSURE AMID HIGH AVAILABILITY

Mild q-o-q decline recorded across districts

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026	Q-o-Q Δ	Y-o-Y Δ	1H 2026F
Causeway Bay	\$75.1	\$50.6	\$51.8	\$51.5	\$55.1	\$54.8	\$52.8	\$52.5	-0.7%	-2.5%	-1% ~ -3%
Central	\$100.3	\$68.1	\$69.9	\$67.9	\$71.8	\$72.5	\$70.5	\$70.0	-0.8%	-3.9%	
Tsimshatsui	\$82.1	\$55.0	\$56.4	\$56.5	\$60.0	\$57.9	\$58.3	\$58.0	-0.7%	-0.1%	
Mongkok	\$65.0	\$44.3	\$45.5	\$45.6	\$48.8	\$46.2	\$46.1	\$45.8	-0.5%	-0.4%	



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



Retail Market Q1 2026 Review & Outlook

Key Takeaways

1

The sustained growth in inbound visitors and stabilized local consumption sentiment continued to support retail market recovery in core districts' high streets

2

Overall vacancy rate has continued to fall, with Causeway Bay and Central recording zero vacancies. The market continued to see leasing demand from new market players on first and second-tier high streets

3

High availability of F&B area across districts and changing consumption habits continued to weigh on F&B rental performance. Smaller F&B spaces (>5,000 sf) are expected to be more appealing to operators

4

We maintain our forecast of a 2% to 3% increase in overall high street retail rents and a 1% to 3% decline in F&B rents in 1H 2026

5

A stronger RMB, growing visitor arrivals, and the wealth effect stemming from improving residential market are expected to strengthen consumption activity



03

**RESIDENTIAL
MARKET**

RESIDENTIAL MARKET MAINTAINED UPWARD MOMENTUM

Monthly transactions reached >5,000 units for 13 consecutive months since March 2025

Month	2012	...	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Y-o-Y Change
Jan	3,507	...	2,045	3,286	5,270	4,543	2,762	4,562	4,275	3,051	3,477	3,626	5,669	+56%
Feb	3,884	...	1,807	4,079	5,482	4,089	3,572	6,125	2,912	4,282	2,375	3,200	6,669	+108%
Mar	11,358	...	2,369	5,856	4,263	5,231	3,870	7,444	2,869	6,690	3,971	5,367	6,316	+18%
Apr	8,217	...	4,494	7,060	6,646	7,822	4,102	7,325	3,897	4,583	8,551	5,694		
May	8,349	...	4,586	5,732	5,522	8,208	5,984	7,084	6,202	4,003	5,546	5,105		
Jun	5,886	...	4,620	6,100	6,713	4,627	6,987	7,591	4,826	3,613	3,856	5,955		
Jul	5,709	...	4,243	3,515	6,091	4,805	6,133	7,579	3,671	3,065	3,723	5,766		
Aug	8,087	...	5,821	4,014	4,822	4,084	4,358	5,546	4,137	3,247	3,654	5,291		
Sep	7,301	...	7,826	5,629	3,500	3,447	5,024	5,844	3,875	2,862	2,848	5,643		
Oct	8,714	...	6,601	5,289	4,243	4,001	4,951	4,643	3,148	2,123	4,697	5,714		
Nov	7,035	...	6,739	5,694	2,635	5,756	6,070	5,409	2,731	2,554	6,298	5,588		
Dec	3,286	...	3,550	5,337	2,060	3,184	6,067	5,145	2,507	2,929	4,103	5,883		
Total	81,333	...	54,701	61,591	57,247	59,797	59,880	74,297	45,050	43,002	53,099	62,832	-	-
Jan - Mar	18,749	...	6,221	13,221	15,015	13,863	10,204	18,131	10,056	14,023	9,823	12,193	18,654	+53%

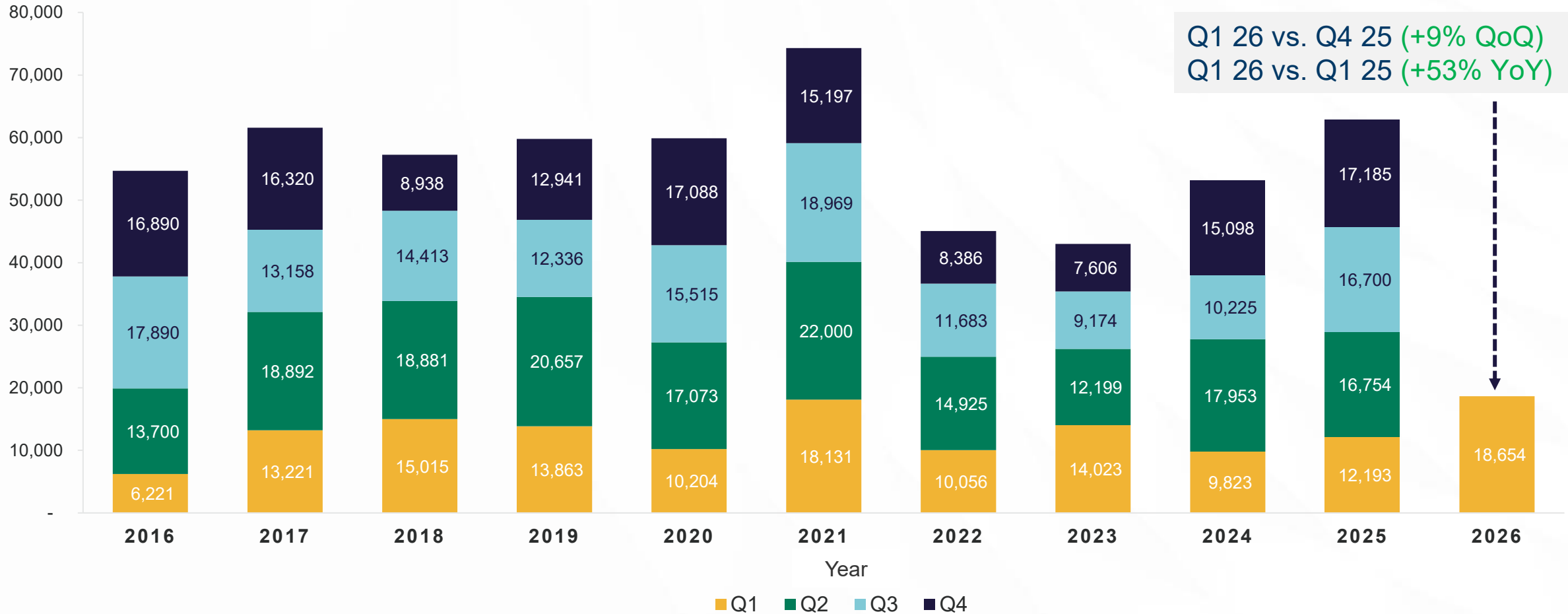
Q1 26 vs. Q4 25 (+9% QoQ)
Q1 26 vs. Q1 25 (+53% YoY)

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

TOTAL RESIDENTIAL S&PS – HISTORICAL COMPARISON

No. of transactions reached 18,654 cases in Q1 2026, up 53% y-o-y

No. of Residential S&Ps



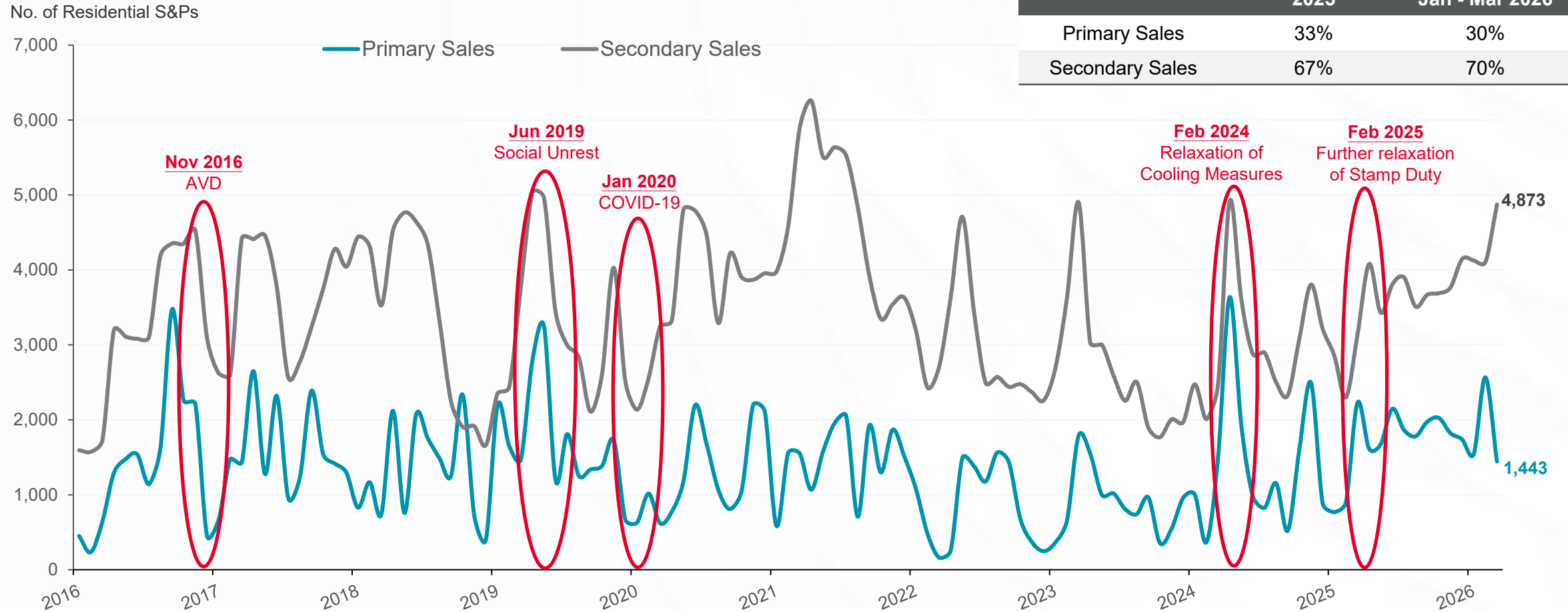
Note: S&Ps: Sales & Purchase Agreements
Source: Land Registry; Cushman & Wakefield Research

PRIMARY AND SECONDARY SALES

The market witnessed strong sales of few new projects

Breakdown of Residential Sales (%)

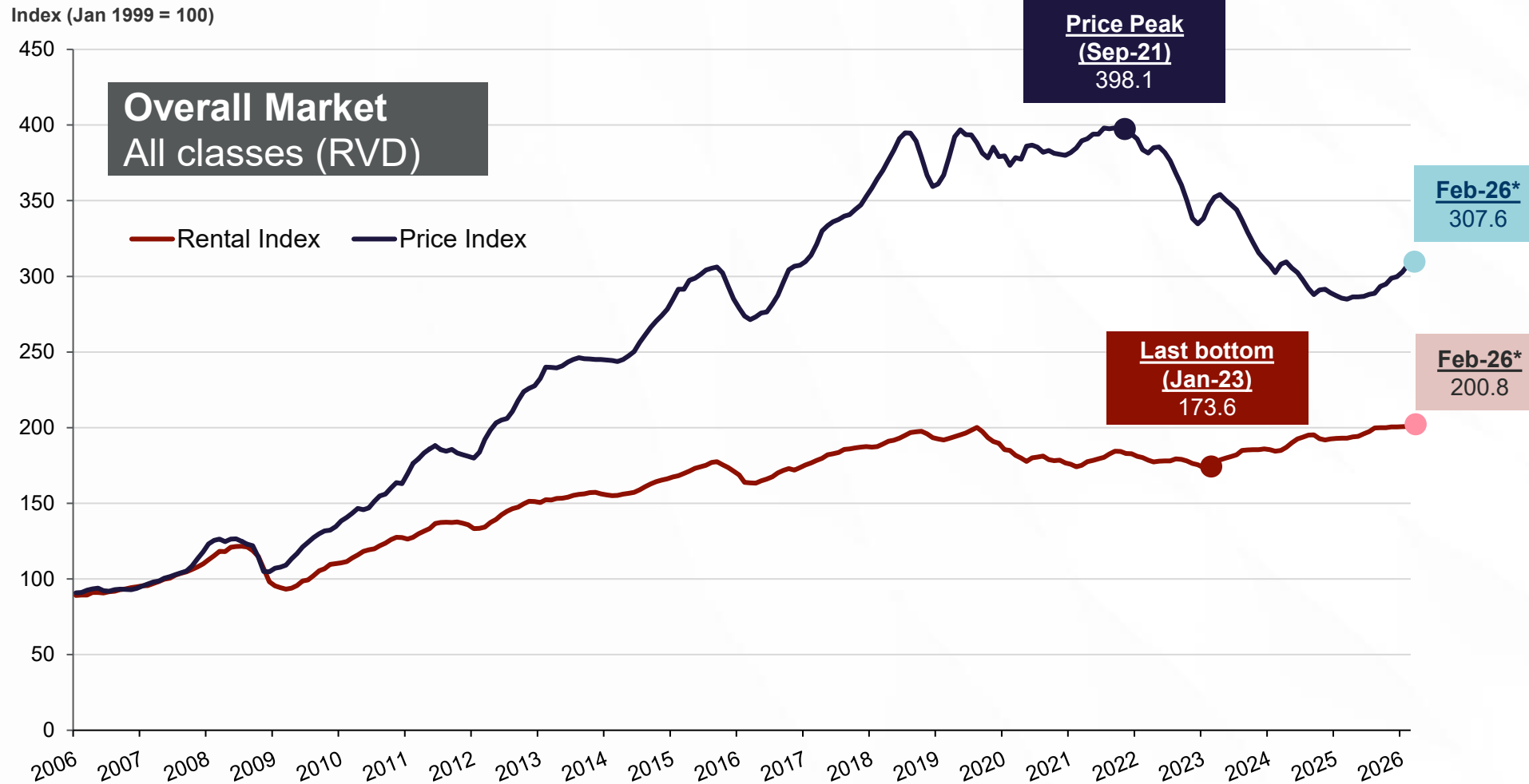
	2025	Jan - Mar 2026
Primary Sales	33%	30%
Secondary Sales	67%	70%



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

HOME PRICES ROSE FOR A NINETH CONSECUTIVE MONTH IN FEBRUARY

The solid rental level and stable returns continue to draw some investors to housing market



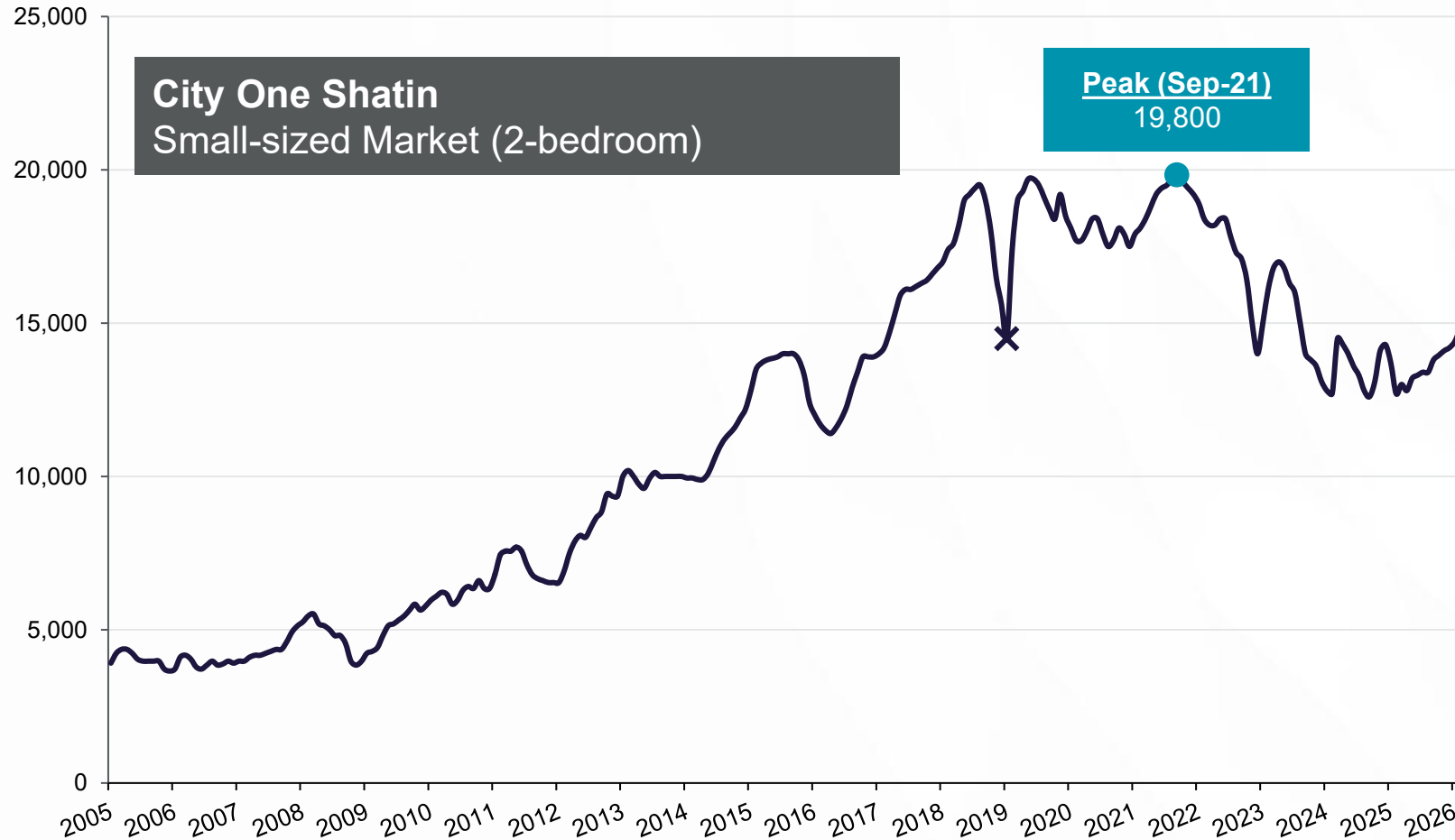
Price Changes (%) Feb 2026*	
YTD	+2.6%
Y-o-Y	+7.7%
From Sep-21 (Historical Peak)	-22.7%
Rental Changes (%) Feb 2026*	
YTD	+0.1%
Y-o-Y	+4.0%
From Jan-23 (Last bottom)	+15.7%

* Preliminary figure from Rating & Valuation Department as of Feb 2026
Source: Rating & Valuation Department; Cushman & Wakefield Research

MASS MARKET RESIDENTIAL PRICE

Prices at City One Shatin continued to rise by 5.6% q-o-q in Q1

HKD psf (Saleable)

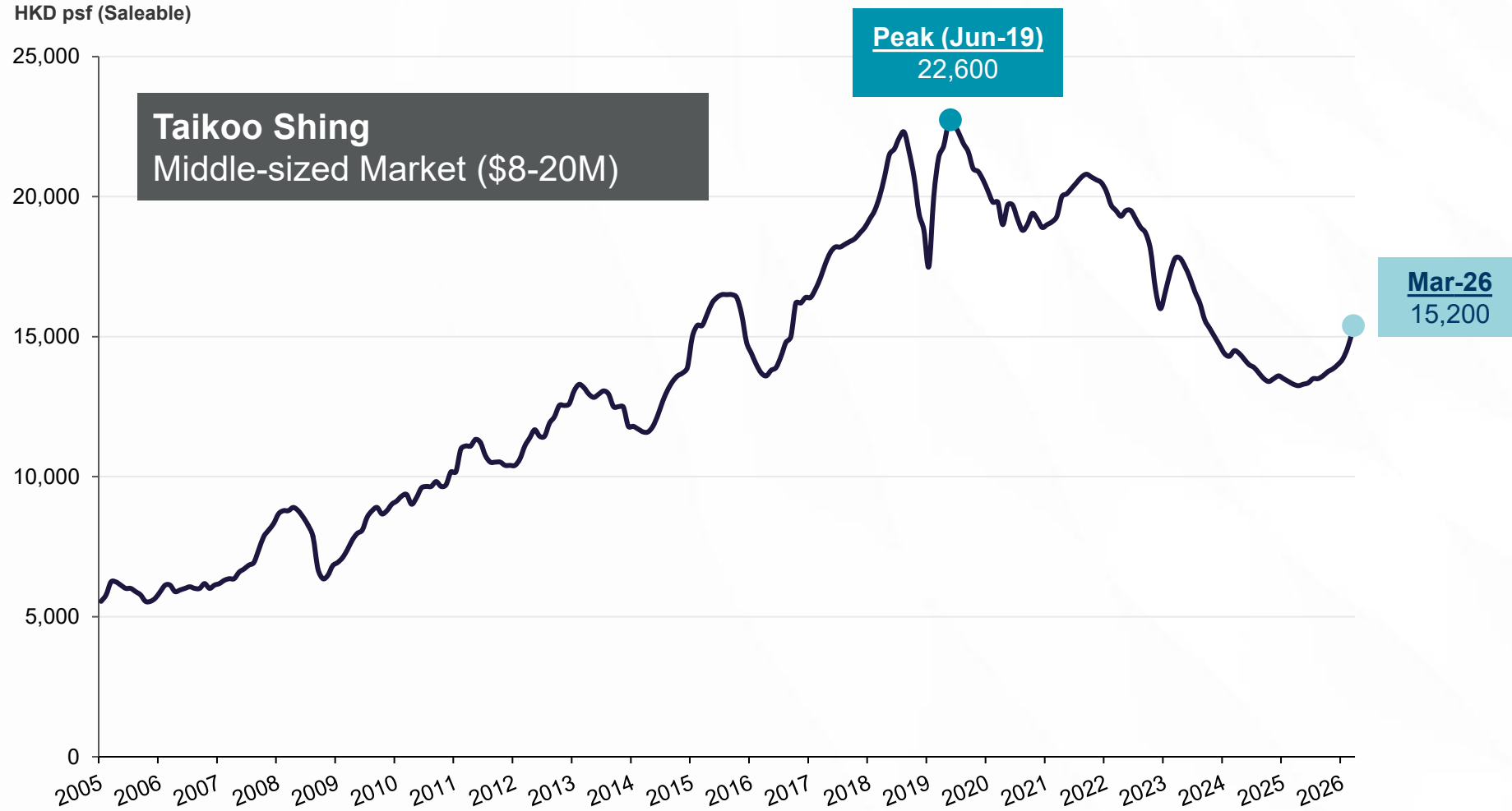


Residential Price Changes (%) Mar 2026	
Q-o-Q	+5.6%
Y-o-Y	+15.4%
From Sep-21 (Historical Peak)	-24.2%

Source: Cushman & Wakefield Research

MIDDLE MARKET RESIDENTIAL PRICE

Prices at Taikoo Shing (Kao Shan Terrace) rebounded by 8.6% q-o-q



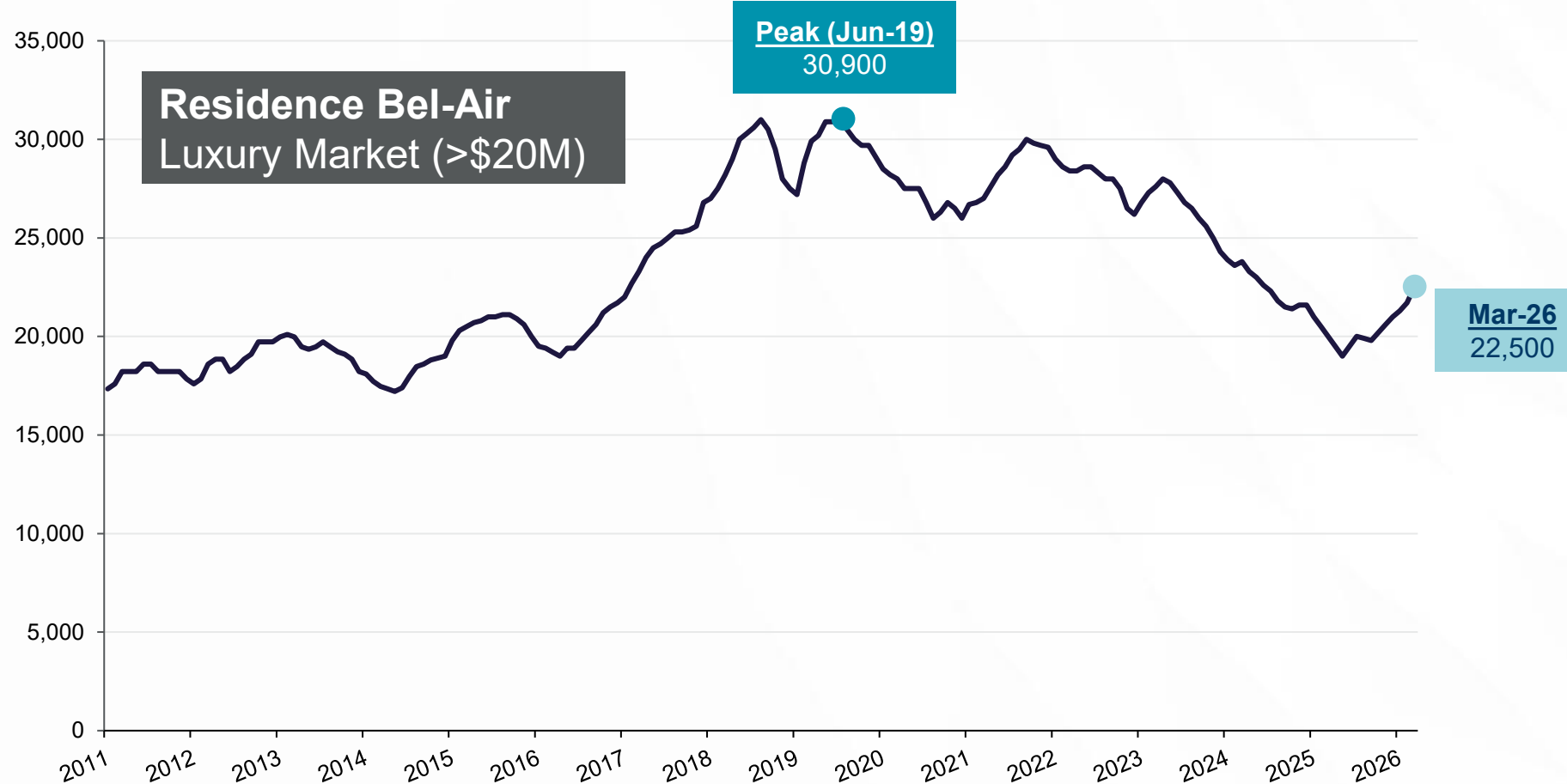
Residential Price Changes (%) Mar 2026	
Q-o-Q	+8.6%
Y-o-Y	+14.3%
From Jun-19 (Historical Peak)	-32.7%

* Estimated by Cushman & Wakefield
Source: Cushman & Wakefield Research

LUXURY MARKET RESIDENTIAL PRICE

Prices at Residence Bel-Air (Phase 2) rose 7.1% q-o-q

HKD psf (Saleable)



Residential Price Changes (%) Mar 2026	
Q-o-Q	+7.1%
Y-o-Y	+12.5%
From Jun-19 (Historical Peak)	-27.2%

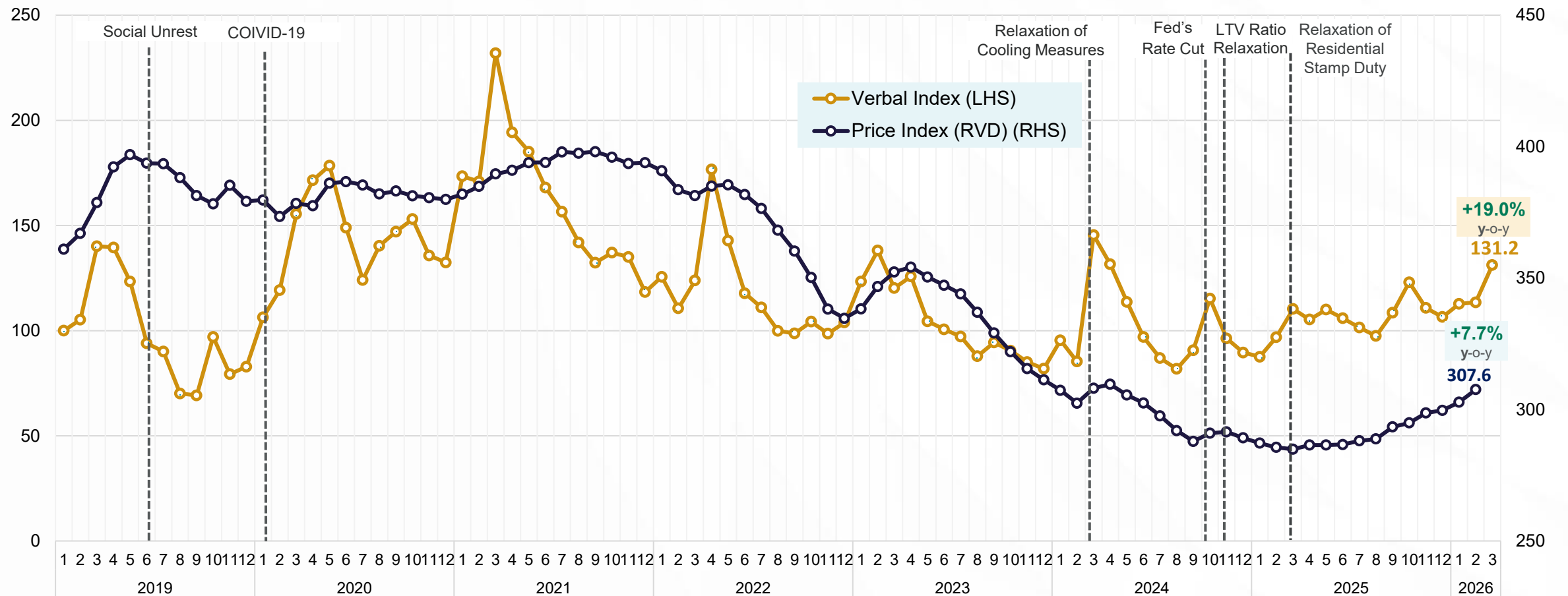
* Estimated by Cushman & Wakefield
Source: Cushman & Wakefield Research

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

The strong momentum carried over from late 2025 was sustained in Q1, accompanied by a recovery in home prices

Verbal Index

(Jan 2019 = 100)



Source: Rating & Valuation Department; Cushman & Wakefield Research



Residential Market Q1 2026 Review & Outlook

Key Takeaways

1

Residential market momentum sustained amid lower rate and the return of investors

2

Home sales continued to pick up, with Q1 2026 residential S&Ps recorded a 53% increase y-o-y

3

According to C&W data, overall mass market home prices in Q1 increased by around 5%

4

Full-year residential transaction volume is expected to reach 65,000 to 70,000 units

5

2026 home prices to pick up in a range of 7% to 10% y-o-y, assuming Middle East tensions will ease in coming months

Q&A SESSION



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