

Rating and Valuation Department

Hong Kong Property Review 2026

Preliminary Findings

Definition of Terms

To facilitate interpretation of the findings, the terms used are explained as follows:

- **Completions** refer to premises issued with an Occupation Permit.
- **Take-up** represents the net increase in the number of units or floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected).
- **Vacancy** indicates the number of units or floor area not physically occupied at the time of conducting the survey at the end of the year. Some vacant domestic units are not yet issued with Certificate of Compliance or Consent to Assign after obtaining the Occupation Permit. Units under decoration are classified as vacant.
- The **take-up** and **vacancy** figures bear **no** relationship with the number of units sold by developers (i.e. primary market transactions) or still retained by them (the unsold stock).
- Completions, take-up and vacancy figures **exclude** village houses.

PRIVATE DOMESTIC

Private domestic completions in 2025 were 18 450 units, 24% fewer than those in 2024. In the year, 49% of the completions were in Kowloon, 36% in the New Territories and 15% on Hong Kong Island. At district level, Kowloon City was the top supplier accounting for 28% of the overall completions, followed by Sai Kung at 11%, with both Sham Shui Po and Tai Po each contributing 9%.

Take-up, at 19 370 units, was 12% higher than that of the last year. Vacancy at 2025 year-end was 4.3% of the total stock, equivalent to 56 080 units. Among these vacant units, about 7 120 units were not yet issued with Certificate of Compliance or Consent to Assign after obtaining the Occupation Permit.

The forecast completions in 2026 and 2027 are 16 980 and 15 360 units respectively. In 2026, 58% of the completions will come from the New Territories, with Tai Po contributing 19% and Sai Kung providing another 15%. In 2027, the New Territories will remain to be the major supplier providing 51% of the total completions. District-wise, Kowloon City, the North district and Tuen Mun will contribute 34%, 19% and 18% of the total anticipated completions respectively.

The robust local economic growth, strong performance of the local financial markets, and easing of interest rates in 2025 underpinned positive market sentiments and recovery of the domestic sales market. Trading volume in 2025 rose by 18% as compared to that of the preceding year. Domestic prices registered a modest increase of 2.5% between the fourth quarters of 2024 and 2025 after three consecutive years of decline, while domestic rents rose by 4.1% over the same period.

PRIVATE OFFICE

Office completions soared to 299 000 m² in 2025, with the vast majority being Grade A completions equivalent to 289 000 m², of which 182 000 m² were from Yau Tsim Mong. The Central and Western district, and Yau Tsim Mong were the only suppliers of the Grade B completions, amounting to 10 000 m² in total while there were no Grade C completions in 2025.

The office sector recorded an overall positive take-up of 4 000 m² in the year, of which Grade A offices registered a positive take-up of 97 000 m². Nonetheless, Grade B and Grade C offices recorded negative take-ups of 65 000 m² and 28 000 m² respectively. The overall year-end vacancy rate rose to 17.6%, amounting to 2 386 000 m². The vacancy rates of Grade A, Grade B and Grade C offices were 18.4%, 17.4% and 12.9% respectively, whereas the vacancy rates for Grade A offices in core districts ranged from 11.1% to 18.5%, with Tsim Sha Tsui and Central having lower rates.

Forecast office completions are 143 000 m² and 125 000 m² in 2026 and 2027 respectively. In 2026, Wan Chai will dominate the market, supplying about 58% of the total expected Grade A completions of 109 000 m². In 2027, Yau Tsim Mong will provide the largest share of Grade A completions, contributing 60% of the anticipated completions of 78 000 m². Grade B completions in 2026 and 2027 will be 34 000 m² and 47 000 m² respectively. Grade C completions in 2026 will be insignificant, and there will be no completions in 2027.

Office market sentiment generally improved amid cuts in interest rates, expansion of the financial and professional services sectors as well as establishment or expansion of operations into Hong Kong by major technology companies. Trading volume in 2025 surged by 71% as compared to that of the preceding year. However, the ample office supply in the past few years continued to weigh on the office market. Office prices dropped by 13.6% between the fourth quarters of 2024 and 2025, with Grade A, Grade B and Grade C office prices falling by 11.9%, 18.1% and 12.8% respectively. During the same period, office rents declined by 3.2%, with Grade A, Grade B and Grade C office rents recording decreases of 4.0%, 2.6% and 1.7% respectively.

PRIVATE COMMERCIAL

Completions of commercial premises in 2025 increased to 97 000 m² from 2024, with Kowloon and Hong Kong Island altogether contributing the vast majority of completions at 96%. A negative take-up of 50 000 m² was recorded in the year and the year-end vacancy rate was 12.5%, amounting to 1 491 000 m².

In 2026, completions are projected to decline to 73 000 m², of which Wan Chai will be the major supplier, accounting for 28% of the expected completions. In 2027, completions will rise slightly to 75 000 m², with Kowloon City providing the most at 41% of the total.

Notwithstanding the growth in private consumption and continued revival in inbound tourism boosted by many mega events and international conferences, the retail property market remained to be in the doldrums amid the changing consumption pattern of residents and visitors. Prices of retail premises registered a decrease of 12.7% between the fourth quarters of 2024 and 2025, while rents fell by 4.5% over the same period.

PRIVATE FLATTED FACTORIES

Completions of flatted factories in 2025 were 44 000 m², with Sham Shui Po and Tsuen Wan altogether accounting for 68% of the total completions. Take-up remained negative at 114 000 m². Vacancy rate at the year-end edged up to 7.6% at 1 231 000 m².

Completions in 2026 and 2027 are anticipated to increase to 79 000 m² and 123 000 m² respectively.

Although the sales market regained impetus with the trading volume rebounding by 34% in 2025, demand for flatted factories continued to be weak, putting pressure on the prices. Prices fell by 15.2% between the fourth quarters of 2024 and 2025. Rents also recorded a modest decline of 3.0% over the same period.

PRIVATE INDUSTRIAL/OFFICE

There were no industrial/office completions in 2025. The take-up turned negative to 15 000 m². The year-end vacancy rate was 14.9%, amounting to 74 000 m².

It is anticipated to have no new completions in 2026 and 2027.

PRIVATE DOMESTIC

ALL UNITS COMPLETIONS, TAKE-UP AND VACANCY

No. of units

	2021	2022	2023	2024	2025	2026	2027
Completions [#]	14 390	21 170	13 850	24 260	18 450	[16 980]	[15 360]
Take-up [*]	14 110	14 010	15 670	17 310	19 370		
Vacancy	50 160	54 970	52 150	57 900	56 080		
% [☆]	4.1	4.4	4.1	4.5	4.3		

“Private domestic” excludes flats built under the Home Ownership, Private Sector Participation, Buy or Rent Option, Tenants Purchase, Urban Improvement, Flat-For-Sale and Sandwich Class Housing Schemes, etc.

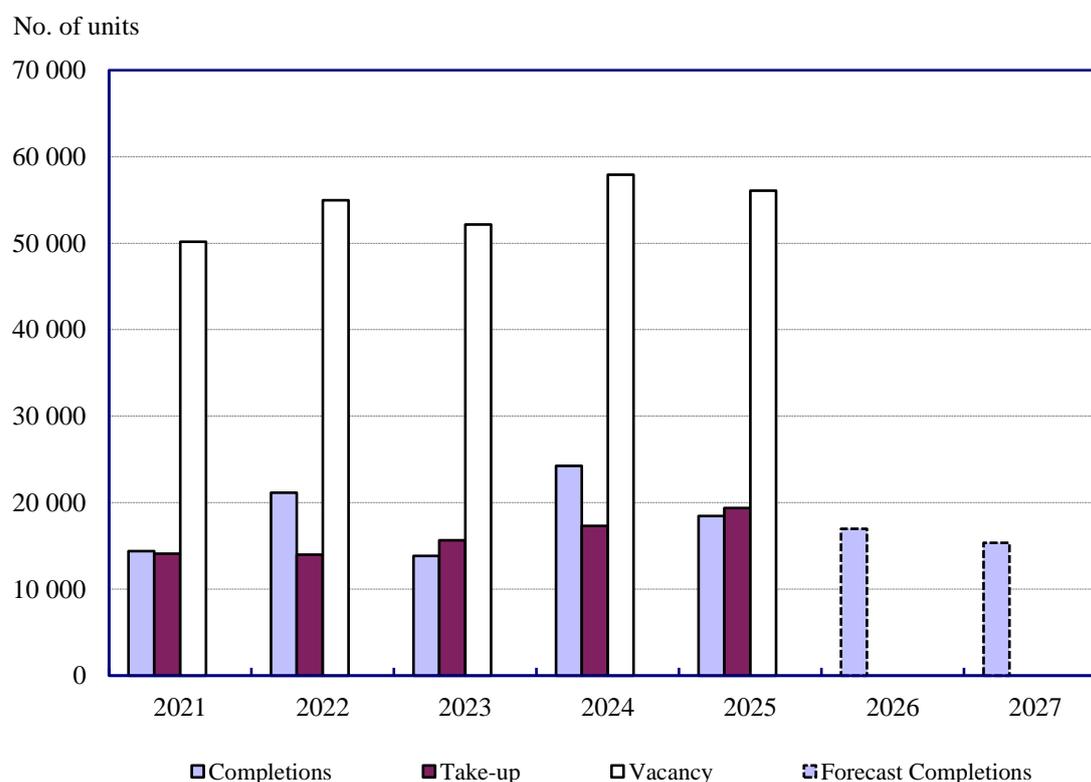
Figures exclude village houses.

Forecast completions from 2025 onwards include subsidised sale flats to be completed under the Starter Homes for Hong Kong Residents (SH) projects.

* Take-up represents the net increase in the number of units occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year’s demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected).

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures



PRIVATE DOMESTIC

SMALL / MEDIUM UNITS (Saleable Area less than 100 m²) COMPLETIONS, TAKE-UP AND VACANCY

No. of units

	2021	2022	2023	2024	2025	2026	2027
Completions [#]	14 020	19 600	13 530	22 780	17 670	[16 430]	[15 160]
Take-up*	14 100	13 100	17 510	13 960	18 440		
Vacancy	42 860	47 080	42 280	49 940	48 330		
%☆	3.8	4.1	3.6	4.2	4.0		

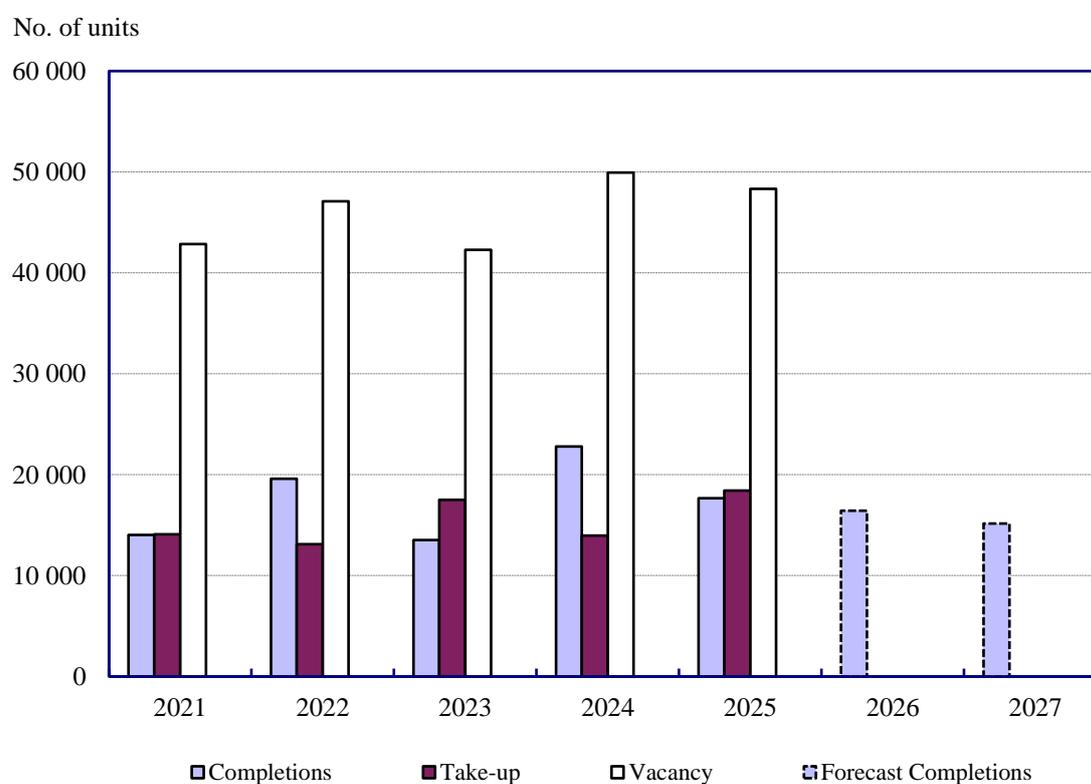
Figures exclude village houses.

Forecast completions from 2025 onwards include subsidised sale flats to be completed under the Starter Homes for Hong Kong Residents (SH) projects.

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☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures



PRIVATE DOMESTIC

LARGE UNITS (Saleable Area 100 m² or above) COMPLETIONS, TAKE-UP AND VACANCY

	2021	2022	2023	2024	2025	2026	2027
Completions [#]	370	1 570	320	1 480	780	[550]	[200]
Take-up*	10	910	- 1 840	3 350	930		
Vacancy	7 300	7 890	9 870	7 960	7 750		
%☆	7.5	8.0	10.0	8.0	7.7		

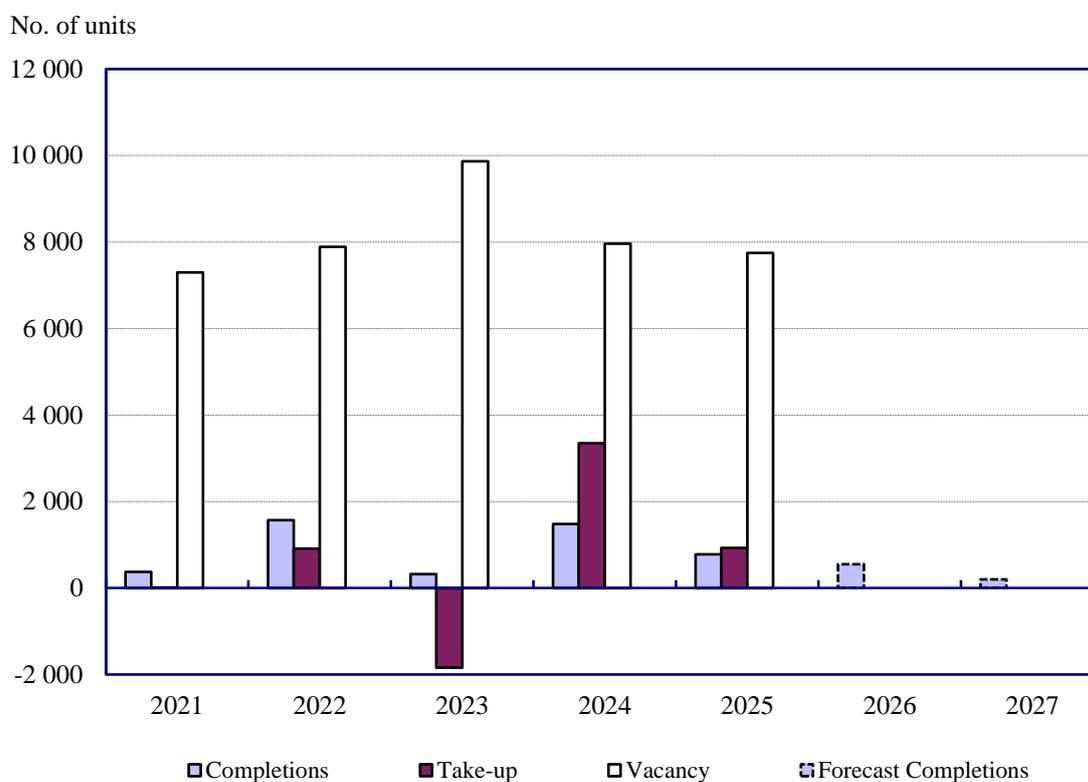
Figures exclude village houses.

Forecast completions from 2025 onwards include subsidised sale flats to be completed under the Starter Homes for Hong Kong Residents (SH) projects.

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☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures



PRIVATE OFFICE

ALL GRADES COMPLETIONS, TAKE-UP AND VACANCY

	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	70	351	159	147	299	[143]	[125]
Take-up* ('000 m ²)	- 40	19	41	- 59	4		
Vacancy ('000 m ²)	1 541	1 860	1 960	2 166	2 386		
%☆	12.3	14.4	14.9	16.3	17.6		

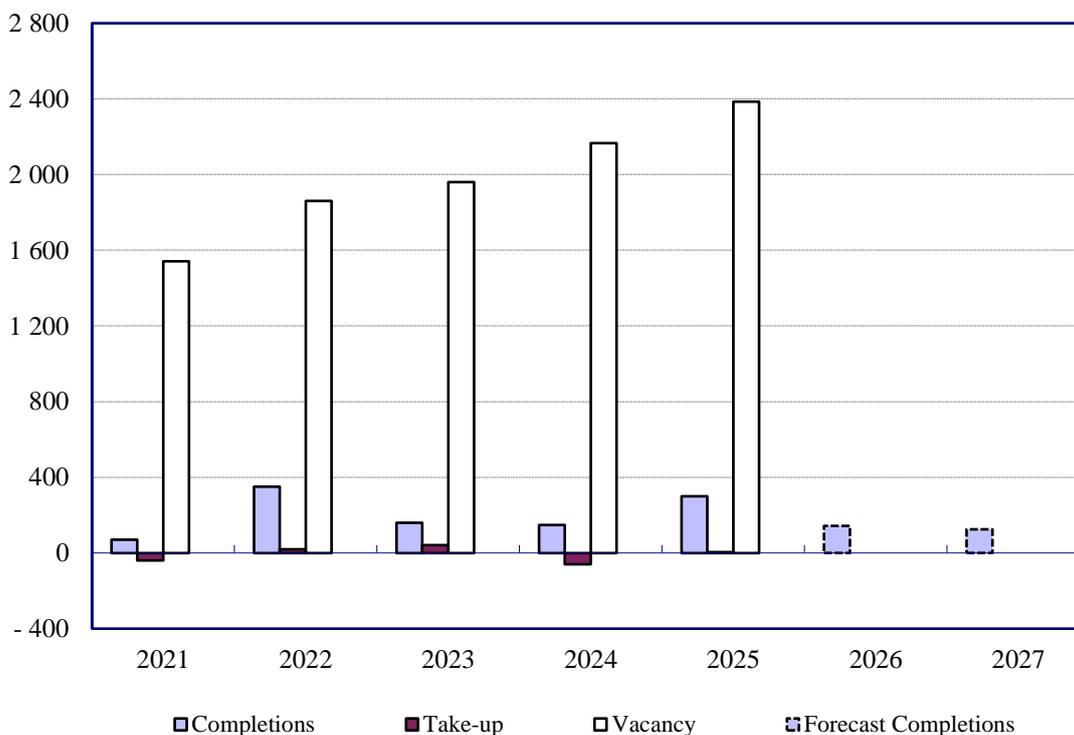
* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

N.B. Office grades are determined in accordance with criteria which principally reflect the qualities of construction, finishes, facilities and management. Location is not a criterion.

Floor Area ('000 m²)



PRIVATE OFFICE

GRADE A COMPLETIONS, TAKE-UP AND VACANCY

	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	49	299	144	146	289	[109]	[78]
Take-up* ('000 m ²)	- 18	42	45	- 4	97		
Vacancy ('000 m ²)	1 023	1 280	1 377	1 528	1 666		
%☆	12.5	15.1	16.0	17.4	18.4		

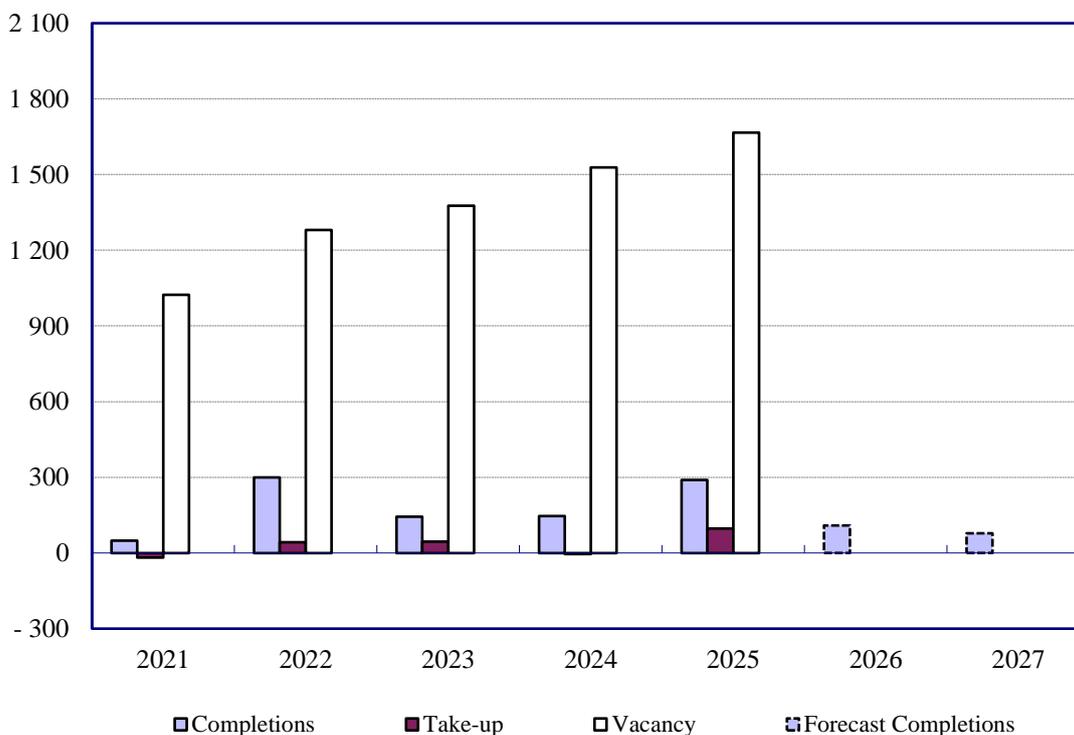
* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

N.B. Office grades are determined in accordance with criteria which principally reflect the qualities of construction, finishes, facilities and management. Location is not a criterion.

Floor Area ('000 m²)



PRIVATE OFFICE

GRADE B COMPLETIONS, TAKE-UP AND VACANCY

	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	21	50	14	0	10	[34]	[47]
Take-up* ('000 m ²)	- 22	- 32	- 2	- 26	- 65		
Vacancy ('000 m ²)	380	450	450	475	529		
%☆	13.1	15.1	14.9	15.6	17.4		

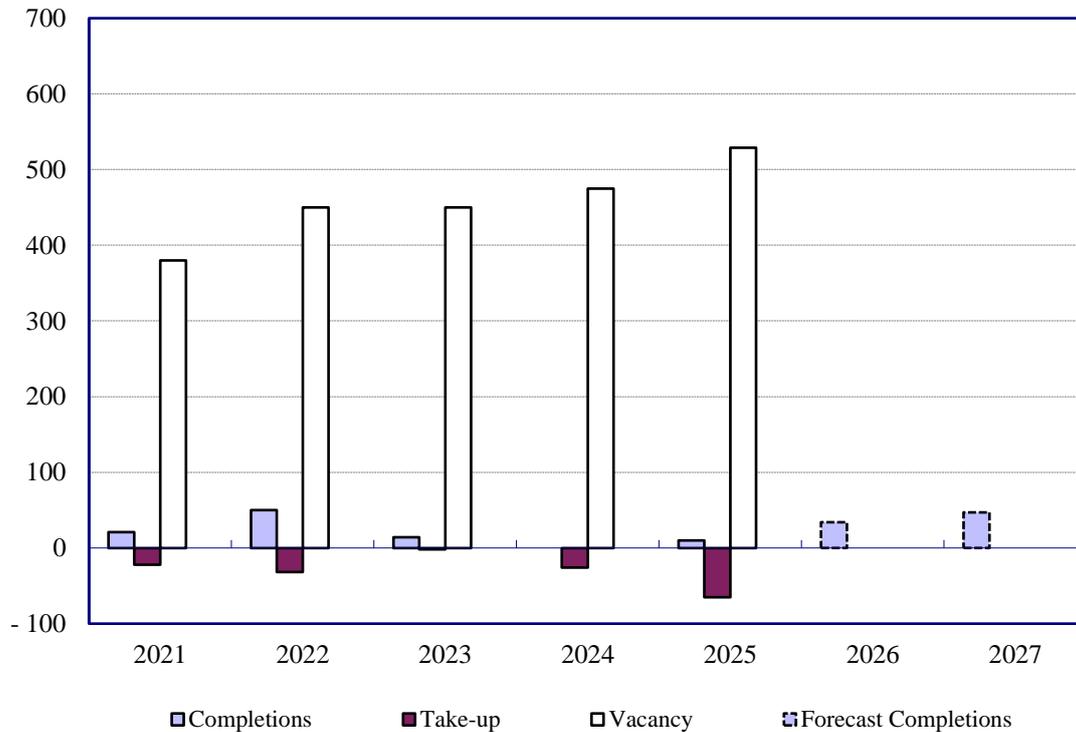
* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

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Floor Area ('000 m²)



PRIVATE OFFICE

GRADE C COMPLETIONS, TAKE-UP AND VACANCY

	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	0	2	1	1	0	[0]	[0]
Take-up* ('000 m ²)	0	9	- 2	- 29	- 28		
Vacancy ('000 m ²)	138	130	133	163	191		
%☆	9.3	8.8	9.0	11.0	12.9		

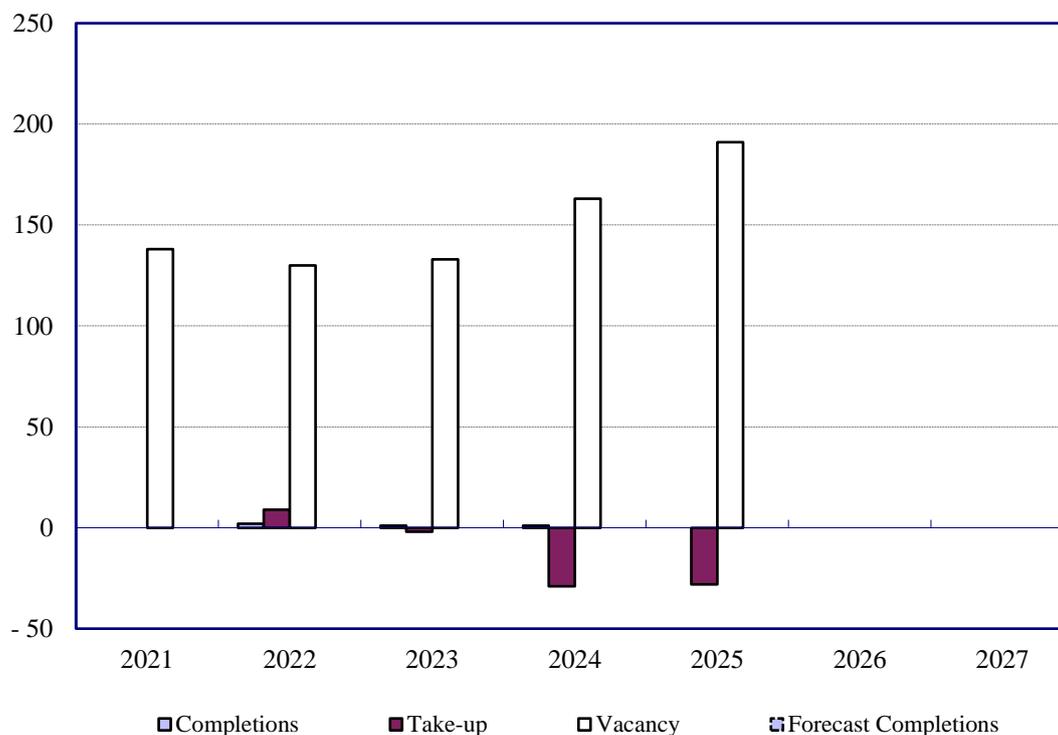
* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

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Floor Area ('000 m²)



PRIVATE COMMERCIAL

COMPLETIONS, TAKE-UP AND VACANCY

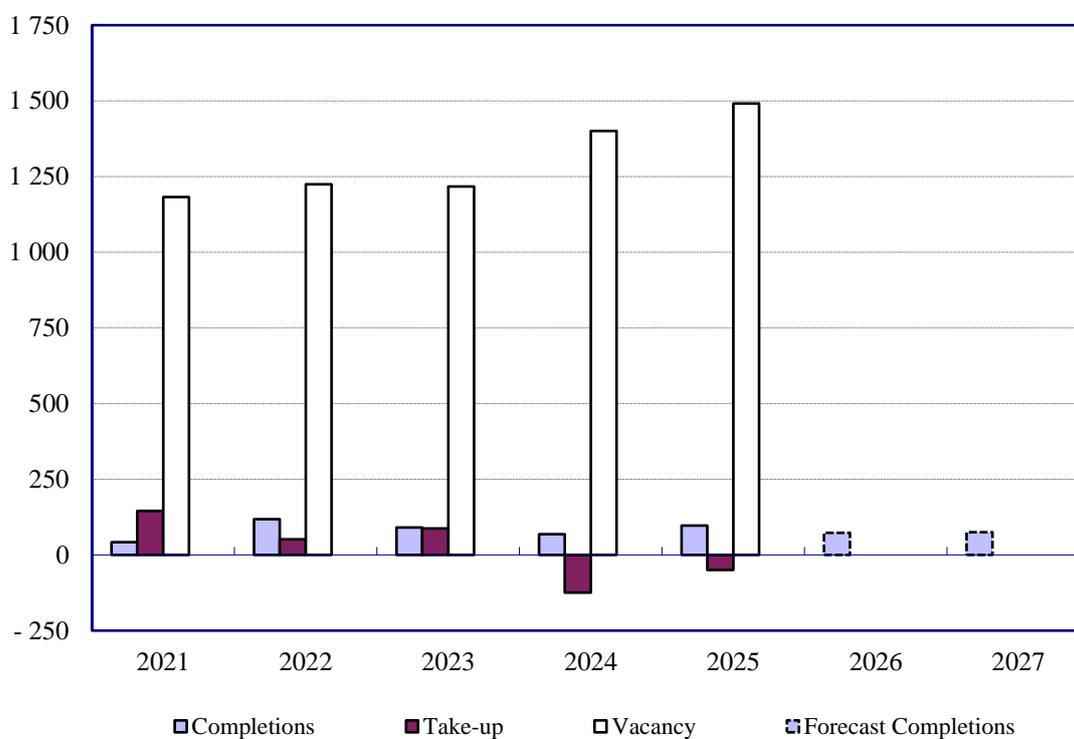
	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	42	118	91	69	97	[73]	[75]
Take-up* ('000 m ²)	145	52	87	- 124	- 50		
Vacancy ('000 m ²)	1 182	1 224	1 217	1 400	1 491		
%☆	10.2	10.5	10.3	11.8	12.5		

* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

Floor Area ('000 m²)



PRIVATE FLATTED FACTORIES

COMPLETIONS, TAKE-UP AND VACANCY

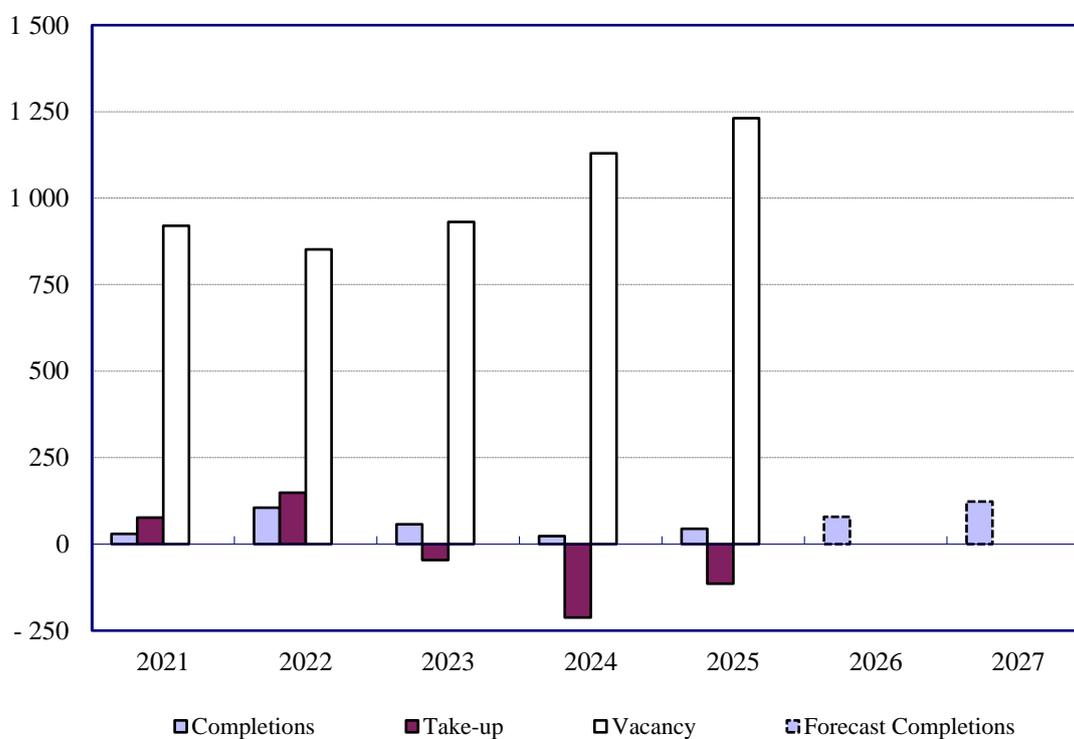
	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	30	105	57	23	44	[79]	[123]
Take-up* ('000 m ²)	77	149	- 46	- 212	- 114		
Vacancy ('000 m ²)	920	852	931	1 130	1 231		
%☆	5.7	5.3	5.7	7.0	7.6		

* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

Floor Area ('000 m²)



PRIVATE INDUSTRIAL/OFFICE

COMPLETIONS, TAKE-UP AND VACANCY

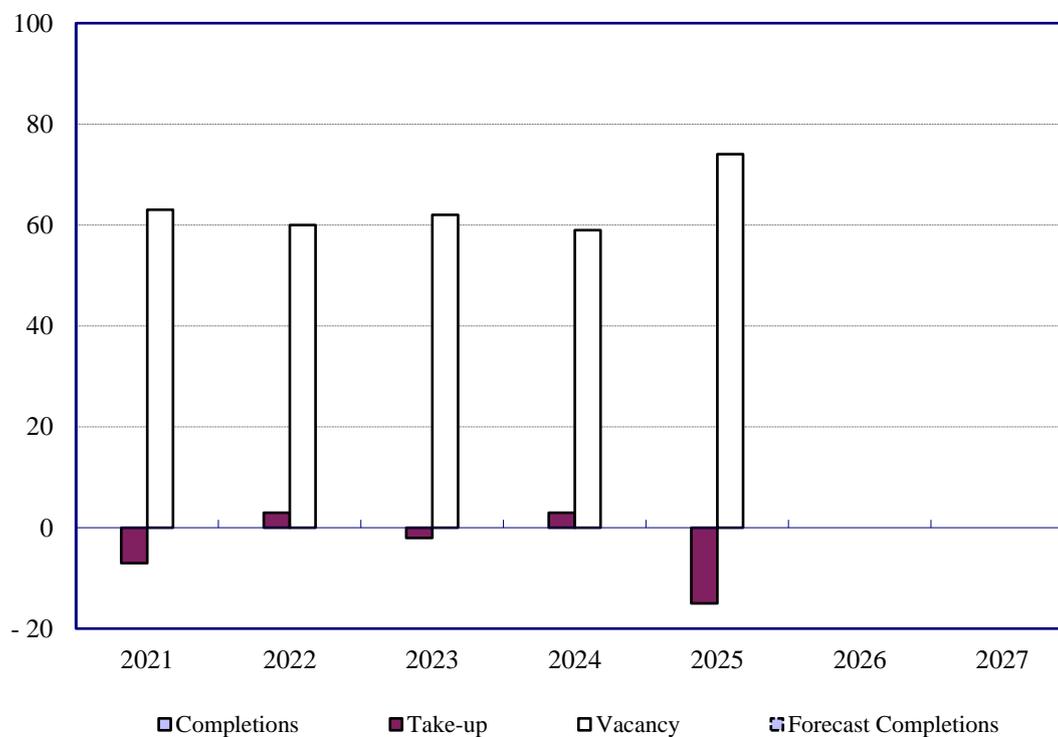
	2021	2022	2023	2024	2025	2026	2027
Completions ('000 m ²)	0	0	0	0	0	[0]	[0]
Take-up* ('000 m ²)	-7	3	-2	3	-15		
Vacancy ('000 m ²)	63	60	62	59	74		
%☆	11.5	11.3	11.9	11.9	14.9		

* Take-up represents the net increase in the floor area occupied in the year under review. The figures are computed by adding the completions in that year to the vacancy figures at the beginning of the year, and then subtracting the year's demolition and the year-end vacancy figures (with figures for wholesale conversion, if any, already reflected). A negative figure indicates a net decrease in occupied floor space.

☆ Vacancy at the end of the year as a percentage of stock.

[] Forecast figures

Floor Area ('000 m²)



MONTHLY PRICE INDICES FOR PRIVATE DOMESTIC PROPERTIES**(1999 = 100)**

Year	Month	Small / Medium	Large	Overall
1997	Oct (Peak)	172.3	183.4	172.9
2024	Jan	308.6	278.0	307.3
	Feb	303.7	274.2	302.4
	Mar	309.4	278.8	308.1
	Apr	311.0	282.2	309.6
	May	306.8	278.8	305.5
	Jun	303.7	277.7	302.5
	Jul	298.9	273.7	297.6
	Aug	293.2	269.0	292.0
	Sep	289.2	264.7	287.9
	Oct	292.3	266.4	291.0
	Nov	292.8	267.5	291.5
	Dec	290.4	266.9	289.2
2025	Jan	288.6	262.9	287.2
	Feb	287.0	261.7	285.6
	Mar	286.4	260.2	284.9
	Apr	288.0	261.6	286.5
	May	288.0	261.4	286.5
	Jun	288.2	262.0	286.7
	Jul	289.7	262.5	288.1
	Aug	290.3	263.3	288.8
	Sep	295.1	266.2	293.4
	Oct	296.5	269.7	294.9
	Nov*	300.5	270.1	298.7
	Dec*	301.6	270.6	299.8

* Provisional - liable to change as further data becomes available for analysis.

Technical Notes :

- (i) Small / Medium units are those with saleable area less than 100 m². Large units are those with saleable area 100 m² or above.
- (ii) The indices are based on an analysis of prices paid for completed properties sold in the secondary market. Date of sale is the date on which an Agreement for Sale and Purchase is signed. Provisional agreement is generally reached 2-3 weeks earlier.

PRICE INDICES

(1999 = 100)

Private Domestic Properties	2024	2025			
	4Q	1Q	2Q	3Q	4Q*
Small / Medium Units (Saleable Area less than 100 m ²)	291.8	287.3	288.1	291.7	299.5
Large Units (Saleable Area 100 m ² or above)	266.9	261.6	261.7	264.0	270.1
Overall	290.6	285.9	286.6	290.1	297.8

Non-Domestic Properties	2024	2025			
	4Q	1Q	2Q	3Q	4Q*
Offices : Grade A	321.6	(310.2)	(298.5)@	(289.4)	283.2
Grade B	365.0	342.8	327.8	312.2	(298.8)
Grade C	354.8	341.6	329.1	316.2	309.3
Overall	342.1	326.3	314.0@	302.6	295.5
Retail Premises :	390.2	380.6	365.1	351.3	340.8
Flatted Factories :	674.9	666.8	635.1	605.7	572.1

* Provisional - liable to change as further data becomes available for analysis.

() Indicates fewer than 20 transactions.

@ Price indices for the second quarter of 2025 excluding May 2025.

Technical Notes :

The indices are based on an analysis of prices paid for completed properties sold in the secondary market. Premises of all ages and in all locations are included. Where appropriate, the date of agreement is taken as the date of sale.

RENTAL INDICES

(1999 = 100)

Private Domestic Properties	2024	2025			
	4Q	1Q	2Q	3Q	4Q*
Small / Medium Units (Saleable Area less than 100 m ²)	196.2	196.9	198.5	203.1	204.3
Large Units (Saleable Area 100 m ² or above)	146.9	147.0	148.4	150.3	151.7
Overall	192.4	193.0	194.7	199.0	200.2

Non-Domestic Properties	2024	2025			
	4Q	1Q	2Q	3Q	4Q*
Offices : Grade A	216.0	214.1	210.5	207.7	207.3
Grade B	220.2	218.2	216.6	215.8	214.5
Grade C	210.5	207.7	207.4	207.2	206.9
Overall	216.3	214.3	211.8	210.0	209.4
Retail Premises :	161.3	157.7	157.3	156.3	154.0
Flatted Factories :	213.3	211.3	211.1	208.1	206.8

* Provisional - liable to change as further data becomes available for analysis.

Technical Notes :

The indices are based on an analysis of rentals paid for completed properties. Premises of all ages and in all locations are included. Where appropriate, the commencement date of a tenancy agreement is adopted as the effective date. However, rents are normally agreed earlier (1/2-1 month earlier for fresh lettings and 1-3 months for lease renewals). Rent-free periods are taken into account if known.

PRICE AND RENTAL MOVEMENTS IN 2025

(based on Appendices B & C)

Private Property Category (Territory-wide)	% Change*	
	$\frac{4Q\ 2025^*}{4Q\ 2024}$	
	Price	Rental
Domestic Premises : Small / Medium Units (Saleable Area less than 100 m ²)	2.6	4.1
Large Units (Saleable Area 100 m ² or above)	1.2	3.3
Overall	2.5	4.1
Offices : Grade A	-11.9	-4.0
Grade B	-18.1	-2.6
Grade C	-12.8	-1.7
Overall	-13.6	-3.2
Retail Premises :	-12.7	-4.5
Flatted Factories :	-15.2	-3.0

* Provisional - liable to change as further data becomes available for analysis.