RESEARCH

MARKET IN MINUTES

Hong Kong Residential Leasing

Residential – Hong Kong – Q3 2026

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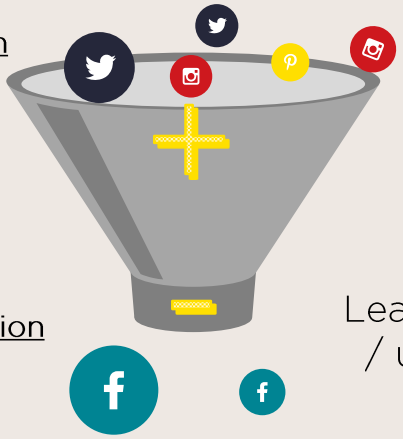


Robust Demand Meets Constrained Luxury Supply

Finance-led demand and scarce supply sustain Hong Kong's luxury rental momentum

Do you know?

Potential Stock Addition



2026-2028 First-hand Luxury Supply on HKI – 150 units

Potential Stock Reduction

Leasing Stock Stratified / under Renovation on HKI – 300+ units

2026 Q4 RENTAL FORECAST

Luxury Residential

3% to 5%

Serviced Apartment

0% to 3%

> Robust demand from banking and fund professionals, as well as high-income talent, together with constrained luxury supply, continues to underpin Hong Kong's luxury leasing market, with rents expected to keep rising steadily, albeit at a more moderate pace.

Source: Savills Research & Consultancy

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KEY STATS

+1.7%
HKI LUXURY RENTAL QOQ CHANGE

+1.0%
TOWNHOUSE RENTAL QOQ CHANGE

51,696
TOTAL TALENT VISA APPROVED (2026 H1)

~40%
TTPS CATEGORY A (>HK$2.5M/YR) (H1 2026)

Robust Demand Meets Constrained Luxury Supply

KEY TAKEAWAYS

- Robust demand drove broad-based rental growth, with all major luxury districts recording QoQ gains in Q3
- The office leasing recovery is feeding through to residential demand, led by banking and fund professionals
- Landlords are becoming more selective, increasingly favouring tenants from the financial sector
- Future supply in traditional luxury enclaves remains highly limited, providing continued support for rents
- Rents are expected to keep rising steadily in Q4/2026, albeit at a more moderate pace than in Q3

MARKET COMMENTARY

Hong Kong's luxury residential leasing market strengthened further in Q3/2026, as robust demand translated into broad-based rental growth. Rents rose across all major luxury districts on Hong Kong Island during the quarter, led by Pokfulam (+2.3% QoQ) and the Peak (+2.2% QoQ), followed by Happy Valley/Jardine's Lookout (+1.8%), Southside/Shouson Hill (+1.6%) and Mid-Levels (+1.4%).

The recovery in office leasing has increasingly filtered through to the residential leasing market. Expansion among hedge and quant fund managers has brought a steady inflow of finance professionals, generating a rising number of luxury leasing transactions. Talent admission schemes have provided further support, with a growing proportion of high-income entrants.

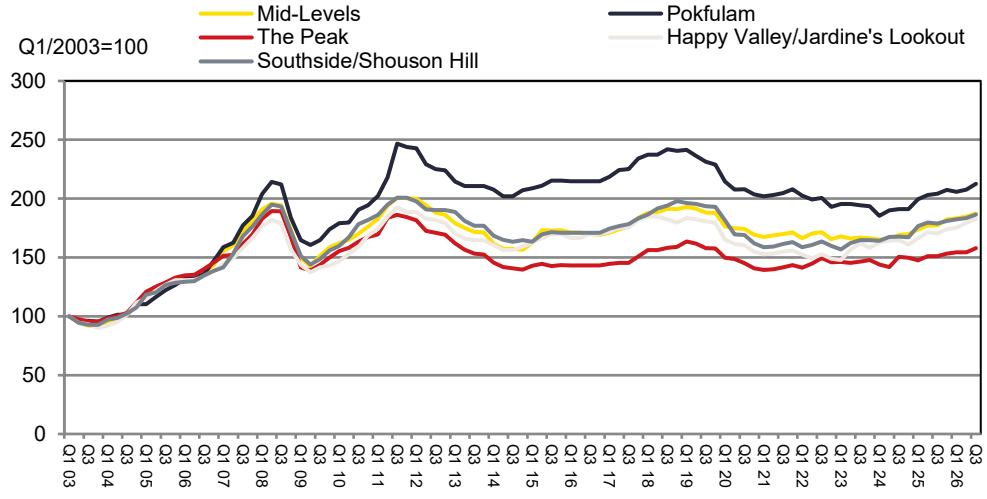
The Top Talent Pass Scheme (TTPS) remained the largest channel, with 14,847 applications approved in H1/2026, while Category A applicants (annual income of HK$2.5 million or above) accounted for 40.0% of approvals, up from 32.4% in 2025. By sector, the share of TTPS applicants from commerce and trade also rose, from 16.6% in 2025 to 21.4% in H1/2026, further deepening the pool of affluent tenants able to support the upper end of the market.

Rental increases upon lease renewal have also prompted a growing number of existing tenants to relocate, channelling additional demand into specific luxury districts. This relocation activity has intensified competition for quality units and accelerated the absorption of available stock.

At the same time, landlords have become increasingly selective. With demand running ahead of available supply, owners in traditional luxury enclaves have gained greater pricing power and are placing more emphasis on tenant profile, with a clear preference for occupiers from the financial services sector.

On the supply side, leasing stock remains constrained following the partial repositioning of several established leasing-focused projects, including Dynasty Court and Bamboo Grove, into the sales market in 2025, which removed nearly 200 units from the rental pool. With limited new luxury supply in the pipeline, availability is expected to remain tight in the near term.

HONG KONG ISLAND LUXURY RENTAL INDICES BY DISTRICT, Q1/2003–Q3/2026



Source: Savills Research & Consultancy

Notable leasing transactions in 2026 remained concentrated in the Peak and Southside, where large detached houses achieved monthly rents of up to HK$680,000 (No. 35 Deep Water Bay Road) and unit rents of over HK$110 per sq ft. Landlords of luxury properties in Mid-Levels and Southside are increasingly favouring tenants from the financial services sector, reflecting the depth of demand from senior banking and fund management executives.

Future supply in traditional luxury enclaves remains highly limited, with few new high-end developments in the pipeline. This structural scarcity, combined with the reduction in leasing stock from lease-to-sale conversions, should continue to underpin rents for quality, large-format units.

Looking ahead, luxury residential rents are expected to continue rising steadily in Q4/2026, albeit at a more moderate pace than in Q3, as the market consolidates following a period of strong gains.

NOTABLE TRANSACTIONS, 2026

District	Unit Type	Address	Saleable Area (sq. ft.)	HK$ per month (incl. mgt. & rates)	HK$ per sq. ft. saleable
Southside	House	No. 35 Deep Water Bay Road	5,636	$680,000	120
The Peak	House	House D, No. 3 Plunkett's Road	4,130	$408,000	98
The Peak	House	No. 11 Plantation Road	6,372	$600,000	94
Southside	Apartment	No. 117 Repulse Bay Road	1,975	$138,000	69
Southside	Apartment	Flat A, 26/F, Harston, No. 109 Repulse Bay Road	4,271 +5,339 Terrace	$490,000	114
Southside	House	House B, No. 22 Shouson Hill Road	7,902	$500,000	63
Southside	House	House D, No. 110 Repulse Bay Road	4,101	$280,000	68
The Peak	House	House B, No. 21 Coombe Road	4,012	$450,000	112
The Peak	House	House B, No. 3 Plunkett's Road	4,096	$400,000	97
The Peak	House	House 7, No. 28 Gough Hill Road	4,715	$525,000	111

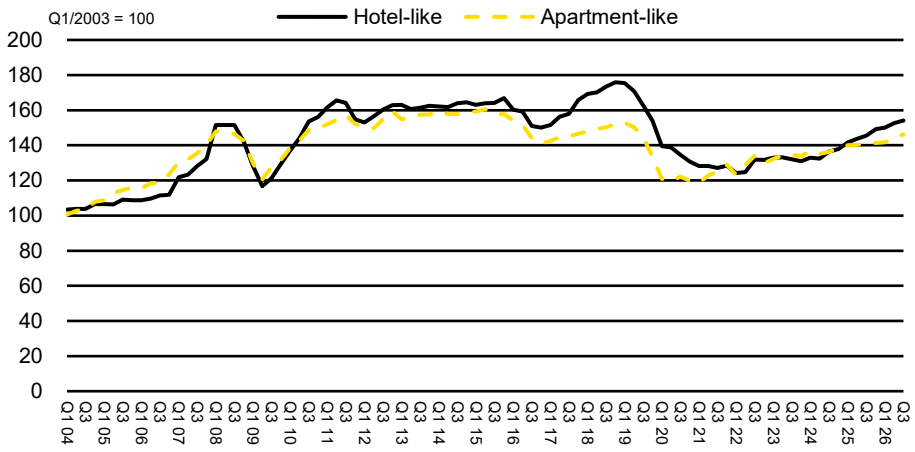
SERVICED APARTMENTS

Serviced apartment rents continued to rise in Q3/2026, with the hotel-like and apartment-like indices up 0.9% and 1.2% QoQ respectively (+5.8% and +3.2% YoY). Demand remains underpinned by IPO-related activity and professional services, including lawyers, accountants and financial intermediaries.

Notably, serviced apartments remain the clear preference among high-budget single occupiers, who value the flexibility, hotel-style amenities and turnkey convenience they offer.

With occupancy continuing to recover, rental growth is expected to remain steady at around 0% - 3% in Q4 2026.

SERVICED APARTMENT RENTAL INDEX, Q1/2004 – Q3/2026



Source: Savills Research & Consultancy

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