

# Hong Kong Property Market Monitor

## Lai Sun sells 10% interest in AIA Central for HKD 1.42 billion

### Office

- In April, the overall market recorded a positive net absorption of 248,000 sq ft, mainly due to realisation of owner-occupied space in the completion of 1 Stubbs Road in Wanchai. Among new lettings, China Mobile Hong Kong leased two floors of 47,400 sq ft (GFA) at Kowloon Commerce Centre Tower A in Kwai Chung, to expand within the building.
- The overall vacancy rate retreated to 13.0% as at end-April. Central and Hong Kong East's vacancies rose marginally by 0.1 and 0.3 percentage points, respectively, while vacancy in Wanchai / Causeway Bay and Kowloon East dropped 0.2 and 0.3 percentage points, respectively.
- Overall net effective rent dropped further by 0.4% m-o-m in April. Among the major office submarkets, rents in Central and Hong Kong East dropped further by 0.2% and 0.9%, respectively, while both Tsimshatsui and Kowloon East's rentals dropped by 0.4%.
- Lai Sun Development had agreed to sell 10% equity interest of Bayshore Development, which entirely holds AIA Central, for an initial consideration of HKD 1.42 billion to AIA Group Limited. Upon transaction completion at the end of May 2024, the buyer will hold 100% interest of the building.



#### Grade A Office Vacancy (end- April 2024)

Overall	13.0%
Central	10.7%
Wanchai / Causeway Bay	10.2%
Hong Kong East	13.5%
Tsimshatsui	9.4%
Kowloon East	17.7%

Source: JLL



[View available listings for lease](#)

#### Major Office Leasing Transactions (April 2024)

Property	Monthly Rental (HKD per sq ft)	Area (sq ft)
<b>Kowloon Commerce Centre Tower A</b> (High zone)	Mid 20s	47,400 (G)
<b>12 Taikoo Wan Road</b> (Mid-zone)	High 20s	25,700 (L)
<b>83 King Lam Street</b> (High-zone)	Mid-high 10s	23,600 (G)

Source: Market Sources

<b>50.4</b>	<b>-0.4%</b>	<b>248,000</b>
Average Monthly Rent (Apr 24, HKD per sq ft)	Rental Growth (Apr 24, m-o-m)	Net Absorption (Apr 24, sq ft)

Source: JLL

## Residential

- The transaction volume in April rose to 3,636 units in the primary market and 4,915 units in the secondary market, respectively, resulting in the total volume increasing by 115.3% m-o-m. In April, mass residential capital values continued to rebound by 0.9% m-o-m.
- The decline of home prices in the secondary market has halted, at least for now, yet the primary market remains in a fierce price war. Several primary projects launched after the removal of cooling measures, including 'Onmantin' and 'Yoho Hub', were offered at discounts exceeding 20% compared to nearby comparable projects launched when cooling measures were still in place.
- Aggressive pricing has facilitated a strong sell-through rate in new project launches. 'Onmantin (Phase IIB)' in Homantin offloaded 462 out of 508 units in the first two rounds. 'Topside Residences' in Yau Ma Tei offloaded 85 out of 104 units in the first round.
- Among major luxury sales transactions, a house at 'Mont Verra' in Shek Kip Mei was sold for HKD 1,000.0 million or HKD 86,289 per sq ft, SA.

77.5	8,551	3,636	4,915	0.9%
<b>Total Residential S&amp;P Value</b>	<b>Total Residential S&amp;P Volume</b>	<b>Primary S&amp;P Volume</b>	<b>Secondary S&amp;P Volume</b>	<b>Mass Capital Value Growth</b>
(Apr 24, HKD B)	(Apr 24)	(Apr 24)	(Apr 24)	(Apr 24, m-o-m)

Source: The Land Registry, JLL

## Retail

- Total retail sales dipped by 7.0% y-o-y in March, the first decline recorded since the borders reopened last year. Among the major retail categories, sales of "supermarkets" and "clothing, footwear and allied products" retreated by 3.4% and 16.7% respectively, while sales decline of "jewellery, watches and clocks, and valuable gifts" widened to 17.7%. Meanwhile, online sales slid by 10.7%, resulting in a 7.8% share to total retail sales.
- Restaurant receipts in 1Q24 rose by 2.3% y-o-y. Among the types of restaurants, "bars" was the only category that recorded negative receipts growth, down by 17.8%.
- With 3.4 million visitor arrivals in March, total inbound visitation in 1Q24 amounted to 11.1 million, which is about 72% of the volume in 1Q18 (pre-pandemic level).
- There was a gradual improvement of leasing sentiment in the luxury sector. Notably, Franck Muller has committed to lease a G-M/F shop unit (2,482 sq ft) at New World Tower in Central for a reported monthly rental of about HKD 400,000, which is a 33% increment from the rent of the lease by the last tenant, APM Monaco. Meanwhile, Louis Vuitton recently returned to Times Square at a G-1/F composite shop unit (12,000 sq ft) since their withdrawal from the mall three years ago.
- In Jordan, the G-1/F retail podium (7,856 sq ft of total salable area) of the Austine Place was sold for HKD 148.8 million (HKD 18,941 per sq ft SFA) by Hanison Construction to Shun Hing Holdings Company Limited, with completion expected by July this year. The property has been left vacant since the withdrawal of an educational group three years ago.

38.6%	24.9%	-7.0%
[3,401,991 persons]	[2,462,406 persons]	[31,191 HKD mln]
<b>Visitor Arrivals</b>	<b>PRC Visitor Arrivals</b>	<b>Retail Sales</b>
(Mar 24, y-o-y)	(Mar 24, y-o-y)	(Mar 24, y-o-y)

Source: Hong Kong Tourism Board, Census and Statistics Department



[View available listings for sale](#)

### Major Residential Sales Transactions (April 2024)

Property	Price (HKD million)	Unit Rate (HKD per sq ft)
<b>Mont Verra</b> (Mansion B)	1,000.0	86,289 (SA)
<b>Cullinan Harbour</b> (SKYPLEX, 27-28/F)	230.4	73,000 (SA)
<b>Mont Verra</b> (Unit A, 3/F)	225.0	49,375 (SA)

Source: EPRC, SRPE, Market Sources



### Major Retail Leasing Transactions (April 2024)

Property	Monthly Rental (HKD per sq ft)	Area (sq ft)
<b>New World Tower</b> (Shop 18A on G/F, with M/F, 16-18 Queen's Rd C)	161	2,482 (G)
<b>Parker House</b> (G/F, 72 Queen's Rd C)	203	1,720 (G)
<b>8 Kai Chiu Rd</b> (Shop 8, G/F, 8 Kai Chiu Rd)	335	1,491 (G)

Source: Market Sources

## Industrial

- Total trade recorded a meager growth of 5.0% y-o-y in March, with imports and total exports rising by 5.3% and 4.7%, respectively.
- Tesla reportedly leased the ground floor (27,824 sq ft, GFA) of YKK Building Phase I in Tuen Mun as a maintenance and service centre, adding to the existing service centre on the ground floor of YKK Building Phase III in the same precinct.
- Two notable transactions were recorded in April. The Sincere Company sold a basket of units in Gemstar Tower in Hung Hom for HKD 210.0 million (HKD 5,214 per sq ft, GFA) with a sales-and-leaseback option at a monthly rent of HKD 400,000 for six months. Meanwhile, Brookfield (RedBox Storage) expanded its portfolio of self-storage facilities by acquiring a floor in Well Town Industrial Building in Yau Tong with a total consideration of HKD 84.5 million (HKD 3,841 sq ft, GFA).
- Benefiting from the New Capital Investment Entrant Scheme and Top Talent Pass Scheme, Soundwill Holdings stated that the enquiries from non-local investors saw a surge of about 50% regarding their latest modern industrial project, iCity Tower 2 in Kwai Chung. The developer is currently collaborating with some immigration agencies with 90 workshops exclusively reserved for these non-local potential buyers.



### Major Industrial Sales Transactions (April 2024)

Property	Price (HKD million)	Unit Rate (HKD per sq ft)
<b>Gemstar Tower</b> (Unit A-H, 12/F)	210.0	5,214 (G)
<b>Well Town Industrial Building</b> (6/F)	84.5	3,841 (G)
<b>Cardinal Industrial Building</b> (Unit 3, G/F)	38.0	7,938 (G)

Source: EPRC, Market Sources



### Key Economic Indicators

<b>Real GDP Growth<sup>1</sup></b> (1Q24, y-o-y)	2.7%
<b>Unemployment Rate<sup>2</sup></b> (Jan 24 – Mar 24)	3.0%
<b>Composite Consumer Price Index Growth</b> (Mar 24, y-o-y)	2.0%
<b>Hang Seng Index</b> (end Apr 24)	17,763 pts (7.4% m-o-m)
<b>HSBC Best Lending Rate</b> (Apr 24)	5.875%
<b>HKAB 1-month HIBOR</b> (end Apr 24)	4.30%

<sup>1</sup> Revised figure

<sup>2</sup> Provisional figure

Source: Census and Statistics Department, HSI Company Limited, Hong Kong Monetary Authority

**5.3%**
**Imports**

(Mar-24, y-o-y)

**4.7%**
**Total Exports**

(Mar-24, y-o-y)

**15.1%**
**Air Freight Cargo**

(Mar-24, y-o-y)

**-10.6%**
**Container Throughput**

(Mar-24, y-o-y)

**5.0%**
**Aggregate Trade**

(Mar-24, y-o-y)

Source: Census and Statistics Department, Civil Aviation Department, Hong Kong Maritime and Port Board

### Cathie Chung

Senior Director,  
Research, Hong Kong  
[cathie.chung@jll.com](mailto:cathie.chung@jll.com)  
+852 2846 5237

### Matthew Sham

Senior Analyst,  
Research, Hong Kong  
[matthew.sham@jll.com](mailto:matthew.sham@jll.com)  
+852 2846 5013

Check out the latest commercial real estate trends & insights

[Learn more](#)

#### JLL Hong Kong

7/F, One Taikoo Place, 979 King's Road, Hong Kong  
Tel +852 2846 5000  
Fax +852 2845 9117

[jll.com.hk](http://jll.com.hk)

Company Licence No. C-003464

This publication is the sole property of Jones Lang LaSalle IP, Inc. and must not be copied, reproduced or transmitted in any form or by any means, either in whole or in part, without the prior written consent of Jones Lang LaSalle IP, Inc. The information contained in this publication has been obtained from the various sources acknowledged. The information is from sources we deem reliable, however no representation is made, or warranty given, in respect of the accuracy of this information. Jones Lang LaSalle does not accept any liability in negligence or otherwise for any loss or damage suffered by any party resulting from reliance on this publication.