

Hong Kong Monthly

June 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 momentum strengthened during the first five months of 2026, with island-wide rents rising 4.8% YTD. Traditional Central led the market, with rents +10.6% YTD and outperforming Premium Central (+9.0% YTD). The strong performance was supported by tightening availability of prime office space and spillover demand from occupiers seeking quality premises within Central. Beyond Central, recovery remained selective. Sheung Wan, Admiralty and Wan Chai North recorded modest rental growth of 1–5% YTD. Non-core locations with substantial new supply, particularly Causeway Bay, continued to face rental pressure despite improving leasing activity.

Occupier requirements are also shifting. MNC's and financial-sector occupiers are increasingly committing to more prime office space than currently required to secure expansion capacity amid concerns regarding the limited supply of high-spec premises in the future. As a result, occupiers are negotiating renewals and lease terms earlier, allowing them to lock in additional space and future proof for growth.

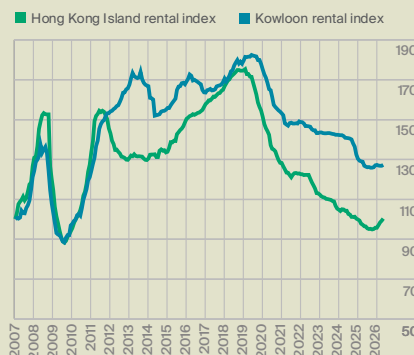


KOWLOON

Rental declines in Kowloon's office market eased, with average effective rents falling 2.06% in 1H 2026, improving from a 3.6% drop in 2H 2025. Kowloon Central and West Kowloon remained the most active submarkets, driving tenant enquiries and relocations, while non-core districts also showed improving leasing sentiment, indicating a gradual broadening of occupier demand.

The market is expected to move towards a soft-landing in 2H 2026. Demand is supported by expansion from insurance and banking and finance occupiers, alongside improving conditions in electronics, trading and retail sectors. On the supply side, limited new completions, apart from Artist Square Tower in 2027, will constrain future additions. This tight supply pipeline is likely to support vacancy absorption and contribute to a gradual stabilisation of rents as leasing demand continues to recover.

Fig 1. Grade-A Office Rents
2007 = 100



Source: Knight Frank Research

Prime Office Market Indicators (May 2026)

District	Net effective rent			Change		Vacancy	
	HK\$ psf / mth	MoM %	YoY %	Jan 19 %	May 26 %		
Premium Central	115.3	1.5	13.8	-	-		
Traditional Central	85.4	2.9	10.1	-	-		
Overall Central	96.8	2.3	11.8	1.2	9.5		
Admiralty	58.3	2.2	4.1	1.9	4.6		
Sheung Wan	48.8	0.0	0.2	1.3	10.3		
Wan Chai	49.5	-0.5	1.9	1.7	9.5		
Causeway Bay	45.4	-2.4	-8.2	1.5	10.4		
North Point	26.4	0.0	-13.3	6.9	14.6		
Quarry Bay	36.6	-0.4	-7.5	1.1	11.7		
Tsim Sha Tsui	51.8	0.0	0.4	1.8	20.5		
Cheung Sha Wan	26.1	0.0	-4.1	1.9	13.3		
Hung Hom	35.9	0.0	1.6	11.3	11.8		
Kowloon East	24.7	1.0	-0.2	7.5	19.6		
Mong Kok / Yau Ma Tei	42.3	0.0	-4.2	-	-		

Note: Rents and Vacancies are subject to revision.

Source: Knight Frank Research

Residential

The residential market extended its upward momentum in May, particularly strong in the luxury segment. A total of 89 transactions above HK\$50 million were recorded, +27.1% MoM, reflecting resilient demand for prime properties. For the first five months, residential transaction volume reached 33,160 units. Primary sales accounted for 10,556 units (+56.3% YTD), significantly outpacing secondary sales at 22,604 units (+14.6% YTD), showing the dominance of the first-hand market as developers actively launched new projects and effectively captured demand. Among recent project launches, PAVILIA ROSA in Kowloon Tong emerged as a key market highlight, offering 109 units through both price list sales and tender. To date, 60 units have been sold, with the highest unit rate reaching HK\$56,866 per sq ft.

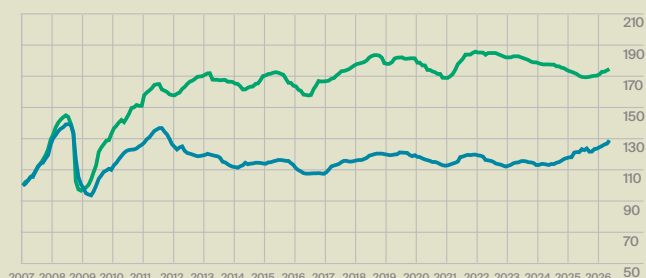


Leasing momentum remained robust across both the luxury and mass market. Knight Frank's Luxury Residential Rental Index continued its upward trend in May, rising 8.2% YoY or 4.2% YTD. Meanwhile, the RVD rental index also maintained a steady increase in May, up 5.1% YoY or 1.8% YTD, pointing to broad-based rental growth beyond the luxury market and reinforcing a positive rental outlook in the near term.

Fig 2. Luxury Residential Rents and Prices

2007 = 100

■ Price index ■ Rental index

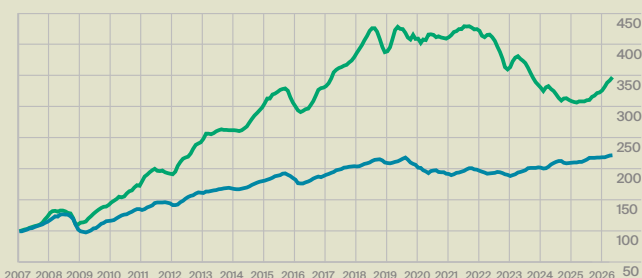


Source: Knight Frank Research

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 (May 2026)

District	Building	Tower / floor / unit	Saleable area (sq ft)	Price (HK\$ million)	Price (HK\$ per sq ft)
The Peak	Mount Nicholson	Phase II, Tower A, 6/F	4,566	550	120,456
The Peak	Mount Nicholson	Phase II, Tower A, 11/F	4,566	460	100,745
The Peak	Mount Nicholson	Phase II, Tower B, 11/F	4,289	440	102,588
Shouson Hill	Shouson Peak	17P/F	2,739	150.65	55,002
Kai Tak	Cullinan Harbour	Phase 1, Tower 1, 11/F, Flat B	1,408	66.19	47,010

Source: Knight Frank Research

Note: All transactions are subject to confirmation.

Selected Residential Lease Transactions (May 2026)

District	Building	Tower / floor / unit	Lettable area (sq ft)	Monthly rent (HK\$)	Monthly rent (HK\$ per sq ft)
Ho Man Tin	St. George's Mansions	Tower 2, Lower Floor, Flat A	1,755	188,000	107
North Point	Victoria Harbour	Phase 1B, Tower 1, Upper Floor, Flat A	1,540	125,000	81
West Kowloon	The Arch	Sky Tower (Block1), Middle Floor, Flat A	1,955	168,000	86
Tsim Sha Tsui	The Masterpiece	Upper Floor, Flat A	2,260	160,000	71
Bel-Air	Residence Bel-Air	Bel-Air House	3,953	335,000	85

Source: Knight Frank Research

Note: All transactions are subject to confirmation.

Retail

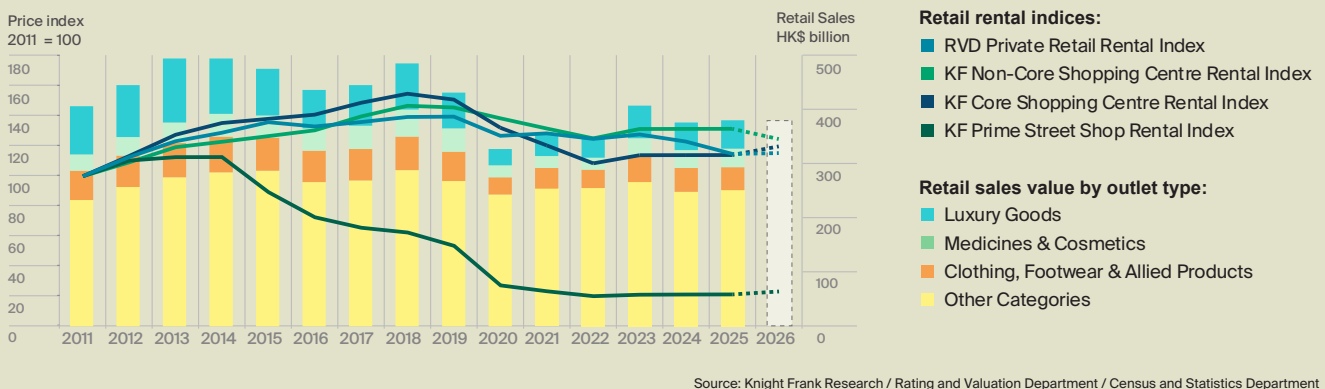
Hong Kong's retail sales rose by 8.6% YoY in April, extending the upturn for a 12th consecutive month. Besides, retail sales for the first four months of 2026 also rose by 11.3% YoY. Across different categories, luxury sales (i.e. jewellery, watches and clocks, and valuable gifts) increased by 19.8% YoY in April. But local consumption segments remained weak – Department stores (-6.7% YoY in April) and supermarkets (+3.0%).



Growth of online retail sales accelerates in 2026, +30.2% YoY in January-April, accounting for 9.7% of the total retail sales. Full-year online sales are forecast to reach HK\$37 billion, as the continued entry of mainland Chinese e-commerce platforms intensifies competitive pressure and disrupts traditional retail channels.

The retail market is becoming increasingly polarised across asset classes. Prime shopping malls have performed strongly, strengthening RMB will support spending on luxury goods by Chinese mainland visitors amid ongoing tourism recovery, as well as positive wealth effects. On the other hand, increasing e-commerce penetration and outbound consumption continue to impact mid-tier and neighbourhood malls.

Fig 4. Retail Rents and Sales



Latest Tourism Statistics – Chinese Mainland Visitors

	Same Day Visitors (No.)	Same Day Per-Capita Spending (HK\$)	Overnight Per-Capita Spending (HK\$)
April 2026	1,937,101	\$1,215	\$5,305
April 2025	1,619,202	\$2,298	\$6,219
Differences	19.6%	-47.1%	-14.7%

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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