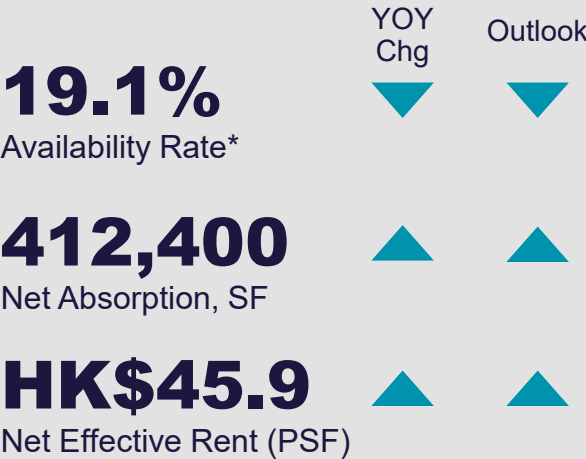
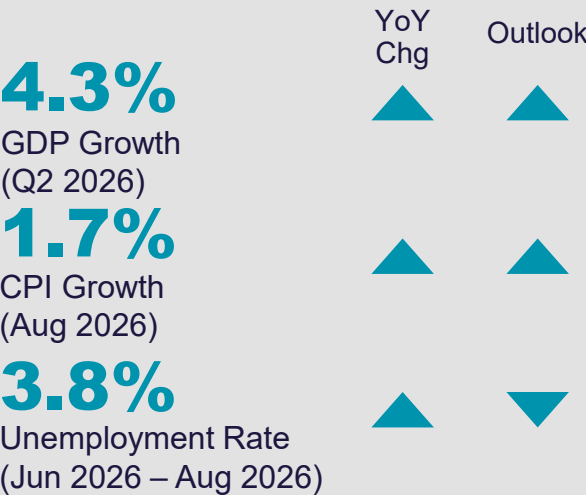


MARKET FUNDAMENTALS



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

BFSI EXPANSION DEMAND FUELS POSITIVE NET ABSORPTION

The Q3 2026 period marked another active quarter for Hong Kong's Grade A office market, underpinned by robust occupier demand across submarkets. Total new leased area reached 1.4 million sq ft in Q3, the highest quarterly level of since 2019. The banking, financial services, and insurance (BFSI) sector, and consumer products / manufacturing sectors, were the key demand drivers. The latter were mainly driven by flight-to-quality and relocation demand, while BFSI occupiers were largely expansion-led.

Driven by strong take-up at recent completions via expansion demand from BFSI occupiers, citywide net absorption reached 412,400 sq ft in the quarter, led by Greater Central and Greater Tsimshatsui. This performance helped pull down the overall availability rate 0.4 percentage points q-o-q to 19.1%.

Notable transactions included hedge fund Susquehanna taking four floors at Cheung Kong Center II, totaling 52,500 sq ft, serving as expansion and relocation, while MNC sourcing firm Multi Lines International committed to 46,800 sq ft at One Kowloon for relocation.

RENTAL DECLINES NARROWING IN NON-CORE SUBMARKETS

A two-tier market persists between core and non-core areas. Rents in Greater Central continued to climb by a further 3.0% q-o-q in Q3 for total YTD growth of 13.0%. Rental level declines in non-core areas further narrowed, while rents in Hong Kong East and Hong Kong South edged up in Q3. The overall citywide rental level rose by 1.7% q-o-q in Q3, bringing YTD rental growth to +6.1%.

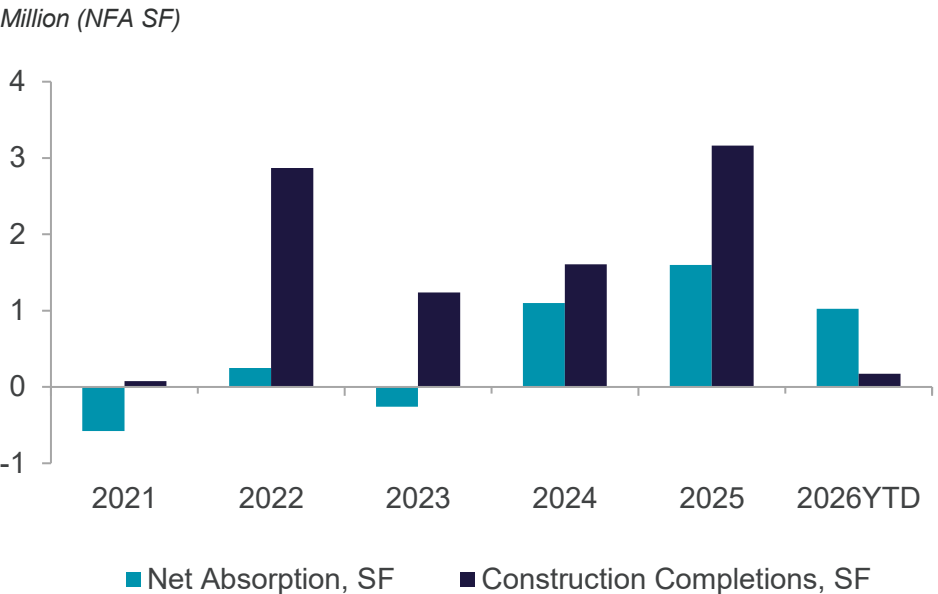
Looking ahead, mid-priced Grade A offices, particularly those with net effective rents of HK\$45–HK\$60 psf, are expected to continue facing headwinds, as occupier preferences increasingly diverge between prime and cost-conscious options. Abundant existing spaces and forthcoming supply across multiple submarkets within this price range are likely to sustain intense competition.

OVERALL AVAILABILITY MAY HAVE PASSED CYCLICAL PEAK

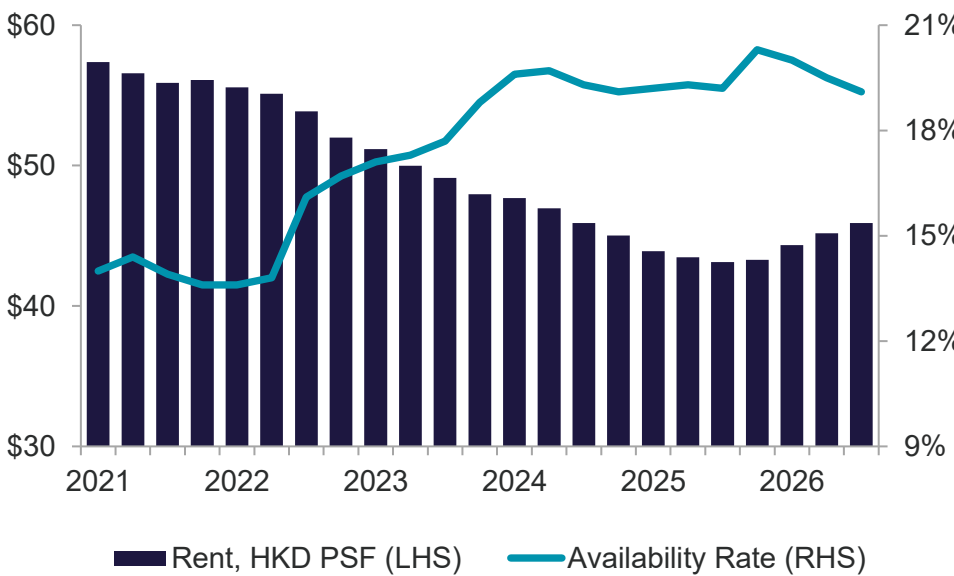
On the supply side, positive market momentum is likely to partly offset the scheduled 1.2 million sq ft of new supply in Q4, keeping availability broadly stable at 19% to 20% at the year-end. With a decelerating supply pipeline beyond 2026, availability may have passed its cyclical peak in 2025, with an uneven recovery now taking place. CBD submarkets are expected to outperform, but non-core areas will continue to face absorption pressure.

Full-year rental growth in Greater Central is now projected at +12% to +14%, offsetting the impact of rental corrections in certain non-core submarkets. This underpins the citywide Grade A office rental level to rise by +5% to +7% in 2026.

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	16,893,386	12.2%	151,398	945,400	\$88.0	\$11.2	\$9.8	3.0%	13.0%
Wanchai / Causeway Bay	9,898,364	13.4%	21,011	750,000	\$47.7	\$6.1	\$5.3	2.4%	6.5%
Greater Tsimshatsui	11,961,164	20.8%	156,683	470,400	\$44.7	\$5.7	\$5.0	1.2%	2.6%
CORE AREA TOTALS	38,752,913	15.1%	329,092	2,165,800	\$64.4	\$8.2	\$7.2	2.5%	9.5%
Hong Kong East	9,430,396	16.5%	11,481	-	\$30.9	\$3.9	\$3.4	0.2%	-0.8%
Hong Kong South	2,992,016	23.3%	20,689	-	\$21.3	\$2.7	\$2.4	0.5%	-0.8%
Kowloon East	17,595,694	26.8%	25,281	287,400	\$22.0	\$2.8	\$2.4	-0.8%	-3.0%
Kowloon West	5,575,981	24.4%	25,826	1,242,000	\$28.1	\$3.6	\$3.1	0.0%	-1.0%
NON-CORE AREA TOTALS	35,594,087	23.4%	83,277	1,529,400	\$25.3	\$3.2	\$2.8	-0.3%	-1.7%
OVERALL TOTAL	74,347,000	19.1%	412,369	3,695,200	\$45.9	\$5.9	\$5.1	1.7%	6.1%

*Exchange Rate: 1USD = 0.8727 EUR 7.8441 HKD (as of 17 September, 2026)
**All areas presented are on NFA
*** Covers planned and under construction projects (2026-30) bases

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF (NFA)	TYPE
Cheung Kong Center II	Greater Central	Susquehanna	52,500	Expansion & Relocation
One Kowloon	Kowloon East	Multi Lines International	46,800	Relocation
One IFC	Greater Central	China Zheshang Bank	39,000	Expansion & Relocation
One IGC	Greater Tsimshatsui	Sun Life HK	29,100	Expansion
Cheung Kong Center II	Greater Central	China Galaxy International	26,200	Relocation

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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