

Hong Kong Industrial Summary



Q4 2025

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

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Highlights

General Vacancy and Rent Changes



The leasing activities were more active than in Q3, with not only renewals but also an increase in expansions and relocations. The rental performance of modern logistics remained stable in Q4, while general industrial properties recorded 0.4% decline QoQ, with a larger decline in Kowloon East (-1.2% QoQ). Additionally, the vacancy rate in modern logistics improved in Q4 2025, decreasing by 0.5 percentage points to 12.8%. Furthermore, due to the rent decline and incentives offered in Kowloon East, the vacancy rate in that area also fell from 9.9% in Q3 2025 to 7.8% in Q4 2025.

Significant Transaction - Relocation



A significant new lease from the logistics sector was at G2000 Warehouse Building in Fanling, occupying approximately 123,600 sq ft. The tenant was attracted by the favourable rates, which prompted the local logistics operator to move from a brownfield warehouse in New Territories.

Significant Transaction - Investment



In the fourth quarter of 2025, Brookfield established a joint venture in cold storage with Uni-China Group, purchasing the en-bloc No. 4 Tsing Tim Street in Tsing Yi for approximately 246,000 sq ft at HK\$663 million (HK\$2,695 per sq ft). This four-storey industrial building will be transformed for cold storage purposes, with Uni-China Group utilising half of the floor space for self-use. The renovation is expected to offer high-standard cold storage facilities for food and medical products, with operations slated to begin in the third quarter of 2026.

Industry Movement/Trend



Logistics demand associated with e-commerce in the PRC is shaping up, with warehouse and flatted factory tenants seeking expansion in this sector. The connection and collaboration with the Greater Bay Area will continue to transform Hong Kong's logistics landscape and shift demand in traditional warehouses.

As more Mainland electric vehicle (EV) brands establish their presence in Hong Kong, demand for car repairs has risen. One Mainland EV brand has leased around 12,000 sq ft at City Industrial Complex in Kwai Chung for its repair services. Further repair needs for Mainland EV brands are expected to occupy additional spaces in Kwai Chung and Tsuen Wan.

2026 Market Outlook



The industrial market in 2026 is expected to remain favourable for tenants, as landlords are becoming increasingly flexible with rent negotiations and non-financial incentives. While rental forecasts are likely to decline 0% to 3%, expansion and consolidation in traditional warehouses and flatted factories should boost new leasing activities. Furthermore, leading cold storage tenants will be wary not just of rental costs but also specifications and layouts when considering relocation, whereas the demand for data centre leasing remains low, as international operators and users are increasingly selective about their operational sites due to global uncertainties.

Table 1 : Hong Kong Industrial Rents by District or Type (Q4 2025)

District or Type	Rent		Change
	HK\$ psf / mth	QoQ %	YoY %
General Industrial Building	12.3	-0.4%	-3.8%
Kwai Chung, Tsing Yi, Tsuen Wan	13.0	-0.5%	-4.6%
Kowloon East	12.6	-1.2%	-8.9%
Fanling, Sheung Shui, Sha Tin	13.0	0.0%	0.7%
Tuen Mun, Yuen Long	10.5	0.0%	-0.6%
Modern Logistics	16.5	0.2%	-3.8%

Source: Knight Frank Research

Chart 1 : Modern Logistics Rental Index and Vacancy Rate

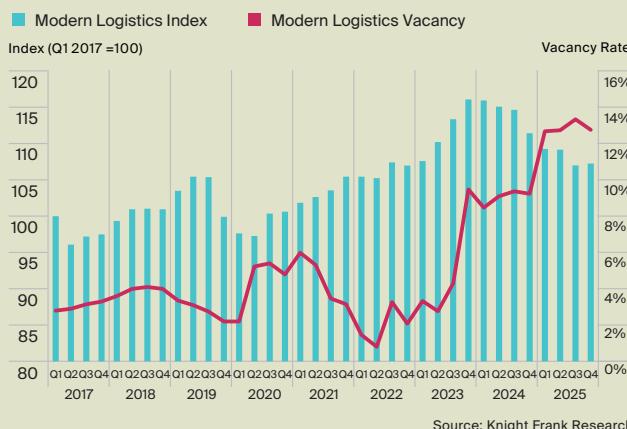


Chart 2 : General Industrial Rental Index and Vacancy Rate



Table 2 : Major Industrial Leasing Transactions (Q4 2025)

District	Building	Area (approx sq ft)	Type of Tenants	Nature of Tenancy
Fanling	G2000 Warehouse Building	123,592	Logistics	New letting
Fo Tan	Pak Sik Godown No.2	27,000	Retailer	Expansion and new letting
Tsing Yi	Goodman Interlink	275,050	3PL	In-House expansion
Kwai Chung	City Industrial Complex	14,680	Euro Pro Automotive Ltd	New letting
Cheung Sha Wan	Hong Kong Spinners Industrial Building Ph 1 & 2	102,686	DSV Air & Sea Ltd	New letting

Source: Knight Frank Research

Chart 3 : Import and Total Export



Table 3 : Major Industrial Landlords Vacancy Rate (Q4 2025)

Landlords	Vacancy Rate
Goodman	6.74%
ATL Logistics Centre Hong Kong	10.95%
HUTCHISON PORTS HUTCHISON LOGISTICS	4.29%
KERRY LOGISTICS	1.39%
華潤物流 CR Logistics	5.5%
mapletree	2.44%
ModernTerminals	10.42%

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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