

# Hong Kong Industrial Summary

Q3 2025

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

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## Highlights

### General Vacancy and Rent Changes



The primary leasing activities in Q3 were predominantly driven by renewal transactions. The rental rates for general industrial properties and modern logistics facilities decreased by 1.6% and 2.0% QoQ, respectively. Nevertheless, tenants, particularly those in logistics and trading sectors, have faced a downturn in business, leading to a more pronounced increase in vacancy rates during the previous quarter. Modern logistics vacancy rose to 13.3% in Q3, up 0.6 ppts QoQ. General industrial vacancy climbed to 8.5%, up 1.1 ppts QoQ, Kowloon East was relatively stable with vacancy only up 0.5ppts QoQ.

### Significant Transaction - Relocation



The logistics provider, SF DHL, has relocated from Goodman Interlink in Tsing Yi to occupy approximately 95,000 sq ft at Cainiao Smart Gateway in Chek Lap Kok, primarily driven by cost efficiency.

### Significant Transaction - New Demand



Despite the challenges facing the general industrial and modern logistics leasing market, a noteworthy expansion has occurred with a Mainland medical company leasing around 100,000 sq ft in Tsuen Wan. This new lease, recorded at the Tsuen Wan Industrial Centre, is believed to accommodate pharmaceutical production due to the property's advantages, such as adequate floor height and electrical capacity.

### Industry Movement/Trend



Ongoing challenges are putting pressure on the local supply chain and trading sectors, marked by uncertain global trade, a shift toward northbound consumption and a decline in both local and Mainland tourist consumption. Leasing demand from local supply chain and trading firms remains weak. In contrast, industrial leasing activities are primarily led by PRC firms seeking to expand into Hong Kong.

Online shopping is becoming increasingly prevalent, traditional retailers are downsizing their warehouse spaces in Hong Kong and relocating to Shenzhen to cut cost. As connections with the Mainland strengthen, retailers are optimising their inventory and labor costs, which is likely to further weaken demand for warehouse space.

### Overall View



In the short term, the logistics leasing sector is anticipated to face continued difficulties as uncertainty pervades the macroeconomic environment, and local business sentiment is expected to remain muted. Landlords of specialised industrial properties, such as cold-storage facilities and data centres, are also exploring temporary storage solutions to manage vacant spaces. Moreover, warehouse landlords are increasingly providing more extensive rental packages, including unprecedented rent-free period, to attract tenants, signaling a negative outlook for the market. Consequently, rents are projected to decline as vacancies increase.

Table 1 : Hong Kong Industrial Rents by District or Type (Q3 2025)

| District or Type                | Rent           | Change |       |
|---------------------------------|----------------|--------|-------|
|                                 | HK\$ psf / mth | QoQ %  | YoY % |
| General Industrial Building     | 12.2           | -1.6%  | -4.6% |
| Kwai Chung, Tsing Yi, Tsuen Wan | 12.8           | -3.1%  | -6.8% |
| Kowloon East                    | 12.7           | -1.0%  | -7.8% |
| Fanling, Sheung Shui, Sha Tin   | 13.0           | 0.0%   | 0.7%  |
| Tuen Mun, Yuen Long             | 10.5           | 0.0%   | -0.6% |
| Modern Logistics                | 16.4           | -2.0%  | -6.7% |

Source: Knight Frank Research

Chart 1 : Modern Logistics Rental Index and Vacancy Rate

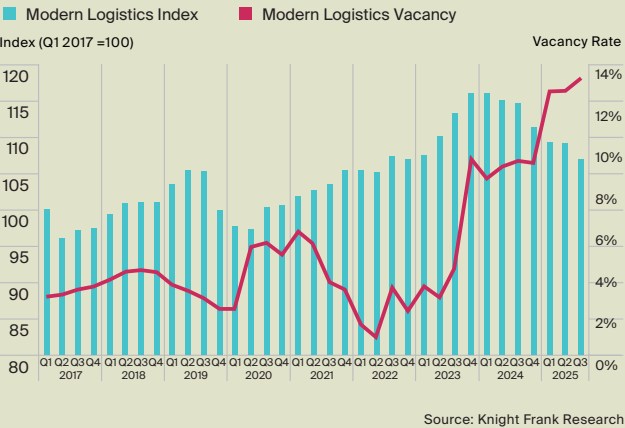


Chart 2 : General Industrial Rental Index and Vacancy Rate

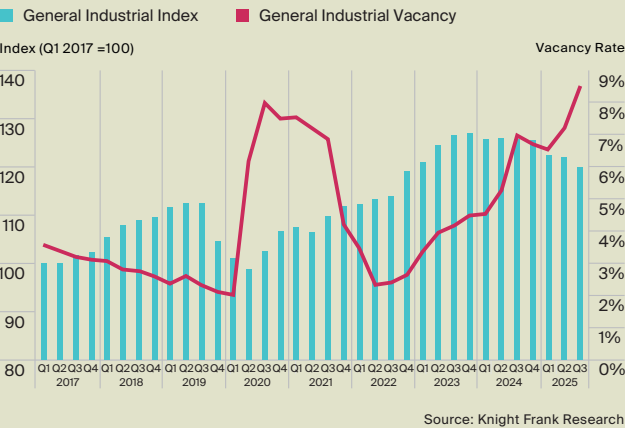
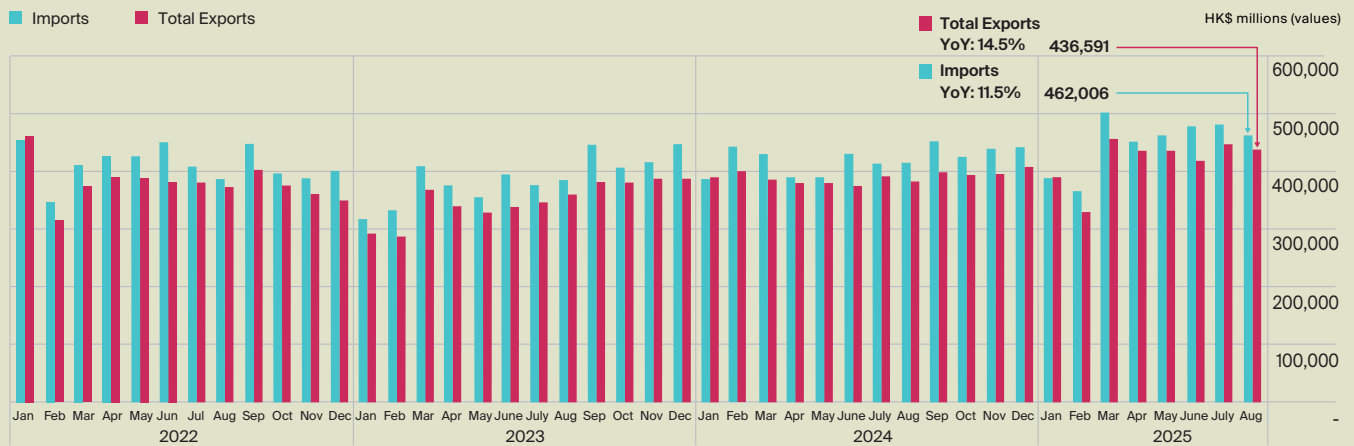


Table 2 : Major Industrial Leasing Transactions (Q3 2025)

| District   | Building                                   | Area (approx sq ft) | Type of Tenants                    | Indicative Rent (HK\$ / sq ft / month) | Nature of Tenancy |
|------------|--------------------------------------------|---------------------|------------------------------------|----------------------------------------|-------------------|
| Kwai Chung | ATL Logistics Centre Block A               | 115,842             | Carlsberg Brewery HK Ltd           | 16.50                                  | renewal           |
| Kwai Chung | ATL Logistics Centre Block B               | 82,800              | Horstrong Warehousing Co Ltd       | 18.00                                  | renewal           |
| Tsuen Wan  | Goodman Dynamic Centre                     | 32,776              | Kenstand Warehouse Ltd             | 14.25                                  | renewal           |
| Tuen Mun   | Goodman Tuen Mun Logistics Centre Block 1  | 32,101              | Geodis Hong Kong Ltd               | 11.80                                  | renewal           |
| Tuen Mun   | Goodman Tuen Mun Distribution Centre Blk 2 | 28,520              | Kwai Bon Transportation Ltd        | 11.80                                  | renewal           |
| Tuen Mun   | Goodman Tuen Mun Logistics Centre Block 2  | 28,520              | Geodis Hong Kong Ltd               | 11.80                                  | renewal           |
| Tuen Mun   | Goodman Tsuen Wan Centre                   | 21,264              | Omni Logistics (HK) Ltd            | 14.60                                  | renewal           |
| Tsuen Wan  | Goodman Global Gateway                     | 21,025              | Pact Retail Accessories (Asia) Ltd | 17.75                                  | renewal           |

Source: Knight Frank Research

**Chart 3 : Import and Total Export**



Source: Census and Statistics Department

**Table 3 : Major Industrial Landlords Vacancy Rate (Q3 2025)**

| Landlords                                                                                                                | Vacancy Rate |
|--------------------------------------------------------------------------------------------------------------------------|--------------|
|  Goodman                                | 7.8%         |
|  ATL Logistics Centre<br>Hong Kong      | 11.0%        |
|  HUTCHISON PORTS<br>HUTCHISON LOGISTICS | 3.7%         |
|  KERRY<br>LOGISTICS                   | 3.0%         |
|  華潤物流<br>CR Logistics                 | 8.4%         |
|  maple tree                           | 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.**

**Research & Consultancy**



**Martin Wong**  
Senior Director  
Head of Research & Consultancy,  
Greater China  
+852 2846 7184  
martin.wong@hk.knightfrank.com

**Industrial & Logistic Services**



**Nathan Chan** (E-442806)  
Senior Director  
Head of Industrial & Logistic Services  
+852 2846 4859  
nathanmt.chan@hk.knightfrank.com

**Commercial Markets**

**Paul Hart** (E-127564)  
Managing Director, Greater China,  
Head of Commercial  
+852 2846 9537  
paul.hart@hk.knightfrank.com

**Office Strategy & Solutions**

**Wendy Lau** (E-141423)  
Executive Director  
Head of Hong Kong Office  
Strategy & Solutions  
+852 2846 4988  
wendy.lau@hk.knightfrank.com

**Steve Ng** (E-188091)  
Executive Director  
Head of Kowloon Office  
Strategy & Solutions  
+852 2846 0688  
steve.ng@hk.knightfrank.com

**Capital Markets**

**Antonio Wu** (E-053542)  
Head of Capital Markets,  
Greater China  
+852 2846 4998  
antonio.wu@hk.knightfrank.com

**Residential Agency**

**William Lau** (E-096365)  
Senior Director  
Head of Residential Agency  
+852 2846 9550  
williammw.lau@hk.knightfrank.com

**Retail Services**

**Helen Mak** (E-087455)  
Senior Director  
Head of Retail Services  
+852 2846 9543  
helen.mak@hk.knightfrank.com

**Valuation & Advisory**

**Cyrus Fong** (S-368139)  
Executive Director  
Head of Valuation & Advisory,  
Greater China  
+852 2846 7135  
cyrus.fong@hk.knightfrank.com



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