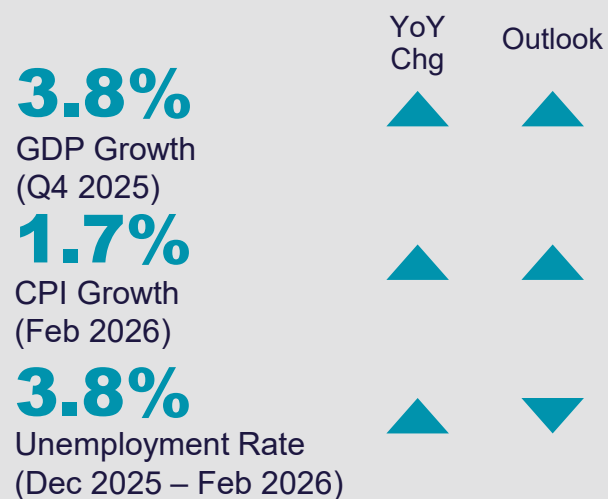


MARKET FUNDAMENTALS



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

POSITIVE NET ABSORPTION FOR 10 CONSECUTIVE QUARTERS

Sentiment in Hong Kong's Grade A office market remained positive in Q1 2026 on the back of sustained demand from the banking & finance and insurance sectors. Citywide net absorption fell to 217,100 sq ft in Q1 but remained positive for the 10th consecutive quarter.

Rental levels of Greater Central and Greater Tsimshatsui continued to pick up, gaining 5.5% and 0.4% q-o-q, respectively. The overall rental level moved up by 2.4% q-o-q in Q1, marking two consecutive quarters of rental growth for the first-time since Q1 2019. However, average rents in non-core submarkets continued to soften, with the mixed performance suggesting the market recovery is chiefly led by core areas.

NEW LEASING LED BY BANKING & FINANCE AND INSURANCE SECTORS

Total new leased area reached 866,000 sq ft in Q1. The banking & finance and insurance sectors were the key drivers of new leasing demand, accounting for more than 70% of the total new leased area. Meanwhile, pre-leasing activities at new projects recorded significant transactions, including JPMorgan Chase's 186,100 sq ft commitment at Artist Square Towers in Greater Tsimshatsui, and AXA Insurance's 73,600 sq ft take-up at One International Gateway Centre (IGC) in the same district.

On the supply side, around 1.4 million sq ft of new Grade A office space is expected to be completed in 2026, half that of the new supply seen in 2025. With no new completions in Q1, the citywide availability rate remained broadly stable at 20.0%, edging down by 0.3 percentage point q-o-q.

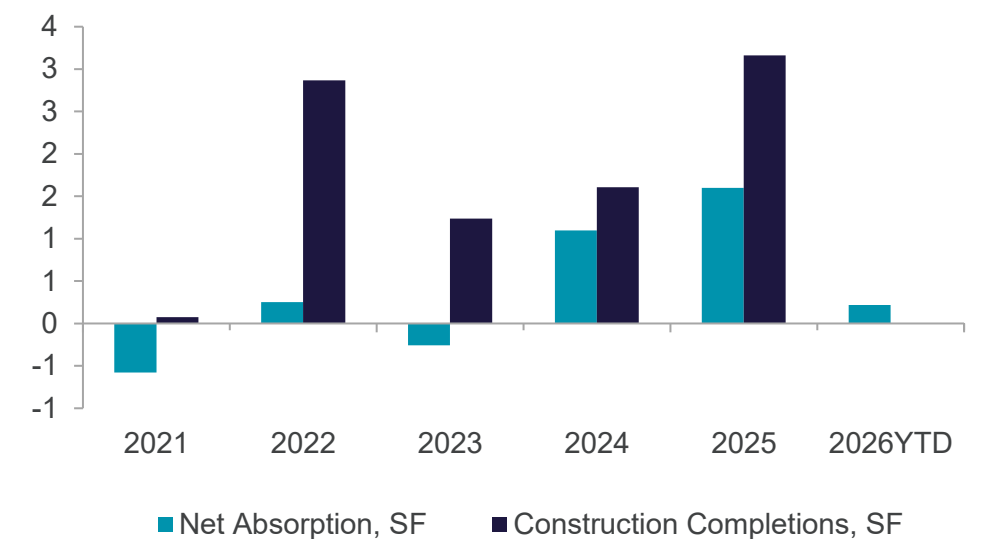
GREATER CENTRAL RENTAL FORECAST REVISED TO +6% TO +8%

Looking ahead, despite the recent stock market volatility, leasing demand from the banking & finance sector is expected to remain a key pillar for the city, underpinned by expectations that Hong Kong will remain a leading global IPO fundraising market in 2026 – with more than 400 companies in the listing pipeline up to the end of March. Geopolitical developments in the Middle East may also prompt investors to review asset deployment strategies and reallocate capital to Hong Kong, potentially supporting demand from banking & finance and wealth management-related occupiers in the near to medium term.

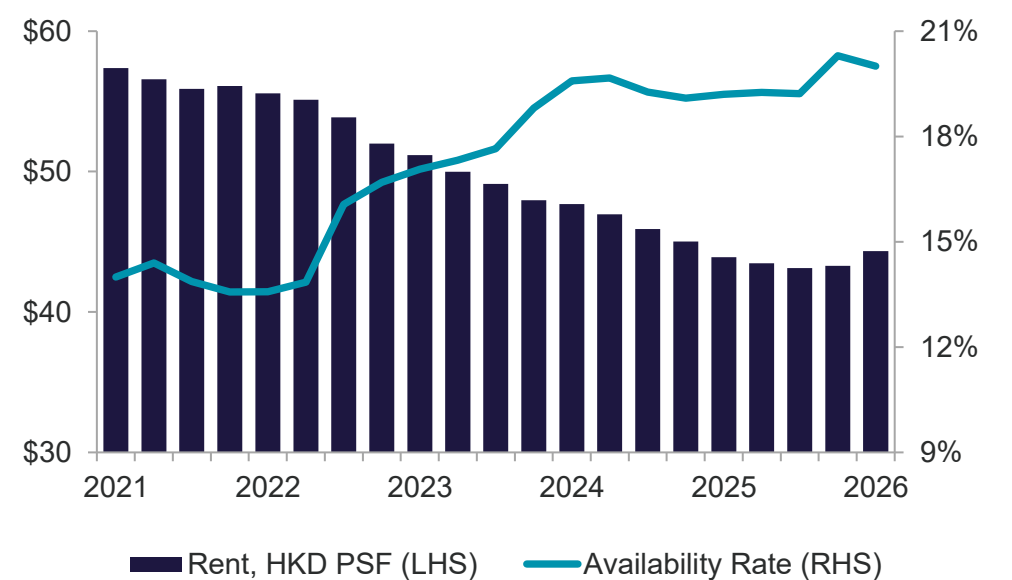
As the most sought-after submarkets to banking & finance occupiers, Greater Central rents are expected to grow further, resulting in a more pronounced divergence between core and non-core submarkets. We have revised our rental forecast for Greater Central in 2026 to +6% to +8%, from a previous range of +2% to +4%. In turn, the citywide Grade A office rental level is projected to grow by range of +1% to +3% y-o-y in 2026, compared with a previous forecast of ±1%.

NET ABSORPTIONS / COMPLETIONS

Million (NFA SF)



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	16,893,386	14.0%	105,624	945,400	\$82.1	\$10.6	\$9.0	5.5%	5.5%
Wanchai / Causeway Bay	9,898,364	13.8%	66,156	750,000	\$45.3	\$5.8	\$5.0	1.1%	1.1%
Greater Tsimshatsui	11,961,164	23.4%	7,692	470,400	\$43.7	\$5.6	\$4.8	0.4%	0.4%
CORE AREA TOTALS	38,752,913	16.8%	179,473	2,165,800	\$60.9	\$7.8	\$6.7	3.5%	3.5%
Hong Kong East	9,430,396	16.5%	-20,648	-	\$30.8	\$4.0	\$3.4	-1.0%	-1.0%
Hong Kong South	2,992,016	25.4%	84,797	-	\$21.5	\$2.8	\$2.4	0.2%	0.2%
Kowloon East	17,422,108	26.3%	-68,907	474,900	\$22.5	\$2.9	\$2.5	-0.6%	-0.6%
Kowloon West	5,556,372	25.2%	42,434	1,242,000	\$28.5	\$3.7	\$3.1	0.3%	0.3%
NON-CORE AREA TOTALS	35,400,891	23.4%	37,675	1,716,900	\$25.6	\$3.3	\$2.8	-0.5%	-0.5%
OVERALL TOTAL	74,153,805	20.0%	217,148	3,882,700	\$44.3	\$5.7	\$4.9	2.4%	2.4%

*Exchange Rate: 1USD = 0.8696 EUR 7.8334 HKD (as of 17 March, 2026)

**All areas presented are on NFA

*** Covers planned and under construction projects (2026-30) bases

KEY LEASE TRANSACTIONS Q1 2026

PROPERTY	SUBMARKET	TENANT	SF (NFA)	TYPE
Artist Square Towers – East & West Towers	Greater Tsimshatsui	JPMorgan Chase	186,100	Relocation
One International Gateway Centre	Greater Tsimshatsui	AXA Insurance	73,600	Relocation
One International Finance Centre	Greater Central	Capital Group	31,200	Expansion
Manulife Place	Kowloon East	Continental Conair	27,550	Relocation
Two International Finance Centre	Greater Central	E Fund Management	21,700	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

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