

# Hong Kong Monthly

February 2026

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

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## Office

### HONG KONG ISLAND



Leasing trends from 2025 are continuing into January 2026, with premium Grade-A offices in Central seeing rising occupancy and limited available spaces on the market. This has driven rental increases in specific premium buildings. For example, Chinese asset management firm - E Fund Management is expanding its presence to the 23rd floor of Two IFC, which further boost the building's occupancy rate close to 100%. Driven mainly by strong demand from the finance sector and a scarcity of vacant space in the prime Central market, traditional Grade-A buildings and offices in secondary locations may benefit from this significant demand.

### KOWLOON



Transaction activity fell short of expectations compared to December 2025. Nevertheless, market pessimism is easing, as shown by larger average lease sizes driven by relocations of sizeable companies. Tenants over 10,000 sq ft are shifting to more "active" decisions; unlike last year's short-term renewals, January saw proactive moves amid uncertainty, boosting downsizing relocations. For example, a US-based homeware vendor cut its space by 10% and relocated within Kwun Tong, while a local construction firm reduced by 20% to 13,000 sq ft and also moved within Kwun Tong. These relocations remain concentrated in Kowloon East, highlighting the region's ongoing fragility.

Overall, Kowloon East is still a tenant-favoured market. Kowloon West and West Kowloon are stabilising, while Kowloon Central shows rent rebound potential as Harbour City vacancy falls below 8.6%. The Kowloon market awaits further stability for a full "soft landing."

**Fig 1. Grade-A Office Rents**  
2007 = 100



Source: Knight Frank Research

### Prime Office Market Indicators (January 2026)

District	Net effective rent		Change		Vacancy	
	HK\$ psf / mth	MoM %	YoY %	Jan 19 %	Jan 26 %	
Premium Central	105.0	-0.8	2.3	-	-	
Traditional Central	78.1	1.2	-5.0	-	-	
Overall Central	88.3	0.3	-1.9	1.2	11.3	
Admiralty	55.5	0.0	-3.8	1.9	5.9	
Sheung Wan	48.4	0.0	-2.7	1.3	12.6	
Wan Chai	49.0	0.9	-1.0	1.7	11.0	
Causeway Bay	47.5	0.0	-8.1	1.5	9.7	
North Point	26.6	-0.9	-12.8	6.9	16.9	
Quarry Bay	37.0	-1.9	-10.2	1.1	12.1	
Tsim Sha Tsui	51.8	0.0	-0.0	1.8	21.0	
Cheung Sha Wan	26.2	0.0	-3.9	1.9	16.9	
Hung Hom	35.6	0.3	0.3	11.3	12.1	
Kowloon East	24.7	0.5	-5.1	7.5	19.4	
Mong Kok / Yau Ma Tei	42.3	0.5	-10.8	-	-	

Note: Rents and Vacancies are subject to revision.

Source: Knight Frank Research

# Residential

The luxury market remained active in January, with a total of 46 transactions above HK\$ 50 million recorded, based on market sources. Notably, Houses No.9 and 10 at 15 Shouson Hill were sold during the month. House No.9 (saleable area 3,727 sq ft) and House No.10 (4,853 sq ft) were transacted at HK\$224.6 million and HK\$292.46 million respectively, equivalent to HK\$60,264 per sq ft. The primary mass market continued to lead activity as developers pushed new projects, recording 1,542 units in January, up 101% and 54% YoY from 2025 & 2024 levels.



On the leasing front, activity also remained robust. Stocks within the HK\$20,000–HK\$130,000 monthly rental bracket has become increasingly constrained, reflecting strong demand across all tenant types. Tenants accelerated relocations ahead of the Chinese New Year holidays, including those affected by landlords pivoted from leasing to sales. As a result, competition for quality units intensified throughout the month, further pushing up the rentals.

**Fig 2. Luxury Residential Rents and Prices**

2007 = 100

■ Price index ■ Rental index



**Fig 3. Mass Residential Rents and Prices**

2007 = 100

■ Price index ■ Rental index



Source: Knight Frank Research / Rating and Valuation Department

## Selected Residential Sales transactions (January 2026)

District	Building	Tower / floor / unit	Saleable area (sq ft)	Price (HK\$ million)	Price (HK\$ per sq ft)
Shouson Hill	15 Shouson	House 9	3,727	224.6	60,263
Shouson Hill	15 Shouson	House 10	4,853	292.46	60,264
West Kowloon	The Cullinan Zone 3 Royal Sky	72/F, Flat B	1,118	38	33,989
Wong Chuk Hang	Southside PH 04A LA Montagne	Tower 2A, 33/F, Flat A	853	30	35,271
Ho Man Tin	In One Phase IA	Tower 1A, 26/F, Flat A	968	34.8	36,000

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

## Selected Residential Lease Transactions (January 2026)

District	Building	Tower / floor / unit	Lettable area (sq ft)	Monthly rent (HK\$)	Monthly rent (HK\$ per sq ft)
The Peak	No.28 Gough Hill Road	-	4,715	525,000	111
Mid-Levels East	Summit	Upper Floor, Flat A	2,375	300,000	126
The Peak	No.3 Plunkett's Road	-	4,096	400,000	98
Mid-Levels Central	Dynasty Court	Tower 3, Upper Floor, Flat B	1,513	99,000	65
Mid-Levels Central	The Morgan	Lower Floor, Flat B	1,304	85,000	65

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

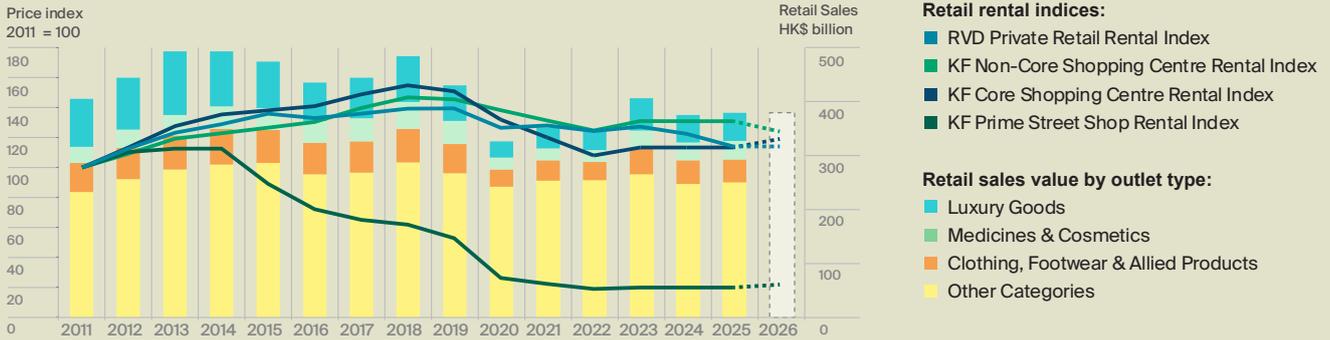
# Retail

In 2025, total retail sales amounted to HK\$380.46 billion, a marginal 1% YoY increase, though still 22% below the 2018 level. In December 2025 alone, retail sales rose 6.6% YoY, supported by strong festive demand. Sales of electrical goods surged by 58.9%, while luxury sales recorded a 14.3% increase. Visitor arrivals from the Chinese Mainland also provided a lift, rising 8.2% in December to 3.35 million people.



In January 2026, Luk Fook renewed its Russell Street, Causeway Bay flagship store at a reduced monthly rent of HK\$750,000—6% below its 2023 level and nearly 17% under the landlord's asking price. The 3,068 sq ft ground floor unit facing Times Square will be retained for another three years at HK\$244 per sq ft. This discounted renewal of a prime Russell Street shop underscores the continued softness in Hong Kong's high street leasing market, with retailers staying cautious and landlords adjusting rents to secure occupancy.

**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\$)
Dec 2025	2,100,791	Q3 2025: \$1,166	\$4,857
Dec 2024	1,845,815	Q1 2019: \$2,298	\$6,219
<b>Differences</b>	<b>13.8%</b>	<b>-49.3%</b>	<b>-21.9%</b>

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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