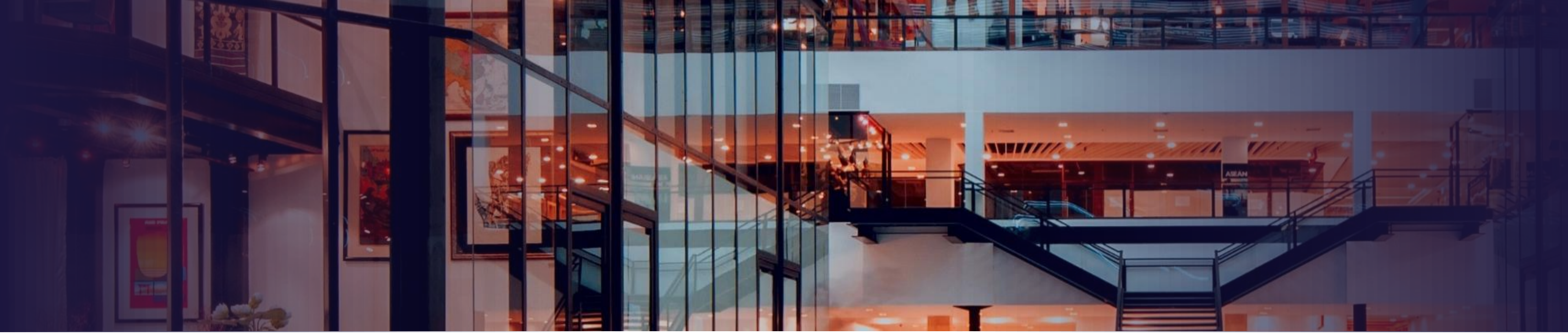
MARKETBEAT
HONG KONG
RETAIL Q2 2026



CUSHMAN & WAKEFIELD 戴德梁行

MARKET FUNDAMENTALS

	YOY Chg	Outlook
30,000 Median HH Income (HKD)	▬	▲
3.7%[1] Unemployment Rate (Mar – May 2026)	▲	▼
14.1%[2] Tourist Arrival Growth	▲	▲

[1] Three-month moving average, seasonally adjusted
[2] The figure refers to Jan - May 2026 combined

ECONOMIC INDICATORS

	YOY Chg	Outlook
5.9% GDP Growth (Q1 2026)	▲	▲
8.3% Retail Sales Growth[3]	▲	▲
2.0% CPI Growth[4] (May 2026)	▲	▲
6.5% Private Consumption Expenditure Growth (Q1 2026)	▲	▲

[3] The figure refers to the Apr - May of Q2 2026
[4] Composite CPI, non-seasonally adjusted

Source: Hong Kong Census and Statistics Department, Hong Kong Tourism Board, Moody's Analytics

OVERALL RETAIL SALES MAINTAIN STEADY GROWTH

The sustained growth in inbound visitors, along with resilient local consumption sentiment driven by the wealth effect from an improving residential market and stronger economic fundamentals, have continued to support steady growth in Hong Kong's retail market. The city's overall retail sales marked thirteen consecutive months of y-o-y growth in May 2026, bringing total retail sales for the January to May 2026 period to record HK$171.5 billion, up 10.6% y-o-y. Stronger sales were evident in all key retail categories. For instance, the Jewellery & Watches sector remained the most popular among tourists, posting y-o-y growth of 26.2%, followed by the Fashion & Accessories and Medicines & Cosmetics sectors, which grew 5.4% and 5.2%, respectively.

HONG KONG ISLAND DISTRICTS CONTINUE TO OUTPERFORM KOWLOON

The overall high street vacancy rate rose mildly to 5.4% in Q2 from 4.2% in Q1, chiefly driven by greater vacancies in Kowloon. On Hong Kong Island, Causeway Bay and Central both continued to register zero vacancies through the quarter. In Causeway Bay, local pharmacy chain Mannings expanded into a 1,630 sf ground-floor retail space on Russell Street, while UK skincare brand Opatra leased the adjacent store with more than 1,500 sf. On the same street, a local pharmacy took a 650 sf ground-floor store. In Central, Beijing Tong Ren Tang expanded from its existing store into an adjacent retail space of around 520 sf.

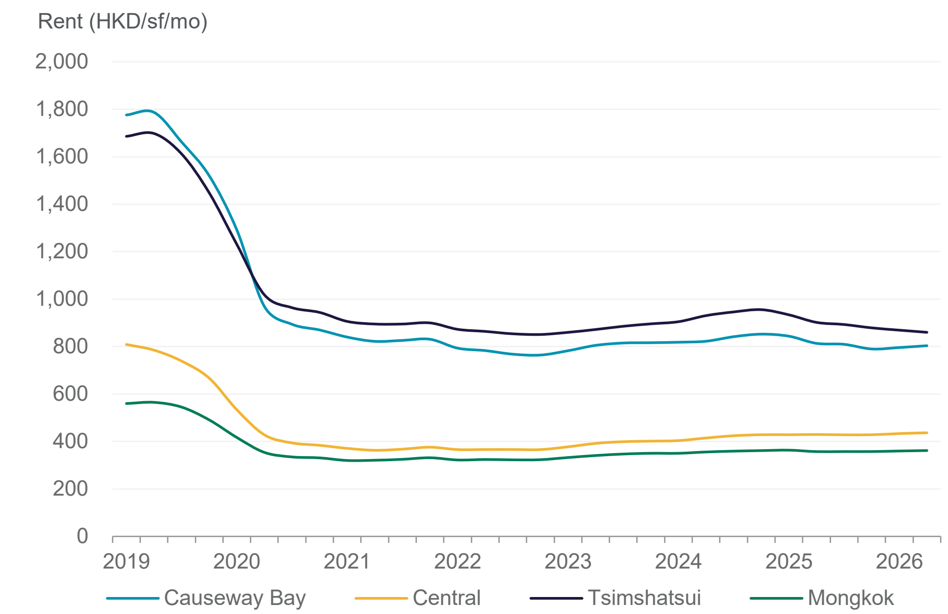
In Kowloon, vacancy rates in Tsimshatsui and Mongkok rose to 8.3% and 8.6%, respectively. Despite this, Emperor Watch & Jewellery leased a further ground-floor store on Canton Road in Tsimshatsui, spanning around 640 sf, demonstrating robust sales performance in the Jewellery & Watches sector. In Mongkok, eGG Optical Boutique signed a 490 sf retail space lease on Sai Yeung Choi Street South.

As for high street retail rental levels, Causeway Bay and Central continued to lead the recovery with q-o-q increases of 1.0% and 0.8%, respectively, with both local and international retailers displaying particular preference for the two prime high-street hubs. At the same time, the relatively affordable and reasonable rental levels in Mongkok allowed the district to attract a wider range of brand entries, bringing q-o-q rental growth of 0.5%. However, with the luxury sector experiencing a slowdown, rental levels in Tsimshatsui, historically supported by top-tier brand names, remained under pressure, declining by 1.1% q-o-q. In the F&B sector, rents remained weighed down by high availability, with all four key retail districts recording q-o-q declines within a 1% range.

STEADY RECOVERY EXPECTED THROUGH REMAINDER OF 2026

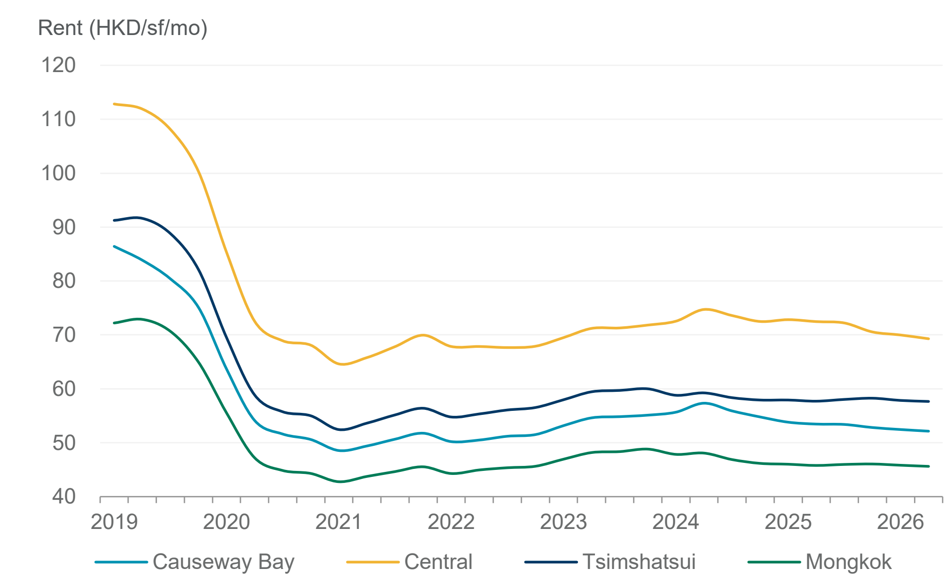
Looking ahead, we expect the Hong Kong retail market to remain on a steady recovery trajectory in 2H 2026, supported by continued growth in tourism numbers and recovering tourist spending amid a stronger RMB. Given still-attractive rental levels, we also expect ongoing entries of new retailers, especially for international brands who view the Hong Kong market as a strategic launchpad for Asia regional expansion. Causeway Bay and Central are likely to remain the focal points for brand activities, underpinned by strong tourist footfall. In turn, we forecast high street retail rents in Causeway Bay and Central to increase by 3% to 5% in 2H 2026, while we project Tsimshatsui and Mongkok to pick up modestly in the range of 1% to 2%.

HIGH STREET AVERAGE RENT



Source: Cushman & Wakefield Research

F&B AVERAGE RENT



Source: Cushman & Wakefield Research

HIGH STREET RENTS Q2 2026

	EFFECTIVE RENT			Q-O-Q CHANGE	2H 2026 FORECAST
	HKD/SF/MO	US$/SF/MO	EUR/SF/MO		
Causeway Bay	804	103	88	1.0%	
Central	437	56	48	0.8%	
Tsimshatsui	860	110	95	-1.1%	
Mongkok	362	46	40	0.5%	
HONG KONG AVERAGE	**616**	**79**	**68**	**0.2%**	

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

HIGH STREET VACANCY RATE

	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Causeway Bay	7.9%	2.6%	0.0%	0.0%
Central	10.0%	4.3%	0.0%	0.0%
Tsimshatsui	10.6%	8.3%	7.1%	8.3%
Mongkok	5.3%	6.1%	6.1%	8.6%
Overall	**8.3%**	**5.9%**	**4.2%**	**5.4%**

KEY LEASE TRANSACTIONS Q2 2026

PROPERTY	DISTRICT	TENANT	SECTOR	SF (APPROX.)
Shop 1 & 2, G/F, Emperor Watch and Jewellery Centre, 8 Russell Street	Causeway Bay	Mannings	Medicines & Cosmetics	1,630
Shop 2-3 on G/F, Plaza 2000, 2 Russell Street	Causeway Bay	Opatra	Medicines & Cosmetics	1,520
Shop on G/F, 18 Russell Street	Causeway Bay	Local Pharmacy	Medicines & Cosmetics	650
Shop on G/F, 16 Canton Road	Tsimshatsui	Emperor Watch and Jewellery	Jewellery & Watches	640
Shop 49 on G/F, Kamming House, 49-51 Queen's Road Central	Central	Beijing Tong Ren Tang	Medicines & Cosmetics	525

Note:
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: Cushman & Wakefield Research

ROSANNA TANG
Deputy Managing Director, Head of Research, Hong Kong
27th Floor, One Island East,
Taikoo Place, 18 Westlands Road, Quarry Bay
Tel: +852 2956 7021
rosanna.tang@cushwake.com

JULIA LAW
Manager, Research, Hong Kong
27th Floor, One Island East,
Taikoo Place, 18 Westlands Road, Quarry Bay
Tel: +852 2956 7042
julia.law@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In Greater China, a network of 23 offices serves local markets across the region. In 2025, the firm reported revenue of $10.3 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).