MARKET IN MINUTES
Savills Research

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RESIDENTIAL LEASING

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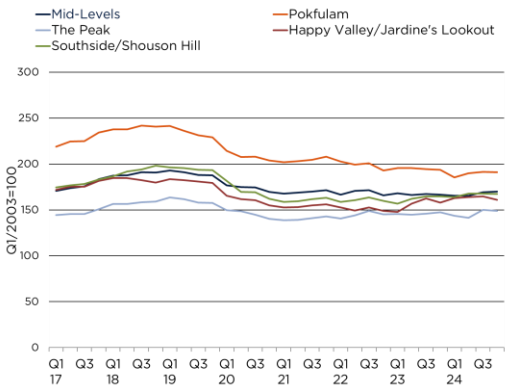
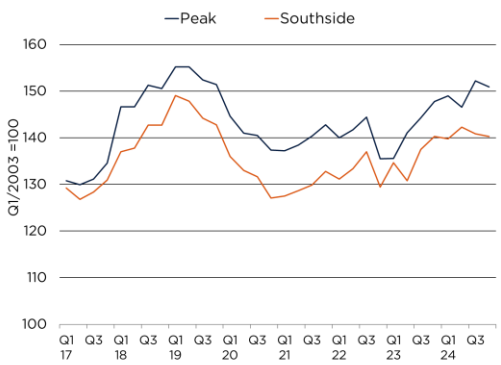
> "In addition to Mainland talents, expatriates and individuals from mainland China working in the hedge fund and cryptocurrency sectors have recently contributed to increased demand for leasing, each exhibiting distinct housing preferences."
>
> JACK TONG, SAVILLS RESEARCH & CONSULTANCY

GRAPH 1: Hong Kong Island Luxury Rental Indices by District, Q1/2017 – Q4/2024



Source Savills Research & Consultancy

GRAPH 2: Townhouse Rental indices, Q1/2017 – Q4/2024



Source Savills Research & Consultancy

TABLE 1 : Savills Residential Rental Indices, Q3/2024 vs Q4/2024

	Q3/2024 (QoQ%)	Q4/2024 (QoQ%)
Luxury Apartments – Hong Kong Island	+1.8%	-0.2%
Luxury Apartments – Kowloon	+2.2%	+3.9%
Luxury Apartments – New Territories	+2.4%	+1.3%
Townhouses	+0.6%	-0.6%
Serviced Apartments	+1.7%	+1.5%

TABLE 2: Mid-Levels, The Peak and Southside Notable Transactions, Q4/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK$ per month (incl. mgt. & rates)	HK$ per sq ft saleable
Peak	House	No. 54-58 Mount Kellett Road	5,043	420,000	83
Southside	House	63 Deep Water Bay Road	2,838	180,000	63
Peak	House	Strawberry Hill	2,903	160,000	55
Mid-Levels	Apartment	Kennedy Heights	2,929	138,000	47
Peak	Apartment	La Hacienda	2,734	115,000	42

Source Savills Research & Consultancy

The leasing market remained subdued in Q4 2024, with minimal activity in traditional luxury enclaves. Leasing transactions predominantly occurred in the lower rental brackets of Kowloon, driven by the ongoing influx of talents from mainland China. However, we observed notable developments in the hedge fund sector, such as Point 72 leasing four floors in the Henderson and Jane Street expanding to occupy the 1.5 floors vacated by Point 72 in Chater House, which generated additional leasing demand.

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For over 160 years, Savills has been helping people thrive through place and spaces.

Listed on the London Stock Exchange, we have more than 40,000 professionals collaborating across over 70 countries, delivering unrivalled coverage and expertise to the world of commercial and prime residential real estate.

By applying world research data and trends to local and global settings, we're able to empower our clients with insights from the forefront of the industry – bringing their aspirations to life through innovative, tailor-made solutions.

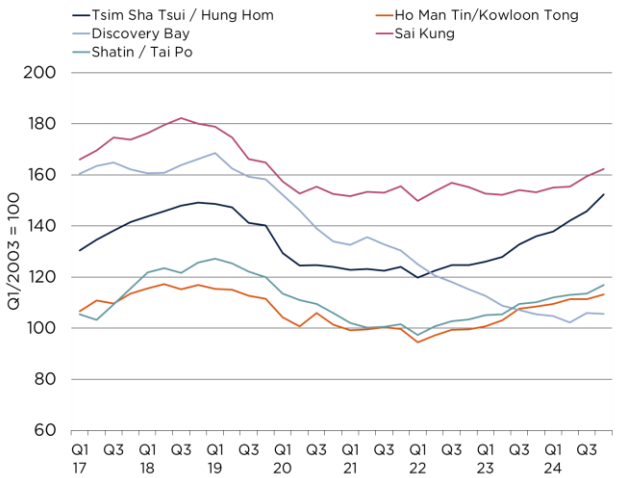
Whether we are working with a global corporate looking to expand, an investor seeking to sustainably optimise their portfolio, or a family trying to find a new home, we help our clients make better property decisions.

Expatriates from the United States and Europe have been assigned to newly established roles in expanding hedge funds, benefiting from substantial profits in the volatile financial markets of Hong Kong, China, and Japan over the past few years. Most of these individuals, primarily young and single, prefer to reside in newer apartments on Hong Kong Island, with rental budgets ranging from HK$60,000 to HK$80,000. Additionally, a select group of senior management professionals has relocated to Hong Kong with their families, seeking accommodations with budgets between HK$100,000 and HK$200,000, typically in houses or apartments on The Peak or in the Mid-Levels, featuring living spaces of over 2,000 sq ft.

Another emerging source of demand has come from mainland Chinese individuals involved in the recovering cryptocurrency sector. Many of these individuals have profited significantly from crypto trading while maintaining a low profile. Their preferences vary, but generally, they either seek new apartments in Kowloon with established Mainland communities or opt for short-term accommodations, such as serviced apartments in key areas of Kowloon.

Looking ahead, we may observe a resurgence of expatriates returning from Singapore in Q1 2025. Many of these individuals left Hong Kong three years ago, but some may consider returning as they find renewed business opportunities and a slightly lower cost of living, particularly as residential rents in Singapore have increased by over 30% during this period.

GRAPH 3: Kowloon and New Territories Luxury Rental Indices by District, Q1/2017 – Q4/2024



Source Savills Research & Consultancy

TABLE 3: Kowloon Notable Transactions, Q4/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK$ per month (incl. mgt. & rates)	HK$ per sq ft saleable
Austin Station	Apartment	The Austin	1,478	75,500	51
Kowloon Station	Apartment	Sorrento	1,249	68,000	54
Kowloon Station	Apartment	The Harbourside	1,060	62,000	58
Kowloon Station	Apartment	The Waterfront	1,127	53,800	48
Austin Station	Apartment	The Austin	987	51,000	52
Kowloon Station	Apartment	The Arch	841	50,000	59

Source Savills Research & Consultancy

TABLE 4: New Territories Notable Transactions, Q4/2024

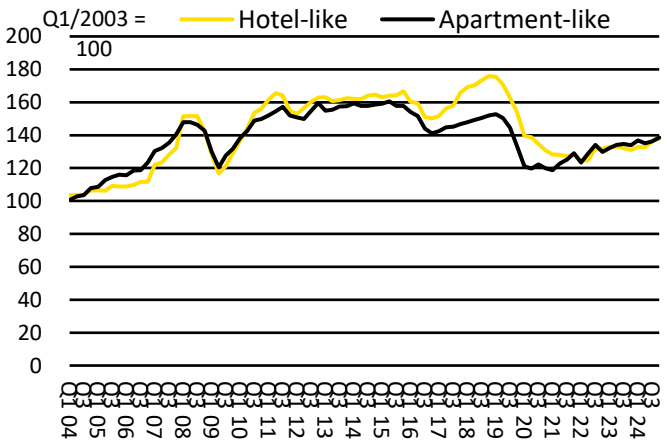
District	Unit Type	Address	Saleable Area (sq ft)	HK$ per month (incl. mgt. & rates)	HK$ per sq ft saleable
Sai Kung	Apartment	Mount Pavillia	3,189	108,000	34
Sai Kung	House	Capital Villa	2,196	90,000	41
Sai Kung	Apartment	Mount Pavillia	1,848	60,000	32
Sai Kung	Apartment	Mount Pavillia	1,334	54,000	40
Discovery Bay	House	Headland Village	1,406	48,000	34
Discovery Bay	House	Beach Village	1,282	40,000	31

Source Savills Research & Consultancy

SERVICED APARTMENTS

The serviced apartment market experienced a new wave of demand in Q4, primarily from mainland Chinese entrepreneurs who have amassed wealth in emerging industries. These individuals prefer the flexible lease terms offered by serviced apartments. Some are willing to invest over HK$100,000 per month to lease prestigious options, such as the Four Seasons and Rosewood, for periods of three to six months, as they frequently travel for business to China and other Asian countries.

GRAPH 4: Serviced Apartment Rental indices, Q1/2017 – Q4/2024



Source Savills Research & Consultancy