MARKETBEAT
HONG KONG
LOGISTICS Q2 2026

CUSHMAN & WAKEFIELD
戴德梁行

MARKET FUNDAMENTALS

	YOY Chg	Outlook
HK$12.4 Prime warehouse Gross Effective Rent (PSF / month)	▼	▼
11.2% Prime warehouse vacancy rate	▲	▲

Source: Cushman & Wakefield Research

HONG KONG ECONOMIC INDICATORS Q2 2026

	YOY Chg	Outlook
5.9% GDP Growth (Q1 2026)	▲	▲
HK$1,232B Total Export (Apr – May 2026)	▲	▲
HK$1,306B Total Import (Apr – May 2026)	▲	▲
50.4 PMI (May 2026)	▲	▼

Source: Hong Kong Census and Statistics Department, Moody Analytics

TRADE GROWTH MASKS SHIFTS IN DEMAND PATTERNS

Hong Kong's logistics market continued to exhibit mixed performance in Q2 2026, shaped by diverging trade dynamics and shifts in supply chain demand. From April to May 2026, total imports and exports expanded by 43% and 42% y-o-y, respectively, primarily driven by rising demand for high-value goods and electronic products. However, broader business sentiment remained cautious, with the S&P Global Hong Kong Purchasing Manager's Index (PMI) standing at 50.4 in May amid persistent geopolitical uncertainties.

The growth in trade was increasingly skewed towards higher-value cargo. While airfreight volumes rose by 4% y-o-y to 854,000 tonnes over the same period, container throughput continued to decline, by 1.1% y-o-y. This divergence highlights a shift towards high-value and air cargo-driven trade, with demand becoming more concentrated in modern facilities as occupiers prioritize efficiency, with limited spillover to traditional warehouses.

RENTAL ADJUSTMENT SUPPORTS LEASING ACTIVITIES

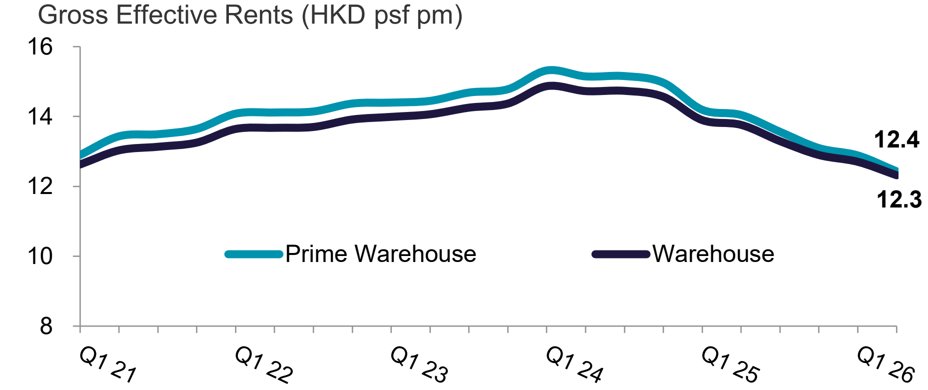
Citywide prime warehouse rents declined further by 3.5% q-o-q in Q2, to HK$12.4 psf per month, the lowest level since Q1 2014. This also represents a cumulative -19% correction from the peak of HK$15.3 psf in Q1 2024. The continued rental adjustment has improved affordability and helped stimulate leasing momentum. As a result, the overall vacancy rate fell to 11.2% in Q2 from 11.8% in Q1.

The market witnessed several transactions from third-party logistics operators (3PLs) in Q2. Notable deals included YesAsia Logistics' commitment of 47,500 sq ft at Mapletree Logistics Hub Tsing Yi for expansion. In Kwai Chung, 3PL operator Arvato took 61,200 sq ft at ATL Logistics Centre, for relocation and expansion. The cold storage segment also recorded a big-ticket deal, as Yick Ngai Cold Chain leased the whole Block C of Yee Lim Industrial Building in Kwai Chung, totaling 320,000 sq ft.

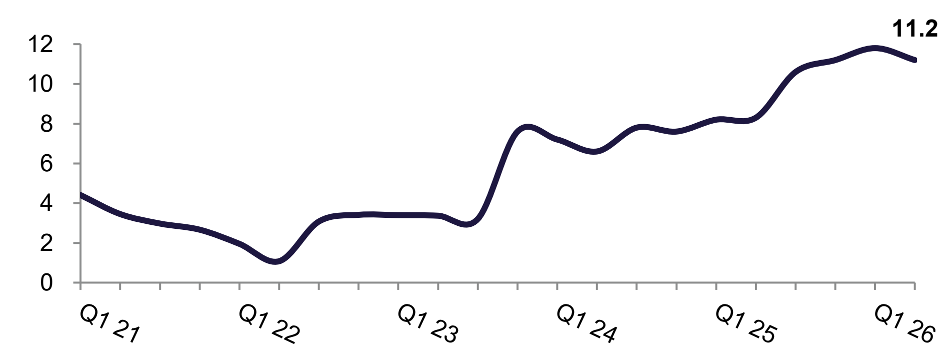
PRIME WAREHOUSE RENTS EXPECTED TO SLIDE BY 7% IN 2026

Looking ahead, leasing demand is expected to increasingly come from the e-commerce, AI-related electronics, and commodities trading sectors. These occupiers are likely to place more emphasis on building specifications, including greater floor loading, ceiling height, and security standards, to support fast-paced throughput and high-value cargo handling. Despite this shift towards higher-quality demand, vacancy will likely remain high and continue to weigh on the leasing market in the mid-near term. As such, we expect the leasing market to remain tenant-favorable in 2H 2026, with prime warehouse rents forecast to decline by 7% over full year of 2026.

Overall and Prime Warehouse Rents



Prime Warehouse Vacancy (%)



Existing Stock and Future Supply (2026F-2030F)

PRIME WAREHOUSE RENTS Q2 2026

	GROSS EFFECTIVE RENT			Q-O-Q CHANGE	YTD CHANGE	12-MONTH OUTLOOK
	HK$/SF/MO	US$/SF/MO	EUR/SF/MO			
Hong Kong Island	$15.6	$2.0	€1.7	---	---	▼
Kowloon	$12.9	$1.7	€1.4	-3.2%	-4.3%	▼
New Territories	$11.2	$1.4	€1.2	-4.5%	-7.4%	▼
HONG KONG AVERAGE	**$12.4**	**$1.6**	**€1.3**	**-3.5%**	**-5.1%**	▼

Exchange Rate: 1USD = 0.8624 EUR = 7.8353HKD (as of Jun 15, 2026)

PRIME WAREHOUSE VACANCY RATE Q2 2026

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Hong Kong Island	2.0%	2.0%	2.0%	2.0%	2.0%
Kowloon	5.7%	7.9%	9.3%	9.9%	9.3%
New Territories	14.5%	16.9%	16.0%	16.5%	15.8%
HONG KONG AVERAGE	**8.3%**	**10.6%**	**11.2%**	**11.8%**	**11.2%**

KEY LEASING TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	TENANT	SECTOR	SF (GFA)	Type
Yee Lim Industrial Building Block C	Kwai Chung	Yick Ngai Cold Chain	Cold Storage	320,000	New Lease
ATL Logistics Centre	Kwai Chung	Arvato	3PL	61,200	New Lease
Mapletree Logistics Hub Tsing Yi	Tsing Yi	YesAsia Logistics	3PL	47,500	New Lease
Cainiao Smart Gateway	Chek Lap Kok	Kwai Bon Transportation	3PL	27,800	New Lease
ATL Logistics Centre	Kwai Chung	Coils Electronic Co	Consumer Goods	50,300	Renewal

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