

HONG KONG

OFFICE, RETAIL & RESIDENTIAL MARKETS Q3 2026 REVIEW & OUTLOOK

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Better never settles

01

OFFICE MARKET



CBD REMAINS OUTPERFORM, RENTAL DECLINE NARROWED IN NON-CORE AREAS

Greater Central rent rebounded by 13% YTD

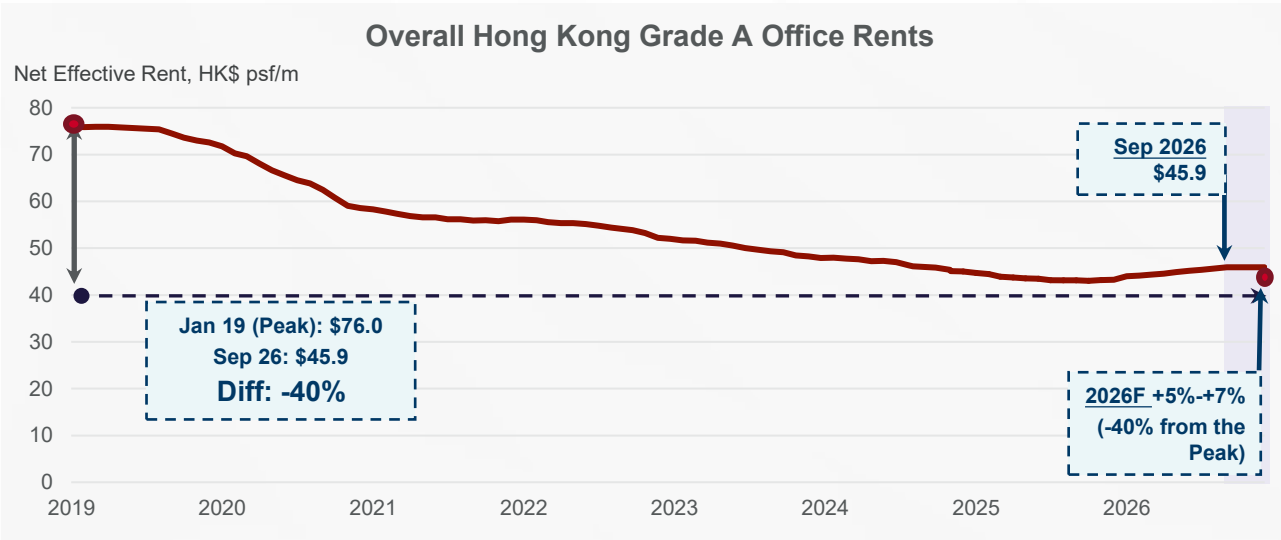
Submarkets	Jan 19 (Peak)	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26	Q-o-Q	YTD	2026 Forecast
Prime Central	\$166.1	89.8	92.7	98.8	103.7	107.3	3.4%	16.0%	+15% ~ +17%
Greater Central	\$139.0	76.4	77.9	82.1	85.5	88.0	3.0%	13.0%	+12% ~ +14%
Wanchai / Causeway Bay	\$79.2	45.2	44.8	45.3	46.6	47.7	2.4%	6.5%	+2% ~ +4%
Hong Kong East	\$55.3	31.7	31.1	30.8	30.8	30.9	0.2%	-0.8%	-1% ~ -3%
Hong Kong South	\$36.1	21.7	21.5	21.5	21.2	21.3	0.5%	-0.8%	-1% ~ -3%
Greater Tsimshatsui	\$68.0	42.1	43.5	43.7	44.2	44.7	1.2%	2.6%	+2% ~ +4%
Kowloon East	\$36.8	23.0	22.6	22.5	22.1	22.0	-0.8%	-3.0%	-3% ~ -5%
Kowloon West	\$44.0	28.4	28.4	28.5	28.1	28.1	FLAT	-1.0%	-1% ~ -3%
All Districts Average	\$76.0	43.1	43.3	44.3	45.2	45.9	1.7%	6.1%	+5% ~ +7%

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

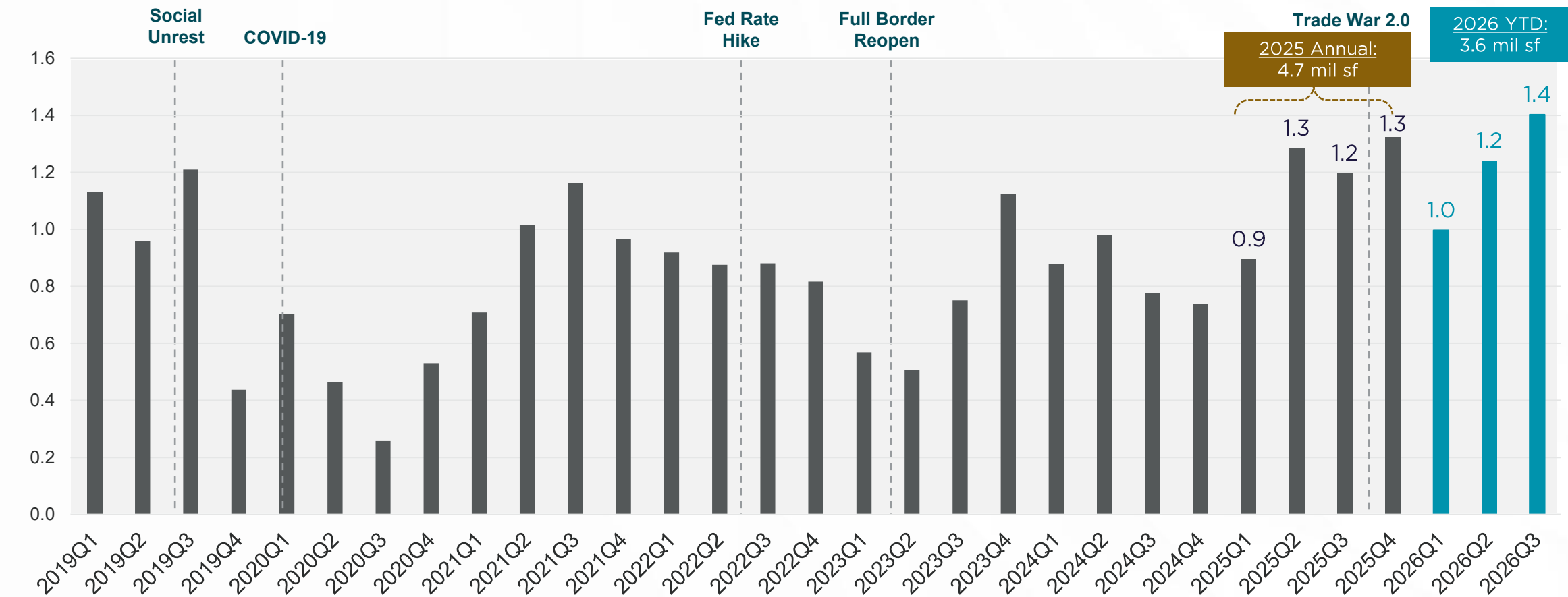
Source: Cushman & Wakefield Research



NEW LEASE TRANSACTIONS REMAIN ACTIVE

New lettings reached 1.4 million sq ft in Q3 2026, the highest quarterly level since 2019

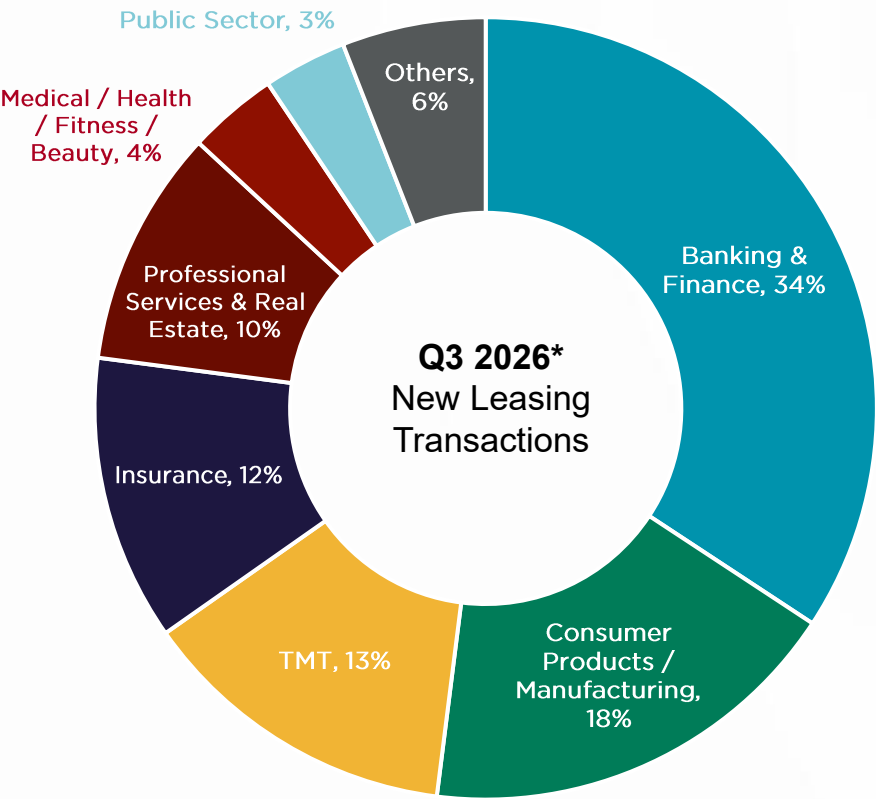
NFA (million sf)



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

BFSI SECTOR REMAINS THE KEY EXPANSION DRIVER

Flight-to-quality and relocation demand prevail across consumer products / manufacturing and TMT sectors



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



Total leased net floor area: 1,402,000 sf

Source: Cushman & Wakefield Research

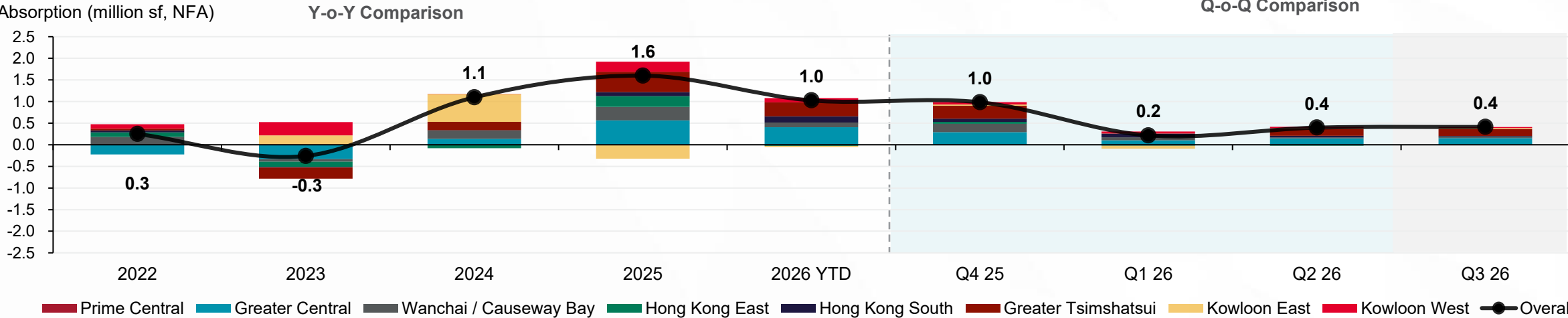
Banking & Finance		Expansion-driven		Insurance	
					
Cheung Kong Center II 52,500 sf	One IFC 39,000 sf	One IGC 29,100 sf	One IGC 13,300 sf		
					
Cheung Kong Center II 13,100 sf	Cheung Kong Center II 9,400 sf	Manulife Financial Centre 12,100 sf	Ping An Tower, IGC 9,400 sf		
Consumer Products / Manufacturing		Flight-to-quality / Relocation-driven		TMT	
					
One Kowloon 46,800 sf	The Quayside 18,700 sf	Millennium City 1 15,600 sf	Berkshire House 11,100 sf		
					
Millennium City 1 15,600 sf	Millennium City 6 12,300 sf	THE CENDAS 7,700 sf			

POSITIVE NET ABSORPTION DRIVEN BY STRONG TAKE-UP AT RECENT COMPLETIONS

Mainly contributed by Greater Central and Greater Tsimshatsui submarkets

Submarkets	2022	2023	2024	2025	2026 YTD	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26
Greater Central	-224,400	-330,500	138,200	564,900	403,800	83,400	293,400	105,600	146,800	151,400
Wanchai / Causeway Bay	181,300	-59,800	196,200	309,800	109,900	99,200	193,000	66,200	22,800	21,000
Hong Kong East	105,400	-118,400	-79,300	248,100	-27,300	128,400	44,700	-20,600	-18,100	11,500
Hong Kong South	46,900	-17,300	4,100	94,000	145,200	25,900	73,900	84,800	39,800	20,700
Greater Tsimshatsui	37,400	-259,400	192,300	471,700	321,600	90,300	297,200	7,700	157,200	156,700
Kowloon East	1,500	216,800	642,300	-323,800	-27,000	-154,800	28,300	-68,900	16,400	25,300
Kowloon West	102,400	309,800	3,900	235,000	99,500	128,700	53,100	42,400	31,300	25,800
Overall	250,600	-258,800	1,097,600	1,599,700	1,025,600	401,000	983,600	217,100	396,100	412,400

Note: Data as of mid-September 2026



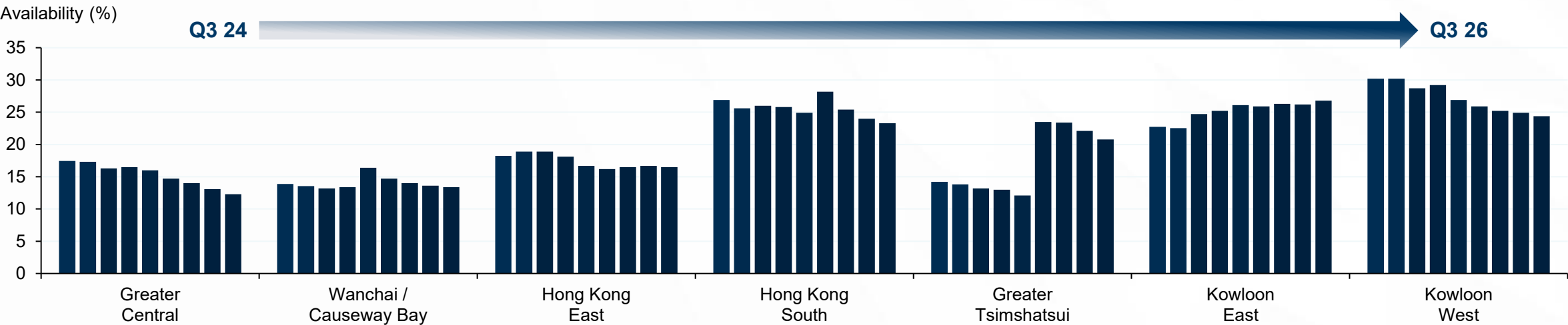
Source: Cushman & Wakefield Research

CITYWIDE AVAILABILITY REMAINS STABLE AMIDST POSITIVE NET-TAKE UP

However, Kowloon East hit the highest level since Q2 2009 due to the new completion

Submarkets	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26
Greater Central	17.5%	17.3%	16.3%	16.5%	16.0%	14.7%	14.0%	13.1%	12.2%
Wanchai / Causeway Bay	13.9%	13.6%	13.2%	13.4%	16.4%	14.5%	13.8%	13.6%	13.4%
Hong Kong East	18.3%	18.9%	18.9%	18.1%	16.7%	16.2%	16.5%	16.7%	16.5%
Hong Kong South	26.9%	25.6%	26.0%	25.8%	24.9%	28.2%	25.4%	24.0%	23.3%
Greater Tsimshatsui	14.2%	13.8%	13.2%	13.0%	12.1%	23.5%	23.4%	22.1%	20.8%
Kowloon East	22.7%	22.5%	24.7%	25.2%	26.1%	25.9%	26.3%	26.2%	26.8%
Kowloon West	30.2%	30.2%	28.7%	29.2%	26.9%	25.9%	25.2%	24.9%	24.4%
Overall Availability*	19.3%	19.1%	19.2%	19.3%	19.2%	20.3%	20.0%	19.5%	19.1%

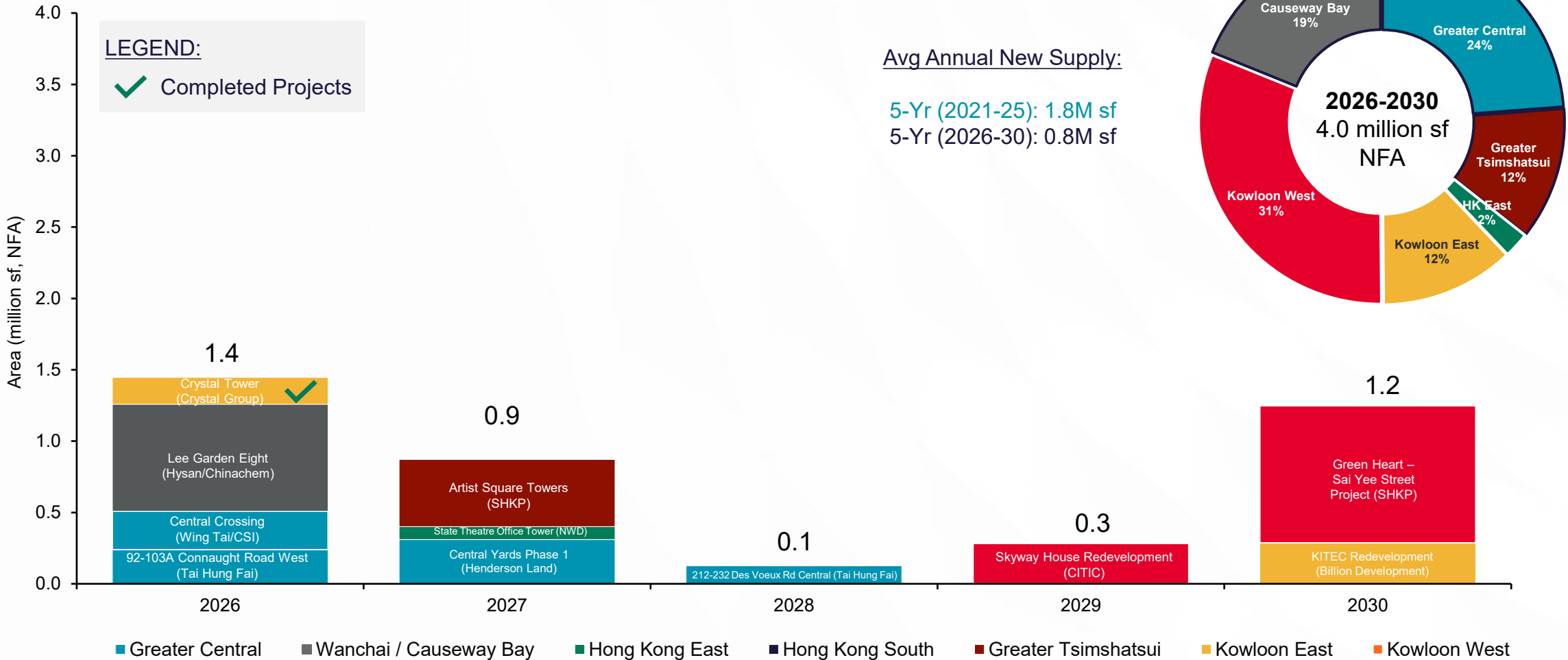
Note: Availability includes confirmed leasing stock that is currently vacant or becoming vacant over the next 12 months. Numbers highlighted in red indicates a q-o-q decline of availability rate
Note: Data as of mid-September 2026



Source: Cushman & Wakefield Research

FUTURE SUPPLY PIPELINE

A decelerating supply pipeline beyond 2026 indicates the availability may have peaked last year



Source: Cushman & Wakefield Research



Office Market Q3 26 Review & Q4 Outlook

Key Takeaways

1

Overall office rent increased by 1.7% q-o-q in Q3, bringing the YTD growth to 6.1%. Core submarkets continue to outperform; rental decline moderated in non-core areas

2

Driven by the expansion demand from BFSI sector, citywide net absorption reached 412,400 sq ft in Q3, mainly led by Greater Central and Greater Tsimshatsui

3

Competition remains intense for mid-priced Grade A offices (net effective rent HK\$45-60 psf) amid abundant options from existing and future supply within this price range

4

Positive market momentum will likely help to absorb part of the 1.2 million sq ft of new supply in Q4, keeping availability broadly stable at 19%-20% by year-end

5

Full-year rental growth of Greater Central is projected to be +12% to +14%, supporting overall Grade A office rent to rise by 5% to 7% throughout 2026

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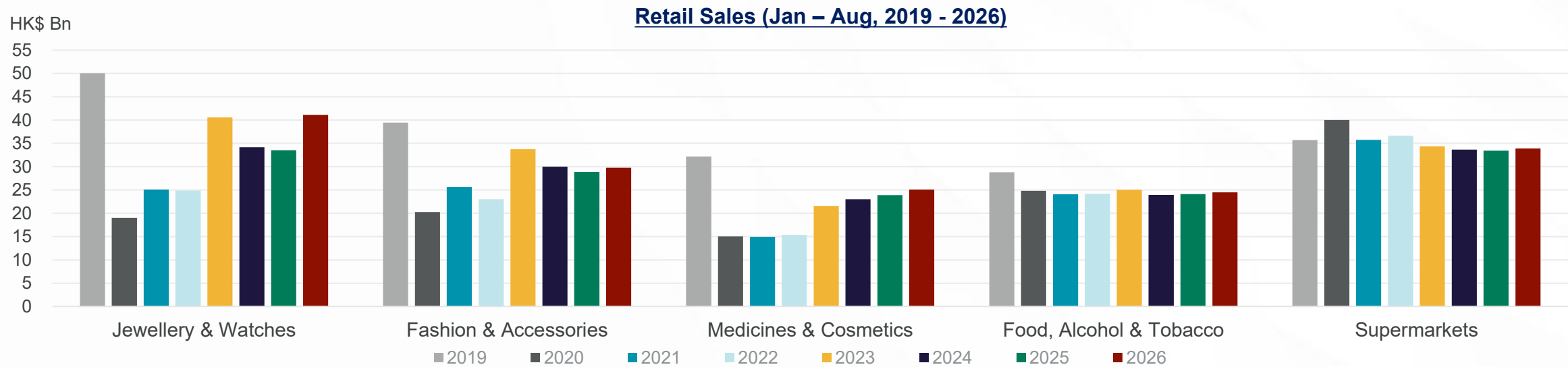
RETAIL MARKET



RETAIL SALES GROWTH MOMENTUM REMAINED RESILIENT

With growth witnessed across major types of retail categories

Retail Sales (HK\$ Bn)	Jan – Aug							2026	Y-o-Y Δ
	2019	2020	2021	2022	2023	2024	2025		
Jewellery & Watches	50.08	19.00	25.08	24.88	40.58	34.16	33.51	41.10	+22.6%
Fashion & Accessories	39.48	20.29	25.65	22.99	33.73	30.02	28.83	29.76	+3.2%
Medicines & Cosmetics	32.16	15.02	14.95	15.35	21.55	23.02	23.89	25.07	+5.0%
Food, Alcohol & Tobacco	28.79	24.81	24.06	24.18	25.02	23.93	24.11	24.50	+1.6%
Supermarkets	35.71	40.02	35.75	36.64	34.35	33.66	33.43	33.90	+1.4%
Total	305.09	212.87	230.15	226.70	270.53	249.84	245.18	266.08	+8.5%

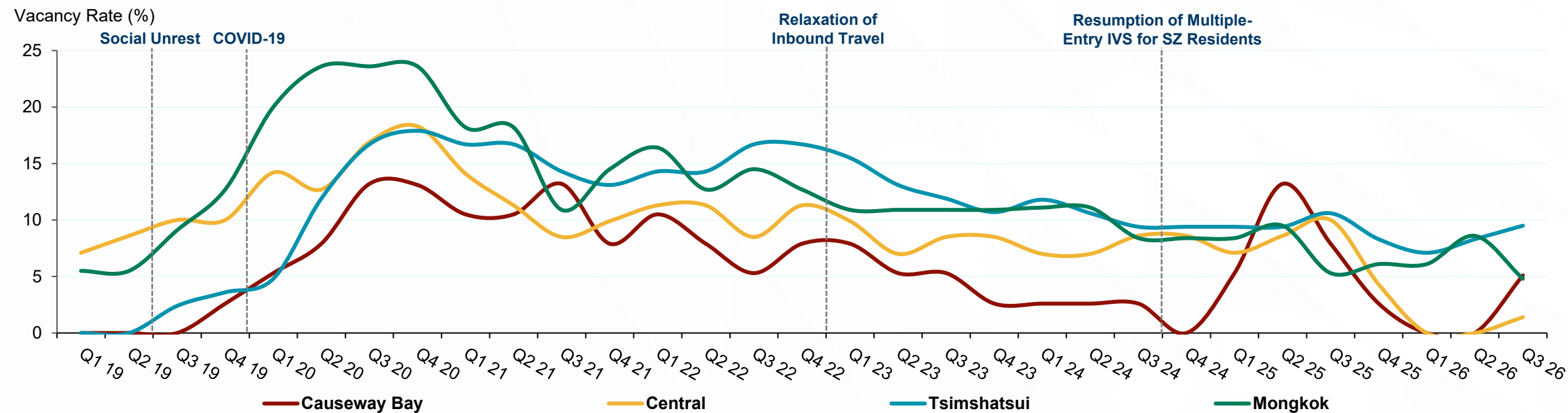


Source: Hong Kong Census & Statistics Department; Cushman & Wakefield Research

NEW LEASE ACTIVITY MORE ACTIVE ON KOWLOON SIDE IN Q3

Overall vacancy rate remained stable

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026	Q2 2026	Q3 2026
Causeway Bay	2.6%	13.1%	7.9%	7.9%	2.6%	0.0%	2.6%	0.0%	0.0%	5.1%
Central	10.0%	18.3%	9.9%	11.3%	8.5%	8.6%	4.3%	0.0%	0.0%	1.4%
Tsimshatsui	3.6%	17.9%	13.1%	16.7%	10.7%	9.4%	8.3%	7.1%	8.3%	9.5%
Mongkok	12.7%	23.6%	14.5%	12.7%	10.9%	8.4%	6.1%	6.1%	8.6%	4.8%
Overall	7.3%	18.5%	11.7%	12.9%	8.9%	7.6%	5.9%	4.2%	5.4%	5.4%



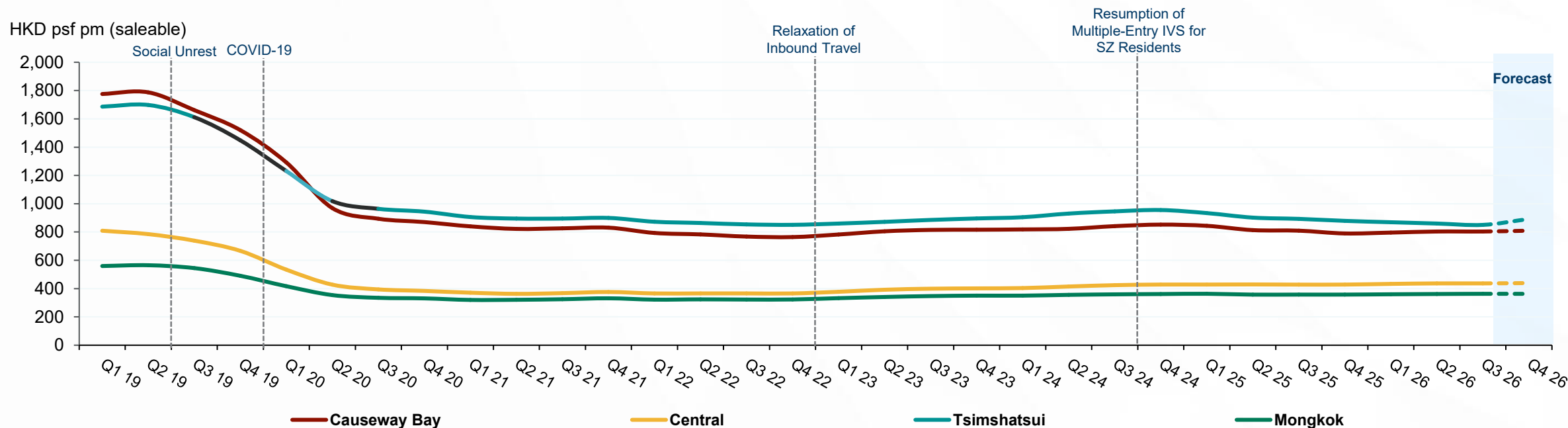
* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street

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

MILD RENTAL RECOVERY IN MONGKOK

While rents on Hong Kong Island remain stable

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026	Q2 2026	Q3 2026	Q-o-Q Δ	YTD Δ	Y-o-Y Δ	2026F
Causeway Bay	\$1,520	\$870	\$831	\$764	\$816	\$852	\$790	\$797	\$804	\$804	0.0%	+1.8%	-0.7%	+2% ~ +3%
Central	\$667	\$384	\$376	\$366	\$402	\$429	\$429	\$433	\$437	\$437	0.0%	+1.9%	+2.0%	
Tsimshatsui	\$1,448	\$944	\$900	\$851	\$896	\$956	\$879	\$869	\$860	\$850	-1.1%	-3.2%	-4.8%	+1% ~ +2%
Mongkok	\$491	\$331	\$332	\$323	\$350	\$362	\$358	\$360	\$362	\$363	+0.4%	+1.6%	+1.6%	

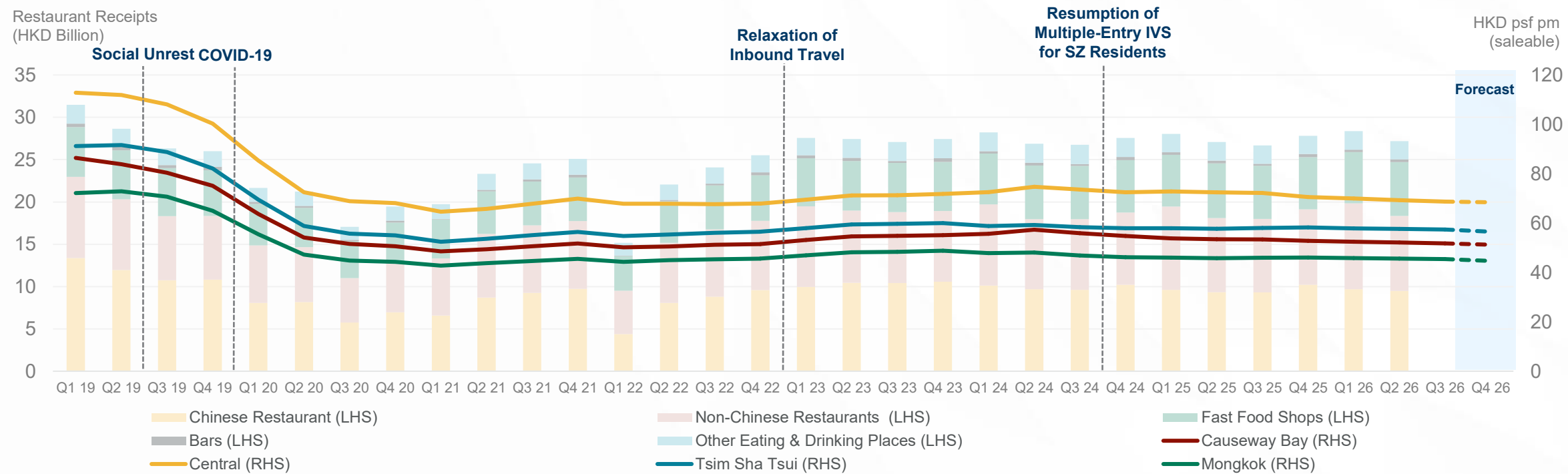


* Causeway Bay: Russell Street, Kai Chiu Road; Tsimshatsui: Canton Road, Haiphong Road; Central: Queen's Road Central, Pedder Street; Mongkok: Sai Yeung Choi Street South, Argyle Street
Source: The Land Registry; Market Info; Cushman & Wakefield Research

F&B RENTS ACROSS DISTRICTS CONTINUED TO EDGE DOWN

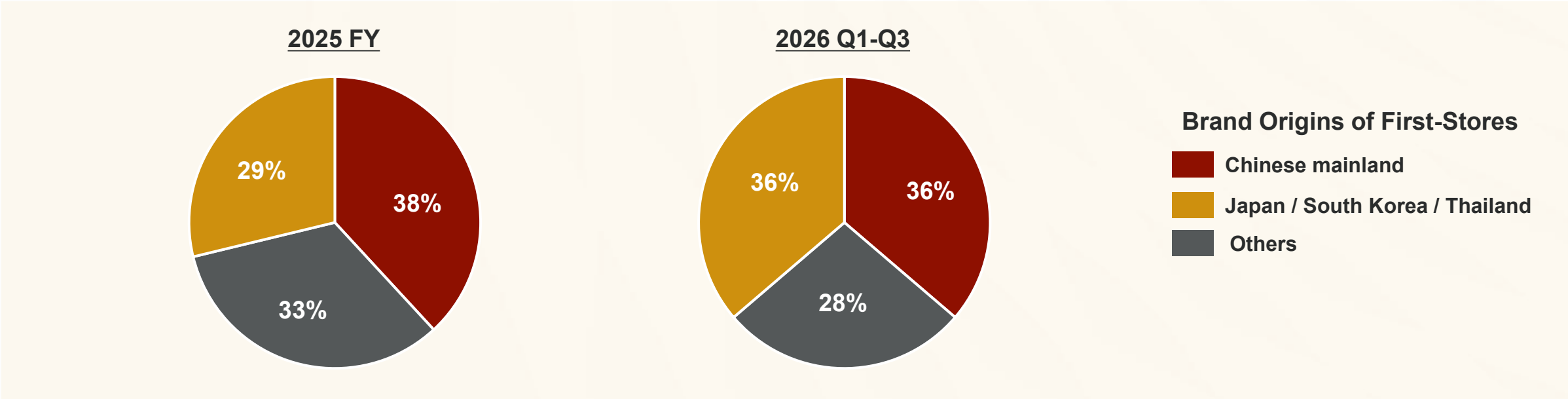
More landlords are willing to offer discounts amid high availability

Districts	2019	2020	2021	2022	2023	2024	2025	Q1 2026	Q2 2026	Q3 2026	Q-o-Q Δ	YTD Δ	Y-o-Y Δ	2026F
Causeway Bay	\$75.1	\$50.6	\$51.8	\$51.5	\$55.1	\$54.8	\$52.8	\$52.4	\$52.1	\$51.8	-0.7%	-2.0%	-3.0%	-2% ~ -4%
Central	\$100.3	\$68.1	\$69.9	\$67.9	\$71.8	\$72.5	\$70.5	\$70.0	\$69.3	\$68.7	-0.8%	-2.6%	-4.8%	
Tsimshatsui	\$82.1	\$55.0	\$56.4	\$56.5	\$60.0	\$57.9	\$58.3	\$57.8	\$57.7	\$57.4	-0.4%	-1.5%	-1.1%	
Mongkok	\$65.0	\$44.3	\$45.5	\$45.6	\$48.8	\$46.2	\$46.1	\$45.8	\$45.6	\$45.4	-0.4%	-1.4%	-1.2%	



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

STRONG LEASING DEMAND FROM JAPANESE, SOUTH KOREAN AND THAI BRANDS



CULLNI
TOKYO

RAGTAG
GLOBAL

SHIRO

WATCHNIAN



MEGA M COFFEE

KHIHO

aeae

VICXX GALLERY



SUGAR MONDAY

BLENDIES
MORE THAN GELATO

karun



Retail Market Q3 26 Review & Outlook

Key Takeaways

1

Growth in tourist arrivals and resilient local consumption continued to support overall retail sales to pick up moderately

2

Leasing activities focused on Mongkok, while vacancy rates on Hong Kong Island slightly picked up; F&B rents across districts remained under pressure amid high availability

3

First-store demand broadens beyond the Chinese mainland — Japanese, South Korean and Thai brands account for 36% of first-stores in Q1–Q3 2026, up from the 29% from last year

4

We forecast high street retail rents to record low-single digit annual increase across districts, while F&B rents to maintain downward trend

5

A stronger RMB and a series of upcoming mega-events are expected to provide key support for tourist spending in the coming months



03

RESIDENTIAL MARKET

TRANSACTION MOMENTUM SLOWED IN RESIDENTIAL MARKET

Monthly transactions dropped to below 5,000 units per month in Q3

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	7,368	+29%
May	8,349	...	4,586	5,732	5,522	8,208	5,984	7,084	6,202	4,003	5,546	5,105	7,138	+40%
Jun	5,886	...	4,620	6,100	6,713	4,627	6,987	7,591	4,826	3,613	3,856	5,955	7,650	+28%
Jul	5,709	...	4,243	3,515	6,091	4,805	6,133	7,579	3,671	3,065	3,723	5,766	4,462	-23%
Aug	8,087	...	5,821	4,014	4,822	4,084	4,358	5,546	4,137	3,247	3,654	5,291	4,019	-24%
Sep	7,301	...	7,826	5,629	3,500	3,447	5,024	5,844	3,875	2,862	2,848	5,643	4,761	-16%
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 - Sep	62,298		37,811	45,271	48,309	46,856	42,792	59,100	36,664	35,396	38,001	45,647	54,052	+18%

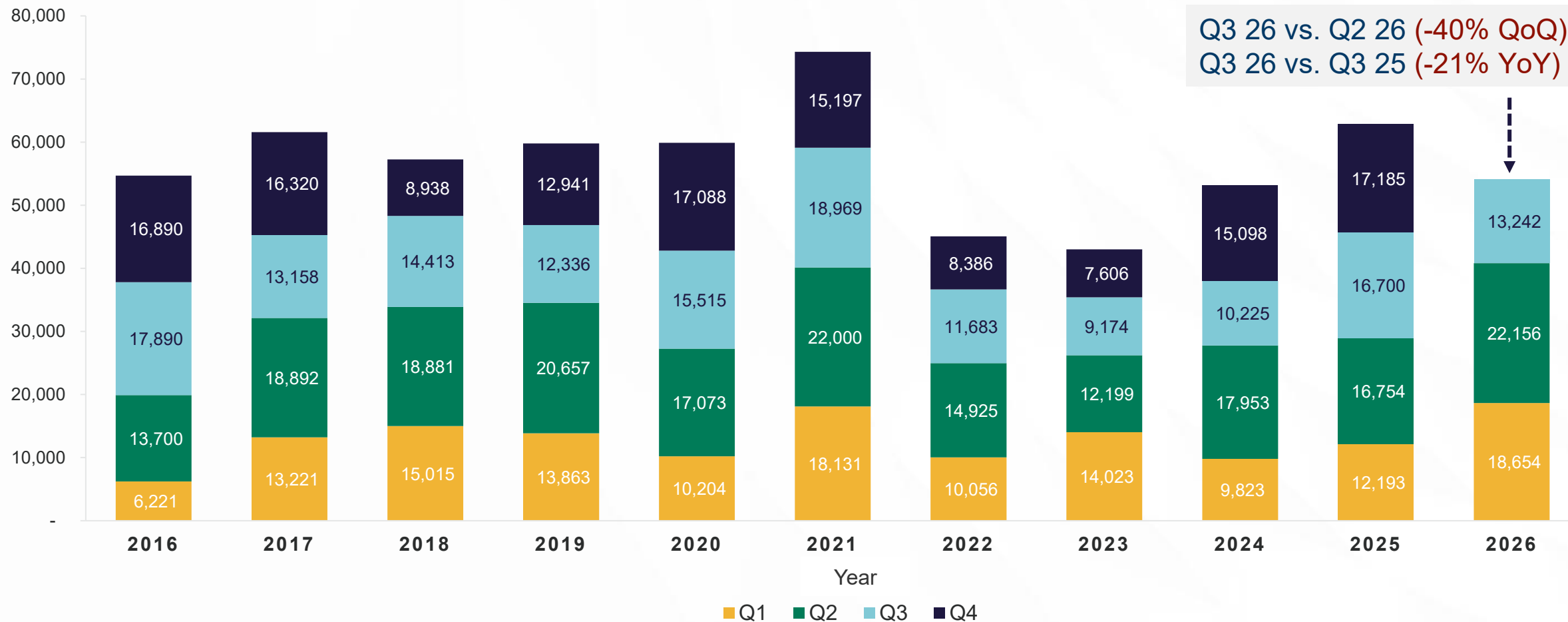
Note: S&Ps: Sales & Purchase Agreements
Source: Land Registry; Cushman & Wakefield Research

Q3 26 vs. Q2 26 (-40% QoQ)
Q3 26 vs. Q3 25 (-21% YoY)

TOTAL RESIDENTIAL S&PS – HISTORICAL COMPARISON

No. of transactions recorded 13,242 cases in Q3 2026, down 40% q-o-q

No. of Residential S&Ps

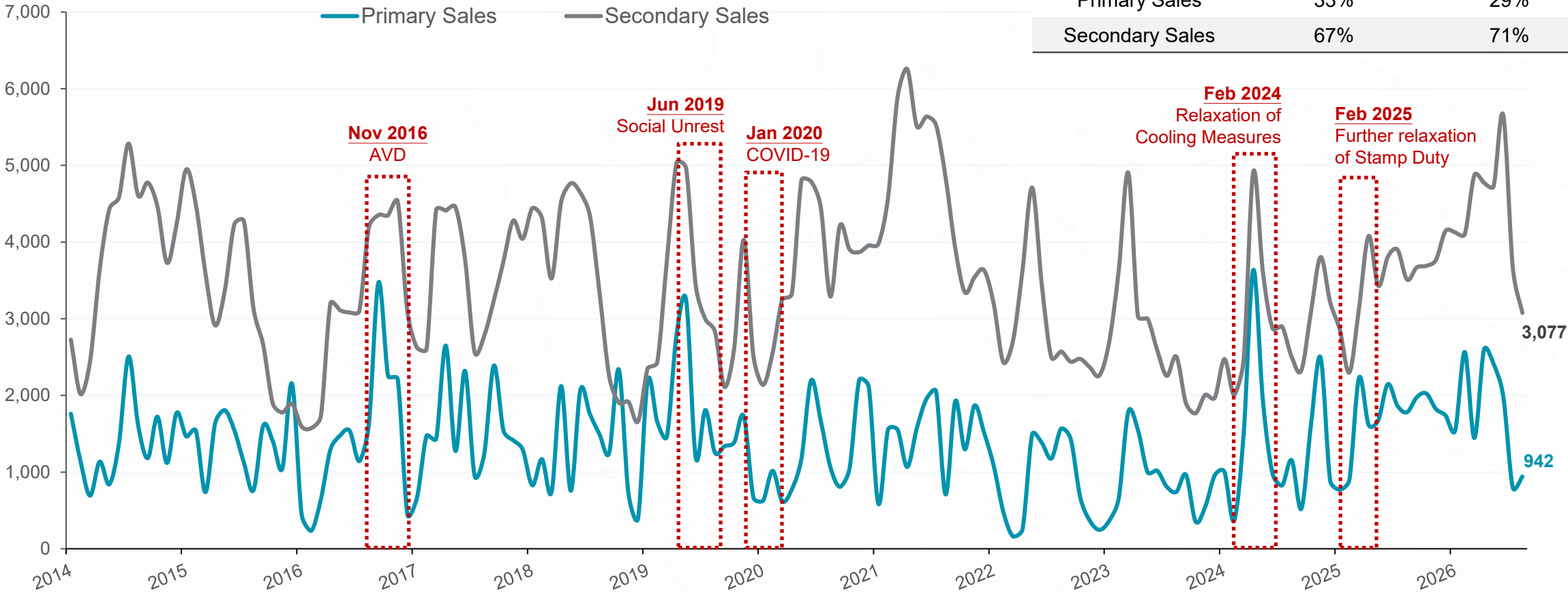


Note: S&Ps: Sales & Purchase Agreements
Source: Land Registry; Cushman & Wakefield Research

PRIMARY AND SECONDARY SALES

Primary sales slowed in Q3

No. of Residential S&Ps



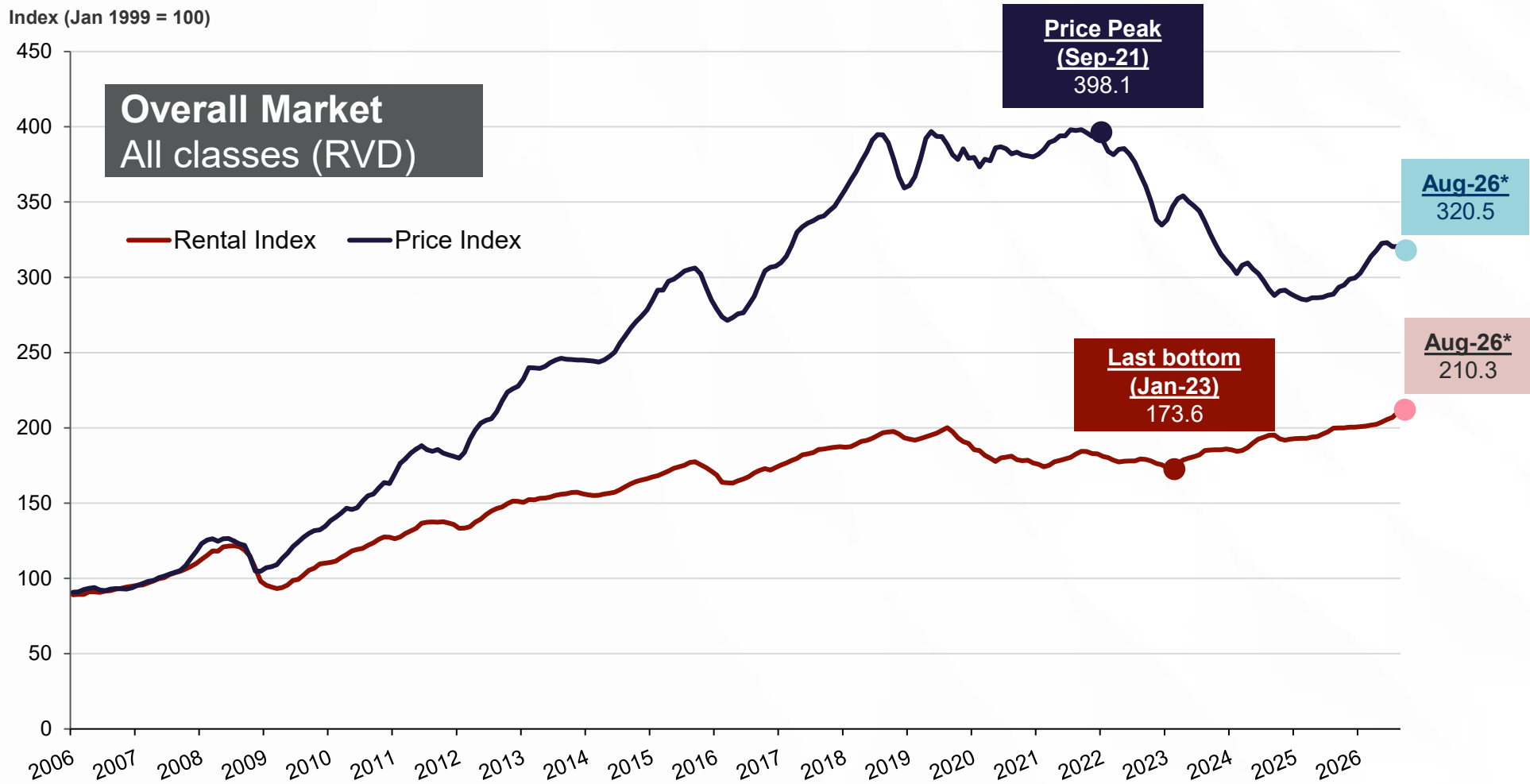
Breakdown of Residential Sales (%)

	2025	Jan - Aug 2026
Primary Sales	33%	29%
Secondary Sales	67%	71%

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

HOME PRICES CONSOLIDATED IN JULY & AUGUST

However, rental index remained resilient and reached a new record high



Price Changes (%) Aug 2026*	
YTD	+7.0%
Y-o-Y	+11.0%
From Sep-21 (Historical Peak)	-19.5%

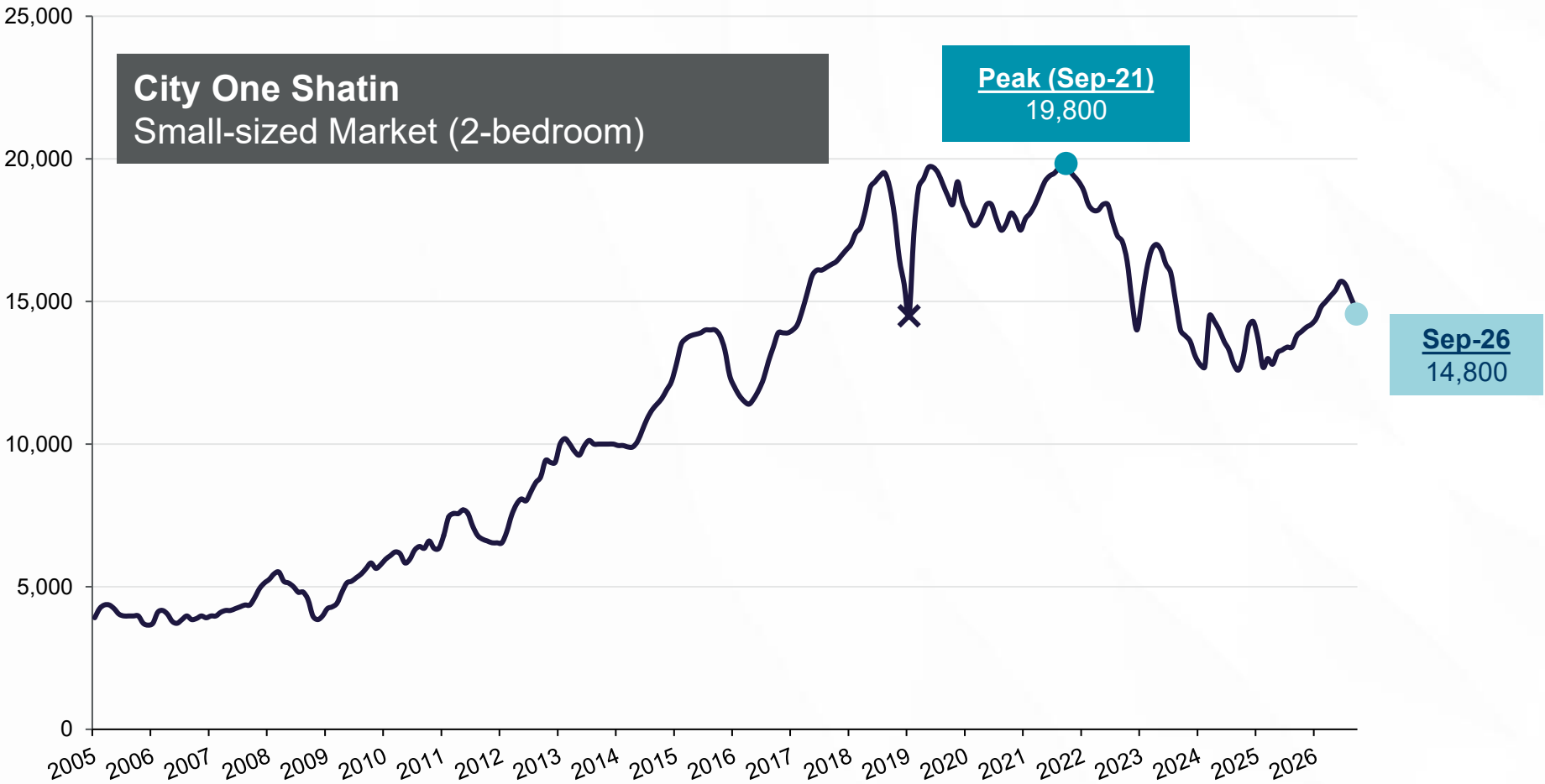
Rental Changes (%) Aug 2026*	
YTD	+4.9%
Y-o-Y	+5.3%
From Jan-23 (Last bottom)	+21.1%

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

MASS MARKET RESIDENTIAL PRICE

Prices at City One Shatin dropped by 5.7% q-o-q in Q3

HKD psf (Saleable)

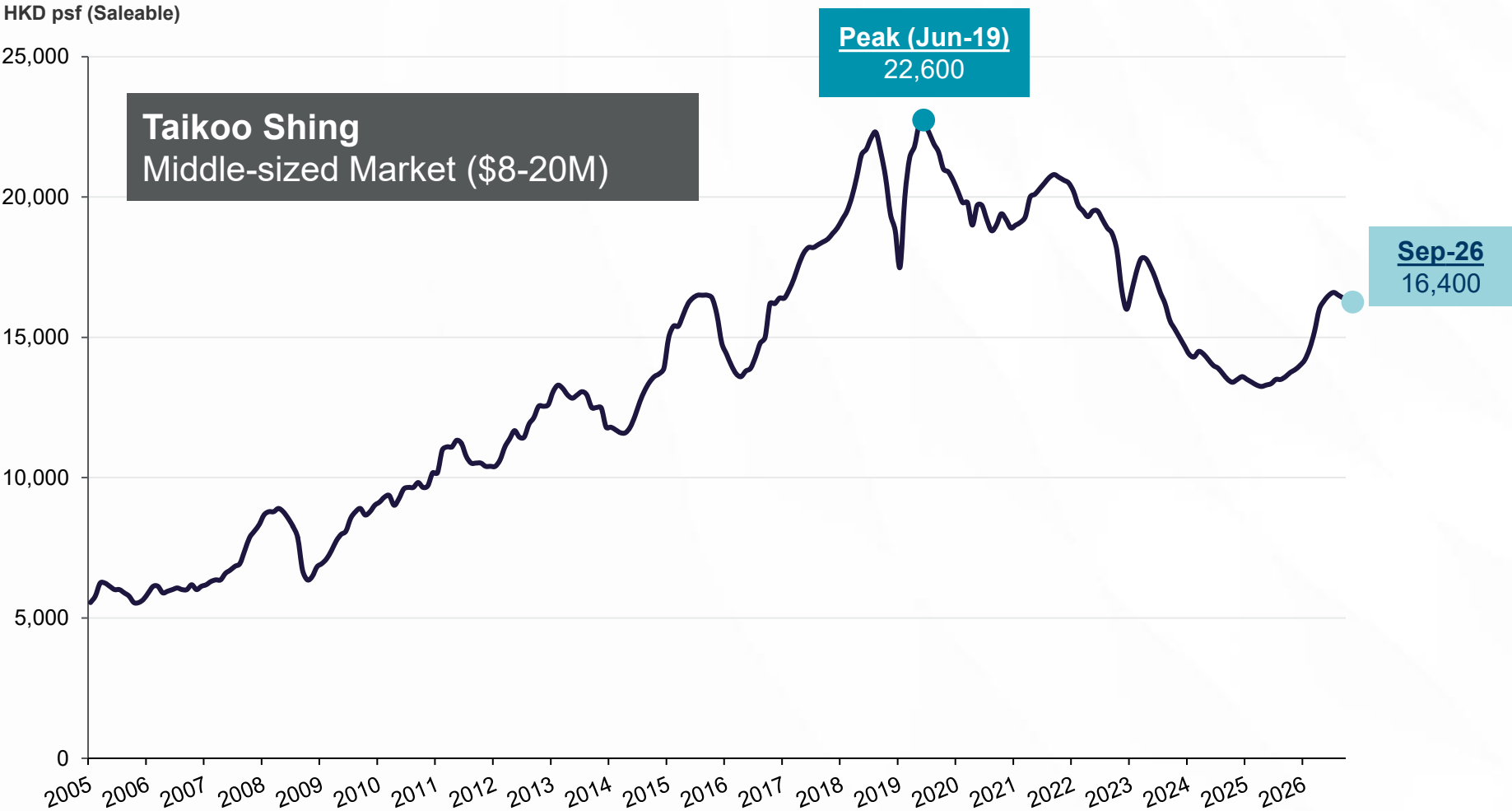


Residential Price Changes (%) Sep 2026	
Q-o-Q	-5.7%
YTD	+4.2%
Y-o-Y	+7.2%
From Sep-21 (Historical Peak)	-25.3%

Source: Cushman & Wakefield Research

MIDDLE MARKET RESIDENTIAL PRICE

Prices at Taikoo Shing (Kao Shan Terrace) slightly down 0.6% q-o-q

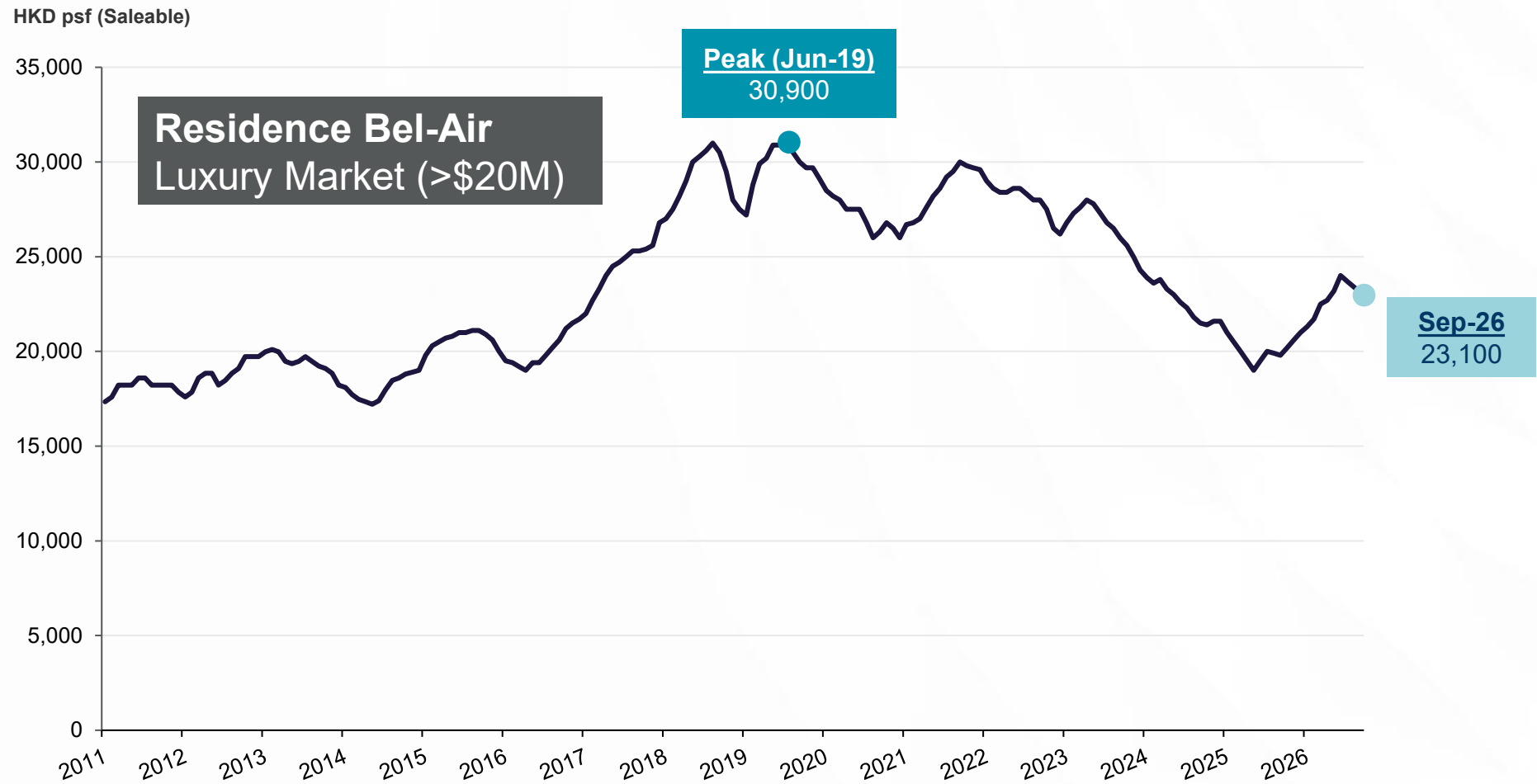


Residential Price Changes (%) Sep 2026	
Q-o-Q	-0.6%
YTD	+17.1%
Y-o-Y	+20.6%
From Jun-19 (Historical Peak)	
	-27.4%

Source: Cushman & Wakefield Research

LUXURY MARKET RESIDENTIAL PRICE

Prices at Residence Bel-Air (Phase 2) recorded a 3.8% q-o-q decrease in Q3



Residential Price Changes (%) Sep 2026	
Q-o-Q	-3.8%
YTD	+10.0%
Y-o-Y	+16.7%
From Jun-19 (Historical Peak)	-25.2%

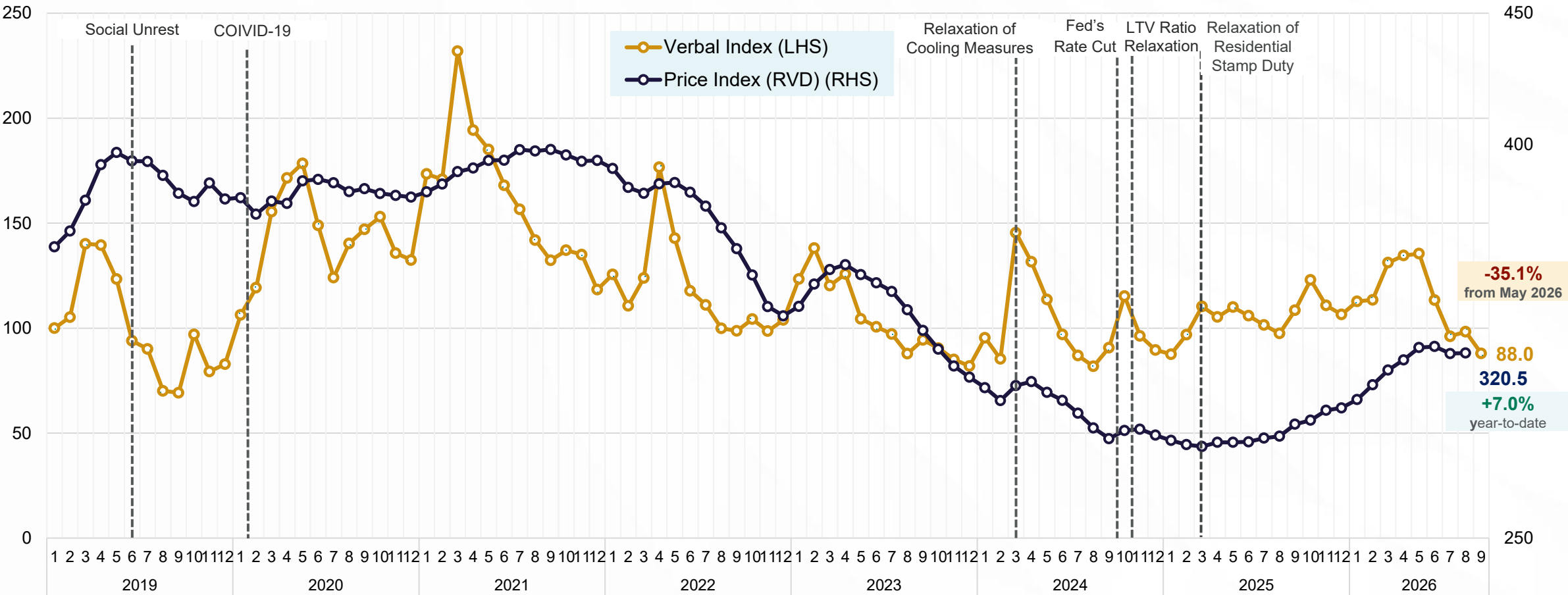
Source: Cushman & Wakefield Research

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

September Verbal Enquiry index indicates that buyer enquiries decelerated towards the end of the quarter

Verbal Index
(Jan 2019 = 100)

Price Index
(1999= 100)



Source: Rating & Valuation Department; Cushman & Wakefield Research



Residential Market Q3 26 Review & Outlook

Key Takeaways

1

Following the release of purchasing power over the past year, the change of interest rate direction and tightened mainland capital control prompted some buyers wait-and-see again

2

Residential home sales in Q3 slowed to around 13,240 units, down 40% q-o-q and 21% y-o-y

3

According to C&W data, overall mass market home prices in Q3 slightly decreased by 0.1% q-o-q, bring year-to-date home prices to record 7.7% increase

4

Full-year residential transaction volume is expected to slow in Q4, bringing to 67,000 to 68,000 units in 2026

5

If interest rates are raised again in Q4, home price will likely continue to consolidate in the short term, making 2026 annual home price and fluctuate in narrow range near +7%.

Q&A SESSION



John Siu
Managing Director
Hong Kong



Rosanna Tang
Deputy Managing Director
Head of Research,
Hong Kong



Edgar Lai
Senior Director
Valuation and Advisory
Services,
Hong Kong