

# Hong Kong Industrial Summary

Q1 2022

## HIGHLIGHTS



Amid the COVID-19 pandemic and stringent social-distancing measures, people rely heavily on consumer goods especially for frozen foods, driving the immediate demand for cold storage and warehouse. This trend is foreseen to continue in the near term with the rapid growth of e-commerce.



With the continued demand, the rental levels of both general industrial building and modern logistics demonstrated a stable annual growth. For the former, it recorded HK\$11.5 per sq ft per month, showing the rise of 4.4% YoY; while the latter sustained at HK\$16.2 per sq ft per month, increasing 3.7% YoY in Q1.



Owing to the IB Revitalisation Scheme, a large number of industrial buildings especially in Kwun Tong and Kwai Tsuen have been converted into office and retail uses, leading to the decline in existing industrial stocks; The completion of the Goodman Westlink logistics facilities in Tuen Mun with leasable area of 1.5 million sq ft will be delayed. The limited supply will continue to support the rental growth of 2-5% in 2022.

### Hong Kong Industrial Rents by District/ Type (Q1 2022)

District/ Type	Rent		Change	
	HK\$ psf / mth	QoQ %	YoY %	
<b>General Industrial Building</b>	<b>11.5</b>	<b>0.4%</b>	<b>4.4%</b>	
Kwai Chung, Tsing Yi, Tsuen Wan	11.9	0.4%	4.4%	
Kowloon East	12.3	0.6%	5.9%	
Fanling, Sheung Shui, Sha Tin	12.0	0.7%	5.0%	
Tuen Mun, Yuen Long	10.0	0.0%	2.9%	
<b>Modern Logistics</b>	<b>16.2</b>	<b>0.0%</b>	<b>3.7%</b>	

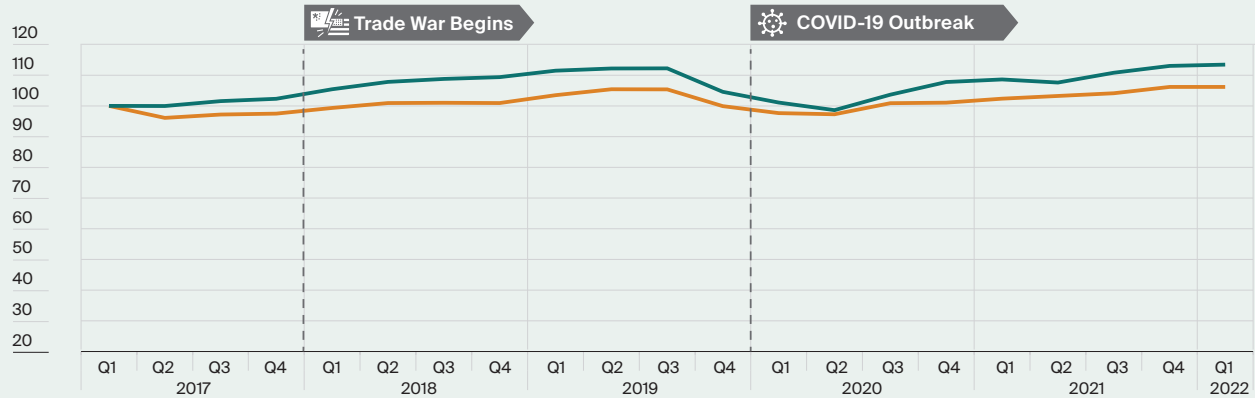
Source: Knight Frank Research

## Industrial Rental Index

Index (Q1 2017 =100)

Modern Logistics

General Industrial Buildings



Source: Knight Frank Research

## Major Industrial leasing transactions (Q1 2022)

District	Building	Type	Area (approx sq ft)	Indicative Rent (HK\$ / sq ft / month)	Type of Tenant
Tuen Mun	Sun Hing Hung Kai Godown	General Industrial Building	140,000	\$14.0	Logistics
Tuen Mun	China Resources East Asia Industrial Building	General Industrial Building	84,000	\$11.5	Government
Tsuen Wan	Kong Nam Industrial Building	General Industrial Building	78,000	\$19.0	Logistics
Tsing Yi	Goodman Interlink	Modern Logistics	140,000	\$16.0	E-commerce
Kwai Chung	ATL Logistics Centre	Modern Logistics	90,000	\$17.0	Logistics
Kwai Chung	ATL Logistics Centre	Modern Logistics	16,000	\$17.0	Paper Product

Source: Knight Frank Research

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.

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