Hong Kong Property Market

# Monthly Digest

Vigers Research | February 2025

## LAND SALES RESULTS

| Lot No. | Location | Usage | Site Area | Max. GFA | Price | A.V. | Winner(s) / Remark |
|---|---|---|---|---|---|---|---|
| | | | (sq ft) (approx.) | (sq ft) (approx.) | (HK$M) | (HK$ psf) | |
| TCTL 55 | Area 106B, Tung Chung, New Territories | Residential | 114,614 | 401,149 | 602 | 1,500 | Sun Hung Kai Properties Limited |
| TYTL 202 | Junction of Tsing Hung Road and Tsing Yi Road, Tsing Yi, New Territories | Logistics Services and Public Vehicle Park | 477,035 | 2,452,404 | 3,678.6 | 1,500 | Mapletree Investments Pte Ltd |

Sources: Lands Department and Vigers Research

## UPCOMING TENDER PROJECTS

| Lot No. | Location | Usage | Site Area | Max. GFA | Tender closing date |
|---|---|---|---|---|---|
| | | | (sq ft) (approx.) | (sq ft) (approx.) | |
| YLTL 545 | Fuk Wang Street and Wang Lee Street, Yuen Long | Industrial | 349,181 | 1,738,370 | 21 March 2025 |
| HSKTL 10 | Areas 39A and 39B, Hung Shui Kiu and Ha Tsuen, Yuen Long | Industrial | 836,753 | 4,183,766 | 21 March 2025 |

Sources: Lands Department, Market information and Vigers Research

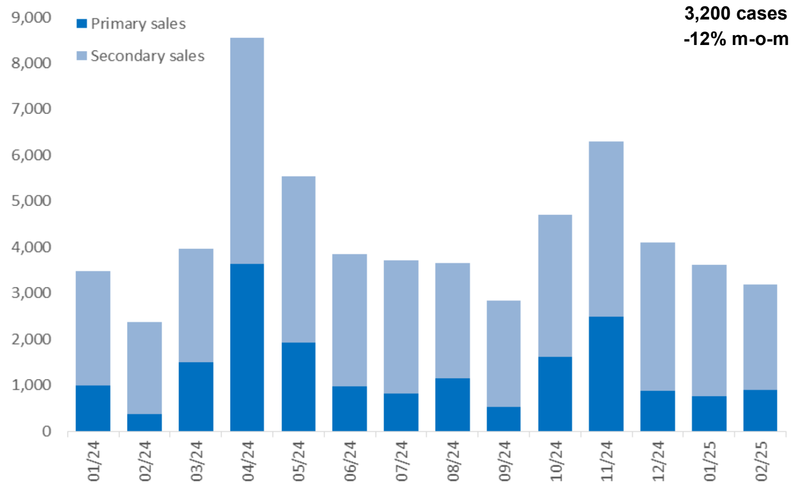
## KEY ECONOMIC INDICATORS

| Indicators | | Latest | (Period) |
|---|---|---|---|
| Real GDP growth (Year-on-year % change in real terms ) | (% change y-o-y) | +2.4 | (Q4/2024) |
| Composite consumer price index growth | (% change y-o-y) | +2 | (Jan 2025) |
| Unemployment rate (seasonally adjusted) | (%) | 3.1 | (Nov 2024-Jan 2025) |
| Retail sales (value index) | (% change y-o-y) | -5.2 | (Jan 2025) |
| Visitor arrivals | (change y-o-y) | +24% | (Jan 2025) |

Sources: Census & Statistics Department and Vigers Research

## RESIDENTIAL SALES & PURCHASES AGREEMENTS

Unit: Number of transactions




Sources: The Land Registry, Market Sources and Vigers Research

## SNAPSHOT OF RESIDENTIAL PROPERTY

**900** cases
↑ *17%* m-o-m
Primary S&P Volume
(Feb 2025)

**2,300** cases
↓ *20%* m-o-m
Secondary S&P Volume
(Feb 2025)

**287.6** pts
↓ *0.45%* m-o-m
Price Index
(Jan 2025)

**192.9** pts
↑ *0.42%* m-o-m
Rental Index
(Jan 2025)

Sources: The Land Registry, Rating and Valuation Department, Vigers Research

## SELECTED RESIDENTIAL PROPERTY SALES TRANSACTIONS

| LUXURY RESIDENTIAL | District | S.A. | Price | Price |
|---|---|---|---|---|
| | | (sq ft) (approx.) | (HK$M)(approx.) | (HK$ psf) |
| Flat A, 10/F, Tower 1, Cullinan Harbour | Kai Tak | 2,129 | 109.28 | 51,329 |
| Flat B, 18/F, Tower 2, St. George's Mansion | Ho Man Tin | 1,868 | 85.5 | 45,771 |
| Apartment A, 17/F, Tower 6, Marinella | Wong Chuk Hang | 1,858 | 60 | 32,293 |

Sources: The Land Registry, Market Sources and Vigers Research

| VILLA | District | S.A. | Price | Price |
|---|---|---|---|---|
| | | (sq ft) (approx.) | (HK$M)(approx.) | (HK$ psf) |
| House 5 of Higher Block, Bisney Crest | Pok Fu Lam | 5,767 | 203.8 | 35,339 |
| House 3, No.45 Island Road | Deep Water Bay | 2,245 | 98 | 43,653 |
| House 11, Phase 2, Crown of St. Barths, St. Barths | Ma On Shan | 2,176 | 68.38 | 31,425 |

Sources: The Lands Department, Market Sources and Vigers Research

RESIDENTIAL PROPERTY

# Mass & Luxury

In February, the residential property market recorded a total of 3,200 registrations, representing a 12% m-o-m decline. The overall market activity saw mixed performance between the primary and secondary segments.

The primary market showed resilience with 900 transactions, reflecting a 17% m-o-m increase. This growth highlights a slight recovery in developer sales, potentially driven by attractive promotional offers and new project launches. Conversely, the secondary market experienced a significant contraction, with 2,300 transactions, marking a 20% m-o-m decline.

According to the latest data released by the Rating and Valuation Department, the home price index has continued to show a slight decline, reaching 287.6 points, marking a 0.45% month-on-month decrease. In contrast, the rental market has demonstrated stability, with the rental index increasing by 0.42% month-on-month to 192.9 points. This uptick is supported by strong demand for rental properties, particularly from mainland students and professionals.

In the luxury segment, notable transactions included a low-floor flat at Cullinan Harbour in Kai Tak, measuring 2,129 sq ft (S.A.), was reportedly transacted at HK$109.28 million or HK$51,329 sq ft. Besides, a 5,767 sq ft detached house at Bisney Crest in Pok Fu Lam was sold for HK$203.8 million or HK$35,339 sqft.

The primary market showed resilience with a rise in transaction volume, supported by aggressive pricing strategies and strong sales from newly launched projects. Notably, Henderson Land's project in Kowloon City, Eight Southpark, achieved a strong sales outcome. On March 1, all 181 units released in the first sales round were fully sold on the same day, generating total revenue exceeding HK$960 million. In Yuen Long, 250 units of HAVA launched by Kerry Properties were priced from HK$8,898 to HK$13,558 per square foot, and all available units were sold on the same day of its launch.

Conversely, the secondary market experienced a contraction in both transaction volume and prices, with homeowners facing increasing pressure to adjust their asking prices amidst heightened competition from the primary market.

Looking ahead, the market is expected to remain stable in the near term, with a gradual recovery anticipated when interest rate cuts take effect and support market momentum.

COMMERCIAL PROPERTY

# Office Market

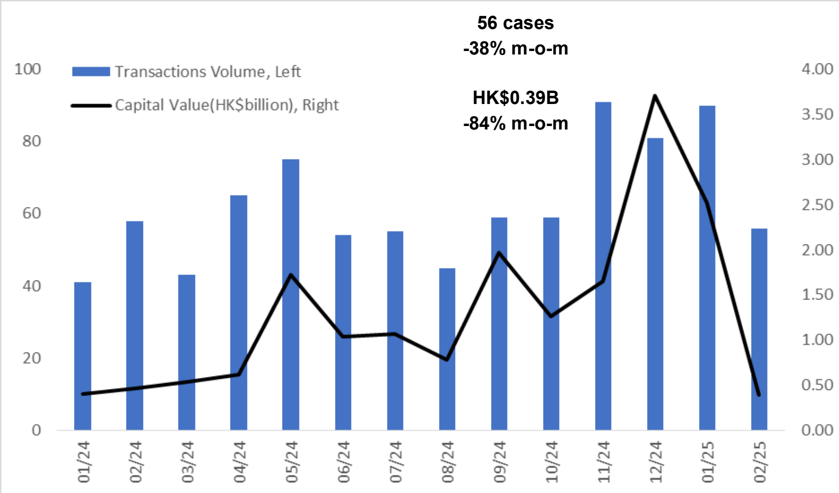
In February, the office property market recorded 56 transactions, representing a 38% m-o-m decline. The total transaction value dropped sharply to HK$0.39 billion, marking a significant 84% m-o-m decline.

Financial Secretary Paul Chan announced in the 2025-26 Budget that, given the persistently high office vacancy rates in recent years and the expected ample supply in the near future, the government will refrain from releasing any commercial land for sale in the coming year to allow the market to absorb the existing inventory.

In Wan Chai, the 26th floor of The Sun's Group Centre, with a floor area of approximately 7,400 square feet, was recently sold by Gale Well Group for HK$79.8 million. This transaction represents a record-low price of HK$10,800 per square foot, marking the lowest level for the building in more than a decade.

Looking ahead, the office market is projected to stay sluggish. High vacancy levels, along with an ongoing influx of new supply, are expected to drive landlords to offer generous rental concessions and incentives to attract occupiers.

## OFFICE PROPERTY SALES AND CAPITAL VALUE




Sources: The Land Registry, Market Sources and Vigers Research

## SNAPSHOT OF OFFICE PROPERTY

| Price Index– Overall (Jan 2025) | Rental Index– Grade A (Jan 2025) | Rental Index– Overall (Jan 2025) |
|---|---|---|
| 333.8 pts | 215.9 pts | 215.7 pts |
| ↓ 0.33% m-o-m | ↓ 0.05% m-o-m | ↓ 0.09% m-o-m |

Sources: Rating and Valuation Department, Market Sources and Vigers Research

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# Retail Market

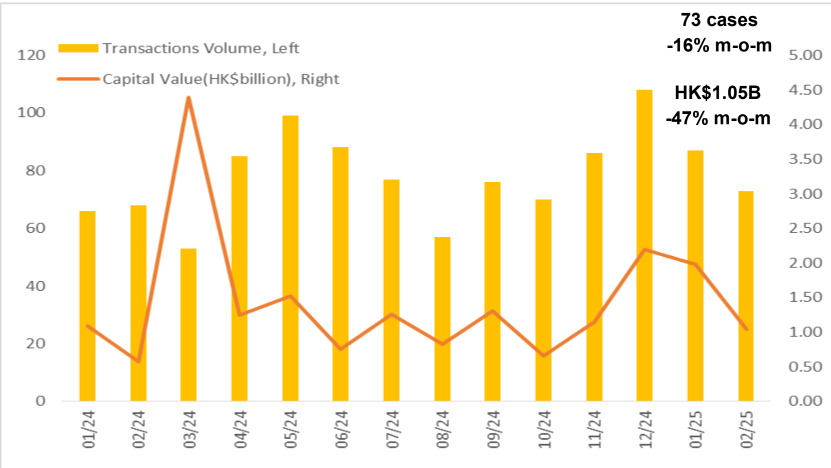
The retail property market recorded a slowdown, with 73 transactions, reflecting a 16% m-o-m decline. The total transaction value also dropped considerably to HK$1.05 billion, representing a significant 47% m-o-m decline.

In January, a total of 4.7 million visitors were recorded, reflecting a 24% y-o-y increase, primarily driven by the favorable impact of Chinese New Year celebrations.

In the Budget speech, Financial Secretary Paul Chan emphasized the promotion of the "Tourism is Everywhere" initiative and the implementation of the Development Blueprint for Hong Kong's Tourism Industry 2.0. The government will allocate HK$1.24 billion to the Hong Kong Tourism Board to attract international businesses, and enhance inbound tourism. A key highlight is the 2025 WTCF Fragrant Hills Tourism Summit, to be held in Hong Kong for the first time, welcoming delegates from over 40 countries and reinforcing the city's status as a global tourism and business hub.

Looking ahead, the anticipated increase in tourist arrivals is expected to stimulate retail activity, contributing to the stabilization of total retail sales value over the year.

## RETAIL PROPERTY SALES AND CAPITAL VALUE




Sources: The Land Registry, Market Sources and Vigers Research

## SELECTED RETAIL PROPERTY TRANSACTIONS

| Sales Transactions | District | Area (sq ft) (approx.) | Price (HK$M) (approx.) | Price (HK$ psf)) (approx.) |
|---|---|---|---|---|
| Shops 1-5, G/F, Kyoto Plaza | Causeway Bay | 3,840 | 125 | 32,552 |
| Unit G107, G/F, Sin Tat Square | Mong Kok | 47 | 2.6 | 55,319 |

| Leasing Transactions | District | Area (sq ft) (approx.) | Rent (HK$/month) (approx.) | Rent (HK$ psf/ month) |
|---|---|---|---|---|
| G/F, Thyrse House, 16 Pottinger Street | Central | 762 | 120,000 | 157.5 |
| Unit E&F, G/F, Golden Dragon Building, 41-51 Tang Lung Street | Wan Chai | 1,008 | 142,000 | 140.9 |

Sources: The Land Registry, Market Sources and Vigers Research

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