

MARKET FUNDAMENTALS

| | YOY Chg | Outlook |
|--------------------------------------|---------|---------|
| 20.3% Availability Rate* | ▲ | ▲ |
| 983,600 Net Absorption, SF | ▲ | ▲ |
| HK\$43.3 Net Effective Rent (PSF) | ▼ | ▼ |

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

| | YoY Chg | Outlook |
|---|---------|---------|
| 3.8% GDP Growth (Q3 2025) | ▲ | ▲ |
| 1.2% CPI Growth (Nov 2025) | ▲ | ▲ |
| 3.8% Unemployment Rate (Sep 2025 – Nov 2025) | ▲ | ▼ |

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

FULL-YEAR 2025 NET ABSORPTIONS HITS A 7-YEAR-HIGH

Hong Kong's Grade A office market gained further momentum in Q4 2025, with quarterly net absorption rising to 983,600 sq ft, the highest level after Q2 2015. This brought full-year 2025 net absorption to 1.6 million sq ft, the strongest year since 2018. This growth was backed by improving market sentiment, driven by a stock market recovery and stronger IPO activity. More attractive office asset pricing and rental levels also prompted long-term occupiers to purchase office space, further boosting net absorption.

The banking & finance sector remained the primary driver of new leasing demand in Q4, taking more than 40% share of the total new leased area. Notable deals included international hedge fund Qube Research & Technologies' expansion to take six floors at Two IFC (134,400 sq ft) in Central, while Futu Securities leased two floors (38,200 sq ft) at Two Pacific Place in Admiralty, as part of an expansion and relocation within the district.

New supply completions in Q4 included Cyberport 5 in Hong Kong South, International Gateway Centre (IGC) in Greater Tsim Sha Tsui, and the Tak Shing House Redevelopment project in Greater Central, adding a combined 2.2 million sq ft to the Grade A office market and lifting the overall availability rate to 20.3%.

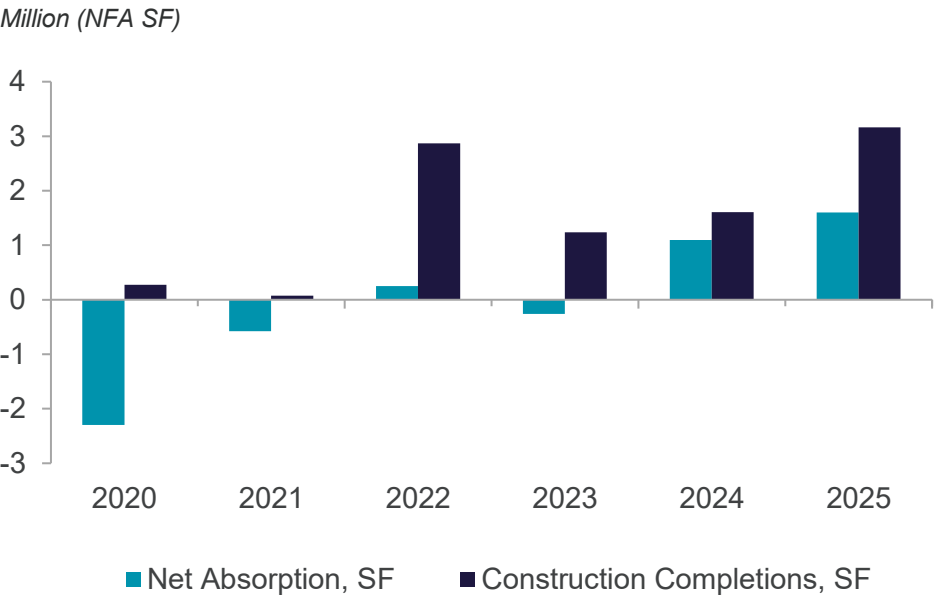
CENTRAL RENT PICKS UP AS FINANCIAL SECTOR REMAINS ACTIVE

As a preferred submarket for banking and financial institutions, stronger demand from the sector saw Greater Central and Prime Central rents pick up during the quarter, by 1.9% and 3% q-o-q, respectively. This contributed to the overall rental level stabilizing at +0.4% q-o-q, while the y-o-y rental decline narrowed to -3.9%. However, rental performance divergence between core and non-core submarkets is increasingly evident. Prime Central rents have already recovered to record growth of 0.8% y-o-y, whereas non-core areas, such as Hong Kong East and Hong Kong South recorded rental drops of 9.6% and 11.5% y-o-y, respectively, through 2025.

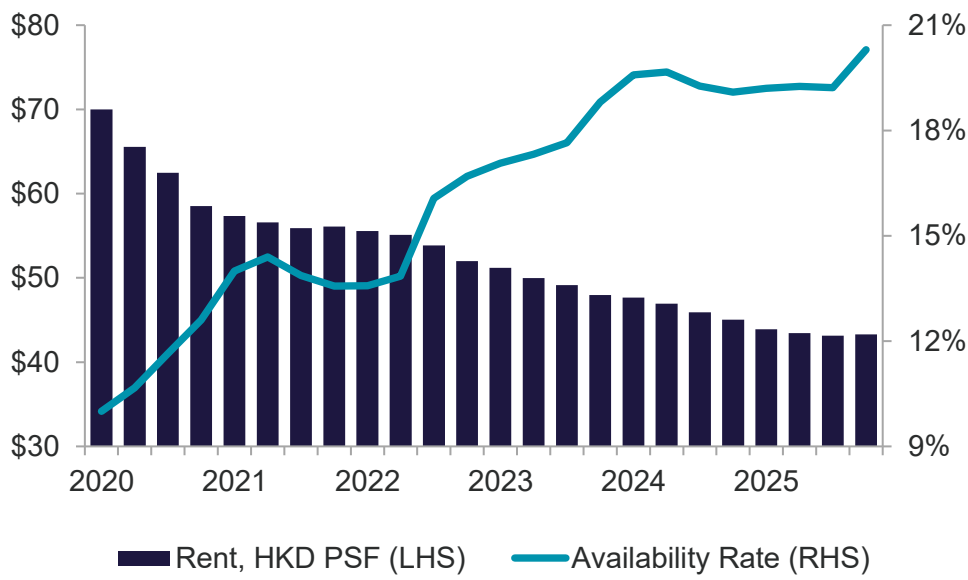
OVERALL RENTS EXPECTED TO STAY WITHIN ±1% IN 2026

Looking ahead, we expect the office market recovery to remain underpinned by an active IPO pipeline, which will drive leasing demand from financial firms and related upstream and downstream industries. However, with approximately 1.4 million sq ft of new Grade A office supply scheduled for completion in 2026, availability rates are likely to stay elevated, continuing to weigh on rents. While landlords of new office buildings will need to offer additional incentives to boost occupancy, we forecast overall office market rents to remain within a narrow range of ±1% throughout 2026. Nevertheless, flight-to-quality activity should enable Greater Central and Greater Tsimshatsui to outperform the broader market.

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 | 16,915,940 | 14.7% | 293,440 | 945,400 | \$77.9 | \$10.0 | \$8.5 | 1.9% | -2.4% |
| Wanchai / Causeway Bay | 9,898,364 | 14.5% | 193,011 | 750,000 | \$44.8 | \$5.8 | \$4.9 | -0.8% | -4.7% |
| Greater Tsimshatsui | 11,961,164 | 23.5% | 297,158 | 470,400 | \$43.5 | \$5.6 | \$4.8 | 3.6% | 2.3% |
| CORE AREA TOTALS | 38,775,468 | 17.4% | 783,609 | 2,165,800 | \$58.8 | \$7.6 | \$6.4 | 0.3% | -3.3% |
| Hong Kong East | 9,430,396 | 16.2% | 44,652 | - | \$31.1 | \$4.0 | \$3.4 | -1.9% | -9.6% |
| Hong Kong South | 2,992,016 | 28.2% | 73,904 | - | \$21.5 | \$2.8 | \$2.3 | -1.1% | -11.5% |
| Kowloon East | 17,422,108 | 25.9% | 28,342 | 474,900 | \$22.6 | \$2.9 | \$2.5 | -1.7% | -8.1% |
| Kowloon West | 5,556,372 | 25.9% | 53,097 | 1,242,000 | \$28.4 | \$3.6 | \$3.1 | -0.1% | -1.9% |
| NON-CORE AREA TOTALS | 35,400,891 | 23.5% | 199,996 | 1,716,900 | \$25.8 | \$3.3 | \$2.8 | -1.7% | -8.1% |
| OVERALL TOTAL | 74,176,359 | 20.3% | 983,604 | 3,882,700 | \$43.3 | \$5.6 | \$4.7 | 0.4% | -3.9% |

*Exchange Rate: 1USD = 0.8516 EUR 7.7839 HKD (as of 15 December, 2025)
**All areas presented are on NFA
*** Covers planned and under construction projects (2026-30) bases

KEY LEASE TRANSACTIONS Q4 2025

| PROPERTY | SUBMARKET | TENANT | SF (NFA) | TYPE |
|----------------------------------|---------------------|-------------------------------|----------|------------|
| Two international Finance Centre | Greater Central | Qube Research & Technologies | 134,400 | Expansion |
| Two Pacific Place | Greater Central | Futu Securities International | 38,200 | Expansion |
| 83 King Lam Street | Kowloon West | Canon | 22,100 | Relocation |
| The Millennity | Kowloon East | Global Business Travel | 18,900 | Relocation |
| The Gateway Tower 5 | Greater Tsimshatsui | AIA | 18,300 | Expansion |

KEY PROJECTS UNDER CONSTRUCTION

| PROPERTY | SUBMARKET | OWNER / DEVELOPER | SF (NFA) | COMPLETION YEAR |
|-----------------------------|------------------------|-------------------------|----------|-----------------|
| Lee Garden Eight | Wanchai / Causeway Bay | Hysan / Chinachem | 750,000 | 2026 |
| Central Crossing | Greater Central | Wing Tai / CSI | 268,700 | 2026 |
| 92-103A Connaught Road West | Greater Central | Tai Hung Fai | 240,200 | 2026 |
| Artist Square Towers | Greater Tsimshatsui | Sun Hung Kai Properties | 470,400 | 2027 |
| Central Yards Phase 1 | Greater Central | Henderson | 310,300 | 2027 |

ROSANNA TANG

Executive Director, Head of Research, Hong Kong
Tel: +852 2956 7021
rosanna.tang@cushwake.com

THOMAS CHAN

Associate Director, Research, Hong Kong
Tel: +852 2956 7043
thomas.chan@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In Greater China, a network of 23 offices serves local markets across the region. In 2024, the firm reported revenue of \$9.4 billion across its core services of Valuation, Consulting, Project & Development Services, Capital Markets, Project & Occupier Services, Industrial & Logistics, Retail, and others. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.hk or follow us on LinkedIn (<https://www.linkedin.com/company/cushman-&-wakefield-greater-china>).

©2026 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.