

# Hong Kong Industrial Summary

Q2 2022

## HIGHLIGHTS



Supported by the strong leasing demand from the logistics sector and cold storage, the rental levels of both general industrial building and modern logistics continued to demonstrate a moderate annual growth in the second quarter of 2022. General industrial buildings recorded HK\$11.6 per sq ft per month, up 6.4% YoY; while rents of modern logistics stood at HK\$16.4 per sq ft per month, rose 2.8% YoY.



As most of the industrial spaces are fully occupied, vacancy rate of modern logistics facilities and general industrial buildings maintained at a very low level of 0.8% and 2.3% in Q2 respectively. Upcoming new supplies include Goodman Westlink logistics facilities in Tuen Mun and Sino's new data centre in Kwai Chung will be launched in the market within 2022. However, the existing and limited future supply may not meet the strong demand. We therefore expect the vacancy rate to remain low over the year.



As several sizable short-term leases will be expired in H2, more vacant spaces will be available in the market. We expect that more tenants will grasp the chance to revise their leasing plans, therefore both activity level and rent will surge in H2.

Hong Kong Industrial Rents by District/ Type (Q2 2022)

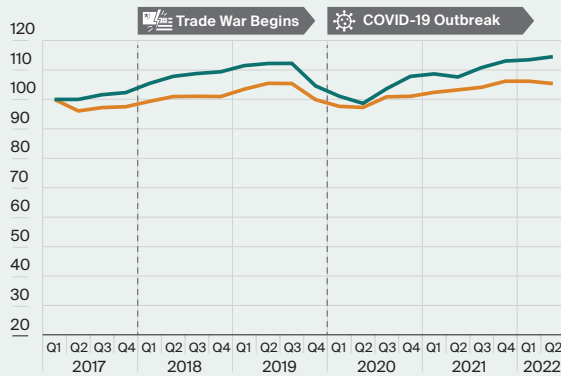
District/ Type	Rent	Change	
	HK\$ psf / mth	QoQ %	YoY %
<b>General Industrial Building</b>	<b>11.6</b>	<b>0.9%</b>	<b>6.4%</b>
Kwai Chung, Tsing Yi, Tsuen Wan	12.0	1.1%	8.3%
Kowloon East	12.5	1.6%	5.6%
Fanling, Sheung Shui, Sha Tin	12.1	1.0%	5.7%
Tuen Mun, Yuen Long	10.0	0.0%	4.1%
<b>Modern Logistics</b>	<b>16.4</b>	<b>-0.2%</b>	<b>2.8%</b>

Source: Knight Frank Research

## Industrial Rental Index

Index (Q1 2017 =100)

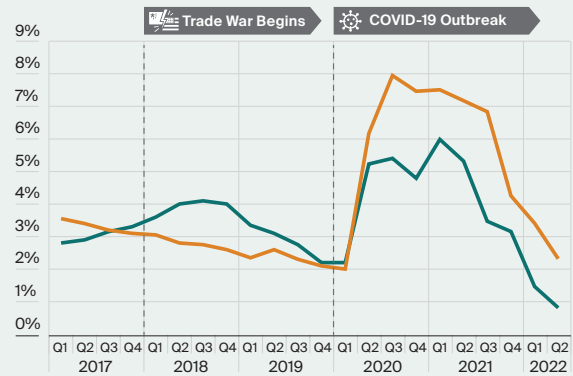
Modern Logistics General Industrial Buildings



Source: Knight Frank Research

## Industrial Vacancy Rate

Modern Logistics General Industrial Buildings



Source: Knight Frank Research

## Major Industrial leasing transactions (Q2 2022)

District	Building	Type	Area (approx sq ft)	Indicative Rent (HK\$ / sq ft / month)	Type of Tenant
Yuen Long	Set Win Automobile Plaza	General Industrial Building	144,000	\$9.0	Logistics
Tsing Yi	Gateway TS	General Industrial Building	120,000	\$15.0	Logistics
Tsuen Wan	Goodman Dynamic Centre	General Industrial Building	50,238	\$13.0	Logistics
Tsing Yi	Mapletree Logistics Hub	Modern Logistics	85,000	\$16.0	Logistics
Tsing Yi	Goodman Interlink	Modern Logistics	68,000	\$16.5	Logistics
Kwai Chung	ATL Logistics Centre	Modern Logistics	37,299	\$17.0	Logistics
Tsing Yi	Goodman Interlink	Modern Logistics	26,010	\$17.1	Construction Company

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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