

Hong Kong Industrial Summary

Q2 2025

This summary analyses the performance of Hong Kong's industrial property market

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Highlights

General Vacancy and Rent Changes



The industrial leasing market exhibited a notable lack of activity in Q2 2025, with activity levels similar to Q1. Rents for general industrial properties remained stable at HK\$12.4 per sq ft, while modern logistics properties maintained a rent of HK\$16.8 per sq ft. General industrial properties reported negative take-up, particularly in Sheung Shui and San Po Kong, resulting in a total vacancy rate of 7.1%, up from 6.5% in the previous quarter. The vacancy rate for modern logistics properties remained unchanged at 12.7%.

Significant Transactions



Earlier this year, the London Metal Exchange (LME) incorporated Hong Kong as an approved delivery point within its global warehousing network. There are now seven approved warehouses, with more operators seeking local partnerships. Given the weight of the commodities, the warehouse loading capacity is strictly required, making ground floor warehouse spaces the most suitable option. Limited suitable storage areas and global trading uncertainties have created the demand for precious metals storage in Q2.

Industrial Investment



Activity within the data centre market has been subdued until the sale of two newly developed high-spec data centres in Fanling for HK\$2.15 billion. Grand Ming acquired the two sites in 2020 and completed the land premium for the development of two data centres with a total GFA of 186,000 sq ft in 2021. The two data centres are being undertaken in phases, with completion expected by 2026. Considering the ongoing growth in artificial intelligence and Fintech sectors, investors continue to express confidence in purpose-built high-end data centres.

Industry Movement/Trend



While leasing demand remains weak, landlords are offering more incentives, even for renewals, providing advantages for tenants. Moreover, competition arising from Northbound consumption has constrained the demand for cold storage space in Hong Kong. Major logistics operator ESR terminated plans for cold storage space at the Kwai Chung development, reflecting a lack of sustainable future growth.

Overall View



As the retail landscape and consumption patterns have transformed, coupled with global trading uncertainties, both tenants and investors are now prioritising flexibility over long-term commitments. Landlords can address the end-users' needs by offering unique solutions and the most advanced technology. Comboxx – Smart Automate Warehouse will be the first and only fully automated warehouse with 18 metres ceiling height. As more e-commerce businesses forge connections with Chinese mainland and the burgeoning small parcel business model takes shape, enterprises may gravitate towards properties providing maximum services and technological advancements.

Table 1 : Hong Kong Industrial Rents by District or Type (Q2 2025)

District or Type	Rent	Change	
	HK\$ psf / mth	QoQ %	YoY %
General Industrial Building	12.4	-0.3%	-3.2%
Kwai Chung, Tsing Yi, Tsuen Wan	13.2	-0.4%	-4.0%
Kowloon East	12.9	-1.5%	-6.5%
Fanling, Sheung Shui, Sha Tin	13.0	0.7%	-0.3%
Tuen Mun, Yuen Long	10.5	0.0%	-0.6%
Modern Logistics	16.8	-0.1%	-5.1%

Source: Knight Frank Research

Chart 1 : Modern Logistics Rental Index and Vacancy Rate

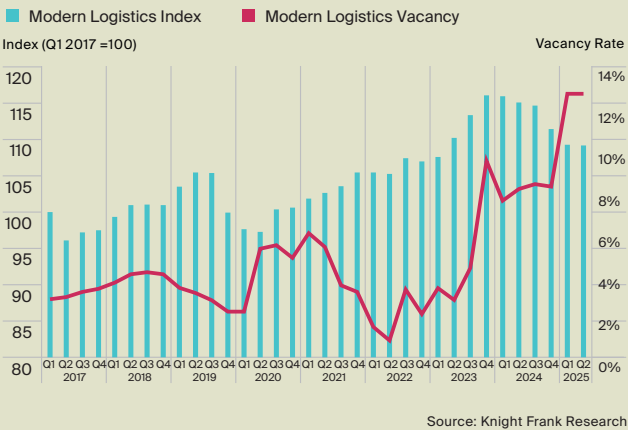


Chart 2 : General Industrial Rental Index and Vacancy Rate

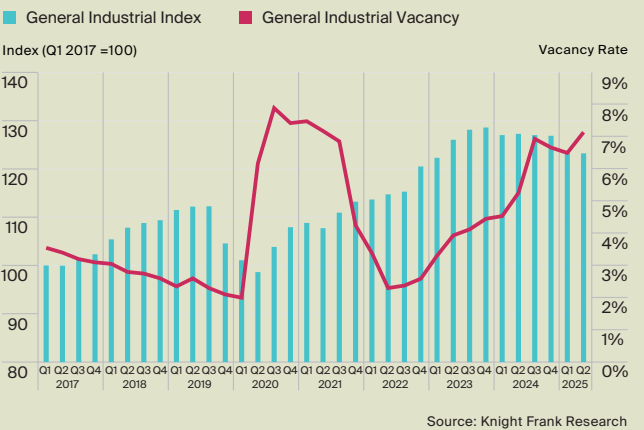
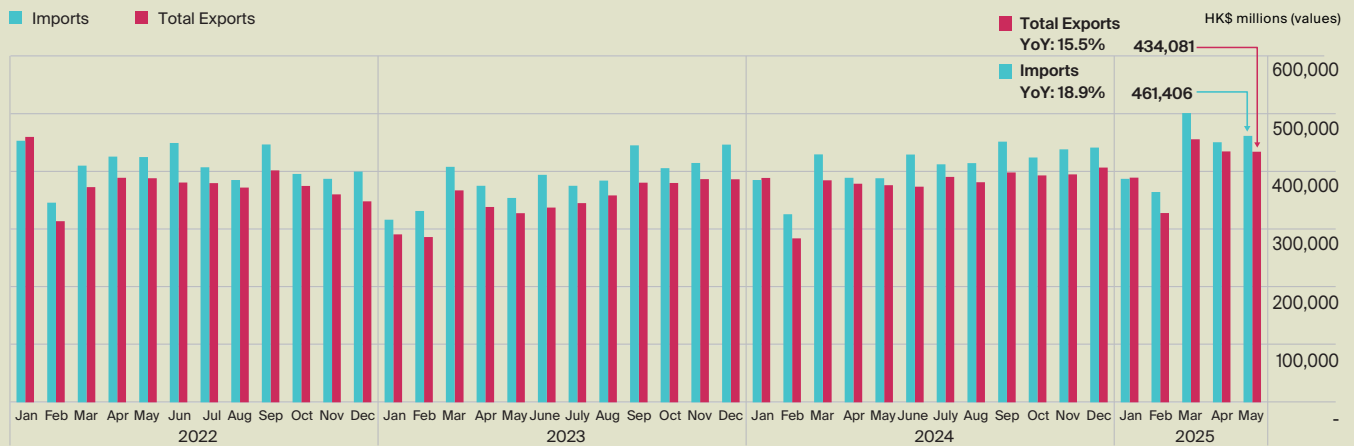


Table 2 : Major Industrial Leasing Transactions (Q2 2025)

District	Building	Area (approx sq ft)	Type of Tenants	Indicative Rent (HK\$ / sq ft / month)	Nature of Tenancy
Fo Tan	Meeco Industrial Building	12,626	Lion Corporation (Hong Kong) Ltd	12.82	renewal
Tsuen Wan	Young Ya Industrial Building	21,200	Allways Health-care Corp Ltd	13.80	renewal
Tuen Mun	Goodman Tuen Mun Distribution Centre Blk 1	20,187	Newpower Worldwide Ltd	11.00	new lease
To Kwa Wan	90 Sung Wong Toi Road	15,475	Canful (Europe-Asia) Motors Ltd	14.86	renewal
Tsuen Wan	Goodman Dynamic Centre	32,776	Mitsubishi Elevator Hong Kong Co Ltd	14.25	renewal
Kwai Chung	ATL Logistics Centre Block A	15,400	Brink's Hong Kong Limited	18.00	renewal
Kwai Chung	ATL Logistics Centre Block A	30,573	Brink's Hong Kong Limited	18.00	renewal

Source: Knight Frank Research

Chart 3 : Import and Total Export



Source: Census and Statistics Department

Table 3 : Major Industrial Landlords Vacancy Rate (Q2 2025)

Landlords	Vacancy Rate
Goodman	7.9%
ATL Logistics Centre Hong Kong	6.1%
HUTCHISON PORTS HUTCHISON LOGISTICS	4.4%
KERRY LOGISTICS	3%
華潤物流 CR Logistics	9.2%
mapletree	1.7%
Modern Terminals	12.2%

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

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