

# Hong Kong Monthly

March 2026

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

[knightfrank.com.hk/research](https://knightfrank.com.hk/research)

## Office

### HONG KONG ISLAND



Rental growth in premium Grade-A offices in Central accelerated in February, up 6.0% YoY or 2.8% YTD, following a 2.3% YoY increase in January. Enquiry levels for high-quality office spaces remain resilient, indicating sustained occupier demand for prime buildings.

Amid ongoing external headwinds, capital and family offices from the Middle East are expected to further diversify their portfolios into other major regional hubs in APAC, such as Hong Kong. This is likely to support demand for smaller floorplates of Grade-A offices, particularly 5,000 sq ft or below, providing landlords with opportunities to capture this emerging occupier requirement.

### KOWLOON



Market activity remained subdued during the Chinese New Year holidays, with limited movements recorded. Yau Tsim Mong continues to be the most sought-after area for office upgrades, while Kowloon East sustains momentum in relocations and renewals.

A European insurance firm has secured 100,000 sq ft at IGC, Kowloon Station, making it the fourth significant tenant to establish their presence in the newly completed Grade-A building. Both existing and prospective tenants are primarily from banking & finance, insurance and professional services, these sectors are actively seeking to leverage emerging opportunities from the PRC while benefiting from relatively higher rental affordability.

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



Source: Knight Frank Research

### Prime Office Market Indicators (February 2026)

District	Net effective rent			Vacancy	
	HK\$ psf / mth	MoM %	YoY %	Feb 19 %	Feb 26 %
Premium Central	108.7	3.6	6.0	-	-
Traditional Central	80.0	2.3	-2.5	-	-
Overall Central	90.9	2.9	1.2	1.2	11.1
Admiralty	56.3	1.3	-1.0	1.9	5.8
Sheung Wan	48.4	0.0	-1.7	1.3	12.2
Wan Chai	49.0	0.1	-0.5	1.7	10.3
Causeway Bay	47.0	-1.1	-7.7	1.5	10.0
North Point	26.6	0.0	-12.8	6.9	16.2
Quarry Bay	36.9	-0.3	-10.2	1.1	12.1
Tsim Sha Tsui	51.8	0.0	0.2	1.8	20.7
Cheung Sha Wan	26.2	0.0	-2.8	1.9	17.0
Hung Hom	35.7	0.3	0.5	11.3	12.1
Kowloon East	24.5	-0.7	-4.6	7.5	19.4
Mong Kok / Yau Ma Tei	42.3	0.0	-8.6	-	-

Note: Rents and Vacancies are subject to revision.

Source: Knight Frank Research

# Residential

In February, primary sales reached 4,109 units, up 146.3% YTD and exceeded 2024's level. Secondary sales also reached 8,229 units, up 59.5% YTD. Total transaction has reached 12,338 units. A standout new development is Central Residence by the Park, a premium project offering 99 units. Of these, 61 units have been sold (62% sell-through rate), with average price of HK\$ 46,800 per sq ft.



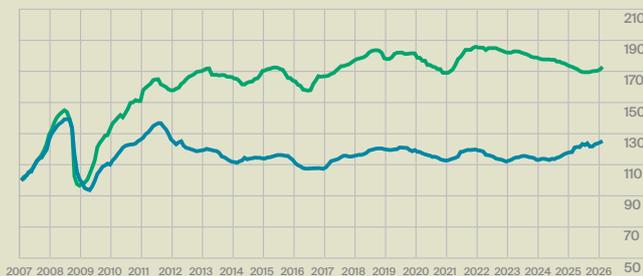
In terms of luxury sales market, the latest Budget announcement of rising stamp duty (from 4.25% to 6.5%) of properties priced above HK\$100 million may have minimal impact on transaction volumes, as the homebuyers are less sensitive to the stamp duty. The luxury market remained active in February, with 68 transactions above HK\$50 million recorded, representing a 48% MoM increase, according to market sources.

Leasing activity driven by proximity to universities remains active, such as Central & Western District, Sha Tin, Tai Wai and Fo Tan. This has continued to attract investors seeking rental income opportunities, boosted by strong demand from non-local students amid a severe shortage of on-campus and private student accommodation.

**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 (February 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, 7/F	4,566	323	70,740
Shouson Hill	Shouson Peak	11/F, Flat C	3,600	180	50,000
Mid-Levels	Central Residence by The Park	19/F, Flat B	1,074	50.58	47,095
Kai Tak	Cullinan Harbour	Phase I, Tower 5, 12/F, Flat B	1,366	71.21	52,130
Kai Tak	Cullinan Harbour	Phase I, Tower 5, 7/F, Flat B	1,366	62.47	45,732

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

## Selected Residential Lease Transactions (February 2026)

District	Building	Tower / floor / unit	Lettable area (sq ft)	Monthly rent (HK\$)	Monthly rent (HK\$ per sq ft)
Wan Chai	HKCEE Convention Plaza Apartments	Middle Floor, Flat 4	1,400	90,000	64
Mid-levels Central	Dynasty Court	Tower 3, Upper Floor, Flat B	1,513	110,000	73
Central	One Central Place	Middle Floor, Flat A	992	85,000	86
Mid-levels West	University Heights	Tower 2, Lower Floor, Flat B	1,508	105,000	70
Mid-levels Central	Dynasty Court	Tower 2, Lower Floor, Flat B	1,806	140,000	78

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

# Retail

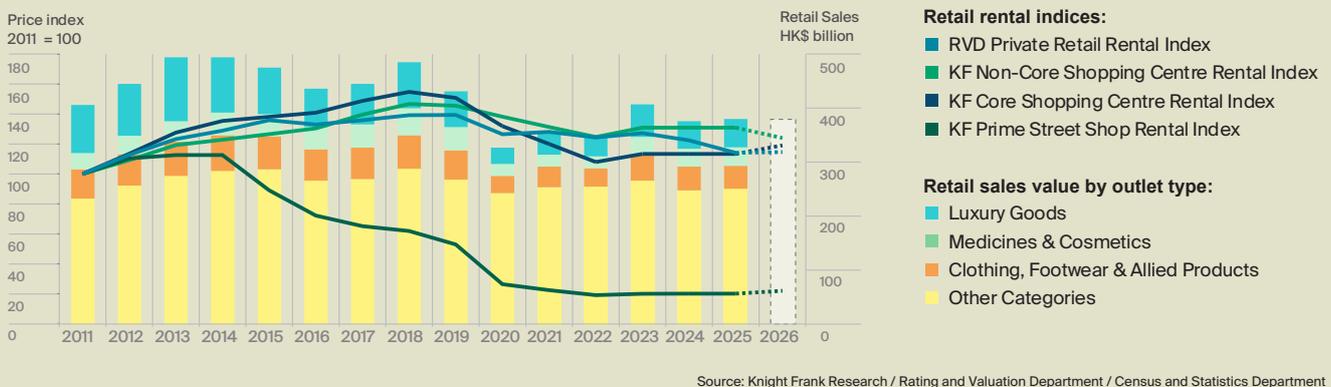


Hong Kong's retail sales value rose 5.5% YoY in January, marking nine consecutive months of growth. Sales of jewellery, watches, clocks and valuable gifts jumped 31.1%, it is expected to pick up further in February with increasing numbers of tourists during the nine-day Chinese New Year holidays. A total of 1.77 million tourists visited Hong Kong, up 14% YoY, of which 1.5 million were from Chinese mainland.

Tourism-driven demand for souvenirs continues to support local brands. Cookies Quartet recently leased Shop A at 32–34 Nathan Road in Tsim Sha Tsui. The 1,100-sq-ft unit was taken at about HK\$300,000 per month (or HK\$ 273 per sq ft). Despite an 18.1% YoY decline in bread, pastry, confectionery and biscuits sales in January, this leasing transaction underscores how tourist spending is enabling local brands to secure prime, high-traffic locations. Overall, domestic consumption remains cautious, with a wave of closures across F&B and apparel operators indicating limited appetite for new openings in the short term.

Ongoing external headwinds in the Middle East may affect visitors' travel plans to Hong Kong. However, this could also lead local residents to travel less or opt for short-haul trips instead, which may help support the performance of the local retail market.

**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\$)
Jan 2026	2,333,239	\$1,206	\$5,347
Jan 2025	2,188,669	\$2,298	\$6,219
<b>Differences</b>	<b>6.6%</b>	<b>-47.5%</b>	<b>-14%</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.**

**Research & Consultancy**  
research.all@hk.knightfrank.com

**Commercial Markets**  
**Paul Hart** (E-127564)  
Managing Director, Greater China,  
Head of Commercial  
+852 2846 9537  
paul.hart@hk.knightfrank.com

**Capital Markets**  
**Antonio Wu** (E-053542)  
Head of Capital Markets,  
Greater China  
+852 2846 4998  
antonio.wu@hk.knightfrank.com

**Retail Services**  
**Helen Mak** (E-087455)  
Senior Director  
Head of Retail Services  
+852 2846 9543  
helen.mak@hk.knightfrank.com

**Office Strategy & Solutions**  
**Wendy Lau** (E-141423)  
Executive Director  
Head of Hong Kong Office  
Strategy & Solutions  
+852 2846 4988  
wendy.lau@hk.knightfrank.com

**Office Strategy & Solutions**  
**Steve Ng** (E-188091)  
Executive Director  
Head of Kowloon Office  
Strategy & Solutions  
+852 2846 0688  
steve.ng@hk.knightfrank.com

**Valuation & Advisory**  
**Cyrus Fong** (S-368139)  
Executive Director  
Head of Valuation & Advisory,  
Greater China  
+852 2846 7135  
cyrus.fong@hk.knightfrank.com

**Residential Agency**  
**William Lau** (E-096365)  
Senior Director  
Head of Residential Agency  
+852 2846 9550  
williamw.lau@hk.knightfrank.com

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs. Important Notice: ©Knight Frank 2026. This document and the material contained in it is general information only and is subject to change without notice. All images are for illustration only. No representations or warranties of any nature whatsoever are given, intended or implied. Knight Frank will not be liable for negligence, or for any direct or indirect consequential losses or damages arising from the use of this information. You should satisfy yourself about the completeness or accuracy of any information or materials and seek professional advice in regard to all the information contained herein.

This document and the material contained in it is the property of Knight Frank and is given to you on the understanding that such material and the ideas, concepts and proposals expressed in it are the intellectual property of Knight Frank and protected by copyright. It is understood that you may not use this material or any part of it for any reason other than the evaluation of the document unless we have entered into a further agreement for its use. This document is provided to you in confidence on the understanding it is not disclosed to anyone other than to your employees who need to evaluate it.

Knight Frank Petty Limited EAA (Company) Lic No C-010431  
Knight Frank Hong Kong Limited EAA (Company) Lic No C-013197