Hong Kong Monthly

Knight Frank

November 2026

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

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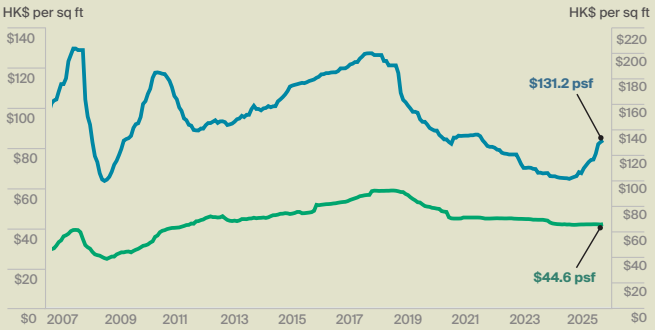
Office

HONG KONG ISLAND

PRC financial and professional services firms remain key drivers of prime office leasing demand. Securities firms and fund managers continue to explore upgrade opportunities, while PRC law firms are expanding in Hong Kong to capture IPO and Mainland client-related business. Demand remains focused on Central offices, particularly harbour-view premises, where tightening availability supported 0.8% MoM and 20.1% YTD rental growth in Central.

Meanwhile, some Central occupiers are becoming more receptive to decentralised locations such as Causeway Bay and Quarry Bay. As suitable Central options become more limited, occupiers are willing to trade location for newer specifications and greater rental savings, supporting demand for high-quality decentralised stock.

Fig 1. Grade-A Office Rents



Note: Kowloon Central refer to Tsim Sha Tsui, Hung Hom and Mong Kok. Source: Knight Frank Research

Table 1. Prime Office Market Indicators by Submarket (Oct 2026)

		Submarket	Net effective rent	Change		Vacancy		
			HK$ psf / mth	MoM %	YoY %	Sept 2024 (Recent High) %	Jan 2026 %	Oct 2026 %
Overall Hong Kong Island	Overall Central	Premium Central	131.2	0.9	28	19.1	14.5	6.6
		Traditional Central	89.2	0.8	21	11.7	9.5	8.5
	Rest of Hong Kong Island	Admiralty	63.2	0	14.6	7.7	5.9	4.5
		Sheung Wan	50.4	0	3.7	10.8	12.6	8.5
		Wan Chai	52.5	-0.2	8.8	12.5	11	9.6
		Causeway Bay	46.7	0	-2.9	7.9	8.8	9.8
		North Point	27.4	0	-7.2	16.2	16.9	14.2
		Quarry Bay	35.4	-2	-6.3	13.5	12.1	11.9
Overall Kowloon	Kowloon Central	Tsim Sha Tsui	46.9	0.7	1.2	9.7	8.1	6.9
		Hung Hom	34.1	0	3.2	12.1	13.5	12.8
		Mong Kok	40.5	0	-3.4	-	8.4	8.8
	West Kowloon	West Kowloon	67.1	0	-8.4	10.2*	42.7	35.2
	Kowloon East	Kowloon Bay	22.5	0	-0.8	26	27.6	25.5
		Kwun Tong	29.1	0.7	0.8	14.7	15.4	16.1

Note: Net effective rent refers to the average rental payable over the lease term after adjusting for all landlord incentives and concessions.
Premium Central offices are selected based on ceiling height, specifications, floor plate size, quality and age.
*ICC as the proxy of West Kowloon

Source: Knight Frank Research

KOWLOON

West Kowloon's leasing momentum softened in October, with activity shifting back towards Kowloon East. Despite fewer large-scale transactions, the district continued to attract interest from major occupiers. Besides, net effective rents in West Kowloon and Kowloon East changed by +0.8% and -0.1% YTD, respectively.

West Kowloon remained influential in shaping Kowloon-wide leasing trends, with transaction activity at IGC expected to remain a key determinant of market momentum and rental performance through the remainder of 2026.

Table 2. Prime Office Market Indicators by Major Districts (Oct 2026)

District	Net effective rent	Change		Vacancy		
	HK$ psf / mth	MoM %	YoY %	Sept 2024 (Recent High) %	Jan 2026 %	Oct 2026 %
Overall Central	103.1	0.8	23.0	14.4	11.3	7.8
Wan Chai/Causeway Bay	50.4	-0.1	4.5	11.0	10.2	9.7
North Point / Quarry Bay	33.7	-1.7	-6.5	14.1	13.1	12.4
Tsim Sha Tsui & West Kowloon	53.2	0.4	3.7	9.8*	20.7	15.7
Kowloon Central	44.6	0.5	0.9	10.2	9.0	7.9
Kowloon East	26.6	0.4	0.3	21.5	22.0	20.9

Note: Net effective rent refers to the average rental payable over the lease term after adjusting for all landlord incentives and concessions.
*ICC as the proxy of West Kowloon

Source: Knight Frank Research

Table 3. Submarket Breakeven Table

Green: % rental increase required to upgrade to a higher-rent location **Red**: % rental savings from relocating to a lower-rent location

		Premium Central	Traditional Central	West Kowloon	Admiralty	Wan Chai	Sheung Wan	Causeway Bay	Tsim Sha Tsui	Quarry Bay	North Point	Kowloon East
		$131.20	$89.20	$67.10	$63.20	$52.50	$50.40	$46.70	$46.90	$35.40	$27.40	$26.60
Premium Central	$131.20	0.0%	-47.1%	-95.5%	-107.6%	-107.6%	-160.3%	-180.9%	-179.7%	-270.6%	-378.8%	-393.2%
Traditional Central	$89.20	32.0%	0.0%	-32.9%	-41.1%	-41.1%	-77.0%	-91.0%	-90.2%	-152.0%	-225.5%	-235.3%
West Kowloon	$67.10	48.9%	24.8%	0.0%	-6.2%	-6.2%	-33.1%	-43.7%	-43.1%	-89.5%	-144.9%	-152.3%
Admiralty	$63.20	51.8%	29.1%	5.8%	0.0%	-20.4%	-25.4%	-35.3%	-34.8%	-78.5%	-130.7%	-137.6%
Wan Chai	$52.50	60.0%	41.1%	21.8%	16.9%	0.0%	-4.2%	-12.4%	-11.9%	-48.3%	-91.6%	-97.4%
Sheung Wan	$50.40	61.6%	43.5%	24.9%	20.3%	4.0%	0.0%	-7.9%	-7.5%	-42.4%	-83.9%	-89.5%
Causeway Bay	$46.70	64.4%	47.6%	30.4%	26.1%	11.0%	7.3%	0.0%	0.4%	-31.9%	-70.4%	-75.6%
Tsim Sha Tsui	$46.90	64.3%	47.4%	30.1%	25.8%	10.7%	6.9%	-0.4%	0.0%	-32.5%	-71.2%	-76.3%
Quarry Bay	$35.40	73.0%	60.3%	47.2%	44.0%	32.6%	29.8%	24.2%	24.5%	0.0%	-29.2%	-33.1%
North Point	$27.40	79.1%	69.3%	59.2%	56.6%	47.8%	45.6%	41.3%	41.6%	22.6%	0.0%	-3.0%
Kowloon East	$26.60	79.7%	70.2%	60.4%	57.9%	49.3%	47.2%	43.0%	43.3%	24.9%	2.9%	0.0%

All quoted rents are based on HK$ per sq ft, Net Effective Rent Basis

Source: Knight Frank Research

Residential

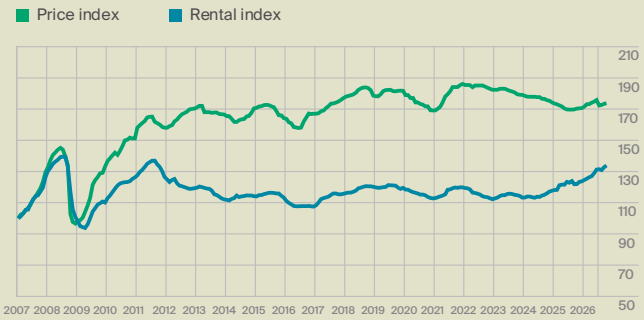
In October, primary and secondary transactions fell 3.7% and 5.9% MoM to 1,446 and 3,066 deals. Buying sentiment became more selective, but strong absorption rates at The Atlas (94%), Phase 2 of The Sterling (84%) and The Boundary (71%) highlighted sustained demand for new launches. Nevertheless, potential US interest rate hikes could weigh on market sentiment.



In the luxury segment, leasing demand remained firm, supported by Mainland Chinese professionals, executives, and returning expatriates with monthly budgets above HK$100,000. Limited quality stock continued to support prime rents.

Fig 2. Luxury Residential Rents and Prices

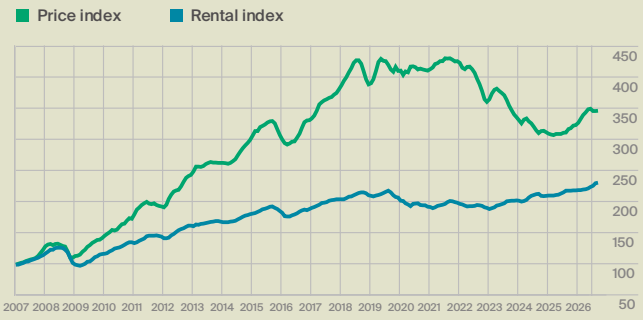
2007 = 100



Source: Knight Frank Research

Fig 3. Mass Residential Rents and Prices

2007 = 100



Source: Knight Frank Research, Rating and Valuation Department

Table 4. Selected Residential Sales Transactions (Oct 2026)

District	Building	Tower / floor / unit	Saleable area (sq ft)	Price (HK$)	Price (HK$ per sq ft)
Mid-Levels	Central Residence by the Park	30/F, Unit B	1,254	94,430,000	75,303
Mid-Levels Central	21 Borrett Road	Phase 2, 16/F, Unit 11	2,193	164,475,000	75,000
Shouson Hill	Bay Villas	Unit 65	3,576	248,000,000	69,351
Mid-Levels Central	21 Borrett Road	Phase 2, 12/F, Unit 10	2,153	145,543,000	67,600

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

Table 5. Selected Residential Lease Transactions (Oct 2026)

District	Building	Tower / floor / unit	Lettable area (sq ft)	Monthly rent (HK$)	Monthly rent (HK$ per sq ft)
Mid-Levels East	Central Peak	Phase 1, Alpex II, Middle Floor, Manor B	1,985	250,000	126
Deep Water Bay	35 Deep Water Bay Road	House	5,636	680,000	121
Happy Valley	The Leighton Hill	Tower 8, Middle Floor, Flat B	1,240	98,000	79
Mid-Levels Central	Regence Royale	Tower 1, Upper Floor, Flat A	2,027	150,000	74

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

Retail

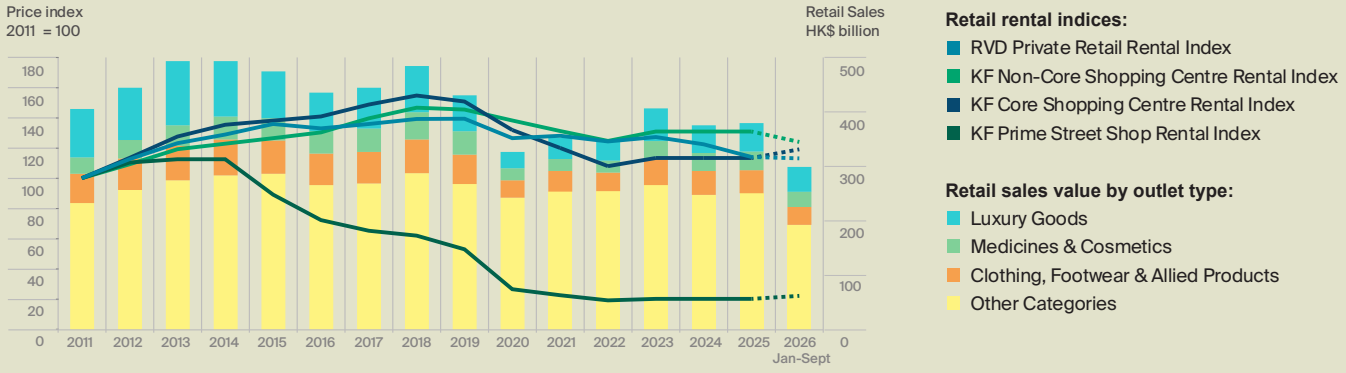
Hong Kong's retail market gained momentum in September, with total sales rising 6.4% YoY, accelerating from 5.6% in August. Growth was led by luxury sales, which surged 20.3% YoY. Luxury goods accounted for 15.3% of retail sales in Jan–Sept 2026, recovering from pandemic lows but remaining below the 23.9% peak in 2013. Online sales reached HK$4.37 billion in September, representing a year-high 13.1% of total sales. Improving retail sentiment is also supporting prime leasing demand, with Swiss watchmaker Audemars Piguet reportedly leasing a 13,000-sq ft ground-floor space at New World Tower in Central for over HK$2 million per month.

Table 6. Retail Sales by Outlet Type (Sept 2026)

	Value (HK$ billion)	Share of Total %	MoM %	YoY %
Overall retail sales	**33.4**	**-**	**4.0**	**6.4**
- Jewellery, watches and clocks, and valuable gifts	4.7	14.1	-8.7	20.3
- Clothing, footwear and allied products	3.1	9.2	-4.5	11.3
- Department stores	2.1	6.4	-11.2	-4.1
- Consumer durable goods	6.3	19.0	46.6	2.9
- Supermarkets	4.3	12.9	-3.0	-1.0
Online retail sales	**4.4**	**13.1**	**56.2**	**12.0**

Source: Knight Frank Research

Fig 4. Retail Rents and Sales



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

Table 7. Key Retail Sales Transactions (Oct 2026)

District	Building	Floor / Unit	Area (sq ft)	Price (HK$)	Price (HK$ per sq ft)	Tenant
Tsim Sha Tsui	Wing Lee Building	G/F, Unit 6-10	2,731	54,000,000	19,773	-
Tsim Sha Tsui	Mirador Mansion	G/F, Unit 49,50,56 & 1/F Unit 16	2,343	39,800,000	16,987	Jenny Bakery

Source: Knight Frank Research

Table 8. Key Retail Lease Transactions (Oct 2026)

District	Building	Floor / Unit	Area (sq ft)	Price (HK$)	Monthly rent (HK$ per sq ft)	Tenant
Admiralty	Pacific Place	3/F	5,920	3,730,000	630.0	King Fook Jewelry
Central	New World Tower	G/F & LG/F, Unit 6	13,000	2,000,000	154.0	Audemars Piguet

Source: Knight Frank Research

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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