



MARKET FUNDAMENTALS

|                                                                | YOY Chg | Outlook |
|----------------------------------------------------------------|---------|---------|
| HK\$12.2<br>Prime warehouse Gross Effective Rent (PSF / month) | ▼       | ▼       |
| 10.3%<br>Prime warehouse vacancy rate                          | ▲       | ▲       |

Source: Cushman & Wakefield Research

HONG KONG ECONOMIC INDICATORS Q3 2026

|                                             | YOY Chg | Outlook |
|---------------------------------------------|---------|---------|
| 4.3%<br>GDP Growth (Q2 2026)                | ▲       | ▲       |
| HK\$1,340B<br>Total Export (Jul – Aug 2026) | ▲       | ▲       |
| HK\$1,416B<br>Total Import (Jul – Aug 2026) | ▲       | ▲       |
| 49.5<br>PMI (Aug 2026)                      | ▼       | ▼       |

Source: Hong Kong Census and Statistics Department, Moody Analytics

TRADE GROWTH REMAINS ROBUST DESPITE SOFTER SENTIMENT

Strong trade growth through Q3 2026 continued to support Hong Kong’s logistics market. Total imports and exports in July and August continued to expand, by 50% and 51% y-o-y, respectively, supported by rising demand for AI-related high-value goods. Imports of non-ferrous metals increased by 233% y-o-y in the same period, reflecting continued growth in metal commodities trading and warehousing activities. However, broader business sentiment weakened as the S&P Global Hong Kong Purchasing Managers’ Index (PMI) fell to 49.5 in August, as softer demand and rising costs weighed on business activity.

LEASING MOMENTUM IMPROVES AMID RENTAL ADJUSTMENT

Citywide prime warehouse rents continued to soften in Q3, falling 1.8% q-o-q to HK\$12.2 psf per month. Prime warehouse rents have now retreated to levels last seen in Q4 2013, representing a cumulative correction of 20% from the market peak of Q1 2024. The greater affordability has enhanced market competitiveness and encouraged occupiers to upgrade or relocate their facilities. Consequently, the overall vacancy rate declined to 10.3% in Q3, from 11.2% in the previous quarter.

Third-party logistics operators (3PLs) led leasing activity during the quarter. Notable transactions included SF Express taking 98,000 sq ft at China Resources International Logistics Centre in Kwai Chung, together with 26,100 sq ft at Tai Hing Industrial Building in Tuen Mun. 3PL operator Momentum Logistics also committed to 60,000 sq ft at Goodman Westlink in Tuen Mun.

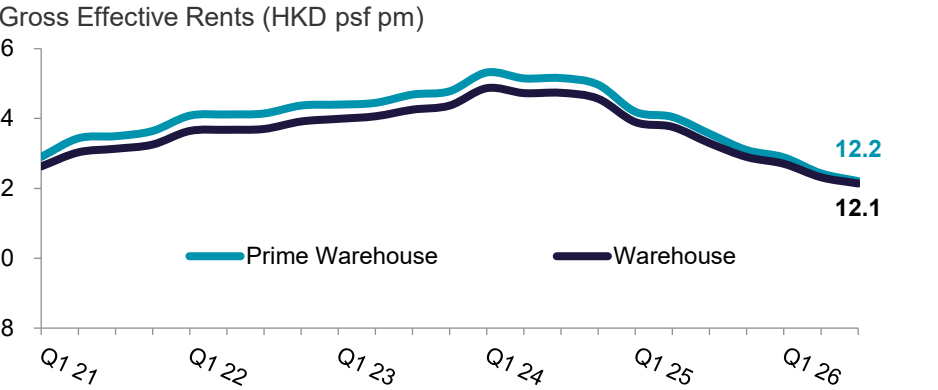
NORTHERN METROPOLIS LOGISTICS INITIATIVES ACCELERATE

The government’s latest policy blueprint continues to promote the development of modern logistics in Hong Kong through enhanced connectivity and closer integration with the Greater Bay Area. The development of the Northern Metropolis (NM) is expected to play a key role in supporting this strategy.

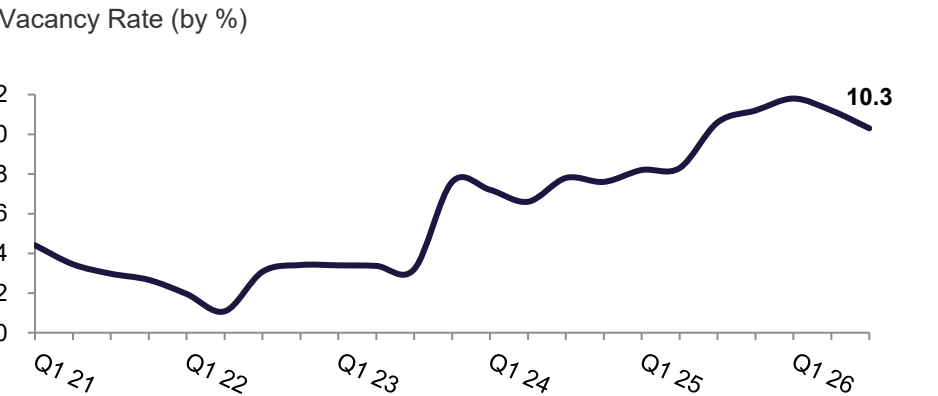
In August, the government launched the expression of interest (EOI) exercise for the proposed Hung Shui Kiu Logistics Cluster. The first batch of five sites cover high-value goods logistics, e-commerce logistics, and freight forwarding and low-altitude economy zones. The initiative reflects the government’s commitment to developing a modern logistics hub in the NM.

Market confidence was further demonstrated by the award of a large-scale land disposal project at Hung Shui Kiu New Development Area in August. The project’s industry site will be developed by JD.com, providing around 550,000 sq ft of modern logistics space by 2031. The investment underscores occupier confidence in Hong Kong’s logistics sector and reinforces the long-term potential of the NM logistics cluster.

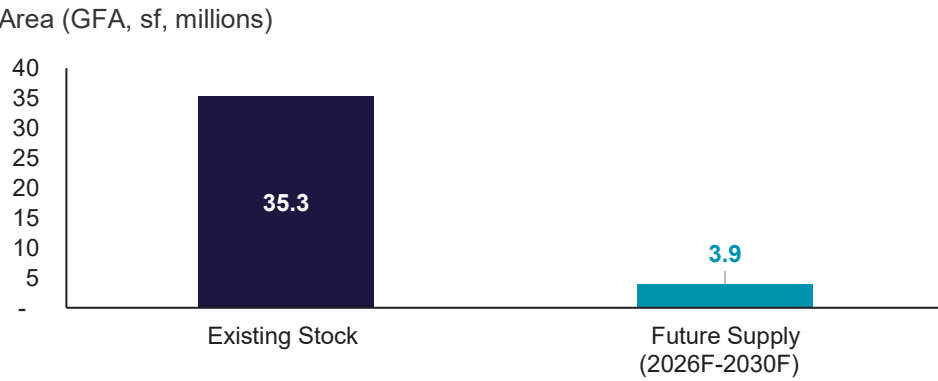
Overall and Prime Warehouse Rents



Prime Warehouse Vacancy (%)



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



PRIME WAREHOUSE RENTS Q3 2026

|                   | GROSS EFFECTIVE RENT |            |           | Q-O-Q<br>CHANGE | YTD<br>CHANGE | 12-MONTH<br>OUTLOOK |
|-------------------|----------------------|------------|-----------|-----------------|---------------|---------------------|
|                   | HK\$/SF/MO           | US\$/SF/MO | EUR/SF/MO |                 |               |                     |
| Hong Kong Island  | \$15.6               | \$2.0      | €1.7      | ---             | ---           | ▼                   |
| Kowloon           | \$12.6               | \$1.6      | €1.4      | -2.2%           | -6.4%         | ▼                   |
| New Territories   | \$11.1               | \$1.4      | €1.2      | -0.9%           | -8.2%         | ▼                   |
| HONG KONG AVERAGE | \$12.2               | \$1.6      | €1.3      | -1.8%           | -6.8%         | ▼                   |

Exchange Rate: 1USD = 0.8727 EUR = 7.8441HKD (as of Sep 17, 2026)

PRIME WAREHOUSE VACANCY RATE Q3 2026

|                   | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 | Q3 2026 |
|-------------------|---------|---------|---------|---------|---------|
| Hong Kong Island  | 2.0%    | 2.0%    | 2.0%    | 2.0%    | 2.0%    |
| Kowloon           | 7.9%    | 9.3%    | 9.9%    | 9.3%    | 8.1%    |
| New Territories   | 16.9%   | 16.0%   | 16.5%   | 15.8%   | 15.4%   |
| HONG KONG AVERAGE | 10.6%   | 11.2%   | 11.8%   | 11.2%   | 10.3%   |

KEY LEASING TRANSACTIONS Q3 2026

| PROPERTY                                       | SUBMARKET  | TENANT             | SECTOR       | SF (GFA) | Type      |
|------------------------------------------------|------------|--------------------|--------------|----------|-----------|
| China Resources International Logistics Centre | Kwai Chung | SF Express         | 3PL          | 98,000   | New Lease |
| Goodman Westlink                               | Tuen Mun   | Momentum Logistics | 3PL          | 60,000   | New Lease |
| Tai Hing Industrial Building                   | Tuen Mun   | SF Express         | 3PL          | 26,100   | New Lease |
| Goodman Interlink                              | Tsing Yi   | Aramex Hong Kong   | 3PL          | 40,300   | Renewal   |
| Goodman Shatin Logistics Centre                | Shatin     | Bedrock Cold Chain | Cold Storage | 14,200   | Renewal   |

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