

Hong Kong Monthly

August 2025

This report analyses the performance of Hong Kong's office, residential and retail property markets

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Office

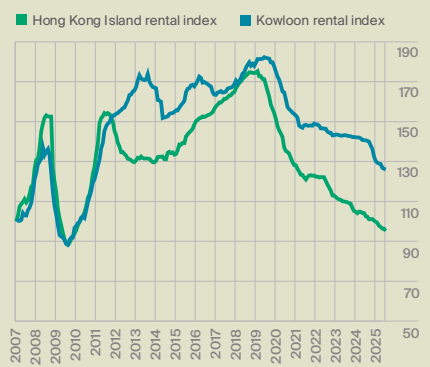
HONG KONG ISLAND

Premium Grade-A office spaces continue to be preferred by tenants looking to enhance office quality, as current rental trends are favourable to them. Additionally, given the significant adjustments in office sales prices over the past few years, an increasing number of office occupiers on Hong Kong Island are showing interest in buying offices rather than leasing them.

KOWLOON

The leasing market remains comparatively subdued throughout the summer, continuing the pattern observed in the previous month. Larger enterprises are mostly opting for renewals to consolidate their standing or postponing decisions until after September for potential downsizing or other measures. Transactions within the market have predominantly involved the electronics, shipping, and logistics sectors for office spaces below 3,000 sq ft. Despite the gradual increase in occupancy of new offices projects, the downward trend in rentals persists in both West Kowloon and Kowloon East due to ongoing economic uncertainties.

Fig 1. Grade-A Office Rents
2007 = 100



Source: Knight Frank Research

Prime Office Market Indicators (July 2025)

District	Net effective rent	Change		Vacancy	
	HK\$ psf / mth	MoM %	YoY %	Jan 19 %	July 25 %
Premium Central	101.0	-0.1	-4.1	-	-
Traditional Central	76.6	-1.3	-7.9	-	-
Overall Central	85.9	-0.8	-6.2	1.2	13.0
Admiralty	55.6	-0.6	-6.5	1.9	7.1
Sheung Wan	48.8	0.0	-9.3	1.3	14.2
Wan Chai	48.3	-0.4	-2.3	1.7	11.4
Causeway Bay	48.6	-1.1	-8.7	1.5	6.8
North Point	29.6	-1.7	-8.5	6.9	17.3
Quarry Bay	38.1	-3.7	-8.6	1.1	12.7
Tsim Sha Tsui	51.3	0.0	-3.7	1.8	8.4
Cheung Sha Wan	26.1	0.0	-10.1	1.9	26.7
Hung Hom	35.3	0.0	-4.4	11.3	11.1
Kowloon East	24.4	-0.3	-13.7	7.5	19.4
Mong Kok / Yau Ma Tei	41.9	-3.4	-15.8	-	-

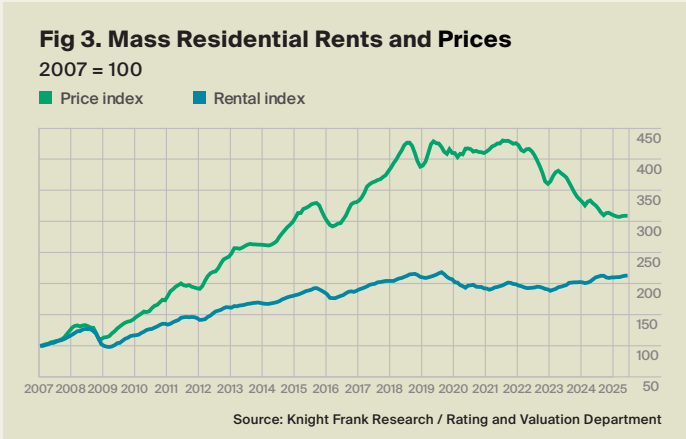
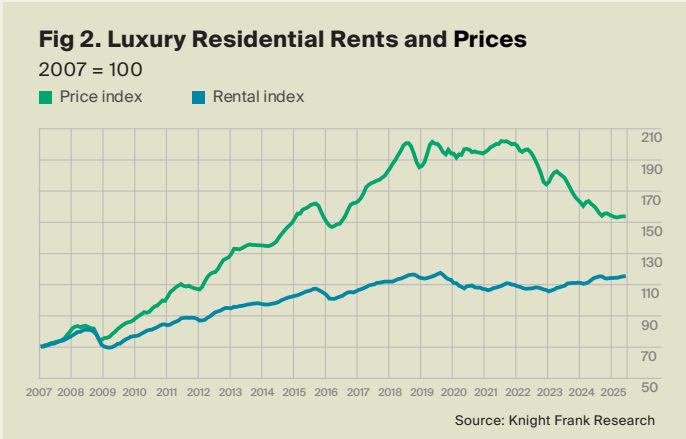
Source: Knight Frank Research
Note: Rents and Vacancies are subject to revision.

Residential

According to the Rating and Valuation Department (RVD), private residential property price index edged up by 0.03% YoY in June. Positive price growth in from April-June narrowed the YTD decline to -0.9% in June, reflecting a modest market recovery. Mainland Chinese homebuyers continued to drive transaction volumes in June, while local purchasers remained more reserved. On the supply side, high inventory levels remain a drag. Kai Tak consists of ~4,220 unsold units as of July 2025, while Wong Chuk Hang also saw a notable stock level, with ~510 units available.



Meanwhile, the luxury leasing market has seen growing demand from young families, particularly those with backgrounds in AI and emerging tech sectors, contributing to a steady influx of tenants in premium residential areas.



Selected Residential Sales transactions (July 2025)					
District	Building	Tower / floor / unit	Saleable area (sq ft)	Price (HK\$ million)	Price (HK\$ per sq ft)
The Peak	Twelve Peaks	Unit 12	3,771	280	74,521
The Peak	Gough Hill Residences	Unit 3A	5,661	260	45,928
Mid-Levels West	University Heights	Tower 2, 10/F, Unit B	1,584	68.8	43,434
Stanley	One Stanley	House 20	3,451	138	39,988
West Kowloon	Cullinan	ZONE 1 Sun Sky, 77/F, Unit A	1,553	96	61,816

Source: Knight Frank Research
Note: All transactions are subject to confirmation.

Selected Residential Lease Transactions (July 2025)					
District	Building	Tower / floor / unit	Lettable area (sq ft)	Monthly rent (HK\$)	Monthly rent (HK\$ per sq ft)
Mid-Levels Central	No. 21 Borrett Road	Phase 1, Upper Floor, Flat 1	2,886	300,000	104
Ho Man Tin	St. George's Mansions	Tower 2, Lower Floor, Flat A	1,755	180,000	103
North Point	Victoria Harbour	Tower 2, Middle Floor, Flat B	1,107	110,000	99
Ho Man Tin	73 Kadoorie Avenue	No 73	2,631	215,000	82
Tai Kok Tsui	One Silversea	Tower 7, Upper Floor, Flat A	968	100,000	103

Source: Knight Frank Research
Note: All transactions are subject to confirmation.

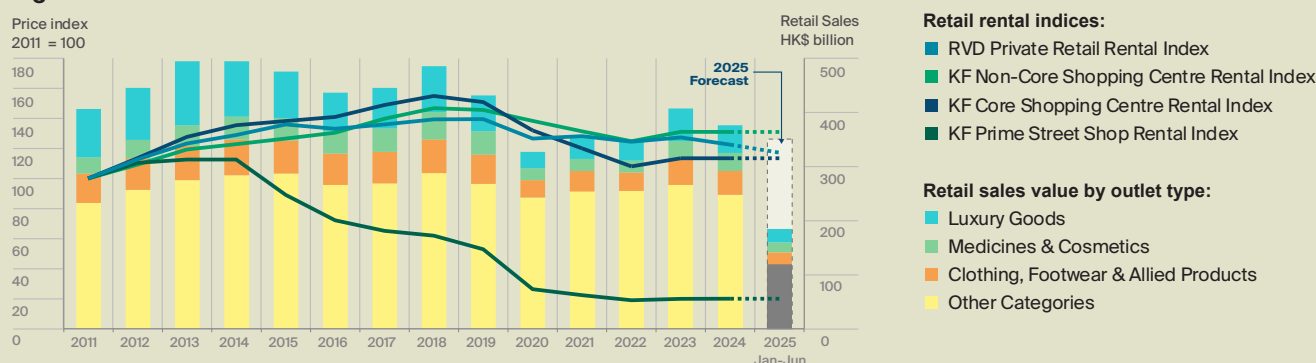
Retail

Retail sales fell by 3.3% YoY from January to June, with luxury segments -6.3% YoY over the same period. Despite the softening in consumer spending, the broader macro data remains relatively stable - unemployment rate low at 3.7% in July and the number of negative equity cases dropped 7.2% QoQ to 37,806. These indicators suggest that while discretionary spending remain cautious, consumer sentiment is not severely weakened.



There is a noticeable shift in preferences toward quality F&B, experiential retail, and value-driven offerings - particularly from Chinese and Korean brands. In response, retailers are adopting a more measured approach to expansion, which is expected to keep rental levels stable in the near term. Prime malls remained relatively resilient, Harbour City reported retail revenue of HK\$2.8 billion in the first half of 2025, slightly below the same period last year.

Fig 4. Retail Rents and Sales



Source: Knight Frank Research / Rating and Valuation Department / Census and Statistics Department

Latest Tourism Statistics – Chinese Mainland Visitors

	Same Day Visitors (No.)	Same Day Per-Capita Spending (HK\$)	Overnight Per-Capita Spending (HK\$)
Jun 2025	1,835,400	\$1,217	\$5,113
Jun 2024	1,537,026	\$2,298	\$6,219
Differences	-16%	-47%	-18%

Source: Knight Frank Research / Tourism Board

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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