RESEARCH

MARKET IN MINUTES

Hong Kong Retail Leasing

Retail – Hong Kong – Q3 2026

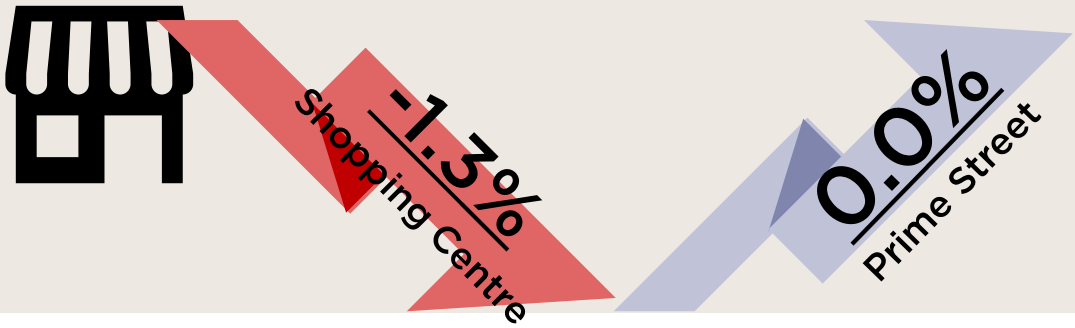


Prime Rents Hold Steady as Experience-Led Retail Gains Ground

Prime streets hold firm as luxury, lifestyle and collectible-led concepts reshape leasing demand

QoQ CHANGE IN RENT – Q3 26

Do you know?



Q4/2026 RENTAL FORECAST

Prime Street Shops

0% to +3%

Major Shopping Centre

0% to -3%

Suburban Retail

0% to -5%

Source Savills Research & Consultancy

> Retail recovery is increasingly asset-specific: the strongest locations combine a clear customer proposition with experiences that turn visits into spending.

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savills 第一太平戴維斯

KEY STATS

-1.3%
QOQ CHANGE IN SHOPPING CENTRE RENTS (Q3 26)

0.0%
QOQ CHANGE IN PRIME STREET RENTS (Q3 26)

+8.5%
JAN-AUG 2026 RETAIL SALES YOY GROWTH

+20.7%
JAN-SEP 2026 LONG-HAUL ARRIVALS YOY

Prime Streets Hold Firm, Shopping Centres Continue to Reprice

KEY TAKEAWAYS

- Prime street rents were unchanged across all four core districts, consolidating the first-quarter rebound.
- Shopping-centre rents fell 1.3% quarter on quarter. The New Territories remained weakest at -2.5%.
- Retail sales rose 8.5% YTD, but growth remained concentrated in discretionary categories and online channels.
- Same-day arrivals expanded much faster than overnight visits, reinforcing the importance of converting traffic into spending.
- Luxury flagships, wellness, hobby retail and curated experiences are helping landlords differentiate assets and strengthen customer engagement.

STABILISATION, NOT A BROAD REBOUND

Hong Kong's retail recovery remains selective. Prime street rents held steady for a second consecutive quarter, maintaining their earlier gains, while shopping centres continued to adjust to uneven tenant demand. Within malls, Kowloon recorded the smallest quarterly decline at 0.5%, compared with 1.0% on Hong Kong Island and 2.5% in the New Territories.

Luxury flagships, lifestyle concepts and collectible-led destinations are creating leasing opportunities, but stronger tourism and sales have yet to deliver a broad rental recovery. Asset positioning remains critical to rental resilience. A clear customer proposition and productive tenant mix matter more than footfall alone.

Change In Prime Shopping Streets Rent Indices By District

QoQ Change	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
All	+0.2%	+1.1%	+2.7%	0.0%	0.0%
Central	0.0%	+0.7%	+2.5%	0.0%	0.0%
Causeway Bay	0.0%	+1.5%	+2.0%	0.0%	0.0%
Tsim Sha Tsui	+0.7%	+1.5%	+3.2%	0.0%	0.0%
Mongkok	0.0%	+0.7%	+3.0%	0.0%	0.0%

Change In Prime Shopping Centres Rent Indices By District

QoQ Change	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
All	-0.2%	-1.4%	+0.4%	-1.8%	-1.3%
Hong Kong Island	-0.6%	-0.3%	+1.2%	-0.5%	-1.0%
Kowloon	0.0%	-1.2%	+0.5%	-2.0%	-0.5%
New Territories	0.0%	-2.7%	-0.3%	-2.7%	-2.5%

Source Savills Research & Consultancy

Changing Tenant Demand

Dining destinations

Curated cafés and accessible, aspirational dining broaden appeal beyond fine dining and give customers more reasons to visit.

Wellness anchors

Athleisure, fitness and healthier F&B strengthen lifestyle positioning and appeal to local households.

Flexible pop-ups

Short-term stores and themed activations test new brands, refresh the offer and bring underused space into use.

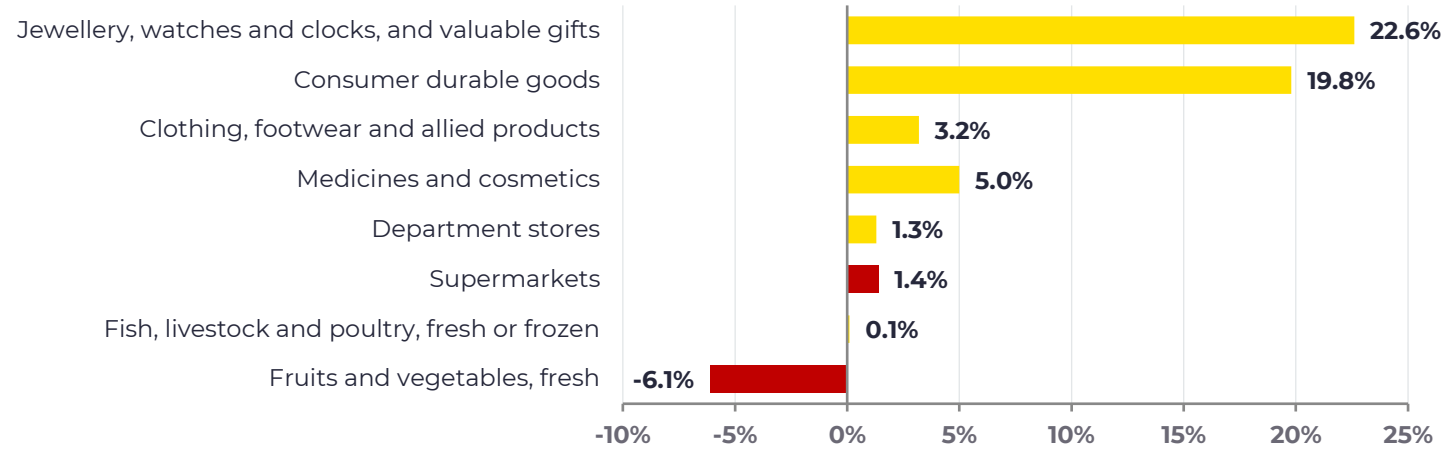
SALES RECOVER, BUT THE SPENDING MIX REMAINS UNEVEN

Hong Kong's retail sales reached HK$266.1 billion in January–August 2026, up 8.5% year on year. Online sales grew much faster at 23.0%, reaching HK$24.4 billion. Online transactions accounted for approximately 9.2% of total retail sales, highlighting the growing importance of digital channels even as physical stores retained the dominant share.

In-store sales represented approximately 90.8% of the market, but rapid online growth reinforces the need for retailers to connect digital discovery with store visits and purchases. For landlords, headline sales growth therefore needs to translate into tenant turnover. Convenient fulfilment and differentiated in-store experiences can help physical retail complement online channels.

Category performance remained uneven. Jewellery, watches and valuable gifts rose 22.6%, while consumer durables gained 19.8%. Medicines and cosmetics increased 5.0%, and clothing and footwear rose 3.2%. Supermarkets gained just 1.4%, while fresh fruit and vegetables fell 6.1%. The divergence continues to favour discretionary destinations over a uniform recovery in daily necessities.

TRADE CATEGORY PERFORMANCE, JAN–AUG 2026 YOY



Source: C&SD; Savills Research & Consultancy

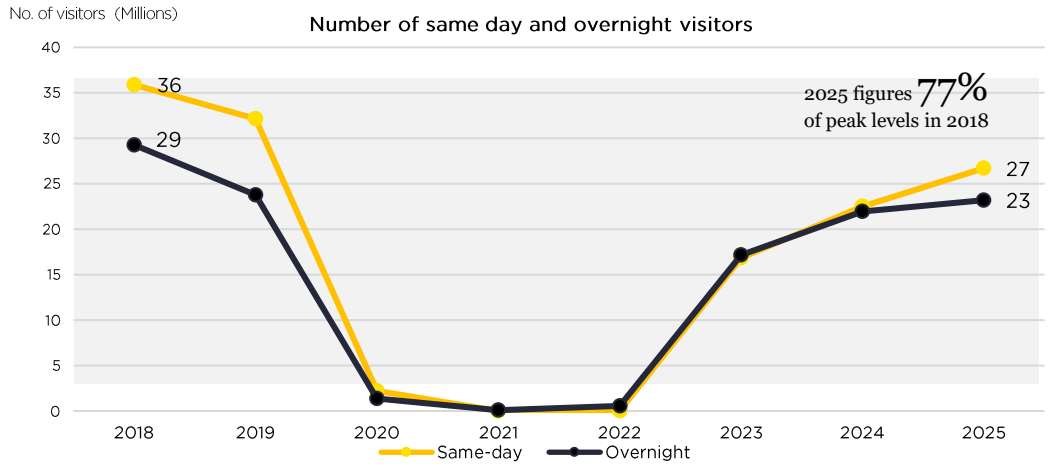
MORE VISITORS DO NOT AUTOMATICALLY MEAN STRONGER RENTS

Long-haul arrivals rose 20.7% year on year to 3.1 million in January–September 2026, led by Australia (+20.1%), Canada (+17.3%) and the US (+12.3%). This outpaced Mainland growth of 14.0%, while short-haul arrivals excluding the Mainland fell 3.8%. The stronger revival of potentially higher-spending long-haul visitors improves the mix of inbound demand.

This shift may support the rebound in visitor spending. H1 tourist shopping expenditure rose 6.2% to HK$80.1 billion, although the figures do not isolate long-haul visitors' contribution. Same-day arrivals grew 20.7% to 23.4 million in January–September, versus only 1.3% growth in overnight arrivals to 17.3 million. Converting additional visits into purchases remains essential.

Outbound travel is plateauing as inbound tourism recovers. A levelling-off in resident departures could slow further spending leakage north of the border and ease pressure on local catchments. It does not yet establish a fall in northbound spending. Together, improving visitor spending and less incremental outbound pressure offer a more supportive backdrop for retailers.

NUMBER OF SAME-DAY AND OVERNIGHT VISITORS, 2018 TO SEPTEMBER 2026



Jan-Sep 2026 YoY

+20.7%

Sameday Visitors' figures (23.4M Visitors)

Jan-Sep 2026 YoY

+1.3%

Overnight Visitors' figures (17.3M Visitors)

Source: Hong Kong Tourism Board; Savills Research & Consultancy

EXPERIENCE-LED CONCEPTS BROADEN THE LEASING POOL

Luxury remains an important anchor, but leasing demand is becoming more diverse.

Core landlords are adding accessible, aspirational F&B, wellness and athleisure alongside established luxury brands.

Elsewhere, toys, collectibles and interactive formats are turning shopping trips into destination visits.

LEASING DEMAND AND RENTAL RESILIENCE

Indicator	Prime / core retail	Shopping-centre market
Q3 2026 rental movement (QoQ)	0.0% prime street shops	-1.3% major shopping centres
Regional rental change	All four street districts unchanged	HK Island -1.0%; Kowloon -0.5%
Weakest regional reading	Prime street rents hold steady	New Territories -2.5%
Leasing demand	Luxury, lifestyle F&B and wellness	Hobby retail and interactive formats
Asset positioning	Flagships and destination appeal	Access, catchment and tenant mix

Source: Savills Research & Consultancy

HOBBY RETAIL EXPANDS INTO CLUSTERS AND DESTINATION STORES

Hobby retail merits attention as toy and collectible operators expand into larger destinations and upper floors. The Angle's 7/F cluster pools collector traffic, while BLOKEES' first Hong Kong brand store at T.O.P reinforces the mall's anime and licensed-character offer.

POP MART's K11 enlargement and apm MOLLY flagship show expansion through larger mall units. THE GUNDAM BASE combines retail with workshops on The Twins' 8/F. In Central, t.o.y.c and Sanrio extend the model across multi-level buildings, with permanent anchors and rotating attractions.

HKTCG's whole-floor iSQUARE venue takes the sector into much larger space. Together, these examples broaden leasing demand beyond small hobby shops. Clustering, interactive experiences and specialist audiences can support destination visits, although access, catchment and operator strength remain critical to sustainable trading.

HOBBY RETAIL EXPANSION: SELECTED FORMATS AND LOCATIONS

Operator / destination	Location	Expansion / format	Leasing relevance
The Angle	Kwun Tong, 7/F	Six-operator hobby cluster	Shared collector traffic
BLOKEES	T.O.P, Mong Kok	First HK brand store, Sep 2026	Own retail / anime hub
POP MART	K11 Art Mall, TST	Enlargement; reopening TBC	Larger prime-mall footprint
POP MART MOLLY	apm, Kwun Tong	Two units; opened Apr 2026	Suburban IP flagship
THE GUNDAM BASE	The Twins, 8/F	~4,500 sq ft + workshops	Upper-floor anchor
t.o.y.c	8 Cochrane St, Central	~4,000 sq ft; seven levels	Whole-block destination
Sanrio / C.T.A.	30 Wellington St, Central	Permanent retail + pop-ups	Activates small upper floors
HKTCG	iSQUARE, 2/F	~22,000–26,000 sq ft	Whole-floor card destination

Source: Savills Market Intelligence

ACTIVATIONS NEED A SPENDING MECHANISM

New Town Plaza's LEGO World Cup campaign recorded landlord-reported increases of 10% in footfall and 12% in sales.

Receipt-linked games, themed offers and complementary F&B helped connect entertainment with transactions.

The leasing implication is to assess measurable tenant benefits, rather than crowd size alone. These results do not establish causation or market-wide performance.

NEW TOWN PLAZA CAMPAIGN: LANDLORD-REPORTED RESULTS

FOOTFALL
+10%
Landlord-reported campaign result

SALES
+12%
Landlord-reported campaign result

LEASING FOCUS
Spend
Assess measurable tenant benefits

Source: Landlord-reported campaign results; Savills Research & Consultancy

CENTRAL YARDS AND NEW SUPPLY RAISE THE BAR FOR RETAIL POSITIONING

Central Yards illustrates how proactive landlords can create a distinctive retail destination. On 12 October, Henderson Land announced that KIM JONES will open its first global flagship there in 2027. The approximately 4,000 sq ft duplex will anchor Phase 1's 300,000 sq ft retail offer. Around 100 first-to-market concepts are planned, combining fashion and lifestyle with dining. Phase 2 is scheduled for 2032, adding 490,000 sq ft of retail space.

The significance extends beyond one designer. A global debut, bespoke store formats and an indoor-outdoor harbourfront setting give customers reasons to visit beyond a familiar tenant list. Such active curation could redraw Hong Kong's retail destinations and intensify competition for flagship tenants. The challenge becomes sharper as approximately 8.0 million sq ft of shopping-centre supply is scheduled from 2026 onward. Newness alone will not ensure sustained spending or rental growth.

Upcoming malls should define their role around location, access and the customers they can serve best. The pipeline spans The Angle, Cullinan Sky Mall and Stage IGC in 2026, followed by 11 SKIES and 33 Clear Water Bay in 2028 and Kiu Tau Wai in 2030. These schemes need distinct propositions, rather than a uniform luxury or entertainment formula. Existing malls will also need selective refurbishment and a clearer reason for customers to return.

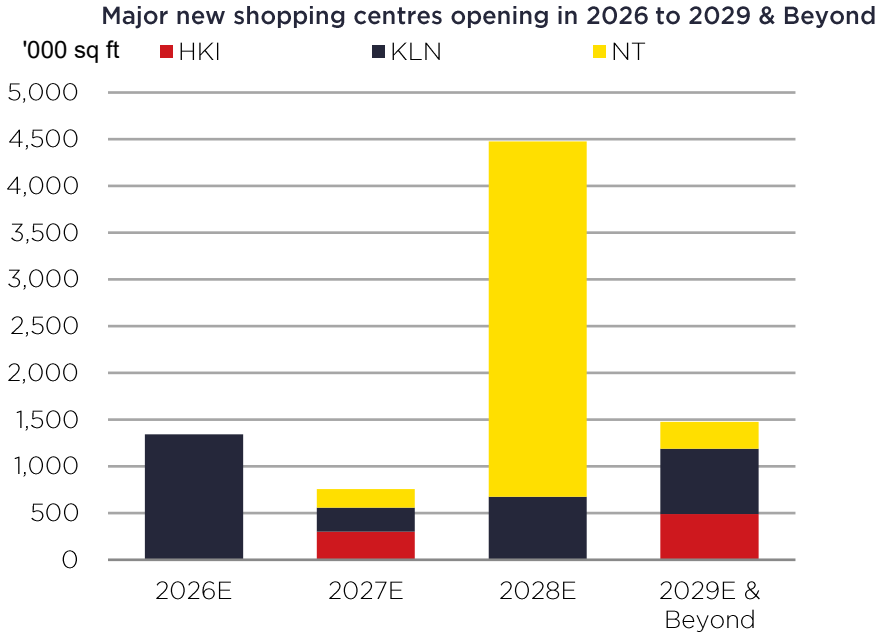
Source: Henderson Land, 12 October 2026; Savills Research & Consultancy

POSITIONING MUST REFLECT EACH LOCATION'S STRENGTHS

Central and other prime destinations can build on international visibility and affluent catchments through distinctive flagships, design and dining. Harbourfront space can support a longer visit, provided the retail offer converts that time into spending.

Emerging districts can use destination anchors and activities to attract visitors while building repeat local demand. Airport and transport-led schemes should match their offer to traveller dwell time, accessibility and a credible resident catchment.

Suburban malls should prioritise recurring household needs, family leisure and convenient services, with selective hobby or dining anchors where demand supports them. Across locations, sustainable tenant sales and repeat visits matter more than novelty or headline footfall.



Source: Company annual reports; Savills Research

Q4/2026 Rental forecasts		
Prime Street Shops	Major Shopping Centre	Suburban Retail
0% to +3%	0% to -3%	0% to -5%

Source Savills Research & Consultancy

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