

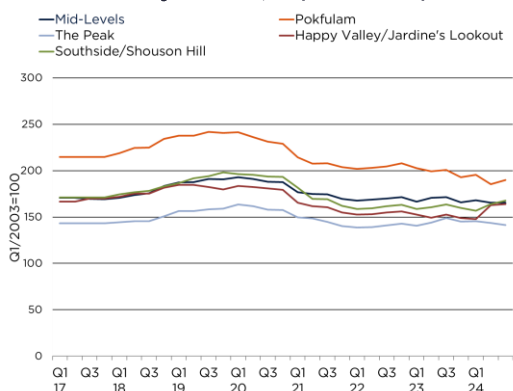
RESIDENTIAL LEASING



“ Some intra and inter-district relocations are noted in Q2 with traditional leasing stock being either renovated or stratified, while newcomers favouring emerging districts across the harbour with newer developments. ”

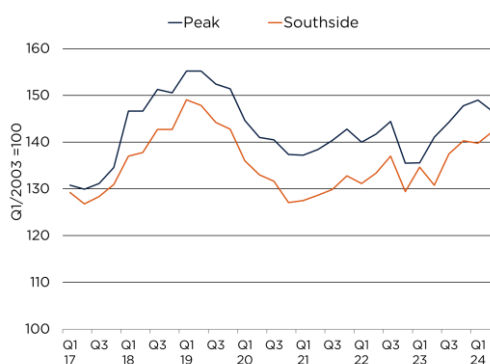
JACK TONG, SAVILLS RESEARCH & CONSULTANCY

GRAPH 1: Hong Kong Island Luxury Rental Indices by District, Q1/2017 - Q2/2024



Source Savills Research & Consultancy

GRAPH 2: Townhouse Rental indices, Q1/2017 - Q2/2024



Source Savills Research & Consultancy

TABLE 1 : Savills Residential Rental Indices, Q1/2024 vs Q2/2024

	Q1/2024 (QoQ%)	Q2/2024 (QoQ%)
Luxury Apartments – Hong Kong Island	-1.0%	+0.6%
Luxury Apartments – Kowloon	+1.0%	+2.7%
Luxury Apartments – New Territories	+0.6%	-0.6%
Townhouses	+0.1%	+0.6%
Serviced Apartments	+2.0%	-0.5%

TABLE 2: Mid-Levels, The Peak and Southside Notable Transactions, Q2/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK\$ per month (incl. mgt. & rates)	HK\$ per sq ft saleable
Jardine's Lookout	House	19 Cooper Road	7,727	720,000	93
Southside	House	House E, 42 Island Road	4,539	450,000	99
Mid-level	Apartment	8 Kennedy Terrace	2,890	300,000	104
Southside	Apartment	8 Deep Water Bay Drive	3,302	260,000	79
Southside	House	63 Deep Water Bay Rd	2,838	229,000	81

Source Savills Research & Consultancy

In Q2 2024, we observed a surge in relocations within the Southside area, primarily driven by the extensive renovations of numerous leasing properties in the Pacific View development. Both local residents and expatriates fled the building, seeking alternative leasing options such as 127 Repulse Bay Road, The Lily and The Repulse Bay, with budgets ranging from HK\$80,000 to HK\$100,000.

Savills Team
Please contact us for further information

Residential Services

Sdever Li
Director
+852 2842 4551
sli@savills.com.hk

Research

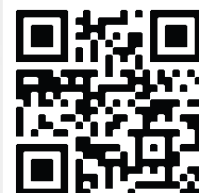
Jack Tong
Director
+852 2842 4213
jtong@savills.com.hk

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.



Additionally, we noted that some long-term tenants from the Mid-Levels district were forced to relocate due to the stratification of certain leasing developments. These tenants favored moves to the Southside, as they could secure larger apartments within similar budgets and, in many cases, enjoy better views.

The banking industry, particularly the private banking sector, witnessed a gradual return of expatriate professionals, primarily at the management level. However, their budgets have diminished significantly, from the pre-COVID range of HK\$80,000 to HK\$100,000 to the current HK\$30,000 to HK\$50,000.

This shift reflects a cautious approach by these banks regarding short-term business prospects. The new arrivals hail from Europe, India, and Southeast Asia, typically on 2 to 3-year contracts.

For Mainland talents, predominantly working in wealth management and related fields, with mid-range budgets of around HK\$20,000 to HK\$40,000, they favored new developments on the Kowloon side, ranging from Kowloon to Nam Cheong Station. Additionally, there was a cohort of Mainland newcomers on 1 to 3-month contracts, working across various industries, who were more likely to reside in flexible accommodations such as co-living spaces managed by Weave Living or Townplace in SOHO, Kennedy Town and Cheung Sha Wan.

The leasing market looks set to endure more fluctuations and disparities with the diversified tenant profile and inter-district movements shifting market dynamics among different segments.

GRAPH 3: Kowloon and New Territories Luxury Rental Indices by District, Q1/2017 – Q2/2024

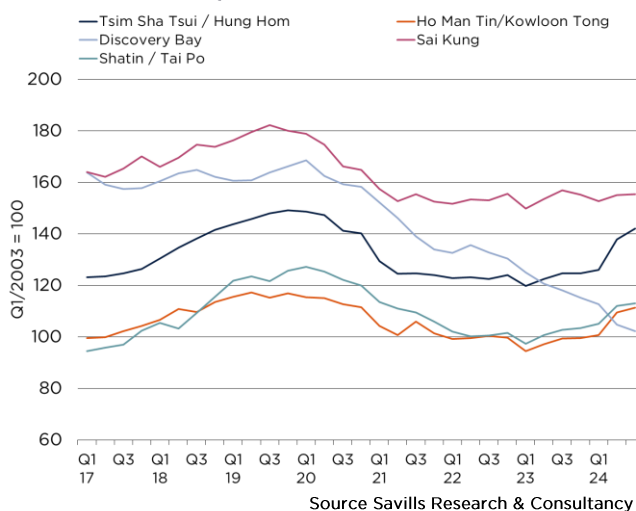


TABLE 3: Kowloon Notable Transactions, Q1/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK\$ per month (incl. mgt. & rates)	HK\$ per sq ft saleable
Kowloon Station	Apartment	The Harbour Side	1,807	105,000	58
Kowloon Station	Apartment	The Cullinan	1,391	90,000	65
Kowloon Station	Apartment	The Cullinan	1,262	80,000	63
Kowloon Station	Apartment	Sorrento	1,344	73,000	54
Kowloon Station	Apartment	The Harbour Side	1,173	65,000	58
Kowloon Station	Apartment	The Grand Austin	1,295	63,800	49

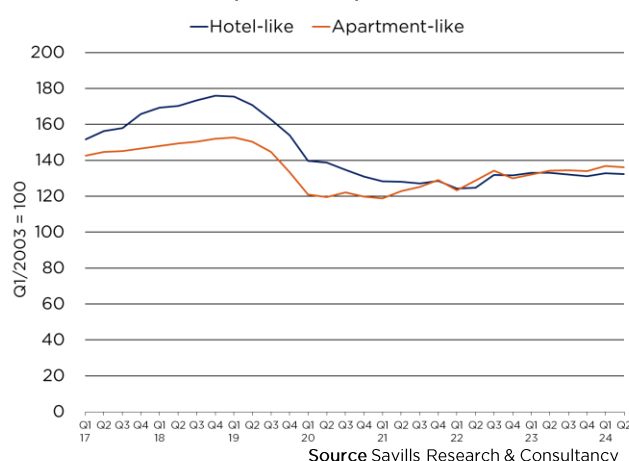
Source Savills Research & Consultancy

TABLE 4: New Territories Notable Transactions, Q1/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK\$ per month (incl. mgt. & rates)	HK\$ per sq ft saleable
Sai Kung	Apartment	Mount Pavilia	2,947	120,000	41
Discovery Bay	Apartment	Positano	1,760	58,000	33
Discovery Bay	House	Headland Village PH1	1,889	58,000	31
Sai Kung	Apartment	Marina Cove	1,406	49,000	35
Discovery Bay	Apartment	Siena One	1,326	42,000	32
Discovery Bay	Apartment	Crestmont	1,436	39,500	28

Source Savills Research & Consultancy

GRAPH 4: Serviced Apartment Rental indices, Q1/2017 – Q2/2024



Source Savills Research & Consultancy

SERVICED APARTMENTS

The serviced apartment market, facing competition from both leasing and co-living products, experienced a slightly challenging quarter. However, demand remained solid, with low to mid-budget Mainland talents continuing to arrive. Many landlords opted to forgo rental increments in an effort to boost occupancy rates, which have hovered around 70% since the start of the year.