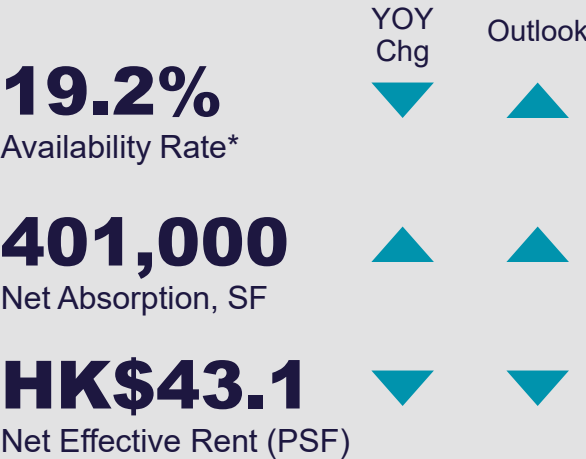
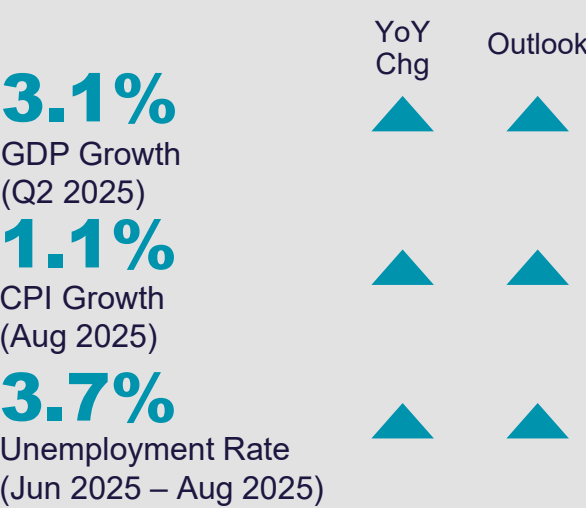


MARKET FUNDAMENTALS



All SF are on NFA basis
*Note: Availability includes confirmed leasing stock that is currently vacant or becoming vacant over the next 12 months

ECONOMIC INDICATORS



Source: Cushman & Wakefield Research, Hong Kong Census and Statistics Department, Moody's Analytics

NET ABSORPTION REACHES HIGHEST LEVEL SINCE Q2 2019

Leasing demand in the Hong Kong Grade A office market saw accelerated momentum through Q3 2025, boosted by a recovery in stock market confidence and initial public offerings (IPOs). Quarterly net absorption reached 401,000 sq ft, the highest level since Q2 2019 and bringing the overall office availability rate down to 19.2%, despite the addition of 463,000 sf of new supply at the One Causeway Bay property completed in the quarter.

The total new leased area in Q3 reached 1.13 million sf, pushing the total for the first three quarters of 2025 past 3.37 million sf. This figure exceeded the full-year 2024 total of 3.36 million sf, and surpassed the pre-COVID Q1 to Q3 2019 level of 3.30 million sf. A very notable deal in the quarter was consultancy firm AECOM's relocation from Grand Central Plaza in Shatin to 83 King Lam Street in Kowloon West, committing to more than 79,500 sf.

PRIME CENTRAL RENT STABILIZES AS FINANCIAL SECTOR RECOVERS

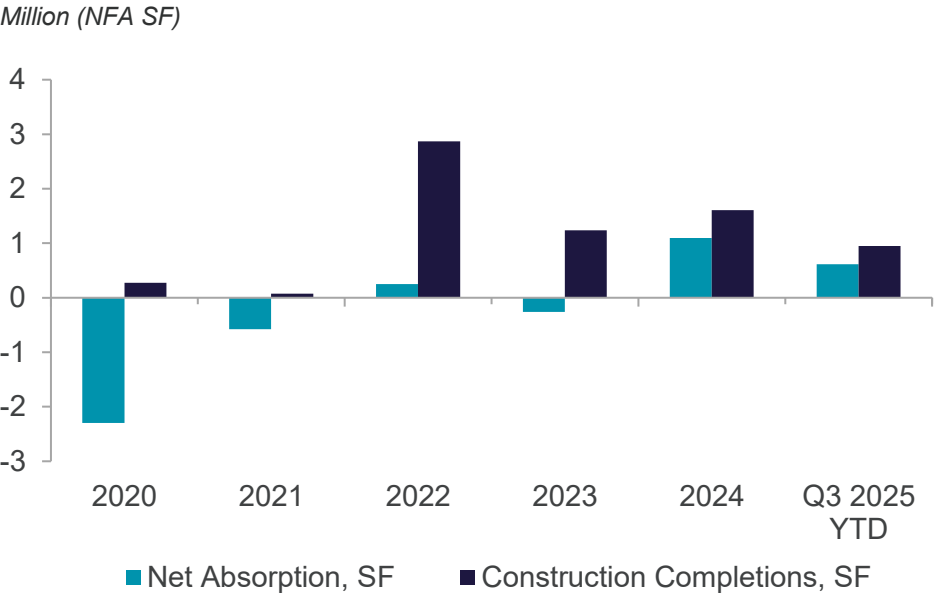
The overall Hong Kong Grade A office rental level decline narrowed to -0.8% q-o-q in Q3. The Prime Central sub-district outperformed the overall market to achieve positive rental growth of 0.6% q-o-q, the first positive quarter since Q4 2021. Greater Central rents continued to soften on a quarterly basis through Q3, but the submarket did witness signs of stabilization with rents edging back up m-o-m in August and September.

The Grade A office market continued to experience active leasing demand in Q3, chiefly due to recovery in the financial sector. Greater Central is a preferred submarket for banking and financial institutions and took around a 30% share of total new leased area in the quarter, supported by new set-up and relocation demand from hedge funds and wealth management firms, and demonstrating the expansion strategies adopted by the high-end financial services industry.

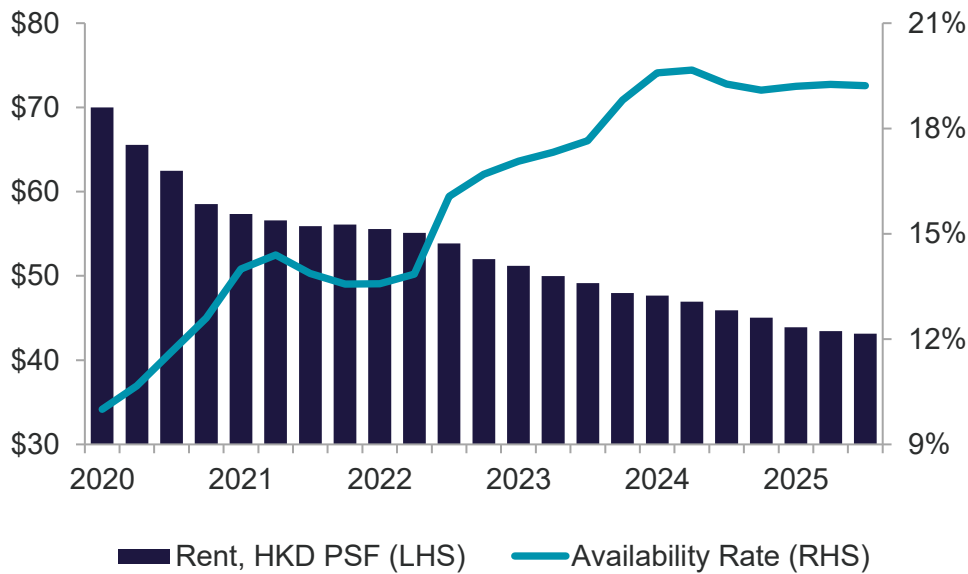
FLIGHT-TO-QUALITY FUELS RENTAL DIVERGENCE

With market demand now increasingly focused on well-managed and ESG-accredited office spaces, we believe that occupancy levels and rental performances between the highest-quality offices and other lower-tier spaces will increasingly diverge. Looking ahead, the market still faces certain challenges, notably with new supply still entering the market and with vacancy rates staying at elevated levels. However, with leasing sentiment in the first three quarters of 2025 demonstrating greater resilience than previously anticipated, we have now revised our full-year 2025 forecast for overall Grade A office rents to decline in a milder range of approximately 4% to 6%.

NET ABSORPTIONS / COMPLETIONS



OVERALL AVAILABILITY & NET EFFECTIVE RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	AVAILABILITY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	FUTURE SUPPLY (SF)**	GRADE A NET EFFECTIVE RENT				
					HK\$/SF/MO	US\$/SF/MO	EUR/SF/MO	Q-o-Q change	YTD change
Greater Central	16,819,940	16.0%	83,438	1,029,400	\$76.4	\$9.8	\$8.3	-0.1%	-4.2%
Wanchai / Causeway Bay	9,898,364	16.4%	99,159	750,000	\$45.2	\$5.8	\$4.9	-0.2%	-3.9%
Greater Tsimshatsui	10,073,414	12.1%	90,287	2,582,400	\$42.1	\$5.4	\$4.6	-0.4%	-1.3%
CORE AREA TOTALS	36,791,718	15.0%	272,885	4,361,800	\$58.6	\$7.5	\$6.4	-0.5%	-3.6%
Hong Kong East	9,430,396	16.7%	128,389	-	\$31.5	\$4.0	\$3.4	-3.4%	-8.5%
Hong Kong South	2,761,041	24.9%	25,884	238,400	\$21.7	\$2.8	\$2.4	-3.6%	-10.6%
Kowloon East	17,422,108	26.1%	-154,771	187,500	\$23.0	\$3.0	\$2.5	-2.2%	-6.5%
Kowloon West	5,556,372	26.9%	128,645	282,000	\$28.4	\$3.7	\$3.1	-0.6%	-1.8%
NON-CORE AREA TOTALS	35,169,916	23.6%	128,147	707,900	\$26.1	\$3.4	\$2.8	-2.5%	-6.8%
OVERALL TOTAL	71,961,635	19.2%	401,032	5,069,700	\$43.1	\$5.5	\$4.7	-0.8%	-4.2%

*Exchange Rate: 1USD = 0.8439 EUR 7.7771 HKD (as of 17 September, 2025)
**All areas presented are on NFA
*** Covers planned and under construction projects (2025-29)bases

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF (NFA)	TYPE
83 King Lam Street	Kowloon West	AECOM	79,500	Relocation
Viva Place	Hong Kong South	DKSH Hong Kong	28,700	Relocation
Hopewell Centre	Wanchai / Causeway Bay	AMG Financial Group	26,300	Expansion & Relocation
International Commerce Centre	Greater Tsimshatsui	The Central Moneymarkets Unit	23,500	Relocation
Two Pacific Place	Greater Central	Credit Agricole CIB	19,500	Relocation & Expansion

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	OWNER / DEVELOPER	SF (NFA)	COMPLETION YEAR
International Gateway Centre	Greater Tsimshatsui	Sun Hung Kai Properties	2,112,000	2025
Lee Garden Eight	Wanchai / Causeway Bay	Hysan / Chinachem	750,000	2026
Central Crossing	Greater Central	Wing Tai / CSI	268,700	2026
Artist Square Towers	Greater Tsimshatsui	Sun Hung Kai Properties	470,400	2027
Site 3, Central, Phase 1	Greater Central	Henderson	310,300	2027

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