

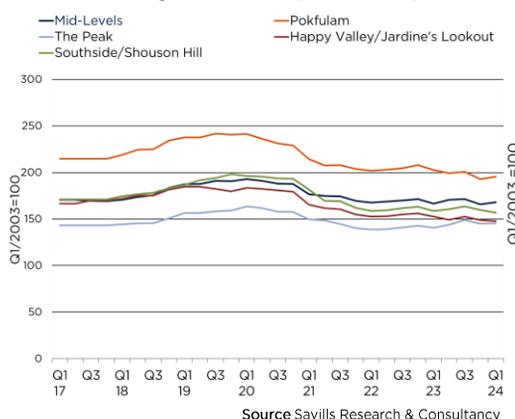
# RESIDENTIAL LEASING



“ Structural shift of tenant profile is likely to continue in 2024 with a transition from expats to Mainland tenants, and both corporate and individual landlords should be well prepared for this change. ”

JACK TONG, SAVILLS RESEARCH & CONSULTANCY

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



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

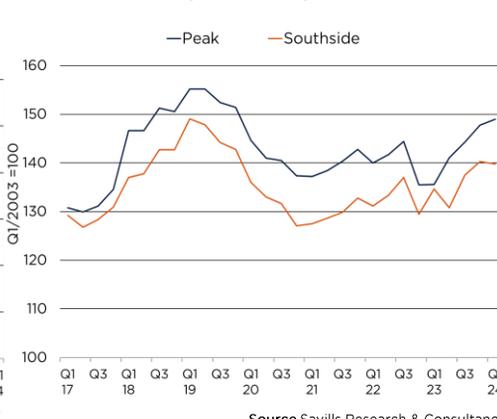


TABLE 1 : Savills Residential Rental Indices, Q4/2023 vs Q1/2024

	Q4/2023 (QoQ%)	Q1/2024 (QoQ%)
Luxury Apartments – Hong Kong Island	-0.5%	-1.0%
Luxury Apartments – Kowloon	+1.9%	+1.0%
Luxury Apartments – New Territories	-0.6%	+0.6%
Townhouses	+2.1%	+0.1%
Serviced Apartments	-0.6%	+1.0%

TABLE 2: Mid-Levels, The Peak and Southside Notable Transactions, Q1/2024

District	Unit Type	Address	Saleable Area (sq ft)	HK\$ per month (incl. mgt. & rates)	HK\$ per sq ft saleable
The Peak	House	9 Coombe Road	5,149	738,000	143
The Peak	House	9 Coombe Road	4,897	688,000	140
Mid-level	Apartment	Mount Nicholson PH2	4,214	560,000	133
Southside	House	Three Bays	3,021	200,000	66
Mid-level	Apartment	Altamira	2,303	160,000	69

Source Savills Research & Consultancy

The luxury residential leasing market in Q1/2024 was subdued due to the slow return of expatriates and layoffs in several investment banks, further dampening the already weak market sentiment. The expatriates who were seeking new homes in Hong Kong mainly originated from Southeast Asia and had mid-range budgets ranging from HK\$40,000 to HK\$80,000.

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.

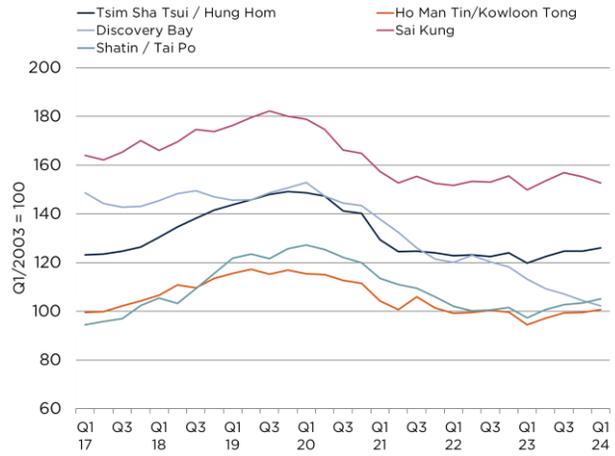


During the quarter, local and Mainland tenants were the more active segments, but each category had its own limitations. Local tenants primarily consisted of existing renters who moved from one apartment to another or downgraded to a less desirable location, while maintaining similar budgets. No new local demand was observed. Mainland tenants, although some were newcomers to the city, typically had low to mid-range budgets ranging from HK\$40,000 to HK\$50,000. They were seeking new developments with pre-installed furnishings and preferred convenient locations with access to the Mass Transit Railway (MTR). In Q1, the majority of these new Mainland tenants came from buy-side/fund houses or the trading industry.

The positive news for the quarter was that the number of available leasing properties was also limited. There were very few apartments/houses priced over HK\$200,000 on the market, and most high-budget properties (over HK\$500,000) were quickly rented by Mainland senior executives. As a result, luxury residential rents remained relatively stable throughout the quarter.

Looking ahead, landlords must prepare for the ongoing structural shift in tenant profiles, which involves a transition from expatriates to Mainland tenants and a shift within the expatriate population from the US/Europe to Asia. Landlords should anticipate these changes by adapting their fit-outs, service offerings, and budget expectations to attract and retain tenants.

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



Source Savills Research & Consultancy

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 Austin	2,694	165,000	61
Kowloon Station	Apartment	Harbour Pinnacle	1,968	130,000	66
Kowloon Station	Apartment	The Waterfront	1,941	100,000	52
Kowloon Station	Apartment	The Cullinan	1,377	89,000	65
Kowloon Station	Apartment	The Waterfront	1,680	78,000	46
Kowloon Station	Apartment	The Austin	1,349	75,000	56

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	2,619	100,000	38
Discovery Bay	House	Headland Drive	2,094	95,000	45
Tai Po	Apartment	Providence Bay	2,297	85,000	37
Sai Kung	Apartment	Marina Cove	1,323	63,000	48
Tai Po	Apartment	Providence Bay	1,706	53,000	31
Discovery Bay	Apartment	Amalfi One	1,462	48,000	33

Source Savills Research & Consultancy

SERVICED APARTMENTS

According to a government survey, over half of the Mainland talents who arrived in Hong Kong through the Top Talent Pass Scheme (TTPS) secured employment with a median income of HK\$50,000. Many of these individuals were singles or couples, and due to their income levels, initially settled in co-living apartments or low-budget apartments with lease terms ranging from 6 months to 1 year and budgets around HK\$10,000 to HK\$15,000.

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



Source Savills Research & Consultancy