

Hong Kong Industrial Summary

Q3 2026

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 became increasingly polarised in the third quarter. General industrial rents declined by 0.9% QoQ, while vacancy rose from 7.8% in Q2 to 8.7%, reflecting continued pressure from subdued traditional warehouse demand. Modern logistics however, recorded 0.2% QoQ rental increase and vacancy improving from 11.8% to 10.8%. Against a tenant-favourable leasing environment, occupiers continued to explore relocation opportunities, with China Resources' modern logistics facilities recording stronger leasing enquiries and activity, supported by competitive rents and attractive incentives.



Data Centre Demand Rebounds

Hong Kong's industrial market has benefited from the growing momentum of artificial intelligence and advanced semiconductor applications. While electronics trade flows have not materially boosted traditional warehouse demand, requirements from the data centre sector strengthened notably during the third quarter. A key transaction was Amazon Data Services' acquisition of two data centre assets in Fanling from Grand Ming Group for HK\$2.45 billion. The properties provide approximately 186,000 sq ft of space with a combined IT load capacity of 16MW.

At the same time, Nvidia has reportedly delivered a limited batch of processors designated for deployment in Hong Kong. The estimated load requirement for 10,000 processors could exceed 12MW to 18MW in total facility load. Against this backdrop, data centre operators have become increasingly active in seeking suitable premises with immediate power availability, highlighting the growing importance of power infrastructure in supporting future demand.



Major Mainland E-commerce Signal Long-term Commitment to the Northern Metropolis

JD.com, one of mainland China's leading e-commerce and logistics companies, has secured participation in the pilot development project within the Northern Metropolis Industrial Zone as part of a six-company consortium. The 10.5-hectare project will comprise commercial and residential developments alongside sites designated for public facilities, with JD.com participating as a strategic enterprise.

The initiative represents a shift from conventional asset acquisition towards large-scale development and long-term investment. Although the logistics facilities and associated public infrastructure are not expected to be completed until after 2031, the development is anticipated to strengthen logistics capabilities and enhance connectivity within the region.



Market Outlook

Apart from several leasing transactions from third-party logistics operators during the quarter, overall market activity remained relatively subdued. While demand from data centre operators continues to gain momentum, leasing demand from the logistics and traditional storage sectors is expected to remain moderate in the fourth quarter.

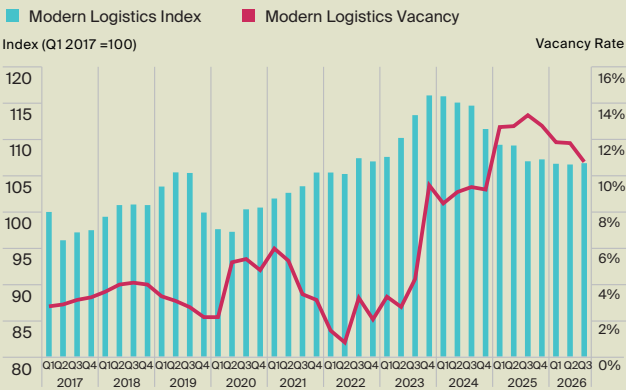
Looking ahead, the enthusiasm for cross-border travel and spending in mainland China has gradually eased following several years of post-pandemic border reopening. As domestic demand continues to stabilise, demand for warehousing and cold storage facilities serving local merchants is expected to strengthen. This gradual recovery in occupier demand should help restore more balanced market fundamentals and support sustainable leasing activity over the medium term.

Table 1 : Hong Kong Industrial Rent by District or Type (Q3 2026)

District or Type	Change	
	QoQ %	YoY %
General Industrial Building	-0.9%	-5.2%
Kwai Chung, Tsing Yi, Tsuen Wan	-1.7%	-5.7%
Kowloon East	1.0%	-12.5%
Fanling, Sheung Shui, Sha Tin	-1.0%	-2.4%
Tuen Mun, Yuen Long	-0.4%	-0.4%
Modern Logistics	0.2%	-0.2%

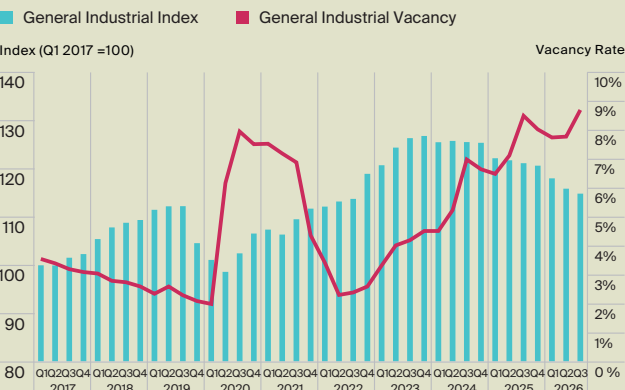
Source: Knight Frank Research

Chart 1 : Modern Logistics Rental Index and Vacancy Rate



Source: Knight Frank Research

Chart 2 : General Industrial Rental Index and Vacancy Rate



Source: Knight Frank Research

Table 2 : Major Industrial Leasing Transactions (Q3 2026)

District	Building	Area (approx sq ft)	Tenants	Nature of Tenancy
Kwai Chung	ATL Logistics Centre Block B	49,902 (G)	Trimco Group (Hong Kong) Co Ltd	New Lease
Kwai Chung	ATL Logistics Centre Block B	16,374 (G)	Coils Electronic Co. Ltd	New Lease
Kwai Chung	ATL Logistics Centre Block B	16,496 (G)	Del Monte Fresh Produce (Hong Kong) Ltd	Renewal
Kwai Chung	Chuan Kei Factory Buidling	16,402 (G)	Feifan Biology Ltd	New Lease

Source: Knight Frank Research

Chart 3 : Import and Export

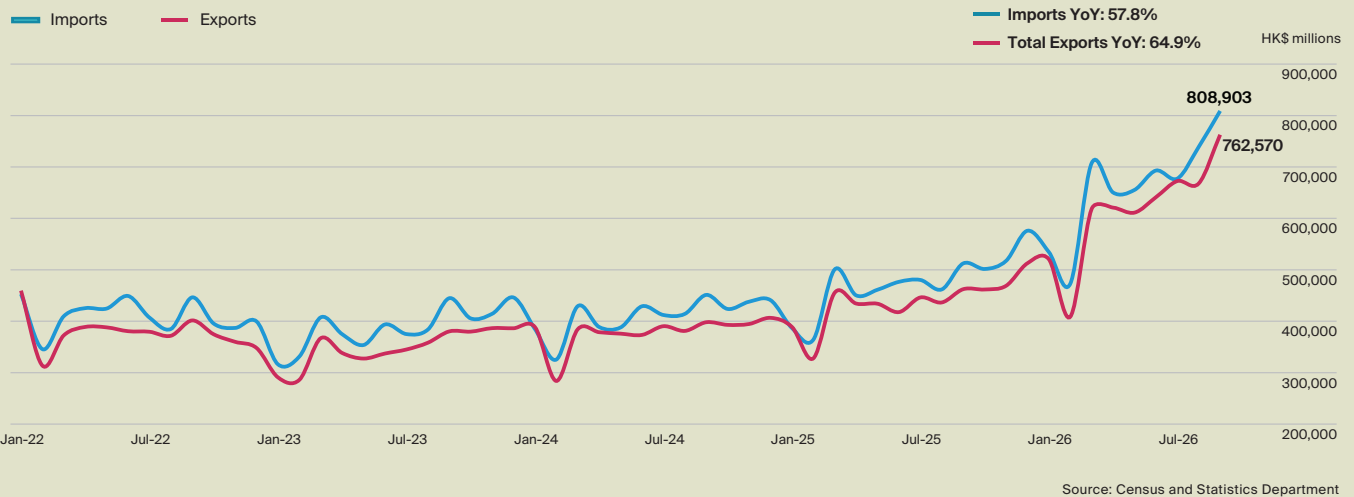


Table 3 : Major Industrial Landlords Vacancy Rate (Q3 2026)

Landlords	Vacancy Rate
Goodman	6.1%
ATL Logistics Centre Hong Kong	9.7%
HUTCHISON PORTS HUTCHISON LOGISTICS	6.0%
KERRY LOGISTICS	2.3%
華潤物流 CR Logistics	3.7%
mapletree	0.9%
Modern Terminals	15.6%

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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