July 2026: Hong Kong Residential Monitor

# Momentum behind sales market activity now cooling although price growth remains firm

- House prices continue to rise across all regions
- Tenant demand remains solid, driving further growth in rents
- Sales activity and buyer demand indicators cool from earlier highs but remain in positive territory

The July 2026 edition of the RICS Hong Kong Residential Property Monitor continues to portray a solid market backdrop, although momentum does appear to be cooling after a particularly strong period reported earlier in the year. While prices and rents continue to rise, sales activity and buyer demand growth have lost some impetus in recent months. Reflecting this, the Confidence Index (Chart 1) now stands at +12, down from +30 in June, in keeping with the more modest tone across much of the sales market data.

**Sales activity still positive, though momentum eases**

New buyer enquiries posted a net balance of +15% in July, signalling that demand remains positive but is cooling from the buoyant picture seen earlier in the year. Owner-occupier enquiries led with a net balance of +16%, while the net balance for investor demand stood at +6% and the reading for mainland buyer enquiries was broadly flat at -1%. At the aggregate level, the agreed sales indicator remained positive at a net balance of +24%, albeit this is the least elevated reading since late 2025. The New Territories recorded a net balance of +33%, Kowloon +22%, and Hong Kong Island +6%.

Instructions to sell rose, according to a net balance of +35% of respondents, representing the strongest reading since 2024 and suggesting a growing willingness among vendors to test the market in the current price environment.

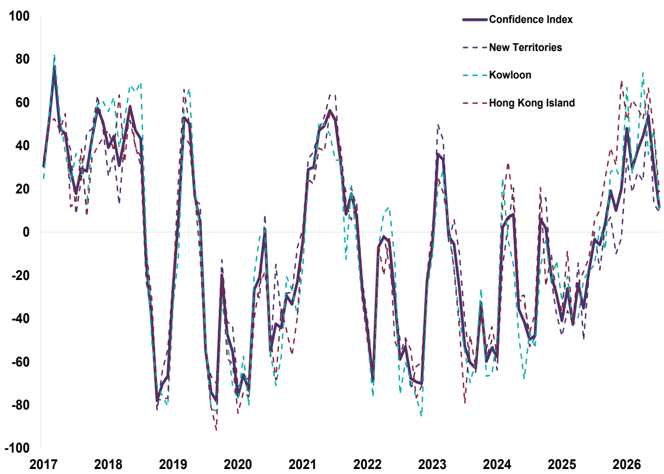
**House prices continue to rise across all regions**

House prices continued to rise in July, with the headline net balance at +56%, while positive readings were once again posted across all regions. Indeed, Hong Kong Island registered a net balance of +74%, Kowloon +56%, and the New Territories +50%. While the pace of growth, in net balance terms, has moderated over the past couple of months, the latest readings remain consistent with prices continuing to move higher. That said, it is worth noting that three-month price expectations eased to a net balance of +13%, aligning with the narrative that respondents are anticipating a more measured pace of price growth in the near term.

**Rents continue to rise**

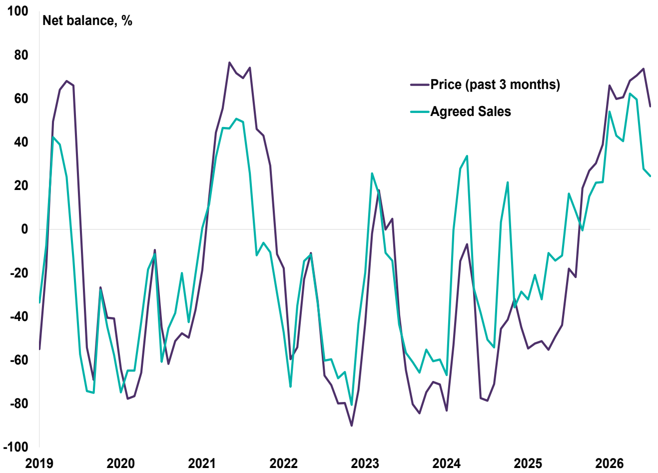
In the lettings market, the tenant demand series continues to post positive readings, with the latest net balance coming in at +31%. Again, while this is less elevated than in previous months, it still signals a solid demand backdrop. Alongside this, rental growth expectations point to further expansion in rental prices over the near-term, standing at a net balance of +28%. Over the next twelve months, respondents are pencilling in just under 3% growth in rents at the headline level, although this is more modest than the projections of 3.3% and 4.3% returned in the previous two reports. Likely contributing to the slower expected growth profile for rents, landlord instructions have picked up in recent months, with a net balance of +40% of contributors reporting an increase this time around, the strongest reading since February 2023.

## Chart 1: Confidence Index

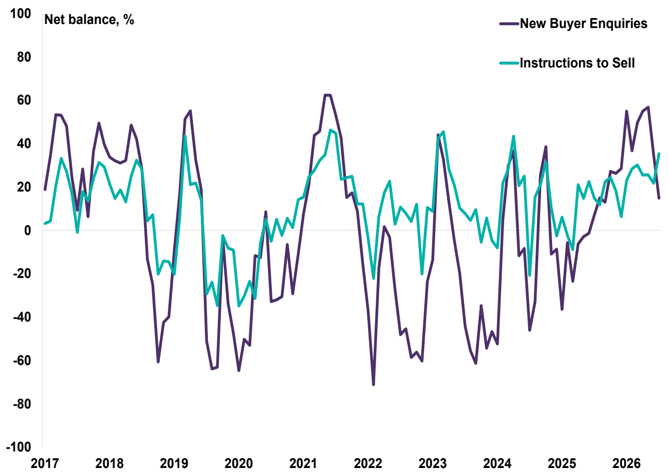



*The Confidence Index is a composite measure capturing overall market momentum, encompassing variables on short-term price and sales expectations.

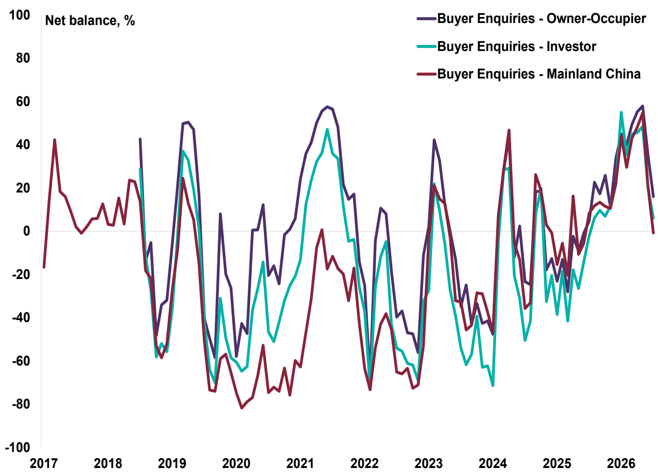
## Chart 2: Current price and agreed sales



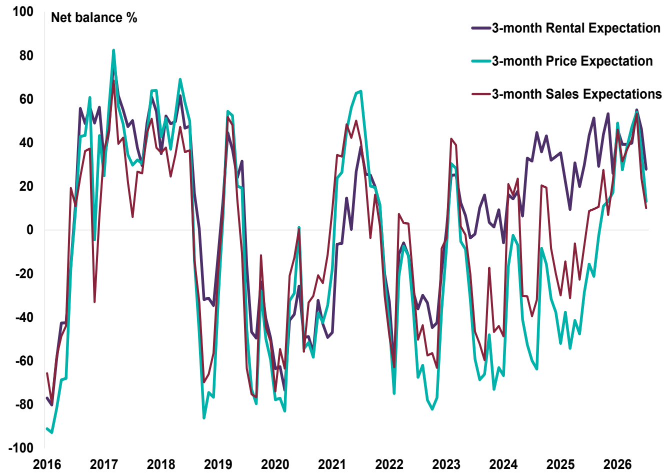

## Chart 3: Buyer enquiries and instructions to sell



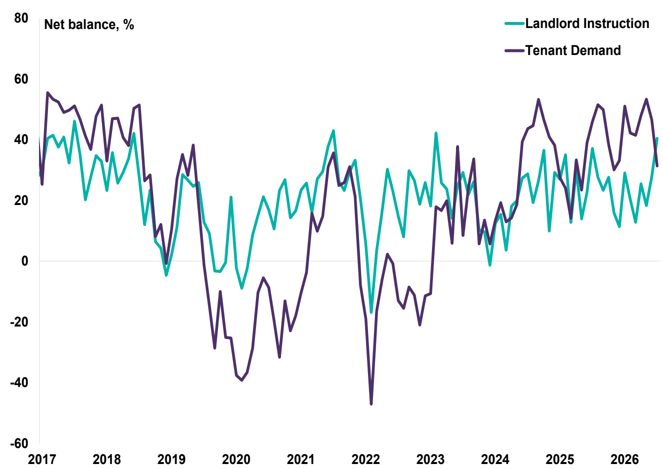

## Chart 4: New buyer enquiries by type



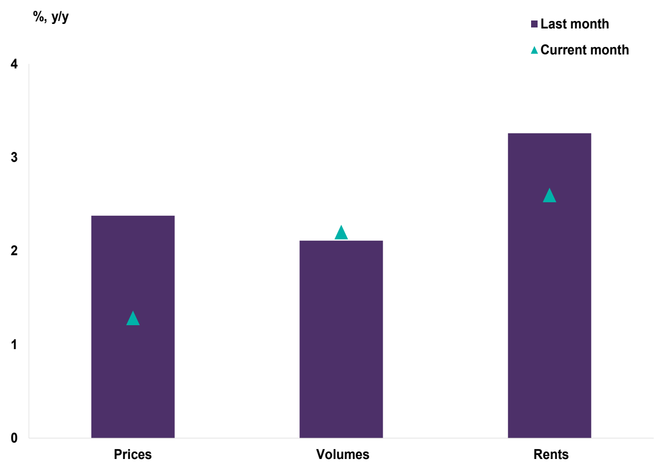

## Chart 5: 3-month rent/price/sales expectations




## Chart 6: Tenant demand and landlord instructions




## Chart 7: 12-month expectations



# Comments from survey participants in Hong Kong

Developers resuming interest in land bank reserve has had a positive impact to property market. - Kowloon

Govt action to provide more land sale availability.- Hong Kong Island

Political tension between China and US and also the monetary policy of China. - New Territories

Business is slow. - Hong Kong Island

Coming announcement by government on more facilitating measures in Northern District Development.- Kowloon

# Information

## Hong Kong Residential Monitor:

The RICS Hong Kong Residential Monitor is a monthly guide to the trends in Hong Kong's housing market. The report is available from the RICS website www.rics.org/economics along with other surveys covering global housing, commercial and land markets, as well as construction activity.

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## Methodology:

National (headline) data are a regionally-weighted aggregation of three regions: New Territories, Kowloon and Hong Kong Island. Data is not seasonally adjusted.

Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall. For example, if 30% of respondents report a rise and 5% report a fall, the net balance will be 25%.

The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises). Net balance data is opinion based; it does not quantify actual changes in an underlying variable.

Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).

The Home Price Perceptions Index measures the perceived monthly change in home prices as reported by survey participants, where March 2015=100. The Rent Perceptions Index measures the perceived monthly change in rents as reported by survey respondents, where March 2019=100.

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