Hong Kong Property Market

Monthly Digest

Vigers Research | May 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)	
-	-	-	-	-	-	-	-

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	25 July 2025
HSKTL 10	Areas 39A and 39B, Hung Shui Kiu and Ha Tsuen, Yuen Long	Industrial	836,753	4,183,766	25 July 2025

Sources: Lands Department, Market information and Vigers Research

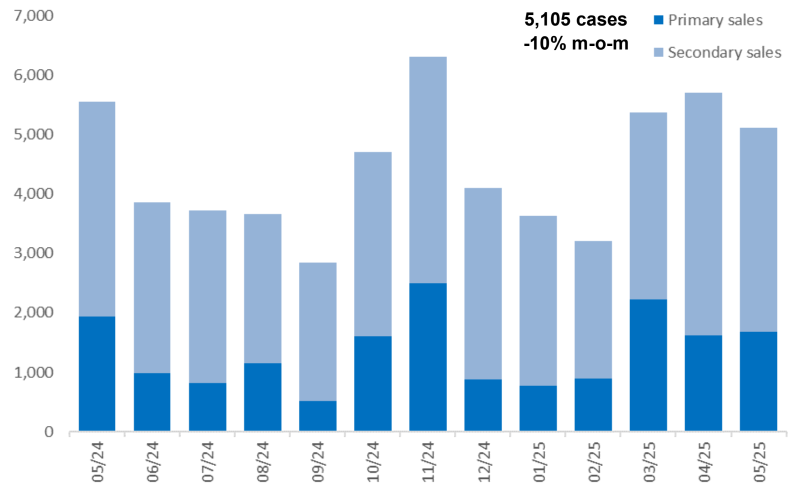
KEY ECONOMIC INDICATORS

Indicators		Latest	(Period)
Real GDP growth (Year-on-year % change in real terms)	(% change y-o-y)	+3.1	(Q1/2025)
Composite consumer price index growth	(% change y-o-y)	+1.9	(May 2025)
Unemployment rate (seasonally adjusted)	(%)	3.5	(Mar-May 2025)
Retail sales (volume index)	(% change y-o-y)	+1.9	(May 2025)
Visitor arrivals	(change y-o-y)	+20.02%	(May 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

1,676 cases
↑ *4%* m-o-m
Primary S&P Volume
(May 2025)

3,429 cases
↓ *16%* m-o-m
Secondary S&P Volume
(May 2025)

286.6 pts
↑ *0.03%* m-o-m
Price Index
(May 2025)

195.0 pts
↑ *0.46%* m-o-m
Rental Index
(May 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 G on 5/F, Block G-H, Grenville House	Mid-Level Central	3,347	119	35,554
Flat B on 19/F, Block 1, St. George's Mansions	Ho Man Tin	1,841	88	47,800
Flat B on 18/F, Block 5, Cullinan Harbour	Kai Tak	1,401	63.185	45,100

Sources: The Land Registry, Market Sources and Vigers Research

VILLA	District	S.A.	Price	Price
		(sq ft) (approx.)	(HK$M)(approx.)	(HK$ psf)
31 Cumberland Road	Kowloon Tong	5,094	208	40,832
House 3, Residence Bel-Air, No. 1-18 Bel-Air Rise	Pok Fu Lam	3,308	153	46,252
House 8, 50 Stanley Village Road	Stanley	2,895	106.8	36,891

Sources: The Lands Department, Market Sources and Vigers Research

RESIDENTIAL PROPERTY

Mass & Luxury

In May, the residential property market recorded a total of 5,105 registrations, reflecting a 10% m-o-m decline compared to April. This contraction was driven by contrasting trends in the primary and secondary markets, reflecting evolving buyer preferences and market conditions.

The primary market registered 1,676 transactions, marking a 4% m-o-m increase. This modest growth highlights developers' continued efforts to drive demand by launching new projects with competitive pricing strategies, supported by targeted marketing and promotional campaigns. In contrast, the secondary market saw 3,429 transactions, a substantial 16% m-o-m drop. The pullback in resale activity suggests a moderation in buyer confidence following strong performance in April.

According to the Rating and Valuation Department, the home price index edged up marginally by 0.03% m-o-m to 286.6 points in May, signaling a stabilizing market amid ongoing economic recovery. Meanwhile, the rental index increased by 0.46% m-o-m to 195 points, marking six consecutive months of growth. The sustained demand for rental properties, particularly from mainland students and professionals, continues to support leasing activity.

The luxury segment remained active, with notable transactions including a 3,347 sq ft flat at Grenville House in Mid-Level Central, which was sold for HK$119 million or HK$35,554 per sq ft. Additionally, a 5,094 sq ft house at 31 Cumberland Road, Kowloon Tong, was transacted at HK$208 million or HK$40,832 per sq ft.

Looking ahead, developers are expected to maintain momentum in the primary market by launching additional projects and adopting strategic pricing to drive sales. For instance, upcoming projects at Kai Tak, such as CK Asset's Victoria Blossom and Sun Hung Kai Properties' The Cullinan Sky II, are set to deliver around 891 units, accounting for 37% of the saleable first-hand units in May. However, the secondary market may face sustained challenges as resale property prices continue to adjust, potentially impacting transaction volumes.

Overall, the residential property market is expected to remain stable, supported by improving economic conditions, gradual stabilization in home prices, and steady leasing demand. While affordability concerns and external uncertainties may temper growth in the short term, a recovering economy and rising buyer confidence are likely to underpin steady market performance in the coming months.

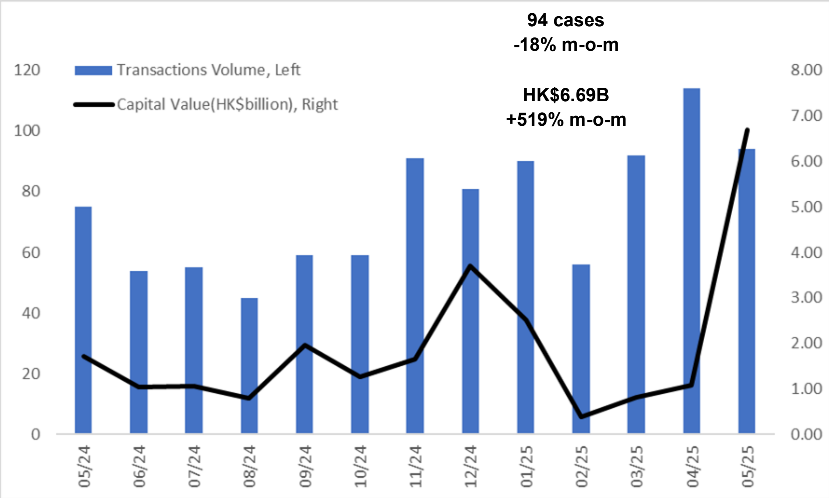
COMMERCIAL PROPERTY
Office Market

In May, the office property market recorded 94 transactions, representing an 18% m-o-m decrease. However, the total transaction value surged to HK$6.69 billion, up an impressive 519% m-o-m. This significant growth in transaction value was driven by high-profile deals, reflecting renewed investor confidence in premium office assets.

A standout transaction was the Hong Kong Exchanges and Clearing Limited's acquisition of multiple floors in Exchange Square for HK$6.3 billion. This deal highlights continued demand for prime office spaces in Central. Additionally, Winland Group sold the top floor of 9 Queen's Road Central, spanning approximately 8,570 sq ft, for HK$225 million, at an average price of HK$26,254 sq ft. The property is leased to a medical group, generating a monthly rent of HK$740,000 and offers a rental yield of a 3.9%, showcasing sustained investor interest in income -generating assets.

Looking ahead, improving financial market sentiment is expected to drive active transaction activity in core districts during the second half of the year. However, persistently high vacancy rates, particularly in non-core districts, present a significant challenge. This reflects ongoing efforts by tenants to optimize space utilization and reduce operational costs. Consequently, overall office rents are expected to face further downward pressure in the coming months.

OFFICE PROPERTY SALES AND CAPITAL VALUE



Sources: The Land Registry, Market Sources and Vigers Research

SNAPSHOT OF OFFICE PROPERTY

94 cases
↓ *18%* m-o-m
Transaction Volume
(May 2025)

211.5 pts
↓ *0.19%* m-o-m
Rental Index– Grade A
(May 2025)

212.4 pts
↓ *0.14%* m-o-m
Rental Index– Overall
(May 2025)

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

COMMERCIAL PROPERTY
Retail Market

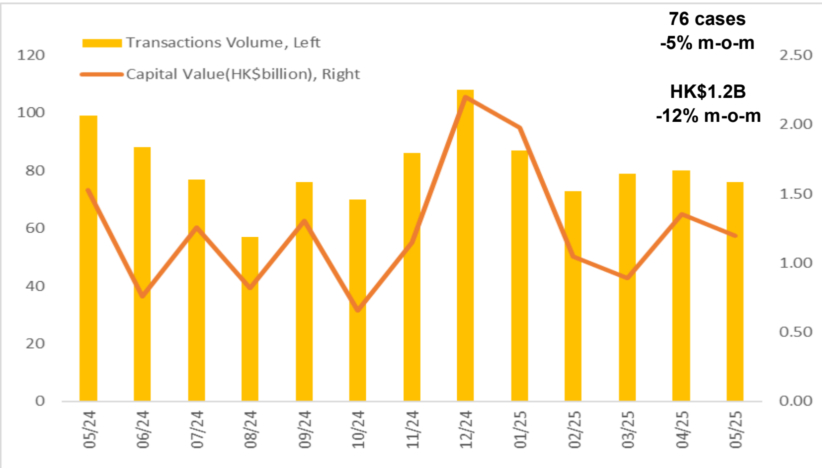
In May, the retail property market recorded 76 transactions, representing a 5% m-o-m decline. The total transaction value dropped to HK$1.2 billion, down 12% m-o-m. This indicates a cautious pullback in market activity, with both transaction volume and capital inflows softening amid shifting investor sentiment.

A notable transaction during the month involved shops on the ground, first, and second floors at 70-74 Morrison Hill Road, totalling 13,551 sq ft. The property changed hands for HK$8,117 sq ft. The previous owner, Gale Well Group, had acquired the property in 2004 for HK$78 million as a long-term rental investment. This transaction highlights stable demand for well-located retail assets despite overall market challenges.

Meanwhile, Hong Kong's tourism sector continues to show signs of recovery. The Hong Kong Tourism Board reported over 20 million visitor arrivals from January to May, a 12% y-o-y increase. Events such as concerts, exhibitions, and the Labour Day Golden Week holiday contributed significantly to the surge in visitor numbers. This revival in tourism has bolstered leasing activity in core retail districts, particularly for flagship retail spaces.

Looking ahead, the anticipated increase in tourist arrivals is expected to provide further support for the retail property market, particularly by stabilizing leasing demand. However, caution among investors may persist in the short term due to broader economic uncertainties.

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.)
G/F– 2/F, Amber Commercial Building, 70-74 Morrison Hill Road	Wan Chai	13,551	110	8,117
Commercial Accommodation, Mount Verdant, 48 Chui Ling Road	Tseung Kwan O	10,503	50.2	4,780

Leasing Transactions	District	Area (sq ft) (approx.)	Rent (HK$/month) (approx.)	Rent (HK$ psf/ month)
G/F, 158 Sai Yeung Choi Street South	Mong Kok	310	128,000	412.9
Shop 42, G/F, Golden Court, 22-52 Electric Road	North Point	205	63,000	307.3

Sources: The Land Registry, Market Sources and Vigers Research

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